# Congressional Record

CONTAINING

THE PROCEEDINGS AND DEBATES

OF THE

# FIRST SESSION

OF THE

# SIXTY-FOURTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

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SIXTY-FOURTH CONGRESS,
FIRST SESSION.

## VOLUME LIII, PART 8.

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# Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-FOURTH CONGRESS, FIRST SESSION.

## SENATE.

WEDNESDAY, *May 3, 1916.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we pray for divine guidance in the discharge of the duties of this day. We would not follow those paths that at last reveal our folly and the necessity of retracing our steps. We would keep pace with the onward progress of mankind. We know the only path that we shall not have to retrace is the path that leads to God, the author of our being, the judge of all men, the governor of the universe, the lover of the souls of men. Do Thou, O God, guide us this day in the paths of righteousness. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

### THE FOREIGN TRADE (S. DOC. NO. 426).

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, a summary of the facts and recommendations embodied in the detailed report of the commission's investigation into trade conditions in and with foreign countries where associations, combinations, or other conditions may affect the foreign trade of the United States, which, with the accompanying paper, was referred to the Committee on Finance and ordered to be printed.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with amendments, in which it requested the concurrence of the Senate; that the House insists upon its amendments, asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and had appointed Mr. JONES, Mr. GARRETT, and Mr. TOWNER managers at the conference on the part of the House.

The message also announced that the House agrees to the amendments of the Senate to the bill (H. R. 759) to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereon.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12207) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 4856) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, disagreed to by the Senate, agreed to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. FULLER managers at the conference on the part of the House.

### ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 8067. An act to quiet the title to certain lands in the possession of G. B. Dickson, and for other purposes; and

H. R. 10750. An act permitting the Mondak Bridge Co. to construct, maintain, and operate a bridge across the Missouri River, in the State of Montana.

### PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a petition of the congregation of the Immanuel Lutheran Church, of Rock Island, Ill., praying that the United States remain at peace, which was referred to the Committee on Foreign Relations.

Mr. JOHNSON of South Dakota presented a memorial of sundry citizens of Davis, S. Dak., remonstrating against the severance of diplomatic relations with Germany, which was referred to the Committee on Foreign Relations.

Mr. PHELAN presented memorials of sundry citizens of Bakersfield, Rosamond, San Diego, and Mojave, all in the State of California, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions of the Outdoor Art League, of San Jose; the Woman's Civic Club of Fortuna; and of the California State Federation of Women's Clubs, all in the State of California, praying for the establishment of a national park service, which were referred to the Committee on Appropriations.

Mr. GALLINGER presented petitions of sundry citizens of New Hampshire, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of Captain Ira Stowell Camp, No. 10, United Spanish War Veterans, of New Port, N. H., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

He also presented a petition of Mount Prospect Council, No. 16, Junior Order United American Mechanics, of Plymouth, N. H., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. THOMPSON presented a petition of sundry citizens of Pittsburg, Kans., praying for the enactment of legislation to grant pensions to employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Pomona Grange, Patrons of Husbandry, of Olathe, Kans., praying for the creation of a tariff commission, which was referred to the Committee on Finance.

He also presented a petition of the Utopian Club, of Gove City, Kans., praying for an investigation into the conditions surrounding the marketing of dairy products, which was referred to the Committee on Agriculture and Forestry.

Mr. PAGE presented memorials of Pomona Grange, Patrons of Husbandry, of Castleton; of Green Mountain Grange, No. 1, Patrons of Husbandry, of St. Johnsbury; of J. S. Morrill Pomona Grange, Patrons of Husbandry, of South Royalton; of Teago Grange, No. 324, Patrons of Husbandry, of South Pomfret; and of Pomona Grange No. 295, Patrons of Husbandry, of Northfield, all in the State of Vermont, remonstrating against any change being made in the parcel-post law, which were referred to the Committee on Post Offices and Post Roads.

Mr. LANE presented memorials of sundry citizens of Oregon, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Oregon, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

Mr. WEEKS presented petitions of the Fidelia Musical and Educational Corporation, of West Roxbury; of 250 residents of Clinton; of the Schiller Verein Corps, of Clinton; of Boylston Schul Verein, of Jamaica Plain; of the Turn Verein Corps, of Clinton; of 30 citizens of Lynn; of 85 citizens of North Attleboro; of the Harugar Association, of Lawrence; of German-American Alliance of Turners Falls; of German-American Building Association of Lynn; of John Devoy Branch, Friends of Irish Freedom, of Boston; of 600 citizens of Webster and Dudley; of Lyra Singing Society, of Lawrence; of the Brohsinn Singing Society, of North Attleboro; of Celtic Association of Lowell; of Socialist Club of Holyoke; and of sundry citizens of Watertown and Cambridge, all in the State of Massachusetts, praying that the United States remain at peace, which were referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Brookline, Mass., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of the Retail Grocers and Marketmen's Association of Fall River, Mass., praying for the enactment of legislation to fix a standard price for patented and trade-marked articles, which was referred to the Committee on Education and Labor.

He also presented a memorial of the Jamaica Plain (Mass.) Indian Association, remonstrating against the enactment of legislation to change the methods of administering Indian affairs, which was referred to the Committee on Indian Affairs.

Mr. CLAPP presented memorials of sundry citizens of Becker County, Minn., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Montevideo, Minn., remonstrating against making appropriations for sectarian purposes, which was ordered to lie on the table.

Mr. WARREN presented a petition of the Wyoming Stock Growers' Association, praying for the restoration of live-stock products to the dutiable list, which was referred to the Committee on Finance.

He also presented a petition of the Wyoming Stock Growers' Association, praying for the continuance of the work of destruction of predatory wild animals on forest reserves and public lands, which was referred to the Committee on Forest Reservations and the Protection of Game.

He also presented a petition of the Wyoming Stock Growers' Association, praying for the classification and disposal of the remaining public lands, which was referred to the Committee on Public Lands.

Mr. THOMAS presented memorials of sundry citizens of Colorado, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

Mr. KENYON presented petitions of sundry citizens of Iowa, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Radcliffe, Iowa, remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of sundry citizens of Parkersburg, Iowa, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Hawkeye, Iowa, remonstrating against making appropriations for sectarian purposes, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Oskaloosa, Iowa, praying that the United States remain at peace and remonstrating against an increase in armaments, which was referred to the Committee on Foreign Relations.

Mr. POINDEXTER presented a petition of the congregation of the Presbyterian Madrona Church, of Seattle, Wash., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

Mr. SHEPPARD presented a memorial of the American Embargo Conference of Yoakum, Tex., remonstrating against the severance of diplomatic relations with Germany, which was referred to the Committee on Foreign Relations.

Mr. SMITH of Maryland presented petitions of sundry citizens of Maryland, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a telegram, in the nature of a memorial, from J. C. Nicholson, president, and W. M. Hoffman, secretary, of the Baltimore Preachers' Meeting, of Baltimore, Md., remonstrating against making appropriations for sectarian purposes, which was ordered to lie on the table.

Mr. LEA of Tennessee presented petitions of sundry citizens of Tennessee, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Robertson and Sumner Counties, in the State of Tennessee, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Robertson and Sumner Counties, in the State of Tennessee, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Benton County, Tenn., praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of the Trades and Labor Council of Nashville, Tenn., praying for the printing of the report of the Commission on Industrial Relations, which was ordered to lie on the table.

### REPORTS OF COMMITTEES.

Mr. SWANSON, from the Committee on Naval Affairs, to which was referred the bill (S. 4054) to reorganize and increase the efficiency of the personnel of the Hospital Corps of the United States Navy, and for other purposes, reported it without amendment and submitted a report (No. 410) thereon.

He also, from the same committee, to which was referred the bill (S. 4307) to prevent the disclosure of national-defense secrets, reported it with an amendment and submitted a report (No. 411) thereon.

He also, from the same committee, to which was referred the bill (S. 3521) to establish a United States naval reserve, reported it with amendments and submitted a report (No. 412) thereon.

Mr. MYERS, from the Committee on Public Lands, to which were referred the following bills, reported them severally without amendments and submitted reports thereon:

S. 4761. A bill providing for the classification, appraisal, and disposal of certain lands within the former Fort Peck Indian Reservation, Mont. (Rept. No. 413);

H. R. 7817. An act to validate the homestead entry of George S. Clark (Rept. No. 414); and

H. R. 228. An act to amend the United States homestead law in its application to Alaska, and for other purposes (Rept. No. 417).

Mr. THOMAS, from the Committee on Public Lands, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2744. An act to correct title to certain lands in Colorado (Rept. No. 415); and

H. R. 8654. An act to amend an act entitled "An act to provide for an enlarged homestead," approved February 19, 1909, by adding a new section to be known as section 7 (Rept. No. 416).

Mr. CHILTON, from the Committee on the Census, to which was referred the bill (H. R. 4767) authorizing the Director of the Census to collect and publish statistics of cotton seed and cottonseed products, reported it with amendments and submitted a report (No. 418) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 107) authorizing and directing the Director of the Census to collect and publish statistics of marriage and divorce, reported it with amendments and submitted a report (No. 419) thereon.

### THE METROPOLITAN POLICE.

Mr. JAMES. From the Committee on the District of Columbia I report back favorably without amendment the bill (S. 5802) to amend an act approved June 8, 1906, entitled "An act to amend section 1 of an act entitled 'An act relating to the Metropolitan police of the District of Columbia,' approved February 28, 1901," and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

*Be it enacted, etc.*, That section 3 of an act entitled "An act relating to the Metropolitan police of the District of Columbia," approved February 28, 1901, and all acts or parts of acts amendatory thereof, be, and the same is hereby, amended to read as follows:

"SEC. 3. That the Commissioners of the District of Columbia are hereby authorized, empowered, and directed to maintain a force of detectives, to consist of 24 men, who shall have the rank of lieutenant, and who shall be promoted to the detective force from the present detective sergeants of the Metropolitan police of the District of Columbia, and such 24 lieutenants shall receive an annual salary of $1,600; that no member of the detective force shall be removed therefrom except on written charges and after an opportunity for defense on the part of the detective against whom charges are made: *Provided*, That the Commissioners of the District of Columbia may assign any member of the detective force to the uniform rank of the Metropolitan police of the District of Columbia, with rank and pay of a lieutenant in the uniform branch of the service, and the Commissioners of the District of Columbia are further authorized and empowered to detail to the detective force such number of privates as may, in the judgment of the commissioners, be necessary and proper for special service in the detection and prevention of crime, and while serving in such capacity they shall have the rank of acting lieutenants in the detective force."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REED:

A bill (S. 5832) for the relief of Washington Irving Chambers, captain on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. OLIVER:

A bill (S. 5833) for the relief of the Bethlehem & Nazareth Passenger Railway Co.; to the Committee on Claims.

By Mr. OLIVER (for Mr. PENROSE):

A bill (S. 5834) granting a pension to Annie Murray (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 5835) granting an increase of pension to Lucy C. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. GRONNA:

A bill (S. 5836) granting an increase of pension to Henry J. Porter (with accompanying papers); to the Committee on Pensions.

By Mr. CLAPP:

A bill (S. 5837) granting a pension to John H. Dorsey; and

A bill (S. 5838) granting an increase of pension to Alonzo Rose; to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 5839) to repeal paragraph 4 of section 21 of the public-buildings act, approved March 4, 1913, providing for the construction of a national archives building; to the Committee on Public Buildings and Grounds.

By Mr. CHILTON:

A bill (S. 5840) to retire Dr. Charles Lee Baker on pay; to the Committee on Military Affairs.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. SHAFROTH submitted an amendment providing that there be granted to each of the States in which forest reserves are situate unappropriated nonmineral public lands in amount equal to one-tenth of the total area of the forest reserves in that State to aid in the construction and maintenance of public roads, etc., intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. WEEKS submitted an amendment intended to be proposed by him to the river and harbor appropriation bill (H. R. 12193), which was referred to the Committee on Commerce and ordered to be printed.

Mr. SMITH of Michigan submitted an amendment intended to be proposed by him to the river and harbor appropriation bill (H. R. 12193), which was referred to the Committee on Commerce and ordered to be printed.

GOOD ROADS.

Mr. WORKS submitted three amendments intended to be proposed by him to the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter, which were ordered to lie on the table and be printed.

THE RESTORATION OF PEACE IN EUROPE.

Mr. NEWLANDS. I offer a substitute for Senate resolution 172 for reference to the Committee on Foreign Relations. I ask that it be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read the resolution.

The resolution was read and referred to the Committee on Foreign Relations, as follows:

Substitute for Senate resolution 172 submitted by Mr. NEWLANDS.

*Resolved*, That the people of the United States of America consisting for the most part of the children by birth or descent of the warring nations in Europe, view with profound distress the continuance of a war, calamitous to all and beneficial to none.

From the small beginning of a movement made by a Teutonic State to punish a Slav State for an alleged conspiracy against its national life, resulting in the assassination of its Crown Prince, the most destructive and frightful war in history has resulted.

The distinguishing characteristics of this war include on the part of each participant the disclaimer of responsibility for its commencement or continuance, the assurance that it is not animated by a desire for conquest, the declaration that it is fighting for its national life, and mutual protests against dominant individual militarism either on land or sea.

The frightfulness of the past two years has surpassed the predictions of the most sinister imagination. The warring nations are dimly conscious of the terrors of the future, through the experiences of the past, but interlocked in the deadly but indeterminate struggle of the trenches, can not stop to deliberate. The continuance of the war means loss to all and gain to none. The only hope of peace lies apparently in the exhaustion of all, accompanied perhaps by a barren victory for the power whose exhaustion is least complete. Victory so attained will be at a stupendous cost, far exceeding its value, and thus the only result of continued warfare will be the common deterioration of race and impoverishment of condition.

The Senate of the United States, conscious that this Government owes a duty to posterity in the maintenance of the long-established principles of civilized warfare as applied to neutral rights, and fearful lest it be drawn into the vortex, seizes this opportunity when its relations with one of the warring powers are in the balance, to urge the combatants who are now conducting the world's tragedy to express in some concrete form without acrimony, taunts, or threats, what proposals can be made the basis of a desired peace, and to suggest to the Teutonic Powers, that having accomplished the declared purpose of the war, the punishment of Servia, they may, without imputation of weakness, make such reasonable proposals regarding the restoration of the status quo, the gradual reduction of military burdens, and the substitution of reason for force in the adjustment of international disputes, as to command the favor and impress the judgment of the people of the neutral and warring nations.

CONDITIONS OF RAILROAD EMPLOYEES.

Mr. NEWLANDS. I ask immediate consideration of a resolution, which I send to the desk, calling upon the United States Board of Mediation and Conciliation for certain information regarding strikes that is very necessary to have. It is a short resolution.

The resolution (S. Res. 181) was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the United States Board of Mediation and Conciliation be, and is hereby, directed to furnish for the use of the Senate a report upon wages and working conditions of railroad employees as affected by arbitrations under the act of Congress approved June 1, 1898, entitled "An act concerning carriers engaged in interstate commerce and their employees," and the act of Congress approved July 15, 1913, entitled "An act providing for mediation, conciliation, and arbitration in controversies between certain employers and their employees."

THE FEDERAL RESERVE LAW.

Mr. OWEN. Mr. President, the Comptroller of the Currency has had occasion to answer various attacks on the Federal reserve act and upon the administration of his office, and I desire to ask permission to have his answer put in the RECORD for the information of the country.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

OFFICE OF THE COMPTROLLER OF THE CURRENCY,
*Washington, April 19, 1916.*

The Wall Street Journal, in its news columns on April 7 and in its editorial columns on April 8, contained articles attacking the Comptroller of the Currency and his administrative acts and criticizing features of the Federal reserve law and the national-bank system, and incidentally the Federal Reserve System.

In a letter to the Wall Street Journal, under date of April 19, the comptroller emphatically denies each charge or criticism, dissects and corrects the newspaper errors, and supports his denials with verbatim extracts from court decisions and official figures.

The following is a copy of the comptroller's letter referred to:

WASHINGTON, *April 19, 1916.*

EDITOR WALL STREET JOURNAL,
*New York City.*

SIR: Every public official with reasonably good sense and clear conscience welcomes criticism of his official conduct and opportunity to compare his own judgment with that of impartial or hostile observers. I assume that every newspaper of the high character and real importance of the Wall Street Journal is glad to have its errors corrected, and to be told the facts of any question it discusses.

In your issue of April 8 you say, editorially, under the heading "Watch Mr. Williams," meaning me, that I am "being watched" to determine my fitness for my position as Comptroller of the Currency "by the legal trial arising out of Mr. Williams's activities, animosities, and persecution of the Riggs National Bank in Washington."

This vigilance is slightly belated. The legal trial supposed to involve my "activities, animosities, and persecution" of the Riggs Bank was determined 11 months ago, when Justice McCoy, of the Supreme Court of the District of Columbia, after hearing evidence intended to support the charge that the Secretary of the Treasury, the Treasurer of the United States, and myself had conspired to injure the Riggs Bank, declared from the bench on May 21, 1915, that the charge was not sustained and dismissed it.

The court, in denying the prayer of the Riggs officials, plainly suggested, so far from there having been any "animosity and persecution" on the part of any Government official, as alleged in your editorial, that "the malice was the other way"; and that "if there was any bad blood," "there is nothing here to show that the two defendants," the Secretary of the Treasury and the Comptroller of the Currency, "were the aggressors in the matter."

Let me also call attention to a further excerpt from the aforesaid decision of May 21, 1915:

"It seems to me, on the record that is made here before me now, that the Government officials would have been remiss if they had consented to permit the bank (Riggs) to act as agent for a new applicant bank, because, I think, for the purposes of this motion, always—now, I am not passing on the ultimate merits of the case—there is evidence here of persistent violations of the law, and that they began not with Mr. Williams's incumbency of the office (and that has another bearing, perhaps, on the question of what animated Mr. Williams), but they began before he came there, and there is evidence that they are continuing until this day; and even if the comptroller is wrong about what kind of a bank ought to have Government deposits (namely, a so-called commercial bank or stock-exchange bank), even if those features were not in there, the other features of violations of the law are in there; and

I should say that he was quite right in determining to take out those deposits or at least to say that there should not be any further selection of this bank as a reserve agent."

The two questions now pending in that case are, Whether the court has the right to review the acts of an administrative officer; and if it has such right, whether the fine of $5,000 imposed on the Riggs Bank by me for failure to comply with the law, as I understand it, shall be enforced or set aside. These are the issues at this writing pending in the civil suit.

In the criminal court the pending issue is whether the chief executive officers of that bank—its president, C. C. Glover; one of its vice presidents, W. J. Flather; and its cashier, H. H. Flather (who resigned the day the indictments were handed down)—committed perjury in their sworn denial of the charge that the bank had been engaged in the business of buying and selling stocks. These officers were indicted by the grand jury for "felonious, willful, malicious, and corrupt" false swearing. With this criminal case I am not concerned; it is with the Department of Justice. Its results can not affect me in any way.

Neither case can be tried or determined in the newspapers or decided on ex parte statements.

It is a little difficult to imagine the foundation for your statement that the Senate had not "opportunity to form their judgment of his (my) fitness for office by a thorough investigation." The Senate committee did investigate all charges, aspersions, and criticisms presented, and found in each and every case that they were without the least justification. After several days spent in examination the committee made a favorable report, and my nomination was confirmed by the United States Senate, in which at that time there were nearly as many Republicans as there were Democrats, with but one dissenting vote, and the one Senator voting adversely subsequently stated that his opposition was based on economic and not on personal reasons. The hearings before the Senate committee were printed and were made a public document.

There was no pledge or promise beyond the usual oath of office. Therefore your intimation that there was a "promise that he (I) would not be swayed by prejudice or engendered animosities" also is without foundation in fact.

You said that, apparently, I am "not concerned whether a bank makes any money or not"; that it is my business to "increase expenses, fine the directors, and adjust the bank accounts according to his own ideas."

Along this same line you published on April 7 as a news article the assertion that under the new system bank examination is being found much more expensive by the national banks, and that "in most cases the banks are being assessed from three to four times what they were under the national-bank act."

Further, in your editorial of April 8 you intimate that my alleged harshness toward the national banks is causing them to "slip their circulation and United States bonds, take out State charters," and quit the Federal Reserve System.

The official records clearly contradict your editorial and news assertions and intimations.

Let us take a look at the facts. First we will take up the cost of national-bank examinations. Under the old system national banks in reserve and central reserve cities, with assets of $1,000,000 or less, paid a fee for examinations ranging from $56 to $70, according to the amount of their capital stock and resources.

Under the operations of the Federal reserve act the same banks are paying a fee ranging from $36.50 to $44.50.

Banks with resources of $1,500,000 to $10,000,000 in reserve and central reserve cities paid for their examinations under the old system a fee ranging from $75 to $230.

Since the passage of the act the fee for banks of this size has been reduced, and ranges from $54.50 to $224.50.

As only 38 per cent of the national banks in reserve and central reserve cities have resources in excess of $10,000,000, it is thus seen that 62 per cent of the banks in reserve and central reserve cities are now paying for their examinations less than they paid under the old plan, though the examinations are far more thorough and efficient than they ever were before.

A bank with assets of $25,000,000 and capital in proportion in reserve and central reserve cities formerly paid a fee of $410.

The fee now paid by such a bank is $524.50, an increase of 28 per cent, which is fully warranted by the additional time consumed by the examiners and the greater thoroughness of their examination.

A bank in reserve and central reserve cities with resources of $50,000,000 and capital in proportion paid a fee of $710. Under the new arrangement such a bank paid $1,024.50, an increase of 44 per cent; but probably no one will contend that $1,024.50 is an excessive fee to charge for the character of examinations which is now being given by this department to a $50,000,000 bank.

The cost of examining banks with assets in excess of $50,000,000 is also greater under the present plan than formerly. But of the 7,600 national banks in the United States only 32 banks, or less than one-half of 1 per cent of the total banks, at the time of the December 31, 1915, call, had assets in excess of $50,000,000. Of these 32 banks 31 were located in reserve and central reserve cities.

Let us now consider the changes made in the cost of examining country banks, or banks outside of reserve and central reserve cities. Under the old system the fees for the examination of country banks with assets of less than $3,000,000 and capital in proportion ranged from $20 to $75.

Under the present system the fees range from $26 to $84.50, the increase being from $6 per bank for the smaller banks to $9.50 per bank for banks with resources of $3,000,000 and a capital in proportion. Under the old system the statutory fee was in many cases wholly inadequate to compensate the examiner for the time employed by himself and in some cases several assistants in making an examination.

The banks to whom these rates apply embrace 6,939 banks, or 96 per cent, of the total of 7,238 country banks.

The country banks, however, with resources in excess of $3,000,000 and capital in proportion, constituting about 4 per cent of all country banks, which under the old system were charged a regular fee of $75, irrespective of resources, are now being charged a compensation in proportion to the resources of the bank, so that a country bank with, say, $5,000,000 of resources, which formerly paid $75, now pays $124.50, and a bank with $10,000,000 of resources pays $224.50; that is an increase of $149.50. But will you seriously contend that a fee of $224.50 for a thorough examination of a bank with $10,000,000 of assets is excessive? Do you think that such a bank could really be properly examined at a cost not exceeding the old fee of $75? On December 31, 1915, there were only 23 country banks in the United States having resources in excess of $10,000,000. These country banks are charged for the examinations a regular fee of $25 plus 2 cents per $1,000 of assets in excess of $25,000.

It must be remembered that under the fee system examiners were required to pay traveling and other expenses from the statutory fee received. The fee system to a very large extent was conducive of superficiality in examinations, the earnings of the examiner being dependent upon the number of examinations made. The tendency of the old plan was to speed up the work of examination at the expense of thoroughness.

This temptation is removed under the present method of compensation, and now an examiner can be depended upon to devote as much time to each bank as is necessary to make a thorough and efficient examination.

When it is thus shown that 62 per cent of all national banks in reserve and central reserve cities are now paying for their examinations less than they paid under the old system, and that 96 per cent of all country banks are only paying increases ranging from $6 per bank (30 per cent increase) to $9.50 per bank (13 per cent increase), will you not admit the gross injustice and inaccuracy of your statement that "in most cases the banks are being assessed from three to four times what they were (paying) under the national-bank act"?

The Federal Reserve Bulletin for March printed a table showing the cost of national-bank examinations before and since the passage of the Federal reserve act. This table, a copy of which I inclose, shows the cost of such examinations, both in central reserve and reserve cities and also in country banks.

The increases under the new system are in some cases really less than those shown in the above-mentioned table of standard costs, because under the old system a fee slightly above the regular rates was charged for bank examinations in certain Western States. The difference between the new and old plans because of these exceptional cases is thus further reduced.

This table was doubtless received at your office; and it so completely disproves the allegations of your editor that it is to be regretted that it was not consulted before he made his sweeping and inaccurate statement that "in most cases the banks are being assessed from three to four times what they were under the national-bank act."

In your article of April 7 you say:

"It is understood that the new schedule fixed by the comptroller is a charge of $25 for the first $25,000 of a bank's assets and 3 cents for each additional $1,000 of assets."

Permit me to call your attention to your error in adding about 50 per cent to the fee really being charged. The charge is not 3 cents for each additional thousand, but 2 cents for each additional thousand over $25,000 plus the minimum charge of $25; and the charge for each additional thousand dollars of assets has been 2 cents since November 16, 1914, except that for the first examination of each bank made after November 16, 1914, a 3-cent charge was made.

As an instance of your exaggeration let me point out that the fee charged national banks, in addition to the minimum charge of $25 per bank, would amount, for two examinations a year, on the present basis of resources, at 2 cents per thousand, to $545,000, whereas you say you "understand" that the fee is "3 cents" per thousand, which would amount, on the present resources, to $818,000 per annum for the same number of examinations. You then proceed to criticize such excessive cost, which, of course, has no existence except in the columns of your paper.

The president of a large national bank, paying practically the maximum percentage of increase paid by any bank in the country, expressed to me a few days since his unqualified approval of the new system, and declared that the examinations which are now being made by national-bank examiners were about as thorough and efficient as it was possible to make them; and that, in view of these thorough and complete examinations, his bank had given up its established custom of having examinations made by certified public accountants, and had thus been relieved of considerable expense.

I know of no foundation for the statement in your article of April 7 that—

"In the cases of banks in the central reserve cities the comptroller had devised an elaborate system whereby the banks were assessed according to their average net deposits for the previous five reports."

Apparently some one has imposed upon you. Your statement is entirely incorrect.

You also say:

"A number of instances are reported of national-bank officials refusing to pay the examination charge when sent in."

That statement is also without foundation. No bank in the United States, so far as I am informed, has refused to pay any of the bills for examination rendered by this office.

You remark that "at present the national banking system is a minority in the banking power of the country." It may not be out of order for me to point out that the resources of the national banks of this country are now three times as great as the aggregate resources of the 14,598 State banks at the time of the last available report on State banks, June 23, 1915; that the resources of these national banks are also more than three times as great as the aggregate of all the great mutual savings banks of the country as of the same date.

Your attention is also called to the fact that the resources of the national banks are more than twice as great as the aggregate resources of the 2,700 trust companies, loan companies, and private banks at the time of their June, 1915, report. Furthermore, in response to your suggestion as to the "minority" position of national banks, let me observe that the increase in resources of national banks in the past 12 months not only exceeds in the aggregate the increase reported in the three-year period from 1912 to 1915 by all State banks, trust companies, savings banks, private banks, and loan companies of the United States, but the ratio of increase in national-bank resources in the past 12 months was about five times as great as the average ratio of increase in all State banks and trust companies and savings banks for the three-year period named.

Your further suggestion that the national banks may "begin to fall away" and that "self-preservation might induce a stampede" is met and demolished, I think, by the official figures, which show that during the period of a little over two years that I have had the honor of holding office as Comptroller of the Currency the resources of the national banks have not only shown the greatest increase ever shown in any like period, but this increase in these two years and two months has been practically as great as the greatest increase ever before shown in any five-year period since the beginning of the national banking system.

My nomination was confirmed by the Senate January 19, 1914. The resources of the national banks on the call of January 13, 1914, were $11,296,000,000. Their resources March 7, 1916, were $13,832,000,000. The number of banks reporting on the call of January 13, 1914, which happens to be the day my nomination as comptroller was sent to the Senate, was 7,493. The number in operation January 19, 1916, exactly two years after my confirmation by the Senate, was 7,622. The increase in capital and surplus profits from January 13, 1914, to March 7, 1916, was $50,000,000; increase in deposits same period, $2,397,000,000.

While it is not suggested for a moment that "Mr. Williams's activity" was responsible for the tremendous progress, growth, and development of the national banking system which has been coincident with my term of office, these figures seem to demonstrate that my administrative acts have not in any way weakened or diminished the prestige and power of the system over which the law has given me certain supervisory powers.

Of 50,000 directors of national banks I never have fined one in my two years and two months in office as comptroller. I have called on banks to bring suit against their directors in certain cases where banks, acting through directors contrary to the instructions of this office and without authority of law, have engaged in stock speculations which have involved heavy losses to the innocent shareholders of these banks, and for which losses the United States Supreme Court has clearly and unequivocally decided that directors are liable. In certain of these cases directors, rather than stand suit, have paid back personally to the injured banks large sums of money on account of such losses. I assume that if these directors had not realized that they had been guilty of unlawful acts for which their banks had suffered and for which they were liable they would not have paid from their own pockets these large sums.

Should I go outside of or beyond the law the banks could appeal to the law to protect them and to call me down and punish me. When I fail to enforce the law or knowingly allow any bank to transgress it, I fail in my duty and can and should be punished by the Government and the courts. I can require nothing of the banks that is not justified by the law. Banks are operated by intelligent men, advised of their legal rights, and courts are open to them for redress whenever they have any reasonable grounds for suspecting that they are being persecuted or that unfair exactions are being imposed on them. It is inconceivable that such men would submit meekly to illegal and harsh or injurious treatment and content themselves with anonymous complaints to newspapers.

I can not imagine that they emulate the more violent and reckless Socialists and labor agitators by claiming that they can not trust the courts and the laws to protect their rights and give them justice. Certainly I am not a czar with power to disregard the law, and the national bankers are not serfs debarred from invoking the law's protection.

I can not present a single requirement without authority under the statutes enacted by Congress. I can do nothing I am not commanded to do by law or expected to do under my oath of office and by consideration for the welfare of the banks and of their stockholders and depositors and the general public. It is no pleasure to provoke anger and bitter criticism by responsible citizens, and no sane man will go out of his way without reason to invite maledictions.

Permit me to add just a few words apart from the record and direct reply. I understand clearly that I am censured severely and continually by men whose good opinion I would enjoy personally and officially. Also, having an individual sense of humor, I get some unofficial amusement from complaints against the administration and abominations of the comptroller's office, based on strange misunderstandings and misstatements and exaggerations. I am comfortably certain that when the banking community of the United States realizes the facts as they are and becomes used to the new conditions, it will accommodate itself to these conditions and concede that strict enforcement of the law is best for everybody. The order against overdrafts is an illustration of why I am optimistic. Many bankers complained against it bitterly. Now most of them understand that the overdraft business was dangerous and a growing menace. Some of them write or come to thank me for "playing goat" and allowing them to point their customers to the ruling and orders of my office as unanswerable excuse for declining to indulge them.

Probably many honest bankers had fallen into the habit of using their own discretion as to when the law should be twisted, evaded, or shaved a little for their own convenience or that of their customers. Conscious of their own good intentions they are impatient of restraint and rigid regulations and enforcement of the law. The obvious danger is that if men of prudence and character are permitted to stretch or ignore any part of the law, men who are imprudent and of less character will do likewise with results injurious to everybody. As the law itself may not discriminate, so officers of the law are forbidden to discriminate. When they undertake to be strict here and lax there, they betray their trusts and take serious chances of doing vast harm. It is like sanitary regulations in a city. They are useless unless applied universally. A best citizen permitted to disregard it and intending no harm may infect his entire neighborhood and community.

As an instance of what I have said of misunderstandings and misstatements and exaggerations, I invite the attention of the Wall Street Journal and its readers to its news article of April 7 and editorial of April 8, already cited, and to the contrasts between the statements and deductions contained in those articles and the facts as shown by the records.

Respectfully,

JNO. SKELTON WILLIAMS,
*Comptroller of the Currency.*

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Curtis | Jones | Newlands |
| Bankhead | Dillingham | Kenyon | Norris |
| Beckham | du Pont | Kern | Oliver |
| Borah | Gallinger | Lea, Tenn. | Owen |
| Brady | Gronna | Lippitt | Page |
| Broussard | Hollis | Lodge | Phelan |
| Chamberlain | James | Martin, Va. | Pittman |
| Clapp | Johnson, Me. | Martine, N. J. | Poindexter |
| Clarke, Ark. | Johnson, S. Dak. | Myers | Pomerene |
| Ransdell | Smith, Md. | Thomas | Wadsworth |
| Reed | Smith, Mich. | Thompson | Warren |
| Saulsbury | Smoot | Tillman | Williams |
| Shafroth | Sterling | Townsend | |
| Sheppard | Swanson | Underwood | |
| Simmons | Taggart | Vardaman | |

Mr. KERN. I wish to announce the unavoidable absence of the senior Senator from Florida [Mr. FLETCHER], who is detained from the Senate on account of official business. I wish also to announce the unavoidable absence of the junior Senator from Illinois [Mr. LEWIS], who is detained from the Senate on account of illness. These announcements may stand for the day.

Mr. CURTIS. I desire to announce the absence of the Senator from Maine [Mr. BURLEIGH], on account of illness in his family. He is paired with the Senator from Nebraska [Mr. HITCHCOCK]. This announcement may stand for the day.

The VICE PRESIDENT. Fifty-seven Senators have answered to the roll call. There is a quorum present.

COMMUNICATION FROM REAR ADMIRAL FISKE.

Mr. TILLMAN. Mr. President, I send to the desk the communication received yesterday by yourself and referred to the Committee on Naval Affairs, which I ask to have printed in the RECORD after I have finished what I have to say.

Mr. President, it would be easy to show from official records how unreasonable and unjustifiable, too, Rear Admiral Bradley A. Fiske's utterances and attitude are. Those Senators who are curious to learn the cause and progress of this unseemly controversy between a high naval officer and his superior, the Secretary, can find all the facts in the hearings of the House Committee on Naval Affairs on pages 3825 to 3832, inclusive, and a very illuminating and instructive passage between Mr. OLIVER and Mr. BRITTEN is to be found on pages 3834–3836 of the hearings.

But Admiral Fiske will retire some time soon, and as a matter of pity to him I forbear to place all of this evidence in the RECORD. Yesterday, when the Vice President notified the Senate that he had received this communication from the admiral, I felt that it ought to go to the Committee on Naval Affairs to be examined before being read and given publicity. Following the same tactics he has before followed, Admiral Fiske had sent a copy of his communication to the Vice President, to one of his friends on the Naval Committee, and a garbled and incorrect report of what it contained appeared in yesterday evening's Times.

The Secretary of the Navy has nothing to conceal, and courts an investigation if one is demanded. Neither he nor his friends here like this kind of sniping or guerrilla warfare. Therefore, I content myself with asking that Admiral Fiske's letter to the Vice President be published in the RECORD, so that all may judge how little there really is to his utterances except malice and wounded vanity. Disappointed ambition, too, has had much to do with his conduct. He has brooded over what he supposes to be his wrongs until he seems to be obsessed, and I really feel sorry for him.

The VICE PRESIDENT. The communication will be printed in the RECORD.

Mr. LODGE. May I ask the Senator if he sent in the letter?

Mr. TILLMAN. The letter is at the desk.

The VICE PRESIDENT. The letter has already been ordered printed in the RECORD.

The communication is as follows:

UNITED STATES NAVAL WAR COLLEGE,
*Newport, R. I., April 29, 1916.*

SIR: 1. In a communication to the Senate, dated April 21, 1916, transmitting a copy of a letter dated November 9, 1914, to the Navy Department from me as aid for operations, the Secretary of the Navy makes the following statement:

"This communication was not furnished me and I did not know of its existence until long after it was written. I find upon inquiry that it was filed with the chief clerk without my knowledge that it had been written. Although Rear Admiral Fiske was in my office daily, he did not tell me that he had placed the communication on file. His article was written after the estimates for the Navy, as required by law, had been submitted, and I was left in ignorance of its existence, while Congress was considering legislation for the increase of the Navy and actually enacting legislation which has secured the best organization the Navy Department has enjoyed in its history. I was greatly surprised when I learned that a communication, deemed important enough now to be the subject of a Senate resolution, was not considered by its author of sufficient importance for him to present in person to me instead of depositing it, without acquainting me of his action, in the files of the Navy Department."

2. This statement constituted an accusation against me of a grave breach of official propriety—in fact, of actual underhandedness, of an attempt to conceal an important letter from the Secretary; while, as a matter of fact, I was always scrupulously careful never to permit him to receive or to remain under any mistaken impression or to be in ignorance of any important matter if I could prevent it.

3. The statement appeared in the New York Herald and in many other papers on April 23, 1916, and injured my reputation for fair dealing.

4. For this reason, I respectfully request permission to appear before such persons as you may designate and state facts which I and other officers remember very clearly and which are noted in my diary showing that there has been a lapse of memory on the part of the Secretary. In particular I wish to show the two following entires that appear in my diary:

"November 5 * * * I showed the Secretary a paper I had written to him stating Navy is unprepared and needs more men, more training, and a general staff. He made almost no comment on my paper, though he read it carefully. During conversation the Secretary referred to the time in early April, 1913," etc.

"November 10 * * * I showed the Assistant Secretary a copy of my letter to the Secretary on 'Unpreparedness of the Navy,' lack of training, lack of general staff, etc. He said it was bully, and he would keep it," etc.

5. Attention is invited to the fact that although the copy of the letter sent to the Senate was dated November 9, while the entry in my diary was November 5; yet nevertheless my diary shows that the contents of the letter was the same as the contents of the letter of November 9. My recollection is that I kept the letter on my desk a few days, intending to take up the matter again with the Secretary, but finally decided not to do so, but merely to file it; and that a fresh copy was made. The date was probably changed on this by inadvertence but no change was made in the letter beyond possibly some verbal alterations. Certainly no change was made in the character or purport of the letter.

6. I should also like to prove by my dairy that this letter was merely the concentrated essence of a great many oral conversations carried on frequently after the war began, in which I repeatedly urged on the Secretary the peril of the country and the need for more men, a general staff, and more progressive training.

7. In case you do not deem it wise to grant this request, I then ask you, as a matter of justice, to give this letter as much publicity as was given to the letter of the Secretary.

Very respectfully, BRADLEY A. FISKE,
*Rear Admiral, United States Navy.*

To the PRESIDENT OF THE SENATE.

Mr. LODGE subsequently said: Mr. President, when the Senator from South Carolina [Mr. TILLMAN] presented a letter from Admiral Fiske, there was so much confusion in the Chamber—which I may say still exists—that it was impossible for me to hear all that the Senator said. Upon looking at the RECORD I find that I think he did some injustice to Admiral Fiske. The Secretary of the Navy has seen fit on one or two occasions to attack the veracity of Admiral Fiske. It was done before the House committee, and he did it again quite gratuitously, as it seemed to me, when he sent in the letter which was forwarded to the Senate in answer to my resolution.

Admiral Fiske is an officer of the highest rank, who has had an unblemished career in the Navy. He is engaged in no sniping, guerrilla warfare, but he has the desire that every honorable man has to protect his own reputation for truthfulness. That, I think, he has a complete right to do. The facts can easily be determined when they are all laid before the Senate.

I only wish to say this word, for I did not wish injustice done to a distinguished and patriotic officer.

## AMERICAN INTERNATIONAL SHIPPING CORPORATION.

Mr. MARTINE of New Jersey. Mr. President, it seems to me on this bright and glorious May morning it would be a fitting time to bring some pleasant news to the Senate. Our Republican friends have had forebodings of disaster and ruin that would befall this country in consequence of Democratic legislation. I came across this news to-day, that I thought ought to be presented to the Senate. Our Republican friends told us when the banking bill was on that it spelled ruin. When the parcel-post measure was up, they told us it would be an absolute failure. They admit that one of the blessings of the land is the Postal Savings Bank System, which has proved a very great blessing and benefit. Lastly, the shipping bill, they said, was to drive everything off the ocean and spell ruin to the country, from one end to the other.

I find in to-day's New York Times that the Pacific Mail Steamship Co. plans quadrupling its stock; that the new capitalization is to consist of 20,000 preferred shares at $100 and 400,000 shares of common at $5; and that much of the money to be raised will be devoted to building new ships and buying others.

It goes on to say that the new preferred stock will be entitled to dividends at the rate of 7 per cent, which does not look much like ruin.

The old Pacific Mail Steamship Co. was in the process of liquidation when the seaman's law was passed and when the Southern Pacific's controlling interests were acquired by the American International Corporation and W. R. Grace & Co. The five largest vessels had already been sold to the International Mercantile Marine Co., but seven coastwise vessels, the largest of 7,800 tons displacement, were transferred to the new interests.

It goes on further to state that for the 12 months ending with February the total earnings of the Pacific Mail were $1,664,936 and the profits $371,488, against $271,264 the year before, showing a very general resuscitation and improvement. I submit it to my friends. Take good cheer and bless your hearts that the country has not gone to ruin; neither has the shipping interest on the Pacific coast.

I ask, Mr. President, that this article may be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

PACIFIC MAIL PLANS QUADRUPLING STOCK—NEW CAPITALIZATION TO CONSIST OF 20,000 PREFERRED SHARES, AT $100, AND 400,000 COMMON, AT $5—COMPANY MEETING MAY 16—MUCH OF MONEY TO BE RAISED WILL BE DEVOTED TO PAYING FOR NEW SHIPS AND BUYING OTHERS.

A step preliminary to important developments in the resuscitated Pacific Mail Steamship Co. was announced by the management yesterday, when a call was issued for a special meeting of stockholders to be held May 16. At this meeting an increase in the capital stock will be authorized, making the amount $4,000,000 instead of $1,000,000. New money is to be provided at this time to pay for three vessels recently purchased.

The enlarged capitalization will be equally divided into 20,000 shares of preferred stock, with a par value of $100, and 400,000 shares of common, with a par value of $5. There will be sold for cash immediately 17,000 shares of preferred for $1,700,000, and 30,000 shares of common at twice the par value, or $300,000, making a total of $2,000,000. This will leave in the treasury 3,000 shares of preferred and 170,000 shares of common, 200,000 shares of common being outstanding now.

The new preferred stock will be entitled to cumulative dividends at the rate of 7 per cent, and nothing can be paid on the common until a balance sufficient for three years' preferred dividends has been earned. Each stockholder will be allowed to subscribe pro rata to both classes of the new stock, on the basis of 0.085 of a share of the preferred, together with 0.15 of a share of common for each share of the old common stock held. The offer has been underwritten, without a commission, by the American International Corporation and W. R. Grace & Co., so that the full $2,000,000 of new capital is assured.

The old Pacific Mail Steamship Co. was in the process of liquidation, following the enactment of the La Follette seamen's law, when the Southern Pacific's controlling interest was acquired by the American International Corporation and W. R. Grace & Co.

The five largest vessels had already been sold to the International Mercantile Marine Co., but seven coastwise vessels, the largest of 7,800 tons displacement, were transferred to the new interests. They own much Pacific Mail stock, bought in the open market after the reduction in capitalization from $20,000,000 to $1,000,000, and are understood to own now about 75 per cent of the stock. Three new vessels, the *Venezuela, Colombia,* and *Ecuador,* built in Holland last year, have recently been purchased from the Royal Dutch West India Mail Line, to be put into service on the Pacific, running from San Francisco to Japan, China, and the Philippines, thus restoring the American flag to trans-Pacific service.

For the 12 months ended with February total earnings of the Pacific Mail were $1,664,936, and profits $371,488, against $271,264 earned last year. G. J. Baldwin, president, says revenues from the Panama line during the ensuing 12 months should exceed the earnings of last year and that the net revenue from the three new steamers should exceed the total net revenue from the balance of the fleet in the current fiscal year.

The American International Corporation is thought to own what amounts to a controlling interest in the International Mercantile Marine, having acquired, according to report, 30 per cent of the stock in the open market in the last few weeks.

Mr. GALLINGER. Mr. President, if there is such prosperity on the part of the private shipping establishments of the country, what is the need of the Government shipping bill, with which we are threatened?

Mr. MARTINE of New Jersey. That does not matter to me at all. I am in favor of Government ownership of the great public utilities of the country, whether they are prosperous or whether they are otherwise, as individual interests. I do say, however, that is no argument against my proposition. I say that the charge of eternal prostration, the wiping off the seas of the shipping interest, is too extravagant, and the facts do not warrant the assertions of our Republican friends on the other side.

Mr. GALLINGER. Mr. President, this is not the first time the Senator from New Jersey has said that he is in favor of the Government going into private business.

Mr. MARTINE of New Jersey. No; it is not the first time, and if I am spared, it shall not be the last time.

Mr. GALLINGER. If the Senator will permit me to conclude my sentence, I wish to say that I know the Senator's impetuosity, and we all appreciate it. We understand that the Senator is in favor of not only Government ownership, but of Government operation, of pretty much everything in this country; but the Senator knows as well as I do that a great deal of the so-called Democratic prosperity is nothing but battle-field prosperity, and that it is due to the European war, and nothing else.

Mr. MARTINE of New Jersey. I will answer that by saying that to some degree, unfortunately, much of it comes from the strife and carnage on the other side of the water, and I would sacrifice every farthing of it rather than have the strife and carnage continue; but, aside from that, there is a very general and healthful prosperity in this land. Outside of the branches of business stimulated by the European war, I say again, as I said a few days ago, great prosperity prevails in many industries, and amongst them I may mention the sewing-machine industry and the jewelry industry, which the Senator laughed at and ridiculed—such jewelry, he said, as is made in New Jersey, though when he stops to think he must know that practically all of the jewelry of the great marts of trade is

made in Newark. Only last Saturday I had occasion to go back to New Jersey, and I passed, being hauled along on the Baltimore & Ohio Railroad, 10 superb locomotives, and stopping at a station I asked if they were for shipment abroad or where were they going. The agent in charge there replied that they were not for shipment abroad, but were made at the Baldwin Locomotive Works and one other works, whose name I can not now recall, for the use of the railroads in this country. He said, "We are clogged with business and we have to multiply methods of transportation." That is my answer to the Senator from New Hampshire.

It is just as easy to say "good times" as it is to say "bad times," and it will be so much more truthful and you will be so much happier.

Mr. GALLINGER. Mr. President, we all rejoice in the Senator's good feeling over the prosperous times that exist in this country to-day; and I would be the last man in the world to take from the Senator from New Jersey any enjoyment that he gets out of these newspaper clippings which he inserts in the RECORD; but I will make the suggestion to the Senator that the answer to all this will be made at the polls in November next, and I refer the Senator to that time that is coming.

Mr. MARTINE of New Jersey. Mr. President, the Senator from New Hampshire refers to my newspaper clipping. I think it was only two days ago—I think it was on Monday last—that the distinguished and delightful Senator from New Hampshire introduced something of a newspaper clipping, or at least a clipping from somebody else, upon the tariff question. I want to ask with what authority can the Senator from New Hampshire arrogate to himself more truth in his clippings than there is in mine? My clipping was not a Democratic clipping. I took this clipping from the New York Times; and we do not think that the New York Times preaches the gospel of Democracy.

Mr. LANE. Mr. President, I should like to ask the Senator from New Jersey if he really does not think he is taking a rather unfair advantage of the Senate at this time during the absence of the senior Senator from Pennsylvania [Mr. PENROSE]?

Mr. MARTINE of New Jersey. But the junior Senator from Pennsylvania [Mr. OLIVER] is here, and God knows he has profited richly and he will stand up and defend all their profits and all their schemes of legislation. I would not for the world take advantage of the Senator from Pennsylvania [Mr. PENROSE].

## GOOD ROADS.

Mr. BANKHEAD. Mr. President, has morning business closed?

The VICE PRESIDENT. Morning business has closed.

Mr. BANKHEAD. I move that the Senate proceed to the consideration of House bill 7617, commonly known as the good-roads bill.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The SECRETARY. The pending amendment is the amendment offered by the Senator from Montana [Mr. WALSH].

Mr. JONES. Mr. President, I want to reply to the suggestion of the Senator from New Jersey [Mr. MARTINE] a moment ago and shall occupy just a minute. I did not exactly get the character of the article which the Senator asked to have put into the RECORD; but as I understood it, it was a statement to the effect that a company was going into the shipbuilding business to place ships upon the Pacific Ocean.

Mr. MARTINE of New Jersey. That they had bought many ships and were organizing to buy still more.

Mr. JONES. I hope that that is true. We need the ships over there, but I am always a little bit dubious about such statements in the newspapers.

I remember that last fall, along about September or October, the statement was made in the papers by Mr. Manson—I think Mr. Peter Manson, or, at least, a gentleman whose communications were used very largely to press the shipping bill here a few years ago—that he was going within six months to put a line of steamers on the Pacific Ocean. I have heard nothing more of that since. I do not know whether he is one of these men or not.

Mr. MARTINE of New Jersey. I do not know; I do not recall the name.

Mr. JONES. I did not have very much hope of these ships going on at the time, but I do hope that the ships to which the Senator from New Jersey has referred will be put on.

The Senator also suggested that, despite the predictions made with reference to the effect of the La Follette seamen's bill, shipping was developing. I am not opposed to the La Follette seamen's bill, but I do want to call attention to the actual situation as it is on the Pacific coast, and especially at Puget Sound, with reference to the operation of our ships under the law as it now is. I have here a telegram from the Chamber of Commerce of Seattle, dated April 6, and reading as follows:

SEATTLE, WASH., *April 6, 1916.*

WESLEY L. JONES,
*United States Senate, Washington, D. C.:*

Have just telegraphed Secretary Redfield the following: "Shipping from Puget Sound greatly hampered by inability to secure sailors under seamen law. Thirteen loaded vessels detained from 3 to 11 days. This, in face of prevailing scarcity of tonnage, is producing commercial crisis. When honest effort to secure crew demonstrates that certified seamen are not available, is it not possible to permit clearance of vessels with such crews as they can secure? Owners already refusing to send ships to Sound because of situation. When vessels in such demand as to-day, then are compelled, after loading, to lie idly by, and when additional vessels that could otherwise be brought here refuse to come, condition becomes desperate." Please cooperate with other members of Washington delegation.

SEATTLE CHAMBER OF COMMERCE,
J. E. CHILBERG,
*Chairman Foreign Trade Committee.*

The telegram was confused a little in transmission, but I have an office copy of it here, and I think its meaning is plain. I have also a copy of a telegram sent to Secretary Redfield by the Merchants' Exchange of Seattle, under the date of March 27, and reading as follows:

SEATTLE, *March 27, 1916.*

Hon. WILLIAM C. REDFIELD,
*Secretary of Commerce, Washington, D. C.:*

Due entirely to section 13 of seamen's bill, eight sailing vessels loaded with lumber for foreign trade have been delayed a total of 53 days owing to inability to secure certified seamen. Some have been permitted to clear without full compliance with law. Two vessels are now waiting for crews not obtainable owing to seamen's bill. This is detrimental to our commerce and principal industry. There has been no delay in clearing Japanese vessels or vessels from British Columbia, our competitors. We earnestly request suspension of the section until Government can offer relief by better legislation.

MERCHANTS' EXCHANGE OF SEATTLE.

Mr. President, when I received these telegrams I wrote a letter to the Secretary of Commerce asking whether or not the department had any official information that the facts stated in these telegrams were correctly stated, what action the department had taken, and whether, if it found the facts to be as set out, it was disposed to suggest any remedy or legislation to Congress. In reply I received this letter from the Acting Secretary of Commerce:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
*Washington, April 11, 1916.*

MY DEAR SENATOR: In the absence of Secretary Redfield, your letter of April 7, 1916, inclosing copy of telegram dated April 6, 1916, sent you by the Seattle Chamber of Commerce, J. E. Chilberg, chairman foreign trade committee, has been referred to me. In your letter you state that you have received other telegrams to the same effect and have also seen statements in the papers that vessels have been delayed many days and have finally been permitted to sail without complying with the law. You then ask what official information the department has with reference to this state of affairs and what steps are being taken to remedy the situation, also what are the prospects of success. Further, "If the department does not have ample authority under the law to meet the situation, does it contemplate submitting any suggestions to Congress?"

A telegram from the Seattle Chamber of Commerce was received by the department late in the evening of April 6, 1916, and on April 7, 1916, the following telegraphic reply was sent:

"APRIL 7, 1916.

"SEATTLE CHAMBER OF COMMERCE,
*"Seattle, Wash.:*

"The law is explicit. Department has no power to suspend or annul it. Congress alone can alter the law. Department must enforce law to fullest extent of its power. Due consideration will be given facts in each case when officially ascertained.

"_____ _____,
*"Acting Secretary."*

On the same day, or the following one, Congressman HUMPHREY of Washington sent a copy of a similar telegram received by him from the Seattle Chamber of Commerce, and requested information in regard to the matter and the attitude of the department, which was given him over the telephone by Mr. Thurman, the Solicitor of the department. During the last month a number of telegrams were received by the department from masters of vessels, principally at Seattle and Portland, stating that, owing to the shortage of men, they were unable to procure the number of able seamen required under the seamen's act, and requesting permission to sail without such compliance with the law.

While you are, of course, aware that the department has no power whatever either to suspend or modify any of the provisions of the law, the following procedure was adopted by Secretary Redfield in the matter of these requests:

On the receipt of each one the substance of it was immediately telegraphed to the collector of customs at the port and also to the board of local inspectors of the Steamboat-Inspection Service, with instructions to investigate and report to the department immediately. At the same time a copy of the request was forwarded to the Department of Labor, with the request that it cause an investigation to be made by its inspector of immigration and a report submitted. If these reports corroborated that of the master, and it appeared evident that the master was unable to procure the required number of seamen, the vessel was then allowed to clear, the department taking the position that while it had no right or power to suspend or modify the provisions of the law, still, the latter were not to be considered as requiring the impossible. The situation in Portland and Seattle was found, in, I think, all of the instances, to be as reported, and the vessels were allowed to clear.

I do not believe that Secretary Redfield contemplates submitting any suggestions to Congress in regard to the seamen's act, believing, as he does, that any changes in the law should originate there.

If there is anything further in this matter you desire, please advise me.

Very truly, yours,

E. F. SWEET,
*Acting Secretary.*

Hon. WESLEY L. JONES,
*United States Senate, Washington, D. C.*

Mr. President, that shows the condition of the ships which desire to sail from Puget Sound with reference to compliance with the seamen's law.

The Secretary states that he does not think that the law requires the impossible, and yet, according to the statement here, the law is not being complied with; the law is not being enforced. I am not saying that the Secretary is not doing what is right, so far as that is concerned. It seems that the law can not be complied with; but it does seem to me that under such circumstances it is the duty of the department to suggest the situation to Congress for its consideration. Congress does not know whether the law is being complied with or not unless we get some such report as this.

The situation appears to be that the law is not being complied with; and, according to the department, it is impossible to comply with it. It appears to me, therefore, that the subject ought to have some consideration. I am not prepared to say that section 13 of the law should be repealed. I voted for the seaman's law. I had some doubts about the benefits that would come under section 13, and I had some fears about the difficulties that would arise, apparently just as they have arisen; but it does seem to me that we ought to give the matter some consideration. It can be seen how it is vitally affecting the shipping of Puget Sound.

I have here a letter from the Chamber of Commerce of Seattle, setting out quite fully the situation there and giving the names of vessels, the delays occurring, and so forth. I shall read just an extract from that letter. It is as follows:

Eleven American sailing craft have during the past three weeks been delayed in departure by from 3 to 12 days. In like manner, four vessels under other flags have been detained from 7 to 21 days.

The letter gives facts concerning other vessels, which I will not take time to read; but it does disclose a situation and a condition which ought to have some attention, it seems to me, and some consideration, not only by the department but by Congress. I ask, Mr. President, to insert in full the letter from the chamber of commerce with reference to the situation.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The letter referred to is as follows:

NEW SEATTLE CHAMBER OF COMMERCE,
*Seattle, Wash., April 17, 1916.*

Hon. WESLEY L. JONES,
*United States Senate, Washington, D. C.*

DEAR SIR: Your attention is respectfully called to the attached copy of a letter to Chairman ALEXANDER, of the House Committee on the Merchant Marine and Fisheries, from the chairman of the foreign-commerce department of the Seattle Chamber of Commerce. This communication is written as a result of the replies received from the Department of Commerce direct and through members of the delegation, to the effect that the seaman's law is mandatory and permits no modification of terms in its administration.

Yours, very truly,

C. B. YANDELL,
*Executive Secretary.*

—

NEW SEATTLE CHAMBER OF COMMERCE,
*Seattle, Wash., April 17, 1916.*

Hon. JOSHUA W. ALEXANDER,
*Chairman Committee on the Merchant Marine and Fisheries, House of Representatives, Washington, D. C.*

DEAR SIR: While Congress is asked to pass on the question of Government ownership and operation of merchant ships, Puget Sound is confronted with the problem of moving vessels now in existence, loaded with cargo ready for sea.

Eleven American sailing craft have, during the past three weeks, been delayed in departure by from 3 to 12 days. In like manner four vessels under other flags have been detained from 7 to 21 days. The list includes:

| Name of vessel. | Nationality. | Number of days delayed for crew only. |
|---|---|---|
| Star of Holland | American bark | 5 |
| Xona | American schooner | 6 |
| H. K. Hall | do | 6 |
| Geneva | American brigantine | 7 |
| Jane L. Stanford | American barkentine | 11 |
| Irene | American schooner | 3 |
| E. R. Sterling | American barkentine | 12 |
| Blakeley | American schooner | 10 |
| A. J. Fuller | American ship | 8 |
| Mather Turner | American schooner | 5 |
| W. J. Patterson | do | 7 |
| Mario | Peruvian bark | 11 |
| Quatro Hermanos | do | 11 |
| Celticburn | British ship | [1] |
| Algoa Bay | Peruvian bark | 7 |

[1] About 3 weeks.

(Above list has been furnished by the Merchants' Exchange of Seattle, representing shipping interests.)

Here it appears less a question of additional ships and more one of the privilege of operating those we now have. These delays are also preventing owners from sending other vessels to Puget Sound because of the fear of similar tie-up.

Shipping men blame the seamen's law. It is difficult to attract sailors of any kind when forbidden to pay them an advance on wages, as had always heretofore been the custom. It is impossible in most cases to find the requisite number of certified men. It is impracticable for some of the foreigners, such as the Peruvian captains, to sign a crew qualified under the language test. It is annoying, after spending days in an honest effort to comply with the law, to be compelled to apply to Washington for permission to clear, and to deposit $500 to cover whatever fine may be assessed for violation of the requirements.

The shipper, on the other hand, is exasperated. The rates he has to pay and the difficulty of obtaining bottoms impress him with the necessity of keeping all available ships under way except while actually loading or discharging. When he sees loaded vessels lying idly by in the face of the clamor for more space to carry our products, he inquires as to the cause. Then he learns that the owners of other boats have refused to send them to Puget Sound on this account, and that still more are likely to refuse to come for freight that is ready.

An American steamship of one company, attracted from the coastwise trade by the prevailing high trans-Pacific rates, began loading at San Francisco for the Orient and was intending to come to Puget Sound for cargo awaiting her here, but did not do so because the company had learned of the delays experienced by vessels at this port, and was afraid to invite such a risk. Another vessel of the same company will soon be sent from this coast across the Pacific, but will not, we fear, come to Puget Sound for freight, unless some very definite assurances can be given of freedom from annoyance.

Another American steamship of still another company, carrying a nonunion crew, was deserted by most of its sailors at San Francisco upon arriving there a short time ago. The owners attribute these desertions to the influence of representatives of the unions. The ship proceeded to Puget Sound with only four deck men when it should have had eight, and with but one of these men a certified seaman. It made an earnest effort to secure a crew on the Sound, seeking nonunion men, as all of its ships are operated in that manner. Failing to find them, it reported to the collector of customs that it could not obtain certified sailors. Meanwhile the office of the collector had been advised that the unions could furnish certified men. With the knowledge that there were certified men to be had, the collector was unable to permit clearance. The company then faced the dilemma of either signing on a full union crew (as would be required by the unions) and discharging the men who had stood by the ship, or by holding up sailing until it would become possible to find nonunion men, such as have always been employed. The experience is causing the company in question to give serious consideration to the curtailment in its service to this port.

The six-mast American barkentine *E. R. Sterling*, owned in Seattle, cleared a few days ago with a cargo of lumber for Australia with but one certified man in its crew. It was unable to sail for fully 12 days after completing its cargo. The captain and owner undertook, long before the loading was finished, to obtain sailors. They found this practically impossible in the absence of authority to make an advance on wages. Capt. Sterling, in a statement to the collector of customs under date of March 20, said: "I have endeavored to secure crew without advances by offering increase in wages, but without success, the seamen claiming they require clothing and want to pay their board bill."

These delays do not come to the official knowledge of the collector of customs. This is for the reason that a ship master does not, as a rule, apply for clearance until he has a crew with which he is willing to go to sea. When applications have been made here, the collector of customs has promptly recommended by wire to Washington that they be granted. This has been done in every case upon receiving the deposit of $500 to cover fine. But the delay arises nevertheless from the fact that the commander of the vessel must first satisfy himself by diligent effort that he can not find the certified men required by law. Having done so, he next undertakes to sign on whatever crew he can get.

Our investigations convince us that there are not enough certified seamen to handle available ships. The arrival of additional men is contingent largely on desertion from incoming foreign vessels and from other sources abroad. The number thus supplied is exceedingly small. As a result, shipping must either suspend or proceed openly and continuously to violate the law, except in the case of Japanese vessels plying across the Pacific, which have no difficulty in complying with the terms of the seamen's measure. But the Japanese can not help to relieve the coastwise situation and the demand in other directions.

Meanwhile our own laws, if not violated, prevent American citizens owning American ships from moving American commerce. Will Congress not endeavor to remedy this situation?

SEATTLE CHAMBER OF COMMERCE,
———, *Chairman Bureau of Insular and Foreign Commerce.*

Mr. MARTINE of New Jersey. Mr. President——

Mr. JONES. I yield to the Senator from New Jersey.

Mr. MARTINE of New Jersey. Mr. President, in response to the telegram read by the Senator from Washington, I wish to say that I have no doubt that the gentlemen on Puget Sound have telegraphed the conditions as they saw them; but I think it is shown pretty conclusively by the article which I have read in relation to the organization of great shipping interests at San Francisco and New York that the conditions are not as dire as the gentlemen who signed the telegram to the Senator would indicate.

There is no doubt that there may be some difficulty in making the new law operative; but I should like to ask, in the light of the experience we have had and in the light of the general knowledge we have had with reference to the shipping interests, whether the Senator from Washington would be willing to vote for a repeal of the La Follette law?

Mr. JONES. Mr. President, I stated a moment ago that I was not in favor of a repeal of the law. I would not vote for a repeal of the law in its entirety, and, as I said a moment ago, I am not prepared to say that I would vote for a repeal of section 13; but it seems to me there ought to be some modification of it.

Mr. MARTINE of New Jersey. I will not argue that modifications might not be made with good effect. No human law ever passed is perfect, and there is no law that might not be improved, perhaps, by amendment and modification. But my whole charge was in answer to the general direful tale that was told us by the gentlemen opposing this legislation. I am very happy to know that the Senator from Washington is one who voted for it, however. The general direful tale was not verified. When men put in two or three or four or five million dollars and buy ships, as they are buying them in San Francisco and other points in that vicinity, there is a brighter and a happier prospect than our friends on the other side would have us believe.

Mr. JONES. Mr. President, I simply wanted to express the hope that the promise made in this article would be fulfilled.

Mr. MARTINE of New Jersey. I have not a doubt of it.

Mr. JONES. A promise was made last fall that has never been realized; but I did especially want to call attention to the actual situation that exists on Puget Sound, and it does occur to me that if we do not propose to change that provision we ought to give the Secretary of Commerce some power and some discretion, so that in order to accomplish what ought to be done he will not have to violate the law to do it, because he is permitting these vessels to sail in absolute violation of the law. We ought to vest in him some discretion under which he can take these conditions into account, and not violate the law by allowing these ships to sail without the proper crews.

Mr. MARTINE of New Jersey. I certainly shall be most happy to cooperate with the Senator in regard to anything that will improve the law, but that will not mutilate or destroy it.

Mr. VARDAMAN. Mr. President, what is the question before the Senate?

The VICE PRESIDENT. The pending question is the amendment of the Senator from Montana [Mr. WALSH].

Mr. VARDAMAN. I wish we could consider that bill this morning. It is a matter in which we are all very much interested. I think it should be put through without taking up time in the discussion of irrelevant matters.

The VICE PRESIDENT. All in favor of the amendment——

Mr. JONES. Mr. President, is this the amendment of the Senator from Montana?

The VICE PRESIDENT. That has been pending now for 20 minutes.

Mr. JONES. Mr. President, I want to say a few words about that amendment. I think it ought to be adopted. I have not the amendment before me; but, as I understand, it is an amendment that appropriates a million dollars a year for 10 years to be expended in the construction of roads within forest reserves.

Mr. BANKHEAD. Roads and trails.

Mr. JONES. The building of roads and of trails. I am especially interested in the road proposition. If there should be special objection to the proposition with reference to trails, I must say that I do not insist upon that very strongly myself. I do not know just how the Senator from Montana feels with reference to that; but what I wanted to say a few words about was especially the proposal to advance this money for the purpose of using it in the construction of roads within forest reserves in the Western States, and its reimbursement from the proceeds of sales of timber from these forest reserves.

Mr. President, I doubt if the Senators from the East fully appreciate the situation with reference to these forest reserves. Take my own State, for instance. About 12,000,000 acres of the territory of our State is included within forest reserves. My recollection now is that we have a strip of forest-reserve lands extending clear across our State from north to south, with a width of a great many miles; I do not know just how many. In that territory we need roads. We need roads through the territory. In some sections, in the valleys, there has been considerable settlement, and schoolhouses have been built, and little towns, and farming communities, and all that sort of thing, but they lack roads; and there is but very little chance of getting these roads, because the lands can not be taxed. If these settlers have been able to get patents to their lands, of course their lands will be subject to taxation; but that is all. All the surrounding territory is not taxable, because it is owned by the United States and reserved by the United States.

Mr. VARDAMAN. Mr. President, may I ask the Senator from Washington a question?

Mr. JONES. Certainly.

Mr. VARDAMAN. What States would be materially affected by the amendment offered by the Senator from Montana?

Mr. JONES. I suppose Washington, Montana, Oregon, Idaho, Colorado, and possibly Wyoming and Utah; nearly all the Western States.

Mr. VARDAMAN. Is there any opposition to the amendment from those States?

Mr. JONES. I do not know of any. Of course, the amendment was just submitted to the Senate yesterday, but I do not know of any opposition to it. I can not see why there should be any opposition from any of those States, but I can see many reasons why they should be in favor of it, because, as I said, these lands are not subject to taxation, and the only way in which money can be raised for improvement inside the forest reserves is for the few people in there to bear all the burden. That is practically impossible; and we can not get access to these communities—people can not get in or get out—unless there is some help of some kind. The development of the forest resources of these forest reserves is greatly delayed and hindered and prevented because of the failure of communication of any kind, and if we could have something of this sort it would not only assist the people in the forest reserves but it would materially assist the Government in disposing of some of these great resources from which it hopes to realize a great deal.

The timber resources in my State are very great—probably greater than those of any other State in the Union—and, as I said, we have large forest reserves; but these forests can not be disposed of to very great advantage without communication. The Forest Service is not able to dispose of the forests that ought to be disposed of, very largely by reason of the lack of communication and because they can not, by reason of the conditions there, secure proper terms under which the forests can be harvested. There are many places where the timber is what we call merchantable timber, where it is ripened and matured, and yet there is no way to get it in or out, and so it dies instead of growing; it is decreasing instead of increasing, simply because we have not access to it.

Mr. GALLINGER. Mr. President, I was not present when the amendment was submitted yesterday, and I am not familiar with its details. Is this money to be paid entirely from the Federal Treasury?

Mr. JONES. It is to be advanced by the Federal Treasury and repaid out of the proceeds derived from the sale of the timber in the forest reserves.

Mr. GALLINGER. That is what I wanted to ascertain.

Mr. JONES. So, as a matter of fact, this will not cost the Government anything, and I think that statement will be demonstrated to be absolutely correct.

It may be said that we have made lots of reimbursable appropriations with reference to Indian reservations that have never been paid back, or at least not as yet. That is true; but that is not conclusive evidence that these moneys will not be paid back even from the Indian lands, because I know the conditions in a good many of the Indian reservations in the West, and I am satisfied that eventually these lands will pay back every dollar that the National Government has advanced; certainly if the Indian Office looks after them properly, as I have no doubt it will. But the resources behind this loan, if you want to call it such, are so stupendous and so great compared to the amounts advanced, that if these forests are handled judiciously at all they will be paid back without any doubt whatever. It is true that they may not come back so quickly as we might expect,

because the sale of this timber, in a way that makes its handling economical, and so on, is rather slow; but as I said awhile ago, this is largely because of the lack of communication, the lack of facilities for getting the timber out, getting at it and taking care of it. So I do not think there is any doubt about the repayment of this money eventually to the Treasury.

We get a small percentage of these receipts now for the building of roads. I understand the Senator from Alabama shakes his head at that.

Mr. BANKHEAD. I will show the Senator directly.

Mr. JONES. My recollection is that under the Agricultural bill a certain amount of the proceeds of the sale of this timber goes to the States for the construction of roads—10 per cent. If I am mistaken in that, I should like to be corrected, but I think it is absolutely correct. This 10 per cent is very small, and it amounts to very little. We can not do much with it. It is largely wasted. The Senator from Utah [Mr. SMOOT] says that the 10 per cent of the sale of forest timber amounts to about $250,000 a year. That amount, distributed among the various forest reserves, accomplishes very little. It will do something in the way of trails, and those are very necessary in the administration of the forest reserves; but so far as road building is concerned, it does not amount to very much. If we can get a substantial amount, under which they will have available a sufficient sum to do something, we will get better roads, we will get more for the money that is actually expended, and we will get access to the timber; and eventually this sum will all be reimbursed to the Treasury from the sale of these forest lands.

I am not going to take any further time. I do hope this proposition will meet with the approval of the Senate. It will not only benefit the different localities but it will also benefit the Government itself, because it will be largely used in the improvement of the Government property, and making available the resources of the Government.

Mr. BORAH. Mr. President, do I understand that the Senator who has the bill in charge thinks this amendment is an unwise one, and is opposed to it?

Mr. BANKHEAD. I think it is a very unwise proposition. I do not think there is any justification for it; and I hope to be able to show that when the Senators get through with their discussion.

Mr. BORAH. I will wait, then, until I hear the Senator's reasons. No reasons have yet been assigned why the amendment should not be adopted, and I should like to hear them.

Mr. WALSH. Mr. President, before the Senator from Alabama proceeds, I should like to answer the inquiry of the Senator from Mississippi as to the States which will be affected by this amendment. Every State in which there are forest reserves will, of course, be affected by the legislation. Those are the following: Arizona, Arkansas, California, Colorado, Florida, Idaho, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Porto Rico, South Dakota, Utah, Washington, and Wyoming.

I will say further to the Senator from Mississippi that I have canvassed the matter with most of the Senators from the States affected, and I have been unable to understand that there is any opposition to the amendment. Indeed, there is a very general demand from those States, as represented here in this body, for the legislation to be passed.

Mr. BANKHEAD. Mr. President, I am greatly grieved that I am compelled to resist the adoption of this amendment. My good friends the Senators from the West know exactly how kindly I feel toward them, and how much I sympathize with them in their unfortunate situation so far as Government reservations are concerned. I appreciate all that, and I hope very soon to be permitted to vote for a bill that will absolutely turn over all of these public lands to the States where they are situated—properly guarded, of course, as to their disposition—and let them apply the proceeds to the building of roads, to education, or to any other purpose the State may think wise and just.

I say, I hope I will be permitted to do that; but, Mr. President, this is a very different proposition. Here is a bill which contemplates the building of post roads—roads over which the United States mails are to be carried; and the bill provides how the amount thus appropriated shall be expended, and how it shall be divided among the several States. The committee were greatly troubled, in the consideration of this bill, to devise some plan by which the Western States to which I have alluded may have a just share of this appropriation; and we went beyond that and provided a scheme by which they will get more than their just share under any sort of considerations that can be presented here. We provide that population, road mileage, and area shall be the basis; and from the fact that these States are all large in area—we thought giving them that provision, as well as other States, of course—would certainly put them on an equality with every other State, if not give them an advantage over every other State.

Now, what are the facts?

Mr. WILLIAMS. And, Mr. President, in counting their area, you have counted forest reservations and all other reservations as a part of their area?

Mr. BANKHEAD. Of course.

Mr. WILLIAMS. So that they get part of the appropriation on account of the existence of these very things?

Mr. BANKHEAD. Of course.

Mr. President, under the provisions of this bill and the arrangement for the distribution of this fund there are 26 States in the Union that get less money than does the State of Montana. The State of Montana, Mr. President—and I instance Montana because my good friend the Senator from that State has introduced this amendment—has a total road mileage of 23,000 miles in round numbers. Of surfaced roads it has 100 miles. It has 146,000 square miles of area, nearly four times the size of the State of Alabama or Virginia or a number of other States that I could enumerate. All these miles include every forest reserve, and every other mile or acre of land within the State is included in this distribution.

Mr. BORAH. Mr. President——

Mr. BANKHEAD. In one minute. They have a population of 376,000, five times less than the State of Alabama or Virginia.

Mr. WALSH. Mr. President——

Mr. BANKHEAD. In one minute. Still the State of Montana, under the provisions of this bill, gets practically the same amount of money that Alabama or Virginia gets. There is a difference of only a few thousand dollars. Now I yield to the Senator.

Mr. WALSH. I merely desire to say in this connection that the Senator ought to double that amount for Montana at the present time.

Mr. BANKHEAD. Double what?

Mr. WALSH. The Senator is quoting from the census of 1910.

Mr. BANKHEAD. I do not know how much these States have increased in population, as far as that is concerned. This is the latest available authority. I yield to the Senator from Idaho.

Mr. BORAH. The Senator says he allows for the area covered by the forest reserves in our State?

Mr. BANKHEAD? Yes.

Mr. BORAH. Certainly the Senator would not think it fair to do anything else in view of the great extent of these reserves.

Mr. BANKHEAD. I think that is entirely fair.

Mr. BORAH. But we must have roads through those forests. The area is not without its need for roads simply because they are forest reserves.

Mr. BANKHEAD. You do not need any postal roads.

Mr. BORAH. When you come to postal roads, of course, the bill is not for that purpose. That is a constitutional peg upon which to hang the legislation. But the forest reserves need roads not alone for the convenience of the people who live in the State, but it is essential that they shall be there for the purpose of protecting the vast possessions of the Government itself.

Mr. BANKHEAD. Does not the Senator think it would be fair for the Government itself to build roads that are to be for the special benefit of the Government?

Mr. BORAH. But this is a step in that direction.

Mr. WORKS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from California?

Mr. BANKHEAD. I do.

Mr. WORKS. If this is a question of the construction of rural roads, as the Senator contends, what difference does it make how much each of the States may get out of it? Is it really a question as to how much they get or is it in good faith a proposition to improve rural roads?

Mr. BANKHEAD. Mr. President, I think both are absolutely right. The amount they get is one factor and the amount they need is another, as far as that is concerned.

Now, Mr. President, there are 26 States in this Union that have reservations of some kind, some of them large and others small. There are reservations in the States of Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming. I do not mean to say that all these States have large areas, but they all have more or less. Some of them have an area that is extensive. I understand that, and I sym-

pathize with the situation as fully as any man on this floor. But these States get 27 per cent of this total appropriation, and they get it largely because of the area that they have that is in forest reserves. They get it by reason of their general area, of course, including the whole of the State.

Mr. JONES. Mr. President——

Mr. BANKHEAD. I yield to the Senator from Washington.

Mr. JONES. I wish to suggest to the Senator that we get some credit for the area included in the forest reserves. Yet we do not get and never will get very much credit for the roads in that neighborhood, because they will not be constructed, as the other States get credit for the roads throughout all their area. The roads in the other States are constructed because it is possible to do it by reason of their ability to tax.

Mr. BANKHEAD. Mr. President, that statement does not enter into this at all. It is not considered.

Mr. JONES. A good many local roads are built by local taxation.

Mr. BANKHEAD. That is true; but that is voluntary.

Mr. JONES. That is all true enough, but you get credit for those roads in the apportionment of this fund. Roads in the forest reserves can not be constructed by local taxation, because there is no property subject to taxation, or there is a comparatively small amount.

Mr. BANKHEAD. I can hardly understand the Senator from Washington. The roads get credit certainly under the provisions of the bill.

Mr. JONES. There is an apportionment on the mileage of the road.

Mr. BANKHEAD. Do you not get credit for roads constructed all over the territory?

Mr. JONES. We do as to the amount.

Mr. BANKHEAD. Do you not get credit for the area?

Mr. JONES. Of course, we have the area, but where you have a large reservation equal to the area of some of our States you get credit for the full area; you get credit for roads built all over that area, whereas no roads are ever built unless some assistance is rendered.

Mr. BANKHEAD. That perhaps is true, but that situation exists in almost every State in the Union, as far as that is concerned. There are sections in every State of the Union where no road will be built under the provisions of this bill, but there will be a large area covered by it.

Mr. JONES. That does not grow out of the fact that the Government has reserved the land.

Mr. BANKHEAD. A good many States I have mentioned have small reservations. The White Mountain Reservation has millions of acres of land. A large portion of it is in Virginia and some in North Carolina. Nobody is contemplating building post roads under a situation like that.

Mr. President, I maintain that our good friends from the West ought to be satisfied with the provisions of this bill and the liberal consideration they have had in its preparation. It is not fair for them to come in here and say, "We want you to give us a million dollars a year or $10,000,000 as a total to build trails through these reservations or to build a few roads in these reservations over which we can bring out lumber and timber." That is not fair.

I understand the situation, Mr. President, about as well as anybody else. I can not find it in my heart to blame these Senators for wanting something for nothing and for wanting all they can get. That is human nature. But that proposition has no place in this bill.

The Senator from Montana and the Senator from Washington seriously contend that this is a loan; that sooner or later, some time or other in the great future they will pay it back by the proceeds of the sale of timber and for the rentals on these reservations, which at this time amount, they say, to $250,000 a year. Mr. President, I can not find it possible for me to believe that out of the $250,000, if they are to continue to collect it, any part of this loan will ever be paid with it. We have had a great deal of experience in this Government with loaning money to the States and in other places. I remember, a good many years ago, when the Treasury was plethoric, when it had a surplus, a law was passed authorizing and directing the Secretary of the Treasury to deposit that money with the States pro rata according to population, taxable values, and so forth. That was done, to the amount of $28,000,000 or $30,000,000. Has a cent of it ever been returned? Does anyone believe that a cent of it ever will be returned?

Mr. SMITH of Arizona. If it had been loaned to one State it might have been returned.

Mr. BANKHEAD. My friend suggests that if loaned to any one State it might have been returned, and I presume he has reference to his own great State. It would, of course, be able to pay it back.

Mr. SMITH of Arizona. They would make us pay it back.

Mr. BANKHEAD. They have not made anybody pay it back, and nobody has expected it. We passed two bills in Congress and finally directed the Secretary of the Treasury to charge it off, declaring by act of Congress that nobody expects that it ever will be returned to the Treasury.

Now, our good friends from the West have nothing to complain about here. They have nothing to complain about in the general treatment that Congress has accorded them during the 28 years that I have been a Member of Congress. I think they have been most liberally dealt with, except in the matter of the reservations that have been set apart in their States; and I agree with them that that is an outrage which ought to be corrected in some way or somehow.

Mr. BORAH. Mr. President, the Senator will agree with me that there is very little hope of its being corrected.

Mr. BANKHEAD. No; I do not. I agree with the Senator that there is no hope of its being done as long as these great and powerful Senators sit here and make no effort to do it. I ask the Senator if he has ever made any effort to do it?

Mr. BORAH. Yes. I have been trying to get even the agricultural lands excepted from the forest reserves for eight years. I have not made any effort to get the forest lands restored to the States; I simply endeavored to get the agricultural lands, the farm land, eliminated from the forest reserves. We can not do that. I would have no hope whatever of accomplishing more when it has been impossible to accomplish so sane and just a thing as to eliminate the agricultural lands. There are millions of acres in these reserves splendidly fit for farms.

Mr. BANKHEAD. You have been trying to do that through the Agricultural Department. Why do you not come here, where you always come when you want things?

Mr. BORAH. I have had bills pending here for four or five years on the subject, but I can not get any considerable support. I have no doubt I have the sympathy of the Senator from Alabama.

Mr. BANKHEAD. Yes; and the support.

Mr. BORAH. But if the Senator will look up the record a little more closely and observe what has been attempted here, he will find that the Senators from the West have been unable to even eliminate the agricultural land. We have introduced bills and amendments, but without success.

Mr. BANKHEAD. I understand. Have you a bill pending here in Congress for that purpose?

Mr. BORAH. I have had. I have offered it as an amendment two or three times.

Mr. BANKHEAD. I will make this proposition to the Senator: If he will prepare such a bill as they will agree upon, and if no Member of the Senate from that section will introduce it, I will do it and press it just as hard as I can.

Mr. BORAH. I am glad to have the influence of the Senator. Nevertheless, if the Senator had been up against the influence which kills all legislation looking even to a partial accomplishment of what the Senator suggests, he would not fail to appreciate the grim humor of his suggestion.

Mr. SMOOT. I wish to say to the Senator that most of the Senators from the West have been using every power at their command to stop further withdrawals on the part of the Government.

Mr. BANKHEAD. But where do you go? You go to the Agricultural Department and to the Interior Department, which have no authority.

Mr. SMOOT. No; we fight in committees and on the floor of the Senate against these further reservations and restrictions, and I want to say now to the Senator that I appreciate his friendship toward the West, and his vote is generally for the West.

Mr. BANKHEAD. In all cases.

Mr. SMOOT. We are simply trying to prevent the tying up of the balance of the lands in the Western States that is not already withdrawn from entry of any kind.

Mr. BORAH. I was not at all criticizing the attitude of the Senator from Alabama.

Mr. BANKHEAD. I am sure of that.

Mr. BORAH. I know the Senator from Alabama and a great many Senators upon the other side have always been friendly to the proposition of turning the public lands over to the States in which they are, respectively, located. There is a great deal more sentiment upon the other side, so far as that question is concerned, than upon this side, but there is not enough sentiment upon both sides to put it through this body.

Mr. BANKHEAD. Mr. President, the Senator from Idaho never can tell until he tries.

Mr. BORAH. The Senator from Idaho has tried.

Mr. BANKHEAD. I have no recollection of it.

Now, Mr. President, I make this reference to that situation out in the West. The State of Alabama claims great credit—which she is entitled to not through me, but through my distinguished colleague—when the irrigation system, or the reclamation system, or whatever you call it, out there was before Congress in the other House. The committee was equally divided on reporting the bill out, and my colleague cast the deciding vote, and the bill was reported out. Therefore I think my State is entitled to some credit for that great work. I really do not think that our friends from the West ought to try to embarrass this situation by insisting upon putting an amendment like this on the bill. It seems to me that they ought to be satisfied with the justice that has been meted out to them in the preparation of the bill.

The State of Montana gets as much money as the State of Alabama or the State of Virginia under the provisions of the bill. The State of California gets nearly twice as much as the State of Alabama or the State of Virginia. The State of Minnesota gets nearly twice as much—she gets $2,190,000—and the State of Minnesota has very little of reserves there. The State of Oklahoma gets more than Alabama or Virginia or any one of almost 30 other States in the Union. The State of Washington gets $1,098,000, almost as much as Alabama, with our large population of 2,500,000 and our great number of miles of road. But they make it all up when you come to consider their area, which in all these States is very large, and that is entitled to be considered in any proposition like this. Wyoming gets $956,000; Arizona gets $1,076,000, with only a population in 1910 of 204,000 people.

Mr. SMITH of Arizona. Eleven hundred thousand and some at present.

Mr. BANKHEAD. This, of course, is taken from the census of 1910—the latest. The population in your State has increased, but here are the basic facts, Mr. President.

I want to repeat that in the preparation of this bill the committee gave this very question consideration. The Senator from Utah is going to offer a substitute for the bill which makes the distribution on population, road mileage, and taxable value, and it is my recollection that it eliminates area. Of course, I do not think the Senate will entertain that seriously, and I do not care to say anything more on the question at this time. If the occasion should arise a little later, and I should feel that it is necessary for me to say something further with reference to this amendment, of course I shall have to avail myself of the opportunity.

Mr. WORKS. Mr. President, the remarks of the Senator from Alabama prove conclusively the vice of this bill. It shows that the claim that the bill is intended for the purpose of improving the rural roads for the benefit of the Government is a mere pretense. The calculation and comparison of the amounts that are to be received by the different States shows that it is simply a question of how much the States can get out of the National Treasury. It is for that reason that I have found myself compelled to oppose the bill as a matter of principle and upon the ground that it is a distinct violation of the duty and obligation of the Government and of the spirit if not the letter of the Constitution.

The amendment offered by the Senator from Montana commends itself to me because it is a proposal to appropriate money for the benefit of the Government and to improve its own property. To that there should be no objection if this is in other respects a proper appropriation to be made at this time. I doubt that, Mr. President. This Government is looking about now for some means of raising the necessary revenue to run the Government. We are involved now in direct taxation for that purpose, and those taxes will inevitably have to be increased. The idea that the farmers of this country are getting benefits out of legislation of this kind that they themselves will not at some time have to meet is a delusion. The farmers are going to pay their full share of the $75,000,000 that are proposed to be appropriated by this bill; there is no way of escaping it. The appeal is made to Congress—and it is generally successfully made—that this is a bill for the benefit of the farmers; and the bill gets its support largely by reason of that fact.

Mr. BANKHEAD. Mr. President——

Mr. WORKS. I yield to the Senator.

Mr. BANKHEAD. I simply desire to ask the Senator from California to answer me this question: He says that the farmers will eventually pay their full share of the money that is to be employed in building these roads. We all concede that. Now, I should like to ask the Senator if he does not also think that the farmers will get back more than their full share by reason of the benefits that will come to them?

Mr. WORKS. Yes; I think that is quite possible; that is just exactly why this bill is being urged, because the farmers are going to get something out of it and not because the Government needs that the roads shall be improved. That is just the thing that I have been contending all along. We may just as well be frank and honest about this matter and admit that that is the purpose and object of the legislation; and it should be tested by that rule, as to whether the Government of the United States should be expending $75,000,000 upon any such principle or for any such purpose.

I was about to say that there is a question in my mind whether at this time the Government ought to appropriate $10,000,000 for the purpose mentioned in the amendment offered by the Senator from Montana, because of the financial condition of the Government that we can not overlook as a necessity that rests upon us to raise additional revenue by imposing additional taxes. In all other respects the amendment is entirely legitimate for the reason I have mentioned, that it is for the purpose of improving the property of the Government itself.

It frequently occurs—as I know it has occurred in my State—that the local authorities construct roads up to a certain point, where they strike Government property. They must either stop there or pay for the extension of the road over property owned by the Government, and which would be benefited by that portion, at least, of the improvement. Under those conditions it is perfectly fair and just that the Government should contribute its share toward the construction of the road. There could be no legal objection to it, nor any moral objection that I can see; and it is for that very reason, as I have said, that the amendment commends itself to me as being a proper and just amendment to the bill.

Mr. BORAH. Mr. President, the Senator from Alabama [Mr. BANKHEAD] pleads against this amendment upon the theory that it is inequitable, unfair, and unjust, and that finally it has no place upon this particular bill. Let me read again to the Senate the amendment, and we can perhaps better arrive at a conclusion as to whether it is inequitable or unfair. The amendment is as follows:

That there is hereby appropriated and made available until expended, out of any moneys in the National Treasury not otherwise appropriated, the sum of $1,000,000 for the fiscal year ending June 30, 1917, and each fiscal year thereafter up to and including the fiscal year ending June 30, 1926, in all $10,000,000, to be available until expended under the supervision of the Secretary of Agriculture, upon request from the proper officers of the State, Territory, or county for the survey, construction, and maintenance of roads and trails within or only partly within the national forests, when necessary for the use and development of resources upon which communities within and adjacent to the national forests are dependent: *Provided*, That the State, Territory, or county shall enter into a cooperative agreement with the Secretary of Agriculture for the survey, construction, and maintenance of such roads or trails upon a basis equitable to both the State, Territory, or county and the United States: *And provided also*, That the aggregate expenditures in any State, Territory, or county shall not exceed 10 per cent of the value, as determined by the Secretary of Agriculture, of the timber and forage resources which are or will be available for income upon the national forest lands within the respective county or counties wherein the roads or trails will be constructed; and the Secretary of Agriculture shall make annual report to Congress of the amounts expended hereunder.

That immediately upon the execution of any cooperative agreement hereunder the Secretary of Agriculture shall notify the Secretary of the Treasury of the amount to be expended by the United States within or adjacent to any national forest thereunder, and beginning with the next fiscal year and each fiscal year thereafter the Secretary of the Treasury shall apply from any and all revenues from such forest 10 per cent thereof to reimburse the United States for expenditures made under such agreement until the whole amount advanced under such agreement shall have been returned from the receipts from such national forest.

This, as was stated by the Senator from Montana [Mr. WALSH] on yesterday, is really simply an advance—the Senator from Alabama smiles upon the theory that it will never be repaid; I know that is what the Senator thinks. Well, Mr. President, what is the situation in the West? The Government has withdrawn from public entry and consecrated to nonuse a territory as large as the original thirteen Colonies all combined. Growing upon this territory are the only virgin forests left in the world, and of incalculable wealth. All of this land has been withdrawn, it is said, for the purpose of protecting the natural resources of the country, particularly the great forests upon those lands.

What is the condition with reference to the question of preservation? Year after year, and even now, vast stretches of this timber is being burned and consumed, utterly to the extent of millions of dollars. If you will examine the reports of the Forestry Bureau and of those who have studied this question, you will find that this destruction, to a large extent,

is by reason of the fact that the Government does not furnish the means by which to protect the property; that it does not construct roads and trails into these great forests for that purpose. The result is that we have this vast holding of the Government, of incalculable value, and growing of greater value each and every year, without sufficient protection; and one of the most essential elements of protection is that of roads and trails.

We must expect, Mr. President, if the next year shall bring us such a misfortune as the year preceding brought us and the year before that and the year before that, that not only will there be $10,000,000 worth of property destroyed, but there will be a large amount in excess of this appropriation even for one year destroyed.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Idaho yield to the Senator from New Hampshire.

Mr. BORAH. I yield to the Senator.

Mr. GALLINGER. Mr. President, I have not familiarized myself with the administration of the national forests, and I will ask the Senator precisely what disposition is made of the funds that come from the sale of timber in those forests, and other matters that are disposed of, if there are any? Are they placed in the Federal Treasury?

Mr. BORAH. I am not able to state how the different funds are disposed of. I am not sufficiently familiar with that branch of the proposition to give figures.

Mr. WALSH. Mr. President, I think I can inform the Senator.

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield to the Senator from Montana.

Mr. WALSH. Each Agricultural appropriation bill contains a provision to the effect that all avails are appropriated to carry out the general purposes of the forest reserves. So that everything that comes in is by that provision set aside and goes, so far as it may, to meet the general expenditures of the Forestry Service.

Mr. GALLINGER. And the funds are all exhausted, then, in work of that kind?

Mr. WALSH. Exactly.

Mr. GALLINGER. My thought was, that, if that were not so, it would be a very good idea to appropriate these funds to the very purpose that this amendment proposes, namely, the building of trails and roads through the forests; but if the funds are used in other directions and for the benefit of the Government, of course, I have no suggestion to make.

Mr. WALSH. Mr. President, I ought to say, further, in explanation that the act also sets aside 10 per cent of the fund to the specific purpose of constructing roads and trails. Of course the other provisions that it is all set aside for general purposes is subject to this specific appropriation.

Mr. GALLINGER. I was familiar with the fact that there was a 10 per cent allowance for some such purpose as this, but the thought in my mind was that we ought to provide that it all could be used for this very purpose.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BORAH. I yield.

Mr. LANE. If the Senator will permit me, I will say that in the section of the country in which I live the timbered lands are mountainous and rough, and for the lack of roads and accessibility to the timber there is difficulty encountered by the Government in selling it. If they had roads which would enable them to get the lumber to market, they could sell the timber, but under present conditions they can not sell the timber for lack of roads, and because they can not sell the timber they can not secure money to build roads. That is about the situation.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Alabama?

Mr. BORAH. In just a moment. Mr. President, I misunderstood the question of the Senator from New Hampshire [Mr. GALLINGER]. I knew that the fund as a whole was being drawn back and utilized in different ways to take care of what is called the conservation program, but I did not know the different subdivisions—that is to say, how much of it was used here and how much of it was used there—and so I was glad to have the suggestion of the Senator from Montana [Mr. WALSH].

Mr. BANKHEAD. Mr. President, I want to suggest to the Senator from New Hampshire, in connection with the question propounded by him, that, as I understand, the present receipts from the Forestry Service are $250,000 annually. It is proposed by the amendment of the Senator from Montana to appropriate $1,000,000 a year for 10 years for the purpose of constructing roads and trails in forest reserves, that amount to be reimbursed to the Treasury by the payment of 10 per cent of the revenues of the forest. Ten per cent of the $250,000 of receipts would amount to $25,000 a year to pay back an expenditure of $1,000,000 a year. That is the proposition. And I can not quite understand how it is hoped to pay it back, although it is insisted that it will be paid back.

Mr. BORAH. Mr. President, there is supposed to be security there of vast worth. It is not the presumption of those who are the advocates of conservation that this timber will all be ultimately burned and destroyed in different ways. The presumption is that it is of great value; and if we get roads and trails constructed we not only can protect the timber against fire, but we can finally utilize it in the market and secure a great revenue to the Government. That is their view.

Mr. FALL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from New Mexico?

Mr. BORAH. In just a moment I will yield. Mr. President, if the view held by the Senator from Alabama and others who advance the proposition that this vast amount of timber will not pay $10,000,000 be correct, certainly we ought to discontinue the conservation program now without any further controversy or debate. The fact is——

Mr. BANKHEAD. I do not presume that the Government is going in to cut down the forests; the fact is they do not cut anything, as I understand, but the dead timber; and they do not put any other kind of timber on the market. They do not cut down the forests for commercial purposes, as I understand.

Mr. BORAH. They sell large portions of the forest to different buyers or purchasers; and the reason why they can not sell it to any better advantage or can not utilize it to any greater advantage to the Government is by reason of the fact that we are pursuing a penny-wise and pound-foolish policy, and not preparing ourselves to deal with the subject matter in an intelligent and effective way. You can not sell large bodies of timber when there are no means of getting the timber out. This would be a wise business proposition from any view.

Mr. FALL. Mr. President——

Mr. BORAH. I yield to the Senator from New Mexico.

Mr. FALL. I simply desire to suggest that the Secretary's report for this year shows a deficit in the administration of the forest reserves, over and above all receipts, of something more than $2,000,000, for which Congress must appropriate.

I think the Senator from Alabama misunderstands the policy pursued in selling the timber, as has been indicated by the Senator from Idaho who now has the floor. Not only are they selling matured timber in competition with the owners of timber on private land, but they are charged in some of the States—I think in the State of Washington, for instance—with selling timber only 6 inches in diameter; and not only do they meet competition, but actually it is charged that in some instances they sell timber at lower rates than the market price. As the Senator from Idaho has said, however, if they do not have roads in the forest, they can not develop the great timber resources, and naturally they can never arrive at the point where their income will equal their expenditure.

Mr. BORAH. Mr. President, the Senator from Alabama said he hoped at some time to have an opportunity to vote for a bill which would relieve the Western States of the situation in which they find themselves.

Mr. BANKHEAD. I am going to suggest to the Senator that, if he will prepare a separate bill containing the provisions of this amendment, I shall not object to voting for it; and if he will do that and have the bill referred to the Committee on Post Offices and Post Roads, I think I can promise him a report without any delay.

Mr. BORAH. Well, Mr. President, of course this amendment is an amendment offered by the distinguished Senator from Montana [Mr. WALSH].

Mr. BANKHEAD. Very well; I make him the same proposition.

Mr. BORAH. But the Senator from Montana doubtless feels that the best way for us to get what we are entitled to have is while somebody else is getting what he wants; and for that reason it is offered as an amendment to this bill, because this bill has a tremendous influence back of it which will likely put it through Congress. As a separate bill we would experience the same fate as other measures of relief for these few Western States.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. WALSH. Mr. President, I rise to advise the Senator from Alabama that some time ago I introduced a bill embodying the same idea, and it went to a committee, but I have not yet been able to get any favorable action upon it.

Mr. BANKHEAD. To which committee did it go?

Mr. WALSH. It went to the Committee on Agriculture, I presume, which is the proper committee to consider matters relating to the Forestry Service.

Mr. BANKHEAD. I am not a member of the Committee on Agriculture, and of course I do not know what action the Committee on Agriculture would take.

Mr. SMITH of Arizona. Such a bill would naturally go to the Agricultural Committee.

Mr. BORAH. If the matter is such as to command the support of the Senator from Alabama and meets his judgment and approval, and if he thinks it a wise and proper thing to do, I really do not see why it should not go on this bill.

Mr. BANKHEAD. I have not said that I thought it was a wise and proper thing to do, by any means. I said if the Senator introduced a bill, I thought I could get it reported back, and then he could take his chances on its passing.

Mr. BORAH. If I do not have the support of the Senator from Alabama in putting it through the Senate I am afraid his proposition would not be a very advantageous one. I would rather have his support now, if he feels the proposal is just and proper; but, of course, if he does not feel so, he will have to oppose it when it comes to the Senate floor.

Mr. BANKHEAD. Mr. President, the Senator from Idaho knows how I feel about this road situation and he knows how my heart goes out for him and his constituents in their unfortunate situation, but I can not consent to put this provision on this bill, because I do not think it is proper; I do not think it is equitable; I do not think it is just, after the liberal provision which has been made for the purpose contemplated in the appropriation bill.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. VARDAMAN. The Senator from Idaho is usually accurate in his calculations, and I have always found him very sane and patriotic. I want to ask him this question: Has the Senator an idea or an opinion as to the length of time that it would require, by using the 10 per cent of the revenues derived from the forest reserves, to reimburse the United States for this appropriation?

Mr. BORAH. No, I have not; but if the Senator asks that question upon the theory that it would take an interminable length of time, or that it would not be done at all, I do not believe that that is a correct conclusion to draw. Of course, I do not know how long it would take, but I ask the Senator, in return, for his candid opinion of this situation: Suppose the Senator had a vast forest, such as Uncle Sam has at this time in many of the Western States, and it was necessary to build roads and trails through that forest in order to preserve and protect it?

Mr. VARDAMAN. I should unhesitatingly build the roads just as I voted to build a railroad in Alaska in order that we might realize upon the resources of that wonderful country.

Mr. BORAH. I know the Senator voted for that, and I believe if he will analyze this he will vote for this amendment; but——

Mr. BANKHEAD. Mr. President——

Mr. BORAH. Just a moment. The truth is, if I may say so to the Senator from Mississippi, that this is nothing more in its last analysis than a proposition for the National Government to make a reasonable appropriation toward the preservation of its own property. At the same time it benefits those who are in the States, but vitally and substantially it is for the benefit of the National Government. It is an appropriation to take care of its own property, to build roads upon its own property for the preservation of its own property.

Mr. VARDAMAN. Will the Senator give me some information as to the extent of those reserves? I know they cover several States, but I should like to know the extent of the reserves, the area, and the probable value of the property.

Mr. BORAH. I can not give the Senator the acreage accurately, and I would not want to undertake it without having the figures before me.

Mr. VARDAMAN. I only want a general idea.

Mr. BORAH. But it is a tremendous territory. I have not the actual acreage in my mind now, but it is a tremendous amount of timber or timberland, supposedly, that is reserved, much larger than several of the Eastern States combined in area.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I do.

Mr. WALSH. I have the figures here, if the Senator would like them.

Mr. BORAH. I should be glad to have them.

Mr. WALSH. In the State of Arizona there are 13,318,600 acres, in California 26,000,000 acres, in Colorado 14,000,000 acres, in Idaho 19,000,000 acres, in Montana 18,000,000 acres, in Nevada 5,000,000 acres, in New Mexico 9,000,000 acres, in Oregon 15,000,000 acres, in Washington 11,000,000 acres in Wyoming 8,000,000 acres, or a total of 185,321,202 acres.

Mr. VARDAMAN. It occurs to me that with this immense area this small appropriation would go a very short way in building roads over it.

Mr. BORAH. It undoubtedly would not build the roads that will finally have to be built, but it is a step in the right direction, and a very important one. The Senator must bear in mind that these respective States are building costly roads which will, in effect, connect up these roads built through the forest reserves. In addition to that we have been building roads in the forest reserves for the last several years. But, Mr. President, as the Senator from Washington says, when you take into consideration the amount of roads which must be built in the United States, the amount which is appropriated in this bill is infinitesimal compared to what will finally be appropriated for that purpose. It is simply a step in the right direction. But in view of the figures which the Senator from Montana has given the Senate as to the amount which is involved and the vast estate which is at stake, can it be possible that it is unwise or improvident to appropriate this amount of money? Or does anyone believe, unless we are engaged in a most foolish proposition in an attempt to preserve this timber, that the time will not come when every cent of this money will be paid back?

Mr. BANKHEAD. Does the Senator address his remarks to me?

Mr. BORAH. I address my remarks to the Senate, and particularly to the Senator from Alabama, because I know he wants to answer them.

Mr. BANKHEAD. Mr. President, the Senator from Mississippi asked the Senator from Idaho how long he thought it would take for the proceeds from the timber to pay back this loan. I think I can answer that question in part by telling the Senate and the Senator from Mississippi that the proceeds from the sale of timber in the national reserves last year, the whole of it, amounted to $206,000. That is what they got for the timber they sold.

Mr. WALSH. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. WALSH. I am sure the Senator from Alabama does not mean to give the Senate any inaccurate or incorrect information about this. I have the last report of the Forester before me, and I read as follows:

> During the past fiscal year the national forests' cash receipts were $2,481,469.35, from the following sources: Timber $1,175,133; grazing, $1,130,495; and special uses, $175,840.

Mr. BANKHEAD. Mr. President, I may be mistaken. It is not my mistake, however. I was reading from the World Almanac.

Mr. WILLIAMS. There were some expenses connected with that.

Mr. BANKHEAD. Well, that is what the Government got.

Mr. TOWNSEND. Perhaps one was net and the other gross.

Mr. BANKHEAD. So the Senator can tell how long it would take to pay it back.

Mr. BORAH. I think the Senator from Alabama will agree that the estate is large enough to make the return, and it simply will be a question of disposition whether we will do it or not.

Mr. BANKHEAD. I think we have the territory. There is no question about that.

Mr. BORAH. We have the timber also.

Mr. BANKHEAD. Yes; I think you have the timber, too. I do not think it is the policy of the United States Government, however.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. VARDAMAN. Do I understand that the money to be used to reimburse the Government for this outlay is derived

solely from the sale of timber? Are there any other sources of revenue there that the Government has?

Mr. BORAH. There are other sources of revenue; yes.

Mr. VARDAMAN. But this amendment confines it to the moneys received from the sale of timber, does it not?

Mr. BORAH. Exactly. The Senator understands that at the present time we appropriate about $250,000 annually out of the funds received from these natural resources for the purpose of building roads. This amendment is simply a scheme to draw from that amount in advance; in other words, to appropriate $10,000,000, and let this amount which we appropriate annually go to the repayment of that $10,000,000.

Mr. VARDAMAN. I confess that I see a good deal of merit in the Senator's proposition.

Mr. BORAH. If the Senator resided in one of these western States, where we have about 70 per cent or 75 per cent of the area withdrawn from public entry, he would be absolutely convinced of its merit. Just imagine the great State of Mississippi with only 25 per cent of its area subject to taxation for the keeping up of its Commonwealth, the building of its eleemosynary institutions, its courts, and its colleges, and so forth, or any other State. There would be an open rebellion here; no such thing could happen if it were not confined to seven or eight States in the Union. So long as it is confined to seven or eight States in the Union, we have not the power to overcome, I will say, the inertia of the other States; and the result is that we are there taxing ourselves on 25 or 30 per cent of our area to maintain our entire State institutions. We are simply asking now nothing more than that the National Government shall take care of its own property in accordance with the rules of good husbandry; and if it does not do that, it is not only a waste to the Government but it is a menace to the balance of the State.

These great forest fires not only mean the destruction of the forests of the National Government, but they mean the destruction of cities and towns and villages and homes near or in connection with the forests. The State of Idaho has suffered not only by the loss of the timber upon Government lands, but by the loss of the timber upon private lands. It has had its villages burned and its towns threatened; and we are simply asking that the National Government make a step in the right direction of protecting its property. I can not see why this amendment should not go in this bill, because it is asking the National Government to do nothing but to preserve its own.

Mr. LANE. Mr. President, I should like to say, for the information of the Senator from Mississippi, that this condition exists in the State from which I come: There are large bodies of timber. Much of this timber is overripe. It has acquired its maturity and is now dying; but it is in the mountains, far removed from roadways, with no means of access to it; and for the reason that we have no roadways, and for the reason that we have no means of getting that timber out of the country and to a market, it has no great market value. The Government can not sell it, and it remains there to die and to decay and go to waste—millions upon millions of dollars worth of it; thousands upon thousands of acres of it. At the same time the people who are separated by these forest areas—one part of them living, say, in a valley to the east; the other in a valley to the west—are marooned. They can not get through this belt of timber to market their farm products—those things which they raise—their fruit and grain, their butter, their eggs. They are marooned, and they are in a pitiable condition. They live, perhaps, in a valley which is rich, and would be prosperous if they had an outlet; but, from lack of roadways through these forest reserves, they are unable to prosper or even to do fairly well. There is an injustice done those people.

The people of the county and the State build good roads up to these forest reserves, but they are not allowed to build a roadway through the forest without the consent of the department here, and they are also financially unable to do so; so there is a wrong committed. The Government loses on the value of the timber. It is unable to market it for lack of means of transportation. If it had roadways into the country, so that spurs of narrow-gauge road could go into the timber and it could be cut, the value of the timber would increase immensely and would build the roads over and over again; but, because of the fact that they are so isolated that they can not get out to a market, they remain valueless. The Agricultural Department is unable to sell enough timber at a price sufficient to build the roads. The roads must be built first.

No matter how much produce you raise inside of a harbor—say, up the Mississippi River, or in the interior, on the Columbia River—unless you have an outlet for that commerce to the ocean, to the channels of traffic, it is worth nothing except for local consumption. That is the condition in the State which I represent in part; and that is a condition, I think, which exists also in Washington and in Idaho in respect to the timber reserves.

There is also the additional obligation on the Government to protect its property from loss by fire. A fire will break out in the mountains from a stroke of lightning—I have seen that happen—and it may burn and waste thousands of acres of land. For lack of means of access to it, for men to get in there to fight it, for lack even of a trail by which to reach it, it destroys hundreds of thousands of dollars' worth of property; whereas if you had roads leading to or skirting strategic points that would control the country, you could get in there with men and catch the fire early and put it out. A fire will start from many causes, seemingly unaccountable causes—the knocking out of the uncooled embers from a pipe, for instance. A fire has been known to start from the action of the sun in shining through a globule of pitch, which acted like a sunglass, concentrating the rays of sunlight onto tindered wood, and caused a fire. Unless you have means of access in order to fight these fires, and fight them promptly, they do a tremendous amount of damage.

I do not know whether the Senator ever saw a forest fire in full blast or not—a forest fire sweeping the country, lifting and scattering embers a quarter of a mile at a jump, and burning up every living thing within the inner bounds—deer, grouse, the rabbits, and everything; yourself, too, if you do not back track quickly and cross the line of danger. I have worked my way out of them. Such a forest fire is one of the most dreadful and terrifying sights that a man ever witnessed. I do not think a battle is so awe inspiring. There is no thunderstorm or electric storm that ever I saw in my life that equals it. It is a most dreadful thing, and the noise of it is like the noise of a hurricane. It sweeps from the top of one dead tree to another, traveling faster than a race horse can run.

Mr. VARDAMAN. Mr. President, there is no question about the necessity for this improvement, is there?

Mr. LANE. Not a bit. It is the most valuable item in this bill, and will do more good to people who need it than any other item in it, in my belief.

Mr. VARDAMAN. I can not see that it is going to hurt anything to tax the American people for this purpose.

Mr. BANKHEAD, Mr. TOWNSEND and Mr. SMITH of Arizona addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Oregon yield?

Mr. LANE. I yield the floor.

Mr. BANKHEAD. I should like to ask the Senator from Oregon a question.

Mr. LANE. I will answer the question.

Mr. BANKHEAD. The Senator has made a very eloquent appeal here for logging roads to haul these logs.

Mr. LANE. No; farmers' roads.

Mr. BANKHEAD. Well, I know. I have understood that there were a great many farmers in the forests of Oregon on the reserves. Of course, I understand that, as everybody else does.

Mr. LANE. Mr. President, that is not fair. I said these roads were needed by the farmers separated by these forest areas, people who want to go through them to get out to a market.

Mr. BANKHEAD. That is all right; but did not the Senator make some remarks about the necessity of having roads to bring these logs out of the forests?

Mr. LANE. Yes; that is true.

Mr. BANKHEAD. Very well. Now, what I want to ask is this: I presume the Senator has had some practical experience in logging.

Mr. LANE. I have.

Mr. BANKHEAD. I have, too. I know something about it; and I know, as the Senator knows, that the very best kind of a road is required for logging purposes. Is that the kind of a road the Senator would propose to build—a hard-surfaced road?

Mr. LANE. No.

Mr. BANKHEAD. Then, you have not a logging road, and everybody knows it.

Mr. LANE. No, Mr. President; evidently I did not make myself clear. It is to tap into the forests to a point where you can branch off with logging roads to reach the timber, to cut it with sawmills, and afterwards to transport it out over the road to the market—no; not logging roads.

Mr. TOWNSEND. Mr. President, do I understand that the Senator from New Hampshire purposes to take up the rural credits bill at 2 o'clock?

Mr. HOLLIS. Yes.

Mr. TOWNSEND. Then, as we have only three or four minutes left, I do not care to occupy the floor.

Mr. OWEN. Mr. President, several years ago, when this question of good roads was before the Senate, I made an argument which I thought had elements of value in it. The time is too short for me to repeat the matter fully; but I think this debate is of value in creating sentiment throughout the United States with regard to the reasons for developing our roads; and I should be glad to have permission to put that address in the RECORD, printing it in the ordinary type, so as to make it available for those who are interested in this question. I ask that authority.

The PRESIDING OFFICER. Is there any objection?

Mr. BORAH. I did not understand the request.

Mr. OWEN. I asked permission to put in the RECORD an argument which I had previously delivered on the floor on the good-roads question.

The PRESIDING OFFICER. The Chair hears no objection, and it will be so ordered.

The matter referred to is as follows:

REMARKS OF HON. ROBERT L. OWEN.

"Mr. OWEN said:

"This bill provides for the appropriation of public funds annually for the construction, maintenance, and improvement of post roads and rural delivery routes through the cooperation and joint action of the National Government and the several States in which such roads may be established, the Nation and State contributing equally to the cost. The value of this proposal is that *the Federal Government would at once take the initiative* and make available to every State the expert knowledge gathered together by the Federal Government on the construction and maintenance of good roads.

"This initiative is of supreme importance. No great public enterprise will receive proper attention unless some one is charged with the direct duty of attending to that business.

"Experience has shown that the private individual will not take the initiative in building good roads, because the task is too great for him, and in like manner the county, except for the laws passed by the State, would not initiate good roads except in special instances. But with the Federal Government taking the initiative, inviting the State cooperation, every State would be strongly stimulated to improve the roads. This feature of this bill is of great value.

"The good-roads department under this bill would speedily formulate and submit to the various States a method of cooperation which would result in coordinating the State and Federal activities in road building upon a uniform and judicious basis. I am sure that the people of my own State of Oklahoma would be glad to cooperate with the Federal Government in improving the highways and rural routes. In the constitution of Oklahoma we established a department of highways, and the head of this department is actively organizing public opinion in support of this the next great step in the national development of the Republic.

"Mr. President, nothing that I shall say will be either original or novel, but the facts and the reasons should be emphasized on the attention of the country. The improvement of the public roads of the United States is urgently necessary for a variety of reasons.

"The national growth and prosperity must depend on good roads.

"The development of the suburban schools, churches, mail delivery, the intelligence and social intercourse of the country people, the attractiveness, the value, the financial returns, and the physical productiveness of the farm depend upon good roads. Cheaper food products and cheaper manufactured products both depend upon good roads.

"Inaccessible and muddy roads cost the Nation a thousand millions annually.

"Justice to the farmer, who pays 60 per cent of the taxes and gets but little in return, demands it. The value of the public school, the press, the pulpit, the platform, and all the advantages of civilized life depend upon access, and access upon good roads. The extension of trade, the improvement of the opportunities to the citizen, the relief of the congestion of population in the cities depend upon good roads.

"Good roads are absolutely necessary in peace and in war. They are the chief agency of a great industrial people for the free interchange of the products of labor.

THE CONSTITUTIONALITY OF FEDERAL AID TO GOOD ROADS.

"It has been said that the United States has no constitutional right to contribute to the building of good roads. I emphatically deny it.

"Under section 8, Article I, of the Constitution, Congress is expressly authorized *to establish post roads*, and is given power 'to collect taxes,' 'to provide *for the common defense and general welfare* of the United States.'

"The perfection of the postal highways and of the Rural Free Delivery Service will extend post roads over every important road in the United States upon which any national attention need be given, and the right of the United States to provide for the common defense carries with it the right to establish national highways, as Rome did, for the movement of our national troops in time of war and for the 'general welfare' and the movement of interstate commerce and transportation in time of peace.

"The right to provide for the general welfare of the United States sufficiently covers national aid in establishing highways of stone as well as of steel rails throughout the United States.

"Why, Mr. President, Congress authorized the Cumberland Road at the headwaters of the Potomac in 1811 at a cost of $7,000,000, and in 11 years about this period 14 great highways were authorized to be built by Congress.

"It was the generally acknowledged doctrine of our forefathers that the Government had this right, and from 1850 the Government granted aid to highways with steel rails from the Mississippi to the Pacific coast and subsidized the Union Pacific, the Central Pacific, the Northern Pacific, the Southern Pacific, and gave away 200,000,000 acres of the public domain in support of national highways.

"These contributions would be worth approximately $2,000,000,000, which went to private persons and private corporations, for the building of national highways.

"There is no merit in the contention that the National Government may not contribute to the support of post roads within the States.

"Down to the most recent days, since the War with Spain, there has been expended from our National Treasury for road building in—

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|---|---|
| Alaska | $1,925,000 |
| Porto Rico | 2,000,000 |
| The Philippines | 3,000,000 |
| The Canal Zone | 1,459,073 |
| Total | 8,384,073 |

THE URGENT NECESSITY FOR NATIONAL AID.

"Mr. President, we have the biggest country, the finest land, the richest people—and possibly some of the poorest roads on earth. There is a reason for this, and the reason is that our road-building system is based on the old localized English system in the days of the American Colonies, and has never been adequately improved to meet the advancing knowledge of civilization.

"In many of our States we still keep up the destructive and wasteful system of financing road building by taxing adjoining property and administering the construction and maintenance by utterly uskilled, intensely localized management, which is very often too incompetent to merit consideration or defense. It is grossly unjust to tax the farmer to build and sustain the road which passes through his farm, when that road, in fact, is a highway used by tens of thousands who ought to contribute their proportionate part to the construction of the highway.

"The National Government, which raises revenue by taxing every man, and the State government, which raises its revenues by taxing all the people, should cooperate with these taxes levied on all the people to construct these highways which are used by all the people just in proportion to the use of the roads. To compel the construction and maintenance of the main highways by the local citizen who has had no opportunity of being instructed in the construction or maintenance of roads is necessarily to place the highways under an administration not equipped to do this work under the safeguard of thoroughly scientific knowledge, which is essential to proper results. Millions have been squandered by this obsolete method, and the roads remain to-day as an overwhelming witness of the incompetence of past management. For example, under the present laws of Texas, in a State which spends more than $8,000,000 annually on road improvement, the county judge is the one absolute authority on road matters. Such a thing as a county engineer, except by special act of the legislature, seems to be unthought of.

"In France, where they have the best roads in the world, at the head of the road system there is a magnificent technical school of roads and bridges, maintained at the expense of the National Government, from which graduates are chosen as highway engineers to build and maintain the roads of France. There is an immediate cooperation between the Republic, the departments, and the communes as completely as an organized army, directed by the most intelligent head possible to obtain.

"At the head of the administrative organization is a director general of bridges and highways, under whom are the chief engineers, ordinary engineers, and subordinate engineers, the latter being equivalent in rank to noncommissioned officers in the army. The subdivisions are under the direction of principal conductors and ordinary conductors. Next in line come the foremen of construction gangs, the clerks employed at headquarters, and, finally, the patrolmen, each having from 4 to 7 kilometers of highway under his immediate supervision.

"The great administrative machine working in complete harmony, with definite lines of responsibility clearly established, accomplishes results with military precision and regularity. In this great army of workers not the least important unit is the patrolman, who has charge of a single section of the road. He keeps the ditches open, carefully fills holes and ruts with broken stone, removes dust and deposits of sand and earth after heavy rains, removes the trees, shrubs, and bushes, and when ordinary work is impossible breaks stone and transports it to the point where it is likely to be needed. He brings all matters requiring attention to the notice of his chief.

"Every detail requiring attention is carefully noted and reported to the central authorities, so that at any time the exact condition of every foot of road throughout France may be ascertained.

"Here is a system, the best in the world, over which magnificent highways vast volumes of farm products find their way at a cost of from 7 cents to 11 cents a ton per mile. Over these roads motor cars can travel 50 miles an hour without danger. They are beautiful. They are lined on either side by ornamental and fruit trees. They are of great commercial value. They lower the cost of living, both to the town and the country, by furnishing the city with cheap food and furnishing the country with cheap freight in transporting their products to town and their materials back to the farm.

"In France at the present time there are 23,656 miles of national routes, which cost $303,975,000 to build. There are 316,898 miles of local highways, built at a cost of $308,800,000, of which the State furnished $81,060,000 and the interested localities $227,740,000. The roads of France are classified into five different divisions:

"First. The national routes, traversing the various departments and connecting important centers of population.

"Second. The department routes, connecting the important centers of a single department and bisecting the national routes.

"Third. Highways of general communication, little less important than the previous class.

"Fourth. Highways of public interest, traversing a single canton and connecting remote villages with more important roads.

"Fifth. Private roads.

"In the German Empire a similar system prevails, and these great nations, including the other nations of Europe, for that matter, set an example to the people of the United States which they would do well to follow.

"In England they have a much more localized system, and in consequence there is in England the most striking example of lack of uniformity of road work and of excessive expenditure in proportion to mileage.

"The most perfect road system, however, is that of France, which has the *most highly centralized* management of all the road systems.

"It is not my purpose, Mr. President, to go into detail with regard to the best methods of construction, but only to point out the extreme importance of *centralized initiative* and *centralized knowledge proceeding with efficiency upon a fixed basis.*

"I do not regard Senate bill 2935, which I advocate, as necessarily an absolutely perfect bill, but I do regard it as a step of very great importance, and I do believe that out of this measure, if it be enacted into a law, we would enter upon a proper system.

"I believe we should have *a legislative reference bureau* (for which I have heretofore contended), for the convenience of Congress in digesting and arranging data and making preliminary drafts of bills and which in this case might thoroughly work out a perfected plan suitable to the use of the United States under our particular form of government, providing a system for the most perfect cooperation between the National and State Governments for the development of good roads in this country.

THE COMMERCIAL VALUE OF GOOD ROADS.

"Mr. Halbert P. Gillette, an engineer of ability, has with great pains estimated the cost of hauling agricultural products to and from the farm. (S. Doc. No. 204, 60th Cong., 2d sess., p. 56.)

"The average haul in the United States is 12 miles of 2,000 pounds, at a cost of 25 cents a ton, on an average of $3 a ton for delivering farm products from the farm to the railway.

"In France the cost of hauling a ton a mile is 7 cents and in Germany and England from 9 cents to 12 cents. The direct loss on the tonnage actually hauled in the United States is perfectly enormous. The Interstate Commerce Commission reports show that the railroads handle upward of 900,000,000 tons of freight, of which 32 per cent, or approximately 275,000,000 tons, are the products of forest, field, and miscellany.

"Estimating only 200,000,000 tons at a cost of $3 a ton, we have $600,000,000 in this item, of which over $400,000,000 is a flat loss, due to bad roads; but these figures are only a fraction of the haul. To this must be added the enormous tonnage hauled from farm to farm, from farm to village, from farm to town, from farm to canals, wharves, and docks for shipment by water. The unemployed land, the defectively developed land, the wasted products not hauled because of the expense and of impassable roads, the lack of intensive farming at any distance from cities because of the expensive hauling are grave factors of the huge loss due to bad roads. The loss by bad roads upon any reasonable basis would probably exceed $1,000,000,000 per annum, or the cost of conducting our National Government.

"We have bad roads standing as a barrier, preventing the hauling of products from the farm, because the cost of hauling is too high and products are wasted on the farm.

"Lands distant from market are not cultivated at all and farms reasonably near to the markets are not put into crops *which would be productive of large bulk*, because of the ruinous expense of hauling such products, and for this reason there are huge areas uncultivated in the United States, estimated by the Department of Agriculture at over 400,000,000 acres. Improved roads would develop this vast domain and make *food products cheaper*. It would lead to intensive and more extended farming. Where the average value is $8.72 per acre of wheat, $7.03 an acre of corn, the value of vegetables in 1899 was $42 an acre and of small fruits $80 an acre.

"The commercial value of good roads, therefore, would mean a saving of a thousand million dollars annually. It would mean bringing into cultivation vast areas of land now uncultivated. It would bring intensive farming on the lands which are now cultivated. It would mean very much cheaper food products. It would mean the improved financial, social, religious, and educational condition of the farmers.

"It would mean a vast increase in the farming population drawn from the congested cities for the benefit of city and country alike.

IT WOULD INCREASE THE VALUE OF FARM LAND.

"We have about 850,000,000 acres of farm land improved and unimproved in the United States.

"The good roads will exercise a tremendous influence over increasing the value of farm lands accessible to good roads.

"By 'accessible' it must not be understood as being immediately on a perfected highway. It is an important fact that a team of horses *for two hours out of a day* can *exert about four times* their average tractive force without injury. For this reason they may pull a heavy load for 3 or 4 miles over a dirt road to a perfect highway without injury, and then carry the heavy load easily to market a long distance without harm, so that the farmers within 3 or 4 miles on either side of a good highway would be directly benefited by it; and with the King drag road leading off 4 or 5 miles on either side of a perfected highway all of the farmers of the country could be brought in touch with good roads at a minimum expense to the great increase of their farm-land values.

BAD ROADS MEAN LOSS OF POPULATION.

"The sections of country *which have lost in population* by the last census are conspicuous for impassable roads. In 25 counties, for example, selected at random by the United States Office of Public Roads, the population between 1890 and 1900 fell away over 3,000 persons in each county where the roads showed an average of only 1½ per cent of improved roads, while in another 25 counties, in which there was an average of 40 per cent of improved roads, the population in each county had increased over 31,000.

"*It is density of population and accessibility of lands which increase the value of land.*

GOOD ROADS MEAN BETTER SCHOOLS AND CHURCHES.

"Improved roads mean improved schools and churches. Where the roads are very bad the children can not easily attend school, nor can the people easily attend the churches, but with good roads they could do so. In the States of Massachusetts, Rhode Island, Connecticut, Ohio, and Indiana, in which, in 1904, about 35 per cent of the roads were improved, 77 out of each 100 pupils enrolled attended the schools regularly; but in the five States of Alabama, Mississippi, Arkansas, Georgia, and South

Dakota, which had, in 1904, only 1.5 per cent of good roads, only 59 out of each 100 pupils enrolled could attend public schools regularly. Thus good roads enable 30 per cent more children to attend school.

THE PRESENT CONDITION OF THE PUBLIC ROADS.

"We have to-day 2,155,000 miles of public roads within the United States. Less than 180,000 miles are macadamized or improved with hard surfacing.

"More than nine-tenths of the public roads and highways of the United States in the rainy season are almost unfit for use, and a large part in a very rainy season are utterly unfit for use and impassable, to the grave injury of the farmer and the *equal injury of the town people who depend upon him for regular supplies of food.*

"In some of the States improved State methods are being put into force, but the department of good roads of the United States Government should be stimulated in the highest degree, so as to furnish the people of the United States with full information upon the important commercial, financial, educational, and social aspects of this great national problem. The department should be put in a position where it can stimulate public attention and bring all of the States into harmony with this great scientific problem. Road building and road maintenance is a great *science.* It has taken generations of men to learn the best methods of road building and maintenance, and the highest knowledge in the world in scientific road building should be placed at the disposal of the humblest citizen of this Republic so that he could be a direct beneficiary of the advancement of human knowledge in this respect.

THE RELATION OF PUBLIC ROADS TO THE FARMER.

"Farm life should be made more attractive. No matter how fertile the land or how favorable the climate, if the farmer is imprisoned by bad roads, he can not enjoy fully farm life. He can not conveniently reach the school, the church, the town, or his friendly neighbors if the roads are very bad.

"We can not expect the greatest social, moral, mental, and material development of the farmer if the roads are bad.

"Only 8.2 per cent of the total road mileage of the United States is improved at the present time, yet we expended approximately $79,000,000 in work on roads in 1904. The expenditure has been entirely out of proportion to the results accomplished. The reason for this I have pointed out. It is due to the extreme localization, bad road laws, bad administration, and lack of coordination. We have little skilled supervision, with but few men with a knowledge of road building or of any profound interest in it. The laws must be changed, and they can only be changed and greatly improved by instructing the public mind and public men.

"*The profit of the farmer* is represented by the difference between the cost of production and transportation and the selling price. If he can cut the transportation in half, he will materially benefit himself financially; and if the cost of transportation could be reduced $600,000,000, the farmer would easily be benefited to the extent of one half of this saving, granting that the city inhabitants would benefit by the other half of the saving. We complain of the high cost of living, and do not sufficiently analyze the reasons for the high cost. Lower transportation means lower cost of living, both to the farmer and city resident.

"We should perfect the national waterways likewise and control the railways to lower the cost of transportation.

"The mean cost of carrying wheat from New York to Liverpool—*by water 3,100 miles*—is only 3.8 cents per bushel, while it costs the farmer on an average more than that to haul his wheat to the railway station.

"The consular reports show that hauling in Germany, France, and England is frequently as low as 7 and 8 cents a ton a mile, and rarely higher than 13 cents.

"The cost on fair earth roads is 25 cents a ton per mile; on earth roads containing ruts, 39 cents; on sandy roads when wet, 32 cents; on sandy roads when dry, 64 cents; on black gumbo when thoroughly wet passing is impossible. Steep grades on the roads is another serious tax on transportation, because 'the chain is no stronger than the weakest link.'

"If the farmer has good roads, he can take to the town two or three times as much in a load as he does now. He could haul to town from a distance two or three times as great as he does now. He could haul to town products which now are prohibited by the expense of hauling. He could raise a larger variety of products suitable for marketing. He would be directly benefited by making the town, the people, and the school more accessible.

"He would be benefited by making his neighbors easier of access, and in that way his social pleasure and personal happiness would be increased.

"He would be able to deliver his farm products to the town every day in the year, and therefore would have a steady market throughout the year for his products, whereas he may be by muddy roads excluded for two and three months at a time from his market, and the town people in like manner may be deprived of vegetables, fowl, eggs, milk, and other farm products which are essential to their comfort.

"In Bradley County, Tenn., bonds were issued for 160 miles of excellent macadam roads, and lands that were valueless before these roads were built now find ready purchasers at from $15 to $30 per acre.

EFFECT OF ROAD IMPROVEMENT ON TRAFFIC.

"If the roads were improved, *traffic would not be congested* at one season and very limited at another season, because the transportation of the crops could be made at convenience and uniformly, without the interruptions of bad weather. The railroads could, therefore, maintain a more regular service with a smaller equipment, fewer employees, and less cost of operation. This means cheaper freight rate for all the people and lower cost of living.

"I have not taken into account the wear and tear on teams due to bad roads, the destruction of wagons and vehicles, the danger to life and limb from bad roads.

THE RELATION OF GOOD ROADS TO THE PUBLIC HEALTH.

"If the roads are perfectly good, the physician or surgeon can with the modern motor car go to the aid of one in danger of death almost immediately, but when the roads are impassible death might ensue before relief could be obtained. If the roads are wet and bad and children march to school with wet and muddy feet, their vitality is lowered and loss of life must ensue.

THE DIFFERENCE BETWEEN THE CITY AND THE COUNTRY.

"Many men complain that there has been a steady movement from country to city. The reason is plain. The city is more attractive to live in because *it has perfect roads* of asphalt, macadam, and Belgian block, and concrete sidewalks. No person need to have his feet muddy in going from one point to another. In the city is concentrated many of the things that human beings desire, but if the country had good roads it would be a more desirable place to live in than the city. The countryman has good air, free from dust and smoke. He is away from the roaring noise of the city and the everlasting grind of the wheels of the street car. In the country he has his own fresh food, prepared by nature, at his hand; poultry, eggs, fresh milk, cream, butter, fresh vegetables of all kinds, and fresh fruits—peace, young animal life to interest and please him, and nature smiling back in his face and giving him 10,000 per cent for every seed he plants. With good roads he can come to the city when he likes and go back to his peaceful, pleasant home, satisfied.

"City life enervates and weakens human beings, as a rule, because of the nervous strain of city life, while in the country a man grows strong, with steady nerves, good lungs, and brawny limbs. The conditions of country life should be made more attractive. The social intercourse and pleasure of country people, proper school facilities, and church advantages should be made available with good roads. From the country has sprung the greatest men of genius and patriotism. Nearly half of all of our people are engaged in agriculture, and they furnish half of the taxes and produce three-fourths of the wealth of the Nation. I am in favor, for their sakes, of stimulating the building of good roads; but let us remember that the building of good roads is just as important to the city man, who lives on the produce of the country, as it is to the countryman, who raises that food supply. It is of equal importance and value to both the residents of the city and of the country. It is of equal importance to the professional man and to the laborer, to the farmer and the city merchant, to the producer and the consumer. It means lower cost of living to all. It means great commercial and financial advantage to all. It means greater pleasure and enjoyment of life to all.

"Many of our Government expenditures are made without return, but here is a magnificent investment, which, if it were based upon the credit system, would pay 15 per cent on every dollar judiciously invested and would add to our national wealth more rapidly than any other national investment into which we could invest our national credit or our national energies. The experience of other States has shown the importance of the State taking the initiative and guiding the activities of the counties, and in this way getting greater results. This has

been fully explained by the Senator from Virginia as the experience in that State.

AN AVENUE TO EMPLOY THE UNEMPLOYED.

"If we had this system established, we could give employment to the unemployed at rates that would not attract men already engaged, but would attract men out of work and in need. There are hundreds of thousands of men of this class available.

"Mr. President, this bill ought to be immediately reported and passed. I remind Republicans that public sentiment has so far crystallized that in their national platform of 1908 they cordially indorsed aid to good roads in the following language:

"We recognize the social and economic advantages of good country roads, maintained more and more largely at public expense and less and less at the expense of the abutting property owner. In this work we commend the growing practice of the National Agricultural Department, by experiment and otherwise, to make clear to the public the best methods of road construction.

"And I remind my brother Democrats that in our national platform eight years ago we had the following plank:

POST ROADS.

"We favor Federal aid to State and local authorities in the construction and maintenance of post roads.

"Let us fulfill in good faith our party pledges.

THE VALUE OF INTENSIVE FARMING—"BACK TO THE LAND."

"In 40 years we shall have over 200,000,000 people, and this estimate does not fully take into account the geometric progression which immigration makes probable under the enormous growth of seagoing vessels of mammoth size.

"Our breadstuff exports in 25 years has decreased 24 per cent, notwithstanding large areas of new lands producing wheat and corn.

"Our home demand for wheat in a quarter of a century has grown 80 per cent more than the supply of wheat.

"The object contemplated by the good-roads bill is to develop farm lands, encourage home building on the farm, increase the productiveness of our farm land, make our farms more accessible by the building of good roads and improved national and local highways, and make our farms a potential factor in promoting the wealth, the health, the beauty, and happiness of the Nation. Nothing could be of greater national importance.

"With these objects I find myself deeply in sympathy. One of my earliest recollections was of the intensive farming of a piece of land in Lynchburg, Va., of about 2½ acres, surrounded by a high brick wall; the inclosed land was divided up into a dozen or more plats of ground, with graveled walks lined in certain parts of the garden with dwarf box and with flowers.

"Some of the squares were used for vegetables, Irish and sweet potatoes, beets, parsnips, salsify, okra, radishes, onions, lettuce, cabbage, mustard, asparagus, tomatoes, several kinds of sweet corn, the watermelon, cantaloupe, and sweet pumpkin for cooking, rhubarb, and other succulents. Other beds against the brick wall had strawberries, raspberries, blackberries, currants, gooseberries, and various vines.

"Even in the winter this land furnished the table with vegetables stored in sand pits, and with fruits preserved and canned, and with pickles, marmalades, and other things edible.

"I remember sweet herbs in this garden—of thyme, sage, etc. I recall with affection certain arbors devoted to the grape, which, in their season, had a special charm for me. Around the edge of these squares were many beautiful varieties of fruit—of peaches, of pears, the sweet Sickle, the Royal Bartlett, the damson, the plum, the cherry, the apple. The yellow June apples in that garden were sweet enough to tempt, and often did tempt, a small boy about my size to risk an appearance before the Throne of Grace without any other preparation than an incredible number of June apples eaten in reckless disregard of consequences.

"I have never seen anywhere a more beautiful variety of hyacinths and tulips than grew in this garden, with all the old-fashioned English flowers—the jonquil, the narcissus, the crocus, the lilies of the valley, the phlox, the snapdragon, and many others; the Easter lily, the tiger lily, and a great variety of roses.

"I remember the yellow and red honeysuckle, covering a trellised summerhouse, mingling its fragrance with the pleasant odors of the climbing rose which helped to cover it.

"As I used to enter this charming spot of land from the dining-room door, I recall passing between two trees of crepe myrtle and, a few steps farther on, by two large shrubs of the euonymus. There were several large box trees in the garden, whose thick cover afforded a hiding place for many birds, whose twilight repose I used to disturb for my amusement by shaking the trees.

"There was in this garden a large clump of cane which furnished the boys of the place with convenient fishing rods, and everywhere throughout this 2 acres was manifest the highest intelligence, the finest taste, and unceasing industry.

"The guardian spirit of this garden was my mother, under whose hand everything which grew out of the ground always flourished. I have always thought that the ministering angels who supervise the growth of plants must have specially loved the gracious spirit of my mother, for her plants lived, no matter what happened to the gardens of other people. I shall never be satisfied until I am able to own and to enjoy such a garden as she had, and with which she made my boyhood days happy. Adjacent to the garden was a big smokehouse where we put up our own meat, and a yard where the chickens and ducks flourished and helped to feed the family.

"I may be forgiven these personal reminiscences when I point to the fact that this two acres and a half of land furnished a very large household with the greatest abundance of food in the form of vegetables, fruits, berries, grapes, throughout the year, as well as with an abundance of beautiful flowers. It was intensive farming. Every foot of the ground was kept thoroughly manured, the plants were transplanted from time to time where their nature required it, and the life habits of every plant were studied and thoroughly understood.

"In contrast to the productive power of this 2½ acres I have seen in the great West a poor farmer trying to cultivate enormous areas of land with a single team, and with the invariable result that his crop was so poor as to afford him and his family not even the necessaries of life, much less its convenience or the luxury of fruits and flowers. Such a farmer, with bad and muddy roads to travel, is practically isolated from the market, from the school, from the church, and from other conveniences and pleasures of civilized life, and can not conveniently or cheaply deliver to market even those things which he does raise.

"The man who works more land than he can cultivate thoroughly well wastes his time; he does more: He makes life unhappy for himself, for the faithful woman who loves him, and for the little children who look to him for guidance. He is not as useful nor as happy a citizen as he would be if he concentrated himself on 40 acres, cultivated a garden, kept a few cows for milk and butter, raised chickens and other fowls and domestic animals out of which the profits of the farm arise.

COMPARISON WITH ENGLAND, GERMANY, AND FRANCE.

"In England, Germany, France, Belgium, and Holland the people obtain much higher results than in the United States. The average wheat production of Great Britain is over 32 bushels to the acre, and in the United States only a little over 13 bushels to the acre.

"I recently spent a summer in Germany and France, and there I saw that every foot of the ground was thoroughly cultivated. It was divided up into very small tracts, and off at a distance would look like strips of carpet laid upon the rolling fields. There was constant rotation of crops; they were busily engaged in fertilizing with manures, making the ground richer. The farm roads were in splendid condition, and thousands of miles of surveyed, carefully leveled and graded turnpikes afforded the farmer cheap transportation, so that a single team might move 4 or 5 tons with less difficulty than half a ton could be moved by the same team on some of the terrible roads in the United States. What an object lesson to the people of the United States are these splendid roads, which increase the value of the farm, bring the farmer nearer to every convenience of civilized life, make his products more valuable, and make the conditions of life much more attractive.

"Along these roads I observed miles of fruit trees, the cherry, the apple, the pear, and every one of them marked with a number indicating ownership.

"I think I never saw a house so poor that it did not have its vegetable garden and its garden of flowers.

"Throughout our many cities the back lots of the American homes are often very shabby and unkempt, are absolutely distressing to those who have positive views in regard to making land either useful or beautiful.

"Every such back lot in Germany and France and England or Belgium or Holland would be a valuable vegetable garden ornamented with flowers. We can be engaged in no better business than in leading our people back to the use, and the perfect use, of our most precious heritage—the land. Let us get back to the land.

THE VALUE OF THE FARM AS A NATIONAL RESOURCE.

"Our farms produced last year eight thousand millions of created wealth. Our cotton crop alone furnished enough export cotton to give us a balance of trade in our favor. The output of the American farm, by proper cultivation, could, however, be immediately doubled, and by reclaiming waste places with proper cultivation, could easily produce over twenty billions of

wealth per annum—a sum nearly equal to the total accumulation of a century in the banking resources in all of our 25,000 banks.

"The work of such men as Luther Burbank, of Santa Rosa, Cal., in improving plant life has a value of which our people generally have had an adequate conception.

"In Oklahoma a new plant has been developed from the common seeding Bermuda, called the "Hardy Bermuda," which has great national value. It has been developed by careful selection of plants which have withstood severe freezing. The plant has as good nutritive quality as timothy; it comes up early in the spring; it has a root over a foot deep; it grows almost as thick as the hair on the head; it grows luxuriantly in the face of dry weather; will successfully stand the most extreme drouth; is not killed by many days of overflow; will grow on alkali spots and in the sand. It will produce a very large amount of food to the acre, and is an excellent grazing grass. It is impossible to exaggerate the value of a plant of this character, which will convert land heretofore unproductive into productive areas of great value. Our people must have food, and this plant will produce great food supplies from land heretofore producing nothing. We must emphasize making our lands more productive by using proper suitable plant life and concentrating labor on the land.

IMPROVEMENT OF THE NATIONAL HEALTH.

"The annual death rate of New Zealand is nine to a thousand, and of the various Australian States, ten to a thousand. In the United States it is over sixteen to a thousand—60 per cent more than in Australia. If our people can be led back to the farm, where they can get plenty of fresh air, fresh vegetables, milk and butter, and chickens, we will save these lives which now amount to over a half million beings per annum in excess of what it ought to be.

"The tables of mortality show that this high death rate is very largely due to the bad housing, bad foods, and bad sanitary conditions of the very poor in our congested cities.

"In the fight on tuberculosis abundant fresh air has been demonstrated to be essential to a recovery. Abundant fresh air is essential to keep people well who are not now sick, and is all the more important when they become afflicted with the extremely dangerous tubercle bacillus. Let us encourage our people to get back to the land, and we shall greatly improve the national health.

IMPROVEMENT IN SELF-RELIANCE AND OTHER MORAL QUALITIES.

"In cultivating the land, all of the moral qualities are stimulated, independence, self-reliance, initiative, courage, honesty of mind. In working on the land, a man is able to provide his own comfort; he can build his own house with his own hands; he can supply every article of food he needs, and create a surplus sufficient to buy other things. He receives nothing for which he does not give an equivalent; he promotes his own comfort, his own self-respect, and his own dignity. The greatest men of the Nation have come from the farm. The man on the farm, who is cultivating a small piece of land of his own, need have no fear of being suddenly discharged by his employer and left with a family on his hands to feed, and no means to buy food or pay rent until he finds another job. On the farm there is no danger in losing his job.

"This gives a man courage, self-reliance, and those moral qualities which go to make up good citizenship. Without the private virtue of the individual citizen our Republic can not rise to its great and honorable destiny. Let us get back to the land. Let us improve the roads that lead to the farm and from the farm and give the farm greater attractiveness because of its accessibility to the towns and cities.

THE VALUE OF SMALL HOLDINGS.

"The French Revolution was due to the abuse of the unrestricted land holdings of the nobility, from which vast incomes were derived, thus leading to a great extravagance of the landholding class in the face of the extreme poverty and misery of the unemployed landless masses. The landholders were so rich they did not need to use the land in full, but devoted very large areas to game preserves, while the poorer French people, who had also been brought into the world by the hand of the Omnipotent, were denied access to the land by the landlords, who preferred to see their estates used in large part for purposes of amusement, as hunting parks. The French law, of course, sustained the French landlord until the corrupt extravagance of the landholding class and the abject hunger and misery of the multitudes led to the overthrow of the laws which permitted this condition, and the bloody French Revolution followed.

"The Revolution resulted in the subdivision of France into small landholdings, which, under the laws of inheritance, was still further subdivided.

"The result of this subdivision has been intensive cultivation and great agricultural wealth from the soil of France, making it one of the richest nations in the world. The reverse of this policy is seen in Spain and Mexico, where huge estates have been permitted to exist, with the unavoidable result that the productive capacity of the land has not been developed, and where the extremes of great wealth and abject poverty are in more marked contrast than in any other civilized country.

"The United States should pursue a policy of small landholdings, and the State of Oklahoma has led the way by passing laws imposing a progressive tax on large holdings of land, for the purpose of stimulating actual home building, of promoting the greatest productive capacity of the land, and for the abatement of the nuisance and danger of large landed monopoly.

"The smaller subdivision of land will lead, therefore, directly to its intensive cultivation, and just in degree as the lands are thoroughly well cultivated, just in that degree will the value of farm lands increase, and with the increase in the value of farm lands, and the growth of their productions, just in that degree will city property and suburban property increase in value.

"Likewise, this will lead to the building of good roads, and to the increase of the liberty, of the independence, and of the personal happiness of all of our people, both on the farm and in the cities. Our cities are sadly congested and millions of people could be led to the farm, both to their own welfare and to the advantage of the Nation. The pimp, the cadet, the white woman slave would be more useful and happier as an honest plowman, gardener, and milkmaid.

THERE IS A CHARM ABOUT THE FARM.

"Under proper conditions nothing can be more beautiful or more attractive than the farm life. In times past with bad roads and muddy weather, and fields too big for the farmer to cultivate successfully, men have often worked themselves down, have grown weary, have made themselves poor, by ill-directed effort, and have made themselves, their wives, and children sorrowful and miserable in consequence. Under such conditions the farm has often been like a prison instead of being a place of liberty, prosperity, and happiness. The boys and girls have too often been glad to leave the farm to get away from its dull routine and solitude. But the time has come when there should be a complete reversal of all this. We have learned how to avoid these things and the valuable lesson should be universally taught and made a common heritage.

"Let the man—if he have too much land—sow his excess in grass, in hardy Bermuda; let him confine himself to what he can thoroughly cultivate; use only plant life suitable to the seasons, as kafir corn and milo maize for dry weather, and learn how to do the work well; let him surround himself with a beautiful garden; let the women and children be taught to love these things and the farm will become a lovely home.

"It's a good thing to keep the children on the farm, away from the temptations and evil suggestions that surround them on every hand in the city. In the light of modern invention, with our wonderful modern transportation, with electric railroads running everywhere, with rural mail delivery, with cheap power, heat, and light, with improving values in farm products, with cheapening goods of every description, every family man should have a piece of land, if it is only 10 acres, or 1 acre, upon which he might surround himself with the fragrance and the blossom and the fruit of plant life, where he might raise healthy, happy children. What can be more beautiful, or more valuable than a well-kept vegetable garden, filled with all kinds of foods of every flavor—filled with berries and grapes, and trees bearing fruits and nuts, and ornamented with the endless procession of flowers each advancing season affords?

"What more attractive than to be surrounded by the young and cheerful life of the farm—young chickens, ducks, turkeys, calves, lambs, pigs, colts, and last but not least, the opportunity to have a few good dogs, whose love and companionship is not the least of the attractions of the farm.

"'Back to the farm' should be the bugle call to the youth of our land.

"Back to the farm, where peace and quiet and sound, refreshing sleep follows happy labor, where we can hear the birds, singing their songs of thanksgiving in the early morning among blossoming trees, where homely joys can give a life of happiness, where men and women grow sound of heart and strong of limb and nerve.

"I should like to see an agricultural school of practical instruction and of plant and seed distribution in every agricultural county in the United States, where the care of cattle and horses and sheep and swine and domestic fowl and the economies of farm life and its productive capacity should be properly taught; where the great lesson might be taught and emphasized by the Government—both National and State—that

there is *no* profession more honorable than farming, and that no occupation is of such *vital importance* to the wealth and health of the Nation.

"Congress should emphasize the great importance of good roads to and from the farms of the country. It should encourage State and National aid to good roads, so as to bring to the expenditure on road building the greatest degree of intelligence and efficiency and concentrated effort. This is, perhaps, the most important factor of all in making the farm more desirable to the people, in making the farm more attractive, in making it more remunerative, and giving to it those elements which are necessary and essential to peace of mind and to the prosperity and happiness of the farmer."

RURAL CREDITS.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 2986.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes.

The PRESIDING OFFICER. The pending amendment is the amendment offered by the Senator from Iowa [Mr. CUMMINS] to strike out section 29.

Mr. TOWNSEND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

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| Bankhead | Hollis | Norris | Sterling |
| Beckham | Husting | O'Gorman | Williams |
| Brady | Johnson, Me. | Oliver | Sutherland |
| Brandegee | Johnson, S. Dak. | Overman | Taggart |
| Chilton | Jones | Page | Thomas |
| Clapp | Kenyon | Phelan | Thompson |
| Clark, Wyo. | Kern | Pittman | Tillman |
| Clarke, Ark. | Lane | Poindexter | Townsend |
| Culberson | Lea, Tenn. | Shafroth | Underwood |
| Cummins | Lee, Md. | Sheppard | Vardaman |
| Curtis | Lippitt | Simmons | Warren |
| Dillingham | Lodge | Smith, Ariz. | Weeks |
| du Pont | Martin, Va. | Smith, Ga. | Works |
| Fall | Myers | Smith, S. C. | |
| Gronna | Newlands | Smoot | |

Mr. CHILTON. I wish to announce for the day the absence of my colleague [Mr. GOFF], on account of illness.

Mr. HOLLIS. I desire to announce the absence on official business of the junior Senator from Arkansas [Mr. ROBINSON] and the junior Senator from Delaware [Mr. SAULSBURY].

The PRESIDING OFFICER. Fifty-eight Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. Mr. President, the outline sketched yesterday afternoon indicates my apprehension with respect to the feature of the bill toward which my amendment is directed. I think that every Senator and every citizen who is interested in the preservation of the authority of Congress to regulate commerce among the States should clearly understand the effect of the principle asserted in the bill as now proposed. I repeat what I said yesterday to this extent—that in my judgment the effective regulation of commerce among the States and with foreign nations will ultimately be found to involve the incorporation of the agencies or instrumentalities of such commerce under an act of Congress; and when Congress, in exercising the unquestioned power to incorporate an association for the business I have indicated, if all the property which these corporations may create or of which they may become the owners is exempt from taxation by the States, there will be an insuperable obstacle in the way of progress in that direction.

I assert, and I do not fear that it will be successfully contradicted, that if the property of the Federal land bank proposed to be created under this bill can be exempted from State taxation, then all the property of every corporation which we may create in order to carry out other governmental functions in part will also be exempt from State taxation; and if such property is exempt from State taxation because it is owned by a corporation authorized by Congress in the exercise of its constitutional power, we will never create such corporations or permit their creation, for if we were to do so we would withdraw from taxation throughout the country so large a proportion of its real wealth that the suggestion becomes intolerable; it would not be considered for a single moment.

I intend that those who are here shall see before we advance to a vote upon section 29 in the bill that the thing proposed, if it be within our power, leads inevitably to the result which I have suggested.

I do not intend, Mr. President, to organize a kindergarten in international or constitutional law, for I recognize that the Senators who hear me are just as familiar, some of them vastly more familiar, with the learning in that field and upon those subjects than am I; but I do intend to recall to the attention of the Senate certain underlying principles of constitutional law which everybody will recognize and accept the very moment I have stated them.

First, the Constitution of the United States in terms confers upon Congress unlimited power of taxation. The Congress can tax under the authority of the Constitution everything and everybody in order to carry into effect the powers of the Federal Government. This power has two restrictions. That is hardly accurate. They are not restrictions so much as they are directions respecting the manner of the exercise of the power. First, if the tax be a direct tax, it must be apportioned according to the population of the several States. We have recently made one change in that direction, namely, the one relating to the income tax, although, in my opinion, that is not a change, because, in my judgment—and it was the judgment of the Supreme Court for more than a hundred years, and from the learning of those opinions I took my own—an income tax is not a direct tax.

Second, indirect taxes must be uniform. I shall not stop to suggest the meaning of the word "uniform," because that has been declared so often by the Supreme Court that it is unnecessary for me to say one word about it.

But notwithstanding these two modes of taxation, the power of the Federal Government to tax every kind of property and every person is unlimited. On the other hand, the States have inherently the right to tax everything and everybody within their respective jurisdiction save as they may be restricted or limited by their own constitutions.

Here are two powers extending over the same persons and over the same property within any given State. But it is admitted, of course, on all hands that while there is no constitutional inhibition in express terms resting upon Congress not to tax the instrumentalities through which a State is carried on, yet in the very nature of things, fundamentally, the relation which the Constitution establishes between a State and the Federal Government prohibits the Federal Government from taxing the instrumentalities or the property of a State.

Just what are instrumentalities of a State is the subject of many judicial decisions. Reciprocally the State has no power, no right, although there is no prohibition in the Constitution to that effect, to tax the instrumentalities or the property of the General Government, because to do so is to give the State the power to destroy the General Government, to arrest or impede or obstruct the processes of the General Government.

Now, all these things are fundamental law and will not be disputed. I ask now, wherein in what phrase or clause of the Constitution do we find authority given to Congress to exempt property within a State from taxation by the State? There is no such authority in the Constitution. There is no pretense of any such authority in the Constitution. It is neither a power expressly given to Congress nor can it be implied from any power given to Congress.

Mark you, I said originally that the inhibition upon the State arises out of the relation which the State assumed by virtue of its adhesion to the Constitution and not through any act of Congress or any power given to Congress to declare specific property exempt from taxation.

I said yesterday, and I repeat to-day, that Congress has never, in all the years of its existence, attempted to declare that any property within a State is or should be exempt from taxation within the State. When I made that declaration, which I intended to apply, of course, to the case before us, the Senator from Colorado [Mr. THOMAS] suggested the provisions contained in the constitutions of the several States or in the acts of Congress which admitted certain States to the Union as exceptions from the rule I announced or at least were not in harmony with my statement. I said in response that, when I reached the stage of the argument I have now reached, I intended to give attention to that claimed exception. It is not an exception.

Let me say that the constitutions or the acts of Congress relating to the admission of the thirteen original Colonies contained no such provision, nor do the constitutions or the acts of Congress pertaining to the admission of the States which were originally a part of the thirteen Colonies contain any such provision; that is to say, the admission of the State of Vermont is silent with regard to the manner, and of Kentucky, created as

it was out of the State of Virginia. But when the States that were created out of what is known as the Northwest Territory and the territory acquired known as the Louisiana Purchase began to come in, then the question arose; and I think it is true that in every compact between the States created out of the territory I have last described and the Union there was or is a provision that the Federal Government should not tax the property of the United States—mark you, it is limited to the property of the United States—lying within their respective domains.

That would have been the effect, Mr. President, if there had been no such compact. Like a great many other declarations contained in agreements and in instruments of that sort, the provision to which I have referred was simply declaratory of a universally recognized law.

I would be possibly criticized if I made that assertion upon my own authority. I want the Senate to agree with me fully upon that subject, and therefore I invite its attention very briefly to the case of Van Brocklin against the State of Tennessee, in 117 United States Reports. I am going to give special attention to page 657, but before I do so I feel that it is necessary to state the character of the case.

Senators will remember that in 1862 Congress levied a direct tax. It being near the beginning of the war and needing revenue it levied a direct tax upon land throughout the United States. It of course levied it upon the system or plan of apportionment. Among others it levied a tax upon certain property in Tennessee. The owner of the property failed to pay the tax, and thereupon the property was sold for the Federal tax, just as it would be sold for a State tax unpaid, and at the sale the Government became the purchaser.

Now, mark the situation. The Government became the purchaser of the land sold at tax sale, not in order to carry on any governmental functions with it but simply in order to enforce payment of the tax which had been levied upon it. It became the owner, and in that way it was removed of course from the rule which controls Government property obtained for post offices and for arsenals and for other governmental functions of that kind. It was simply the owner of property bought at a tax sale.

The State of Tennessee attempted to tax the property while the Government was so the owner, and the validity of the tax levied by the State came before the Supreme Court in the opinion to which I have referred. The opinion in this case is, taking it altogether, the most illuminating respecting the power of the Federal Government to tax and the State government to tax that can be found in the reports of the Supreme Court of the United States, save and except that of McCulloch against Maryland.

It is a very long opinion and it reviews the compacts between every State in the Union at that time and the Federal Government. Among other things it refers to the argument made in the Senate at the time of the admission or proposed admission of the State of California to the Union. I assume it is referred to because of the eminent abilities and station of those who engaged in the debate. I read just a few words:

> In the debate in the Senate in June, 1850, on the act for the admission of California a motion to amend the act by requiring California before her admission to pass in convention an ordnance providing, among other things, "that she relinqushes all title or claim to tax, dispose of, or in any way to interfere with the primary disposal by the United States of the public domain within her limits"—

The last clause is quoted from the act itself—

> was opposed by Mr. Douglas and Mr. Webster as unnecessary, and was defeated by a vote of 36 to 19. In the course of the debate Mr. Douglas, after showing that the United States acquired title to the public lands, not by virtue of their sovereignty, but by deeds of cession from the old States, or by treaty of cessions from France, Spain, or Mexico, and referring to the provision of the Constitution authorizing Congress "to dispose of and make all needful rules and regulations concerning the territory or other property of the United States," said: "This provision authorizes the United States to be and become a landowner, and prescribes the mode in which the lands may be disposed of and the title conveyed to the purchaser. Congress is to make the needful rules and regulations upon this subject. The title of the United States can be divested by no other power, by no other means, in no other mode than that which Congress shall sanction and prescribe. It can not be done by the action of the people or legislature of a Territory or State." And he supported this conclusion by a review of all the acts of Congress under which States had theretofore been admitted.
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> Mr. Webster said that those precedents demonstrated that "the general idea has been, in the creation of a State, that its admission as a State has no effect at all on the property of the United States lying within its limits," and that it was settled by the judgment of this court, in Pollard v. Hagan (3 How., 212, 224), "that the authority of the United States does so far extend as, by force of itself, proprio vigore, to exempt the public lands from taxation when new States are created in the Territory in which the lands lie."

After this very exhaustive review of the conditions upon which every State had been admitted into the Union prior to the rendering of the decision, the court finally said:

> It can not be doubted that the provisions which speak of the exemption of property of the United States from taxation, in the various acts of Congress admitting States into the Union, are equivalent to each other, and that, like the other provision which often accompanies them, "the State shall not interfere with the primary disposal of the soil by the United States," they are but declaratory, and confer no new right or power upon the United States.

I think it can not be questioned that this case settles once and for all that the property of the United States situated within a State is exempt from taxation, for reasons that are set forth at very great length in this opinion, and which are simply unanswerable. The court proceeds to apply this rule—not the rule of the compact between the States and the Union when they entered the Union, but the rule which arises out of the relation between the two Governments by the Constitution of the United States—and holds that property so acquired by the Government is not subject to State taxation.

I have pursued this at greater length than necessary, possibly, because I wanted to make it perfectly clear that Congress, as a legislative body, has never in its history, so far as I am familiar with its history, attempted to settle the judicial question with respect to the taxable status of property owned by a corporation or growing out of a corporation which had been incorporated under a law of the United States.

I insist again that the Congress is wholly without any authority upon the matter. It is without authority, first, because it is a judicial question, and not a legislative one; and we can no more usurp the jurisdiction of the court to determine whether certain property in a State is so related to the Government of the United States that it can not be taxed than we could successfully attempt to judge any other legal issue which might arise between a State and the United States or between any suable bodies in the United States.

This section is, therefore, absolutely nugatory. It proceeds upon a false interpretation of the power of Congress. The several States have never suggested even in any way, directly or indirectly, that they would give to Congress the right to exempt from taxation property lying within their jurisdiction. The States have assumed a certain relation to the Federal Government through the adoption of the Constitution. That relation does exempt certain property which lies within the States, and which would otherwise be subject to State taxation, from the power of the State; but whether it is so exempted or not must be determined by a court to which the question is appealed. It can not be determined by the Congress.

I emphasize again that never before in the history of the country has Congress endeavored to invade in this manner the prerogatives and the domain of the judicial branch or department of the Government. If there were no other reason than the one I have just given, the section ought to be eliminated; but my concern in the subject is much deeper than the forum in which the question is to be decided.

I am in favor of the establishment of land banks for the accomplishment of the purpose which is provided for in the bill before us; but if I believed that in so establishing banks, in so giving them the authority to acquire certain property and to issue certain obligations, I was helping to exempt that property from taxation or helping to deprive the States of their rightful authority to tax the property I would be compelled, by reason of this higher and more important consideration, to give my vote against the bill.

I believe in Federal incorporation in many instances. I believe, as I have more than once said, that we shall find it desirable, if not necessary, before long to allow, if not to require, common carriers to organize under a law of the United States, so that we may better control their capitalization, as well as their operation. I believe that it will be discovered before many years that the most efficient way to regulate the great corporations engaged in interstate commerce will be through Federal incorporation, permissible, if not imperative, in order to better regulate and control their affairs and in order to better protect the people of the country from undue exactions; but if it is true that in authorizing the organization of such corporations and in authorizing them to perform, or to help perform, a certain governmental function, we are giving Congress power, or if Congress has the power, to declare that all their property is to be exempt from taxation, or if it follows under the Constitution that their property is all exempt from State taxation, then the course that I have suggested is altogether impossible; for, in order to secure this more efficient remedy, we would be compelled to withdraw from the taxable authorities of the country substantially all the property through which business is carried on.

Passing, then, the question of the authority of Congress itself to segregate the property of the land bank and to declare that no taxes shall be levied upon any part of it, except its real estate—a question with which I have dealt sufficiently—I now pass to the other question, namely, Does the relation between

the State and the Federal Government exempt the property of such instrumentalities from taxation? It will be remembered that the law upon this subject really began with McCulloch against Maryland, in which it was held by the Supreme Court, with a richness of reasoning and a plenitude of learning never before equaled and never since surpassed, that the State of Maryland could not levy a tax upon the notes of the United States Bank, a bank that had been created under an act of Congress and for purposes which are so well established historically that I need not enter upon the subject at all.

Remember, as we pass on, that Congress, in creating the United States Bank, had not attempted to declare whether its property should be or should not be exempt from State taxation. The men who passed the act which incorporated the United States Bank were familiar with the adoption of the Constitution; they were still under the inspiration of those eventful days, and yet it never occurred to the Members of Congress of that day that Congress could declare what property of the United States Bank should be exempt or should not be exempt.

Mr. THOMPSON. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I yield.

Mr. THOMPSON. Congress did, however, afterwards by statute declare what property of the national banks the State might tax within the State.

Mr. CUMMINS. I can not assent to that proposition. If the Senator means the act of Congress of 1862——

Mr. THOMPSON. I refer especially to the Revised Statutes, section 5219.

Mr. CUMMINS. Section 5219, passed in 1862?

Mr. THOMPSON. It commences: "Nothing herein shall prevent all the shares"——

Mr. CUMMINS. Of course the Senator will recall the fact that that occurred something like half a century later. I will reach it presently in the course of my argument and refer to it. I intend to refer to the act which deals with the question of taxation relative to the national banks.

Mr. THOMPSON. But I say Congress did declare just what property of the national banks might be taxed within the States, and the Supreme Court has held——

Mr. CUMMINS. I beg pardon; Congress has not so declared, as I understand.

Mr. THOMPSON. Will the Senator permit me to read this section?

Mr. CUMMINS. If the Senator will interrupt me at the proper time, I will be very glad to yield and have him read what he has before him into the RECORD.

Mr. THOMPSON. Very well.

Mr. CUMMINS. What I am saying now is that in the creation of the United States Bank—and that was involved in the case of McCulloch against Maryland—Congress did not attempt to declare that its property or any part of its property should be exempt from State taxation, and yet certain of its property was exempt from State taxation. Why? The answer is given in the opinion of Chief Justice Marshall in such a luminous and persuasive way that no man can misunderstand it. He said that a State can not levy or lay a tax upon the circulating notes of the United States Bank because in so doing it was violating the fundamental relation which had been established by the Constitution between the Federal Government and the States and in so doing was impeding, obstructing, and preventing the exercise of the governmental function which Congress had authorized the bank to perform, and so the tax was declared to be invalid.

Then came the case of Osborn against The Bank. I ought to beg pardon for reviewing these authorities again, because they are familiar to every student of the subject, but in the Osborn case the State of Ohio attempted to levy a tax upon the franchise of the bank—that is, upon its right to do business as a corporation. Now, both United States banks, if I may speak of the two systems successively organized, were corporations for pecuniary profit; they were corporations in which there were private stockholders who expected to receive a fair and just reward upon the capital which they contributed to the enterprise. In the Ohio case the State attempted to lay a tax upon the right of the people who were doing business under the name of the United States Bank and in some respects exercising a governmental function, but the Supreme Court again said, without any action of Congress or without any declaration of Congress, that the tax could not be levied.

Why? Because to admit that right upon the part of the State was to admit the right of the State to destroy the corporation and to prevent it doing the very thing which it was organized to do.

I am instancing these things now just to show you how the questions of exemption from taxation have arisen. They have never arisen upon an act of Congress; they have always arisen, and they always will arise, upon exemption under the Constitution itself.

I said yesterday that I had some doubt—and I still hold it—whether Congress could give its assent to the taxation of property by the States which, under the Constitution, is exempt; but I do not want Senators to reach their conclusions upon the point I am presenting on account of any doubt with regard to that question. I do not believe that Congress could assent to the invasion of a constitutional exemption; but whether Congress can be considered as so far representing the United States as the owner of property to assent to the exercise of a power upon the part of the States which constitutionally the States do not possess, I do not say; but I do say that Congress can not exempt property from taxation which, under the Constitution, the States have a right to tax. The mere statement of that question ought to be sufficient argument.

Mr. BRANDEGEE. Mr. President, I should like to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. CUMMINS. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. I want to ask the Senator to develop at some period in his argument a thought which he suggested. If this is not the proper time, do not let me divert the Senator from his present subject; but he suggested when he was discussing the question of the compulsory incorporation of interstate-commerce carriers that if the theory which he is now attacking were upheld there would be danger of the property of the carriers located in the several States being exempt from taxation within the States. Supposing the Federal incorporation of interstate carriers were made compulsory and supposing Congress did not attempt to exempt their property in the several States from taxation in those States, wherein does the Senator have apprehension that by any relation between the Government and the States the property might be in danger of being held to be exempt? I do not follow the Senator on that particular point.

Mr. CUMMINS. Mr. President, I do not want to draw into this debate the very difficult and doubtful question of whether the United States can or should compel the common carriers to organize under the laws of the United States as a condition of doing an interstate transportation business. I am not in favor of it myself at this time, and I doubt very much our constitutional power to require it. I am in favor, however, of a permissive national incorporation act. I am in favor of passing a law which will permit not only interstate carriers, but those engaged in interstate commerce, to organize under a law of Congress, because I think the regulation which we desire to impose upon such business can be much more efficiently carried out if they are so organized. If we should pass a statute of that sort—which, I think, marks the real advance upon this great subject—then, if under the Constitution the property of the Federal land bank proposed to be created under this bill is exempt from taxation, or could be exempted from taxation by an act of Congress, all the property of the carriers or the manufacturing establishments or distributing establishments, under such a law of Congress as I have described, would be likewise exempt from State taxation.

Mr. BRANDEGEE. That is the point—why are they exempt in the absence of a statute of Congress declaring them to be exempt?

Mr. CUMMINS. I have just been arguing that Congress has no authority to declare any property exempt; I have been insisting that property which is exempt is exempt because of the constitutional relation between the State and the Federal Government. Now, if that constitutional relation exempts the property of a corporation organized to loan money to a certain class of our citizens, and incidentally to receive now and then deposits from the Federal Government, and act in that way as fiscal agent of the Federal Government, so a corporation organized for the purpose of carrying on interstate transportation and to assist the Government in its official or governmental functions of regulating interstate commerce would also be exempt from all taxation on the part of the State.

Mr. BRANDEGEE. I follow the Senator now. The Senator has answered the question.

Mr. SMITH of Georgia. Mr. President, will the Senator from Iowa permit me to ask him a question?

Mr. CUMMINS. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I have not been able to hear all of the Senator's argument; but I wish to ask if the line of his thought is not this, that if an exemption exists from State taxation it grows out of the sovereign relation of the United States

to the property, and if there is not a constitutional exemption already existing it can not be created by act of Congress?

Mr. CUMMINS. That is the argument up to this time, and I hope I have established it in the minds of Senators; but I am now considering a still more vital and fundamental question, namely, Is the property exempt under the Constitution? I am now looking at the relation which the Constitution establishes between the State and the Federal Government, entirely removed from any attempt on the part of Congress to declare what property is or what property is not exempt from taxation. I have referred to the beginning of all this train of cases—namely, the decision in McCulloch against Maryland—wherein the Supreme Court of the United States held that the bank notes of the United States Bank were exempt; and I am not going to read again the reasons given in the opinion for that holding. I have just referred to the fact that it was made without any act of Congress. Congress did not think of trying to exempt those notes, because Congress knew, in those days at least, that what was exempt was exempt under the Constitution and not under any construction of the Constitution that it might give in a legislative act. I have also referred to the case of Osborn against The Bank, for that proceeded upon exactly the same theory.

These two cases, followed by many others, established in this country beyond any controversy the proposition that a State can not impede or obstruct or impair or destroy an instrumentality which the Federal Government selects to carry out one of the governmental functions. The way in which my friend from New Hampshire applies that principle to the present bill is that because the Supreme Court, in these cases to which I have referred and many others that are of the same import, held that a State could not tax the circulating notes of the United States Bank, nor could a State tax the franchise, nor the corporation itself that had been organized under Federal law, therefore the State can not tax anything belonging to a corporation created under Federal law any property that it may acquire, no matter what its relation may be to the governmental functions given to it by the act of Congress. It was at this point that I was impressing the Senators with the idea that if that is true, then one great avenue which I hope we will use in the future for the regulation of commerce among the States is absolutely closed to the Federal Government—closed because no one would think for a moment of regulating interstate commerce in that way if it followed that all the property of the agency or the agent was exempted from taxation.

I have instanced two of the cases in which the Supreme Court has held that the State governments can not tax certain instrumentalities or agencies of the Federal Government. There ought to be clearly in the minds of Senators at this point just what it is proposed to exempt from taxation in the bill. The Federal land bank is a corporation organized for pecuniary profit. It is organized to carry on what has hitherto been known as a private business. It is organized to do a business that is just as private in its character as the business carried on by national banks, and a little bit more so, because the governmental functions given to a national bank are broader and more numerous than those given to this bank, probably. I suppose the bill embodies the view of the Senator from New Hampshire with regard to constitutional exemptions—partially, at least. It is claimed that it exempts what I am about to read. I am assuming, of course, that this exemption would follow under the Constitution, if Congress has the power to make it, because I assume that the source of all congressional action is the power conferred in the Constitution.

That every Federal land bank and every national farm-loan association, including the capital stock and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of section 11 and section 13 of this act.

And the Senator from New Hampshire very candidly and, I think, very fairly stated a day of two ago, in answer to an inquiry of mine, that in his opinion Congress could exempt the real estate just as completely and as effectively as it can exempt the personal property.

I proceed:

First mortgages executed to Federal land banks, or to joint-stock land banks—

That is, all mortgages that are executed to any of these banks are exempt from State taxation—

and farm-loan bonds issued under the provisions of this act—

They are also exempt. That is to say, if this system attains the full growth which its friends believe it will attain, or hope it will attain, there will come a time, I assume, and it will come before long, when there will be outstanding anywhere from five to ten billion of farm-loan bonds, and they are all exempt from taxation.

I proceed further:

And farm-loan bonds issued under the provisions of this act, shall be deemed and held to be instrumentalities of the Government of the United States—

All that I have said with regard to the attempt on the part of Congress to act judicially, instead of legislatively, applies with emphasis and increased force to that phrase. I can not understand the reasoning which clothes the Congress of the United States with the power to declare a given thing an instrumentality of the Government of the United States if it is not an instrumentality. It is a question of fact. It is a question of the office which the farm-loan bonds perform. It is a question of the function which they discharge in this system that is to be created.

Congress can no more declare that they shall be held and deemed instrumentalities, unless Congress has so related them to other operations of the country and of the bank as to make them instrumentalities, than it could declare that they shall be instrumentalities of the passage of mortal man to the streets of the New Jerusalem. It is utterly impossible and illogical.

But I proceed—

and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation.

Thus you see that every particle of property either owned or issued by the farm-loan banks or the farm-loan associations is to be exempted not only from State taxation, but from Federal taxation as well. Now, I say I think it is entirely competent for Congress to fail to levy a tax on anything. If it makes its taxes uniform if they are indirect, and if it apportions them if they are direct, then the Federal Government has power to levy a tax on anything or anybody. But it may and it undoubtedly does have the power for the time being to relieve all this property from Federal taxation, but it has no power, as I have said so many times, to affect the right of the State to tax if under the Constitution the State has the right to tax.

In the discussion of the case the other day by the Senator from Utah [Mr. SUTHERLAND] it was questioned whether the opinion of the Supreme Court in the case of Veazie Bank against Fenno was in any way inconsistent with the case of McCulloch against Maryland, and the Senator from Utah stated, and I think stated correctly in that respect, that the profession had never fully acquiesced in the soundness of the reasoning in the Veazie Bank case. I do not differ from the view taken by the Senator from Utah, but I want to point out where the doubtful question is, because the general principle that I have been attempting to sustain is nowhere questioned or impaired in the opinion.

The Veazie Bank case is an instance, as you all know, of the attempt on the part of the United States to tax an alleged instrumentality of a State government. Those who denied the validity of the tax took refuge behind all that had been said by Chief Justice Marshall in the case of McCulloch against Maryland and in the case of Osborn against The Bank and in others that followed relative to the reciprocal exemption of Government instrumentalities, and insisted that Congress could not levy a tax upon the circulation of State banks, inasmuch as those banks were instrumentalities of the State governments, and, therefore, under the well-accepted rule, Congress must abstain from taxation. As a matter of history, of course, the tax was laid not for the purpose of raising a revenue but for the purpose of retiring the State-bank circulation; and that, among other things, was urged against the validity of the tax.

I call the attention of the Senate again to the case in order to show that there was no modification from the rule that had been announced for years by the Supreme Court as to the reciprocal or mutual exemption of instrumentalities of government; and I call attention to it for the purpose of showing what the Supreme Court held to be, in that particular instance, an instrumentality or agency of the State government. I shall not go over the various grounds of defense or attack, but I want to read what the court says upon the point that I have just attempted to state, namely, if the Federal Government can not tax a State instrumentality, why was it permitted to tax the circulation of a State bank?

After a very learned argument upon the question as to whether or not it was a direct tax, and after the conclusion that it was not a direct tax, the court said:

Is it, then, a tax on a franchise granted by a State which Congress, upon any principle exempting the reserved powers of the States from impairment by taxation, must be held to have no authority to lay and collect?

We do not say that there may not be such a tax. It may be admitted that the reserved rights of the States, such as the right to pass laws, to give effect to laws through executive action, to administer justice

through the courts, and to employ all necessary agencies for legitimate purposes of State government, are not proper subjects of the taxing power of Congress.

Reiterating precisely what was said in McCulloch against Maryland in paraphrase. And just here may I ask, Why has not Congress the power to tax State bonds or municipal bonds? The Constitution does not exempt them in terms. It gives no authority to Congress with respect to them; but they are exempt from Federal taxation because they are, and have been held to be, instrumentalities of the State.

I proceed with the quotation from the opinion:

But it can not be admitted that franchises granted by a State are necessarily exempt from taxation, for franchises are property, often very valuable and productive property, and when not conferred for the purpose of giving effect to some reserved power of a State, seem to be as properly objects of taxation as any other property.

But in the case before us the object of taxation is not the franchise of the bank, but property created, or contracts made and issued under the franchise, or power to issue bank bills. A railroad company—

Possibly some Senators may think that the comparison I have drawn between the land bank and the railroad corporation is not accurate and may doubt my view that if the Constitution exempts the property of the one it exempts the property of the other, assuming that both are organized under Federal law; but if so, the Supreme Court has fallen into the same error.

The court says:

A railroad company, in the exercise of its corporate franchises, issues freight receipts, bills of lading, and passenger tickets; and it can not be doubted that the organization of railroads is quite as important to the State as the organization of banks. But it will hardly be questioned that these contracts of the company are objects of taxation within the powers of Congress, and not exempted by any relation to the State which granted the charter of the railroad. And it seems difficult to distinguish the taxation of notes issued for circulation from the taxation of these railroad contracts. Both descriptions of contracts are means of profit to the corporations which issue them; and both, as we think, may properly be made contributory to the public revenue.

That paragraph distinguishes the case of Veazie against Fenno from the case of McCulloch against Maryland. The Constitution of the United States gives to the Federal Government a peculiar authority, an exclusive authority, with respect to money—to the circulating medium, if you like, that is to be used as money—and I can not doubt that it was largely on account of the peculiar office which the bank notes of the United States banks performed with reference to our financial system that the court held that in the case of the United States Bank the power to issue them unimpeded by the action of the States was a governmental instrumentality and could not be taxed by the States, whereas the circulating notes of State banks were not instrumentalities of the State government, and had no more to do with the carrying on of the affairs of the State government than a railroad organized to facilitate transportation among the people.

The Senator from Utah [Mr. SUTHERLAND] a day or two ago read with a good deal of fullness from the case of Union Pacific Railroad Co. against Peniston, in Eighteenth Wallace. In this case the Federal Government had organized a railroad company, or it was organized under a law of the United States; that it performed a governmental function no one will question—a far more important governmental function than will be performed by the land banks to be organized under the pending measure. It is claimed here that Congress can relieve certain property from the State power of taxation. It was not so claimed there. It was claimed, however, that the mere fact of organization under a Federal law, and the mere fact that the railroad company had undertaken to perform certain governmental functions, relieved all its property from taxation at the hands of the States.

Mr. HOLLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from New Hampshire?

Mr. CUMMINS. With pleasure.

Mr. HOLLIS. Is it not a fact that in the case under discussion that point was not raised, because Congress had failed to act on the subject, and therefore it could not be decided in that case, and no such claim could be made? Here we propose to act.

Mr. CUMMINS. That, Mr. President, is the argument; and I do not treat it lightly at all. It is an argument, however, rather than a statement of fact. It is true that in the case of the Union Pacific Railroad Co. Congress did not attempt to exempt its property from taxation, because Congress seemed to know its business in those days, I am bound to say, better than it appears to know it now. Congress knew that it could not exempt property from State taxation.

Mr. HOLLIS. Mr. President, is it not fair to assume that Congress, even if it thought it had the power, thought it would be poor policy to exempt it? Is not that a fairer argument?

Mr. CUMMINS. That is a very fair suggestion. I agree that even if Congress has the power in such a case to say whether or not property which is created by a corporation organized under Federal law shall be exempt from taxation, it would not be likely to exercise that power. I have no doubt that if the question had ever arisen in the minds of the men who were responsible for that legislation they would have reasoned in that way, because it is so perfectly absurd, when we consider the broad extent of congressional authority with respect to the creation of corporations, to think that as we are taking over, little by little, the private business of the country we ought to exempt from taxation the property which heretofore formed the body of the taxable values of the Nation. I have no doubt that if the question ever did arise in the minds of the men of those days they must have reasoned in the way suggested by the Senator from New Hampshire. But I reiterate that so far as I can ascertain—and I have examined the matter with some degree of care—it was never suggested before that Congress could determine whether given property owned by a private corporation—a quasi-public corporation, if you please, because it has some public characteristics—could be exempted from taxation by the State. But if I have successfully established my initial proposition, which is that if the property is exempt at all it is exempt by reason of the Constitution and the relation which the State bears to the General Government, then all that is said in this case must be considered as applicable.

The justice said:

That the taxing power of a State is one of its attributes of sovereignty; that it exists independently of the Constitution of the United States, and underived from that instrument; and that it may be exercised to an unlimited extent upon all property, trades, business, and avocations existing or carried on within the territorial boundaries of the State, except so far as it has been surrendered to the Federal Government, either expressly or by necessary implication, are propositions that have often been asserted by this court. And in thus acknowledging the extent of the power to tax belonging to the States, we have declared that it is indispensable to their continued existence. No one ever doubted that before the adoption of the Constitution of the United States each of the States possessed unlimited power to tax, either directly or indirectly, all persons and property within their jurisdiction, alike by taxes on polls, or duties on internal production, manufacture, or use, except so far as such taxation was inconsistent with certain treaties which had been made. And the Constitution contains no express restriction of this power, other than a prohibition to lay any duty of tonnage, or any impost or duty on imports or exports, except what may be absolutely necessary for executing the State's inspection laws—

These words must mean something, "the Constitution contains no express restriction of this power," and so forth—

It is, indeed, a concurrent power—concurrent with that of the General Government—and in the case of a tax upon the same subject by both Governments, the claim of the United States as the supreme authority must be preferred; but with this qualification it is absolute.

I need not read further, because I really have, in a very inadequate way, paraphrased in my argument much that is said in the opinion, for I have drawn my conclusions very largely from this opinion. I venture, however, one more paragraph. The court says further:

There are, we admit, certain subjects of taxation which are withdrawn from the power of the States, not by any direct or express provision of the Federal Constitution, but by what may be regarded as its necessary implications.

Implications from what? From the Constitution. Is there anything there which suggests that Congress can add further restrictions, restrictions that are not found in the Constitution, restrictions that are not imposed by the Constitution? I am sure the case is clear on that point.

They grow out of our complex system of government and out of the fact that the authority of the National Government is legitimately exercised within the States. While it is true that Government—

Referring to the Federal Government—

can not exercise its power of taxation so as to destroy the State governments or embarrass their lawful action, it is equally true that the States may not levy taxes the direct effect of which shall be to hinder the exercise of any powers which belong to the National Government. The Constitution contemplates that none of those powers may be restrained by State legislation. But it is often a difficult question whether a tax imposed by a State does in fact invade the domain of the General Government or interfere with its operations to such an extent or in such a manner as to render it unwarranted.

It is, indeed, a difficult question, but who is to determine it? Is Congress to determine it? Is Congress to examine the complicated and delicate relations which certain property may sustain toward the General Government and toward the functions which the General Government is endeavoring to perform in a particular State and say that no tax shall be levied upon this particular property because it impedes or interferes or destroys the exercise of just governmental power in the State?

Says the court, further:

It can not be that a State tax which remotely affects the efficient exercise of a Federal power is for that reason alone inhibited by the Constitution.

Chief Justice Marshall said these things in the case of McCulloch against Maryland. They are rarely quoted, because the opinion is always used, and, naturally, to show the point to

which a State may not go in taxing instrumentalities of the General Government. But this is really a reiteration of what was said in the original opinion.

> To hold that would be to deny to the States all power to tax persons or property. Every tax levied by a State withdraws from the reach of Federal taxation a portion of the property from which it is taken, and to that extent diminishes the subject upon which Federal taxes may be laid. The States are, and they must ever be, coexistent with the National Government. Neither may destroy the other. Hence the Federal Constitution must receive a practical construction. Its limitations and its implied prohibitions must not be extended so far as to destroy the necessary powers of the States or prevent their efficient exercise.

Then the court proceeds at great length to review all the earlier cases, some of which I have already brought to your attention, and it holds that the State can levy a tax upon the property of the Union Pacific Railroad Co., because in so levying the tax upon the property of the company the ability of the company to perform the function which has been intrusted to it by the Federal Government is not destroyed or impaired or seriously impeded; and so the Supreme Court has held over and over again.

I shall not go further with the argument on that phase of the matter, because the Senator from Utah [Mr. SUTHERLAND] set it forth very clearly, and I think conclusively, a few days ago, but I could not resist my inclination to emphasize the propositions laid down by him.

I now want to apply them to this particular instance. We are organizing, or propose to organize, a series of land banks and a series of farm-loan associations. They are organized for pecuniary profit, and they are organized to do a business which hitherto has been carried on by private enterprise. I am in favor of their organization. I think it is a real advance in the science or art of government. What are they to do? They are to take subscriptions to their capital stock; they are to accumulate a capital in that way; they are to loan money, not to the farmers alone but to anyone who may own real property devoted to farming to any extent, limited by one standard alone, as I remember it. Their aggregate loans must not exceed fifteen times the capital and surplus of the land bank. They do all this for the purpose of making 1 per cent upon the aggregate amount of all mortgages which they may take from borrowers. That is their gross profit, and after paying expenses they divide their net earnings among their stockholders, excluding the Government of the United States. Just why the Government is excluded I do not know, nor do I pause to inquire.

These farm-loan banks then issue their obligations known as farm-loan bonds to an amount equal to the aggregate face value of the mortgages which they have taken and which are not already represented by farm-loan bonds, and these securities are offered to the public. The public takes these securities, or is expected to take them, because they furnish a safe and profitable investment. If they bear interest at the rate of 5 per cent or 6 per cent, if they are as stable as the Senator from New Hampshire believes they will be and as I think they can be made, they will be the most profitable and enticing investments offered to investors who do not care to employ their own abilities in the care and increase of their capital.

Such is the province of these banks. All that I have said up to this time contains no element of governmental function. It can not be said that the mere desire to promote the general welfare is a governmental function unless the welfare is promoted through some power and authority given in the Constitution. I have heard it suggested here once or twice that we might pass a law dependent entirely upon the general welfare, but that is not often persisted in.

These banks up to the point I have suggested will not exercise any governmental function, and there would not be a stone of constitutional foundation upon which to build the elaborate structure. But the Secretary of the Treasury is given the authority to deposit some of the public funds in these banks, and they are thereby, as is thought by the distinguished author of the bill, made the fiscal agents of the United States; and I am not disputing that. We all know, however, that is a mere form in order to make the project a constitutional one.

I think there is another slender constitutional hook upon which the great enterprise is hung, but it is as immaterial and as visionary as the one I have already stated. I care nothing about that. I only say that those are the governmental functions. If anyone can satisfy his conscience and judgment that we can exempt all the property of the land bank, the enormous aggregate I have already suggested, because the Secretary of the Treasury may now and then deposit money in the bank, he has an imagination that entitles him to a place not only among legislators but among the poets as well. We all know that our judgment is not convinced by any such reasoning.

I am as well convinced that we have no power as a Congress to exempt any of the property of the Federal land banks from taxation as I am that we have a Constitution at all. I am as well convinced that the property of the land banks used for the purpose of carrying on this business, a laudable and worthy business for the profit of the stockholders and general welfare of the country, is not exempted by the Constitution from taxation on the part of the State as I am that we have a Constitution.

Mr. President, I have just one word more, not upon the legal phases of the section but upon the merits of the section.

Mr. STERLING. If the Senator will excuse me before he passes to the other phase of the discussion, I should like to ask him upon what theory or on what provision of the Constitution he bases the many large appropriations that are made by Congress, as, for example, the appropriations carried by every agricultural appropriation bill affecting particular interests and particular States of the Union?

Mr. CUMMINS. Mr. President, the Congress of the United States has the unlimited power of taxation, and when money comes into the Treasury it can do whatsoever it pleases with it, and there is no one who can question its disposition of the funds in the Treasury. If the question were presented so that rights were involved I think that a great many things that we do are not warranted by the Constitution.

Mr. STERLING. Mr. President, the Senator referred a while ago to the very vague authority conferred by the clause of the Constitution authorizing Congress to provide for the general welfare. I should like to ask the Senator if appropriations such as I have mentioned have not been made under that provision of the Constitution and been held to be justified?

Mr. CUMMINS. I think they have been made under that provision of the Constitution, and I am not criticizing them at all. I am only saying that when we pass a law which affects the rights of the States to tax property within their limits we can not justify the legislation and insist that it is constitutional simply because it is for the general welfare. I am sure the Senator from South Dakota will agree to that proposition.

Mr. STERLING. I might take issue with the Senator from Iowa in the conclusion reached by him in that regard.

Mr. CUMMINS. Possibly so.

I shall now pass to the question of the wisdom or justice, even if Congress has the power to exempt property from State taxation, which I utterly deny. But assuming that it has the power, I now ask Senators whether it is just, fair, and reasonable to exempt this large and growing body of property from the power of the States in the way of taxation? Suppose that the average burden laid upon such property as is here sought to be exempted throughout the country in the way of taxes is 1 per cent. One per cent is perhaps a fair estimate of the average rate of taxation in whatever form it may be imposed throughout the United States. It is proposed by this bill to give the Federal land banks the advantage of 1 per cent not upon the capital but upon the entire value of the property which the banks and associations may own and then upon the entire amount of the obligations which they issue. It is utterly unfair. There is no institution in America occupying the same general field that can withstand competition of that character. One per cent upon the property, the stocks, the bonds that are issued by the farm-loan banks will simply stifle every other loaner of money upon mortgages in the United States. One per cent would be a fair profit, the Senator from New Hampshire says, and I have not yet seen his position answered. I have heard it denied once or twice, but it seems to me he has maintained himself very well. He declares that 1 per cent, representing the difference between the interest upon the mortgages and the interest that the bonds are to bear, will pay all the expenses of the system and return a fair interest or dividend upon all the capital employed. If that is true, I want him to answer this inquiry, if he considers what I have been saying as worthy of an answer, What effect will the 1 per cent upon the entire business, not capital, have upon those who are engaged in a like business?

Mr. HOLLIS. I will be very glad to answer the Senator.

Mr. CUMMINS. I do not ask the Senator to answer now.

Mr. HOLLIS. Otherwise I am afraid that I shall forget it.

Mr. CUMMINS. I am going to sit down in a few moments; I am rather weary; and I would infinitely rather hear the answer when the Senator comes to reply.

Mr. HOLLIS. Very well.

Mr. CUMMINS. I assert that with such advantage there is no rivalry and can be no rivalry with the farm-loan bank. It is an advantage never before given to any class of people in the United States. It is an unjust discrimination that will not be defended by the men in whose behalf I know the Senator from New Hampshire thinks he is so faithfully laboring. If I were compelled to admit, if I could admit in conscience, that the

farmers will get the benefit of the 1 per cent, I still would oppose it.

Mr. SMITH of Georgia. Will the Senator allow me? The farmer puts up his mortgage and that goes as a collateral for the farm loan. If the 1 per cent were charged first on the farmer's loan and then 1 per cent on the bonds issued, that would be 2 per cent. The farmer gets the money; he puts it into the ground, and pays taxes on it there. If you allowed the 1 per cent in both these other places, would you not really be taxing the farmer 3 per cent instead of 1 per cent and would you not have to add that 2 per cent more to the interest?

Mr. CUMMINS. No; that would not be true. There are instances of double taxation in this country; but the farm-land banks would no more have to pay double taxation than any other institutions which do business of the same kind. It may be that in the long run the farmer would receive some benefit from the exemption from taxation. He would receive it only, however, as it was doled out to him by the investors in the farm-loan bonds; and I venture to say that they will take it all. I venture to say that they will never give the farmer any benefit whatsoever of the exemption from taxation. I have never known capital so tenderhearted, so self-sacrificing, and so unselfish as to be willing to pass on a profit if ingenuity could arrest it in the pockets of the capitalists; and there it will be arrested in this particular instance.

Mr. President, when the farmer gives a mortgage upon his farm, in justice he ought not to be compelled to pay taxes upon more than the residue of the value, and the mortgagee should pay the taxes upon that part of the value of the farm represented by the mortgage. That is so in some places. It will be so in every place just as rapidly as justice can take the place of injustice and as intelligence can occupy the seat of ignorance. I am sorry to say that it is not so everywhere. But what is proposed here is that a capitalist of New York City who wants to buy a million dollars of the farm-loan bonds—because with the exemption from taxation we are providing they will be altogether the most attractive investment ever presented to the American people—is not taxed at all; and under any defensible system of taxation, if the City National Bank, of New York, or Kuhn, Loeb & Co., or any other of the great financial institutions desire to invest their capital in this very fascinating and profitable form, ought they not to pay taxes on their wealth? They would not have to return it even in their income accounts. These farm-loan bonds would pay them a million dollars interest a year, and they would exempt it even from their income returns; and thus, whatever may be eventually the aggregate amount of all the farm-loan bonds in the hands of capital, not in the hands of farmers, there will be that capital segregrated from all other capital and exempted from taxation. It is unjust. It will destroy the system just so sure as it remains a part of it.

The only defense that is offered for it is that when these capitalists come to determine upon what rate of interest they will take the farm-loan bonds they will recognize the exemption from taxation and kindly say to the farmer, "We will reduce your interest 1 per cent, because the securities that are now offered are not subject to taxation." If that is the prediction the Senator from New Hampshire makes with regard to the operation of this bill, I hope from the bottom of my heart that his prediction will be fulfilled, because if we are to do this unjust thing, if we are to separate one class of the people of this country from all others and say they shall not be taxed and that all others shall, if the man who gives the mortgage on his home in the city or in the town is compelled to pay his tax and his farmer friend is relieved of his—if that is to be the system installed in this country, it at least has the advantage of conferring a special privilege upon most deserving people.

Mr. President, I have said that I do not think the farmers believe in special privilege. I do not believe they are applicants at the hands of Congress for any advantage over their fellow men. I think they are men who stand on their own feet; men who are able to conduct the affairs of life with as much success and with as much intelligence as are any other people of the country; but I am frank to say that, if my friend from New Hampshire and his associates are determined to batter down the walls of the Constitution, are determined to usurp an authority that Congress has never in its 125 years of existence attempted to assume, I am glad they are doing it under that very attractive name—the agriculturists. The Senator would not dare to do it in any other name; he would not dare to do it in the name of any other class of people in the land. May I tell him that I know vastly more about the farmers than he can know, for I live in a State of real farmers; I live in a State that produces nearly every year a greater agricultural product than does any other State in the Union. As to the farmers of that community, if they are allowed to secure the advantage over their fellow men which this bill proposes, it may silence their scruples and they may pocket the profit, but they nevertheless will feel, and the Senator from New Hampshire will know that they will feel, the injustice which he has inflicted upon the unfortunates who are required to pay the taxes which should be raised upon these bonds owned not by farmers but by bankers.

Mr. HOLLIS obtained the floor.

Mr. STONE. Mr. President, will the Senator from New Hampshire yield to me for a moment?

Mr. HOLLIS. I yield to the Senator from Missouri.

Mr. STONE. Mr. President, I am not sure whether or not it is permissible, under the rules while this bill is pending, to offer a motion on another subject. I will state the motion and the Chair can rule upon it.

On April 29 a bill was introduced by the Senator from Wisconsin [Mr. LA FOLLETTE] entitled "A bill (S. 5796) to authorize the Director of the Bureau of the Census, under certain conditions, to prepare and distribute blank ballots and to receive and count marked ballots and report to Congress the result of an advisory vote. That bill was referred to the Committee on the Census, as neither the Presiding Officer nor the Secretary could tell from the title what the substance and meaning of the bill might be. Clearly it was wrongly referred. I wish now to enter a motion to discharge the Committee on the Census from the further consideration of the bill, being Senate bill 5796, and to refer the bill to the Committee on Foreign Relations.

Mr. SMITH of Georgia (to Mr. STONE). Why can it not be done by unanimous consent?

The VICE PRESIDENT. The motion is in order, but it will be compelled to lie over a day, if there be any objection.

Mr. SMITH of Georgia. I suggest to the Senator from Missouri that he ask unanimous consent.

Mr. STONE. It has been suggested that I ask unanimous consent to have this done, but I hardly think that would be fair. The Senator from Wisconsin especially asked, as I am told, to have this bill referred to the Committee on the Census, and he is not now present. I know that under the rules the motion will lie over until to-morrow, but I wish the motion to be entered at this time.

The VICE PRESIDENT. The motion will lie over until to-morrow, unless it is taken up now by unanimous consent.

Mr. HOLLIS. I ask unanimous consent that that be done, Mr. President.

The VICE PRESIDENT. Is there objection?

Mr. JONES and Mr. CHILTON addressed the Chair.

Mr. OWEN. Let it go over, Mr. President.

Mr. CHILTON. Mr. President, I shall have to object, under the circumstances, the Senator from Wisconsin being absent.

The VICE PRESIDENT. Then the motion goes over until to-morrow.

Mr. HOLLIS. Mr. President, I am tremendously relieved and reassured by the argument of my distinguished friend from Iowa [Mr. CUMMINS]. I know he has gathered together all that can be said against the exemption from taxation features of this bill, both on the ground of policy and on legal grounds. I wish to answer, first, as to the questions of policy.

The Senator from Iowa says I would not dare to propose an exemption in favor of any other class but farmers. I remind the Senator that not only I dare, but he himself dared to make a similar exemption, not only in favor of farmers, but in favor of labor unions, in the Clayton bill, when those unions were exempted from the provisions of the antitrust law. Class legislation does not bother the distinguished Senator from Iowa any more than it bothers me. There is nothing in the Constitution against class legislation; there is nothing in a sound public policy against class legislation. That is a bogy that is conjured up now and then by constitutional lawyers who want to scare somebody. We are passing class legislation all the time. The only question is, Is such legislation sound; is it wise class legislation?

When we find the farmers of the country paying exorbitant rates of interest, we know that they ought to be relieved. We do not give the same exemptions to men who live in cities, because in cities there are ample banking facilities. The men who own homes in the cities get their money at a very low rate of interest. Therefore there is a sound public policy that directs us to relieve the farmers in the present exigency. When there is a similar situation shown as existing among any other class I shall gladly extend to them the benefits of this bill or of any other provision that is needed.

The Senator says that if such mortgages are exempt from taxation it will not have the result of lowering the rate of interest to any substantial extent. The Senator is entirely

wrong about that. In my own State we have made that exemption within a few years, and it has had exactly the result that was anticipated. A few years ago New Hampshire passed a law exempting from taxation all mortgages on New Hampshire real estate where the rate of interest was 5 per cent or less. Previous to that time the prevailing rate of interest in New Hampshire was 6 per cent, but immediately the rate was lowered to 5 per cent, and now the average rate of interest in New Hampshire is 5.3 per cent, even on farm loans. So the farm did get the entire result of that exemption. If all loans made on New Hampshire real estate at 4 per cent or less were exempt from taxation, the rate would drop to 4 per cent. That has been demonstrated time and time again.

Why do we have these mortgages and these Federal land banks and these bonds exempt from taxation? Simply because we want to have a uniform rate so far as that is possible over the United States. In Utah they have had the same experience as we have had in New Hampshire. Formerly they taxed mortgages on real estate, and the taxes were frequently 3 and 4 per cent, but as people wanted to own mortgages on Utah real estate, they transferred the title to some trustee or agent outside of the State. You can not reach mortgages and bonds successfully in that way. About seven-eighths of them usually escape taxation; but when in Utah they are already exempt from taxation, while in some adjoining States they are not, we do not want to extend the benefits of this system to those adjoining States, and give them the advantage of it, and at the same time allow them to tax mortgages. We want to have a broad, national system, and we want the system to be applied under universal conditions.

Another reason is that, as has been pointed out very wisely by the Senator from Georgia, if you allow the farmer to be taxed on his land, then his mortgage to be taxed, and then the bonds to be taxed, you will have a triple taxation on him. It is like an illustration I heard of about the way the protective tariff works. We boys used to go out and recite and sit on a settee in front of the teacher. A big boy at one end of the settee would pinch the boy next to him and tell him to pass it on, then that boy would pinch the next one and tell him to pass it on, until they got to the little fellow at the end of the settee, who got the biggest pinch, and he did not have anyone to pass it on to. [Laughter.] So it would be here. The farmer would get all the taxes and he could not pass them on. Therefore it is necessary to make this exemption.

Another reason for making the exemption is this: We are giving very substantial aid under this bill, and we ought to do so; we have a right to do so. In the first place, we are advancing $6,000,000 to set these banks up in business, and we would be very foolish to permit the State or anyone else to tax the capital that we advance. We are providing that the Treasury may come to the temporary relief of these land banks to the amount of $6,000,000 a year, and we would be very foolish to allow these instrumentalities to be taxed when we extend that aid. We are paying the salaries of the various officers, so that the farmer may get cheap money; and the only way we can guarantee that he will get the benefit of it is to exempt these instrumentalities from taxation.

The private joint-stock banks, which will do a private business just like the existing national banks, do not have their capital stock exempt from taxation. They are treated just like the ordinary national bank. It is true they are in private business, but so is the ordinary national bank. So much for the policy of the exemption.

It would be futile—it would be useless—to pass this law unless we had given these investments a distinct advantage over other investments. They will have it; they ought to have it; and if this bill is passed, they will get it.

Now, a word as to the constitutional features of the bill. The Senator from Iowa bases his whole argument on the proposition that if the property is exempt from taxation it is exempt solely under the Constitution, because it belongs to the United States. I hope the Senator will give me his attention for a moment. The Senator from Iowa says that the reason property of this kind has been exempted from taxation in the past is because the Constitution requires it and not because a statute has been passed that permits it. He says that Congress in the days when they handled these subjects knew something—and he looked at me in rather a striking way. Well, they did know something. They knew enough to exempt these things from taxation, and they have done it. I am very much surprised that so distinguished a lawyer and so careful a stateman as is the Senator from Iowa, should have overlooked these facts that are common knowledge.

What is more the property of the Government than the Treasury notes it issues? But in the bank act passed February 25, 1862, it was provided that—

> All stocks, bonds, Treasury notes, and other obligations of the United States shall be exempt from taxation by or under State or municipal or local authority.

Oh, wise men exempted from taxation by statute the bonds, Treasury notes, stocks, and other obligations of the United States, and the Senator from Iowa knows perfectly well that they did not have to do it, but that the court would have done it for them if they had overlooked it; but they did not overlook it.

Mr. OWEN. Mr. President——

Mr. HOLLIS. I yield to the Senator from Oklahoma.

Mr. OWEN. Who got the benefit of that exemption from taxation?

Mr. HOLLIS. Why, the people who used those instrumentalities, of course; the ones who invested in them; and that was intended to be so, to give them a preference, so that the Government could get money on favorable terms. It was done for that purpose; and the wise Congress of those days, which contained real men—men who knew something; who knew how to draft a law—exempted them from taxation. If the Senator from Iowa had been there he would not have permitted such a foolish thing.

Now, assume that the Senator from Iowa is correct; assume that the property of the United States is exempt from taxation; assume that these are instrumentalities of the United States and would be exempt from taxation without the intervention of any statute or judicial decision, would we not be foolish not to declare our intention, so that when the farmers read this bill they would find out that these instrumentalities were exempt from taxation and so that investors would know from the act itself that they were exempt from taxation, and would not have to write to the Senator from Iowa or the Senator from Utah to find out whether they were exempt or not.

We are continually declaring common-law principles in statutes; we are continually declaring things that are in the Constitution just to put our moral strength and weight back of them; and it will have some effect on the Supreme Court of the United States even if it were not necessary that we should do it in this instance.

I ought to add on the question of policy, that if we do not exempt these instrumentalities from taxation, then the States can tax them out of existence, just exactly as we taxed out of existence the bank notes issued by the State banks. We lay ourselves open to that danger. If there is hostility to this act in Iowa, Iowa may put a 10 per cent tax on the mortgages and bonds and drive the system out. We must have the exemption in order to protect this system. Anybody can see that.

Now, as to the constitutionality of the provision. It would be very delightful to follow the Senator into the questions concerning the Pacific Railroads, the case where the Government acquired some land in Tennessee and owned it and did not have to pay taxes on it, or into the compacts which have been made between recently admitted States and the United States; but it is not necessary to do so. All that is contained in the decisions of the Supreme Court of the United States on exactly similar subjects.

The Senator has referred at some length to McCulloch against State of Maryland. That case was followed by other cases that place this whole matter beyond doubt, and which squarely answer the elaborate argument made by the Senator this afternoon.

First, McCulloch against State of Maryland, Fourth Wheaton, 316, held that the States could not impose a tax on bank notes issued by the United States bank which the Government had established. That was followed by Weston against City Council of Charleston, Second Peters, 449, which held that there was no right of a State to tax the stock of the United States—they called it "stock" in those days instead of "bonds." That was followed by the Bank of Commerce against City of New York, Second Black, 620, where the capital of a bank invested in United States stock was held not taxable by the State. That was followed by Van Allen against The Assessors, Third Wallace, 573, holding that the tax on national banks should not be greater than the tax on State banks. I will return to that case. That was followed by Veazie Bank against Fenno, Eighth Wallace, 533, holding that the United States may tax bank notes not issued under its authority; and then by Farmers' National Bank against Dearing, Ninety-first United States, 29, sustaining the national-bank act on the authority of McCulloch against Maryland.

In the case of Van Allen against The Assessors exactly the same point that was raised by the distinguished Senator from Kansas [Mr. THOMPSON], and to which the Senator from Iowa promised to address himself, but which he overlooked, was squarely raised and squarely decided against the contention of the Senator from Iowa. In the Van Allen case the State of New York undertook to tax shares of stock of national banks when it had not passed laws taxing the shares of State banks. The question of the constitutionality of that provision was squarely raised and the court covered the whole subject. The court first told of the privileges which were conferred upon the national banks, and then proceeded in Third Wallace, page 582, as follows:

> In the granting of chartered rights and privileges by government, especially if of great value to the corporators, certain burdens are usually, if not generally, imposed as conditions of the grant. Accordingly we find them in this charter. They are very few, but distinctly stated.

That is, when the Government of the United States grants a charter to a group of persons to enable them to exercise certain privileges, it may annex to those privileges such conditions and burdens as it pleases, and in the case of the national banks these were the conditions it annexed:

> They are, first, a duty of one-half of 1 per cent each half year upon the average amount of its notes in circulation; second, a duty of one-quarter of 1 per cent each half year upon the average amount of its deposits; third, a duty of one-quarter of 1 per cent each half year on the average amount of its capital stock beyond the amount invested in United States bonds; and, fourth, a State tax upon the shares of the association held by the stockholders, not greater than assessed on other moneyed capital in the State, nor to exceed the rate on shares of stock of State banks.

That is, if a group of persons desired to incorporate a national bank they might do so, and its shares would be exempt from State taxation, unless the State imposed a similar tax on the shares of State banks.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. HOLLIS. I yield.

Mr. CUMMINS. I interrupt the Senator from New Hampshire rather to make an apology to the Senator from Kansas [Mr. THOMPSON] than to answer the argument which the Senator from New Hampshire is now making. I ask the Senator from Kansas to believe that I intended to give attention to the act of of Congress of 1862 relative to the taxation of shares of stock in national banks. I had it in my notes, but I omitted it unintentionally, and I owe him an apology for not fulfilling my promise to give my view of that statute. If the Senator from New Hampshire will allow me to do it now, I will do so just in a word, and he need not sit down.

There is no attempt in that statute to declare that the property of the national banks shall not be taxed by the State. There is simply a provision that the shares of stock of national banks shall not be taxed more severely or heavily than other moneyed capital in the State in which the bank is located. The Senator from New Hampshire will remember that a day or two ago I asked him whether the rule established by that statute would not have been the rule even though no statute had been passed upon the subject, and the Senator from New Hampshire very frankly said that, in his opinion, the rule would have been the same; that is to say, that discrimination upon the part of a State in taxing a national bank would be conclusive evidence of an intent to impede or obstruct or destroy this instrumentality of the Federal Government.

I state this view now to fulfill my promise to the Senator from Kansas, for I ought to have given attention to the subject and to the case which the Senator from New Hampshire is now reading while I was before on my feet.

Mr. HOLLIS. Mr. President, if I did the other day agree with the Senator from Iowa in what he has just said, it is quite evident that neither of us agreed with the Supreme Court, as I shall proceed to demonstrate. The cases hold that where property does belong actually to the State, as if it belonged to a private person, the Government can not tax it; and where property does belong to the Government, and is its own particular property, as if it belonged to a private person, the State can not tax it. That sets up State property and Government property; but between the two there lies all the field of property which is held by corporations erected by the State and corporations erected by the Nation. When the Government occupies a field which the Constitution permits it to occupy it may occupy it exclusively of State occupation, or it may occupy it with such conditions as it chooses through its Congress to impose. That is what was decided in the case of Van Allen. Exactly the argument which was made by the distinguished Senator from Iowa was made in the Van Allen case by very distinguished men, but the court, in an opinion by Mr. Justice Nelson, brushed it aside in a paragraph as hardly worthy of consideration, in these words—and this is the argument of the learned Senator:

> It is said that Congress possesses no power to confer upon a State authority to be exercised which has been exclusively delegated to that body by the Constitution.

That is the Senator's argument, that if the Constitution has given Congress the right to handle it, if it has given exemption from taxation, Congress can not touch it. I will repeat that—

> It is said that Congress possesses no power to confer upon a State authority to be exercised which has been exclusively delegated to that body by the Constitution, and, consequently, that it can not confer upon a State the sovereign right of taxation; nor is a State competent to receive a grant of any such power from Congress.

That is, the Senator argues that if we are setting up an instrumentality of the United States in these Federal land banks, if they are actually an instrumentality of the United States, they are exempt from taxation under the Constitution, and we can not permit a State to tax them. That is his proposition. Continuing, the court says:

> We agree to this. But as it respects a subject matter over which Congress and the States may exercise a concurrent power, but from the exercise of which Congress, by reason of its paramount authority, may exclude the States, there is no doubt Congress may withhold the exercise of that authority and leave the States free to act. An example of this relation existing between the Federal and State Governments is found in the pilot laws of the States and the health and quarantine laws.

That is found on page 585.

Therefore if we have a right to establish this instrumentality to help out a proper governmental function, then we have a right to annex to it such conditions of taxation in favor of the States or such exemption from taxation in favor of the instrumentality as Congress, in its discretion, as a matter of policy sees fit to impose. There can not be any escape from that.

The land banks are just like the national banks. What part of the activities of the average national bank is a Government function? There are over 7,500 of them, and there are not, I was going to say, a half dozen out of the lot that ever perform a Government function. Their constitutionality is not rested at all on the right to issue currency. As I pointed out the other day, if it were, then the farm-loan bonds are just as much currency as are the bank notes. Neither is legal tender, and the original bank notes bore interest, just as the farm-loan bonds bear interest. The man who borrows money of a national bank is not performing a Government function; he is not helping the bank to perform such a function, and the bank is not performing one, and so when we are loaning to farmers and issuing sound investments we are not performing a Government function. The only Government function is the right to act as Government depositaries and as fiscal agents, when required, and that is the only Government function that the national banks perform; but if the Government allowed the State to impede and hinder or even destroy this Government instrumentality by taxation, then they would be unfitted and unable to perform Government functions when they were called upon to do so. In order to allow these banks to exist we must pass laws that will allow them to be profitable, so that they can exist, and in order to allow them to be profitable we exempt them from taxation. We have established them to perform a Government function when required to do so, and we have annexed to their charter such conditions as we in Congress as a matter of policy and in the exercise of sound discretion think are proper and wise.

Mr. SUTHERLAND. Mr. President, before the Senator takes his seat, may I ask him a question?

Mr. HOLLIS. Yes.

Mr. SUTHERLAND. Does the Senator from New Hampshire think that whenever Congress has the power to create a corporation, it has the power to exempt from State taxation the property of that corporation?

Mr. HOLLIS. That has not been decided. We do not have to go as far as that. It never yet has been held that Congress can establish a corporation unless it is done to carry out some constitutional purpose. The other day there went through Congress an act establishing the American Society of Arts and Letters, I think. I doubt if that is constitutional, although it may be. But if Congress does, in its wisdom, establish a corporation to carry out one of its constitutional powers, either express or implied, it may annex to it any condition that it chooses in the way of exemption from taxation or other privileges.

That is my answer.

Mr. SUTHERLAND. It may attach any condition it pleases to the corporation; but it does not follow that it can attach any condition it pleases to State action upon the corporation.

Mr. HOLLIS. The Senator asked me my idea. My idea is just that. He entertains another view, as I am well aware.

Mr. SUTHERLAND. The Senator would not say, for example, that if Congress creates a corporation in the District of Columbia—which it has power to do—it could exempt the real estate of that corporation, situated in the States of Illinois, from taxation by the State?

Mr. HOLLIS. Oh, not at all, because that is done under an entirely different idea. We act as a legislature for the District of Columbia; and Congress could exempt that from taxation, I believe, if it chose, just as the Legislature of New Hampshire exempts manufacturing establishments from taxation for a series of years. I think it might; but it would not have any connection with this, because this law is based upon the right to establish Government instrumentalities under an implied or express power of the Constitution; the other is a local legislature, acting for local objects.

Mr. SUTHERLAND. Mr. President, I discussed this question at some length a day or two ago, and I do not desire at this time to go over the argument which I then made; but I want to say a word or two in addition to what I then said, and particularly with reference to the suggestions which were made to-day and the other day by the Senator from New Hampshire [Mr. HOLLIS].

I have no doubt that when Congress creates an agency through which it undertakes to have discharged a governmental function it may exempt from taxation the operations of that agency in so far as they have reference to the discharge of that governmental function, or its property in so far as that property has relation to its governmental function; but I deny utterly that Congress has the power to create an agent or an agency of the Federal Government and to exempt from State taxation the property of that agency which has no connection whatsoever with the governmental function which it is authorized to discharge. I think that is the effect of the decision of the Supreme Court, both in the McCulloch case and in the case of Osborn against The United States Bank.

Mr. HOLLIS. Mr. President, does not the Senator overlook the fact that in neither of those cases did Congress act? They were solely under the Constitution. He has no case in which Congress has acted and where the Supreme Court has held that Congress can not do it. There is no such case.

Mr. SUTHERLAND. No; I have not overlooked that at all. I discussed the question the other day. In the act creating the Bank of the United States it is true that there was no specific provision exempting anything from the operation of State taxation; but the reasoning of the court shows, to my mind, conclusively that it would have made no difference. Congress in creating the United States Bank might have provided that the notes issued by the bank should not be subject to State taxation, and that would not in any manner have altered the rule. That would simply have declared the rule. But I undertake to say that if Congress in that act had provided that the real estate of that institution, the capital stock of that institution held by citizens of the State of Maryland, should be exempted from State taxation, taking the decision of the Supreme Court in the two cases I have referred to, the Supreme Court would not have upheld that legislation.

I read some paragraphs from the decision in the McCulloch case, but I did not at that time have before me the decision in Osborn against the United States Bank. I have it now, and I call attention to what the court says at the very beginning of its discussion of this particular question, at page 859 of Ninth Wheaton, where the decision is found. The court says:

7. Is that law unconstitutional?

This point was argued with great ability, and decided by this court, after mature and deliberate consideration, in the case of McCulloch against the State of Maryland. A revision of that opinion has been requested; and many considerations combine to induce a review of it.

The foundation of the argument in favor of the right of a State to tax the bank is laid in the supposed character of that institution. The argument supposes the corporation to have been originated for the management of an individual concern, to be founded upon contract between individuals, having private trade and private profit for its great end and principal object.

Now, observe; the court says that the argument in favor of the power of the State to tax presupposes that the corporation is organized for the management of an individual concern "having private trade and private profit for its great end and *principal* object."

If these premises were true, the conclusion drawn from them would be inevitable. This mere private corporation, engaged in its own business, with its own views, would certainly be subject to the taxing power of the State, as any individual would be.

They put it upon exactly the same ground. The State would have the same power to tax such a corporation as it would have power to tax an individual.

Mr. HOLLIS. Mr. President, that is because Congress did not exempt it, of course; but we are going to exempt these. The Senator's case does not hit this case.

Mr. SUTHERLAND. I know that the Senator has said that two or three times; but repetition, in my judgment, does not add to the strength of the assertion.

Mr. HOLLIS. But I am obliged to meet repetition with repetition. That is the only way to meet it.

Mr. SUTHERLAND. Mr. President, I was not repeating anything. I was reading the language of the Supreme Court. The Senator seems to think the language of the Supreme Court does not agree with what he has said. I repeat, the language is that of the court.

This mere private corporation, engaged in its own business, with its own views, would certainly be subject to the taxing power of the State, as any individual would be.

Let me pause here long enough to say, with reference to that language, that I think even the Senator from New Hampshire would not claim because an individual was constituted an agency of the General Government—as, for example, the Attorney General, a Justice of the Supreme Court of the United States, or a justice of any other court—that Congress would have the power to exempt from State taxation the real estate of that official lying within the limits of a State; and the Supreme Court of the United States in this decision seemed to put the two things upon exactly the same ground. The court says:

And the casual circumstance—

Now, let me pause to emphasize that—

and the *casual* circumstance of its being employed by the Government in the transaction of its fiscal affairs would no more exempt its private business from the operation of that power than it would exempt the private business of any individual employed in the same manner.

All the way through the court puts the two propositions upon the same ground, and it is difficult for me to see how any distinction can be made between the two cases. Because Congress creates a corporation and provides casually, as it does in this bill, that it may operate to discharge some function of the Federal Government, to say that it may exempt the property of that corporation from taxation is no different in principle, it seems to me, than to say that where it authorizes an individual to discharge some function it may exempt his property from taxation.

Now, taking the test of the case from which I have read, what is the principal purpose for which these Federal land banks are organized? Why, it is to loan money to the farmers. Nobody pretends that there is any other purpose that it is expected will be carried into operation. The language of that provision of the bill which looks to the discharge of Federal functions upon the part of this bank, found in section 6, is:

That all Federal land banks and joint-stock land banks organized under this act, *when designated for that purpose by the Secretary of the Treasury*, shall be depositaries of public money, except receipts from customs—

And so on.

Mr. HOLLIS. Mr. President——

Mr. SUTHERLAND. Just a moment. So in the last analysis it depends upon the will of the Secretary of the Treasury whether this organization shall operate as a governmental agency or not. The law leaves it to the Secretary of the Treasury *casually* in his discretion to say that one particular bank shall discharge the governmental function and another bank shall not.

Mr. HOLLIS. The distinguished Senator is now quarreling with the national-bank act, because there is exactly the same provision in that act, and we have copied this one directly from the national-bank act. If a national bank is a Government depositary and fiscal agent under the Constitution, then this bank will be.

Mr. SUTHERLAND. I am not quarreling with the national-bank act at all. I am quarreling with this act.

Mr. HOLLIS. But that is the provision of the national-bank act on which its constitutionality depends.

Mr. SUTHERLAND. Not alone with reference to that particular feature.

Mr. HOLLIS. Yes.

Mr. SUTHERLAND. But it was, for example, through the instrumentality of the national banks, which are banks of issue, that the Government expected to negotiate and dispose of its bonds.

Mr. HOLLIS. Well, it is the same in this act, too—just the same. It provides for disposing of its bonds.

Mr. SUTHERLAND. But, as the Supreme Court has said in the case I have read, it is not a principal object; it is a casual thing:

Shall be depositaries of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and

they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them.

So it is left entirely to the Secretary of the Treasury.

Mr. HOLLIS. There, again, the Senator wants to get it right. He hurried over the last part. He slurred that. The last part, giving them power to act as fiscal agents for the Government, is not at the discretion of the Secretary of the Treasury. They shall be, when called upon. That is also just like the national-bank act.

Mr. SUTHERLAND. Why, no, Mr. President; the Senator is mistaken about it. I did not slur it over. I will read it:

And they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them.

Mr. HOLLIS. Yes; but the other provision, which the Senator did slur over, makes them financial agents.

Mr. SUTHERLAND. Oh, no. I have read every word down to that point.

Mr. President, what has the Senator to say with reference to the national farm-loan association? The property of that association is exempt from taxation, under the terms of the law, the same as the property of the Federal land bank. What function of the Government is it contemplated that that association shall discharge?

Mr. HOLLIS. Why, exactly the same as the cashier or receiving teller acting for the national bank in doing the business of the bank.

Mr. SUTHERLAND. Oh, no, Mr. President.

Mr. HOLLIS. Why, certainly. The Senator can not brush it aside in that way. It is provided that the Federal land banks shall place their funds in and collect their money through the loan association, just as the national banks would do through their cashiers and receiving tellers.

Mr. SUTHERLAND. Mr. President, I hope the Senator from New Hampshire will study his bill a little more closely than he appears to have done when he makes that rejoinder.

Mr. HOLLIS. If the Senator thinks I have not studied this bill tolerably closely, he is very much mistaken. I should be very glad to pass an examination on it.

Mr. SUTHERLAND. I am undertaking to point out one particular, at any rate, in which the Senator is mistaken in his construction of his own bill. This national farm-loan association which is contemplated by the bill is an association organized for the benefit of the farmers. It is an organization which is called into existence to enable them to secure loans from the land banks and, perhaps, from the joint-stock banks as well. I do not remember the exact powers about that.

Mr. HOLLIS. And the officers and agents of any bank are for the purpose of permitting people to get loans through them.

Mr. SUTHERLAND. Mr. President, ordinarily I do not object to the Senator's interruptions, but I should like to complete the statement I am making, and then I have no objection to the Senator asking me questions, if he desires to do so.

As I read this bill, this national farm-loan association is a wholly separate and distinct organization from the Federal land bank. It may hold property of its own separate and distinct from the land bank. It does not discharge, and it is not contemplated that it ever will discharge, any governmental function whatsoever. It acts at most only as an intermediary between the person who desires to make a loan and the bank from which the loan is sought. It is precisely the same as if there should be an organization of a similar character made in a State to-day to facilitate the dealing of a class of persons, like farmers, with the national banks. The authority of Congress would not be needed in order to make that kind of an organization; but if Congress did authorize it, if Congress authorized by legislation now the organization of a national farm-loan association within a State to which the farmers could subscribe stock and through which they could facilitate making loans from the national banks, that would not make it a governmental institution, according to my view of it; but section 29 of this bill proposes to exempt from taxation the property of that loan association, as well as the property of this Federal land bank.

Now, just a word further with reference to the statement made by the Senator the other day in response to the argument which I made.

The Senator, in the course of his argument, on page 7939 of the RECORD, said:

At this juncture let me call attention to another point which has evidently been overlooked by the distinguished Senator. He has discussed the occupation of a field of taxation by a State and its occupation by the United States, and says that where one has acted the other is excluded. In the railroad cases which he cited the Government of the United States did not act on the question of taxation. The Government set up the instrumentalities to conduct commerce between the States and to transport armies and ammunition, but it did not undertake to occupy the field of taxation so far as those instrumentalities were concerned.

In the present bill the distinguished Senator from Utah would not himself undertake to occupy that field of taxation, and, if he did not, undoubtedly the State would be left free to occupy it; but where the Government, acting under a sovereign power, does undertake to occupy a field, it occupies it for all purposes and excludes the States from it.

Mr. President, that is true with reference to some subjects, but it is not true with reference to the subject of taxation. The Government of the United States and the State may occupy exactly the same field. The Government of the United States may tax a particular species of property or a particular activity and the State may tax the same identical property and the same identical activity. The only advantage which the Government of the United States has in that case is that if it has imposed a tax upon a species of property which is also taxed by the State, the claim of the Government of the United States must be satisfied first, and it is only to that extent that it excludes in any way the operation of the State. But the two Governments often tax the same things. We are imposing a tax upon incomes, and many States have imposed, and all States have the power to impose, a tax upon incomes. We may impose a tax upon a particular species of property and the State may impose a tax upon that same property. But because the law of the United States, by the terms of the Constitution itself, is paramount, the claim of the United States must be first satisfied; but the State is not excluded from the field of taxation because Congress has spoken upon it.

Mr. SMITH of Georgia. Mr. President, will the Senator let me ask him a question?

Mr. SUTHERLAND. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I missed part of his argument the other day, and although I have read it, I may not have gathered exactly his position. Does the Senator concede that Congress can exempt from taxation the property, of every kind, of a national bank?

Mr. SUTHERLAND. No, Mr. President. I do not think Congress can exempt from taxation the property, of every kind, of a national bank. I do not think it could have excluded the property, of every kind, of the United States Bank, although that question did not arise in those cases.

Mr. WALSH. Mr. President, will the Senator kindly indicate what kind of property of a national bank he thinks Congress could not exempt?

Mr. SUTHERLAND. If a national bank acquire personal property—cattle, horses, sheep—the same kind of property owned by citizens of the State and liable to taxation, I think that property would be liable to taxation; and I do not think Congress would have the power to exempt that species of property from taxation.

Mr. WALSH. Does not the Senator believe that that kind of property is exempt now to the national banks? Suppose, for example, a national bank foreclosed a mortgage, and took in some personal property, some cattle. Does the Senator believe that the local State authorities would have the right to list those cattle for taxation, the same as they would mine and his?

Mr. SUTHERLAND. That would be my judgment, Mr. President.

Mr. SMITH of Georgia. Is the real estate of a national bank exempted from taxation now?

Mr. SUTHERLAND. I think not.

Mr. SMITH of Georgia. I do not so understand.

Mr. HOLLIS. I have the national-bank act right here; and the Congress expressly permitted it to be taxed, containing the implication that if they had not permitted it to be taxed it could not have been taxed.

Mr. SUTHERLAND. I do not think it follows at all, Mr. President, because Congress has inserted a provision in the law that a certain species of property shall be subject to State taxation, that if it had not inserted the provision the property would not have been subject to taxation.

Mr. THOMPSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SUTHERLAND. Yes.

Mr. THOMPSON. In that connection will the Senator permit me to call attention to One hundred and seventy-third United States, page 664, where the Supreme Court of the United States expressly decided:

A State is wholly without power to levy any tax, either direct or indirect, upon national banks or their property, their assets or franchises, except when permitted so to do by the legislation of Congress.

Mr. SUTHERLAND. What was the particular property that was sought to be taxed in that case?

Mr. THOMPSON. This was the franchise.

Mr. SUTHERLAND. Yes; the franchise.

Mr. THOMPSON. But they expressly decided what I have stated from the syllabus, and discussed the leading cases which have been referred to by the Senators here to-day, commencing with the McCulloch case and going down to the present time.

Mr. SUTHERLAND. Of course the Senator is familiar with the rule that the language of any decision must be confined to the question which was at issue. The question there was whether or not the franchise of the bank could be taxed; and the Supreme Court very properly held that it could not be taxed, because, as they held in one of the railroad cases as well, that would be to enable them to legislate out of existence something which the Federal Government had created.

Now, Mr. President, I call attention to the distinction which, on a careful reading of the Veazie Bank case, is shown to exist between that case and the one with which we are dealing. I said the other day—and it had been some time since I had read the case, and I did not have it very well in mind—that that was a decision which never had been entirely satisfactory to the profession. The dissenting opinion, rendered by Mr. Justice Nelson, I think is a far more strongly reasoned opinion than the decision of the majority of the court. But, however that may be, the case is readily distinguishable from the one with which we are dealing.

In the McCulloch case the Supreme Court held that the State could not tax the notes which were issued by the bank. Why? Because the Government of the United States was itself in effect issuing, through that agency, this species of currency or money.

Mr. HOLLIS. Mr. President, will the Senator allow me to interrupt him there?

Mr. SUTHERLAND. Yes.

Mr. HOLLIS. There is no language of the kind, there is nothing to support any such statement, in the McCulloch case. The Senator can not find it. It is not there.

Mr. SUTHERLAND. Oh, Mr. President, the Senator is very positive in his statement about that; but the whole case proceeds upon the theory that the Government of the United States is discharging a governmental function through this bank, and the thing that was taxed was the notes, and there was not anything else that was sought to be taxed.

Mr. HOLLIS. I shall be very much obliged to the Senator if he will produce one line in that case to-morrow, after he has had time to read it, that supports his assertion. I know it is not there.

Mr. SUTHERLAND. Mr. President, if the Senator will permit me to proceed, I say—and the Senator will not undertake to dispute that—that the thing which the State was trying to tax was the notes issued by the bank, and they undertook to tax those notes, which were money, currency. They undertook to provide, in substance and effect, by their law, that the notes could not be issued at all by the bank unless, first of all, there was purchased from the State stamped paper upon which the notes were to be printed, the price of which was proportioned to the value of the notes.

Now, it is not required that I should be able to find some precise language in the decision. It is clear that what the Government of the United States did in that case was to perform a governmental function through that instrumentality; and, of course, the Supreme Court was right in holding that the State could not tax the money issued by the bank any more than it could tax money issued by the Federal Government itself. In the Veazie Bank case the Government of the United States, it is true, undertook to tax notes issued by the bank, but it was not a case where the State was exercising the governmental function through its bank of issuing the notes; the issuance of the notes was the private business of the bank.

The difference is that the United States Government has the constitutional power, as decided by the Supreme Court over and over again, to provide currency for the people and that the State has no such constitutional power. It is not one of the governmental functions of the State to provide currency for the people. A bank, in the absence of legislation to the contrary, may issue notes. So when the Supreme Court in the Veazie Bank case upheld the law of Congress undertaking to impose a tax upon these notes it was dealing with the same thing in name as the thing involved in the McCulloch case, but it was a thing utterly different in effect. It was not a function of the State that was being taxed, as in the McGulloch case; it was the function of the National Government, but it was the private operation of the private bank, presenting, as it seems to me, a wholly different proposition.

Mr. President, I have said in the course of my discussion here to-day, as I said the other day, that I could see no distinction between exempting from taxation the property of a corporation which in some casual aspect discharges a governmental function, which property has no connection whatever with the governmental function, and attempting to exempt the property of an individual similarly situated. What difference is there except that one is a natural person and the other is an artificial person? If the Government authorizes an individual, which it may do, to discharge some governmental function and the individual wholly separate and apart from his governmental duty has property, not derived as a part of his salary, not in any way connected with his governmental operations, it certainly can not be contended that the Federal Government can exempt the property of that individual, his real estate, his horses, his wagons, his mortgages, or any other species of property. I can not see upon what theory if we are not able to do that in the case of the individual we may do it in the case of a corporation, when the property is not connected at all with the operations of that corporation in the discharge of any governmental function.

Mr. STERLING. Mr. President, with the last statement of the Senator from Utah and his opinion I must in a way take issue. His whole theory appears to be that the operations of a Federal land bank and a national farm-loan association under this proposed law are remote from the instrumentality itself, and that they have nothing to do really with what he terms a governmental function.

I spoke briefly the other day upon this proposition, and I wish to call attention again to the purpose of the bill as disclosed first in the title of the bill. It is "to provide for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes."

Mr. President, we may lay aside these latter purposes mentioned in the title, namely, the creation of these instrumentalities as depositaries of United States bonds or as financial agents for the United States, and confine ourselves to the first provisions in the title, namely, "to provide for agricultural development, to create a standard form of investment based upon farm mortgage, and to equalize rates of interest upon farm loans," and stop there. Let the inquiry be as to how these purposes are to be accomplished. They are under this bill to be accomplished by a Federal instrumentality or by different Federal instrumentalities—the farm-loan board, the Federal land bank, and the national farm-loan association. We are creating them by Federal law; they are Federal instrumentalities. Let us see a little further what is the purpose of the bill as disclosed by the text of the bill itself.

Mr. SUTHERLAND. Let me ask the Senator a question, if he will permit me right there.

Mr. STERLING. Certainly.

Mr. SUTHERLAND. Suppose the bill did stop there, and simply provided for the incorporation of banking institutions for the purpose of loaning money to farmers at a less rate than that at which they could obtain the money from other institutions; what Federal governmental function is the United States discharging through such a bill? Under what provision of the Constitution of the United States is it acting when it does such a thing as that?

Mr. STERLING. I will refer in answer to that to the question I asked the Senator from Iowa [Mr. CUMMINS] during his discussion of this question. It will come, as many other things come, from no express provision, except that the Constitution empowers Congress to provide for the general welfare or to enact legislation in the interest of the general welfare.

Mr. SUTHERLAND. Now, let me ask the Senator from South Dakota, does the Senator think that the so-called general-welfare clause, or either of them, because there are two in the Constitution, is a substantive grant of power to the Federal Government? If so, then there is no limit to what the Federal Government can do, as the Supreme Court has repeatedly said.

Mr. STERLING. It must, of course, be for the general welfare. I call the Senator's attention to the fact that much of the legislation of Congress, the appropriations carried in the Agricultural appropriation bill, for example, are legislation and appropriations that affect certain sections of the Union. The Senator, I think, will readily recall what has been done for the cotton industry in one way or another and for various other industries. What is the warrant for legislation of that kind except the general-welfare clause? True it is that legislation of this kind affects a particular section or a particular interest or class; but it is upon the theory that these several interests are interdependent, and what will be in the interest of one will be in the interest of all, and therefore it is for the general welfare.

Mr. SUTHERLAND. May I answer the Senator?

Mr. STERLING. Yes.

Mr. SUTHERLAND. I think that Congress appropriates a great deal of money that it has no constitutional warrant for appropriating at all. We have appropriated money to aid the earthquake sufferers in Italy; we have appropriated money for all sorts of things; and we do it by a sort of common consent, and there is not an opportunity of having the appropriation challenged because it never is presented to a court in any justiciable form. That is the difficulty with it.

Mr. STERLING. The instances the Senator from Utah cites are extreme cases. I grant very readily there is no constitutional authority for an appropriation of that kind, but I will not grant that there is no constitutional authority for appropriations such as I have mentioned.

Mr. SUTHERLAND. I say to the Senator that in the case to which he called attention—that is, the case of making appropriations—in many instances I think there is no constitutional warrant, but still that is very different from the proposition which the Senator now undertakes to justify, namely, the creation of a corporation to engage in the essentially private business of banking, the loaning of money to one class of people, because we think they are in greater need of assistance with reference to their loans than other classes of people. The Senator is aware of the decisions of the court that Congress can only create a corporation for the purpose of carrying out through that corporation some constitutional power. The illustration which has become classic, that given by Mr. Hamilton in the United States Bank case, was this: He said Congress has no independent power to create a corporation, but it has the power to carry on fiscal operations, and it may therefore create a corporation as a means to carry on such operations. He said, however, that Congress has, for example, no power to govern the police force of the city of Philadelphia. Therefore, it could not create a corporation to do that. Congress has no power to engage in the business of loaning money to farmers. Therefore, it can not create a corporation for the purpose of doing it.

Mr. STERLING. Mr. President, assuming that the general-welfare clause of the Constitution authorizes or warrants legislation of this kind, as I believe it does, it authorizes the creation of an instrumentality to work out or through which may be worked out the very purposes of the bill. Considering the nature of the business, the best instrumentality must be a Federal land-bank corporation, as provided in the bill. It is provided by section 29 that the mortgages taken by the land-bank corporation and the bonds issued by it shall be exempt from taxation. What is the warrant for exempting them from taxation? Because they are the operations themselves of this Federal instrumentality which under the general-welfare clause of the Constitution Congress has the right to create.

Mr. CUMMINS. Mr. President——

Mr. STERLING. I yield to the Senator.

Mr. CUMMINS. In order to get a clear issue, so that I may understand just what the Senator from South Dakota contends, I ask him this question. We have now pending on the calendar a bill the chief object of which is to regulate child labor; that is, to prohibit child labor under certain circumstances. Does the Senator from South Dakota think that Congress could pass a law simply stating the condition under which children shall work throughout the United States, if Congress believes it would be for the general welfare that such a regulation should be passed?

Mr. STERLING. Mr. President, I have not thought of that particular proposition. I hesitate to say Congress would have such power. There are other grounds, of course, on which legislation of that kind can be justified.

Mr. CUMMINS. Yes.

Mr. STERLING. The relation of child labor to products that go into interstate commerce is such as to warrant legislation upon the subject.

Mr. CUMMINS. The proposal of the bill on the calendar is substantially that owners of factories and mines and other establishments of that kind which employ children under certain objectionable or forbidden conditions shall not transport or have transported their products in interstate commerce, and it is supposed by those who have constructed the bill and those who believe in the bill that it is necessary to invoke the constitutional authority to regulate commerce in order to have Congress reach the real purpose, namely, the prohibition against child labor under certain circumstances. Now, if the general welfare of the country affords a basis for any legislation which Congress may see fit to adopt I can see no reason why Congress can not legislate for the general welfare in that particular without invoking its power to regulate commerce.

Mr. STERLING. Mr. President, I think the right and the power of the State in a case such as is cited by the Senator from Iowa may more readily find justification than you can find warrant for invoking the right of the State to tax the bonds and mortgages issued by or taken by this Federal instrumentality. It is a great body of our people that this legislation is intended to benefit, the agricultural classes throughout the Nation, and how is it intended to benefit them? By giving them the same opportunity as other business interests in the matter of securing loans for the purchase, equipment, and development of farms and in making their property and their valuable securities that they own available for that purpose. That is the purpose of the bill.

Mr. CUMMINS. May I interrupt the Senator again?

Mr. STERLING. Certainly.

Mr. CUMMINS. With that purpose I am in entire and absolute sympathy, and I am not questioning the constitutionality of the bill. If it were confined, as the Senator from Utah said, solely to the one purpose named by the Senator from Utah, I would have grave doubt about our authority to enact the law, but there are governmental functions that are to be exercised by the Federal land bank, and I do not think a court could ever disassociate those functions from the other one of loaning money to the farmer. I hope the Senator will not think that I believe we have no authority to pass the bill, for I think we have just as much authority to pass it as we had authority to create national banks. I should like to see them stand as a part of the fiscal system of the United States in exactly the same way that national banks stand.

Mr. STERLING. That, I will say, Mr. President, is my understanding of the Senator's view in this regard. He does not question the constitutionality of the bill as a general proposition, but he does attack this particular section relating to exemptions.

However, if the bill itself is constitutional in providing for the creation of the instrumentality, it must be a Federal instrumentality which we should not tax. I do not care to say it is a "governmental function" in the technical sense of that term that is performed by the bank in taking a mortgage from the farmer or issuing bonds upon a great number of mortgages. It may not be a governmental function in the sense that it carries out some of the administrative, legislative, or executive ends or functions of Government, yet it is, notwithstanding, by the very terms of the bill, the constitutionality of which the Senator admits, a Federal instrumentality created for the purpose I have named, and the question is as to whether or not when you tax the mortgages which it takes and the bonds which it issues in the fulfillment of the purpose of enabling farmers to secure money at lower rates of interest and on easier terms as to payment you are not at least taxing the operations of that Federal instrumentality created for this specific purpose and thereby defeating the purpose. If the bonds and mortgages are taxed it will affect the rate of interest. It is contemplated by the bill that through these operations of the bank farmers will secure loans at a lower rate of interest.

Mr. CUMMINS. Mr. President, I do not doubt the constitutional authority of Congress to pass a law for the incorporation of a railway solely to regulate rates; that is a governmental function; and if it is believed that such rates can be regulated better through a national corporation; that is to say, if low or reasonable rates for the general public can be secured in that way more perfectly than through the regulation of State corporations, I have no doubt of the constitutional authority of Congress to incorporate such an association. But if we take one step further, and should propose to do in that instance what it is said can be done in this instance, namely, to exempt all the property of the incorporation from taxation in order that it might render its service to the public at a lower rate, then I would think we would come in direct collision with the Constitution.

Mr. STERLING. Mr. President, I can hardly agree with the Senator from Iowa in that respect. I believe it is within the power of Congress to provide for the exemption from taxation of the Federal instrumentality which is created for the purpose of affecting the public or general welfare, its property, its franchises, and all the operations of that Federal instrumentality. It is peculiarly so in this case. I think that the taxation of bonds and mortgages and capital stock of the Federal farm-land banks will injuriously affect and perhaps prevent the very purposes of the act, because a lower rate of interest under those conditions will be impossible; the mortgages will be taxed, and the bonds will be taxed in the hands of their owners.

The Senator from Iowa this afternoon in his able and exhaustive argument alluded to the fact that it would be unfair

to the rest of the taxpayers of a community or of a State to have the holders of bonds of this kind, and with this security, exempt from taxation; but, Mr. President, while there may be some advantages resulting to the holders of these bonds, yet, after all, that is incidental to the main purpose of the bill, which is to secure loans to farmers at a lower rate of interest, and if somebody does reap some advantage from it, ought not, in my judgment, to be an argument against this section of the bill.

Mr. President, I merely want to quote briefly from the old, often cited case of McCulloch against State of Maryland—just a few words of the great Chief Justice. He says:

We admit, as all must admit, that the powers of the Government are limited, and that its limits are not to be transcended. But we think the sound construction of the Constitution must allow to the National Legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people.

Then comes that famous dictum:

Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional.

The simple question here under that great authority is as to whether the end we are trying to reach is a legitimate end, and whether these means are appropriate means, and whether they are within the spirit of the Constitution.

The Senator from Iowa, who has raised these technical constitutional objections, admits that the bill is in the main constitutional; that the instrumentalities provided are constitutional. Such being the case in regard to the bill, I do not believe these exemptions which are to aid in effecting the very purpose of the bill should be stricken out.

Mr. THOMPSON. Mr. President, as part of this discussion, I should like to have printed in the RECORD a portion of pages 667, 668, and 669 of the decision of the Supreme Court of the United States in the case of Owensboro National Bank against Owensboro, reported in One hundred and seventy-third United States, delivered by Chief Justice White, wherein the court discussed the principle which was decided in the syllabus to which I called the attention of the Senator from Utah [Mr. SUTHERLAND] a moment ago.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

A State is wholly without power to levy any tax, either direct or indirect, upon national banks, their property, assets, or franchises, except when permitted so to do by the legislation of Congress.

* * * * * * *

Early in the history of this Government, in cases affecting the Bank of the United States, it was held that an agency, such as that bank was adjudged to be, created for carrying into effect national powers granted by the Constitution, was not in its capital, franchises, and operations subject to the taxing powers of a State. (McCulloch *v.* Maryland, 4 Wheat., 316; Osborn *v.* Bank of the United States, 9 Wheat., 738.)

The principles settled by the cases just referred to and subsequent decisions were thus stated by this court in Davis *v.* Elmira Savings Bank (161 U. S., 283):

"National banks are instrumentalities of the Federal Government, created for a public purpose, and as such necessarily subject to the paramount authority of the United States. It follows that an attempt by a State to define their duties or control the conduct of their affairs is absolutely void, wherever such attempted exercise of authority expressly conflicts with the laws of the United States, and either frustrates the purpose of the national legislation or impairs the efficiency of these agencies of the Federal Government to discharge the duties for the performance of which they were created. These principles are axiomatic, and are sanctioned by the repeated adjudications of this court."

It follows, then, necessarily from these conclusions that the respective States would be wholly without power to levy and tax, either direct or indirect, upon the national banks, their property, assets, or franchises, were it not for the permissive legislation of Congress.

The first act providing for the organization of national banks, passed February 25, 1863 (c. 58, 12 Stat., 665), contained no grant of power to the States to tax national banks in any form whatever. Doubtless the far-reaching consequence to arise from depriving the States of the source of revenue which would spring from the taxation of such banks, and the error of not conferring the power to tax early impressed itself upon Congress, for the following year (act of June 3, 1864: c. 106, 13 Stat., 99) power was granted to the States, not to tax the banks, their franchises or property, but to tax the shares of stock in the names of the shareholders. This provision subsequently was amended and supplemented in various particulars (act of Feb. 4, 1868; c. 6, 15 Stat., 34), and the result of this legislation is embodied in section 5219 of the Revised Statutes, which is as follows:

"SEC. 5219. Nothing herein shall prevent all the shares in any association from being included in the valuation of the personal property of the owner or holder of such shares in assessing taxes imposed by authority of the State within which the association is located; but the legislature of each State may determine and direct the manner and place of taxing all the shares of national-banking associations located within the State, subject only to the two restrictions, that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State and that the shares of any national-banking association owned by nonresidents of any State shall be taxed in the city or town where the bank is located and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed."

This section, then, of the Revised Statutes is the measure of the power of a State to tax national banks, their property, or their franchises. By its unambiguous provisions the power is confined to a taxation of the shares of stock in the names of the shareholders and to an assessment of the real estate of the bank. Any State tax, therefore, which is in excess of and not in conformity to these requirements is void.

So self-evident are these conclusions that the adjudicated cases justify the deduction that they have been accepted from the beginning as axiomatic and unquestioned, since the controversies as to taxation of national banks illustrated in the opinions of this court mainly depend, not upon any attempted exercise of a power to tax the property and franchises of the banks, but involved controversies as to whether, when the shares of the stock in the names of the shareholders had been assessed according to law, the tax could be imposed upon them because of alleged discrimination or other illegalities.

Mr. WALSH obtained the floor.

Mr. HOLLIS. Mr. President, I will say for the information of the Senate that I hope we can get a vote on this bill some time to-morrow. It is my intention now to ask the Senator from Montana to yield, so that I may move a recess, and that will give the Senator from Montana the privilege of the floor at 12 o'clock to-morrow, as I understand.

Mr. WALSH. That is agreeable to me.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 12717) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1917, and for other purposes, in which it requested the concurrence of the Senate.

### HOUSE BILL REFERRED.

H. R. 12717. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1917, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

### RECESS.

Mr. HOLLIS. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until to-morrow, Thursday, May 4, 1916, at 12 o'clock meridian.

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## HOUSE OF REPRESENTATIVES.

### WEDNESDAY, *May 3, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite Spirit, whose life-giving rays permeate all space, and whose love reaches out to all Thy children, we thank Thee for the strong, intelligent, and ever-growing faith which recognizes Thee as the Father of all men, which enhances, dignifies, and ennobles life, takes away the sting of death, fills the heart with eternal hope, accentuates the sinfulness of sin, and inspires to holy living. Grant, O most merciful Father, that it may continue to grow until all men shall know Thee and worship Thee as such, in the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

### EXTENSION OF REMARKS.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting some editorials in New York papers commending my Democratic colleagues for their vote against the Clarke amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing editorials commending his Democratic colleagues for voting against the Clarke amendment. Is there objection?

Mr. BRUMBAUGH. I object.

### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. RAKER, for the day, on account of illness.

To Mr. MCARTHUR, for the day, on account of urgent personal business.

To Mr. FORDNEY (at the request of Mr. SMITH of Michigan), indefinitely, on account of the death of a relative.

### BUREAU OF WAR-RISK INSURANCE.

The SPEAKER. The bill H. R. 13224, to amend an act entitled "An act to authorize the establishment of a bureau of war-risk insurance in the Treasury Department," which was referred to the Committee on the Merchant Marine and Fisheries,

it seems ought to have been referred to the Committee on Interstate and Foreign Commerce, that reported the original act. The chairman of the Committee on the Merchant Marine and Fisheries asks that the change be made, and without objection it will be referred to the Committee on Interstate and Foreign Commerce.

There was no objection.

FLOOD CONTROL.

The SPEAKER. This is Calendar Wednesday, and the Clerk will call the committees.

The Clerk proceeded with the call of committees, and when the Committee on Flood Control was called,

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I call up the bill H. R. 14777, on the Union Calendar.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. What list does the Clerk call these committees from?

The SPEAKER. From the usual printed list.

Mr. MANN. It may be that the rules adopted at this session changed the order, but the order in the Manual is not the order in which the Clerk called the committees. I am not raising any question, except for future information, so that Members who watch the calendar may know what is correct.

The SPEAKER. I understand the Clerk always calls the roll from the printed list.

Mr. MANN. The printed list, then, ought to be corrected, unless there was a change of the rule. In Rule LI is the Committee on Industrial Arts and Expositions.

The SPEAKER. That is the way it is in the printed list, and the Clerk ought to have called the Committee on Industrial Arts and Expositions.

Mr. MANN. The Clerk did call that committee, and the only point I am making is that the list was not called in the order in which it is printed in the rules.

The SPEAKER. The Chair supposes that the gentleman is correct, but the clerks inform the Chair that they have been calling the committees all the time from this printed list.

Mr. MANN. I understand they have, and I had supposed until this morning that the printed list and the list in the rules were the same.

The SPEAKER. The Chair supposed so, too; and they ought to be.

Mr. MOORE of Pennsylvania. Mr. Speaker, I make the point of order that the Committee on Flood Control has exceeded its powers in reporting this bill, and that it is a matter properly for the consideration by the Committee on Rivers and Harbors.

The SPEAKER. The Chair will hear the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Mr. Speaker, the Committee on Flood Control was created by a resolution which was introduced in the House February 1 last, and its jurisdiction extends to "flood control."

Inquiries were made at the time as to how far that jurisdiction went, but they were not answered very clearly. As adopted, the rule creating the committee provided that to this Committee on Flood Control should be referred matters relating to "flood control other than appropriations therefor." The jurisdiction of the Committee on Rivers and Harbors in the existing rules is to consider and dispose of matters pertaining to "improvement of rivers and harbors."

The bill which is reported by the Committee on Flood Control, and which has been called up by the gentleman from Mississippi [Mr. HUMPHREYS], provides in the opening section:

*Be it enacted, etc.*, That for controlling the floods of the Mississippi River and continuing its improvement from the Head of the Passes to the mouth of the Ohio River the Secretary of War is hereby empowered, authorized, and directed to carry on continuously, by hired labor or otherwise, the plans of the Mississippi River Commission heretofore or hereafter adopted.

In that first section it proposes to continue the permanent improvement of the channel of the Mississippi River, which has already been delegated to the Committee on Rivers and Harbors, and for which the Mississippi River Commission, acting under the organic law of 1879, has already spent for this section upward of $87,000,000. Now, by one fell swoop the Committee on Flood Control takes away from the Committee on Rivers and Harbors all the work heretofore assigned to it as coming up from the Mississippi River Commission, upon which up to date $87,000,000 has been expended.

The bill in other sections—on page 2 subsection (a), provides that—

All money appropriated under authority of this section shall be expended under the direction of the Secretary of War in accordance with the plans, specifications, and recommendations of the Mississippi River Commission, as approved by the Chief of Engineers, for controlling the floods and for the general improvement of the Mississippi River, and for surveys, including the survey from the Head of the Passes to the headwaters of the river.

Page 3, subsection 2, provides again for this same kind of permanent work. Page 4, dealing with the Sacramento River, carries forward to the direction and jurisdiction of the Committee on Flood Control the work heretofore assigned to the Committee on Rivers and Harbors, and certain reports and documents which were reported by the Committee on Rivers and Harbors are cited which contemplate permanent work for the improvement of the river for navigation purposes and not for the purposes of flood control.

Mr. CARTER of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. CARTER of Oklahoma. Is it the gentleman's contention that jurisdiction of a committee can be questioned after no point was made in the committee as to the jurisdiction?

Mr. MOORE of Pennsylvania. It is my contention that the point can be raised now while we are in the House.

Mr. CARTER of Oklahoma. Even though it was not raised in the committee?

Mr. MOORE of Pennsylvania. This is the only opportunity to raise the point—right here; now.

Mr. CARTER of Oklahoma. It could have been raised in the committee, could it not?

Mr. MOORE of Pennsylvania. I presume it could, but that does not bar me. I am not a member of the committee. That does not bar any other Member of the House from raising it at the proper time when the House is in session.

Mr. CARTER of Oklahoma. What I wanted to understand is this: It has been my understanding that the question of jurisdiction of a committee could not be raised if it were not raised in the committee at the time the bill was reported.

Mr. MOORE of Pennsylvania. I presume the Speaker will rule upon that in due course. I am raising it here as is my right. I had no opportunity to raise it in the committee, and I question whether it could have been successfully raised there.

Mr. ADAMSON. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. ADAMSON. Is it not within the power and is it not the right of any Member of the House to raise the question upon the reference of the bill to the committee at any time before the committee reports the bill, and was not that the way to raise the question?

Mr. MOORE of Pennsylvania. As no one outside of the committee had any information on the subject I do not see how the question could be raised.

Mr. ADAMSON. We publish a paper here every day to show where a bill is.

Mr. MOORE of Pennsylvania. The committee did not go about the House telling the Members of the House what it was going to do, but when it was ready it brought a bill into the House which contains information to all of the Members of the House. That bill provides that we now appropriate more for flood control than we appropriated for rivers and harbors. We are to appropriate by this bill $45,000,000 for the Mississippi River alone, and $5,500,000 for the Sacramento River. The gentleman from Mississippi walks out of the Committee on Rivers and Harbors, which was making appropriations for the Mississippi River, a committee was created, and then the gentleman walks into the House with a flood-control bill proposing to appropriate $50,500,000 in one lump for the improvement of two rivers only.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. CAMPBELL. Referring to the question of jurisdiction and the time for raising the question, if the gentleman from Pennsylvania will permit a suggestion, I do not think there can be any question but that he is in time in raising the question of jurisdiction in the House. That question has been raised on bills referred to the Committee on Claims, which should have been referred to the Committee on War Claims, and that question has been raised frequently on the floor, and has always been held in order when the bill was called up for consideration.

Mr. MOORE of Pennsylvania. Certainly.

Mr. TILSON. Mr. Speaker, will the gentleman yield to me for a suggestion?

Mr. MOORE of Pennsylvania. Yes.

Mr. TILSON. In fact, would it be possible for the gentleman to know that this bill trenched upon the jurisdiction of the Committee on Rivers and Harbors until the bill was actually reported into the House. The gentleman could not determine

that fact from the title of the bill alone. He would have to know what the committee actually reported.

Mr. MOORE of Pennsylvania. That is true. I should think the House would have no such information, except under the circumstances mentioned by the gentleman from Connecticut. I recall very well, and I think most of the Members of the House do, that when the gentleman from Mississippi [Mr. HUMPHREYS] came in with his proposition for the creation of a committee on flood control, the whole circumstances surrounding the creation of that committee were nebulous. We did not know anything about it. Even the chairman of the Committee on Rivers and Harbors did not know, and so stated in effect on the floor of the House when the rule was brought in.

Mr. MONTAGUE. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

The SPEAKER. The Chair will ask the gentleman from Pennsylvania to state succinctly the point upon which he relies.

Mr. MONTAGUE. I understood the gentleman to yield to me for a question. I beg the Speaker's pardon.

The SPEAKER. The Chair requested the gentleman to state in as few words as possible the points upon which he relied.

Mr. MONTAGUE. It was with that idea in view that I desired to ask a question to see if I could ascertain what his point is.

The SPEAKER. If the gentleman answers the Speaker's question, perhaps he will answer the question of the gentleman from Virginia.

Mr. MONTAGUE. That is true; but I did not know that the Speaker was going to ask that question when I preceded the Speaker.

The SPEAKER. The Chair suggests that the gentleman from Virginia ask his question.

Mr. MONTAGUE. Mr. Speaker, I desire to ask the gentleman if his objection goes not to the reference, but to the excess of jurisdiction under a proper reference. Is that true or not?

Mr. MOORE of Pennsylvania. My objection goes that far.

Mr. MONTAGUE. Is it to the reference itself, or is it only to the excess of jurisdiction under the reference?

Mr. MOORE of Pennsylvania. I have made the point that in reporting this bill in the form in which it is the Committee on Flood Control has exceeded its authority and has usurped the power of the Committee on Rivers and Harbors. That is substantially the point, I think, the Chair and the gentleman from Virginia desired me to respond to.

The SPEAKER. Has the gentleman finished?

Mr. MOORE of Pennsylvania. No; I have not. I wish the Chair to be advised that the point that I have made is practically conceded by the Committee on Flood Control itself, because in the rather voluminous report which it has presented—23 pages on the Mississippi River and upward of 100 pages dedicated to the Sacramento, which is joined to it in the alliance for the passage of the bill—it distinctly states, in almost the first paragraph, that the bill provides not only for controlling the floods of the Mississippi but also for—

> the general improvement of the Mississippi River, and authorizes the Secretary of War to carry on continuously for that purpose the plans of the Mississippi River Commission, the expenditure not to exceed in the aggregate $45,000,000.

Now, this is the committee speaking:

> It was the desire of the committee to confine the bill exclusively to matters relating to flood control, and only after mature consideration and conferences with the Chief of Engineers and his assistants in the War Department and with members of the Mississippi River Commission, was the committee forced to the conclusion that it was necessary under the peculiar conditions existing to include also the general improvement of the river. Appropriations have always been made heretofore in lump sums and the Mississippi River Commission authorized and directed to expend the money so appropriated for the purpose of carrying into effect the provisions of the act creating the commission, to wit, "to correct, permanently locate, and deepen the channel and protect the banks of the Mississippi River, improve and give safety and ease to the navigation thereof, prevent destructive floods, and promote and facilitate commerce, trade, and the Postal Service." Levees are built for the purpose both of preventing destructive floods and serving the interest of navigation, and the revetment of caving banks is likewise done for this dual purpose. It was found to be practically very inadvisable to provide for the single problem of flood control and omit provision for the general improvement of the river.

Mr. Speaker, I call the attention of the Chair to the fact that the rivers and harbors bill just passed by this House made provision for this particular work to the extent of $6,000,000 from the Head of the Passes to the mouth of the Ohio River; now, under the guise of flood control, we are asked to appropriate $45,000,000 more, plus the $87,000,000 already expended by the Mississippi River Commission on the lower Mississippi. Before I close I want to call the attention of the Chair to the organic act creating the Mississippi River Commission, supervision of whose work is now being taken away from the Rivers and Harbors Committee.

The SPEAKER. The Chair thinks this is extraneous to this discussion.

Mr. MOORE of Pennsylvania. If the Chair pleases, the bill provides that the Committee on Flood Control shall take over the work of the Mississippi River Commission, and that provides for navigation.

The SPEAKER. The Chair would like to ask the gentleman from Pennsylvania one question.

Mr. MOORE of Pennsylvania. I want to show what the work of the Mississippi River Commission was and to show that it is a work of navigation.

The SPEAKER. The Chair would like to ask the gentleman one question. Is it not the uniform practice of the House that when public bills are referred to a committee, even if they are erroneously referred, and the committee proceeds to take jurisdiction and the House does not change the reference, does not that give that committee jurisdiction?

Mr. MOORE of Pennsylvania. Mr. Speaker, I do not care so much about the manner in which we have acted upon other questions as I do about the manner in which we get at this one. The point I am making now is the live, up-to-date point, upon which I am perfectly willing——

The SPEAKER. The Chair asked the gentleman a plain question.

Mr. MOORE of Pennsylvania. I will say, Mr. Speaker, I am not now competent to answer that question, but I maintain that the question I have raised is a proper one to raise under the rules and that this is the proper time to raise it.

The SPEAKER. There is no question but what the gentleman had the right to raise the question, but the Chair does not desire to hear anybody. He is ready to rule.

Mr. MOORE of Pennsylvania. Does the Chair decline to permit me to refer to the work under the organic law creating the Mississippi River Commission?

The SPEAKER. The Chair wants to say that the gentleman or any other gentleman who understands the history of this reference business might make a speech five hours long about it——

Mr. MOORE of Pennsylvania. That is correct.

The SPEAKER. There is no question about that; but we have not time to do it.

Mr. MOORE of Pennsylvania. But it is a matter involving $50,000,000 to begin with, Mr. Speaker.

The SPEAKER. The Chair understands that perfectly well, and the Chair is ready to rule. In the first place, the Chair will state again what he has stated frequently, that the reference of bills is the most difficult and delicate question that the Speaker has to decide. The committees frequently lap over into each other's jurisdiction. That is proposition No. 1. Bills are frequently drawn that way on purpose, the Chair thinks; but that is neither here nor there.

Mr. MOORE of Pennsylvania. Will the Speaker yield for one interruption?

The SPEAKER. Yes.

Mr. MOORE of Pennsylvania. I desire to call the attention of the Speaker to the fact that on numerous occasions when canal bills have been introduced here, simply because the word "canal" appears, although they pertained exclusively to waterways and navigation, they have been taken away from the Committee on Rivers and Harbors and referred to another committee. Navigation comes under the jurisdiction of the Committee on Rivers and Harbors——

The SPEAKER. That was because they were put in a privileged bill. The history of this discussion and the rights of everybody are these: This bill was introduced—the Chair does not know who introduced it; but that does not matter. It is a public bill. It was referred to the Committee on Flood Control. If the gentleman or any other gentleman felt aggrieved or thought his rights had been trampled on or the jurisdiction of the Committee on Rivers and Harbors was being usurped, the proper remedy was for the gentleman to come in here and move that it be rereferred.

Mr. MANN. Mr. Speaker—the Speaker will pardon me—but no one can move, except one of the committees, unless by unanimous consent.

The SPEAKER. The gentleman is technically right, that it takes one committee or the other to ask it.

Mr. MANN. Or unanimous consent.

The SPEAKER. Or unanimous consent.

These gentlemen sinned away the day of grace, and the Flood Committee took charge of this bill and worked on it, and it was a matter of public notoriety that they were doing it. It was not done in a corner. They went to work and investigated the matter and made this report here. As to the proposition of the gentleman that it takes a piece out of the jurisdiction of the Committee on Rivers and Harbors, of course

the whole scheme of the Flood Committee did that very thing. That was what it was intended to do, to relieve the Committee on Rivers and Harbors of a part of its work. It was overloaded.

You can not put water into a river and you can not take water out of a river and you can not do anything about controlling the waters of a river that it does not in some way affect the improvement of the river and the navigation thereof. So the point of order is overruled, and the committee automatically resolves itself——

Mr. MOORE of Pennsylvania. Mr. Speaker, I raise the question of consideration.

Mr. MANN. That has to be raised in the committee.

Mr. MOORE of Pennsylvania. I have raised the question.

Mr. MANN. The question of consideration on Calendar Wednesday has to be raised in the committee

The SPEAKER. The Chair has ruled on this proposition at least three times and has no disposition to reverse himself.

Mr. MOORE of Pennsylvania. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Wait until the Chair states the matter. The Chair says that the gentleman has a right to raise the question of consideration in the Committee of the Whole, and it has been done two or three times.

Mr. MOORE of Pennsylvania. Do I understand that the Chair rules that the question of consideration can be raised in the Committee of the Whole?

The SPEAKER. That is exactly what the Chair holds, and this particular Speaker has ruled that way two or three times, being the only one that has passed upon it, he supposed. The House resolves itself automatically into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14777; and the gentleman from Colorado [Mr. TAYLOR] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes, with Mr. TAYLOR of Colorado in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14777.

Mr. MOORE of Pennsylvania. Mr. Chairman, I raise the question of consideration.

The CHAIRMAN. Let the Clerk report the bill first.

The Clerk read as follows:

A bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and the Sacramento River, Cal., and for other purposes.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. STAFFORD. Mr. Chairman, this bill has just been reported, and I think it should be read. It is a short bill.

Mr. MOORE of Pennsylvania. Mr. Chairman, I raise the question of consideration.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] has objected to unanimous consent, and so the bill will be read the first time.

Mr. MOORE of Pennsylvania. Then I would have the privilege of raising the question of consideration of the bill?

The CHAIRMAN. Yes.

Mr. MOORE of Pennsylvania. Mr. Chairman, I raise the question of consideration now.

The CHAIRMAN. The Chair assumes that we might as well dispose of that first as last. The gentleman from Pennsylvania [Mr. MOORE] raises the question of the consideration of the bill. The question, therefore, is whether or not we will now consider this bill.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. MOORE of Pennsylvania. Division, Mr. Chairman.

The committee divided; and there were—ayes 97, noes 36.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting the organic law creating the Mississippi River Commission.

Mr. DYER. Mr. Chairman, I make the point of order that the request is out of order at this time before the Chair has announced the vote.

The CHAIRMAN. The Chair understands that the gentleman from Pennsylvania makes the unanimous-consent request. Does the gentleman from Missouri object?

Mr. DYER. I object until the vote is announced.

The CHAIRMAN. The Chair has announced the vote. The ayes have it. Is there objection to the request of the gentleman from Pennsylvania [Mr. MOORE] to extend his remarks in the RECORD as indicated? [After a pause.] The Chair hears none.

The following is the act appointing the Mississippi River Commission, referred to:

*Be it enacted, etc.*, That a commission is hereby created to be called "the Mississippi River Commission," to consist of seven members.

SEC. 2. The President of the United States shall, by and with the advice and consent of the Senate, appoint seven commissioners, three of whom shall be selected from the Engineer Corps of the Army, one from the Coast and Geodetic Survey, and three from civil life, two of whom shall be civil engineers. And any vacancy which may occur in the commission shall in like manner be filled by the President of the United States; and he shall designate one of the commissioners appointed from the Engineer Corps of the Army to be president of the commission. The commissioners appointed from the Engineer Corps of the Army and the Coast and Geodetic Survey shall receive no other pay or compensation than is now allowed them by law, and the other three commissioners shall receive as pay and compensation for the services each the sum of $3,000 per annum; and the commissioners appointed under this act shall remain in office subject to removal by the President of the United States.

SEC. 3. It shall be the duty of said commission to direct and complete such surveys of said river, between the Head of the Passes, near its mouth, to its headwaters, as may now be in progress, and to make such additional surveys, examinations, and investigations—topographical, hydrographical, and hydrometrical—of said river and its tributaries as may be deemed necessary by said commission to carry out the objects of this act. And to enable said commission to complete such surveys, examinations, and investigations, the Secretary of War shall, when requested by said commission, detail from the Engineer Corps of the Army such officers and men as may be necessary, and shall place in the charge and for the use of said commission such vessel or vessels and such machinery and instruments as may be under his control and may be deemed necessary. And the Secretary of the Treasury shall, when requested by said commission, in like manner detail from the Coast and Geodetic Survey such officers and men as may be necessary, and shall place in the charge and for the use of said commission such vessel or vessels and such machinery and instruments as may be under his control and may be deemed necessary. And the said commission may, with the approval of the Secretary of War, employ such additional force and assistants, and provide, by purchase or otherwise, such vessels or boats and such instruments and means as may be deemed necessary.

SEC. 4. It shall be the duty of said commission to take into consideration and mature such plan or plans and estimates as will correct, permanently locate, and deepen the channel and protect the banks of the Mississippi River; improve and give safety and ease to the nagivation thereof; prevent destructive floods; promote and facilitate commerce, trade, and the postal service; and when so prepared and matured, to submit to the Secretary of War a full and detailed report of their proceedings and actions, and of such plans, with estimates of the cost thereof, for the purposes aforesaid, to be by him transmitted to Congress: *Provided*, That the commission shall report in full upon the practicability, feasibility, and probable cost of the various plans known as the jetty system, the levee system, and the outlet system, as well as upon such others as they deem necessary.

SEC. 5. The said commission may, prior to the completion of all of the surveys and examinations contemplated by this act, prepare and submit to the Secretary of War plans, specifications, and estimates of costs for such immediate works as, in the judgment of said commission, may constitute a part of the general system of works herein contemplated, to be by him transmitted to Congress.

SEC. 6. The Secretary of War may detail from the Engineer Corps of the Army of the United States an officer to act as secretary of said commission.

SEC. 7. The Secretary of War is hereby authorized to expend the sum of $175,000, or so much thereof as may be necessary, for the payment of the salaries herein provided for and of the necessary expenses incurred in the completion of such surveys as may now be in progress, and of such additional surveys, examinations, and investigations as may be deemed necessary, reporting the plans and estimates, and the plans, specifications, and estimates contemplated by this act, as herein provided for; and said sum is hereby appropriated for said purposes out of any money in the Treasury not otherwise appropriated.

Approved June 28, 1879.

The CHAIRMAN. The Clerk will report the bill.

The Clerk commenced the reading of the bill.

Mr. GARRETT. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. STAFFORD. Mr. Chairman, pending that request I would like to inquire if there is any disposition on the part of members of the committee to extend general debate. This is a most important bill. Under the rules, as the gentleman is aware, there is but one hour allowed to those who are in favor of the bill and but one hour allowed to those in opposition. On this side of the House the demands for time, I am informed by the ranking member of the committee, are more than he can allot, not only from those in opposition but those in favor of the bill.

Mr. HUMPHREYS of Mississippi. Under the rules there are two hours of debate.

Mr. STAFFORD. If we would rise and arrange it by unanimous consent and then go back into committee the general debate could be extended.

Mr. GARRETT. This bill, of course, is under consideration under the Calendar Wednesday rule. It is very desirable that the bill be acted upon within the two days. I do not think there would be any objection to an extension of general debate. I do not think there would be any objection, either, to an extension of time under the five-minute rule, provided, of course, we

can have an agreement that we shall vote, or, at least, have the previous question ordered, not later than the conclusion of the next Calendar Wednesday, whenever that may be.

Mr. STAFFORD. If the gentleman will permit, I do not think there is any question but that this bill will be concluded at the conclusion of next Calendar Wednesday. It is a short bill, containing eight pages and only three sections; but it is a new proposition and there is a general disposition to discuss this bill in the committee to ascertain the full scope of it. Of course, that might be done under the five-minute rule or it might be done under general debate. One hour is a very brief time to be allotted for the discussion of this bill on this side to those who favor and those who oppose it.

Mr. MANN. Mr. Chairman, if the gentleman will allow me to make a suggestion, the gentleman from Mississippi [Mr. HUMPHREYS] talked with me in reference to the time for debate on this bill, and I told him I thought there was no reason for extending the time for general debate under the rule if we could have the understanding that under the five-minute rule liberal extensions might be granted for at least a day. As I said to the gentleman, there is no trouble whatever. Whenever the gentleman wants to close down he can do it and force this bill through in one day, because there are only three sections to the bill. I think if we had that understanding gentlemen could have all the time they need to-day practically in general debate, but under the five-minute rule.

Mr. GARRETT. If the gentleman from Mississippi will permit, there is no trouble about that.

Mr. MANN. I think there will not be.

Mr. GARRETT. I am sure of that, but I think we ought to have an understanding if we are going to rise and enter into an agreement about general debate. We ought to have an understanding that a vote shall be reached on the next Calendar Wednesday. Of course the gentleman knows that anybody can come in at any time and throw a monkey wrench into the machinery of the bill.

Mr. MANN. I do not think anybody can come in and throw a monkey wrench into the machinery of a bill only three sections long, and I shall not assist them so far as I am concerned.

Mr. GARRETT. I know the gentleman will not, but there are points of no quorum that can be made and motions to rise and motions to adjourn, and everybody might be worn out. If there is any way of making an agreement, I should like to see it made.

Mr. MANN. There is only one way to do that, and that is for the committee to rise and arrange it.

Mr. GARRETT. The gentleman and I discussed that matter privately before.

Mr. MANN. There would be time enough to do that next Wednesday.

The CHAIRMAN (Mr. CARAWAY). Is there objection to dispensing with the further reading of the bill?

There was no objection.

The CHAIRMAN. The gentleman from Mississippi [Mr. HUMPHREYS] is recognized for one hour.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, viewed from any angle, considered in any aspect, the problem of the Mississippi River is national in its scope, and has been from the beginning. Spain and France and England continuously intrigued and sometimes fought for its control, and in those days the problem was international; but at last, through the sagacity of our own statesmen and the jealousies and fears of the chancelleries of Europe, the great river came, with its blessings and its responsibilities, under the beneficent light of our stars. What shall we do with it is the question which for more than a hundred years has stood at the door of the Nation and knocked, and here it stands to-day.

A great army of adventurous spirits from the older States, reenforced by those who fled from the hardships and oppressions of the Old World, swept over the mountains and into the valley as soon as the Louisiana Purchase was consummated. Another army of immigrants forced its way up the river from the sea, all bent upon the conquest of the wilderness, the founding of a civilization which now promises to eclipse all rivals in the long drama of history. The struggle for the political control of the river from its source to the sea had ended; the right to its free navigation was secure to our people, but the obstructions which nature put across this common highway began to prove even more troublesome than had the vexatious don in the days of the Spanish occupation. In 1809 Nicholas Roosevelt, of New York, made a journey on a flatboat from Pittsburgh to New Orleans. This was the preliminary step, the ultimate purpose being to build steamboats and engage them in the Mississippi River trade. It was currently reported and generally believed that the swift current of the Mississippi River, together with its eddies and shoals, would prevent the river from being navigated by steamboats, and the purpose of this trip of Mr. Roosevelt was to make such observations as would enable him and those associated with him to reach a conclusion in this matter. Upon his return to New York he made a favorable report, and Fulton and Livingston, who were associated with him, agreed to make the experiment. He thereupon took with him a number of ship carpenters, skilled workmen, went over to Pittsburgh, and began the construction of what was to be the first steamboat on the Mississippi River.

In his report to the Senate in 1846 John C. Calhoun said:

> The annual aggregate loss of boats navigating the Mississippi and its waters at the present time is 107 from all causes; the total loss annually, $2,000,000; and in addition the loss of life occasioned by sinking boats is very great.

In 1873 Mr. John A. Scudder, president of the St. Louis & Memphis Packet Co., stated to a Senate committee that there were 5,000 wrecks in the river between St. Louis and Cairo, a distance of 200 miles.

I was saying that the two great armies of civilization were entering the valley from different directions. Both these pioneers, though they came from the opposite ends of the earth, were struggling against the same forces of nature in the common cause of civilization. The one looked upon the river as the great highway upon which to float the products of his farm and his forge out to the markets of the world. The other looked upon the river also, but his thoughts were of its floods, and his brain was taxed to conjure up some scheme whereby they might be controlled and passed in safety into the sea.

It soon became apparent to both, however, that the problem was too big, the expenditure requisite to the task too great for any local agency to cope with.

In 1822, in response to the demands coming from the full length of the valley, Congress ordered the Engineers of the Army to make an investigation with a view to ascertaining if the river could be made safe for navigation. After much study and investigation those engineers reported that if the river was to be kept free of snags and sand bars, which were working such destruction to the steamboats, its waters must be held within its banks at all seasons, for if in times of flood it was permitted to overflow its banks the débris of the forests, tree tops and logs, would surely be floated into the channel and ultimately sink and form the sand bars and snags upon which boats were rushed to their doom. The cost of such an undertaking, however, was so great that nothing came of the report. As the valley continued to be settled, however, and the commerce of the river grew by leaps and bounds, demands upon Congress became all the more insistent. Conventions were held in Chicago, Cincinnati, Memphis, and the other cities of the valley, with the result that Congress enacted what has since been known as the swamp and overflow land grant. Under the terms of this law all the wet lands in the several States of the valley were donated to those States, the proceeds of the sale to be devoted to the construction of "levees and drains." The result of this legislation was that the wet lands of the northern valley were drained into the tributaries of the Mississippi River with such rapidity that it was impossible for the riparian owners lower down, even with the assistance thus rendered, to build their levees fast enough to take care of the augmented floods. The inevitable result was that the floods went higher, more snags accumulated in the river, and the Deltas of the lower valley were all the deeper submerged. The river had now grown in importance until it had become the greatest highway of commerce in all the world. By 1850 New Orleans had outstripped all its rivals and become the third greatest port in the world. Congress was again appealed to and again ordered an investigation of the river by the Engineers, and the notable feature of that report was the declaration of the engineer in charge that—

> The process by which the country above is relieved is the process by which the country below is ruined.

It was thereupon resolved to have the whole subject investigated in all the infinite variety of its detailed and varied aspects. Another commission of engineers were set to work, provided with ample means and facilities, and directed to do the work thoroughly. For 10 years this investigation proceeded, and their report is the most luminous, the most illuminating, the most thorough ever made of any river in all the tide of time. Every man who had any valuable suggestions to contribute, and many who labored under the hallucination that they were so possessed, appeared before the commission and their theories were thoroughly tested. The conclusion of the whole matter was an affirmance of the opinions expressed by the first commission, appointed in 1822, to wit: That the only way to improve the river

for navigation was to keep its flood waters in the channel, and the only way that this could be done was by the construction and maintenance of levees.

This report, known as the report of Humphreys and Abbot, was made in 1860 and accepted by Congress as the final word on the subject. There was but one way to improve the river, either for the purpose of navigation, which was the object sought by the dwellers of the northern valley, or to protect the lower deltas from destructive overflows, which was the additional object of the people of the lower valley, and that was by the construction and maintenance of levees high enough and strong enough to retain the full volume of the flood within the natural channel of the river. Since that day innumerable commissions have been appointed by Congress to investigate the subject. For 35 years the Mississippi River Commission, composed of engineers from the Army, from the Coast and Geodetic Survey, and from civil life have subjected all the phenomena of the river to expert, scientific, critical, and relentless scrutiny, and all have confirmed the judgment and accepted the conclusion announced in the report of 1860. Unfortunately, the greatest disaster that ever befell our country came the next year, when our fathers reversed the biblical injunction and beat their plowshares and their pruning hooks into implements of war.

Let me give you a few figures which show the effect of this frightful calamity on the problem of the Mississippi River, taking the 11 great States which lie in the triangle described by the Ohio River to the east and the Missouri River to the west.

In 1850 farm values as returned by the census for these States aggregated, in round figures, $800,000,000. Under the census of 1880 these same values had risen to $5,000,000,000; in 1910 to the incomprehensible total of $20,000,000,000. With this tremendous industrial development there had gone as one of its prime factors the drainage of their water-soaked areas. Creeks had been straigtened, drainage canals had been dug, ponds and slashes had been drained, farms had been undertiled, with the result inevitable that the surface waters, instead of lagging superfluous, were precipitated into the river in such volume as to practically overwhelm the lower Delta. In 1858 the greatest flood then known since our records began measured 1,475,000 cubic feet per second. In 1882 the next record flood measured 1,800,000 cubic feet per second. In 1912 the greatest flood of them all measured 2,300,000 cubic feet per second. How frightfully was Lieut. Eilet's prophecy being fulfilled:

> The process by which the country above is relieved is the process by which the country below is ruined.

Take now the figures from the States of the lower valley, Arkansas, Louisiana, and Mississippi. Under the census of 1850 their farm values were returned at $200,000,000; in 1860, more than $600,000,000, an increase in 10 years of more than 300 per cent. Then came the war, and in 1870 these values had fallen again to $200,000,000. As a cap to the climax of this chain of destruction, a Federal tax of $15 a bale was levied on their cotton for 1866, 1867, and 1868. As a result of it all, when the next census was taken, in 1880, one-half of the fertile lands of the Delta, which had been valued by Humphreys and Abbot in 1860 at $25 an acre for the wild land and $100 an acre for the cleared land, had been forfeited for taxes and reverted to the jungle.

It will not be possible to relate the story of the struggles out of that slough of despond in the brief time which I can occupy to-day. Let me point to a few results in very general terms.

A hundred years have come and gone since the old pioneers of the valley first came to Congress with their problem, a hundred years big with accomplishments far beyond the wildest imaginings of their most enthusiastic dreamers. Last year their products were valued at $15,000,000,000—think of it! The total annual expenditures of the Federal Government will not attain to such a figure in a decade, even with the additional appropriation for preparedness, which all of us favor. And speaking of preparedness, let me suggest that no amount of guns and ammunition can strengthen the strong Army of this Republic against the encroachment of any possible enemy so effectively as would the reclamation of the 20,000,000 acres of the Mississippi delta and their dedication to the fruitful and productive ends of peace.

Fifteen billion dollars annually produced in that great valley—every pound of it materially affected in its value by the cost of transportation to the sea. But we are reminded that the commerce has practically deserted the river. Five thousand wrecks between St. Louis and Cairo! Was ever such a tax laid upon transportation anywhere else upon the face of this turbulent earth? Can we marvel that the steamboats surrendered to the railroads in the face of such a handicap? But even so, we do, nevertheless, float more tonnage annually on the lower river than it is estimated for American tonnage through the Panama Canal. In a few years the canalization of the Ohio will be completed and Pittsburgh, where more tonnage is created than at any other point on the face of the earth, will be connected through the Mississippi River by an all-water route to the sea.

There is no busier valley than the Ohio, and every year shows an increase in the production of those manufactures which go to make up the total of our exports.

The following table will show the marvelous growth both in population, manufacturers, raw materials, wealth, and so forth:

| | 1890 | 1900 | 1910 | United States, 1910. |
|---|---|---|---|---|
| Population | 15,787,014 | 18,796,509 | 21,626,217 | 91,972,266 |
| Capital invested in manufacturing | $1,195,808,000 | $1,934,199,000 | $4,292,841,000 | $18,428,270,000 |
| Value of products | $2,014,930,000 | $2,925,566,681 | $4,905,133,000 | $20,672,052,000 |
| Value of live stock | $551,118,014 | $594,392,384 | $951,525,457 | $4,925,173,600 |
| Bituminous coal products, tons | 73,658,000 | 200,200,000 | 299,885,000 | 378,975,000 |
| Steel products, tons | 3,823,505 | 9,756,803 | 20,374,342 | 23,523,199 |
| Grain products, bushels | 1,306,963,945 | 1,302,181,246 | 1,034,262,415 | 4,512,564,000 |
| Oil products, barrels | 45,145,000 | 58,052,000 | 58,933,000 | 171,559,394 |
| Hardwood lumber products, feet | | | 2,951,432,000 | 8,100,819,000 |
| Brick and tile products | | | $36,400,000 | $92,776,504 |
| Estimated wealth [1] | $13,612,000,000 | $17,583,000,000 | $36,079,000,000 | $187,739,000,000 |

[1] Does not include any of Pennsylvania, $6,151,000,000.

Kansas City, Minneapolis, and Chicago will follow suit in a few years unless Congress can be clamored by those who are raising the cry of pork barrel into the senseless abandonment of projects now adopted.

Of course, Congress will not complete these projects and provide a 9-foot channel out of these great tributaries into the Mississippi River at Cairo and then abandon the channel from Cairo out to the sea. It costs just twice as much to carry freight on a 4-foot channel as it does on an 8-foot channel and proportionately more than on a channel of 10 feet. The engineers have all agreed—and when I say engineers, I mean not only the engineers of the Army and of the Mississippi River Commission, but all other engineers who have given the matter study—that a 9-foot or deeper channel in the Mississippi River below Cairo can not be maintained by any other means than revetment. This opinion was expressed most emphatically by Mr. Lyman E. Cooley in a statement to the committee during our recent hearings. Since the opening of the Panama Canal the Hawaiian Steamship Co. and others have reduced their freight rates from 20 to 50 per cent lower than the railroad rates across the continent. The railroads refuse to meet this reduction. The enevitable result of this has been and will be that the producers of the Mississippi Valley will be seriously handicapped in their competition for the trade of the Pacific by reason of the fact that those who are engaged in similar enterprises along the Atlantic seaboard can reach the Pacific at very greatly reduced freight rates. Hon. Fred Stevens, of Minnesota, one of the most capable and accurate men who has ever served in this House and who had few rivals in this House in his general knowledge of matters pertaining to transportation, in a speech on the rivers and harbors bill last year stated that 75 per cent of the freight in the intermountain territory originated in the Northern States of the Mississippi Valley and 25 per cent on the Atlantic seaboard; and he gave it as his opinion that without the improvement of the Mississippi River and its tributaries, so as to enable the valley States to have water transportation to the sea, in a few years these figures would be reversed and 75 per cent of this freight would originate on the Atlantic coast and only 25 per cent in the Mississippi Valley. Realizing the importance of water transportation, the shippers throughout the valley are making elaborate and costly preparation for the use of the river. Vast sums are being invested in terminal facilities at the various cities along the river and barge lines are being organized and have already begun to launch self-propelled barges to meet the demands of the commerce which is certain to come in the near future.

The Inland Navigation Co. has just launched one 1,600-ton steel self-propelled barge and has laid the hull for three others, which will shortly be put into commission. Thirty-five such barges are contemplated for the near future. Of the 100,000,000 tons of freight which passes through Pittsburgh annually, a great part of it is of such character and bulk as will certainly find it most economical to use the Ohio River as soon as the present project is completed.

It is frequently stated that the commerce on the lower river has entirely disappeared, and while this is largely true as to through commerce from St. Louis, it is not true otherwise.

Since 1880 through commerce has declined, and practically disappeared about 1900. Up to that time 130,000,000 tons of freight, during the 20 years from 1880 to 1900, were actually floated on the lower river and since that time, during the past 16 years, about 42,000,000.

Those who oppose appropriations for the lower Mississippi, when discussing the question as a flood problem, habitually charge the total expenditures by the Mississippi River Commission to the flood-control project, and when discussing the question from the viewpoint of navigation charge the whole sum to that element of the project. The fact is that levees are mainly for flood protection and revetment works mainly for channel improvement.

Since 1900, $16,916,000 have been spent for levees and $27,495,000 for revetment and other works of channel improvement. In testing the river as a highway of commerce it will be fairer and more accurate to take into consideration, therefore, only the money invested in revetment and similar works. In this connection, then, it will be interesting to compare the Mississippi River as a highway for transportation with the Yazoo & Mississippi Valley Railroad, which parallels the river from Memphis to New Orleans. The amount invested in this railroad is $57,628,676, not including the investment in equipment, which is $3,109,814. The annual maintenance of this road is $1,807,796, which does not include maintenance of equipment, which is $1,679,529. Since 1900 the maintenance of this road, not including maintenance of equipment, has cost $28,924,736. During the same time the Mississippi River Commission has spent for revetment and other purposes, including the maintenance of a 9-foot channel, but not including levees, $27,495,585, and this revetment work is all permanent work.

The Yazoo & Mississippi Valley Railroad, which parallels the river from Memphis to New Orleans, running throughout the delta, has been the great competitor of the river, and the following table will prove interesting as a comparison of the river and railroad as economical means for the transportation of products:

| | Yazoo & Mississippi Valley Railroad. | Mississippi River, Cairo to New Orleans. |
|---|---|---|
| Permanent investment (does not include equipment on railroad) | [1] $57,628,767 | [2] $28,700,000 |
| Maintenance for 16 years (does not include maintenance of equipment on railroad) | [3] $28,924,736 | $7,000,000 |
| Total tonnage hauled on river and on railroad in 16 years | 135,690,000 | 42,000,000 |
| Cost per ton for maintainance ..... cents | 0.21 | 0.17 |
| Average cost per ton-mile ..... mills | 6.81 | 1.51 |

[1] Roadbed and structures.
[2] Revetment.
[3] This does not include interest on the investment.

NOTE.—The Yazoo & Mississippi Valley Railroad system lies wholly in the delta between Memphis and New Orleans, the distance between these two river cities being 422 miles.

In this table the roadbed and structures are charged as being permanent improvements of the railroad. Works of revetment are charged as permanent improvement of the river. As a matter of fact, revetment is more permanent than the roadbed of the railroad—in fact, is as permanent as any human structure. The maintenance of the river has consisted largely of dredging across the bars, but after revetment is completed this item of expense will be eliminated, because the river will then maintain for itself a deeper and wider channel than is now provided by dredging. It will be noted also in this table that no interest is charged against the railroad on its permanent investment, and nothing for equipment or for maintenance of equipment. From this statement it will be apparent that the work of revetment has not only been justified in the past but that the revival of traffic on the river, which is sure to come in the near future, will be more than ever justified. Those who endeavor to show by statistics that the tonnage on the river does not justify the money heretofore spent by the Government charge all appropriations, both for levees, revetments, and channel improvement, against the tonnage of the river, and draw their conclusions from this calculation. The same critics, when opposing the appropriation of money for the protection of the deltas from overflow, universally charge all of these same items against that work. This, of course, is manifestly unfair.

In the above table I have assumed that one-third of the revetment work was in the interest of flood protection, and therefore charged only two-thirds against navigation; and in estimating the amount the Government has expended for flood control I have charged all appropriations which were expended for levees plus one-third of the revetment work against work for flood control. If the figures are divided in this way, it will be found that the Federal Government up to date has contributed $48,000,000 toward flood control, whereas the local interests have contributed $90,000,000.

Under the terms of the bill the Government will contribute $30,000,000 for levees and $15,000,000 for revetment; whereas local interests will contribute not less than $10,000,000 for levees, and, in addition, will furnish rights of way, damages, and so forth, and assume all the burden of maintenance. But even if the commerce had passed from the river never to return, which is untrue and wholly and thoroughly improbable that it will ever be true, the money appropriated will have been well invested. Sixteen million acres of the geological cream of the earth are waiting the magic touch to spring into fields of waving beauty. The people of the lower valley have out of their own pockets spent more than $100,000,000 since the Civil War in the construction of levees. This is more than enough to have built the levees high enough and strong enough to have withstood the greatest flood that ever came down the river had not the States of the northern valley perfected their drainage system. They stand ready to continue their contributions, but they do insist that the Federal Government tote its part of the load. Holland spent $46,000,000 to reclaim 2,000 square miles in the Zuyder Zee. Egypt spent $53,000,000 to reclaim 2,200 square miles in the valley of the Nile. Surely this great Nation can afford to contribute $45,000,000 toward the reclamation of 20,000 square miles, when by the same act more than 1,000 miles of the world's mightiest river will be rendered capable of carrying the commerce of an empire.

Now, Mr. Chairman, I will undertake to discuss the provisions of the bill. The first sentence in the bill, the one to which the the gentleman from Pennsylvania [Mr. MOORE] referred a few moments ago, provides for the control of floods and the general improvement of the Mississippi River.

Now, gentlemen, the bill does provide both for flood control and for the general improvement of the Mississippi River, and it does that, as stated in the report, because it was absolutely necessary to do it.

In 1879 when the Mississippi River Commission was appointed to study this problem they were instructed to devise a plan not only for the control of the floods, but for the general improvement of the river; and they have devoted 35 years to the study of that problem in both branches. After devoting 35 years to the study of it, the commission has unanimously reported that there is but one way to control the floods on the Mississippi River, and that there is but one way to improve the navigation of the Mississippi River, and that the same methods must be employed whether you are to control the floods or whether you are to improve navigation. In other words, it is necessary to revet the banks of the river and prevent them from caving in.

The Committee on Flood Control did not wish to exceed its jurisdiction under the rules. It was our earnest desire to confine this legislation solely to matters of flood control. We called the engineers before us and examined them very carefully and went into this matter, not only with the members of the Mississippi River Commission but with the Chief of Engineers and with the engineers in the Army under the Chief, and we were forced, as stated in the report, to the conclusion that it would be impossible to separate the two activities. The river can not be improved for navigation except by the sole means of reveting the banks and preventing the caving of the vast amount of earth into the river, which would fill it up. There is not any difference of opinion among any of the engineers on that subject, whether they be Army engineers or civilian engineers. It is the one question about which all engineers who have examined into the project unanimously agree. It is not possible to maintain a levee system for the prevention of floods without preventing the banks from caving into the river.

As an illustration of that, in one of the levee districts which comprise my congressional district there were 189 miles of levees. From 1884 to 1904 172 miles of the 189 miles were abandoned on account of caving banks. And this condition obtains along that reach of the river from Cairo down to the mouth of the Red River very generally. So that it was necessary—not a matter of choice but a matter of necessity—that the committee in making the provision should provide for the adoption of the plan of the Mississippi River Commission, and that plan contemplates both flood control and the improvement of navigation. Now, gentlemen, let me say in the outset, that this bill does not, as the gentleman from Pennsylvania [Mr. MOORE] declared that it did, appropriate $45,000,000. It does not appropriate a cent of money. The committee has no authority to appropriate, as the rule stated which the gentleman read immediately after he made that declaration.

The Mississippi River is not a new project. The House is not called on to adopt any new project. The project for the control of the floods of the Mississippi River and for the revetment, which is to be carried on under the provisions of this bill, was adopted by the House in 1881. Ever since that date Congress has been appropriating money to carry on the project. For that purpose many millions of dollars have been spent. Since 1879 some $85,000,000 have been spent by Congress for the two purposes. Twenty-nine million dollars of it have been expended in levees for the purpose of controlling the floods, $43,000,000 have been spent in revetments for the double purpose of controlling the floods and to conserve navigation, and about $10,000,000 have been spent in other works of channel improvement.

It is suggested that I explain what revetment means. Revetment is the process by which the banks are protected from caving. Willow trees are woven together in a long mattress, sometimes 150 or 200 feet wide and as long as 1,000 or sometimes 1,200 feet. After being woven together they are taken at the low-water level of the river and fastened securely, and then stones are thrown on top of the revetment, and it gradually sinks down and conforms to the irregularity of the bank under the water. It is never exposed to the air after that, and becomes a permanent work—as permanent as any other human structure. Recently there have been some discoveries by the engineers in other methods of revetment by which they will do this work with concrete instead of with willow mattresses. If that method is demonstrated to be a success, it will effect a saving of perhaps one-third in the cost of the revetment.

Mr. HICKS. Mr. Chairman, will the gentleman yield for a question?

Mr. HUMPHREYS of Mississippi. I yield to the gentleman.

Mr. HICKS. I understand that the gentleman states that these revetments are as permanent as any human structure can be.

Mr. HUMPHREYS of Mississippi. Yes.

Mr. HICKS. How long have they been in the river at the present time? What is the oldest one?

Mr. HUMPHREYS of Mississippi. About 30 years in the Mississippi River. Similar structures have been in the Nile for many hundred years.

Mr. HICKS. And there is no deterioration in those that have been there for 30 years?

Mr. HUMPHREYS of Mississippi. None whatever.

Mr. Chairman, before I proceed further, I would like to be notified when I have occupied 30 minutes.

Mr. HUDDLESTON. Will the gentleman yield for a question?

Mr. HUMPHREYS of Mississippi. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. I have heard it asserted that the bed of the Mississippi River was constantly rising with reference to the sea level, and I would be glad if the gentleman would state what information the committee has been able to obtain on that subject.

Mr. HUMPHREYS of Mississippi. There is no subject that has been more thoroughly studied than that particular one. It is not true, although it is a very popular misunderstanding, very generally believed. The fact that it is so believed is due to this condition: Before the levees were constructed there the water spread out over a great valley 40, 50, or 80 miles wide. After the levees were constructed, confining that flood within these levees 3 or 4 miles apart, the flood height naturally was elevated, and the common explanation of that phenomenon was that the bed of the river had silted up, and for that reason the flood level was elevated. But that is not true.

When the river is low, nobody is interested in it; nobody observes the river when it is at its low stage. Of course, if the bottom of the river had filled up, the low-water level would have been elevated just as the high-water level, which is not the fact. When the river goes down, the low-water level is just as low now as it ever was before. But because of the fact that this belief was so general the Mississippi River Commission undertook to demonstrate the fact by actual measurements. They established permanent bench marks, to which all the levels could be referred, and they began at Cairo in 1882 and they made soundings along the whole length of the river, three to a mile, 75 feet apart across the river, and for 30 years they have been measuring the river to ascertain whether it was filling up. Along 200 miles of the river in front of my district they have taken 40,000 soundings, and the result of it all demonstrated that the tendency rather has been to depress the bed than to raise it.

Mr. TILSON. Will the gentleman yield just one moment there before he leaves that point? How does the gentleman explain the fact frequently stated that the Atchafalaya Basin is lower than the Mississippi River, and, as I understand, that the Yazoo Valley, too, is lower than the bed of the Mississippi River? Also the fact that few small streams from either side enter the Mississippi River, but run in the opposite direction, toward the Atchafalaya and the Yazoo?

Mr. HUMPHREYS of Mississippi. The facts, of course, are not as the gentleman states them. The Mississippi River is higher than the Atchafalaya Basin, and is higher than the Yazoo Basin when it is in flood, but it is 40 feet lower than those basins when there is no flood. Of course, if the bottom of the river filled up, it would remain higher. It is true of alluvial streams in every country in the world that they flow on top of a ridge, because as they overflow the solid particles held in suspension are precipitated readily, and the result is that the high spot of every alluvial plain is that immediately adjacent to the stream, whether it is a big stream or a little one; but the Yazoo River flows into the Mississippi River. The Atchafalaya is an outlet of the Mississippi; but all that country is very much higher than the Mississippi. It is not true of any river in the world, except a few like those that empty into Lake Bewa, in Japan. It is true of the Feather River, in California, and true of the tributaries of the Sacramento, where they come down out of the mountains on a steep slope, and, of course, for that reason can carry very much more silt than they can when they strike a level plain. As soon as they strike the level plain they begin to precipitate the silt; but it is true of no other rivers in the world.

Mr. TILSON. The water actually runs out of the Mississippi River into the Atchafalaya.

Mr. HUMPHREYS of Mississippi. It runs out of the Mississippi in flood time. The Atchafalaya is an outlet of the Mississippi. It is one of the outlets of the Mississippi River. It goes out into the sea; but if the gentleman will look at the map he will note the geological formation that has taken place in all the years that have gone by, and he can see just how the Mississippi River runs out into the sea and builds its banks up on both sides, but this idea that the river is silted up is erroneous. A French engineer, De Prony, started that story about the Po River some hundred years ago, and Lombardini, a great Italian engineer, devoted a great deal of his time to the investigation of it, and compared the records that had been preserved for more than 200 years and utterly demonstrated the inaccuracy of De Prony's statement. Now, the same statement has been made as to the Yellow River in China. One can get by with almost any statement about something that happens in the center of China. You can say that the cows there shed their horns annually, and nobody will be able to disprove it, because nobody has been there. Nobody knows much about the Yellow River, but it is not true of any other river. Gen. James H. Wilson, of the Engineer Corps of the United States Army, back some twenty-odd years ago, while visiting in China went out into the middle of the Kingdom to examine the Yellow River and ascertain whether it was true. The story was that it had so silted up that the bottom of the river was higher than the adjacent country. As soon as he crossed over the levees, he noticed that they were perhaps a quarter of a mile from the river, and he could not see any river. He rode over to the river, and had to go down the banks of the river into the bed of it, just as he would at any other stream. He studied it as well as he could from the limited amount of data available. His letter is published in the report that I made on the Mississippi River three years ago, and in it he gives it as his opinion that it is not true of the Yellow River.

Mr. McKELLAR. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. McKELLAR. In stating the amount that has been appropriated for the river I think the gentleman said it was $29,000,000 for levees, but the gentleman did not state what the levee districts have appropriated.

Mr. HUMPHREYS of Mississippi. Since 1890, when the Government began to build levees for the purpose of protecting the country from floods, the National Government has appropriated $29,000,000. The people in the levee districts, since 1882 when the commission began work, have expended for the same purpose $91,000,000, or about 3 to 1.

Mr. STAFFORD. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. STAFFORD. What is the proportion that each State has contributed in that amount?

Mr. HUMPHREYS of Mississippi. I can not state the proportion. I might be able to give the gentleman the figures.

Mr. STAFFORD. Can the gentleman state proportionately how much has been contributed by the States?

Mr. HUMPHREYS of Mississippi. Each State has expended its money along its own front. Some levees have been con-

pleted. There is a levee district in my district where there is no contribution by the Federal Government because the levees are completed. There is another levee district in my State that has spent about the same amount of money, but the levees have caved into the river continuously. We have had more than 90 per cent of the levees cave into the river in the last 30 years.

Under the contemplation of this bill the Federal Government will contribute $30,000,000 in the next five years for the construction of levees. Local interests will contribute under the terms of the bill not less than $10,000,000, and in addition they will provide the rights of way and stand for whatever damage is caused by the condemnation of property for the rights of way.

Mr. STAFFORD. Can the gentleman give the amounts by States that have been appropriated for levees?

Mr. HUMPHREYS of Mississippi. The gentleman understands that appropriations were not made by States, but by levee districts, and there are 20 or 25 levee districts. I can not give those details, but I can print them in the RECORD.

Mr. STAFFORD. I was wondering whether some States were alert in protecting the people by building levees in their districts along the Mississippi and other States were negligent.

Mr. HUMPHREYS of Mississippi. I think not. I think that the States have done all that they could do. That has been the report of the Mississippi River Commission—that in the opinion of the commission the people have paid everything they possibly could pay. They have resorted to every species of taxation known. We have an ad valorem tax levied on all property running from 15 to 17½ mills; that is, on real and personal property. In addition, we have an acreage tax, and in addition to that an occupation tax. That is, any man engaging in business for hire must pay for the privilege. Then we have a production tax; every bale of cotton is taxed; every ton of hay is taxed; every barrel of molasses, every barrel of sugar, every bag of rice, every bushel of potatoes, every barrel of oysters is taxed. We put a tax on everything, and in addition to that we have issued bonds. The levee districts have issued about twenty millions of bonds. Those investing in the bonds have never been entirely certain that the Federal Government is going to lend its strong arm to this work, and they were not willing to take the bonds at a low rate of interest, and so the districts had to pay nearly 6 per cent. But after doing that they were enabled to raise $91,000,000. and the commission says that it does not believe that they are able to raise any more annually than they are now contributing.

Mr. SLOAN. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. SLOAN. In relation to the contribution provided for in this bill it says that not less than one-third. What does that really mean, that it shall be one-third, or it may be one-third here and two-thirds there, according to some rule where one community would be required to pay a greater proportion than another?

Mr. HUMPHREYS of Mississippi. There are some levee districts that could contribute more than that. One in my district that I have no doubt if any money were allotted by the commission for the construction of levees in that district would be required to make a much larger contribution than one-third, whereas there is another levee district, also in my district, that could not possibly raise more than one-third because they are now bonded up to the limit, not only to the limit of the law but to the limit that the banks of the country will take their bonds.

Mr. SLOAN. Will the master of the flood give an opinion of whether, if this appropriation is made, it will be operative in controlling the floods of the Mississippi?

Mr. HUMPHREYS of Mississippi. There is no doubt about that in my mind or in the minds of the engineers. If 155,000,000 cubic yards more are added, it will build the levees up to such a height as will successfully withstand any flood that has ever come down, and will put the levees about 4 feet higher than any flood that has ever come down.

Mr. SLOAN. Has the United States ever contributed anything to the fund against the floods of the Mississippi under the name of flood control?

Mr. HUMPHREYS of Mississippi. Not exactly under the name of flood control, although the organic act said flood protection.

Mr. SLOAN. It went in under the head of the improvement of the river for navigation.

Mr. HUMPHREYS of Mississippi: For the first 11 years Congress forbade the commission to build any levees that would protect private property unless the levee in the opinion of the commission was absolutely necessary in the interest of navigation. But in 1890 that proviso in the bill was stricken out, and since then moneys have been expended for the protection and construction of levees, the main purpose of which was to protect the country from flood.

Assuming that it was for that purpose, the Government has contributed $29,000,000.

Mr. SLOAN. And this bill would give positive authority for defending against the floods where it has been implied heretofore.

Mr. HUMPHREYS of Mississippi. Yes; but it would be expended in the way it has been expended ever since 1890.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. CANNON. I notice, on page 6 of the bill, as to the Sacramento River, that when the work is completed the State of California is to thereafter maintain it. Is there any such provision touching the Mississippi River?

Mr. HUMPHREYS of Mississippi. No; and I will say this about the Mississippi. There will be no objection on the part of the committee at all if an amendment to that effect be offered. It did not occur to the committee, and it did not occur to me, in drafting the bill until after the bill was printed, because the local interests have always maintained them for the last 35 years. It was generally assumed on all sides that they were going to continue to do it.

Mr. CANNON. The committee will then move such an amendment?

Mr. HUMPHREYS of Mississippi. The committee will be perfectly willing to accept that.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. STAFFORD. Has any estimate been made as to the total cost that will be necessary to complete these levees so as to place the banks and all the lands adjacent thereto free from flood damage?

Mr. HUMPHREYS of Mississippi. Yes; $40,000,000.

Mr. STAFFORD. That will complete the work?

Mr. HUMPHREYS of Mississippi. That will absolutely complete the levees so high——

Mr. STAFFORD. So that the National Government will be called upon for no additional improvement so far as the levee improvement of the Mississippi is concerned?

Mr. HUMPHREYS of Mississippi. Absolutely—so high and so strong that there is no reason to suppose any flood will ever breach them. I assume, however, that so long as we have unsinkable ships that hit icebergs, so long as fireproof buildings sometimes burn, it may happen that a levee will break.

Mr. STAFFORD. The $40,000,000 is for a completed project?

Mr. HUMPHREYS of Mississippi. Yes. It is roughly estimated that of that amount the Federal Government will contribute in the neighborhood of $30,000,000 in five years.

Mr. STAFFORD. One other question. Why does the committee place three-fourths of the burden of building these levees, which are not exclusively for the benefit of navigation, upon the Federal Government and only one-fourth upon the local districts, whereas respecting the Sacramento proposition it places one-half of the burden upon the State of California and one-half upon the National Government?

Mr. HUMPHREYS of Mississippi. If the gentleman will just note the figures he will see that after the Federal Government has expended these $30,000,000 it will still have paid very much less than one-half; that the local interests in the Mississippi Valley will have contributed more than one-half.

Mr. STAFFORD. I understood from the gentleman's statement that much of that has been wasted by the washing out of these levees.

Mr. HUMPHREYS of Mississippi. Yes.

Mr. STAFFORD. So that the National Government may contribute more than one-half.

Mr. HUMPHREYS of Mississippi. No. The contribution to the Mississippi River will be less than one-half, even if this bill should pass. It will be still very much short of half.

Mr. STAFFORD. And yet, as to the Sacramento proposition, the State has been expending money there of its own freely, without any support from the National Government, and, arguing correspondingly, the National Government will be contributing less than one-half.

Mr. HUMPHREYS of Mississippi. To show the gentleman where he is mistaken, the reclamation projects in the Sacramento River have been all done by private interests, and the reclamation project in the Sacramento River will be continued to be done by private interests. That is true also in the Mississippi. We have there under construction to-day $39,000,000 worth of reclamation works, to be borne wholly by private interests. There has never been any thought of the Federal Government contributing to that. Nobody has ever asked the Federal Government to contribute anything toward reclamation. We have about $39,000,000 plus of reclamation projects under

way in the Mississippi Delta to-day. We have only three and a half million acres in cultivation out of this possible 16,000,000, and there is another reason that I can give that I should think would satisfy the gentleman. The State of Wisconsin—all of the States above the mouth of the Ohio River—has contributed and will continue to contribute very materially to the distress which has overtaken us in the lower Mississippi, whereas the Federal Government, in that sense, has not contributed anything toward the distress in the Sacramento. That might be given as one reason.

The gentleman, if he has read the report, will remember that Col. Leach stated in his testimony that at least three-fourths of the money which had been expended by the States in the lower valley for the construction of levees would have been saved if the Federal Government had prevented those banks from caving, and those banks are made to cave by this tremendous body of water, which is precipitated upon the lower valley by reason of the reclamation projects in the northern States. I mean drainage projects, undertiling of farms, straightening of creeks, getting the logs out, and so forth. That has hurled this water, which formerly lagged in a thousand or 10,000 natural reservoirs, into the river and it has precipitated itself upon us in gradually and progressively increasing quantities, and the result is that it not only has overtopped the levees and overflowed the country, but has put an additional burden upon the people of making those levees higher. It has eroded the banks and crumbled the friable soil of which the banks are composed and tumbled those levees into the river to such an extent that the Army officers say that three-fourths of the money which the local interests have expended would have been saved but for this caving of the banks.

Now, these are reasons that I am sure will appeal to the gentleman.

Mr. STAFFORD. The gentleman has singled out the State of Wisconsin as contributing to the deluge of waters in the Mississippi. I wish to say, as a Representative from Wisconsin, that I believe that State has done more than any of the Northern States to control the flood waters of that State so as to obviate not only flood conditions of the State but flood conditions of the lower Mississippi.

Mr. HUMPHREYS of Mississippi. Then I will charge it to Ohio, Indiana, and Illinois. I said Wisconsin because the distinguished gentleman is from Wisconsin, and he held my attention above that of gentlemen of Illinois, Indiana, Iowa, or Ohio. Therefore I mentioned Wisconsin for the same reason that I mentioned districts in Mississippi, because I am from that State. I did not wish to say and I did not mean to single out Wisconsin as a particular sinner against us, because she has contributed only a part of it.

Mr. STAFFORD. I want to point out that Wisconsin is singular and not in company with these other States in coming here and asking for Federal contribution for flood control.

Mr. CANNON. The gentleman forgets the Fox—the Wisconsin improvements.

Mr. MANN. They do not use tile drains in Wisconsin, perhaps.

Mr. HUMPHREYS of Mississippi. I do not know whether they are up to date in Wisconsin as in other States that have inaugurated these great drainage districts, that have undertiled their farms, and have drained these great lagoons which acted in former days as reservoirs. I assumed they have done it in the State of Wisconsin; but now, rather than prolong any argument in reference to Wisconsin, I withdraw what I said about it.

Mr. STAFFORD. I feel honored, and I do not wish the gentleman to withdraw it.

Mr. SIMS. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I will.

Mr. SIMS. This contemplated improvement under the gentleman's bill and the further river and harbor improvements contemplated will revet the river banks so they will not wash under?

Mr. HUMPHREYS of Mississippi. Well, in the course of human events, yes; but these revetments will proceed for many years for this reason: If I had known this map was here I would have pointed out on it instead of getting into a controversy with the gentleman from Wisconsin. Here is an answer to the question right here. These revetments must proceed through many years for this reason: That all the banks of the river do not cave at the same time. They will be caving here this year and yonder next year, but it will probably take 20 years, as the engineers state, maybe 25 years, before all the caving banks are finally revetted so there will be no more caving, and this work will have to go, so far as most of us are concerned, on forever. The levees will be completed in five years. The engineers have already estimated to us what the saving would be if we get away from the present plan of caring for these floods of the lower Mississippi and adopt the plan suggested in this bill, to authorize them to make continuous contracts in order to do the work continuously. Col. Townsend, one of the most conservative of them all, says we will save at least $5,000,000 in the five years. Under the river and harbor bill now we appropriate $6,000,000 a year. This bill contemplates increasing that to $9,000,000, adding thereby $3,000,000 to the total appropriation which will be carried for that purpose, and, according to the estimates, the irreducible minimum, will save a million dollars a year, and in addition to that will complete this job, that was undertaken 35 years ago, in five years.

Mr. MANN. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I do.

Mr. MANN. At some time I want to ask the gentleman a question about section 3. I do not wish, however, to interrupt the gentleman.

Mr. HUMPHREYS of Mississippi. I shall be very glad to answer now, although I do not want to consume too much time; but the understanding is under the five-minute rule there will be more or less generosity in debate.

Mr. MANN. Section 3 provides:

> That all money appropriated for works and projects relating to flood control hereafter authorized shall be expended, etc., under the Secretary of War.

These new forests we are creating along the Appalachian and White Mountains were created as a part of the effort to control the flood waters?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. MANN. We have got a lot of projects of that kind. Under the terms of this bill that would be transferred to the War Department.

Mr. HUMPHREYS of Mississippi. It certainly was not contemplated by the committee that the projects authorized by Congress hereafter for the flood control——

Mr. MANN. But it was not contemplated when we provided for the Flood Control Committee that they would provide for appropriations for improvement of the Mississippi River, but they are doing it.

Mr. HUMPHREYS of Mississippi. No; we are not providing any appropriations in this bill.

Mr. MANN. You are authorizing appropriations; that is, providing for appropriations.

Mr. HUMPHREYS of Mississippi. That was contemplated, was it not, when the committee was created?

Mr. MANN. I am not caviling about that. One thing leads to another. If you say all projects relating to flood control will be under the War Department, and then provide for a forest on the sole ground, as a constitutional proposition, that it is to control flood waters that may affect commerce, how are you going to escape transferring that to the War Department?

Mr. HUMPHREYS of Mississippi. It certainly ought not to be transferred to the War Department. I assume there will be no trouble about that. If the gentleman has any suggestion to make there, I will be very glad to consider it.

Mr. MANN. I have a suggestion to make. I think that language ought to be changed. I will not say how.

Mr. HUMPHREYS of Mississippi. Very well. We will be very glad to consider that.

Mr. KEATING. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Certainly.

Mr. KEATING. How many acres of land will be reclaimed?

Mr. HUMPHREYS of Mississippi. Sixteen million acres. By reason of the fact that there are a number of tributaries entering the river, and therefore it is impossible to levee across them, and water backs up into those tributaries, there are 4,000,000 that are not being protected under the provisions of this bill, but there are 16,000,000 acres that will be protected from overflow under the provisions of this bill, and only three and a half million of that already under cultivation. The other is very generally cut-over woodland.

Mr. KEATING. To what extent will the owners contribute?

Mr. HUMPHREYS of Mississippi. They have already contributed $91,000,000, and under this bill will contribute not less than $10,000,000 more, and in addition to that will provide for the raising of money to pay the damages incident to the construction of levees and rights of way and take care of maintenance.

Mr. KEATING. So that when you say $91,000,000 was contributed by the owners of the land—was that money contributed by the State?

Mr. HUMPHREYS of Mississippi. By the owners of the land.

Mr. KEATING. And assessed back in the form of levee taxes?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. SLOAN. Of that 16,000,000 acres, is a large part of it State land and Government land?

Mr. HUMPHREYS of Mississippi. No Government land, practically none of it, but in private ownership.

Mr. SLOAN. I heard a discussion under the river and harbor bill where it spoke of a large tract of land in Missouri and Arkansas——

Mr. HUMPHREYS of Mississippi. The St. Francis Basin, where there are some 50,000 acres of Government land, and, of course, there is other land, but out of the 16,000,000 acres that will be protected the number of acres belonging to the Government is very small. It is not considerable.

Mr. SLOAN. How much would there be of the State land?

Mr. HUMPHREYS of Mississippi. Practically none. Practically all of it is in private ownership.

Mr. CHIPERFIELD. I have not had the privilege of hearing all of the gentleman's statement. Is the scheme for flood control contained in this bill for the building of levees principally?

Mr. HUMPHREYS of Mississippi. Levees and revetting the banks.

Mr. CHIPERFIELD. Do those levees allow any greater area of flow for these floods than heretofore, or is it carrying out the scheme of levee construction that has heretofore been inaugurated for the purpose of preserving and reclaiming land?

Mr. HUMPHREYS of Mississippi. No. It is to proceed under the plans that have been proceeded under heretofore under the Mississippi River Commission. The bill provides "under the plans heretofore or hereafter adopted by the commission." Now, the commission is of the opinion that there is one way by which these floods can be controlled, and there is one way by which navigation in the river can be maintained, and that is the one and the same way of building the levees along the banks and then revetting the banks so that they will not cave into the river. Now, it has been suggested by some of the members of the Mississippi River Commission, and that suggestion is contained in the hearings, that some of these levees that are built will have to be moved, and there is no doubt about that. Some of the levees will have to be relocated for one or another reason. The river has encroached upon some so near that it will be dangerous to let them remain there, and then lines will have to be relocated for other reasons.

Now, when that is done the locality must provide the right of way, and in the State of Mississippi and in the State of Arkansas must pay the damage that is done to the man who is turned out, whose plantation is turned outside, and they must maintain the levee; and, of course, whatever is contributed to prevent the breaking of the levee in times of great flood will not be reckoned as a part of the contribution.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield there for a further question?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. CHIPERFIELD. If the question of flood control is separated from the question of land reclamation, would not the subsequent treatment require that a larger area should be left for the river to occupy? I do not perhaps make myself clear, but I guess, perhaps, the gentleman has caught the thought I have in mind.

Mr. HUMPHREYS of Mississippi. The purpose of flood control is to enable the people to reclaim the overflowed land. They would set the levees as near to the river as they thought it would be safe to set them. I do not know whether I get the gentleman's idea or not.

Mr. CHIPERFIELD. The thought of the land reclamation is to get the levee down to the water, as near as possible to the river, so as to get as much area of land as possible for cultivation, but the necessities of flood control would suggest that you would leave as large an area as possible for the flowing channel as could be done from an engineering standpoint. I wondered what scheme was adopted in this case.

Mr. HUMPHREYS of Mississippi. The gentleman will understand that when so many miles of levee are built up almost high enough it would be uneconomical to attempt to set them back to a considerable degree, so that in the main the levee will be left as it stood, except that it will be strengthened; and in this process of preventing the caving of banks, even if the levee is only two or three hundred feet from the river, it can be made perfectly secure.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I yield to the gentleman.

Mr. WALSH. The gentleman may have stated it before, although I have not noticed it; but will the gentleman state how much his own State, as a State, has contributed toward this condition?

Mr. HUMPHREYS of Mississippi. As a State, nothing at all.

Mr. WALSH. Well, have any of the States contributed as States?

Mr. HUMPHREYS of Mississippi. The State of Louisiana, according to my recollection, contributes a 1-mill tax on the property in the State of Louisiana, I think, and that goes into the levees. But the State of Mississippi and the State of Arkansas have not contributed anything.

Mr. WALSH. The contributions have been confined to the levee districts?

Mr. HUMPHREYS of Mississippi. Yes; they have been confined to the levee districts. The people who live in the deltas have put up all the money themselves.

Mr. REAVIS. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. REAVIS. This bill authorizes an appropriation of $45,000,000, to be expended under the authority of the Mississippi River Commission. Recently we made an appropriation in the river and harbor bill. Will that appropriation be considered as a part of the $45,000,000 authorized by this bill?

Mr. HUMPHREYS of Mississippi. The six millions carried in the river and harbor appropriation bill, which is the usual sum heretofore appropriated by the House, takes care of the Mississippi River for the fiscal year beginning July 1, 1916. Now, whatever is appropriated under the authority of this act, this pending bill, will begin with the fiscal year beginning July 1, 1917. Nothing here will be added to the six millions. This will be for the subsequent year.

Mr. REAVIS. This $6,000,000 that we have appropriated in this river and harbor bill would not, under the gentleman's construction, be included in this $45,000,000 authorized, or will it be $45,000,000 authorized in addition?

Mr. HUMPHREYS of Mississippi. The $45,000,000 will be authorized in addition.

Mr. REAVIS. In addition to the $6,000,000 appropriated in the river and harbor bill?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. SHALLENBERGER. I would like to know if you are prepared to give us some information in regard to the plans for preventing floods by retaining the waters near the sources of the stream, as I understand it has been developed in other countries and is now contemplated to be worked out in Ohio, as I understand, and in other States, in reducing the flow of water by utilizing the waters and storing them higher up in the stream?

Mr. HUMPHREYS of Mississippi. Yes. We have gone very thoroughly into that, so far as the lower Mississippi River is concerned, and it has been the testimony of all the engineers who have examined into it that it could not be done except at an expenditure of a sum so enormous that it would stagger Congress to contemplate it.

The only estimate I have ever seen made by any engineer connected with the Government was by Mr. Leighton, who was at one time a topographer or geographer, or something of that kind, connected with the Geological Survey. In a letter to Senator RANSDELL, which was published in the RECORD some years ago, he said that reservoirs could be constructed in the Ohio Valley that would control the floods of the Ohio River, and therefore the floods of the Mississippi, and that that could be done at a cost of from $500,000,000 to $1,000,000,000; so that the gentleman sees it is no estimate at all, because he could not come within $500,000,000 of the cost of it. Mr. Cooley, a very eminent engineer, was before our committee the other day, and his idea was that the floods of the lower Mississippi could be controlled and kept within the banks by the treatment of the watershed above the mouth of the Ohio. He expressed it this way: He said, "If I were a despot and were not hampered by any limitation of funds, I could do that work. Probably it would take a generation or so to complete it, but it could be done." But we have never had an estimate. He did not undertake to estimate it. We have never had any estimate from any of our engineers of the Army who have examined it, or the Mississippi River Commission. They have all in their investigations said that there was but one way to control those floods, and that was by means of levees and revetments.

Mr. RUCKER. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. RUCKER. As I understand, it is contemplated by the bill under consideration that the States in which these levees are to be built are to furnish the right of way and pay any

damages incident to the establishment and location of the right of way?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. RUCKER. I understood the gentleman to say a moment ago that each State where the levee is built will maintain the levee after it is constructed. Now, the question arises in my mind, What power has the General Government to compel the States to maintain that levee?

Mr. HUMPHREYS of Mississippi. None at all.

Mr. RUCKER. Then, suppose on the west side of the river the levee will run along the Louisiana shores and the Arkansas shores, and suppose the levee should break, a mile wide, or 10 miles wide on the Arkansas shore, thus turning all the water in Arkansas loose, to flow down into the State of Louisiana.

Mr. HUMPHREYS of Mississippi. It does do it; it did this year.

Mr. RUCKER. Would there be a liability on the part of the Federal Government to recoup those citizens who lose their property by reason of the breaking of the levee that the Government itself constructs?

Mr. HUMPHREYS of Mississippi. There would not. There would not be a liability on the part of anybody.

Mr. RUCKER. The Government having constructed the levee and held the water back until it gets up high over the adjacent land——

Mr. HUMPHREYS of Mississippi. That question has been tried out in all the courts.

Mr. RUCKER. But you think there is no way to compel the States?

Mr. HUMPHREYS of Mississippi. No; no way to compel them.

Mr. RUCKER. That being true, I was just curious to know what the gentleman's attitude was.

Mr. HUMPHREYS of Mississippi. There is no way to compel them.

Mr. RUCKER. I was curious to know why the gentleman made that statement in connection with his explanation of the bill.

Mr. HUMPHREYS of Mississippi. It would be left to them to maintain. Of course, they will maintain it. If they do not maintain it, they will be drowned.

Mr. RUCKER. If the Government spends $45,000,000 in building these levees and revetting the banks, and the levee should break for a 10-mile stretch, would not the Government then be compelled to do it, in order to save the money that it had already invested?

Mr. HUMPHREYS of Mississippi. I may answer that by saying that the people there have spent over $100,000,000. We have spent $91,000,000 since 1882. Of course, they would do all they could to prevent any such disaster; but there never has been such a cataclysm as the gentleman suggests, of a 10-mile break in a levee. I assume that if that should happen, the chances are there would be a great cry for Federal aid, because it would be a disaster almost beyond imagination.

Mr. RUCKER. I hope the gentleman does not misunderstand my inquiry.

Mr. HUMPHREYS of Mississippi. I do not.

Mr. RUCKER. The gentleman is presenting his bill. I am not antagonizing it. I wanted an explanation. While the past furnishes no precedent of a 10-mile break, I am inclined to think when you build walls of dirt on each side of the Mississippi River, and do nothing to check the great quantity of water that comes down into that narrow channel, as suggested by the gentleman from New York, there will sometime be a break of more than 10 miles.

Mr. HUMPHREYS of Mississippi. Perhaps so, but that is the way God Almighty provides against floods. He builds great earthen mounds on each side, which we call hills.

Mr. RUCKER. The gentleman is not content with what God Almighty did.

Mr. HUMPHREYS of Mississippi. He did not build any close to the banks of the Mississippi River, and we are trying to build them now. We are going to build earthen mounds, which we hope will be strong enough to hold the river. But that is a great engineering problem; and there is only one way for us to ascertain how to do it, and that is to set the engineers to work. We started in 1822. Since 1822 we have appointed commission after commission. We have had one commission composed of engineers from the Army and engineers from civil life and from the Coast and Geodetic Survey, and they have been unanimous always. There has never been any difference of opinion among them. They have all reached the same conclusion—that the way to do it is to build levees. Now, that being true, the committee must assume that they know what they are talking about.

Mr. RUCKER. Just one moment, if the gentleman will pardon me. I want to make this statement, if the gentleman will allow me——

Mr. HUMPHREYS of Mississippi. I must conclude——

Mr. RUCKER. I do not care how many engineers have said so. I think when you undertake to throw the quantity of water that there is there in between two walls, when it now spreads over 25 miles of territory, you have got to put those walls farther apart than the banks of the river or you will never succeed.

Mr. HUMPHREYS of Mississippi. The gentleman says the engineers have got it all wrong. I think he ought to suggest the right way, so that we can follow the right way, so that we will not make any mistake. We are about to spend a great deal of money, and all the engineers have agreed as to how it ought to be expended. If we are not going to take their advice, the gentleman ought to be able to tell us what to do.

Mr. RUCKER. I am asking the gentleman what to do.

Mr. HUMPHREYS of Mississippi. I say follow the advice of the engineers.

Mr. RUCKER. If the engineers recommend putting the levees on the banks where the levees now are, I am not in favor of it; I do not care how many engineers suggest it.

Mr. HUMPHREYS of Mississippi. The gentleman ought to suggest some other means.

Mr. RUCKER. "The gentleman" does not have to suggest any other means. I do not believe the remedy is sufficient. I do not believe that conclusion is a wise one.

Mr. SLOAN. The gentleman from Missouri and the gentleman from Mississippi have spoken about the States maintaining these levees when they are built.

Mr. HUMPHREYS of Mississippi. Not the States—the levee districts.

Mr. SLOAN. No State, such as Louisiana, Mississippi, or any other State, would be called on or expected to be called on to assume any such burden. It is to be the levee district.

Mr. HUMPHREYS of Mississippi. The levee districts, the people themselves.

Mr. RUCKER. They ought not to expect the levee districts to do it after the Federal Government has undertaken it.

Mr. HUMPHREYS of Mississippi. They either will have to do it or they will be overflowed. You do not have to require a man to keep his house from catching fire. If he does not, it will burn up.

Mr. RUCKER. But if the Government adopts the policy of building houses when they have burned down, there will be a great many more of them burned down.

Mr. HUMPHREYS of Mississippi. If the gentleman can conjure up any scheme by which we can force these people to maintain these levees——

Mr. RUCKER. The gentleman ought not to put me in that attitude. I am not an expert like the gentleman from Mississippi. I think with his vast experience he ought to know more about high water than any other man on earth.

Mr. HUMPHREYS of Mississippi. If that be true, then I want to put my opinion against that of the gentleman, and I believe that the construction of these levees will absolutely prevent floods.

Mr. RUCKER. I hope it will, but I want to say to the gentleman that I do not believe it.

Mr. CROSSER. The gentleman says the engineers are unanimous. He does not mean engineers generally, but only the engineers of the Mississippi River Commission?

Mr. HUMPHREYS of Mississippi. Yes; I mean all the engineers that the Government has ever set to work on this problem.

Mr. CROSSER. They are Army engineers only?

Mr. HUMPHREYS of Mississippi. No; they are not Army engineers only. Maj. Ockerson is not an Army engineer. He is a very distinguished civilian engineer. He has been on the Mississippi River Commission for 30 years—a civilian engineer. He is so distinguished that when the Colorado River broke loose a few years ago and Congress undertook to correct that President Taft employed him to go down and take charge of the work. We had Maj. Harrod, a civilian engineer so distinguished that he was appointed by the President of the United States as one of the original Panama Canal Commissioners to go down and supervise that. Mr. Richardson was a civilian engineer.

Mr. CROSSER. There are a great many who do not agree that this is an effective way.

Mr. HUMPHREYS of Mississippi. I do not think there is any engineer who has ever made two years' study of this river who does not agree to it.

Mr. CROSSER. Mr. Cooley has studied the Mississippi River, and he does not agree.

Mr. HUMPHREYS of Mississippi. Mr. Cooley said that if it were possible to give constitutional treatment, and if he were a despot with unlimited means, he would in the course of a generation or so by treating the source streams control the flood; but he said the patient is sick, the patient demands a palliative, the patient must have a hypodermic to relieve him now, and therefore he said the thing to do now is to build the levees and revet the banks. [Applause.]

Mr. STAFFORD. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. STAFFORD. I would like to have the attention of the chairman of the committee. There are a number on this side who are opposed to the bill and a number who are in favor. I would like to know if it is agreeable to the chairman of the committee that those in opposition shall have as much time to speak under the extension of the five-minute rule as gentlemen who are in favor of the proposal?

Mr. MANN. Why does the gentleman raise that question now?

Mr. STAFFORD. Because I want the statement of the chairman in reference to it.

Mr. HUMPHREYS of Mississippi. What is the gentleman's request?

Mr. STAFFORD. The gentleman from Wisconsin [Mr. FREAR] would like half an hour. He may not be able to obtain it, and he does not want to infringe on the time of the gentleman from Illinois.

Mr. RODENBERG. I will yield to him.

Mr. STAFFORD. And I would like to have 10 or 15 minutes myself.

Mr. RODENBERG. I will yield to the gentleman.

Mr. STAFFORD. Very well, the time has been assured, and there will be no need of an agreement.

Mr. RODENBERG. Mr. Chairman, I do not wish to occupy the attention of the committee for more than four or five minutes. The very clear and comprehensive statement of the distinguished chairman of the committee [Mr. HUMPHREYS of Mississippi] has covered practically every feature of the bill under consideration. I merely rise to emphasize the fact that the question of controlling the flood waters of the Mississippi is in no sense a local question, but it is essentially and distinctly a national problem. That fact was recognized in the platform of principles adopted by the three leading political parties in the campaign of 1912. In every one of these platforms it was clearly and unequivocally set forth that it was the plain duty of the Federal Government to provide the means necessary to protect that part of our common country against disastrous floods and overflows that are periodically visited upon them.

When it is remembered that the protection of approximately 25,000 square miles of fertile territory is involved, the magnitude of this proposition and its national importance must be apparent to every Member of this House. Of that magnificent domain, which is an empire in itself, containing more than 16,000,000 acres of the richest land in the world, less than 4,000,000 acres are to-day capable of successful cultivation because of the devastation of these periodical floods.

I was very much impressed by an editorial this morning in the Washington Post. I believe with the editor that as a practical question of conservation of our natural resources it is the moral duty of this Government to do that which is necessary to reclaim this vast area of fertile and valuable land and to make every acre capable of producing those things which go to sustain human life.

The people living in those alluvial deltas have done their full duty. In fact, I fully believe that they have done more than their duty. They have not tried to shirk any financial responsibility, and they are not trying to do so now. They have already expended more than $90,000,000 in an effort to protect these lands against the floods, and they are prepared to spend still more in the future. They have simply taxed themselves to the very utmost, and they have reached the limit of their ability in that direction. They are now appealing to Congress to assist them in carrying the burden which properly belongs to the Nation and which should be borne in part by the Federal Government. [Applause.]

The committee having charge of this bill has labored long and earnestly. They have held most exhaustive hearings. They have had before them some of the ablest and most distinguished engineers of the United States, and these eminent engineers are unanimously of the opinion that the only way to control the flood waters of the Mississippi is by the construction of levees along the river banks and then to maintain the levees from caving in by revetment work wherever such work may be necessary.

The engineers have filed a comprehensive report, and they tell us that it is the only way in which this question can be successfully handled. This work, prepared by the committee, represents the best thought and intelligence of these eminent experts, who have made a most careful study and a most painstaking investigation of the whole subject matter. The bill presents the only practical solution of one of the most difficult problems that has confronted the American people almost since the foundation of the Government. I believe the bill ought to pass the House by a unanimous vote, and I sincerely hope that it will. [Applause.]

Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. HUSTED].

Mr. HUSTED. Mr. Chairman, it seems like presumption upon my part to attempt to enlighten the committee on the Mississippi flood problem after it has listened to the statement of the distinguished chairman of the Committee on Flood Control. I believe that he knows more about the subject than any man in the country to-day. He is not an engineer, but he has lived close to that problem all of his life and he has absorbed and assimilated all the knowledge which the engineers have gathered upon that subject. I consider that in devoting his time to this subject he has devoted himself to a most noble work for the enjoyment of the people of the Delta and for the great and lasting benefit of the people of the United States. [Applause.]

I have the honor to represent a district in the great State of New York. It is located on the Hudson, at the entrance of the Highlands, which I consider the most beautiful spot in the world. Our lordly river passes between high and rock-ribbed hills on to the sea. The channel is from 40 to 50 feet deep. The water is clear. We have no flood problem on our part of the river. They do have a flood problem in Albany and in the upper reaches of the river, but we are fortunate enough not to have one, and at the time I was appointed a member of this committee I knew absolutely nothing about this subject except what I had read in the newspapers from time to time, as these devastating floods occurred, from my boyhood days on and had seen in the illustrations in the newspapers of their disastrous effects.

I did know, however, that the three political parties had committed themselves upon this proposition, that they had declared that the question of the flood control of the lower Mississippi was a national project worthy of Federal aid, and that it should be extended promptly and this work carried to a complete conclusion. I knew that the President of the United States and the two living ex-Presidents of the United States had recommended this project to the favorable consideration of Congress, and I knew that the great State of New York, which I have the honor in part to represent, pays into the United States Treasury a very large amount of the taxes that find their way here. I knew also that this project, if adopted and carried through to completion, would involve the expenditure of a very large amount of money, and that the State of New York would be compelled to pay a very large share of it. Therefore I was deeply interested in finding out, first, whether floods on the Mississippi River could be effectually controlled; and, second, if they could be effectually controlled, then the best and the most economical way of doing it; and, third, what would be the just and fair share which the local interests immediately protected by the improvement should pay toward this cost.

In the early part of the month of February last a majority of the members of the committee visited the Mississippi River and saw that river in one of its most majestic and one of its most fearful moods. They saw the crest of a flood pass down that river as great as ever found its way to the Gulf. We traveled the Mississippi River from Cairo to New Orleans. In the upper Yazoo Delta we passed between 100 miles of levees, which had been completed in accordance with the Government standards. We saw the people there living behind those levees, with the level of the Mississippi River 15 feet above the surrounding country, carrying on their agricultural pursuits in just as much apparent security, with the feeling of security just as great, so far as any danger from floods was concerned, as if they were living upon the tops of mountains. Then we passed down the river where the levees were not up to Government standard, and where the people were exceedingly anxious, watching the water stages with great anxiety, fearing that at any time they might be compelled to take their babies and wives and property and seek the mounds of refuge, or some part of a standing levee, to escape the devastation and death which follow in the wake of one of these terrible crevasses. Then, we went down to Greenville, the home of the distinguished chairman of the committee, and there we found the most highly

developed country. There the levees are up to Government standard, and enterprise has not hesitated to spend its money. We then took automobiles and went into the country and saw magnificent plantations in the highest state of development, where they raise the finest cotton grown in the world, even finer than that grown in the valley of the Nile.

From Greenville we passed through the only section of the river between Cairo and New Orleans which has never been protected by levees. It is only 22 miles long, and we saw what the effect of the backwater was, which worked its way around the end of an uncompleted levee line. On a train we went through a lake that contained 1,000,000 acres of water. That water was not less than 3 feet, and from that up to 52 inches deep. We had a scout engine going ahead of us on the right of way to see that the tracks were there. We had a big motor boat preceding us on the right of way, and we towed two motor boats from our rear platform to carry us to dry land in case the fires in the engine might be put out. We went through 30 miles of water in this way; and wherever we went we saw the plantation houses empty, where the people had escaped to the levees or to towns protected by the levees. And so we came to Vicksburg, where we found that just before we got there the termination of the railroad line had been washed away by the flood, and where we saw the people sacking the old and ineffective levees, trying to keep the water from flooding the lower portion of the city. Below Vicksburg, in Louisiana, we saw a crevasse, a break in an old levee line, where more water than passes down the Niagara River was flooding the surrounding country, doing millions of dollars' worth of damage. From there we went to New Orleans and saw those magnificently strong and effective levees which have been built by the courage, the patriotism, and the industry of the people of New Orleans to protect one of the most progressive, one of the most beautiful, and one of the most important cities on the American Continent. [Applause.]

Mr. Chairman, the Delta of the Mississippi River, which this bill seeks to protect from floods, contains 20,000,000 acres of land, or about 25,000 square miles. The area is somewhat larger than the combined areas of the States of Connecticut, Delaware, Massachusetts, Maryland, and Rhode Island. It is not only the most fertile piece of land in this country, but it is the most fertile piece of land in the world, exceeding in fertility even the famed valley of the Nile.

The depth of the soil, which has been skimmed like cream from the best lands of the Northern and Middle States, is at least 1,500 feet deep, and it is just as fertile at a depth of 1,500 feet as upon the surface, so it is practically inexhaustible; and that territory, if it were reclaimed and put in cultivation, is capable of doubling the cotton crop of the United States. It is capable of producing in value at the present market price of cotton $1,000,000,000 worth of that staple, and you can all imagine what that would do for the prosperity of this country when you know what it has done in the past. Cotton has been one of the staples that has given our country the dominant commercial position which it holds in the world to-day. [Applause.] Now, this is not a new project and it is not an expensive project. It is a money-saving project. This land can be protected. It can be protected by levees and revetments, and it can not be protected in any other way, and we are doing it that way now except we are dribbling out the money in a most unscientific and in a most uneconomical manner. This simply provides that work shall be done continuously, and money furnished to do it, if appropriations are wisely made by Congress, so that the work will not have to stop, so that the work can be done to the best advantage and brought to a complete conclusion within a given time, within five years, and the Army engineers estimated that by doing it in that way——

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HUSTED. I will.

Mr. MOORE of Pennsylvania. My colleague is aware that work has been going on since 1879?

Mr. HUSTED. Yes; I am aware of it.

Mr. MOORE of Pennsylvania. And on this particular section, between the Head of the Passes and the Ohio River, $87,000,000 has been spent?

Mr. HUSTED. Not exclusively on levees, however; and not for flood protection alone. The Government has expended less than $30,000,000 on levees.

Mr. MOORE of Pennsylvania. In general channel work?

Mr. HUSTED. Yes, sir.

Mr. MOORE of Pennsylvania. And that on the Mississippi, generally, up to date about $166,000,000 has been spent.

Mr. HUSTED. Yes.

Mr. MOORE of Pennsylvania. The gentleman speaks of the continuation of the work. Does the gentleman recall that work on the Troy Dam on the Hudson was stopped last year because of the failure of appropriations?

Mr. HUSTED. I did not know it, sir.

Mr. MOORE of Pennsylvania. While work was still going on in the Mississippi Valley?

Mr. HUSTED. I was not aware of that fact.

Mr. MOORE of Pennsylvania. I will inform the gentleman that the great Troy Dam, where the commercial interests are so involved, was stopped two years ago at a great expense to the Government, at a great loss and waste, simply because we could not get the money to carry on the work.

Mr. HUSTED. I was not aware of the fact, and I may say I deeply regret it; but I can not see that it is any argument why the Government should make a mistake on this proposition.

Mr. MOORE of Pennsylvania. Will the gentleman pardon me for one more question? The point I make is that what is fair for one section of the country is fair for all sections.

Mr. HUSTED. Absolutely; I heartily assent to that.

Mr. MOORE of Pennsylvania. And to continue work on a great project like this means there must be a cutting of the work in other sections of the country, where often there is just as much damage and certainly more business done than on the Mississippi River.

Mr. HUSTED. But I am slightly proud of the fact, notwithstanding I come from the great State of New York, which has not had a very large share in recent years of Government appropriations, that I can be broad enough and big enough at least to support a proposition of this kind, which I believe is for the best interests of the whole country [applause], something which we are morally bound to carry out even though the people in that district may obtain the greater benefit thereof. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. RODENBERG. Mr. Chairman, I now yield 10 minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Chairman and gentlemen, that the State of Indiana is in hearty accord with this legislation is evidenced by the fact that in February, 1915, after due deliberation, they adopted a resolution asking the Members of this body and the Members of the Senate from that State to support any measure looking to the flood control of the Mississippi Valley. These resolutions read as follows:

Concurrent resolution adopted by the Legislature of the State of Indiana.

Whereas the frequent floods of the Mississippi River, caused by waters from 31 States, embracing more than 41 per cent of the total area of the United States, result in great loss of human lives in portions of the States of Illinois, Tennessee, Kentucky, Mississippi, Missouri, Arkansas, and Louisiana, and large money losses, not only in such afflicted territory but in other portions of the Nation; and

Whereas it has been declared by every member of the Engineer Corps of the United States Army who has dealt with such floods, by the Mississippi River Commission, and by other commissions appointed by Congress that such floods can be prevented at a reasonable cost; and

Whereas the work of such flood prevention has been going on for many years in the least economical way and over two-thirds of its cost has been borne by the damaged sections, who can no longer cope with this giant problem without effective aid from the National Government; and

Whereas all political parties have declared in their campaign platforms that flood control of the Mississippi River is a national duty: Therefore be it

*Resolved by the Senate of the State of Indiana (the Assembly concurring)*, That the Congress of the United States be, and is hereby, requested to fulfill this national duty at its next session, and to enact such legislation as shall provide a separate and comprehensive plan for the prevention of such floods without delay; b it further

*Resolved*, That copies of tnis resolution be sent to the Speaker of the House of Representatives, to the President of the Senate of the Congress of the United States, and to each Member of the Senate and House of Representatives of this State in Congress.

SAMUEL M. RALSTON, *Governor*.

Passed February, 1915.

The State of Indiana is not only in favor of Federal aid to assist in the control of the flood waters of the Mississippi River but it is likewise in favor of a scheme that has for its purpose Federal legislation looking to the control of the flood waters of the United States.

And if I did not believe that this was the beginning of that character of legislation, I would not be standing here to-day supporting it, for, with my colleague from the State of New York [Mr. HUSTED], I believe that what helps one section of this country also helps every other section of it. I do not believe that we should be so selfish that we can see no good to us even in appropriations that are made to different parts of this country far distant from where we are located, for whatever adds to the material wealth of the great Mississippi Valley adds to the material wealth of the Ohio Valley. Whatever adds to the comfort of the people of that great section down there adds to the comfort and to the glory of all the people in the United States. [Applause.] In the State of Indiana we are in need

of assistance of this character, and I believe it is a part of the duty of the United States Government to assist in affording that relief. The people in the State of Ohio are in need of flood control, and I believe that the people of all the United States should contribute to that end. The people in the State of Pennsylvania are in need of this character of legislation. Our attention has lately been called to the ravages of the floods on the Susquehanna River at Wilkes-Barre and throughout that section of the country. It is a part of this scheme, as fast as it is possible to do it, to relieve these different situations.

Mr. MOORE of Pennsylvania. Will my colleague yield?

Mr. WOOD of Indiana. Certainly.

Mr. MOORE of Pennsylvania. As to the Susquehanna, I wish to say that no money has ever been spent upon it except on one of the upper branches. It was declared nonnavigable for a long while, and it was only recently that it was announced that its navigability had been restored.

Mr. WOOD of Indiana. I understand it did not come in under the old scheme, because of the fact that it was a nonnavigable river.

Mr. MOORE of Pennsylvania. Yes; and that has been changed, however, under Executive order.

Mr. WOOD of Indiana. And it is the purpose of this legislation not only to assist those streams but also to assist in those sections of the country where the streams are not navigable as a matter of fact or as a matter of legislation.

Mr. GORDON. It is a sweeping proposition that you make there, that it makes no difference about the navigation.

Mr. WOOD of Indiana. What is your question?

Mr. GORDON. My question is this: If you are going into that sort of a proposition, why do you not furnish drainage everywhere for everybody in the United States?

Mr. WOOD of Indiana. That is begging the question. I am in favor of internal improvement. I have been in favor of it ever since I have understood what I think it means, and I think one of the best possible ways of making internal improvement is to control the waterways of this country that belong to the people, and in controlling those great waterways it becomes in a measure also necessary to control their tributaries. So if it is necessary to control the waters of the Ohio, and keep them from desolating the country through which that great river runs, it may be necessary to control the tributaries of the Ohio River. If it is necessary to control the waters of the Mississippi River, that is now and has been through the centuries doing so much damage throughout the country, why is it not necessary, differing only in character, to control the tributaries that are contributing to that mighty flood? As a business proposition, I will say it is worth more to the people of the United States to control the flood waters of this country than all the Panama Canals we could build in a lifetime. [Applause.]

Take the lands that are now in the Delta country of the Mississippi River and are absolutely worthless, amounting to 16,000,000 acres, and which will be reclaimed by this flood-control measure, and they will add to the material wealth of this country more in one year than it would cost to make this entire improvement. It is said that there are 16,000,000 acres of this land that will become immediately available for agricultural purposes. Now, a fair rental value for that 16,000,000 acres would at least be $3 per acre, amounting to $48,000,000 in one year. The productive power of that 16,000,000 acres would amount to three times that much, or $192,000,000 in one year—a goodly sum to add to the material wealth of the Nation.

Mr. GORDON. Why should the cost of that improvement not be assessed against that land, then?

Mr. WOOD of Indiana. I will tell you why it should not be assessed against that land. That is not water peculiar to that country; that is not water that fell from the clouds of heaven upon those lands; but that is water that we are contributing from the State of Indiana, contributing from the State of Ohio, contributing from way up here in Montana, contributing from way up here in New York. That stream does not belong to those landowners. They said to us, and well did they say it, "Take care of your water—it is not ours—and we will take care of our land." [Applause.] That is the reason the landowner should not be made to pay all these taxes. They have been taxed and taxed and taxed until it is hardly possible for them to stand it much longer. An objection has been made here because of the fact that millions of dollars have already been spent in an attempt to control these flood waters. That is true. Much of it has been illy spent, much of it wasted, because of the fact that a consistent scheme years ago was not adopted for the purpose of accomplishing this great work. It is now the purpose, if this legislation is enacted, to take this thing up systematically, to take it up and continue the work, and do it in a systematic sort of way, so that anything that is done to-day will not be wasted to-morrow.

It is possible to complete this thing. It is possible, I believe, from the evidence that we have from the engineers, who have been studying this for a lifetime, to take and do all the things that they claim this scheme of legislation will do, and save to the people of the United States this "valley of the Nile" that is worth so much in material consequences.

And why should we not adopt it? As I said before, it is the waters of all this great watershed from Montana clear to New York that is thrown down upon these people, and it is going to increase each year.

You take the farmer in the State of Indiana, in the State of Ohio, in the State of Illinois; when his farm reaches the perfection that he desires it shall reach he will have a construction of tiling every rod through it, and every additional construction of tile that is placed on the farms in all that section adds materially to the increase of floods throughout these great flood districts; and it is increasing each year. We who live in the Wabash Valley know that the frequency with which floods are growing there and the ravages that are being made by them growing each year that the likelihood of those floods is increased. In 1913 there were millions upon millions of dollars' worth of property destroyed along the Wabash and the White Rivers, and in Ohio along the Miami. We thought perhaps it would not again occur for a decade at least, but this last winter if it had not been for the fortunate dropping of the mercury down to zero we would have had a repetition of our experience in 1913.

If the project commenced with this measure is carried out fully, as it is the intention of the committee it should be, the flood waters of the Wabash, White, and Miami Rivers will be controlled, and the awful havoc and destruction committed by them in 1913 will be rendered impossible of repetition. The United States engineers are now studying these rivers, making complete maps of them, together with adjacent territory for the purpose of enabling provision to be made that will solve the flood question along these waterways. All this work can not be done within a year or two years, but it can all be done and effectually done in a reasonable time. The two projects now submitted by this measure are now feasible because the surveys have been made of the Mississippi and the Sacramento Rivers, and the scheme has been adopted which it is believed will reduce to a minimum the possibility of their flooding the country adjacent to them as they have been doing so disastrously in the past. That it is not intended that this public improvement is to be sectional is adequately proven by this initiatory measure, which provides not only for the flood control of the Mississippi River, but for the flood control of the Sacramento River in far-away California, thus demonstrating that the people of the South have joined hands with the people of the West to assist each other for the common good of all their citizens, and as readily will they respond and join hands with the people of the North and the people of the East in giving to them the same measure of relief as soon as the surveys and plans are made that will enable us to solve the flood problem of their sections. We are all interested in the general welfare and prosperity of all the sections of our country; in this there is, and should be, no North, no South, no East, and no West. With this spirit actuating this and subsequent Congresses this mighty piece of constructive legislation to-day beginning will have its complete fruition in the flood control of the United States, and with its completion will have been accomplished one of the greatest services that our Government can render to its citizens.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HUSTED. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. RODENBERG. Mr. Chairman, I yield the remainder of the time to the gentleman from Wisconsin [Mr. FREAR].

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. FREAR. Mr. Chairman, I am not opposed to reasonable aid to the lower Mississippi River Valley or any other locality for permanent and scientific flood control, but in determining what is reasonable aid for floods as distinguished from land reclamation and what is for scientific flood control, I am not willing to accept the opinions or apportionments fixed by this Flood Committee. I can not believe disinterested members, as a rule, will come to any different conclusion after a brief study of the flood question.

I am opposed to this Flood Committee bill, and I am opposed to the jurisdiction of the Flood Committee and to its weakly expressed purpose. Let me further state that, in my judgment, the present Flood Committee has started out with a program that will make the old-fashioned river and harbor pork barrel bill look like a makeshift and a delusion when compared with the real thing. Never in the history of our Government has Congress been confronted with a more stupendously extravagant program than that outlined by the committee report which accompanies bill 14777 before us.

All promises of party economy, as proposed in several Democratic platforms, are thrown to the winds. All effort at legislative or public economy has been brushed aside through this bill, and by this program, which has the President's approval. Either the President has been deceived by his advisers, who include, according to press reports, members of this committee, and other waterway legislators, or the President has deliberately decided upon a course of public expenditures for private interests that have no limit and invite public scandal far exceeding any wasteful river and harbor legislation ever proposed.

THE PRESIDENT IS QUOTED FOR THIS BILL.

I do not forget that President Wilson has been quoted in Congress in favor of all the three different wasteful river and harbor bills that have been reported in the House during the Sixty-second and Sixty-third Congresses, two of which were defeated by Republican Senators. Some members of the majority party have refused longer to remain chained to a vicious, indefensible system, yet no Democratic leader in Congress has opposed any of the river and harbor bills.

If I have ignored any leader it is unintentional because we have many such, but the acknowledged leader from North Carolina refused to vote against the assumed wishes of the President, but as he did not vote for the bill, I suppose we ought to be grateful. This bill is more objectionable than the river and harbor bills in my judgment, even though it carries the President's O. K., and while predictions made three years ago on the river and harbor bill were lightly regarded, I am rash enough to make a further one at this time. That is to say, the new Flood Committee, if given free rein according to its own plans, will involve this administration in greater extravagancies than anything included in the river and harbor bill, not excepting the notorious Missouri River 500,000-acre reclamation project at Government expense, costing $20,000,000, or the $60,000,000 to $80,000,000 Ohio River engineering travesty.

The President's insistence for the nitrate water-power plant proposal, stricken from the Hay army bill, will be lost to view when compared to the Flood Control Committee's proposed activities. Democratic leaders favor both, but the Muscle Shoals project, with its proposed Government expenditures of many millions, supported as it is by one of the most persistent lobbies in recent years, is not to be compared with the waste of public funds proposed by the Flood Control Committee, or to the hordes of lobbyists who will swoop down on Congress as soon as the Flood Committee gets into action.

UNLIMITED JURISDICTION.

On page 5 of the committee report appears this statement regarding bill 14777 under discussion:

SEC. 3. The Inland Waterways Commission in its report of February 3, 1908, estimated that there were 77,000,000 acres of overflow land in the United States now unproductive, but which with drainage and protection from overflow will have an exceptionally high agricultural value.

Bear in mind the Waterways Commission did not propose the Government should undertake such a program. This is the Flood Committee's suggestion and in order to secure a comprehensive survey of this 77,000,000 acres it has been estimated the Government will have to expend $190,000,000. That is an engineer's estimate, and these estimates usually are under actual cost.

No man can fairly estimate the actual value of such lands when reclaimed, but, judging from the values fixed by engineers on different tracts of reclaimed overflowed land, reaching from $50 to $200 an acre and more, it is fair to estimate the ultimate average value of the 77,000,000 acres at $100 per acre to be $7,700,000,000.

That is the prize. Not that it will be realized in a few years, and probably not for many years to come, but $7,700,000,000 is hung up by the Flood Committee in section 3 of this bill, and by its report is the jurisdiction it expects to cover. Only about 20 per cent of the 77,000,000 acres is affected by bill No. 14177, but the purpose of organizing this committee and its jurisdiction was forcibly and frankly stated by Speaker CLARK at the time the bill was rushed through Congress proposing such extraordinary powers to a committee then unnamed.

The Speaker said:

Now, I do not believe that Congress is ever going to drain the public lands or the private lands either at public expense, but I will tell you what I believe it will do. It will rig up a scheme like the irrigation scheme, except exactly the reverse as to the subject matter, by which those overflowed lands will be drained and the men who own the lands will pay for the drainage.

That is what the Speaker said; but, if Congress is going to drain private lands and save them from the floods in the name of humanity or under the cloak of navigation, as pursued on the Missouri River, it will reclaim private lands and do just what the Speaker said would not be done.

WHAT ARMY ENGINEERS DO.

It was no less a distinguished personage than the present Chief of Engineers, Col. W. H. Black, who bowled over Col. Deakyne and Col. Townsend on the Missouri River project several months ago. These distinguished officers, one of whom is president of the Mississippi River Commission, were agreed that the present Missouri River navigation travesty would no longer stand the light of day, and so both recommended that the $20,000,000 project be abandoned and $14,000,000 remaining unappropriated be saved to the Government Treasury. Anyone who is interested in learning the actual facts regarding the Missouri River 500,000-acre reclamation project will get a full understanding from the Engineer Report, House Document No. 463, Sixty-fourth Congress. It is a marvel of words when Col. Black gets to explaining.

The bill before us, by section 3, gives the Chief of Engineers entire jurisdiction of all reclamation projects referred to in the committee report, even though it eventually reaches 77,000,000 acres. Col. Black is the present Chief of Engineers, and Col. Black was the official who, as chairman of the Board of Engineers, overruled Col. Deakyne and Col. Townsend's proposal to abandon the Missouri river project and recommended a further expenditure of $14,000,000.

Col. Black says on page 7 of that remarkable report:

It has been estimated that with the channel held by revetted banks there would be available for agricultural purposes in the bottom land along the river between Kansas City and St. Louis 500,000 acres, the greater part of which would be less than a mile distant from the river and a considerable portion of which is now necessarily nonproducing.

I digress to say that Col. Townsend and Col. Deakyne in their report said that the Government would spend under this project, apart from the $20,000,000 investment, approximately $1,100,000 annually in order to save Kansas City shippers $10,000 annually, as shown by that report. Col. Black overruled them and continued a $14,000,000 expenditure on the Missouri River to aid in the reclamation of 500,000 acres of land belonging to private parties. This was in addition to some $20,000,000 already spent on this river for "navigation."

THE MISSOURI RIVER RECLAMATION SCHEME.

The Missouri River project did not come through the Flood Committee, but it is a reclamation project, not substantially differing from the Mississippi River project contained in the Flood Committee's bill, as I desire to show, excepting that no contributions come from the Missouri River beneficiaries of 500,000 acres of reclaimed land, as was proposed by the distinguished Speaker in his address. Whereas, with an expenditure of something over $200,000,000 by the Government for reclamation on the lower Mississippi, private owners of 16,000,000 acres of land are expected to pay about $10,000,000. The Government pays all the rest. I believe I can demonstrate beyond reasonable controversy that these two projects do not in any way require "the men who own the lands to pay for the drainage" or for any appreciable part of the expense of reclamation.

In fact, I do not understand how any Representative can fairly say this Government should make either payment from the Public Treasury. The fact that both are to be authorized invites inquiry. What influence caused the Flood Committee to recommend $45,000,000 on the Mississippi project and $5,800,000 on the California project, the only ones contained in the bill, and what influence was able to get the Missouri River project past the Chief of Engineers after it had been recommended for abandonment by those most familiar with actual conditions. Deakyne had been working on the river for some time, and Townsend knows conditions on rivers of the Mississippi Valley better than Col. Black.

Of course, Col. Black has also recommended $18,700,000 for the Alabama Water Power Co.'s Muscle Shoals project, and although that project was stricken from the 1915 bill, Army engineers expended upward of $150,000 in drilling for foundations last year. Col. Black also objects to any congressional restrictions on contracts made by Army engineers with dredgers, and as he is to have charge of this flood-control work is it not

time to inquire just what we may expect from him and from the committee?

I do not question that some agency ought to be empowered to grant emergency relief in case of floods, but this committee is not organized for this purpose.

HOW THE RECLAMATION PORK BARREL WILL WORK.

When it gets into full swing with the 77,000,000-acre reclamation proposal, more pressure than was ever exercised on the Rivers and Harbors Committee will be brought to bear on the Flood Control Committee by private-land reclamation exploiters.

The river and harbor projects largely are matters of local pride, so far as volunteer waterway organizations are concerned, with a few dredgers and contractors in the background. Many associations clamor for their pet improvements, and the famous River and Harbor Congress, a $50,000,000 annual lobby that styles itself "second only to the Congress of the United States," attempts annually to round up all the other lobbyists into a syndicated concern to work for $50,000,000 annually on a pork barrel "policy, not a project." That is a vice in present river and harbor legislation—the influence behind the bill.

Now comes the Flood Control Committee, expected to hand out favors to every land-reclamation exploitation company in the country that has a scheme to advance. Seventy-seven million acres on hundreds of streams, creeks, and rivers are ready to waylay Congress and the Treasury. Every man and every community with a dollar at stake will become interested.

In this bill only $51,000,000 in round numbers is asked, but $170,000,000 more will be needed for the Mississippi before revetment is completed, possibly double that amount, and we have not made a beginning in the waste. These matters are not mentioned in this bill.

What will the Chief of Engineers approve? He approved the Muscle Shoals $18,700,000 water-power project and the $14,000,000 Missouri River reclamation project. What reclamation projects will he recommend? He says $5,800,000 is the proper amount to contribute for the Sacramento reclamation project and nothing at all for the Missouri River reclamation owners. He is the man who will have a direct say in such matters.

GENUINE FLOOD RELIEF HAS LITTLE PROSPECT.

Genuine flood troubles will not have the strong vital financial support equal to that which will bring a horde of reclamation lobbyists down on Washington every session, but those who have great projects to exploit will all be here. After any experience with a river and harbor pork barrel, can anyone doubt that the reclamationists will organize to press their claims through a reclamation congress that will not be "second only to the Congress of the United States"? The tremendous power behind $7,700,000,000 worth of lands to be reclaimed will organize a definite propaganda that will not accept second place to the river and harbor congress or the Federal Congress. That is no idle prophecy. It is a positive danger threatened by the passage of this preliminary bill which is bad in itself and establishes a dangerous precedent that will arise to plague Congress and the country every session. The Democratic Party has certainly unloaded a Sinbad burden onto us with the Flood Committee and its announced plans.

Will this committee have any higher motives than the River and Harbor Committee that has been criticized by many Members on this floor during debates on the last three bills?

I do not question the integrity or intentions of any member of that committee, but I do insist it is fair comment to discuss present standards possessed by the most influential member of that committee. Its chairman, in order to determine what will be the future policy of that committee. Permit me to say that though made the object of occasional witticisms from the gentleman from Mississippi during pork-barrel discussions in the House, I believe no malice occasioned these outbursts. In fact, personally I have a high regard for the gentleman and recognize our differences of opinion are fundamental and not affected by petty prejudices.

On May 23, 1914, the present chairman of the Flood Committee wrote an article for the Saturday Evening Post entitled

THE INSIDE OF THE PORK BARREL.

His contribution to general knowledge on the subject appears in the CONGRESSIONAL RECORD for May 28, 1914, page 9353, where it was inserted by a Senator whose own views on the general subject have been frequently expressed through the rivers and harbor congress.

I have no criticism to offer as to any official action of any Member of Congress. Views expressed through the public press or otherwise, however, are proper to consider when we are endeavoring to ascertain where $7,700,000,000 in private lands or any part of that amount is to be reclaimed by this Government. Every dollar spent by the Government by such river-reclamation acts will come from the States of the Union represented by Members upon this floor, and we owe a duty to our States as well as to the Federal Government we are called upon to serve to see that public moneys are wisely expended.

In this communication to the Saturday Evening Post the present chairman of the Flood Committee ridiculed opposition to the $53,000,000 pork barrel, which was thereafter killed in the Senate. I do not care to quote from his article, but will say the then distinguished member of the River and Harbor Committee could find no fault with that bill in its details or in the general scope of the bill. I am not discussing his personal criticism of Members and Senators who opposed the bill. I am only stating his frame of mind as evidenced by that article. In the goodness of his heart he could see no fault in a bill that smelled to heaven with present and future projects to be started by the bill, some of which were exposed in both House and Senate.

Possibly his criticisms were warranted and possibly Senator Burton, who was so severely assailed in the public article, was a proper object of criticism because of his efforts to defeat that pork barrel. Possibly also criticisms by the present Flood Committee's chairman, concerning the public press and its alleged audacity in striking at the evil, were proper. The American people who pay the taxes are not ready to so concede. They are learning about the outside and inside of the pork barrel as it is, not as it is regarded by the Flood Committee chairman.

That 1914 bill was defeated, notwithstanding the Saturday Evening Post article written by the present chairman of the Flood Committee received wide circulation.

When the 1915 bill was before the House one of its most strenuous advocates was the same distinguished gentleman, the present chairman of the Flood Committee. That bill was also defeated.

When the 1916 bill was before the House less than a month ago the present chairman of the Flood Committee implored the House to pass the bill; otherwise, in his judgment, he stated, no river and harbor bill would ever again be passed under the present legislative system. That plea was effectual and the majority party, ably represented by the Flood Committee chairman, recorded 199 votes for the bill to 133 votes cast in protest against it. In other words, 133 Members are not in accord with the chairman of the Flood Committee on the character of the pork barrel.

I do not desire to offer anything further to show the frame of mind of the distinguished chairman on the subject of pork-barrel methods beyond a suggestion made in the debate on the bill before us by the gentleman from Mississippi [Mr. HUMPHREYS], wherein he said at the outset of his remarks:

> Kansas City, Minneapolis, and Chicago will follow suit (grow) in a few years unless Congress can be clamored by those who are raising the cry of pork barrel into the senseless abandonment of projects now adopted.

It may be needless to say that Minneapolis has more than doubled in population within a quarter of a century without being able to handle one pound of river commerce on its river front and that Kansas City and Chicago will take care of themselves even though Government appropriations are cut off or curtailed on the Trinity, Brazos, Missouri, Coosa, Alabama, Big Sandy, Beaufort-Norfolk Canal, and scores of other questionable projects.

The Flood Committee chairman is opposed to any clamoring about pork barrels or abandonment of projects now adopted, whether good, bad, or indifferent in character.

ARMY ENGINEERS VERSUS THE COMMITTEE CHAIRMAN.

Col. Townsend, chairman of the Mississippi River Commission, that is to administer this $45,000,000 Mississippi proposed levee fund, has advised us, however, that 95 per cent of the Mississippi Valley projects should remain in statu quo until two projects are fairly tested, and yet the Flood Committee chairman does not see anything objectionable in present conditions. In fact, he is, and has been, the river and harbor bills' most gallant defender for many years.

I speak of this only that a fair understanding of the chairman's viewpoint is worth considering, at a time when he is about to embark in land reclamation projects to be financed by the Government that may aggregate billions of dollars, as indicated from the committee report.

I have been discussing section 3 of the bill before considering the two preceding sections, because the whole scope of the scheme is contained in section 3.

With Col. Black, of the Engineers' Department, in the saddle, and the present chairman of the Flood Committee to direct the committee's activities, it may be that Congress can not leave the

subject to take care of itself without further anxiety when this committee proposes to begin the reclamation of private lands.

Before entering into the details of sections 1 and 2 of the bill, I believe one other matter is fair to present to this Committee of the Whole, and in this also I am uninfluenced by personal considerations.

LEGISLATION UNDER WHIP AND SPUR.

Congress was suddenly called upon early in the session to support a Flood Committee project railroaded through Congress under whip and spur. No one had any definite understanding of its purpose and could not consistently oppose the organization of such a committee.

In like manner a bill authorizing $51,000,000 expenditure on two projects is here reported only two or three days before it is called up for discussion. I had not seen the bill or heard of its provisions until I received a copy yesterday through the courtesy of the committee chairman. With the bill was a printed copy of a resolution passed by the Wisconsin Legislature, under suspension of rules, urging the passage of some flood-control relief that had not then been prepared by any standing committee or by any committee in existence until a few weeks ago.

This resolution passed by my State legislature recommends that we bolt down the bill without further ceremony, and in that course it has the approval of the Flood Committee.

Such an astounding proposal calls for the utmost frankness on the part of the committee and of its chairman. Congress ought not to be asked to pass this bill unless all the cards are laid upon the table and a fair statement of facts presented.

Has such a statement been made? I do not allege any intention to deceive, but possibly the chairman of the committee, who alone has discussed the real features of the bill, is troubled with astigmatism in vision that prevents him from regarding pork-barrel propositions and other proposals with the same concern manifested by others Members, who ask to be shown.

In his statement before the House on various occasions when discussing river and harbor bills, the gentleman from Mississippi [Mr. HUMPHREYS] has quoted figures in support of those bills taken from the engineers' reports of commerce carried on rivers. The gentleman has referred to the commerce on the Mississippi River in this debate. It mounts into startling figures. No man who has stood on the banks of a deserted river that once teemed with actual commerce and floated hundreds of steamboats would recognize those figures or that picture in the engineers' commerce statistics.

AGAIN ARMY ENGINEERS VERSUS THE COMMITTEE CHAIRMAN.

Col. Townsend, chairman of the Mississippi River Commission, refuses to longer be a party to the hoax when he estimates the actual commerce on the upper Mississippi at less than one-tenth of the amount reported. He refuses to count logs, wood, and other similar floatable commerce; Government material, ferriage, and other items that have regularly been set forth in the ridiculous tabulations, and only averaged about 30 miles' haul on a 600-mile stretch.

So, too, Col. Deakyne, on the Missouri, refused to count sand hauled 1 mile by owners, and he cut the reports on that river nearer to the actual traffic. Waterway authorities have learned to give all these reports careful scrutiny, but the chairman of the Flood Committee has referred in this discussion to an important traffic on the Mississippi, whereas, after deducting duplications and quadruplications of the same commerce, and eliminating logs and other questionable freight, the commerce is generally understood to have decreased over 90 per cent.

In this connection Anderson, an authority, in "Great Rivers," states that during the fiscal year 1855 to 1856, some 60 years ago, the Mississippi River commerce received at New Orleans reached $80,000,000. That was before the days of railroad competition. After spending $166,000,000 on the Mississippi River from the head to the mouth a present relatively small river "commerce" is carried to New Orleans by a few boats that have diminished in number proportionate to the once large commerce.

I refer to this because Congress is entitled to know what has been accomplished by an enormous expenditure of $166,000,000, and it is entitled to be frankly dealt with where further appropriations are demanded.

STATEMENTS THAT ARE CHALLENGED.

Again, the Flood Committee has not, in my judgment, fairly stated the Mississippi River proposal when we read on page 4:

> It is estimated by the commission that $40,000,000 will complete the levee line to such grade and section as will insure against floods of the future, and it is proposed, therefore, by this bill that the United States contribute $30,000,000 of that amount, and that local interests, in addition to the rights of way, damages, etc., contribute $10,000,000, the whole to be expended in five years.

I do not know that Congress is purposely misled by that statement, but I do say that the total expenditure by this Government in effecting the proposed reclamation of 16,000,000 acres of private lands will cost seven or eight times $30,000,000, according to experts whose judgment will be cited and which we must accept when not disputed. And not one line of warning occurs in the 21 pages given to this part of the committee's report on this important point.

Again, the chairman of the committee failed to say one word on the subject in his remarks before the committee. Why this silence on a vital question affecting this Mississippi River flood and land-reclamation scheme that is to cost the Government not $30,000,000 but over $200,000,000?

Again, the committee report says the Government has only expended $29,000,000 for the construction of levees for flood control. This statement is quoted with approval by the committee, and I again repeat it is no nearer the frankness to which we are entitled than statements regarding pork barrels, actual commerce, or total Government expenditures involved by those who now and may hereafter direct this committee's activities.

Instead of absolute frankness, I believe no important bill in recent years has been presented to Congress under a report containing such doubtful or misleading statements as are found in this report. I will not challenge motives for so doing but repeat that in a matter which rests so exclusively in the knowledge of the committee, only absolute and complete frankness will give confidence to its recommendations. I believe it has been singularly lacking in this report, as I shall endeavor to show when discussing sections 1 and 2.

LOCAL CONTRIBUTION FOR RECLAMATION.

Before so doing I desire to point out one fallacy contained in this whole land reclamation proposition. While Speaker CLARK, some months ago, asserted that a scheme was to be considered whereby landowners would pay for reclamation, this purpose has been entirely absent in the Missouri 500,000-acre reclamation project carried under the river and harbor bill. In the Mississippi River reclamation scheme the bill says the Government is to pay 75 per cent of the cost, whereas I believe it can be demonstrated the Government is to pay 95 per cent of the cost. This failure of promises made when the flood committee was proposed, and the bill was passed, seems in harmony with the entire atmosphere surrounding the bill. It has no counterpart in governmental or municipal appropriations. Instead of supervising or developing any Government improvement, this bill makes Uncle Sam the pack horse to help private owners. It is entirely opposed to the position formerly held by this House and is a complete surrender to the demands of private interests. Let those who would be the beneficiaries now file their demands and support their demands with enough votes to push an annual bill through the committee, because land reclamation and no new or comprehensive scheme for controlling or minimizing the flood evil either on the Mississippi, Ohio, or Cowpasture Creek will ever be proposed if this bill is an index.

If any such proposal can be found in the report that demands $51,000,000 for an initial authorization, it has escaped my notice. No committee of "laymen," as they are styled on page 9, in the brief time given to committee duties during each term of Congress, can present any constructive, well-considered flood preventive plan on different worthy projects, and the present scheme presents only a makeshift on two well-known land reclamation projects.

REVERSING OUR ARID-LAND LEGISLATION.

This bill proposes a reversal of our national policy that was established when the reclamation act was passed in 1902, that lands benefited should bear the burden of the cost of their reclamation when the improvement results from national expenditures.

The reclamation movement in the West, I am informed, started with an appropriation in the river and harbor act of June 3, 1896, as follows:

> For the examination of sites and report upon the practicability and desirability of constructing reservoirs and other hydraulic works necessary for the storage and utilization of water, to prevent floods and overflows, erosion of river banks and breaks of levees, and to reinforce the flow of streams during drought and low-water season, at least one site each in the States of Wyoming and Colorado.

Under this appropriation a report was made, which appears in House Document 141, Fifty-fifth Congress, second session, in which the desirability of reservoirs was shown, but their construction, the report says, could not be justified on the ground of benefit to navigation.

Notwithstanding this conclusion in the report, a very strenuous campaign for appropriations for reservoirs in the river and harbor bill was constantly made by the West.

These appropriations, I am advised, were year after year inserted in the bill by the Senate and as regularly stricken out in the House. The House set its face against any expenditure for irrigation as the primary purpose under the policy of river and harbor improvements.

This controversy culminated at the session of 1900–1901, when the river and harbor bill failed of passage.

The following session there was passed through the House of Representatives the reclamation act, which provided for reservoirs to be built by the Reclamation Service under a system which required the repayment of the cost of the irrigation works by the lands benefited.

A COMPLETE SOMERSAULT IN 14 YEARS.

That act was passed in June, 1902. Now, 14 years afterwards, we are asked to reverse the determined attitude assumed by the House in opposition to reservoirs in the river and harbor bill and adopt a policy of national expenditure for flood control, which is really for the reclamation of overflowed lands, without repayment of the cost of reclamation. It is idle to say that it is enough that the sections where the lands are reclaimed shall pay one-fourth of the cost. If the expenditure is really for the purpose of land reclamation primarily, as stated by the Mississippi and California commissions, and not for the benefit of navigation, then the reclaimed lands should repay all the cost of their protection of floods, just as the arid lands in the West must repay the cost of their reclamation.

Mr. Chairman, if I believed what the different committee members believe who have talked in favor of this bill—and I know they are sincere—I could vote for this bill if it was the end instead of the beginning, as I believe it to be. I have given some little study to the subject during a period of several years, and I find that experts who have made a thorough study of this flood-control question in the Mississippi Valley differ very seriously from the conclusions expressed by gentlemen who have spoken for the bill, not only as to the amount involved but as to the general character of the work and what will be accomplished.

I desire to refer to a few propositions that ought to be important to us and to the House when called upon to appropriate over $50,000,000 in this bill.

TERMS OF THE BILL.

The bill ostensibly provides that $3 shall be contributed by the Government for every $1 contributed by localities on the Mississippi River project, and upon the Sacramento project it divides the expense equally. The gentleman from Pennsylvania [Mr. MOORE] said awhile ago——

Mr. CURRY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from California?

Mr. FREAR. Not just now. Afterwards I will.

The CHAIRMAN. The gentleman declines to yield.

Mr. FREAR. As the gentleman from Pennsylvania [Mr. MOORE] said awhile ago, $166,000,000 has been expended upon the Mississippi River. Of that amount, according to his statement, taken from the report from which he read, $87,000,000 has been expended on the Mississippi River by the Government above the Passes and below the mouth of the Ohio River; and yet we are promised that by an expenditure of $30,000,000 more at this time on the part of the Government—I believe that is the statement made—we are to have complete flood control on the Mississippi River; that hereafter no charge will be against the Government, but maintenance will be carried on by the States or by the people living within the States who own this land.

The report says, page 4:

> It is estimated by the commission that $40,000,000 will complete the levee line as will insure against floods of the future, and it is proposed by this bill that the United States contribute $30,000,000 and that local interests contribute $10,000,000.

If that could be true, I think it would be an easy solution of this question—if we could insure against floods with either thirty or forty million. But from my understanding, not only of the report of the engineers but from people who live along the river and who have contested these views constantly, that statement is not true. Let me say at this time, so far as locality appropriations are concerned, there should be no question on the part of every Member present to make contributions if need be, whether it is to the Mississippi River or any other southern project for relieving actual flood conditions. It is immaterial as to the location. The important question is, Are we starting on the right policy? What is to be the end? The gentleman from Ohio [Mr. GORDON] made a suggestion a few moments ago that is worthy of much consideration. Where are we going to end if we start with this Flood Control Committee and give the power proposed here with respect to this Mississippi River project, which, from the reports of engineers, will amount to over $200,000,000 instead of $30,000,000 or $40,000,000? Where are we going to stop if all the creeks, dry runs, and rivers throughout the country are to receive their proper share of reclamation money from the Government Treasury?

A REMARKABLE COMMITTEE REPORT BY LAYMEN.

Mr. Chairman, it seems very remarkable that, after all the years we have been working on the Mississippi River striving to solve a great problem, a committee with two and one-half months' experience should come in here with a report and propose to give a complete solution of this flood question. Is it true that all the Northern States have contributed to the present condition down on the lower Mississippi, as has been stated repeatedly? In a sense they are part of a watershed that has carried the water into the river, but that condition has existed for centuries prior to the time these levees were built close together, and that narrow river is required to carry a flood that before that time extended and broadened out for a distance in some cases, as stated by the gentleman from Mississippi, to 70 miles in width. Now the river is to be brought within a narrow compass throughout its entire length, and can not escape at great flood times. That is to be done to reclaim 16,000,000 acres of overflowed land for the benefit of private landowners.

What is to be the result? Under this system of improvement by placing levees close together engineers have forced within those narrow confines a tremendous volume of water; and the judgment of men who, as I said, have given much study to this subject is that we will create a continual menace if we carry out the proposition contained in this plan—the Army engineers' plan.

I believe that this bill will be more disastrous in the precedent which it establishes than the river and harbor bill ever was. I am now speaking of waste and extravagance. I may be mistaken, but that is a strong possibility held forth at the present time. Wisely, this Mississippi River item has been taken out of the river and harbor bill—it did not relate to navigation; but we have placed the entire control in the hands of a newly organized committee. The gentleman from New York [Mr. HUSTED] says he has no interest in it. I presume that is strictly true; but as a rule gentlemen selected on these committees do have an interest in these projects. It is true of the River and Harbor Committee largely, and of many other committees, and it is very natural that that is so. The members of these committees are not in a position to be open-minded, in my judgment, upon local propositions; and where is it going to end?

THE PRIZE AT STAKE.

The Mississippi River Valley, we are to-day advised, has 20,000,000 acres of land covered with water, excepting 3,500,000 acres that have been reclaimed. The gentleman [Mr. HUSTED] who last spoke says its wonderfully fertile soil is 1,500 feet deep—and that is deep enough for all practical purposes, as everyone will concede. [Laughter.] That land will be worth hundreds of dollars an acre when reclaimed, and yet the Government of the United States is asked to contribute $3 for every $1 contributed locally in order to turn that fertile land over to private owners. As the gentleman from Mississippi [Mr. HUMPHREYS] well said, and as I understand the fact to be, neither the State of Mississippi nor the State of Louisiana nor the Government of the United States has a particle of interest in those lands. Private disinterested parties say to us, when we complete the plan proposed, which is not for $30,000,000 but for $200,000,000 and over, we will have reclaimed 16,000,000 acres of land belonging to private owners worth possibly hundreds of dollars per acre.

If that statement is true, we may well understand the prize at stake covered by this innocent-appearing bill.

Some question has arisen regarding the value of the lands to be reclaimed. The chairman of the Flood Committee is enthusiastic regarding their wonderful fertility and possibilities, but as soon as the proposal to contribute a fair proportion of the expense is offered, values drop and the conditions, in his judgment, are found to be desperate beyond expression.

VALUE OF LANDS TO BE RECLAIMED.

Quoting from page 11 of the report:

> It is estimated by those who have appeared before the committee at the recent hearings and on whose accuracy and for whose judgment the committee has greatest respect, that if the twelve and one-half million acres now unimproved—later referred to as 16,000,000—were planted to cotton, they could reasonably be depended upon to produce annually some $700,000,000 worth of cotton.

On this conservative estimate of men who are "accurate" we are informed the 12,500,000 acres would be worth something over $100 per acre on the average, and presumably the entire 16,000,000 acres would fairly be worth $1,600,000,000 apart from the increased value given 4,000,000 acres more by better pro-

tection. Let us find further evidence of this value. The chairman, in his address, says:

Sixteen million acres of the geological cream of the earth are awaiting the magic touch to spring into fields of waving beauty.

If that statement is "accurate," and the waiting touch gets active with our Government Treasury, the geological cream of the earth ought to be worth several times $100 per acre.

Members of the Flood Committee, in their enthusiasm and after careful investigation gained from riding down the river, have said to us to-day:

The depth of the soil which has been skimmed like cream from the best lands of the Northern and Middle States is at least 1,500 feet deep, and it is just as fertile at a depth of 1,500 feet as upon the surface, so it is practically inexhaustible; and that territory, if it were reclaimed and put in cultivation, is capable of doubling the cotton crop of the United States.

That certainly is some depth of soil. And we are further informed:

It is capable of producing in value at the present market price of cotton $1,000,000,000 worth of that staple.

All these gentlemen seem to agree that this land to be reclaimed will be worth approximately $1,600,000,000 to $2,000,000,000; and if it can be definitely ascertained that the land is as fertile at a depth of 1,500 feet as it is on the surface, it ought to be worth somewhat more, according to the opinion of agriculturists.

PRIVATE LAND RECLAIMED WILL COST THE GOVERNMENT $12 PER ACRE.

No better or additional information on this reclamation project need be offered, and yet the Government of the United States is asked to contribute over $200,000,000 toward this reclamation project, as I shall presently show, or at the rate of about $12 to $15 per acre, presumably, while the private-land owners are only required by the bill to pay $10,000,000, or less than $1 per acre on land worth $100 per acre. This is the proposal of a committee that we were promised by the Speaker would take up the problem so as to secure a repayment to the Government of the $200,000,000. It is not a loan; it is a donation.

The committee chairman has said repeatedly the owners of these lands ought not to be called upon to advance any large amounts because, whether wisely or not, they have paid somewhere at some time a total of $90,000,000 for levees.

This statement is indefinite in amount and place, and it is only necessary to suggest that while contributions have been made presumably in a small way by private owners that no important part of this 16,000,000 acres presumably was ever reclaimed, and the increased value to new land, made worth $100 per acre, ought to stand a charge of more than 60 cents per acre. In fact, I am sure if the Government advanced the money, that it ought to be reimbursed for every dollar, as in the case of western reclamation projects.

Why not? In view of the tremendous speculative value is it not right to insist that private owners pay the bulk of the burden? Why not offer to have the Government contribute $30,000,000 for all purposes and ask the landowners to contribute the remainder of something like $200,000,000, counting levees and revetment, with promise of maintenance. That would make the eventual land tax reach about $10 in order to secure a return of $100 per acre, and that repayment should be made certain. Could anything be more equitable, not only to these private landowners, but to all the remaining people of the country who have to foot the bills?

SOME LOCAL ESTIMATES.

I hold in my hands a statement from the Manhattan Savings Bank & Trust Co. of Memphis, in which a total bonded debt of $3,535,000 on reclaimed land worth $88,874,000 is disclosed. A further bond issue of $757,000, at 5½ per cent, is to be floated at par. Only a third of the 1,637,089 acres in that district is in cultivation, according to the statement, and the issue of bonds is for the purpose of heightening the present levee system. I quote from the statement:

The United States Government defrays a third of the cost of the work and the plans of the improvement have been approved by Government engineers.

Instead of paying one-third of the improvement, as recommended by Army engineers, the Government is now asked by this Flood Committee to contribute three-fourths of all improvements, as shown by this bill, and, in fact, to contribute 95 per cent of the actual future expenditures for reclamation purposes.

Just why the committee stopped at three-fourths, or 95 per cent, it is hard to say. Why not give to the landowners the entire profits from the speculation?

Is it not a proposal that calls for careful investigation? Yet it was reported to the House only several days before this effort to pass the bill.

I am informed this land is not owned by poor property owners, as suggested. I am informed that large tracts along the Mississippi River are owned by syndicates and corporations.

We have no information on the subject. What are the facts, based on reliable testimony?

The committee comes here with a blanket proposal and demands a huge Government gift without any definite facts to show on what basis it determines the value of lands, the owners thereof, or the reason its recommendations should appeal to ordinary business men dealing with public funds.

To be sure, some little general talk has been furnished by the chairman, but it is hardly to be expected that living as he does in a region directly affected, and with his views on general subjects which I have briefly discussed, we should give $45,000,000, or any other amount, based on loose talk, to this project. Not until we know the facts—know the owners of land and their interest.

If Army engineers only agree to give one-third, it is a public scandal for Congress to overrule the judgment of engineers who appear to be trying to give some little protection to the Federal Treasury.

Why should we change one-third contribution by the Government to three-fourths, and, in fact, why give one-third? We should have full information before voting to authorize one dollar on this proposition.

Take the case of the Sacramento project, in California, which appears in this bill. Four hundred thousand acres of land are to be reclaimed, which engineers estimate are worth $20 an acre to-day. With the proposed improvements and levees these lands are expected to be worth $150 per acre, according to the engineers' statement, or an increase of $52,000,000 by means of this contribution by the United States. I do not know why we should contribute $3 to $1 on the lower Mississippi and contribute only an equal amount on the Sacramento, or possibly why we should contribute in either case to reclamation projects.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Tennessee?

Mr. FREAR. In just a moment. And I do not know why on the Missouri we should give $20,000,000 to private landowners for 500,000 acres of reclaimed land, without a dollar's contribution from the owners, as we do under the terms of the river and harbor bill, which was passed a few days ago.

Who is to determine the rate of contribution? That is one of the things involved in this proposition. The committee says on the lower Mississippi River, $3 shall be contributed by the Government to $1 by the individual. It says out in California an equal amount shall be contributed there by the Government and State.

Mr. CURRY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from California?

Mr. FREAR. In a moment. And on the Missouri River no contribution is required. Now, I will yield for just one question, if you please.

Mr. CURRY. I wanted to correct the gentleman's statement.

Mr. FREAR. I will read from the report. Eleven million dollars, in round numbers, is the proposed appropriation. This bill authorizes $5,200,000 for the Sacramento project, as I remember. Private parties are doing some work there on the levees. But let me say this: It is above Sacramento very largely where the great reclamation projects are desired, not where real navigation of the river exists, and some of the large companies and landholders are very anxious indeed to have the Government make the contribution of $5,200,000 in order to increase the value of their lands.

Mr. CURRY. Will the gentleman yield?

Mr. FREAR. I have yielded to the gentleman.

Mr. CURRY. No; the gentleman has not yielded.

Mr. FREAR. I yield for a question.

Mr. CURRY. Does the gentleman know that in the Sacramento the money contributed by the Government is for broadening, straightening, and deepening the river, and that the reclamation and by-passes and levees are paid for by private interests; that the by-passes are 90 miles long; and the by-passes and levees will cost $30,000,000?

Mr. FREAR. I can not yield longer.

Mr. CURRY. The gentleman can let me finish my statement.

Mr. FREAR. The gentleman has over 140 pages in the committee report on the subject and we have plenty of evidence of the facts. I do not question the gentleman's statement excepting as to any aid to navigation.

Mr. CURRY. The gentleman has not read the record.

Mr. FREAR. I have read the record and the engineers' reports, and I find how far they get from the facts.

Mr. CURRY. Then the gentleman has misstated it.

Mr. FREAR. The Sacramento reclamation was originally a $33,000,000 project, and now it has been reduced to something over $11,000,000. The Government originally was to contribute one-sixth, as I remember, and now it is to contribute one-half, while on the lower Mississippi it contributes $3 out of every $4. Both are land-reclamation projects for private landowners.

It is said that the Mississippi River proposition is not a reclamation project, that it is a flood project. The two are interwoven, but I shall show on the best authority obtainable, this is for reclamation. I find here a statement that is of much interest. It is contained in the committee report, page 2:

The CHAIRMAN. We wanted your opinion as an engineer, of course, primarily in a general way, and then we will probably go into details—if we are to control the floods on the Mississippi River, how shall we proceed?

Maj. MARKHAM. I have more radical opinions about that than I have heard expressed in the last day or two. Assuming it is not objectionable to be radical, I would say that there is no other method that can be devised, within the intelligence of those who have been working on the Mississippi River and thinking about its difficulties, except to build levee structures sufficiently high and to protect them by revetment. That is the sole and only means, in my judgment, of controlling the floods of the lower river, and I state that thus radically, without equivocation, because I believe in it very sincerely.

I think the matter has, perhaps, gotten into a state of confusion for a number of years, due to the fact that both the advocates and the opponents of other methods have merely stated generalities and have never gotten into details, so far as I can see; but I have convinced myself very earnestly that there is no other method of controlling the floods except by levees and revetments.

Maj. Markham says no flood control can be secured excepting by levees and by revetments. In order to reclaim this land the Government must spend $150,000,000 for revetment, in addition to $70,000,000 for levees, according to Government engineers. The committee says $40,000,000 will do the job. Let us see who is right before we start this great land scheme. Turn over to page 4 of the report. It is there stated that when the levees are completed they will have cost $40,000,000. Let us see what the cost is to build the levees and revetments.

I now read from page 30 of the Mississippi River hearings—this was on December 5, 1912. A question was asked of Maj. West, a member of the Mississippi River Commission, who was before the River and Harbor Committee, testifying on the Mississippi River. Mr. Davidson, who, by the way, was a Representative from Wisconsin, asked this question:

Mr. DAVIDSON. Can you give me the figures for that revetment work?

Mr. WEST. Yes; within a very small fraction; in round numbers, the estimate for the complete revetment control of the banks from Cairo down is about $158,000,000; slightly under that.

Mr. DAVIDSON. Now, you estimate that these additions which eventually will have to be made to the levee system will cost about $70,000,000.

Mr. WEST. You will be very fortunate if you get out of the whole thing at $70,000,000.

Mr. DAVIDSON. That would be $228,000,000 extended for the reclamation of 20,000,000 acres of land, would it not?

Mr. WEST. Yes, sir; if you put it in that way, but I had not thought about it in that way, as that would not be the only result.

Mr. DAVIDSON. Well, there are a good many taxpayers who are going to think of it that way.

Mr. Chairman, this hearing was not before a flood committee enjoined to compel property owners to pay for land reclaimed. It was before a Rivers and Harbors Committee that was getting at facts which should have been presented to us by this flood committee, and yet not one word appears in their report on the subject. Maj. West says $228,000,000 will be the cost of reclaiming 20,000,000 acres of land and Mr. Davidson said a good many taxpayers are going "to think." Yes; and think hard, if this bill passes.

Let us see what further occurred. Continuing, Mr. Davidson said:

Mr. WEST. Yes, sir; that is a story that will fall into somebody's hands—those people in those localities or somebody; I do not know who will have that condition to meet.

Mr. DAVIDSON. So that when the Government has started with a proposition of $58,000,000, or from $40,000,000 to $50,000,000, as the President said in his remarks at the Rivers and Harbors Congress the other day, they have only made a scratch on the surface of this levee system, have they not?

Mr. WEST. Well, I think those figures are about as well as I can give them.

That is the testimony of Maj. West, of the Mississippi River Commission. His testimony ought to have some weight with the Flood Committee, when it proposes to reclaim 20,000,000 acres of private lands for $40,000,000. But West suggests the $228,000,000 may also help navigation. Let us see. The Mississippi River Commission, of which West is a member, said in its 1912 report, page 3724:

While the levees have a certain degree of utility in the improvement of the channel and are necessary to promote the interests of commerce by providing landing places for the interchange of traffic in time of flood, * * * their immediate and main value is the protection of the alluvial lands for the benefit of their owners.

That is what West said the same year in the commission's report. I will offer further testimony later on to the same effect that these levees are for reclamation and not navigation.

Mr. DAVIDSON. Well, there are a good many taxpayers who are going to think of it in that way, if you are going to levy on them for the protection of property which, as has already been developed by Col. Townsend, is privately owned property and not public lands of the Government; and as you are going to protect that property by the expenditure of public money amounting to $228,000,000 and thereby giving protection to 20,000,000 acres of land, I was trying to find out what the cost would be per acre to the Government.

Mr. HUMPHREYS. That would depend upon how much of it the Government did.

Mr. DAVIDSON. These are Government estimates. It would, of course, depend upon what was done in that locality. It would probably be $15 an acre to the general taxpayer of the country.

Mr. WEST. And this committee knows that nearly all estimates that are first put up to Congress, as well as estimates for great private corporations, are away under the ultimate cost; and it has sometimes seemed to me that even Congress itself had not realized the magnitude of the undertaking to control for any purpose the lower Mississippi River; and I think that estimate for a control of the lower Mississippi River is a very modest one, and somebody, either you or the States, will spend that or more before the job is completed.

Mr. RANSDELL. When that is done, you will have the navigation of the river in very fine condition, will you not?

Mr. WEST. Undoubtedly; yes.

Mr. DAVIDSON. But you have had good navigation of the river before.

Mr. WEST. Yes; so far as our work of adding embankments and constructing revetments, etc., is concerned. Each piece of work of that kind done adds so much to the improvement of navigation of the river.

Mr. DAVIDSON. Now, in addition to the amount which you have signified as probable extensions to the system—or I would say in connection with them—have you included those levees which will eventually have to be constructed up the streams that flow into the tributaries of the Mississippi River?

Mr. WEST. No, sir; I have not.

Mr. DAVIDSON. Congress had before it this last session two propositions for construction of levees on tributaries of streams flowing into the Mississippi River—like those up in Arkansas—when it was said that the backwater along these districts was responsible for the overflow of the interior sections, which had not theretofore occurred to any remarkable extent, and hence the Government would have to construct levees along those streams. That would have to be taken into consideration, would it not?

Page 61 of the Mississippi River Flood Problem, the beautiful morocco-bound volume furnished by Mr. John Fox, says:

The cost of building this character of revetment varies somewhat, but the average cost is about $30 per linear foot, or about $150,000 to revet a caving bend a mile in length.

In this connection it is interesting to note that the banks constantly shift and change. Maj. West is quoted, in the same morocco-bound book, page 58, as stating to the River and Harbor Committee in 1907—

That his levee line was 189 miles long, and that since 1884, 172 miles of it had to be abandoned and new lines constructed because of caving banks.

Consequently the engineer saved 17 miles of revetment and lost 172 miles between 1884 and 1907 on that stretch of the river.

The cost of revetment, $150,000 per mile for 1,200 miles, or about $180,000,000, is about the same estimated by Maj. West in 1912, and he seems about the only authority quoted.

I have quoted from the hearing in 1912 at some length, because it is of vital importance to a fair understanding of the question. The proposed cost of levee work and revetment necessary for this reclamation project will reach $228,000,000, at a modest estimate, according to Maj. West. These figures will probably fall far short, because floods will wash out levees in the future as they have in the past. And when all the expenditure has been made we have no certainty that the plan will be at all successful. Many people of high standing in the community affected, and throughout the Mississippi Valley, declare we are wasting funds over an impossible task. Impossible because we are now engaged in experimenting on a permanent flood-control project, which this committee has reported after two months of arduous study.

Mr. CLINE. Will the gentleman yield for a short question?

Mr. FREAR. Yes; certainly.

Mr. CLINE. Is it the gentleman's opinion that levees and revetment are the proper methods of controlling floods in the Mississippi River?

Mr. FREAR. We are asked to accept the statement of the gentleman from Mississippi [Mr. HUMPHREYS], who says it is the only way, in his opinion.

Mr. CLINE. But I mean in the gentleman's opinion.

Mr. FREAR. No. I do not understand that it will control it permanently.

Mr. CLINE. The gentleman knows that the reports of all of the engineers on the Mississippi River Commission, to the number of 65, on that portion of the Mississippi we are now discussing relative to flood control have unanimously agreed that that method is the only method of controlling floods?

Mr. FREAR. I will say I assume that the Army engineers are doing their best to study this question, but when they bring a river reaching in floods from 60 to 70 miles in width down to

a narrow space of 2 or 3 miles they are attempting, hopelessly, to control the laws of nature.

THE MISSISSIPPI RIVER PROBLEM.

Mr. Chairman, this problem is of vast importance to the people of the United States, and pursuant to the question and statement by the gentleman from Indiana, I desire at this time, under the privilege accorded, to furnish a small part of testimony in my hands on this subject. I make no pretense of having export knowledge on the subject, either by study or otherwise, but I am trying to perform a duty to the House which is analogous to that assigned to a lawyer in a case when placing evidence before the jury. I do not propose to offer any abstract theories for controlling floods on the Mississippi River or elsewhere, although many proposals have come to my attention. I desire to refer to the one before us that we are asked blindly to adopt.

This is a problem in which an enormous amount of property is involved. More important, if we are making a grave mistake, this Congress and those succeeding will be held responsible for devastation and loss of property and life accompanying a mistaken policy adopted at this time.

Past floods have been small in their destructiveness compared with what may follow when we occasion floods by seeking to confine within narrow borders a mighty stream that never has been harnessed throughout all the ages, and is now undergoing experiments, with the controlling motive behind all these experiments, reclamation of private lands, and not flood control.

Let me repeat that those who live in this great valley, and are familiar with conditions, are protesting vigorously against the present levee-building course, which they term suicidal.

The land-reclamation interests, through their political levee boards, control the situation.

LOUISIANA HOUSE BILL 514, 1914.

Let me digress for a moment. I have a copy of Louisiana house bill 514 of 1914, which provides that every levee board of Louisiana be authorized to tax the people of every district $1,000 "to send delegates to conferences" or to subscribe funds for "developing public sentiment."

In other words, the people of the State are to be taxed by these powerful land-reclamation interests in order to help Mr. John Fox and his propaganda. I quote from a letter written by one of the most prominent men in the lower river valley, whose name I withhold from the RECORD, because authority has not been granted nor withheld. He writes, in transmitting the bill, as follows:

DEAR MR. FREAR: I inclose copy of a bill which has received a favorable report by the house committee of the Louisiana Legislature. This bill was introduced at the suggestion of John A. Fox and referred to the house committee on levees.

Its purpose is to enable the Louisiana politically controlled levee boards to contribute to the support of the Mississippi River Levee Association, and also to permit the levee boards to pay the expenses of its members who attend Ransdell's River and Harbor Congress. Last year the State auditor called a halt on such contributions and expenses. The fact that the John Fox railroad-levee board—levees only—outfit is systematically working along lines which would, if carried out, absolutely destroy the navigability of the Mississippi River seems to make no difference to the Louisiana levee boards. The "system" calls for levees only, and the broader conception of river control never gets under their hides.

Very truly,

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The following is the remarkable bill Mr. Fox is said in the letter to have had introduced in the Louisiana Legislature:

House bill 514. By Mr. Leopold.

An act authorizing boards of levee commissioners to appropriate funds for the purpose of developing public sentiment favorable to increased appropriations by the National Government for our levee system.

SECTION 1. *Be it enacted by the General Assembly of the State of Louisiana*, That it is hereby declared to be within the powers and duties of the various boards of commissioners for the several levee districts of our State to develop and encourage the growth of public sentiment favoring increased National appropriations for the construction and maintenance of the system of Mississippi River levees, and to this end that they be and are hereby authorized, in the discretion of each individual levee board, to send delegates to conferences held for the above purpose or to subscribe funds to National and interstate organizations created for the purpose of developing such public sentiment: *Provided*, That the annual appropriation of any individual levee board for these purposes shall not exceed the sum of $1,000.

Amendment to House bill 514.

Amendment No. 1.—In section 1, line 7, of original bill, strike out the word "levees" and insert in lieu thereof the word "improvements."

MR. FOX AS A UNIVERSAL LEGISLATOR.

Resolutions passed by State legislatures urging flood control on the lower Mississippi have shown up before the House at this session. One was railroaded through the Wisconsin Legislature under suspension of rules by John Fox, publicity agent and expert lobbyist for the Mississippi Levee Association and also publicity agent for the river congress lobby that asks for $50,000,000 annually. In Indiana and many other States he has been industriously steering flood resolutions since the close of last session.

Mr. Fox is the same lobbyist who collected $40,000 from eight railways, as is more fully set forth on page 11710 of June, 1914, RECORD; money secretly contributed to help finance the levee lobby. Although State legislature resolutions were evidences of shrewd lobby work, financed by secret funds wheedled out of railways and other corporations interested in lands to be reclaimed, they were easily secured from unsuspecting warmhearted men, because the Uriah Heap arguments went. Crocodile tears for the Mississippi flood sufferers are continually shed by land reclamationists, and are especially heavy before national conventions, where the lobby aids in platform making. For millions of years the river ran undisturbed, excepting when Army engineers tried to curb it to narrow limits with disastrous results.

THE GREATEST PROMOTION SCHEME IN THE WORLD.

Then Mr. Fox and his reclamation lobby colleagues conceived the idea of having the Government reclaim from 16,000,000 to 20,000,000 acres of land for the benefit of adjoining landowners. They have succeeded in starting the greatest promotion scheme in the world. It is proposed to bring two or three billions of unearned increment to its promoters and landowners if it succeeds. It would make worthless land increase to hundreds of dollars per acre—if it succeeds—but according to other engineers and many residents along the river it will not succeed further than to bleed the Treasury. A few may reap the golden harvest, but the bubble will burst because of insurmountable conditions. Mr. Fox keeps pulling the heartstrings of his auditors by pictures of poor squatters who are driven out by floods. With full knowledge that the Mississippi is as uncontrollable at flood as ocean tides, a handful of foolish people build on sand and mud bottoms, challenging the laws of nature. Then through the activities of the lobby, Mr. Fox asks Congress to revolutionize nature's laws for their protection. And the lobby, crying lustily for help, fattens its purse at the expense of the taxpayers of the country. Shouting against railroads, the lobby is financed in part by railways owning submerged lands.

A FEW RAILROAD CONTRIBUTIONS.

On June 3, on pages 10591 to 10599 of the RECORD, appear my remarks before the House wherein I pointed out secret efforts to influence Congress on rivers and harbors bills from subscriptions of money to the use of threats against business men. At that time I presented the following subscriptions, running for five years, taken from what purported to be a photographic copy of a typewritten statement made by Col. John A. Fox, secretary and manager of the Mississippi Levee Association:

It has been estimated that a minimum fund of $30,000 per annum is necessary for this organization to do its work in a complete and thorough manner, and already a considerable portion of this sum has been pledged annually for five years (of $150,000 in all). The subscriptions are as follows:

| | |
|---|---|
| Southern Railway Co | $1,000 |
| Mobile & Ohio R. R | 1,000 |
| Frisco R. R | 1,000 |
| Missouri Pacific R. R | 1,000 |
| Chi., R. I. & Pac. R. R | 1,000 |
| St. Louis & So. West. R | 1,000 |
| Illinois Central | 1,000 |
| Y. & M. V | 1,000 |
| Chicago Mill & Lumber Co | 1,000 |
| Caldwell & Smith, Memphis | 1,000 |
| International Harvester Co | 1,000 |

Assurance has been given of other substantial amounts.

This is the missionary work performed by Mr. Fox, the publicity agent of the Mississippi Levee Association.

The suggestion has been made here to-day that the States of the Union are being memorialized in favor of this project. In fact, the first notice I had of this bill was a letter from the gentlemen from Mississippi [Mr. HUMPHREYS], which contained a resolution passed by the legislature of my own State. I made some inquiries at Madison to find out how it was passed, and they said it was done under suspension of the rules, and not a Member with whom I talked could tell anything about the merits of the proposition. They said, "We know nothing about it." But John Fox, publicity agent for the levee association, was present all the time in the city of Madison, the capital, trying to get it through, and John Fox is the man that represents the lobby that raised $150,000 according to the report, including money contributed by eight railroad corporations and the levee districts. Contributed for what? For lobby purposes, not for the improvement of levees, and he spends his time traveling all through these different States to get such resolutions through their legislatures. Resolutions will be put through in the convention at Chicago, in the convention at St. Louis, and elsewhere un-

doubtedly, because there is a great deal of money behind this reclamation project. Think of it, gentlemen——

Mr. HUMPHREYS of Mississippi. Will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. HUMPHREYS of Mississippi. Does the gentleman mean to say that money is or will be used to influence corruptly the legislatures to pass resolutions and to influence conventions to pass resolutions?

Mr. FREAR. No; I do not. I will say this, however, that if you have money for a propaganda of that kind you can accomplish many things by placing on the tables of Members, as you have done, books, pamphlets, statements, including morocco covered books which were sent to Members on this very subject, paid for by contributions of these same levee corporations, railroads, and other interests that have made their contributions to send out Mr. Fox. He went to New York in his campaign for contributions—I have some statements in regard to this fact, but will not discuss it further—and so far as I can find he is the best publicity man in the United States. He has been promoting this Mississippi River flood control and reclamation proposition through all the States, and he has done it very successfully.

Mr. HUMPHREYS of Mississippi. Very well indeed, and it has cost a good deal of money.

Mr. FREAR. Unquestionably so.

Mr. HUMPHREYS of Mississippi. Of course not $150,000.

Mr. FREAR. That was the amount proposed to be raised at that time.

Mr. HUMPHREYS of Mississippi. Not one-third of that amount of money. But I just wanted to get the statement of the gentleman in the RECORD that he did not think it was going to be corruptly used.

Mr. FREAR. I would not want to think that. I have not suggested it. I do say that for the purposes of propaganda the Levee Association has had a good deal of money in its hands; and when we are told that this resolution passed the Legislature of Wisconsin, I say it may also have been passed in many States, and it may be put through the national conventions, because the Levee Association will have men there to look after the interests of those whose lands are to be reclaimed.

Mr. HUMPHREYS of Mississippi. We have done all that we could legitimately to arouse public sentiment in the United States in favor of this project.

Mr. FREAR. Mr. Chairman, I have not a single word of criticism to utter against the gentleman from Mississippi. I think he is sincere in his support of his proposition, and the question affects the people of his own State very closely, but the people of Wisconsin, Iowa, Minnesota, and every other State are required to make nearly all the contributions toward reclaiming these 16,000,000 acres of land, and when they are reclaimed they will be worth $2,000,000,000 or thereabouts, providing the levees hold while the people directly interested in the land, who own the lands reclaimed, contribute under this bill only one dollar to three given by the people of the United States. As I have stated, that is the proposition based on a $40,000,000 appropriation, but this work is to cost, if carried to completion, $228,000,000, and of that amount the landowners are only required to contribute $10,000,000.

LEVEE-BOARD POLITICS.

Levee-board politics to-day control the Mississippi Valley. It controls State politics and public sentiment. It controls the action of State legislatures by securing the passage of resolutions in those States through hypocritical arguments.

It controls the insertion of planks in national platforms because of the propaganda it puts forth. It controls the opinions of Presidents who only hear one side of the question. It controls the judgment of many able men who have indorsed the movement, just as thousands of men have been swept off their feet by the enthusiasm of waterway conventions wherein a $50,000,000 annual pork barrel was an agency behind the scenes.

The levee boards represent 20,000,000 acres of land. Owned by men, corporations, and syndicates from Louisiana to New York and from Mississippi to Wisconsin and Minnesota. With a stake of billions of dollars in the balance, the levee boards and land-reclamation interests involved are seeking to restrain a river 70 miles wide down to a limit of 3 miles and less. A river 70 feet deep at Vicksburg and from 50 to 70 miles wide in times of great floods is to be confined in a strait jacket in order to reclaim lands for private interests. Reclamation is a virtue, but when it involves the lives and property of people who are invited to place their dependence on such a weak reed, reclamation interests have not much on the Jew's pound of flesh.

These are not idle fancies nor offered because of any personal opposition to those behind the bill. If I believed a control of floods in the Mississippi Valley would follow this legislation, deceptive and misleading as the bill before us is in character, I would not feel that it was only a gross injustice to the taxpayers of the country who are required to foot bills that ought to be borne by landowners who are the principal beneficiaries. But that is not the vital objection, as I desire to show. The injustice to northern taxpayers is one of pocket, but the injustice to southern people living along the banks of the Mississippi affects the lives and property of helpless mortals who have placed their hopes and confidence in Congress and the judgment of Army engineers. Both will be of little value, in my judgment, and the responsibility of a flood committee of "laymen," as it styles itself in the report, can not be offered by us in defense of our own gross neglect when a final accounting comes, as come it must if the evidence I offer has any value whatsoever.

WHAT HAVE 65 ENGINEERS SAID?

The gentleman from Indiana [Mr. CLINE] asks me if I have any better solution than that offered by Army engineers, and then adds that 65 engineers have agreed to the present plan of reclamation.

I do not know with what knowledge the gentleman speaks as to the opinions of 65 engineers, but for the sake of argument I will accept his statement as a fact, although after reading reports of various hearings I find that nearly every engineer testifies with many qualifications, and the very few who gave approval to the present Mississippi plan of levees do so apparently because they are driven into that position by the desire of land reclamationists to reclaim their lands.

In other words, these engineers voluntarily yield up 65 miles in width of river in places that now furnishes a cushion or reservoir for enormous floods, and in order to do so they pin their faith to levees. I do not believe that 65 or 6 Army engineers could successfully defend their theories of reclamation and flood control on the lower Mississippi if required to face an expert cross-examiner.

Such cross-examinations are generally indulged in with the ordinary affairs of life, but here is a stupendous proposition fraught with many threatening dangers involving an eventual expense on the part of the Government of $200,000,000, or possibly double that amount in addition to $87,000,000 already spent on the lower river, and yet we are asked to place our dependence on a statement that 65 engineers have agreed on this plan. We can not shelve responsibility on their shoulders by saying the Flood Committee confesses itself to be a committee of laymen that in two months of occasional hearings comes to its conclusions, written possibly by the able author of the "Inside of the pork barrel," whose judgment, I submit, is not infallible. Who are the Army engineers, and what specific statements are offered to Congress in support of their theories? Name them, and then let us see what dependence can be placed on their judgment, in view of the facts and well-known laws of nature, that do not require expert knowledge.

DO ARMY ENGINEERS KNOW OR GUESS?

Does the chairman of the Mississippi River Commission, Col. Townsend, say that this levee plan will permanently cure flood conditions? I believe he is well able to discuss the problem. Probably he will be so recognized by the country at large. I believe him to be sincere, for no man of his standing in engineering circles would otherwise reverse the entire policy of Army engineers in making wasteful expenditures on 60 different river projects in the Mississippi Valley.

In the RECORD for December 10 the chairman of the Flood Committee, Mr. HUMPHREYS, extended his remarks by a thoughtful address made by Col. Townsend that was spread like a wet blanket over the River and Harbor Congress lobby a few days before in this city.

One specific recommendation contained was of vital importance to the people of this country. It occurred when Col. Townsend, chairman of the Mississippi River Commission, said:

> Specifically the writer would not abandon any navigable stream in the Mississippi Valley that has been partially improved, but would leave 58 of them in their status quo, confining operations by snagging and maintenance of existing works. * * * If facilities afforded by the Government are utilized (on the Ohio and in a waterway from the Mississippi to the Great Lakes) the upper Mississippi and the Missouri should then receive attention.

That proposal reverses the policy of Army engineers and wisely advises that "if facilities afforded by the Government are utilized," then the Missouri, upper Mississippi, Tennessee, Cumberland, Arkansas, Ouichita, and fifty-odd other projects may then be continued.

With charming inconsistency the chairman of the Flood Committee inserted the remarks of his chief expert in the RECORD, and then after Townsend's advice to stop 58 projects, that carry in the 1916 river and harbor bill from five to ten million dollars

for improvements on those 58 projects, the chairman vehemently urged passage of the wasteful 1916 river and harbor bill.

But the chairman is not now under discussion and without indulging in captious criticism, I desire to discuss the chief authority of the Mississippi Commission. What he determines would be the decision of his brother officers as a rule, because of a recognition of authority that properly goes and carries much weight in Army circles.

EVEN ENGINEERS DIFFER RADICALLY.

For years Col. Townsend has recommended many projects in the Mississippi Valley and elsewhere. Now he advises us to halt operations until we experiment on two and ascertain if they will be utilized. Strange that thought did not occur long ago before rainbow promises were given by engineers' reports in favor of a great majority of the 58 projects that are now to remain in statu quo.

Two river projects are to be at once completed, according to Col. Townsend's judgment. One on the Ohio to Pittsburgh, involving before completion upward of $80,000,000, and the other, a 14-foot project to Chicago, costing no man can say how much. I will not discuss the merits of either proposal beyond saying that the Board of Engineers, as I understand from a reading of its report, has shown the impracticability and utter wastefulness of the "Lakes to the Gulf" proposal, and that not 5 per cent of Lake commerce coming to Chicago is now carried in vessels drawing 14 feet or less that could be accommodated by a proposed 14-foot channel.

The failure of the old Fox River Canal in Wisconsin to carry commerce from the Lakes to the Gulf or of the Hennepin Canal to carry anything either way does not seem to disturb Col. Townsend, who wants us to experiment with enormous Government expenditures on the project in order to see if the plan will "be utilized." Although the channel on the lower Mississippi is deeper and larger than any other inland waterway in the world and yet carries only about 10 per cent of the actual traffic handled on the river before the war and before $166,000,000 had been spent on the Mississippi to aid commerce, still Col. Townsend has hopes that the $80,000,000 we are now putting into the Ohio River and have put there will be utilized. However, his recommendation to stop on 58 projects after years of waste and extravagance has the merit of being timely, even though it reverses the policy of engineers from time immemorial.

Col. Townsend is quoted in favor of the Mississippi flood and reclamation project. I wonder if he would frankly approve the scheme if left to his own judgment. True, his position and an expenditure of $87,000,000 on this project would not permit its abandonment; but where is his specific promise or pledge to show that the $220,000,000 expenditure hereafter to be made by the Government will grant permanent flood protection? Of course, no one, not even the chairman of the Flood Committee, expects a payment of $30,000,000 by the Government—or five times that amount—to do the work, although that impression is given by the committee report; but does Col. Townsend make any such promise? If so, what qualifications or uncertainties accompany his statement?

Even if given explicitly and confidently, are we ready to accept his judgment as sufficient?

Col. Black, present Chief of Engineers, recommended that $18,700,000 be given to help out a water-power company down on the Muscle Shoals, but Congress in its wisdom thought differently. Col. Black thinks that a limitation of 25 per cent profit to dredgers over the amount it cost the Government to perform the same work is a dangerous limitation, but Congress thought differently. Col. Black overruled Col. Townsend, chief of the Mississippi River Commission, when Townsend recommended an abandonment of the Missouri River $20,000,000 project. Black said in his order overruling Townsend that the reclamation of 500,000 acres of land on the Missouri was involved. In that case Black wanted the Missouri River land reclaimed and so overruled Townsend, but now Townsend wants the Mississippi River lands reclaimed, but not those on the Missouri. Army engineers recommended the Arkansas River project, but after many years of fruitless effort and millions of waste Townsend now says it ought to be abandoned.

I do not question Townsend's judgment in the Missouri and Arkansas cases, but I do say, out of all this confusion of judgments by Army engineers, are we prepared to continue an expenditure of $220,000,000, or any other amount, on the lower Mississippi flood and land reclamation scheme until we are better advised as to the probable outcome?

Mr. Chairman, I do not care to further discuss the judgment of any particular Army engineer or of any 65 engineers mentioned by the gentleman from Indiana [Mr. CLINE], because we have no matured judgment from 65 engineers or from any other body of men on which we can rely with any degree of confidence.

Townsend, Taylor, and others hope, and possibly believe, we are doing the right thing, but from the nature of things they do not know, and although land reclamationists with billions of dollars at stake urge us to follow that belief and open wide the doors of the Treasury to this great private land scheme, words of caution and protest come to us from laymen who are vitally interested in the question.

THE WASTEFUL LEVEE SYSTEM.

I am confident the appalling raids on the Federal Treasury in the name of "flood protection" will grow in force and frequency, so that the country will soon ask Congress to investigate what this reclamation scheme comprehends.

However, these are suggestions that are not involved in the proposition I desire briefly to discuss, and that is the incompetency and waste which characterizes the present levee scheme. Last session I asked in a resolution for a competent advisory board; a board of distinguished high-class engineers, who will squarely confront the problem and solve it, if it is to be solved. The judgment of Goethals and men of his size would give confidence that the money spent is not entirely wasted, as is now contended. A million dollars spent in ascertaining the truth would be economy, although no one believes it would cost one-tenth of that amount. The present commission is pursuing its own course, and it will do so until the American people are brought face to face with the fact that the Mississippi River reclamation policy has been a drifting policy and a wasteful piece of growing extravagance.

AUTHORITIES, NOT PERSONAL OPINIONS, OFFERED.

I have no opinion to express as to what plan should be urged. That is a matter for experts to determine. One whose word is of more than ordinary value is Gen. Herman Haupt, known throughout the country as an eminent military and civil engineer, a man who died several years ago. Gen. Haupt left a pamphlet of great value to the country at this particular time. Gen. Haupt was an engineer, author, and inventor of wide experience and high character. The positions he occupied as engineer of railroads and other great corporations, including at one time the city of Philadelphia, entitle his words to more than ordinary weight.

In a remarkable pamphlet issued a few years ago, entitled "The Problem of the Mississippi," he presents a strong, comprehensive arraignment of the present system.

On page 8 he says:

> Charles Ellet, who represented the United States Government in connection with river investigation in 1851, was sufficiently bold to assert that to sustain a flood of the velocity of that of 1851 the levees must be made at least 2 feet higher from Red River to New Orleans, for which assertion he was in 1861 severely criticized by the representatives of Government in charge of river matters. Instead of 2 feet levees are now [at the time he was speaking] 5 feet higher than in 1857. The estimate of the Government engineers in 1861 for complete protection from Cairo to the Gulf, including value of existing levees, was $26,000,000. There have been expended since 1861 in levees still incomplete more than $5,000,000, and the cost of the levee system when completed will not be less than $100,000,000.

Since that day the total has more than doubled in amount. One might imagine this was a chapter from engineers' estimates on the Coosa or the Red or the Black Warrior or the Trinity or a hundred other streams on which Government engineers have increased their estimates. Gen. Haupt, in presenting his case against the present levee system, calls upon the opinion of Mr. L. W. Brown, civil engineer, wherein Mr. Brown asks:

> Has the Mississippi River Commission such knowledge and has it made such investigation as one necessary to determine that the bed of the river is not being lengthened? If they have, why is not this most valuable information made public? If the flood elevations are increased as past experience teaches us they have been, and if they have occasioned a decrease in the slope of the whole river, as is shown to be the case, although not published by the commission, by what hydraulic laws would the deduction be made that the bed is not fouling? If no phenomenon has occurred which was not anticipated by them, the commission is responsible for the losses this country sustained in 1897, amounting to upward of $100,000,000.

Two further brief extracts are quoted. On page 20 Gen. Haupt says:

> It has been shown that before the river was interfered with by the construction of continuous levees the changes in flood elevations were very slow, only 1 foot in 90 years, while the construction of levees has caused a rise as great as 1 foot in 2½ years.

A further extract from page 23 is directly to the point when he says:

> No single plan of improvement can solve the problem of the Mississippi—neither levees, outlets, waste weirs, or diversions will singly be sufficient, but a combination of all, directed by intelligence. Levees are required for local protection, but a system of continuous levees for highest floods from Cairo to the Gulf is the worst that could have been conceived.

CONTINUOUS LEVEES ARE VALUELESS.

Surely the last statement is significant when we are appropriating for the levee system more per year than we did for the whole country a little over a score of years ago.

Prof. Lewis M. Haupt, a son of Gen. Haupt, a civil engineer of high standing, has made a study of conditions on the Mississippi River, and has presented several instructive papers on the subject, which it is impossible to more than refer to briefly.

In an address before the Franklin Institute on "Controlling the floods of the Mississippi River" he says, after discussing the great loss of property through floods:

In behalf of the engineering profession it seems necessary to state the responsibility for these disasters does not rest with it, since Congress has the sole jurisdiction and control of these questions and its attention has frequently been called by engineers and river men to remedial measures which have not been adopted. The real causes may better be ascribed to politics and local interests, as may be illustrated by the following reported interview with one of the most sagacious railroad magnates of the country (Jay Gould), now deceased, who, on being requested to lend his aid to the passage of an act which would have provided earlier relief to the Mississippi Valley, is said to have replied: "I have read all the arguments before Congress. The outlet system is correct and the only way to deepen the Mississippi River. If that was done, what would become of not only my own but all other railroads coming to New York?" They would be ruined, and for that reason he would favor the levee system, for so long as that be kept up there need be no fears of the Mississippi as a competitor.

If Jay Gould were alive to-day his road and every other railway in the Mississippi Valley would join the railways that are now *contributing* to the support of the Mississippi River Levee Association.

Several years ago Prof. Haupt presented a strong comprehensive report on the Mississippi River problem, which reached the same conclusions as those formed by Gen. Haupt, Charles Ellett, and Mr. Brown.

Believing that a personal letter, one of a large number received from Prof. Haupt, may throw additional light on the Mississippi levee system, I quote brief passages:

CYNWYD, PA., *September 28, 1914.*

Hon. JAMES A. FREAR.

MY DEAR SIR: Your favor of the 26th is at hand, and I hasten to comply, feeling that the almost lifelong study I have given the question may not have been in vain when carefully considered by unbiased interests. You have sized up the situation as to levees, and the demand made upon the Government to aid in them under the guise of improving navigation, but, as Senator Berry said, it was a blind, since Congress had no authority to go into reclamation of lands.

One of the best men, thoroughly familiar with the river, is Lyman E. Cooley, civil engineer, of Chicago, also James Sedden, of St. Louis, both of whom were in the service of the United States in early years. Others, now deceased, like Prof. Johnson, Brown, Starling, etc., have left their record. Ockerson and Taylor, who are still on the commission, are very capable and well-informed men, but in the minority.

Sedden's papers and hydrographs indicated a rational system for protection from floods and providing an adequate navigation by lateral reservoirs in the waste lands, but this is only a partial remedy, and it has been vigorously opposed by levee advocates by stating they would be wholly inadequate.

I can not go into details but for all the remedial elements will refer you to the letter I sent Judge Burton extracted from the Transportation Crisis (a copy of which I think I sent you some time ago), vide page 20 in the Great Basin, and page 27, the Great Belt Route—Levees and Navigation.

The letter referred to making inquiries was from Senator Brice, of Ohio, 1887. This was 27 years ago, since when probably over $100,000,000 have been expended and the 9-foot stage has not been secured on either the Ohio or the Mississippi. See the confession made by the commission of 1900 (p. 20): "It is continually making experiments looking to the best use of available material when Congress shall provide for such a systematic improvement."

ENGINEERS, NOT CONGRESS, ARE RESPONSIBLE.

This it seems is not the duty of Congress, as it is an engineering question and has not been satisfactorily solved, since the policy is vacillating and the attempt seems to be made to correct the river locally by patchwork instead of as a whole by applying physical laws to the entire basin.

See V. P. 41 (2) giving a summary of the fifth of this series of papers. I send a blue leaflet, No. 2, giving extracts from Maj. Guin, United States engineer, and the various estimates. Since then many of the natural outlets have been closed in efforts to force all the water through the Passes to scour out the bars, but overlooking the fact that the mud remains to be ejected at the outlets, thus increasing the rate of advance of the bars and the amount of dredging.

While the United States engineers are absolutely independent of politics they are also not amenable to the electorate (the people), hence are virtually unaccountable to anyone for their mistakes, and the officials change their posts so often that they can not even assume the honor or responsibility for results. I say this without criticism, for it is the radical fault of the system.

Continuing, as to interference with the power of the engineers, who control the river and harbor projects of the country, Prof. Haupt says:

They are intrenched behind the Treasury, but as the Missouri Commission was abolished for insufficient results it may be possible to follow the precedent and satisfy the public that their levees and property will be better secured by the use of all remedies available instead of the single one—the levee system—which must ultimately bring disaster and destruction, because there is no escape for the silt.

THE REAL PROJECT.

In conclusion Prof. Haupt makes this cogent statement:

As you have asked for my candid opinion, I have not hesitated to give it, so that perchance it may lead to a change of policy for the public weal. The public at large is not interested, so long as they do not own plantations behind the levees, and those who do demand the protection of private property, which is given without legal sanction and paid for by the Nation. The money is virtually wasted in redoubts and intrenchments—against an invisible foe—which can not escape, but builds its own counterscarps, scales the barriers, and destroys the innocent citizens living under their shelter.

Very respectfully, yours, LEWIS M. HAUPT.

On the day last session following the introduction of a Mississippi River resolution I received personal words of commendation from high authority here in Washington, stating that my premises were right, the present system wasteful and disastrous, and the only protection to the country would be by the appointment of a high-class temporary advisory board, as I proposed, to make an investigation and report without delay. I was assured that such a board would unhesitatingly condemn the present extravagant and wasteful scheme, which is unsound in character, but continues to receive the approval of an ossified policy, as fixed and immovable as the prejudices which governed the persecutors of Columbus.

I do not offer this statement by way of argument, but to show the difficulty surrounding efforts to obtain the truth, when officials and competent authorities feel obliged to write "personal" at the top of their communications for obvious reasons—and I have received many such messages.

ANOTHER ENGINEER'S STATEMENT.

A strong, fearless man, who has frequently pointed out to me the disastrous Mississippi River policy now be undertaken by the Government, is Mr. Carroll L. Riker, of Brooklyn, a man of large experience in waterway work. Mr. Riker believes he has solved the Mississippi River problem, and has presented a bill to that effect. I have no opinion to express as to its merits, nor does Mr. Riker ask for its support until he has convinced Congress that the present system is wrong and, to use his words, "criminally wasteful."

Mr. Riker does not mince words when he says, in a statement made to me:

The plans of the United States Army engineers for the control of the Mississippi River are the greatest engineering blunders which have ever been perpetrated upon a nation. These plans show that they do not understand the underlying and first principle which naturally governs the flow of a river.

If an advisory board of consulting engineers be appointed, who are not graduates of West Point, to investigate these plans, and they used as data only that which is printed and officially indorsed by these Army engineers, they would certainly confirm the above statement after less than 24 hours of actual consideration.

Mr. Riker then engages in a technical but clearly presented discussion of river currents and other related influences, which I will not quote.

EMBALMED FALLACIES OF ENGINEERS.

Referring to authorities that have been the fetish of Mississippi River work, he says:

The embalmed fallacies of Humphreys and Abbot have been blindly followed for more than 50 years by these engineers, who have built dikes, revetments, and levees at the cost of more than a hundred million dollars in their efforts to make this river pursue a crooked and unnatural course, wholly in opposition to all of nature's natural inclinations.

There are engineers of the Army who would not commit themselves to these blunders. The president of the Mississippi River Commission represents those who do and expresses their views on this question in the following paragraph contained in his report bearing date of May 16, 1913, to the Chief of Engineers, United States Army, in reply to the request of the President for information on this subject:

"Cut-offs: By cutting off the bends in a river, its length is diminished and slope increased. This would increase its discharge at a given height. This method of relief can not be applied to the Mississippi River, as it would seriously injure its navigability during low water and increase the caving of its banks, which is now excessive. While it would afford relief in the upper portions of the river thus straightened, it would increase flood heights at the lower end, benefiting one locality at the expense of another." (See Appendix A, p. 11.)

When the engineering profession have had their attention specifically drawn to the facts connected with the present plans of the Army engineers for control of this river it will entail a national engineering disgrace that is unavoidable. Thirty-four annual reports of the Mississippi River Commission, concurred in by the various Chiefs of Engineers, United States Army, then acting, are mute witnesses against them that can never be effaced. There is not one word that can be uttered in extenuation of these blunders which have been perpetrated by these engineers upon the citizens of the United States for a lifetime. They are now preparing a trap for the unconscious confiding settlers in the valley of that river which will terminate in a terrible catastrophe as certain as the sun is to rise unless the present program be radically modified.

Mr. Chairman, it may be said by those who are criticized that personal interest influences the judgment of men who are not Army engineers. It is an argument used at both ends of the Capitol by statesmen of greater or less caliber, who impugn motives of personal interest to every act, and who ascribe disappointment or other unworthy influences to all criticisms.

Such replies will have no weight with those in search of the truth, and I am sure the common-sense criticisms offered by the eminent men I have quoted can not be scoffed out of court much longer.

Read House Report No. 390 of the Sixty-third Congress. It relates to claims for damages against the Government because of improper levee plans on the Mississippi River. Nothing further is required to place a seal of condemnation on the Government's handling of the Mississippi problem. It is an astounding fact that we continue to annually pour millions into the river without any comprehensive plan or permanent results in mind. What is the reason? Who is responsible for this enormous waste of Government funds? Everybody places the burden on the shoulders of some other body. Why not get at the facts by passing my resolution?

WHAT DO THE RIVER PEOPLE SAY?

Those who are familiar with local conditions declare misfortune has been shrewdly capitalized and the Government Treasury is the goal of those who, in the aggregate, have many hundreds of millions of dollars at stake through a reclaimed land scheme. I am not able at this time to discuss the selfish purposes behind the Mississippi River improvement scheme, but I am endeavoring to show that though the Government pours its millions into the river for the benefit of reclamationists the supposed beneficiaries will not receive any anticipated benefit, because the improvements will not be permanent.

The present plan does not deceive many people along the river valley, as I propose to show. Without means of securing all the information I would gladly present, I offer such proof as has accidentally fallen into my hands.

On September 28, 1914, the New Orleans Item printed an editorial which relates to several matters involved in this discussion, all of which may not be strictly pertinent to this particular point, but it clearly shows a leading publication of the great Crescent City is not in sympathy with the Mississippi River Levee Association, the present system of river levee improvements. For all of these reasons the Item is entitled, in my humble judgment, to the thanks of the Mississippi Valley, which looks for permanent improvement of the river, not extravagance, waste, and a blindness to impending danger. I place the editorial in the RECORD because it is relevant to the subject:

[From the New Orleans Item, Sept. 28, 1914.]

THE PORK BARREL, US, AND OUR NEIGHBOR.

The National Rivers and Harbors Congress conducts a national lobby for the pork-barrel bill.

The Mississippi River Levee Association was organized by some railroad interests who do not want genuine and permanent stream control, because it threatens competition by levee-board politicians and levee contractors whose jobs and profits depend upon the perpetuation of the stupid and vicious old system of disjointed levee maintenance under which the people of the valley have been bled and pillaged, both ignorantly and willfully, for the past generation, and left hopelessly exposed to terrible floods at the end of the process. The genii that framed this latter organization also framed a bill, and Mr. RANSDELL and Congressman HUMPHREYS of Mississippi let their names be tacked to it.

The two institutions are ostensibly separate.

The statement that the Item or Mr. Maxwell attacked the Rivers and Harbors Congress is untrue. Our general attitude toward it has been a feeling that if the Federal Treasury is to be looted for the selfish purposes of Congressmen and local interests that have strings on Congressmen, our own part of the country had as well have its share of the loot. * * *

What the Item has done in this matter is to tell its readers the simple truth about the standing of this pork-barrel measure before the people of the country. We have not been ignorant or dishonest about it. We told you a year ago that the feeling of the Nation against the abuses of the pork barrel was approaching a climax so rapidly that it was utterly unsafe to trust to the barrel for any adequate relief from floods. We warned you that the country would not allow many more pork barrels to be opened. * * *

The Item has been the only newspaper in New Orleans to take this course. The result vindicates its stand. We have been bitterly berated for this course by the other three newspapers. Ignorance or untruth alone can account for their behavior. We urge you to be charitable in determining for yourself to which their course is chargeable.

The Item's readers know from its past exposures that the Mississippi Valley Levee Association is built on a foundation of railroad cash. It is a pleasure to note that the Item's photographic proof of this fact was exhibited to the Senate during the recent debate. Everybody ought to know the truth.

We do not accept our good neighbor's well-meant statement of the case, but lest there be any doubt about it, we hasten to assure everybody that we are quite proud of our contribution to the enlightenment of a suffering people, oppressed by log-rolling politicians and benighted by an ignorant and incompetent press, upon the fundamental causes that keep the pall of flood above them.

From Memphis, a city that has suffered through the ill-advised experiments of Army engineers, comes a note of warning in two editorials forwarded to me by a gentleman who appears to understand the Mississippi River problem better than those who are now disbursing Government funds for an impractical levee scheme.

The News Scimitar, of Memphis, on November 26, 1913, gave a clean-cut expression of the views of the people it represents in the second great city of the Mississippi River Valley. It is as follows:

[From the News Scimitar, November 26, 1913.]

ON TO WASHINGTON.

After a Peter the Hermit campaign, carried on by Evangelist John A. Fox, at the expense of the railroads, for several months, in which a purely unreckoning and mechanical sentiment has been worked up in favor of the futile "levees-only" idea, a descent is to be made on Washington in the near future, through which, by a show of numbers, Congress is to be coerced into siphoning out of the Treasury $60,000,000 for a continuation of the mud-pie system of confining the waters of the Mississippi River at flood tide. Anticipation is cloud piercing, and the bird of hope is soaring high without moulting a feather in the ranks of the political levee boards up and down the river, while the absentee Mississippi River Commission fancies it sees before it a new lease of life. In spite of all this, there will be snags encountered in the stream. * * *

It is not unknown in Congress and throughout the country that those cooing turtle doves, the political levee boards, * * * are thoroughly discredited by the property owners, and that they maintain a show of vitality by shaking hands with each other. The "indorsements" so much touted mean nothing more than the price which various organizations that care nothing and know nothing about the question are willing to pay to be let alone. They have all been appealed to, barring the Ladies' Auxiliary of the Hod Carriers' Union with the same result, which meant, "Take it and get away."

For 200 years the levee system has been tried and found wanting, and the more money that is spent on levees the more disastrous do they become.

Valuable lands on the outside of the levees have been rendered worthless by the increased elevation of the flood heights, and no consideration is given these people or their 9,000 square miles of territory in the way of reimbursement. Memphis has suffered sorely as a result of levees, and is now asked to join in the clamor for more levees.

Congress is asked for $60,000,000, while it is admitted that no proper surveys have been made, and under the present pork-barrel system there is no assurance that competent engineers will have the work in charge.

Figures will not yield to clamor. In 1882, with 52 feet of water on the gauge at Cairo, the stage at Memphis was 35 feet, there being no levees on the Arkansas side. Every part of the city was above water. In 1913 Cairo had a stage of 56 feet, while Memphis was submerged and much property destroyed by a stage of 46.5 feet, or an increase of 11.5 feet over the stage of 1882. We are issuing bonds for local protection while being called upon at the same time to ask for more money and more levees, which are making local expenditure for self-preservation necessary.

The old brutal logic that we must "get some of that Yankee money down here" is no longer appealing. The Mississippi River Commission has been discredited by its own reluctant admissions. The political levee boards have been discredited by the people and the logic of events. We must have a new deal and a square deal. We must adopt new and better methods. We must put new and better men in charge, and we must make provision to reimburse those whose property the levee system has destroyed.

The old brutal logic to "get some of that Yankee money down here" is resented by one of the strongest papers in the Mississippi River Valley. That call comes from reclamation interests represented by levee boards, and the land is not all owned in the Mississippi Valley nor in the South.

Listen to the following denunciation from the Memphis Press of September 12, 1914:

THE "PORK BARREL" IS AN ENEMY OF NAVIGATION.

We have told our readers on many occasions that the conscience of the Nation was revolting against the "pork barrel."

We told them that we were crucifying our own chances for permanent relief from floods and from permanent reestablishment of navigation when we continued longer to put our faith in the hodge podge, wasteful, selfish, aimless conglomeration of good, useless, and evil projects annually or biennially labeled the "rivers and harbors bill."

The method of the rivers and harbors bill is indefensible, and the results of that method pursued through generations are its own damnation.

* * * * * * *

The would-be perpetrators of the "pork barrel" are the enemies of the comprehensive program, the enemies of real safety, the enemies of revived navigation.

It is not going too far to say they are, in effect, traitors to the Republic.

Another illuminating editorial on the same general subject criticizes the Army engineers' levees without gloves. It is short and I insert it entire:

[From the Memphis News Scimitar, January 12, 1914.]

FLOOD CONTROL.

* * * * * * *

The consensus of opinion among experts is that the fundamental defect of the Ransdell-Humphreys bill is that, although it professes to be in aid of navigation, it provides for large expenditures for levees, which increase the rapidity and total volume of the caving of the banks into the river. The Chief of Engineers reported to the Secretary of War that until the caving of banks into the Mississippi below St. Louis can be stopped it is practically hopeless to expect any improvement of low-water conditions in the river. In other words, the stream can not be continued navigable.

It is estimated that there are 749 miles of caving banks on the lower Mississippi, from which 9 acres in area by 66 feet deep for each mile is thrown in the stream, which in 50 years would mean half a million acres of land to a depth of 66 feet tumbled in to obstruct navigation.

* * * * * * *

It is claimed by those high in authority that the Ransdell-Humphreys bill should be entitled "A bill to destroy the navigability of the Mississippi River, and to eventually make it impossible to protect the valley from devastation by floods."

This is just what the railroads want, and have been working for so successfully, and this is why they are behind the levees-only people, who are making so much noise, but which is "all cry and little wool."

The more that people investigate the matter the more they see the futility of patchwork and mud pies. Those who have been forced to study the question because it has been brought home to them, like Mayor Reubenstein, of Stockton, Cal., who has had experience in the San Joaquin Valley, know something about flood control. In replying to a communication from Secretary Fox, of the local association, Mayor Reubenstein exposes the fallacies contained in the Ransdell-Humphreys bill, and states: "Fortunately for our country a plan has been submitted that is sufficiently comprehensive to insure an orderly start on this great work, and with ample means for its successful completion."

I would willingly print additional personal letters and opinions regarding the extravagance, waste, and utter uselessness of the present Mississippi River reclamation scheme, but will be able to offer only a few newspaper clippings that have come to my hands and which show beyond cavil that the people of the valley, where free to express their opinion, are opposed to the present levee scheme that is foisted on them by the powerful land reclamation levee association.

Sometimes a few words of common sense from a man who knows whereof he speaks and is among the people gives a clearer insight into conditions than the experiments of scientific advisers.

I offer this communication, clipped from a Memphis paper, and no man can question the logic or intelligence of the writer, who was at the time a member of the Mississippi State Legislature, according to an attached memorandum. He says:

THE LEVEE SYSTEM.

The NEWS SCIMITAR:

It seems to be the opinion of a great many, who ought to know as much about it as anybody, that the levee system will ultimately ruin a large proportion of the Delta lands and destroy the navigation of the Mississippi River. Higher levees mean higher waters; and the inevitable break spreads the pent-up flood over a greater area, destroying more lives and property.

The owners of the Delta lands, even those who favor levees, have discovered that, with all the help they are receiving from the Government, the cost of protecting their lands is greater than they can bear. If the planters alone had to pay for the levees, it would bankrupt them. If so, then the game is not worth the candle.

Of course, if Uncle Sam should dump sixty, eighty, or a hundred millions on the levees it might afford temporary (and only temporary) relief; but wherein is the Government benefited or the "general welfare" promoted by protecting the private property of a few individuals?

I happen to know that many of these Delta planters are sometimes very loud in their denunciation of "paternalism." But their opposition seems to banish entirely when they are the sole beneficiaries.

The only public benefit to be derived from the levees ever urged by anybody is the improvement in navigation and increased taxable value of the protected lands, and it has been some time since a man with any brain has seriously asserted that the navigation has been, or ever will be, improved by the levees.

As to taxable values, the General Government does not levy a tax on lands. The only chance for us "hill billies" to get our money back is through taxation by the State. Again, I happen to know that, as a rule, these Delta planters dodge a just proportion of State tax by assessing their lands at one-fourth to one-seventh of what they are willing to sell them for.

Now, if Uncle Sam is in the farming business at all, he owns a mighty big farm, of which the Mississippi Delta is only a small patch. And he is a very poor farmer when he undertakes to improve a patch when it is already a demonstrated fact that it won't pay expenses. If the protection of the Delta can be made a profitable investment, why should not those who are to get all of the benefits pay the expense bill?

Then, if Uncle Sam would protect his smaller valleys from overflow and his hill lands from erosion, would not that add greatly to their taxable value?

Ridiculous. Well, yes, my friend; I regard the whole proposition as ridiculous in the extreme; too much paternalism for me. But if we undertake Government protection of farm lands, why not go at it on the principal of "equal rights to all, special privileges to none"?

J. H. SIMPSON,
*Member Mississippi Legislature.*

BYHALIA, MISS., *R. 2, May 10, 1913.*

I quote a news item of some time ago appearing in the Memphis Appeal, wherein L. S. Lake, of Memphis, gave reasons why the damming up by leeves of all escape by Mississippi River waters increased the hazard. Mr. Lake appeared before the Flood Committee during its recent hearings. Like the committee members, I assume he is a "layman," but after many years experience with the real thing he tells what he knows, and it is my experience that such men have a better understanding of conditions than laymen who have not.

It may add nothing to his statement to know he is a graduate of a northern university of which President Wilson was once the president, and that he served as a Confederate soldier. However, it is evidence Mr. Lake imbibed democratic wisdom at a recognized fount of learning and is not looking for "Yankee money":

[From the Commercial Appeal, May 10, 1913.]

LAKE FAVORS OUTLETS—HE SAYS THEY WILL REDUCE FLOOD HEIGHT BY 11 FEET.

L. S. Lake last night delivered a lecture at the Goodwyn Institute auditorium to a small but appreciative audience on "The Diversion of Floods and the Rescue of Levees on the Mississippi River from Cairo to the Gulf."

He says that the levees are an open defiance of nature, and that the higher they are built the greater will be the disasters occurring when they break, which, he says, is inevitable in the case of floods like the recent one.

He favors a diversion of the flood waters by means of the natural outlets which have been closed up by the levees. He says that the diversion of the flood waters will reduce the height of the flood by 11½ feet.

He would allow the water from the river in time of flood to flow into the St. Francis River by means of properly constructed outlets or spillways in the levees and into the Coldwater and Yazoo Rivers on the Mississippi side. On the lower river he favors the opening of the levees at certain points so as to let the water flow out through the bayous across the State of Louisiana and into the Gulf without passing New Orleans.

Mr. Lake says that he is not opposed to levees, but that he believes that alone they are ineffectual means of flood control. He says that more and more as they assume the skyscraper proportions they become a greater menace. He says that levee advocates have had 200 years of experimenting on the Mississippi River and have failed, and urges that some other means be tried to supplement the levees. He maintains that levees are a failure because they break before the water reaches the top, owing to the fact that the water reaches the inside through underground channels which can not be guarded against.

He says that the people between the levees have been deprived of the value of their land without due process of law and contrary to the Constitution. His own plantation at Harberts Landing, 77 miles below Memphis on the Mississippi side, lies between the river and the levee.

He was introduced by Dabney Scales, who paid him a very high tribute as a Confederate soldier and as a citizen. He read from a manuscript and his talk was illustrated by charts and diagrams.

TRAINLOADS OF LEVEE BOOSTERS.

To those who care to follow the campaign made by Memphis and its people, as well as others along the river, to get out from under the clutches of the powerful levee association I quote a news article from the Scimitar of a little over a year ago, wherein an appeal was made direct to President Wilson to lend an ear to their appeal.

The articles are especially enlightening, particularly that wherein it is learned that three special trains filled with Mississippi River levee boosters were brought to Washington to help swing through a bill of which the Flood Committee chairman was a champion.

Just how much money the levee association has spent for lobbying and its propaganda can not be estimated when men are sent throughout the country securing resolutions from State legislatures; when books, pamphlets, and magazine articles are sent broadcast throughout the country; and when trainloads of boosters are sent to Washington to show us how to vote. How can any man doubt the enthusiasm inspired by a 20,000,000-acre land-reclamation scheme, which the Government is now about to undertake, practically at Government expense.

The article follows:

[From the News Scimitar, Dec. 2, 1914.]

CAUTION IS URGED IN HANDLING BIG WATERWAYS ISSUE—MEMBERS OF RIPARIAN LANDOWNERS' ASSOCIATION IN WIRES TO WILSON, LANE, AND GARRISON RECOMMEND DELIBERATION—ASK NEW INVESTIGATION AND A BROADER PLAN.

Protesting that advocates of the "levees-only" system of protection against overflows in the Mississippi Valley, as contemplated by the Ransdell-Humphreys levee bill, are seeking to overwhelm Congress by mere numbers rather than by relevant facts, officers and members of the Riparian Landowners' Protective Association Monday sent a message to President Woodrow Wilson; Franklin K. Lane, Secretary of the Interior; and Lindley M. Garrison, Secretary of War.

L. S. Lake, of Memphis, a former Princeton undergraduate and local supporter of a broader defense than levees only, is a signer of the message, as is J. W. Bennett, president of the riparian landowners' organization.

The message to Wilson is as follows:

MEMPHIS, TENN., *December 1, 1913.*

Hon. WOODROW WILSON,
*President of the United States, Washington, D. C.*

HONORED SIR: A large number of delegates are now arriving in Washington to try to influence Congress and the Government in favor of the Ransdell-Humphreys bill, which means "levees only" for the lower Mississippi River. They seem to wish to overwhelm Congress by spectacular methods and carry their point by a whoop, whoop, hurrah!

We earnestly entreat you, Mr. President, not to surrender entirely to their views and not to pledge yourself irrevocably now to their methods or plans. We rely upon your courage and independence of thought to withhold a snap judgment on this great and important question.

The dreadful overflows and failures of the levees of the past two spring seasons should teach caution, as should also the tremendous demands on the purse of the Government. The Nation should unquestionably aid us in this lower valley to fight against the floods now precipitated upon us annually from numerous States above us, but in this progressive age its moneys should no longer be invested on a discredited "levees only" system, which, now in the face of repeated experience and palpable facts, is shown to be nothing but a superannuated superstition and a defiance of common sense.

The political levee boards have long dominated this Mississippi Valley, to its dreadful hurt. Thousands of the plain people—the actual working farmers of the alluvial lands of this valley—know that the levees, on their present unscientific, narrow, sinuous lines, following closely along the immediate banks of the ordinary river channel, can not restrain and hold the waters of unusual floods encurbed between their embankments.

When the flood water began to dive under or break, by filtrating sand boils beneath the natural ground surface, the huge levees above, then the death knell of the present system was sounded. For how restrain the myriads of underground weaknesses along the thousand and more miles of levee fronts? Call a halt, then, and have a new examination

of this whole subject by fresh and different independent and impartial eminent engineers. * * *

Very respectfully,

L. S. LAKE.

I hereby join in and approve the foregoing telegram.

J. W. BENNETT,
*President Riparian Landowners' Protective Association.*

RANSDELL-HUMPHREYS BOOSTERS AT CAPITAL.

WASHINGTON, *December 2.*

The white ribbons of the Mississippi River Levee Association are more frequent than stars and stripes here to-day. Three special trains from Memphis and neighboring cities arrived this morning, and the remainder of the representation will arrive on another special to-morrow. Chief interest now centers in the hearing before the Rivers and Harbors Committee of the House to-morrow. Former Senator Leroy Percy, of Mississippi, has been placed in charge of the hearing, and has called brief conferences of the speakers and other leaders for to-night, when final arguments in favor of the Ransdell-Humphreys bill will be made. Each of the States most interested furnishes one speaker.

The Missouri delegates have not arrived. The Memphis delegates are boosting the Ransdell-Humphreys bill providing for $12,000,000 a year for five years for Mississippi's levees, as against the Newlands bill, which appropriates a much larger sum and covers a greater scope of work. The Newlands bill is strongly urged by New Orleans delegates.

I have many clippings and opinions, but two letters published by a woman of rare force of expression have come to my hands; both were printed in a Memphis paper, one in 1913, the other in 1915. I can not do better than attach both:

PUBLIC DISCUSSION.

[From the News-Scimitar, Apr. 23, 1913.]

A LADY'S VIEW.

EDITOR THE NEWS-SCIMITAR:

The supreme thing confronting the people living along the Mississippi River from Cairo to the Gulf is how to overcome the injury and hardships the St. Francis levee board and Mississippi River Commission have put upon them. Before these autocratic bodies were formed the farmers living upon the banks of the Mississippi River and upon the islands in the river were a happy and contented people, cultivating and marketing their crops with no dread of overflows. Since the manipulation of the river by this levee board they have raised the bed of the river till we are threatened with an overflow with every general rain in the Mississippi Valley. The overflow of 1913 was far greater than 1912, though there was a much smaller rainfall than 1912. Islands which were never overflowed before these levees were built have had the water gradually encroach on them till this last overflow flooded them to the depth of 10 feet on the highest ridges, and would have gone much higher had not the break at Wilson given them relief.

A few years ago the Government took the sounding in an eddy 25 miles above Memphis to the depth of 80 feet and found no bottom; to-day that eddy is a mud bar covered with willows only 10 feet lower than the original bank. In a few years if these levees are persisted in the Mississippi River will be a desolation of sand and mud bars, as it is a proven fact that the beds of all large leveed streams are raised in proportion to the height of the levees. And if they did succeed in holding this vast amount of water, which they will never do, what is to become of the hundreds of people whose farms are on the islands in the Mississippi River, and those outside of the levees? Is it just that they should be ruined and their property desolated to satisfy the greed and graft of this levee board and support royally and sumptuously these sinecures who compose the Mississippi River Commission? Are we freeborn Americans to suffer such injustice from these politicians? Capt. Cowden years ago advocated a policy which, had the Government adopted, would have met these requirements and saved immense waste of the people's money. The Government should take hold of this matter, build reservoirs, open up drainage to the Gulf and Great Lakes, and deepen the channel of the Mississippi River, and give this long-suffering people a rest from the levee boards and these engineers which they graduate from West Point, and who know no more about the requirements of this river than the old negro preacher knew about his text, which was, "Seven sons did Milchal bear to Nahor," and he told his congregation that Nahor was sick and these seven sons went out and kotched a b'ar and they milked that b'ar and brought the milk to Nahor. Gen. McDowell Townsend is right, "The situation is reduced to a mathematical problem, which is, How long before this people shall be pauperized to protect these great syndicates that were formed to buy up the sunk lands of Arkansas and Missouri at 25 cents per acre and drain them at the public expense, and to sell them at an enormous profit? It is for the chief benefit of these syndicates that these levees were built and are being maintained, and for which the people are taxed beyond endurance.

Mrs. O. K. JOPLIN,
*1500 Court Avenue, Memphis, Tenn.*

The letter of transmittal says these letters are from a lady of one of the best families. No one can doubt it. After two years she was again moved to protest against the present levee scheme, and I submit her letter of February 23, 1915, on the same subject:

FROM A LADY OF OUR BEST "OLD FAMILIES"—AGAINST "LEVEES ONLY."

CORONA POST OFFICE,
*Centennial Island, Tenn., February 23, 1915.*

EDITOR THE NEWS SCIMITAR:

Have we people who live on the islands in the Mississippi River and on farms outside the levees become stupefied by our losses and the hardships we have suffered because of these levees that we sit idle and silent while these millionaire planters, with the help of Congress, build their mud banks and pile water over us, that brings ruin to our lands and cattle and homes? If Mr. Fox, who is only a salaried man and has nothing at stake save the money he gets for his talk, for a moneyed consideration can use his eloquence to influence governors to send memorials to Congress to aid in finishing this devilish work of utter desolation they have already wrought, surely the men who see their children and wives reduced to beggars because of these levees should be aroused by their pitiable condition, and urge our Senators and Congressmen of West Tennessee, who have given a sacred oath to care for the interests of their people, to bring this outrage before Congress and use their influence in securing a recompense from the Federal Government for this murderous crime it helped to put upon a helpless people. And the women, who with breaking hearts look upon their desolated homes and ragged children, know that in the highest heavens there sits a Judge whom neither greed nor graft can corrupt, and whose spirit rides upon the face of the waters as when by the word of His power He called order out of chaos, and who in His omnipotence can break these mud-banks and roll these waters out of our homes and off of our lands, and we shall sing, as the children of Israel, "Thou didst blow with Thy wind, the sea covered them; they sank as lead in the mighty waters."

Mrs. O. K. JOPLIN.

PROTESTANTS ENTITLED TO A HEARING.

I offer a communication from V. C. Russell, of Memphis, whose statement is of value in so far as it points out the fault with the "levee-only" scheme. It also serves to show vigorous opposition by thinking men throughout the valley who have learned to know the present land-reclamation scheme is a growing menace and will not meet the hopes of its promoters. I am quite certain the Flood Committee of laymen did not fully understand the deep-seated fear and protest against the present plan which pervades the people of the valley. Admitting, for sake of argument, that they may be wrong, including as they do members of State legislatures, university graduates, ladies of remarkable force of expression, and others in the valley; supported as they are by leading newspapers of New Orleans and Memphis, is it not likely we are moving fast when a bill introduced on one day is sought to be put through Congress within a week after the committee of "laymen" report? In other words, does not it appear like undue haste, even though levee associations are pressing hard to get their land reclaimed? These people quoted are without means to make the fight; but we have a duty to perform.

I quote from a statement of V. C. Russell, of Memphis, Tenn., who has a plan of his own:

FLOODS CAN BE CONTROLLED BY USING FLOOD GATES IN LEVEES AS SAFETY VALVES—HIGHER AND STRONGER LEVEES WILL NOT PREVENT UNDERGROUND BREAKS (SAND BOILS).

* * * Nature's natural ways will soon make this country the richest in the world, automatically replenishing worn farm lands with nature's richest natural fertilizers in flood water, only awaiting a chance to back over and drop its richness without cost where the world's food supply and Nation's wealth is raised; and it being of great importance that lands should be kept productive and protected, especially when it is nature's wheel within a wheel doing the work. And why clog it building "higher and stronger levees only," causing high flood water to climb higher and higher, the past proving that the mighty weight of flood water in the channel has passed the limit of nature's endurance, causing water to be forced through the soft earth under levees, boil up on the other side where there is no weight, undermining and crumbling down levees, resulting in a flood-swept valley, leaving death and destruction in its path. And when and how it will end no one knows.

The underground breaks at Beulah, Miss., Wilson, Ark., and other places are proof enough that nature never intended flood water to be piled high up in a channel gulfward as if it was a reservoir instead of a drainage channel. "Higher and stronger" levees will not prevent underground breaks—"sand boils"; most all breaks occur underground since higher levees are built. The valley farmers pay a high "protection" levee tax and should be protected. Let us imagine ourselves and loved ones living in the valley, money invested, and can not pull up stakes and flee to the hills every time a danger note is sounded, and likely to find a watery grave unless we climb a tree, seeing a lifetime savings washing away. Wouldn't it be far better to have flood water under control as above stated, no loss of life or property, and abundant crops raised as they were before levees were built? The flood-gate plan will solve the Nation's two greatest "problems"—flood control and high cost of living. Nature's natural ways should be considered if permanent protection is wanted.

V. C. RUSSELL, *Memphis, Tenn.*

Mr. Chairman, I have been charged with unnecessarily taking up too many pages of the RECORD with statements heretofore made. I regret that anyone finds fault with the length of the remarks, because it requires some time in preparation, and I fear the remarks are not fully appreciated by such critics. However, until the House decides otherwise, I shall continue as best I can to furnish evidence of waste in the belief that it is a public duty to do so. Those whose ox may be gored have equal right to criticize, but if I have in any way contributed toward the defeat of wasteful bills in the past, surely no one will complain over a few pages of facts collected from Engineers' reports and elsewhere.

In the bill before us an expenditure of probably $200,000,000 is involved, and I have no hesitation in doing all that properly can be done to bring before Congress knowledge of conditions surrounding the bill.

I have found a valuable document along this same line in a brief furnished by Barnette E. Moses, of the Memphis bar. Mr. Moses has been engaged in litigation concerning Mississippi River lands before various courts, including the United States Supreme Court, so his statement is based on much study and investigation.

Quoting from his statement on "The Problem of the Mississippi River," every word of the Moses statement is of vital im-

portance to a full understanding of this bill. I invite its careful perusal:

THE PROBLEM OF THE MISSISSIPPI RIVER.

Bill No. 15405, of the Sixty-third Congress, second session, introduced in the National House of Representatives by Congressman McKELLAR, of Tennessee, should be passed if the Government is to undertake the work of reclaiming the vast alluvial valley from overflow.

This bill provides that the work of improving the Mississippi River shall be under the direct supervision of the President, and that the present Mississippi River Commission shall be abolished. Goethals, or any one of several men now in the Government's service, can solve the problem of the floods if put to the task.

Provision should also be made to alleviate the injuries which necessarily will be caused by a further increase in the height of the levee system.

The destruction of property and loss estimated in the millions in Memphis during the floods of 1912 and 1913 was due to the increased elevations of the flood heights resulting from the confinement of the water by the levee on the opposite side of the river. In 1882, with 52 feet of water on the gauge at Cairo, Ill., and no levees on the Arkansas side of the river, the stage at Memphis was 35 feet, and every part of the city was above the water's reach.

In 1912 Cairo had 54 feet and Memphis 45.2, and in 1913 Cairo had 54.7 feet and Memphis 46.5. This shows an increase in 1913 of 11.5 feet over the stage of 1882 without a proportionate increase in the volume. According to the testimony of Col. C. McD. Townsend before the Rivers and Harbors Committee of the House, in December, 1912, the floods of 1882 and of 1912 were approximately the same in volume. Even more convincing and specific evidence in this regard is found in the report of the Mississippi River Commission for 1910, page 2938, which is as follows:

"The increased elevation of the flood heights is the result of the general confinement of the flood discharge by the levee system as a whole."

It must be borne in mind also that since 1882 levees have been constructed at Cairo, which materially contract the width of the flood, and the "general confinement" at this point may reasonably be assumed to have caused some, if not all, of the increase in the stages of 1912 and 1913 as compared with 1882.

The city of Memphis, which in 1882 was untouched by a stage of 35 feet, in 1897 had 37 feet, with 51.6 at Cairo; in 1903 had 40.1 feet, with 50.6 at Cairo; and in 1907 had 40.3 feet, with 50.4 at Cairo. This gradual encroachment, culminating in the flooding of the northern portion of the city in 1912 and 1913, necessitates the expenditure of several million dollars to protect it from these unnatural flood heights.

DESTRUCTION FROM LEVEES.

North and south of Memphis there are farm lands on the east bank of the river, where there are no levees, because the Mississippi River Commission has found it to be too expensive to build them for the protection of the small basins. These farms, once comparatively high and well cultivated, have been and are being subjected to the same increased elevation of the flood levels that has been so apparent in the city. Some of these lands have been destroyed already, and a very few years of continued activity by the levee builders will complete the destruction of the remainder. These lands and this condition are fully described in Document No. 1010 of the House of Representatives, Sixty-second Congress, third session.

As appears from that document, the Mississippi River Commission, when it inaugurated the present levee system, referred at length to these unprotected lands on the east bank, where levees were not deemed to be practicable, and reported in 1894 in part as follows:

"It is probable that, as far as existing levees are effective to confine overflows, they operate at present to increase the elevation reached by a flood of given volume and will have that effect in increasing degree as the system approaches completion. It must be recognized that the result will be to inflict some and perhaps great hardships upon the owners of the lands in the unprotected areas described. * * * They have always been liable to overflows by the highest floods, and they have always escaped overflows in some years. * * * There may be, however, some floods which, unconfined, would not overflow them, but which, confined, will overflow them, and the injury in such cases would doubtless be of that immediate and proximate character which constitutes recognized grounds of legal redress."

NO LEGAL REDRESS FOR DAMAGES.

That the anticipated injury to these lands did not constitute "recognized grounds of legal redress" was decided by the Supreme Court of the United States on June 16, 1913, in the case of Jackson v. United States, which had been pending 19 years, in which the opinion was rendered by Mr. Chief Justice White.

That injury has been an actual one, however, to the 21,000 people who inhabited those lands in 1894.

A further extract from the report of the Mississippi River Commission for 1910, page 2937, refers to these lands and states:

"Some of the landowners in these areas have brought suits for damages in the Court of Claims, which, though pending for many years, have as yet been unavailing. * * * The immediate cause of the injuries complained of is the increased elevation of the flood heights. That is the result of the general confinement of the flood discharge by the levee system as a whole. Relief in some form ought in justice to come from Congress and the State legislatures in cooperation. But such cooperation would be so difficult to obtain that it is hardly worth the thought. Meanwhile the litigation drags its slow length along, the lives of the landowners are passing away, and hope deferred is making their hearts sick. The situation is pathetic and distressing in the highest degree. That these people should be condemned to perpetual inundation without possibility of relief or redress for the sake of an improvement from which their fellow citizens are enjoying great benefit is intolerable to any man's sense of justice."

Like a beacon light shining in the darkness of false theories, inconsistent statements, impractical methods, unavailing and ineffective works, and an enormous expenditure of public funds, this constant effort on the part of the Mississippi River Commission to secure some assistance for these unfortunates whom it is ruining is the one redeeming feature apparent in the annals of its career.

Any new policy of waterways improvement must regard the injuries to result from its work as well as the benefits to be derived therefrom, and must take into consideration the desolation to be wrought to the lands destroyed in connection with such work.

A provision has been made in the Newlands-Broussard bill whereby the rights and the equities of these people will be protected.

The present Mississippi River Commission and the work done by it stand utterly discredited by its own statements.

So far has the commission departed from the original, sincerely planned effort to aid navigation "by confining the flood waters so as to deepen and scour out the channel" that this theory is generally recognized as the merest pretext and subterfuge under which the work of reclaiming the alluvial basins is being carried on. The truth is shown in the report of the commission for 1912, at page 3724:

"While the levees have a certain degree of utility in the improvement of the channel and are necessary to 'promote the interests of commerce' by providing landing places for the interchange of traffic in times of flood and protecting the lines of railway behind them, their immediate and main value is the protection of the alluvial lands for the benefit of their owners." (The quotation marks are inserted by the commission.)

No clear admission is possible that the commission has abandoned its original plan.

LAND RECLAMATION—CONTROLLING MOTIVE.

This so-called "protection" of the alluvial lands along the Mississippi River is primarily and fundamentally a work of "reclamation," as that term is generally understood. The fact that the large basins of the St. Francis, the Yazoo, and the Tensas were subject, in their natural condition, to the burden of storing the surplus waters of the Mississippi during the spring floods, and were overflowed annually before the levees were built, has been disguised under the appeal for "protection" for so long a time that it is seldom recognized in its true character. The history of the levee system along the Mississippi River is merely a repetition of the fight of mankind from time immemorial to reclaim for cultivation the fertile alluvial plains of the rivers of the world. The futility of the fight under the past method of "levees only" is apparent and real, and has been impressed upon the people of the valley during the floods of the last two years by ruin, starvation, and death, incident to the breaks in the levee system. American engineering skill, if applied intelligently and properly, can accomplish the reclamation of the alluvial regions by supplementing the levees with spillways, outlets, and reservoirs to care for the surplus water above the amount that can be held at the breaking point of the levees.

The Mississippi River Commission, in its report for 1912, page 2732, has given tersely the gist of the real trouble with the "levees only" plan. After stating that of the 17 crevasses that occurred during that year only 3 were caused by overtopping, the commission says:

"Defective foundations may exist far below the base of the levee in strata of sand through which the water percolates, and when the head of water in the river becomes sufficiently great a break through the surface soil occurs and the result is a sand boil, which may cause the levee to collapse with little or no warning."

The flood line is being raised constantly and the "head of water" in the river is increasing annually as the levees are elevated higher and higher. This increase in the pressure upon the strata of sand during each succeeding flood causes a break in the levee line at a point where the head of water during the preceding flood was not quite sufficient to force it through the strata, thus causing a break in the levee at a new and wholly unsuspected point. Outlets, spillways, and reservoirs will reduce this hydrostatic pressure to a point that can be sustained with safety.

The lands and warehouses along the river front have been destroyed by the increased elevation of the flood heights; the people have been driven away from the naturally high lands immediately adjacent to the river channel, whence came the larger part of the traffic upon which steamboat transportation thrived in former years; and they have been forced to move behind the levees, where railroad lines are more accessible than the river carriers.

RAILROADS TO THE RESCUE.

There is much locomotive smoke in back of the agitation for the "levees only" bill. The railroads are economically opposed to any real improvement of the river "in aid of navigation." New Orleans newspapers reported during the "levees only" campaign that eight railroads, with lines paralleling the river, had subscribed $1,000 each per pear for five years to the funds of the Mississippi River Levee Association.

Sincerity on the part of the railroads in furnishing pecuniary aid in the cause of river improvement is hard to believe. Rather would it seem that a constantly "increased cross section," such as appears from the report of the Mississippi River Commission for 1912, page 3724, now to be taking place, and the consequent decrease in the average depth of the water, is a consummation devoutly to be wished by them.

The extreme complacency with which the commission says in that report, "We must go on with levee construction in the way which has justified itself by so many years of successful control of Mississippi floods," can only be equaled by the argument of Col. C. McD. Townsend in his address before the National Drainage Congress, at St. Louis, in April, 1913, that the fact that only 13 miles, or less than 1 per cent, of the levees failed during the flood of 1912 is evidence of the success of the levee system. A chain is no stronger than its weakest link. The 13 miles of levee that failed in 1912 flooded 10,812 square miles, or one-half of the land behind the entire levee system, as appears from the report of the Mississippi River Commission for 1912, page 3723.

Instead of deepening the channel, the result has been to raise the bed of the river in many places.

With wonderful tenacity, born of long habit, the "levees only" advocates contend, however, that the levees have not caused the bed of the river to rise. The most that the Mississippi River Commission will say officially in this regard is, "that there has been no measurable progressive elevation of the bed of the river," as it said in its report for 1912, page 3717. Inadvertently the truth of this much-discussed question has been disclosed.

"Experience in the lower Mississippi would seem to show that such rivers are apt to form a series of pools separated by bars, and that raising the water surface is accompanied perhaps by a deepening of the pools, *but certainly by a building up of the bars, so that increased reading on the gauge by no means implies greater available depth over the bars.*" (Italics ours.)

The foregoing paragraph may not mean that the Mississippi is filling up, but that would seem to be its meaning to anyone except an "eminent engineer." Yet its source is surprising. It comes not from a "pseudoscientist" of the newspapers but is the statement of the most ardent of all the "levees only" advocates, Col. C. McD. Townsend, president of the Mississippi River Commission. This means that there is now no greater depth of water in the river channel for purposes of navigation, with 46.5 feet on the Memphis gauge, than there was in 1882, with a reading of only 35 feet as the maximum.

The subtle insertion of the word "progressive" in the official report showing "no measurable progressive elevation of the bed of the river," as quoted above, furnishes the loophole of escape from the cold, bare fact that the bed of the river is rising. But what matters it to the steamboat captain who runs his craft aground that the rise in the river bed is only on the bars? How is navigation aided by building sand bulwarks across the channel? Yet the only authority of the Mississippi River Commission for the expenditure of public funds is "in aid of navigation."

It may be that the colonel forgot himself and his oft-repeated contention that the levees do not cause the bed of the Mississippi to rise. The statement was not made during a consideration of the levee question, but it is from page 8 of the report made to the War Department on January 21, 1913, by the Army Engineers, in opposition to the reservoir plan submitted by the Pittsburgh Flood Commission. The report was signed by Col. C. McD. Townsend, F. R. Shunk, and H. Jervey, of the Corps of Army Engineers. The plan of the flood commission was to use the reservoirs to store waters during the rainy season and to open the reservoirs during low water and thus increase the depth of the Ohio River for the purpose of aiding navigation "by raising the water surface." "Raising the water surface" in the Mississippi was caused by the levee system. The Mississippi River Commission, in its report for 1910, page 2938, said:

"The increased elevation of the flood height is the result of the general confinement of the flood discharge by the levee system as a whole."

This is only one of numbers of contradictory and fallacious contentions made by the levee builders which have caused intelligent men to lose confidence in them and their work.

Their repeated estimates of cost, constantly growing, their repeated declarations that the levees would hold, followed each year by repeated disasters, gradually have brought the people of the valley to an understanding of their fallibility.

A LITTLE HISTORY OF INTEREST.

In 1860 Capt. A. A. Humphreys and Lieut. H. L. Abbot, Army engineers, reported to Congress that it would take about $17,000,000 "to secure the alluvial region against inundation." (Report of Humphreys and Abbott, p. 420.)

In 1883 the Mississippi River Commission estimated the final cost of the levee system "for protection" at $11,450,000. (Report M. R. C., 1883, p. 28.)

The Mississippi River Commission has never made an estimate of the ultimate height to which the levees would have to be built in order to withstand the greatest known floods. Every estimate has been based "provisionally" upon the stage reached by each succeeding flood as the levee system was extended and the flood heights raised thereby. In 1884 the commission said:

"We therefore conclude that levees, such as have been herein described, are, in connection with an equalization of width and the prevention of caving, an important part of any general and systematic plan for the improvement of navigation and the prevention of destructive floods." (Report M. R. C., 1884, p. 32.)

Col. C. B. Comstock, who was then the president of the Mississippi River Commission, commented upon the report of the majority in no weak terms. He said:

"I am unable to learn through the report exactly, or approximately, what height the levees 'such as have been herein described' are to have." (Report M. R. C., 1884, p. 33.)

The Mississippi River Commission has never dared to make a statement based upon exact data with regard to the height of levees necessary to hold a flood of the greatest known volume. Every estimate made by it has been erroneous in the extreme and has been based on nothing more nor less than guesswork. Col. Townsend, the president of the commission, stated the truth of the matter before the House Committee on Rivers and Harbors, December 5, 1912, when he was asked by Mr. HUMPHREYS:

"Did you figures that $16,000,000 [his estimate before 1912] would put the levees in condition to hold the flood of 1882?"

Col. Townsend answered:

"No, sir; the estimate was to the provisional grade. The Mississippi River Commission, when it adopted the provisional grade, did not claim that that was the grade of the flood of 1882, but they were in this position: There was a good deal of discussion as to how high floods would be. Some people thought that they would not attain any great height, and the commission took a moderate position, holding to what they called a provisional grade, which would practically satisfy all the disputants on the subject, with the idea that if that grade was not high enough they would alter it in places; but the provisional grade has never been adopted as anything more than a trial grade."

Yet Col. Townsend, in his address delivered before the National Drainage Congress, in St. Louis, on April 11, 1913, and published by the Mississippi River Levee Association as part of its literature in support of its "levees only" plan, stated that:

"The height to which levees should be constructed is as susceptible of determination as the strains to be permitted in an office building due to wind pressure or the moving load allowable on a bridge. The city engineer solves a similar problem whenever he constructs a sewer to carry off the storm water from the city streets."

NO DEFINITE PLANS FOR LEVEES.

The Report of the Mississippi River Commission for 1913 fails to throw any additional light upon the ultimate height or grade of the levee system, despite the experience and the knowledge obtainable from the floods of the last two years, but, in the identical language of the report for 1912, says:

"The 'estimated final contents' of the levees given above is based on grades and sections as provisionally established by the commission."

And the quotation marks around the words "estimated final contents" were put there by the commission and not by the writer.

This "provisional" grade is nothing more than "a trial grade," despite Col. Townsend's statement that—

"The height to which the levees should be constructed is as susceptible of determination as the strains to be permitted in an office building due to wind pressure or the moving load allowable on a bridge."

These are the "eminent engineers" whom the public is exhorted to follow blindly, in whom we are told to put our trust, who say "give us $60,000,000 and we will complete the levee system." Yet these "eminent engineers," knowing the volume of water that passed Cairo in 1882; knowing the depth, length, and width of the space between the levees, and knowing the time taken by the flood crest of 1882 to pass from Cairo to the Gulf, have never taken the trouble to figure for themselves the height required by their system and the height to which the confined waters would rise. It has been sufficient heretofore "to satisfy all disputants on the subject." But the public refuses to remain satisfied with fancied platitudes uttered by a commission which states "that one of the greatest floods on a considerable length of the river was that of 1897, during which 38 crevasses occurred," and in the next sentence says:

"The important fact that the flood waters can be permanently controlled by a system of levees that can be constructed within a limit of expense warranted by the advantages to be gained seems to have been fairly demonstrated by the flood of 1897." (Report M. R. C., 1912, p. 3721.)

Thirty-eight crevasses in a levee system may be a "fair demonstration" of its practicability, but, like the commission's comment on the rise of the flood levels, that "it will cease when the levees have been built high enough to contain the greatest floods" (from report, 1912, p. 3716), it seems only to be an expression of inane and childish dogmatism rather to be expected from a boy of 5 attempting to dam a gutter than from men of eminence in the engineering world.

In 1898 the Senate Committee on Commerce, after an investigation consuming months, reported, upon the testimony of Col. Robert S. Taylor, who recently resigned from the Mississippi River Commission, and upon the testimony of Col. G. L. Gillespie, who was then its president, that—

"It is estimated that it would cost to complete the entire levee system, from the head of the St. Francis Basin to the Head of the Passes, at a grade sufficiently high and strong to afford complete protection against floods at the highest possible stage, the sum of $18,000,000 to $20,000,000, and it would take from four to five years to complete the system." (Rept. S. Com. on Com., 1898, p. ix.; testimony Col. R. S. Taylor, p. 245; testimony Col. G. L. Gillespie, p. 390.)

ENGINEERS' ESTIMATES GROW.

Col. Townsend, in December, 1912, stated before the Committee on Rivers and Harbors that it would cost $58,000,000 "to build existing levees to the height that we estimated the flood of 1912 would have attained," and that the estimate for revetment work, in addition to the building of levees, was "about $90,000,000." (Rept. Com. on R. & H., p. 23.)

Capt. Charles H. West, member of the Mississippi River Commission, before the same committee, said:

"You need not expect to get out short of something like $70,000,000 or $75,000,000 ultimately for levee construction. There is another item that was not included in this estimate, and that was the item of loss."

The average loss for the past 25 years has been something over $1,500,000 per year. (Testimony Mr. West, pp. 26, 30.)

"The estimate for the complete revetment control of the banks from Cairo down was about $158,000,000—slightly under that." (Testimony Mr. West, p. 30.)

Mr. West testified that the total cost of the revetment and the levee work would be $228,000,000, and "that nearly all estimates that are first put up to Congress as well as estimates for great private corporations, are away under the ultimate cost, and I think that that estimate for a control of the lower Mississippi River is a very modest one, and somebody, either you or the States, will spend that or more before the job is completed." (Testimony Mr. West, pp. 30, 31.)

Mr. Davidson, a member of the Rivers and Harbors Committee, correctly stated that facts pertaining to any appropriation approximating $60,000,000 when he asked Mr. West the following question:

"So that when the Government has started with a proposition of $48,000,000 they have only made a scratch on the surface of the levee system, have they not?"

Mr. West replied:

"Well, I think those figures ($228,000,000) are about as well as I can give them." (Rept. R. & H. Com., 1912, p. 32.)

Before the flood of 1912 the commission practically considered the work of the Government in the erection of levees to be complete. In its report for 1911, page 3186, the commission said:

"It has been the effort of the commission throughout its history to require from the riparian owners the largest possible amount of self-help as a condition of receiving allotments for the construction and maintenance of levees from the appropriations made by Congress, with a view to the ultimate assumption of the whole burden by them. The time is near by for the realization of that expectation provided the United States will protect the existing levees from undermining by caving."

Such equanimical asseveration of the perfection of their system is hardly tenable now, after the floods of 1912 and 1913, and the commission, cognizant of the absolute failure of its original plan, is still casting about for further funds to be dumped into the Mississippi River.

Senator RANSDELL, in an article published in the Commercial Appeal, of Memphis, May 25, 1913, in support of the Ransdell-Humphreys bill, said:

"All agree with practical unanimity that if the levees are made sufficiently strong and the banks prevented from caving by means of revetment, so that when once constructed the levees will be permanent, the floods of the river can be controlled. The commission estimates that to give sufficient strength to the levees will cost about $57,000,000, which could be prudently and wisely expended within a period of five years."

A FLOOD COMMITTEE ARGUMENT.

The Senator's statement is axiomatic, that "if the levees hold, they will hold," which is about all that his first statement, above quoted, amounts to; but it is to be regretted that Mr. RANSDELL'S authority as to the cost and the required strength can not be relied upon. His estimate is made by the same Mississippi River Commission whose estimate in 1898 was that it would take from $18,000,000 to $20,000,000 and that it would require from 4 to 5 years to complete the system. Meanwhile 15 years have passed and more than forty millions have been spent, and we are further than ever from the goal of complete protection. Mr. RANSDELL was very careful to state that the commission's estimate was "to give sufficient strength to the levees." That was the estimate for the levees alone, without the revetment. But the Ransdell-Humphreys bill supporters propose that amount as sufficient for both purposes.

The secretary of the Mississippi River Levee Association knows that sixty millions will not complete the levee system and make it safe from disaster. The president of that association knows that sixty millions will not be sufficient. Yet the president of that association, in an article published in the Commercial Appeal on May 8, 1913, declared that to be the amount required "to put the levees in an impregnable position and forever prevent overflows." Both officials know of the testimony given in the Rivers and Harbors Committee hearing

in December, 1912, by a member of the Mississippi River Commission, to the effect that—

"If you by some process of magic had to-day on the banks of the Mississippi River a levee system that was up to the ultimate height that we [the commission] estimate it should be, you could not maintain that system against disaster until you have prevented the caving of those banks." (Testimony of Mr. West, p. 27.)

All of the "levees only" advocates know of the estimates by members of the commission that it will take from $90,000,000 to $150,000,000 to do the revetment work alone necessary to prevent the caving of those banks. All of these "levees only" advocates, however, very carefully refrain from calling the attention of the public to the fact that the revetment work is to be by far more costly than the levees. Their motives in concealing the true status of the problem from the people of the valley and from Congress while asking for an appropriation of sixty millions is hard to comprehend when one views them, as they would be considered, in the light of public benefactors, working for no ulterior ends, but looking solely to the benefits to be derived from protection.

PRIMARILY A LAND-RECLAMATION PROJECT.

The Mississippi River Commission has said in its report for 1912 that "their immediate and main value—speaking of the levees—is the protection of the alluvial lands for the benefit of their owners." Such protection constitutes reclamation in its true sense.

Now, in two or three cases the Supreme Court—one in Louisiana and another in Tennessee—says of levee building in general along the river.

In a Tennessee case—Reelfoot Levee District against Dawson—the Supreme Court said:

The paramount idea is a fund to reclaim land from inundation, a large body, some 300,000 acres.

By the way, nearly 300,000 acres were lost in Tennessee through levees. I will say to the gentleman from Tennessee [Mr. MCKELLAR], largely because of the character of levees that have been constructed by Government engineers, as I understand. And that overflowed land, caused by these levees breaking, is valued at something over $4,000,000——

Mr. MCKELLAR. Will the gentleman yield for a question?

Mr. FREAR. I yield to the gentleman.

Mr. MCKELLAR. To what case does the gentleman refer?

Mr. FREAR. The Reelfoot Lake case.

Mr. MCKELLAR. The Government did not have anything to do with that.

Mr. FREAR. I understand that. I am speaking about the purpose of the levees generally. It was to reclaim from inundation a large body of land in the Mississippi Valley, and thereby enhance its value.

Mr. MCKELLAR. That has nothing to do with the question we have here. That is not a Government levee and not on the Mississippi River.

Mr. FREAR. Possibly, then, it is conceded this next case has something to do with it. I hold in my hand a statement of the St. Francis levee district in Arkansas. There they are reclaiming a large body of land. I have not the exact number of acres, but the land has increased in value from $8 an acre, so that the estimated value to the company that is floating the bonds is $88,000,000, and they ask the people to contribute to the bonds.

So far as my investigation goes, there can be no question but what this is a reclamation project, as well as a flood-protection project. The statement says the Government is contributing one-third of the expense. I believe I have here a bill introduced in Congress by the gentleman from Tennessee [Mr. MCKELLAR], a very excellent bill, by the way, so far as I have made an examination of its provisions. That bill proposes to do away with the Mississippi River Commission. I have not the bill before me, but I believe it was proposed to put the river improvement into the hands of some kinds of a board.

Mr. MCKELLAR. Will the gentleman permit me?

Mr. FREAR. Certainly; I yield to the gentleman.

Mr. MCKELLAR. I will say that the reason was because the Government did not furnish the Mississippi River with the necessary funds to build the levee. At the time I introduced that bill the commission was jogging along, not doing much of anything. Since then it has gotten busy, and I believe, if we give them the necessary funds, they will soon give us a completed and satisfactory system of levees.

Mr. FREAR. That may have been one of the reasons.

Mr. MCKELLAR. And it was hoped to have just such a scheme as we have now.

Mr. FREAR. I had supposed it was occasioned by the enormous damage caused to the city of Memphis through Government levees erected by Army engineers. The gentleman believes that all we have to do to be saved is to build levees, but the experience of Memphis, Vicksburg, and many other places along the river has brought many claims against the Government through breaking of Government levees.

The Government is now asked to contribute three dollars out of every four to be spent on levees, notwithstanding the waste and desolation caused by levees that have repeatedly broken, and these levees are for private reclamation purposes.

Mr. MCKELLAR. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; I yield.

Mr. MCKELLAR. I know the gentleman does not want to get his facts wrong.

Mr. FREAR. Oh, no. Certainly not.

Mr. MCKELLAR. The gentleman does not take into consideration the $90,000,000 that the owners of this land have already contributed to the building of these levees.

Mr. FREAR. But we have had no public statement, though it has been asked for frequently, how that money was expended and by whom or where it was expended. It was expended wastefully, if we are to believe the facts stated in the report, because the same levees were repeatedly washed away. If you go into business in the State of Tennessee and become a bankrupt, or if you make unwise investments, that is your own fault—you can not capitalize foolish investments—but here are reclamation projects all along the lower part of the river, and they have not accomplished much, because, as the gentleman from Mississippi [Mr. HUMPHREYS] well said, they have been washed out. They were put in poorly, or they would have lasted, if the levee policy is correct.

Mr. MCKELLAR. I think the gentleman misunderstands what the gentleman from Mississippi said. He did not say it had all been wasted, but only a portion of the levees had been washed out.

Mr. FREAR. A large portion, as he said; and, as he is present, I call on him to deny my statement if incorrect, because he stated a large part of the washed out levees were in his own district.

Mr. MCKELLAR. But his own [Mr. HUMPHREYS's] district amounts to a very small part of it.

Mr. FREAR. Levees have been washed out along the river, and where they have remained intact they have done enormous damage, as at Memphis, Vicksburg, and other points, in times of flood. Levees serve to narrow the river during floods, and necessarily the water rises higher and higher as the river is narrowed.

THAT NINETY MILLION.

But, for another reason, that $90,000,000, if ever expended, can not be considered. Nothing shows how, when, or where the money was ever expended. If it protected private lands that were reclaimed, the parties putting up money had value received. If the levees were poorly constructed, surely the Government can not be called upon to insure poor construction or damages caused by levees that hold as at Memphis or Vicksburg.

For another reason that mysterious $90,000,000 has no place in the calculations whether put up by corporations, syndicates, or private parties or if ever put up by anyone. This committee report says 16,000,000 acres of land is to be reclaimed—the finest land in the world. It has never been reclaimed before—it is 1,500 feet deep—as good at the bottom as at the top, according to members of the committee. All this being so, what relation has $90,000,000 spent on other land to 16,000,000 acres, said to be worth $1,600,000,000, that is about to be reclaimed? I confess it will be hard, as Mr. Davidson said back in 1912 at the hearing of the Rivers and Harbors Committee, which I have quoted—it will be hard to explain such expenditures to the taxpayers of the country.

SOME FACTS NOT GIVEN BY THE COMMITTEE REPORT.

Mr. Chairman, in the discussion last Wednesday the gentleman from Pennsylvania [Mr. MOORE] pinned the chairman of the Flood Committee down to what had become of $87,077,191 spent on the lower Mississippi and what was done with all over $29,000,000, which, the committee report says, is the only money spent by the Government for levees.

Here is the milk in the coconut when the chairman responds, "Of that amount, the sum of $29,000,000 has been spent for levees; $43,000,000 has been spent for revetments, which the engineer says are absolutely in the interests of navigation."

Not a single word about that $43,000,000 appears in the report. It is a large amount of money. The chairman of the committee hastens to say when prodded on the subject that "$43,000,000 has been spent for revetments which the engineer says." What engineer? Why did not the committee furnish us with the facts?

Listen to page 2 of the committee report, which says:

The CHAIRMAN. Just one other question. I would like to get your opinion on this matter. This committee's jurisdiction, as you know, is limited to matters relating to flood control. The Mississippi River

Commission has jurisdiction south of the Ohio River, from there to the Head of the Passes, both for all matters relating to the river, touching flood and navigation interests. If we should report the bill here for the control of the floods of the lower river, is it your opinion that we ought to include in the work which is to be carried on by the commission the interests of navigation as well, or do you think that ought to be separated?

Col. TOWNSEND. That is, I think, a question of congressional policy rather than a question of engineering.

The CHAIRMAN. It is; that is true. Here is what was in my mind, Colonel: In doing this work the Government wants to do both things. We do not want to undertake the control of floods anywhere in any manner that would injure the interests of navigation or commerce. That being true, would it not necessarily follow that the same agency that does the work for one purpose ought to be charged with doing the work for all other purposes?

Col. TOWNSEND. I think it would be very desirable that it should be done by the same agency. I do not say it would be absolutely necessary, but I should say you would relieve a good deal of friction if you provided that the same agency should do it in both cases.

* * * * * * *

The CHAIRMAN. We wanted your opinion as an engineer, of course, primarily in a general way, and then we will probably go into details—if we are to control the floods on the Mississippi River, how shall we proceed?

Maj. MARKHAM. I have more radical opinions about that than I have heard expressed in the last day or two. Assuming it is not objectionable to be radical, I would say that there is no other method that can be devised, within the intelligence of those who have been working on the Mississippi River and thinking about its difficulties, except to build levee structures sufficiently high and to protect them by revetment. That is the sole and only means, in my judgment, of controlling the floods of the lower river, and I state that thus radically, without equivocation, because I believe in it very sincerely.

I think the matter has perhaps gotten into a state of confusion for a number of years, due to the fact that both the advocates and the opponents of other methods have merely stated generalities and have never gotten into details, so far as I can see; but I have convinced myself very earnestly that there is no other method of controlling the floods except by levees and revetments.

* * * * * * *

It is impossible to extend flood control on the Mississippi without revetment.

Then, why did not the committee advise the House that $43,000,000 had been spent already for revetment, with $228,000,000 more needed for levees and revetment? "Incidental for navigation," but the commission has declared the real purpose is to protect the alluvial lands, Report 1912, page 3724.

Maj. Markham says it is absolutely necessary to build revetment with the levees to protect the land. So, accepting the chairman's own statement, in addition to $29,000,000 spent for levees, $43,000,000 has also been spent for flood control and reclamation, or, according to his own figures, $72,000,000 has been spent by the Government for flood control and reclamation, while possibly $15,000,000 has gone for navigation.

The committee statement is vague and valueless when this important proposition is under consideration, but why does not the committee frankly admit, first of all, that $72,000,000 has been spent for flood control and land reclamation?

Let me at this time quote from J. H. Bernhard, who is an expert cited by the committee as to another proposition:

To-day the Mississippi from St. Louis to its mouth affords a channel which is the best to be found in any stream in the world, * * * and see its emptiness. An 8-foot channel is all that the most efficient service requires. The Government works unremittingly to develop waterways only to see the water-borne traffic grow less as the years go by. (J. H. Bernhard, Asso. M. Am. Soc. C. E., Proceedings A. S. of C. E. August, 1915.)

That is the opinion of a man who believes the channel is sufficient and the finest in the world.

LACK OF FRANKNESS BY COMMITTEE.

If, then, the Mississippi now has the best channel of any river in the world, and abundant evidence can be found to support Bernhard's statement, then, why do we need to spend $228,000,000 more for levees and revetment unless purely for flood control and land reclamation?

It is as plain as day that the statement of the committee that only $29,000,000 has been spent for flood control is not correct and is a positive misstatement of fact, and it is a further misstatement that $40,000,000 has been estimated by the commission to be sufficient to insure against floods. Markham says, on the preceding page of the report, that revetment is necessary to insure flood control. West says $158,000,000 is needed to revet the banks, and he testified about three years ago. West also said $70,000,000 would be needed for levees, or $228,000,000 in all; and yet the Flood Committee says $40,000,000 will do the job, and property owners only ought to contribute $10,000,000.

Why? Why should the Government spend $200,000,000 while the owners of 20,000,000 acres are only contributing $10,000,000? Let us see. Turning to the report, page 4, it says:

Since 1882 the States and levee boards of the lower river have contributed toward the construction of levees approximately $90,000,000.

MORE LACK OF FRANKNESS.

Is that true? If so, where is the statement of contributions? How much did the different States pay? What was the amount paid by Louisiana, Mississippi, and other States, and how was it paid and to whom? How much was paid by the State and how much by private parties?

Congress is entitled to know all these things before authorizing an expenditure of $30,000,000 or $200,000,000, if we adopt this reclamation scheme. But let us understand this proposition; and I hope to see every member of the committee arise and from out of the fullness of his own knowledge and personal investigation give facts regarding these contributions so plausibly set forth in the report, to which all have agreed.

The committee says 16,000,000 acres have never been reclaimed. Then why should $90,000,000, assuming that amount is anywhere near correct, be permitted by the committee to offset the reclamation of 16,000,000 acres that have never been reclaimed and that are valued at from one and one-half to two billion dollars? Have I made a point clear which, as Congressman Davidson said, is liable to trouble the average taxpayer? What relation has that $90,000,000 of money contributed by the States, and largely wasted, to 16,000,000 acres about to be reclaimed?

MISSISSIPPI LEVEES DO NOT HELP NAVIGATION.

I will not attempt to set forth any extended argument under the above head, but I believe it will easily be demonstrated that levees built by the Mississippi River Commission distant from the banks do not help the channel or navigation, and for a self-evident reason. Levees built on the banks of the river would naturally confine the waters in a narrow scope so as to make the levees serve as a barrier against waters leaving the regular channel, if they could be maintained. Of course this is impracticable unless the levees were built a hundred feet high in places and reinforced beyond all possibility of present construction methods. It is, however, the only case where levees are of value, according to men who appear to know as much about the subject as Army engineers. When built away from the banks for a distance of several miles they serve to prevent the river from flooding the adjacent country, if they hold, but are of no service in promoting navigation because of distance from the channel. In other words, levees built for reclamation purposes, built for flood control, are, as the commission well says, used to protect the alluvial lands, and not for navigation.

The Mississippi River Commission is sufficient authority, and Mr. Moses in his excellent paper covers that part of the levee subject fully. I can cite many authorities, but it does not seem necessary to go into details further than to quote from two men, one of whom is an Army engineer:

Extract from "The Port of New Orleans," by Capt. C. O. Sherrill, Corps of Engineers, published in "Professional Memoirs," Corps of Engineers, United States Army and Engineer Department at large, Volume VI, No. 25, January–February, 1914, pages 13, 15, 34, 35, and 36.

Another notable feature of the South Pass improvement since the lateral openings were closed and the jetties built is that there has been a constant tendency for the channel depths throughout the pass to become much more uniform. Near the head of the pass and over the bar the scour has been extensive, while throughout the pass itself there is extensive shoaling in the parts formerly deepest, giving an average depth of about 30 to 40 feet. This is an important fact, leading to the belief that levees improve the average condition of a channel, filling in excessive depths and scouring abnormal shoals. This, of course, would only hold true where the levees follow closely the low-water channel of the river, as is the case below New Orleans, and where the stream bottom is of soft material. At localities where there is no relation between the required channel capacity and the sectional area of high-water flow between levee lines, as is found above Bayou Sara, La., on the Mississippi, there does not appear to be the slightest effect produced on the channel by levees, for they have no influence in holding the current over the low-water thalweg.

An injurious effect of the extension of levee lines on the channel is that by restricting the flow to a small sectional area, higher flood heights are caused and more extensive caving of the banks occur. This has been observed recently at the Head of the Passes, where extensive caving is occurring with danger of permanent injury to the improvement works. Since the three high floods of 1912 and 1913, the bank caving is probably greater than ever before observed. Where local conditions as near New Orleans admit of it waste weir outlets would reduce flood heights and be of resultant great advantage without damaging the channel, due to deposits of silt, as is claimed to be the result of natural outlets, since the waste weirs would automatically cease to operate at the desired elevation chosen for the weir crest slightly above bank full stage.

I quote, however, from a man who has given many years of study to this very subject, Mr. George Maxwell, whose views are in harmony with the foregoing:

LEVEES ARE FOR RECLAMATION.

The levee system as it now exists in the Mississippi Valley is designed primarily for the protection of private lands and railroads from overflow and is not even incidentally beneficial to navigation. On the contrary, it is detrimental to navigation.

The fiction that levees benefit navigation was made the basis for applications for large appropriations for years on the Mississippi River and still prevails in theory, but experience has demonstrated that the

original claim that the levees would scour the channel does not hold good when the levees are built 3 or 4 miles apart, as is the present system in the Mississippi Valley. This is done to prevent the levees from caving into the river. The levees so built do not have any effect to deepen the channel. That result follows only when the levees are built on or near the bank of the river. The statement of Capt. C. O. Sherrill on this point is conclusive.

He says, "This, of course, would only hold true where the levees follow closely the low-water channel of the river." See article entitled "the port of New Orleans," in Professional Memoirs Corps of Engineers, United States Army, January–February, 1914.

Where the levees are built not on the banks of the river, but several miles apart, they hold the water over the banks for weeks at a time, saturating the soil and increasing the caving when the high water recedes.

This caving of the banks is the insuperable obstacle to the restoration of the navigability of the river. The bars are formed by the caving banks. The only way to stop the caving, under present conditions and in view of the fact that the levees actually exist so far from the river, is to revet the banks. The total cavings between Cairo and Donaldsonville every year average 9½ acres, 66 feet deep, for every mile of the river, according to engineers' reports.

THE RESPONSIBILITY OF THE SIXTY-FOURTH CONGRESS.

Mr. Chairman, as I view this bill it is one of tremendous importance to the people of this country, who are to be called upon to pay the fiddler, and I can not doubt that a revolt will occur soon among taxpayers—a protest that has no uncertain sound. Increased taxes for favored private land interests along the lower Mississippi Valley will be a legitimate political issue of large proportions where it involves $200,000,000 and more.

That is not the great question, however, involved wherein our own responsibility must be measured. By the passage of this bill we are saving to hundreds of thousands of people living in the lower valley, "Congress is about to take away a life preserver that nature has provided for the valley during countless centuries of the past." No sane man can ignore the tremendous power of the greatest river in the world, and yet we are about to take a step that will increase its destructiveness manyfold.

Without seeking in any way to restrain this enormous volume of water at its headwaters or along its course, this bill proposes to take away 16,000,000 acres of land that to-day affords escape for the lower valley. That mighty reservoir is to be drained, and a mass of flood water which for ages has been escaping through all these natural reservoirs over the 16,000,000 acres is now to be confined within narrow limits between artificial levees. In order to make enormous profits for landowners along the river the Government is about to take away the greatest natural reservoirs in the world and provide no substitute whatever. This proposition does not require a course of scientific training or the genius of a Goethals to comprehend. It is a matter of common sense and one which has aroused the people of the valley to an understanding of this land reclamation scheme conducted under the guise of "flood control." As the people in the valley well say, we are taking away nature's protection, and in doing so we are creating a menace that grows in volume as we endeavor to reclaim these great reservoirs. This is not my opinion alone, for I am only voicing the conclusions of men from along the valley who have stated in person and by letter just what will occur after Army engineers have completed this $200,000,000 experiment—if ever completed. In other words, in order to benefit comparatively a few powerful syndicates, corporations, and men interested in the land reclamation scheme this Government lends itself to their proposal by law, and then, most absurd of all legislative travesties, we are to reclaim these lands for private interests practically at Government expense, and while so doing increase flood danger to the people of the valley living back of the new levees.

DRAINAGE OF NORTHERN STATES NOT THE CAUSE.

Why talk about the responsibility of Northern States for conditions. Some increased flow in the Mississippi results from drainage of lands along the river, but the chairman of the Flood Committee has said to us that floods in the lower valley are not caused by an increased flow on the upper river, but by floods from the Ohio and Missouri coming at the same time.

LEVEES OR CULTIVATION INCREASE FLOODS—WHICH?

Let me refer to another statement made in the wonderful morocco-covered book by Mr. Fox. On page 19 he says the following:

Flood of 1735: Gayarre states that in this year the waters were so high that many levees were broken and much damage done.

Flood of 1770: A great flood.

Flood of 1782: This year the Mississippi rose to a greater height than was remembered by the oldest inhabitant.

Flood of 1785: A great flood at St. Louis in April said to have been equal to that of 1784.

Flood of 1809: A disastrous flood. It was imagined by the flood sufferers that the northern lakes had found a channel to the river.

Flood of 1815: A very great flood. At the mouth of the Ohio it attained the highest point ever recorded, 2 feet above the high water of 1858.

Mr. Fox rather overdid the subject in his beautifully covered book, because these great floods at an early day, the last at the close of the War of 1812, were long before the North had deforested the country and cultivated the land. It was nature's flood, and the disastrous results of 1735 apparently resulted from breaking away of levees that were used to confine or build against the river. Let us take a further illustration from the same page of the same valuable reclamation document. Here are some gauge readings at Cairo, Ill., for the following years:

| | Feet. |
|---|---|
| 1858 | 49.5 |
| 1859 | 46.5 |
| 1862 | 50.7 |
| 1867 | 50.9 |
| 1874 | 47.4 |
| 1876 | 46.4 |
| 1881 | 45.8 |
| 1882 | 51.8 |
| 1883 | 52.3 |
| 1884 | 51.8 |
| 1886 | 51.0 |
| 1893 | 49.3 |
| 1897 | 51.7 |
| 1898 | 49.8 |
| 1903 | 50.6 |
| 1907 | 50.3 |
| 1912 | 53.0 |
| 1913 | 54.7 |

Again, a test of common sense is of far more value than abstract theories. From 1858 to 1893, for a period of 35 years, the upper Mississippi Valley and the upper-river country had made gigantic strides, and practically all in cultivating land and draining into rivers, and yet during that 35 years the floods from 1858 to 1876 averaged 48.9 feet and from 1881 to 1893, 50.3, or a gain of 1 foot 4 inches in the last 6-year period, during which practically all the farm land tributary to these valleys, excepting in the far West, had been cultivated. The actual flood in 1893 was less than the flood of 1858. It must be remembered that levee building during this period had also begun to have some effect on floods. Abundant testimony of levee effects in raising flood levels can be cited and for obvious reasons.

From 1897 to 1913 levee building was rapidly increasing, although land cultivation in the upper valley had not varied as in the prior period, and yet in that latter period the increase was again 1 foot 4 inches, indicating that levee building and not cultivation or drainage was in large part, if not entirely, responsible for increased flood level. In other words, the beautifully spun theories of the land reclamationists do not stand analysis according to their own elaborate arguments.

Cultivation of land in the north, including drainage and all other agencies that have been constantly presented, have not been the cause of floods and have had little, if any, effect on the lower river. Levee building, on the contrary, has rapidly dammed up the river and where unable to break through the banks, the waters have been held back by a narrowing of the river. This is a simple truth evidenced beyond controversy by the tables submitted. It is in line with the statements of engineers on the effect of levee building, and to sum it up briefly, it is common sense.

It is further to be borne in mind that as the flood height increases the disastrous effect of sand boils and other breaks in the levees also increases in far greater proportion because of the increased pressure and rapid torrent caused by a narrowing of the river through levee construction. Again, this is no high-spun theory but the experience of practical men living on the river, whose opinions are as valuable on this point as the scientific theories of Army engineers, who so frequently disagree among themselves.

Probably any increase through land cultivation is insignificant compared with the natural flow of the river during all the ages, for no floods exist of importance excepting when the Ohio and Missouri are both at flood time. All the $60,000,000 to be spent on Ohio River locks and dams is of no value in staying the flood. Nature will not be governed by the puny works of Army engineers. The flood comes, and all the king's horses and men can not affect it in the slightest degree under this bill, because no effort is put forth to restrain these waters.

They enter the Mississippi at the Missouri and Ohio and flow down the valley as they have always flowed, but now the genius of Army engineers and the cupidity of man have determined that 16,000,000 acres of land which heretofore soaked up and stored the flood waters is to be taken from the river. Its waters for 70 miles wide and 70 feet deep in the channel are now to be confined by levees to a sluiceway 3 miles and less in width, on the average, held by artificial banks that will be undermined, to be swept away just as they have been before under this same fruitless experiment.

Our responsibility goes far beyond the $200,000,000 burden we are about to load onto the taxpayers of the country with this Mississippi Valley scheme; it is now a responsibility to the people of the valley who have been deceived and deluded over

an artificial protection that will not protect, and we are called upon to give legal sanction to the deception. The Government ought to be held liable for future damages and loss of life if caused by our fault. There is no relief, there is no redress, and all the mistakes of Army engineers in levee building have been borne by the people along the river in past years as they will be hereafter.

It is a responsibility not lightly undertaken, and ought not to be determined in a day or a week just because vast private-land reclamation interests are hammering at the doors of Congress.

Let us ascertain from the best obtainable authority, a high-class commission, removed from present influences, just what advance has been made, and instead of plunging blindly in the dark let us show legislative wisdom that befits the responsibility we are called upon to bear and act upon our own judgment and not because of a flimsy report presented on this great problem by a committee of laymen after two months' consideration.

THE CALIFORNIA RECLAMATION PROJECT.

Mr. Chairman, the flood committee's report is unique and one that deserves more than passing mention. Twenty-one pages of the report are given over to a dissertation of the Mississippi River, written presumably by the able chairman of the committee [Mr. HUMPHREYS] who writes of a subject close to his heart and in which he and his constituents have been deeply interested for years.

I call attention to this fact because the report contains 167 pages and all of the balance of the report, covering 146 pages, is written, according to a statement on page 23, by Mr. CURRY, another member of the Flood Committee, and in that report the writer ably and exhaustively covers a subject in his home State of California in which he, too, is deeply interested.

It is rather an unusual proceeding for two members of a committee, and of great influence on that committee, to express the sentiments of the committee in the report on two projects, the only ones contained in the bill, reaching many millions of appropriations. Floods have been brought to public attention all over the country, disastrous floods that filled the streets of cities and created loss of life and property. Floods from North Dakota and Ohio to my own State and Texas. Floods that call for some positive investigation and aid so far as may be permissible under our legislative practices, and yet we find that the only floods that receive attention from the committee are those affecting the Mississippi River, which have challenged the study of engineers and experts for a century or more, only to be decided and disposed of by the committee and its chairman in two months. The other single project is that affecting a land-reclamation proposition in California that has been knocking at the doors of Congress for many years only to be jerked in out of the cold by a Flood Committee which found time during its two months of arduous service, when not studying the Mississippi River problem, to give a few thoughts to the California débris proposition.

Fortunately two very able men, both deeply interested in their respective projects, were serving on that committee and able to render service without the necessity of any exhaustive investigation in either case by committee members. No lives were lost or at stake in the California project, but land reclamationists in the Sacramento Valley were as eager to get their project through as were those from the Mississippi Valley. The Sacramento project would never get through as a separate bill and the Mississippi project might find hard sledding if standing alone, but combined the forces include many veteran defenders, who, incidentally, will support both measures in order to get the one through that lies nearest the heart.

With only two days' notice of the bill, the California project, set forth in the 146-page report, is submitted for our consideration. Not one Member in twenty will be able to read and digest it in the limited time given for its consideration. I do not propose to make any extended statement regarding this project, because time is brief and I can only give one or two suggestions that may be entitled to be considered when it is remembered that $5,200,000 is to be taken out of the Public Treasury for this land-reclamation scheme.

Formerly this project was urged as an adjunct of navigation, but after the Government board said, in House Document No. 81, Sixty-second Congress—

The board reports that the execution of this project is not necessary in the interests of navigation—

a gloom fell upon and over the reclamation project at Washington.

No claim, so far as I know, is urged that lives or property are in danger, but a large tract of land awaits reclamation and the Government is asked to aid the enterprise.

The project extends from Sacramento to many miles above that city and covers different reclamation districts. It also is part of a by-pass project that extends down near the mouth of the river, according to the map. No one will dispute that the Sacramento River has some considerable navigation near the mouth of the river, where different industries are located, and the Government has been reasonably generous with appropriations for that navigation.

No one will dispute that a small traffic extends to Sacramento, although nothing compared to that around the mouth of the river. I say this from personal observation. However, the lower Sacramento River is entitled to the same Government aid given other rivers with equal commercial importance and no one will seriously object.

But, the reclamation plan proposed, covers a project reaching far up the Sacramento and Feather Rivers where nothing larger than a canoe or a little gasoline launch ever goes, I am advised, and I submit that when it comes to either navigation or reclamation, the committee exceeded its powers in giving $5,200,000 to this project.

I shall not discuss its details as shown by documents referred to in the bill but will say it is a project that has been opposed by others in Congress in times past, and the whole subject deserves careful investigation before we accept the Flood Committee's report recommending over $5,200,000 appropriation.

INCURRING THE IRE OF A DÉBRIS OFFICIAL.

In the early part of the session I placed in the RECORD a few remarks on the subject of Government waste in connection with river and harbor bills. In so doing, incidentally, I referred to the Sacramento and Feather River land reclamation proposition and mildly suggested it did not enter into the province of Uncle Sam to help finance the project. Certainly the suggestion was not made with any intention of arousing the ire of Mr. McClatchy, who has something to do with the débris commission out in California, and is also reputed to run the Sacramento Bee, a publication of "wide circulation" and large influence—to quote a usual allegation encountered in musty legal documents relating to abusive press extracts.

Mr. McClatchy did not like my brief comment on his pile of débris, in fact he said some very harsh things, not as chairman of the débris commission, but as editor of the Bee. His remarks were printed in circular form, one copy coming from friends in my own district, who wrote that such knocks were boosts among my constituents.

Another circular was handed me by a friend in the California delegation with the remark that Mr. McClatchy is a "nice" man, but his hobby is in the direction of débris, and who "touches a hair" of the débris, dies, and so forth.

Long since I have avoided controversies with molders of public opinion, whether of the class represented by Representative MOORE's monthly message to a waiting inland-waterway public or to more pretentious publications. It is unsafe to criticise any waterway venture urged by the gentleman from Philadelphia, because, if so, the vials of wrath of the bulletin are thrown and dumped over the critic. That is a possible reason why the last monthly inland waterway molder of opinion does itself great justice in an issue just at hand. Such effusions also serve to boost canal-joke projects, because frequent reference to Shakespeare's jesters indicates its serious arguments are in a joking humor all its own.

I will not criticize Mr. McClatchy's work as chairman of the débris commission, because I do not care to have the Bee buzzing around in angry mood, and, further, because Mr. McClatchy is properly vouched for as a "nice" man. California has many good men, including its splendid body of Representatives, who are diligent, able, and popular, and well able to care for California's interests. California has many other popular men, including Willard, McClatchy, and Goldberg, and from fighting to humor the great State has its full share of celebrities.

I would not knowingly provoke one who possesses both qualities in a marked degree, but, I submit, a public servant like the chairman of the débris commission ought not to take as a personal affront a difference of opinion possessed by Representatives on this floor on how much of the débris this Government ought properly to take over and pay for out of the Federal Treasury.

That is one of the things we are sent here to determine, and while the private-land reclamation interests of the Sacramento Valley have a right to ask for public money with which to feather their Sacramento holdings, we are charged with a public duty to see that they do not break into the Treasury unless entitled to do so.

SOME INFORMATION NOT FOUND IN THE REPORT.

I have had what purported to be facts regarding this reclamation project presented to me by friends of the project, and by dis-

interested people, on the other hand, who denounced it in general terms, claiming that syndicates, including Armour interests and other large interests, are pushing a project which involves 400,000 acres, and further involves an increased value to these lands of something like $50,000,000, as I am further informed. This is a large stake and well worth fighting for, but the taxpayers of the country, who are footing unprecedented bills at the present time, are concerned in knowing just why they are putting up $5,200,000 in this bill for a land-reclamation scheme, and even at the risk of incurring the displeasure of the chairman of the débris commission out in California, I urge a full investigation by Congress before approving this large expenditure.

PROTESTANTS ARE NOT AGREED ON RECLAMATION PLANS.

I hold a printed protest signed by the board of supervisors of Sutter County and the district attorney of that county and others against legislative action by California tending to prejudice the rights and property of the people of that country by hasty and unwise reclamation work. These people are in the section covered by a part of this reclamation project.

Quoting from page 2:

A few months before the said report of the State reclamation board (in 1912) was transmitted to the governor of this State (California) certain capitalists, commonly referred to as the Armour-Greber interests, had obtained options on the bulk of the overflowed lands lying south of the Tisdale weir.

Then follows a discussion of the project which is of interest, on page 3, where it says:

Immediately upon the change being made by the State reclamation board the Armour-Greber interests introduced into the legislature a bill creating reclamation district 1500. * * * Sutter County and its resident taxpayers protested against the passage of this bill, and attempted to point out to the legislature the danger to the valuable high land lying to the north and east by the proposed by-pass.

The protest continues:

Said reclamation district 1500 began immediately after the passage of the bill creating it to build its system of levees, and was rapidly building the north levee of its system, * * * which, if completed, would have extended a distance of 4½ miles across at a right angle to said Sutter Tules over and across high land not "swamp and overflowed," but purchased from the United States Government and never before subjected to inundation from that source, whereby approximately 30,000 acres of valuable lands thickly populated and under high state of cultivation would be destroyed. * * *

Keep in mind that not one shovelful of dirt has ever been moved to build any levee to keep this water off. Miles of public highways would have been covered and rendered impossible.

The report then says suits were pending in December, 1914, in court, and further says:

Think of it! Letting men who have labored for years in building up and improving their holdings to dig up $2,000,000 to build a levee to keep water from their premises that reclamtaion district 1500 is diverting from its natural course and throwing onto their land never before flooded from that source.

That is what the Government is now engaged in doing along the lower Mississippi near Memphis and elsewhere.

Mr. Chairman, this protest is from property owners and men of standing in their community. I do not know the exact status of proceedings in California concerning their rights, but I do believe from past experience we are entitled to know all the facts and details from the parties who are protesting against acts of reclamation district No. 1500, which, according to the map attached to the committee report, includes a large part of Sutter County. I do not know the parties—either the Armour-Gerber interests or any of those who protest against the reclamation project proposed by district No. 1500. I am not interested in the controversy, but I believe enough has been shown to invite a full statement of present conditions, not only a statement from the Flood Committee, but from the protestants.

Mr. Chairman, I will not take further time, but submit that we ought not to pass this bill precipitately. Both proposals submitted by the Flood Committee are of deep concern to the people of the respective localities, and even if satisfied that no private rights are jeopardized Congress ought not to appropriate public money excepting to aid in the performance of a permanent public work that is in the interest of the general public.

I attach hereto a resolution I have again introduced at this session, and also a proposed bill I have introduced at this session, both of which have a bearing on the matter under discussion:

[House concurrent resolution 37. Sixty-fourth Congress, first session. In the House of Representatives.]

Mr. FREAR submitted the following concurrent resolution, which was referred to the Committee on Flood Control and ordered to be printed:

Whereas about $200,000,000 have been expended in attempts to control the Mississippi River below Cairo, principally by the use of levees and revetments, which as a means for that purpose are deemed by many to be impracticable and futile; and

Whereas by the present flood-control bill further great sums of money are proposed to be appropriated to continue this questionable attempt by the same means: Therefore be it

*Resolved by the House of Representatives (the Senate concurring)*, That no appropriation made by the present bill shall be available for use upon the Mississippi River below Cairo until the feasibility and advisability of plans which depend upon levees and revetments for control of the Mississippi River below Cairo have been approved or other plans substituted by an advisory board of consulting engineers in accordance with the provisions of H. R. 18169 of the Sixty-third Congress, second session.

*Resolved further*, That the members of such advisory board of consulting engineers, appointed by the President in conformity with the provisions of said bill, shall be confirmed by the Senate.

IN THE HOUSE OF REPRESENTATIVES,
*January 4, 1916.*

Mr. FREAR introduced the following bill; which was referred to the Committee on Rivers and Harbors and ordered to be printed.

A bill (H. R. 6821) creating a national waterway commission.

*Be it enacted, etc.*, That a commission is hereby created and established, to be known as the national waterway commission, hereafter referred to as the commission, which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three of the commissioners shall be members of the same political party. The first commissioners appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the date of the taking effect of this act, the term of each to be designated by the President, but their successors shall be appointed for terms of seven years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. The commission shall choose a chairman from its own membership. No commissioner shall engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission.

SEC. 2. That each commissioner shall receive an annual salary of $10,000, payable in the same manner as the judges of the courts of the United States. The commission shall appoint a secretary, who shall receive an annual salary of $5,000, payable in like manner. The commission shall have the authority to employ and fix the compensation of civil engineers, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated by Congress, and in making appointments for continuous service the commission, so far as practicable, shall select its employees from the classified service.

All property of the United States in the hands or under the control of Army engineers or other officials or of private individuals or public contractors, including dredges, steamboats, barges, yards, and other property used in the improvement of public waterways, shall be placed under the jurisdiction and authority of the commission.

SEC. 3. That the Secretary of War may, if practicable, detail such Army engineers as are requested by the commission to assist in organizing and establishing a comprehensive system of waterway improvement, providing that such details of engineers shall not be made to the detriment of their military duties.

SEC. 4. That the commission shall have the authority and it shall be its duty to make an investigation of all waterway projects now constructed in whole or in part by Federal aid. The commission shall prepare a complete and succinct statement, by years, of the amount heretofore appropriated for each project, the estimated amount required to complete such project, a report of the commerce now served and to be served, the character of such commerce given by separate items so far as can be furnished, the source of information, the interests to be served, the kind of water craft used, and such other information as may be useful in determining the public use and value of the project. The commission shall also furnish Congress, at the earliest practicable date, information concerning all harbors and waterways now improved or being improved in whole or in part by Government aid, showing the amount of commerce, character of terminals or landings, ownership thereof, and, so far as practicable, ownership of regular lines of craft used thereon; and the commission shall also report its recommendations for the finishing of the projects now being constructed or modification of existing plans or abandonment of work on any project, together with findings upon which such recommendations are based.

The commission shall further ascertain and report what projects are now being improved for purposes other than navigation, and if for power developments, a full statement of interests concerned, officers and stockholders, public use to be served, if any, private or public contribution toward expense of construction, and the commission's recommendations thereon. Said commission shall further ascertain and report what projects are now being carried on in whole or in part for land-reclamation purposes, the character of such project, amount of lands to be recovered, estimated value of such lands, ownership thereof, and contributions now being made by beneficiaries toward such expenditures, together with the commission's recommendations.

The commission shall make a full investigation into all work now being performed by the Mississippi River Commission, the amount of money heretofore expended on such river, character and permanency of work performed, and reclamation interests now being served if there be any, a full statement of contributions by public or private interests toward said work, together with a comprehensive and intelligible report of the probable cost of the present plans of levee construction or other river improvement now being undertaken, the percentage of project completed, and this commission's recommendation thereon. Such Mississippi River report shall be separate and distinct from reports on other projects now under improvement by the Federal Government.

All of such data and all other available information of a pertinent character affecting particular projects or entire waterway improvements now being conducted by the Federal Government shall be collected in convenient form and presented to Congress in installments at the earliest practicable date.

When the commission shall have reason to believe at any time that the proposed project is not for general use of the public or will not warrant further expenditures, or if contributions shall be required to be furnished before further appropriations are made or further expenditures authorized, such commission shall immediately report to Congress, with a preliminary recommendation thereon, and shall furnish a copy thereof to the United States Treasurer. That thereupon, when so recommended, the Treasurer shall withhold all funds heretofore appropriated not specifically obligated under existing contracts and shall refuse further payments until subsequent and specific action shall be had thereon by Congress.

SEC. 5. That prior to the presentation of any new waterway project appropriations the commission shall cause a careful survey of the proposed improvement, and if it shall appear such project is to serve a public use and is feasible, the commission shall thereupon collate data showing the estimated cost thereof, commerce to be served, water craft to be used, public terminals furnished, and contributions recommended to be made by public or private interests, together with such additional data as has heretofore been specifically required to be furnished on existing projects. The commission shall thereupon transmit to the Committee on Appropriations of the House of Representatives a full report concerning such new project or projects, its recommendations thereon, and, if requested so to do, all other and further information that may be required by the Committee on Appropriations.

Whenever the commission shall determine that any waterway project is primarily for power or land-reclamation purposes or to serve special interests, the commission may recommend Government aid for such project, notwithstanding the special interests to be served, and shall prepare data showing the proportionate amount of Federal aid recommended, together with suitable restrictions as to audit and payment of funds from the Public Treasury. Such recommendation shall be presented as a proposed separate bill to the Committee on Appropriations of the House and shall not be embodied in any general waterway appropriation bill by such committee.

Whenever any new survey shall be proposed for any waterway project the commission, prior to such survey, may require data to be furnished showing the public use and prospective commerce to be served and such other information as may be desired, and a brief synopsis of such information shall be furnished to Congress by the commission to accompany any recommendations made for new surveys.

All existing waterways, new projects, and new surveys shall be classified, so far as practicable, prior to each regular session of Congress, together with estimates of appropriations required for maintenance and improvement for the ensuing two-year period, and a brief report as to each project considered shall be separately prepared and, with the commission's recommendation thereon, shall be placed in the hands of the Committee on Appropriations of the House at the beginning of each session.

Whenever the Appropriations Committee so requires, the commission shall furnish additional data concerning any project, and shall further aid the Committee on Appropriations when requested so to do in the preparation of the regular river and harbor bill which shall be prepared and presented by the Committee on Appropriations of the House.

The commission shall further compile and cause to be published at the earliest practicable date for the use of Congress an intelligible, concise statement of past waterway expenditures by the Government and of amounts needed to complete all continuing projects, and shall further give estimates of future obligations to be incurred by new projects recommended for construction. The commission shall give preference in its recommendations to Congress of appropriations needed to complete the more important projects, and, so far as practicable, shall enter upon a program looking toward the early completion of such projects.

The commission shall make a thorough investigation of reasons for loss of river traffic and shall make recommendations for the reestablishment of such traffic. It shall ascertain and determine the most available craft for river use, and, as soon as practicable, shall prepare plans and build experimental craft for such purpose.

Whenever reason therefor shall appear the commission may fix reasonable freight rates on all interstate water-borne traffic by common carrier and upon all such traffic on navigable waters wholly within the State, subject, however, to the jurisdiction now conferred by law on the Interstate Commerce Commission to fix maximum joint rates between and over rail and water lines.

The commission shall determine the reasonableness of wharfage or water terminal charges, whether such terminals are owned by private persons or municipalities, and all river and harbor improvements, including terminal facilities, shall be under the supervision and control of the commission.

Whenever the commission shall determine that unprofitable railway freight tariffs are maintained in any given case in order to prevent waterway competition, it shall be the duty of the commission to make a report thereon in duplicate to the Interstate Commerce Commission and to Congress, with recommendations that Congress give power, if need be, to the Interstate Commerce Commission for fixing minimum railway rates.

The commission shall at the earliest practicable date adopt an intelligent system of natural waterway improvement and shall perform such other and further duties as may present themselves from time to time.

Whenever it shall be desirable to secure sworn testimony from any witness or witnesses relating to any project or to navigation generally, or whenever the commission shall have reason to believe that private interests are secretly or improperly seeking to influence the commission or to force the passage of any private or public waterway measure through Congress, the commission may cause a hearing or summary investigation to be held, and for that purpose may issue summons, subpœnas, or other writs in the same manner and under the same procedure as is more specifically set forth in the act to regulate commerce approved February 4, 1887, and the amendments thereto, which portions of such act relating to procedure, so far as applicable, are made a part of this act, and may bring before such commission all parties believed to be informed concerning the facts or interested in the passage of such measure. A complete record shall be preserved of the testimony taken at such hearing and a certified transcript thereof shall be transmitted immediately to the Committee on Appropriations.

SEC. 6. That all unexpended balances to the credit of any project not specifically obligated under existing contracts shall from the date of the passage of this act be transferred by the Treasurer to the general fund, and all vouchers thereafter paid by the Treasurer shall be upon order of the National Waterway Commission.

SEC. 7. That the sum of $500,000, or so much thereof as may be necessary, be, and the same hereby is, appropriated, out of any money in the Treasury, to carry out the provisions of this act.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. I would like to have the attention of the chairman of the committee. This is rather a short bill. Will it be agreeable to the chairman of the committee to have the bill considered by paragraphs rather than by sections? I think it would be better order, and we could get along as rapidly.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I would not care to make any agreement on the subject. There is no desire to cut off debate.

Mr. STAFFORD. We are up to that proposition now. We understood the gentleman was going to be liberal in allowing debate. The way to be liberal is to have the bill considered by paragraphs.

Mr. HUMPHREYS of Mississippi. The gentleman does desire to be liberal, and has no desire to force any vote at all. We will give gentlemen what time they desire as far as we can. It is not our desire to crowd the matter, but there is no reason why we can not consider the bill under the rule just as well as any other way.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry. In the consideration of this bill will the bill, under the five-minute rule, be considered by paragraphs or by sections?

The CHAIRMAN. It will be considered by sections. The rule is to that effect, except in the consideration of appropriation bills.

Mr. STAFFORD. Then I understand the chairman is not willing to grant that concession?

Mr. HUMPHREYS of Mississippi. I can not see the gentleman's point. What difference does it make to the gentleman?

Mr. STAFFORD. It improves the consideration of the bill. In the first section it is divided into four different subheads, (a), (b), (c), and (d).

Mr. HUMPHREYS of Mississippi. The river and harbor bill consists of one section which covers 30 pages, and every paragraph is subject to amendment. It will be considered by paragraphs under the rule, as I understand it.

Mr. STAFFORD. That is all I ask. Has the gentleman any objection to considering it in that way.

Mr. HUMPHREYS of Mississippi. Not a bit.

Mr. STAFFORD. Then, Mr. Chairman, with the assent of the chairman of the committee, I ask unanimous consent that the bill be considered under the five-minute rule by paragraphs.

The CHAIRMAN. Is there objection?

Mr. HEFLIN. Mr. Chairman, reserving the right to object, I desire to ask the chairman of the committee if he thinks we can get through with this bill to-day?

Mr. HUMPHREYS of Mississippi. I do not.

Mr. HEFLIN. Does the gentleman think that we can get through with it in another day?

Mr. HUMPHREYS of Mississippi. Undoubtedly. I think we can get through with it in two days.

Mr. HEFLIN. The gentleman has no objection to considering it paragraph by paragraph?

Mr. HUMPHREYS of Mississippi. None.

Mr. STAFFORD. There are only about 12 paragraphs altogether.

Mr. HUMPHREYS of Mississippi. I think we can get through in two days. I have had assurances from gentleman on the other side that they would not attempt to prevent a vote.

The Clerk read as follows:

*Be it enacted, etc.*, That for controlling the floods of the Mississippi River and continuing its improvement from the Head of the Passes to the mouth of the Ohio River the Secretary of War is hereby empowered, authorized, and directed to carry on continuously, by hired labor or otherwise, the plans of the Mississippi River Commission heretofore or hereafter adopted, to be paid for as appropriations may from time to time be made by law, not to exceed in the aggregate $45,000,000: *Provided*, That not more than $10,000,000 shall be expended therefor during any one fiscal year.

Mr. McKELLAR. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I want to say to the committee that my State is not itself at present at all events directly interested in this measure, inasmuch as none of the appropriations will likely be expended for levees in the State of Tennessee. However, I am heartily and earnestly in favor of this bill because I think it is the only feasible method, so far as we are now advised, of dealing with this great question of flood control in the Mississippi River. Other plans have been suggested, but none of them has made an impression on the public mind generally. Now, we have had to deal with it in Tennessee without any Government aid at all. The city of Memphis, from which I come, has but recently spent a million and a half dollars of its own money for the purpose of building a levee to keep the waters of the Mississippi River out of that city, and Congress declined to contribute a dollar to the work. Why did we have to spend this large sum? Simply because the levees have been built on the other side, which raised the water higher, and thereby brought it into Memphis, and because the flood waters above us are constantly increasing in volume. Now, we have done what we thought was right and——

Mr. FREAR. Will the gentleman yield for a question?

Mr. McKELLAR. For a question.

Mr. FREAR. Has the Government built those levees?

Mr. McKELLAR. Oh, no; the Government did not build them. The city of Memphis built them. There is where the gentleman from Wisconsin is making a mistake——

Mr. FREAR. I have not charged it, I am asking.

Mr. McKELLAR. I know. Now, the gentleman seems to think we are just beginning this levee-building project. Why, gentlemen, that is not the fact at all. This bill simply provides for the completion of a project begun in 1879. The Mississippi River Commission was authorized that year; they have been going along steadily, but by very small degrees at first, the levee districts in Mississippi, Arkansas, and Louisiana contributing most of the funds to build these levees. The levee districts under direction of the Mississippi River Commission have spent up to date $90,000,000. The Government has spent all told only $29,000,000 up to date, and now the time has come when these levees, to be made thoroughly effective, must be completed by building up the low places and lapses and by making stronger and higher portions that are now low and weak. They are for the most part completed already.

Why, the gentleman from Wisconsin [Mr. FREAR] says that lots of work which has been done has been thrown away. Only a very small portion of the work has been useless. The great majority of the money that has been expended by the levee districts has been expended to good purpose, and it is the groundwork of these levees that are to be built up and completed under the provisions of this bill. Some gentlemen say it is a big appropriation. Why, gentlemen, it is not a great deal larger than we have been appropriating for several years. We have been appropriating some five or six million dollars a year for a number of years for this project, but it has been done by piecemeal. The Mississippi River Commission does not know when it is going to be cut down or be cut off. It can make no definite plans. It can not contract, so as to get the work economically done. This bill merely provides for a completed project—gives the commission this money, so that they can go ahead and make their plans to complete the project within about five years. Now is not that a business thing to do? Why take a dozen bites at the cherry? Why dole out the appropriations, and thus make the work more expensive?

Why, some gentlemen say this is a local matter, and ought to be borne entirely by the landowners; and the gentleman from Wisconsin [Mr. FREAR], in his usual vigorous style, talks about its being absolutely for the benefit of these landowners. I do not look at it that way at all. This river, from the mouth of the Ohio down, is a great channel, which takes away the flood waters of a large number of the States. You see from the map there that probably one-third of the United States, nearly, is drained right through this lower Mississippi Valley.

Mr. EAGLE. Thirty-one States.

Mr. McKELLAR. Thirty-one States. All of those States are being drained to a greater extent every day, and therefore a larger volume of water will come down that river every year. The building of levees along the banks of tributaries, the clearing up of woodlands, the draining of low lands above, are to blame for that. Now, who shall say it is not right and proper, where 31 of our States are drained, in whole or in part, by this lower river, that the United States Government should not do its share to protect the people along its banks from flood waters?

Mr. REAVIS. Will the gentleman yield?

Mr. McKELLAR. I will.

Mr. REAVIS. Is there any part of the Mississippi River which has no levee construction at all?

Mr. McKELLAR. Yes, sir. I will say in the State of Tennessee there is practically none. There is in the northeast corner of Tennessee the levee that runs down from Kentucky about 6 or 8 miles, I think, into Tennessee territory, but I will tell the gentleman why there are no levees on the Tennessee side now. The foothills come nearer the river on the Tennessee side, and the amount of land subject to overflow, while large in the aggregate, is small comparatively, and the Mississippi River Commission up to this time has taken the position that levees are not practicable. In other words, the commission claims that if a levee district is created there it would cost the landowner such a tremendous amount of money to levee the lands along the Tennessee shore that it would not make a paying investment, and they have never recommended it. Later on we hope to find a way to make it a profitable matter for the Government and the landowners to build levees on the Tennessee side, too.

There is another matter that I here wish to call to the attention of the committee and of the House, and that is, those landowners who are now between the levees and not protected by the levees are entitled to consideration at the hands of the Government. Of course the flood waters on their lands are made higher by these levees. They are the richest kind of lands and, as a rule, after the flood waters go down splendid crops are made on them, but the lands consist largely of islands. It has been suggested in the hearings that mounds should be built at proper places on these islands so that men and stock and cattle could be carried to these mounds safely even during the highest floods. The cost of these mounds will be small. I would like very much to have a provision of this kind to go into this bill, but inasmuch as the main purpose is to build levees I shall not ask for that amendment now. The amount required for such a purpose would be comparatively small.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REAVIS. Mr. Chairman, I ask unanimous consent that the gentleman may have two minutes more—may have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

Mr. REAVIS. Are floods of more frequent occurrence in recent years than they were formerly?

Mr. McKELLAR. Well, I can not say they are more frequent, but they have gone higher. The effect of clearing up the wooded districts above, the effect of draining great areas above, the clearing of land above has made the volume of water that goes down the river larger, and then, too, the building of levees on either side naturally confines the water to some extent and makes the river higher all along down.

Mr. REAVIS. Has the river had a tendency in recent years to fill up?

Mr. McKELLAR. I think not. I listened with a great deal of interest to the statement made by the chairman of the committee [Mr. HUMPHREYS of Mississippi] this morning concerning the report of the engineers about various rivers in the world, and I agree that heretofore it has been thought, under a misunderstanding, and under a pretty general misunderstanding, too, that the beds of those rivers referred to by Mr. HUMPHREYS rose when levees were erected on either side. He mentioned the River Po, in Italy, the Yellow River, in China, and other rivers. There is nothing along the Mississippi River—and I have lived along it for many years—that suggests that the levees have elevated the bed. I think the levees have a tendency to confine the channel and wash out the river rather than to raise the bed of the river.

Mr. REAVIS. As the watershed has been turned from grazing land to cultivated land, has there been a tendency for silt to flow into these rivers so much? I know the Missouri River has a tendency to fill, as well as similar rivers running into the Missouri, in recent years. Has the gentleman known of anything of that kind with reference to the Mississippi?

Mr. McKELLAR. I can not say that I have. I want to say that when it reaches Memphis we have such a big river there, with such a powerful and tremendous current, that while silt may accumulate in certain places, it washes out in others. I have known a place of 1,500 acres made in one section of the river in a short space of time, and other places of equal size washed out in a period of five years. That happened right near the city of Memphis, where I live.

Mr. REAVIS. Is there a very rapid current in the territory with which the gentleman is familiar?

Mr. McKELLAR. A very rapid current. The river is from 40 to 60 feet deep right in front of Memphis.

Now, Mr. Chairman and gentlemen, I hope that you will pass this bill and permit this great project to be completed. It is a matter of justice; it is a matter of right. It is for the benefit of all the people of our country, I believe, in that it is fair to all. We have the channel there to act as a drain for other States. These flood waters come from 31 other States. It is not fair and it is not right that the States through which this great lower river runs should be made to bear all the expense of draining perhaps one-third of the Nation. Your Republican Party declared for it in its last platform, the Progressive Party declared for it, and the Democratic Party declared for just such a measure as this. The people of the United States, I believe, feel very kindly toward it. I believe that they think it is fair that the people along the banks of this river should not be subjected every year to the fear of overflow from the flood waters of so many other States. The waters have gone higher than was expected. These engineers have been working on it for almost a lifetime. They believe that completion is now within their grasp. They believe they have the facts and figures, and have shown them to you in the hearings here, that with this sum of money and with the sums of money that have already been given and will be given by the landowners through the levee districts, the project can be completed. All the political parties are com-

mitted to it. All the great political leaders are in favor of it. The business interests favor it. Let us put it out of the realm of doubt and let us finish the project once for all time. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, the rivers and harbors bill that passed the House last month carried an item of $6,000,000 for the Mississippi River from the Head of the Passes to the mouth of the Ohio River. Bear in mind that we have already appropriated so far as the House is concerned $6,000,000 for the Mississippi River for that section which is specifically referred to in this flood-prevention bill. In addition to that $6,000,000 we appropriated for the Southwest Pass of the Mississippi River $600,000; for the Mississippi, from St. Paul to Minneapolis, $176,000; for the Mississippi, from the mouth of the Missouri to Minneapolis, $1,200,000; for the Mississippi, from the mouth of the Ohio to and including the mouth of the Missouri, $350,000. There are several other Mississippi River items in the rivers and harbors bill. The total, for the purpose of continuing the work upon the Mississippi River, is considerably more than $8,000,000. Now, that is one year's contribution by the Congress of the United States to the purposes of the Mississippi River.

I have here a report, House Document No. 1491, being a résumé of preliminary examinations, surveys, projects, and appropriations for the improvement of rivers and harbors, embodying a letter from the Secretary of War, which sets out in an analysis of appropriations for the various rivers that for the Mississippi River from the Head of the Passes to the Ohio River there has been appropriated up to March 4, 1915, $87,077,000. I am not giving odd numbers. Eighty-seven million dollars has already been appropriated and used for the improvement of the Mississippi for navigation purposes and flood prevention in building levees and revetments up to March 4, 1915.

For the whole Mississippi River—that is to say, from mouth to source—there has been appropriated up to date, March 4, 1915, a total of $166,498,000. Now, when gentlemen say, "Let us continue the improvement; let us go on and finish it," I would not have them forget that under the guise of flood prevention they are now asking for $45,000,000, in addition to more than eight millions already appropriated this year in the rivers and harbors bill and in addition to $87,000,000 already appropriated and spent on the Mississippi from the Head of Passes to the Ohio River.

Mr. HUMPHREYS of Mississippi. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. HUMPHREYS of Mississippi. What warrant has the gentleman for saying that we are asking for this in addition to the $8,000,000?

Mr. MOORE of Pennsylvania. Because the gentleman himself—very naturally and commendably, and if I came from his State and from the banks of that river I would probably stand as he does—advocated these items in the rivers and harbors bill for the Mississippi River improvement and because the same gentleman, who is vigilant and entitled to all the enconiums that are coming to him to-day, now comes in with his flood-prevention bill and blandly asks for $45,000,000 more.

Mr. HUMPHREYS of Mississippi. Well, Mr. Chairman, of course I admit all the good things that the gentleman said about me to be true [laughter], but the gentleman does understand that the appropriations authorized in this bill are for a subsequent year and are not to be applied to the fiscal year for which the $6,000,000 carried in the river and harbor bill was appropriated.

Mr. MOORE of Pennsylvania. That is true.

Mr. HUMPHREYS of Mississippi. And if this bill should become a law the river and harbor bill for the next year would carry no provision for this particular part of the river.

Mr. MOORE of Pennsylvania. Well, that is a declaration that I have heard from the gentleman for the first time.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent for five minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. That is a declaration which the gentleman may have made before, but I did not hear it. It is such a declaration as the gentleman did not make when he came in with his proposition for the creation of a Flood Control Committee. I think I asked the gentleman—and if I did not ask him, I certainly asked the chairman of the Committee on Rivers and Harbors—whether we would stop making appropriations for the Mississippi River in the river and harbor bill after the Flood Control Committee got to work, and I did not receive a very satisfactory answer to that question.

Mr. HUMPHREYS of Mississippi. I can tell the gentleman just what question he asked and what answer was given, as I recall it. He asked if the appropriations to be authorized by this committee, which has no power to appropriate, would thereafter be carried in the sundry civil bill or the river and harbor bill, and some gentleman stated that, in his opinion, it would still be carried by the river and harbor bill. But I take it that the gentleman from Pennsylvania was not seriously impressed with that statement. Of course the appropriations authorized will be carried in the sundry civil bill.

Mr. MOORE of Pennsylvania. I would much underrate the ability and the assiduity of the gentleman from Mississippi if I thought he would leave unimproved any chance to get in under the sundry civil bill if he gets the authorization desired in this flood-control bill. The gentleman will be there with both feet at the proper time.

Mr. HUMPHREYS of Mississippi. The gentleman means I will have both feet in the river and harbor trough, or in the sundry civil bill. [Laughter.]

Mr. MOORE of Pennsylvania. I mean to say that "if anybody can, the gentleman can." [Laughter.]

Mr. HUMPHREYS of Mississippi. It is nevertheless true that the appropriations authorized in this bill will hereafter be carried in the sundry civil bill, and not in the river and harbor bill.

Mr. MOORE of Pennsylvania. I am glad to hear the gentleman make that statement, because it takes me to the thought that the appropriations transferred to the sundry civil bill will not prevent these numerous other appropriations for tributaries of the Mississippi that will be carried in the river and harbor bill.

Nevertheless I want to say this to the gentleman who plead with us to let them go on and finish this job: You have been at it since 1879, with the best engineering talent that this country could give you, and you have been taken care of to the extreme limit, even to the extent of building shipyards in which to build your boats, and dry docks in which to repair them. It is easy to see why this movement is popular. I can even understand why some great distributing cities like St. Louis or Chicago can appreciate the importance of a measure which means that in their vicinity there will be spent during the next five years, $45,000,000 on this work on the lower Mississppi.

I am not referring to that particularly. I am calling attention to the fact that these gentlemen who are pleading now for "completion," have been at it for 30 years, and in that time have taken from the Treasury $168,000,000, or more than was given to the Atlantic seaboard projects in more than 100 years. When we are asking a little help along the Atlantic seaboard to open a passageway and make more commerce to create more revenue to spend on the Mississippi, "Wait until we complete our job on the Mississippi," is not calculated to encourage any other worthy project. It spells postponement. I have differed with eminent members of my own party on this proposition. Once a President of the United States in a speech delivered somewhere out in Ohio, declared that the first and only project that should be completed was the Ohio River. That meant that if we were to go on with the Ohio River and complete that $63,000,000 project the appropriation would be so reduced that every other worthy project in this country would be postponed. It did not seem fair.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I would like to have more time. I ask unanimous consent for five minutes more.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may have 10 minutes more.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Pennsylvania may have 10 minutes more. Is there objection?

There was no objection.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Mississippi.

Mr. HUMPHREYS of Mississippi. The gentleman says there has been $166,000,000 more spent on the Mississippi than there has been on the Atlantic seaboard.

Mr. MOORE of Pennsylvania. No; I say that is more than was spent on the Atlantic coast. We had only about $140,000,000 up to 1907.

Mr. HUMPHREYS of Mississippi. But the gentleman does not want to convey the impression, by putting that statement

about the $168,000,000 in such close juxtaposition to his criticism of the project now under discussion, that $168,000,000 has been expended upon it.

Mr. MOORE of Pennsylvania. I say on the whole Mississippi River project.

Mr. HUMPHREYS of Mississippi. And its tributaries.

Mr. MOORE of Pennsylvania. No; not its tributaries. I am simply quoting the report of the Secretary of War. I will refer to the page, so that the gentleman and I may not differ on it. It is page 495 of House Document No. 1491. The summary of the total appropriation for the Mississippi River winds up with a total of $168,498,996.99.

Mr. HUMPHREYS of Mississippi. Now, the gentleman does not mean to say that that was spent on that reach of the Mississippi River which is provided for in this bill. If he does, I want to correct him.

Mr. MOORE of Pennsylvania. I know what this bill provides for. It provides for the river from the Head of Passes to the Ohio River.

Mr. HUMPHREYS of Mississippi. Yes. The $168,000,000 has not been spent on that.

Mr. MOORE of Pennsylvania. No; but on the whole Mississippi River, as I have told the gentleman. I have been very careful to differentiate.

Mr. HUMPHREYS of Mississippi. I want the House to get that very clearly in its mind—that there has been $85,000,000, or approximately that, appropriated—it has not all been spent—for the Mississippi River Commission since 1881.

Mr. MOORE of Pennsylvania. The appropriations for the Mississippi River, from the Ohio River to the Head of the Passes, including surveys from Head of Passes to headwaters—that is to say, the Ohio—the appropriations running from June 18, 1878, which was the year before the Mississippi River Commission was created, to March 4, 1915, total $87,077,191.28. Bear this in mind, now. We have differed on this before. This is found on page 492, letter of the Secretary of War, being House Document No. 1491.

Mr. HUMPHREYS of Mississippi. Of that amount, the sum of $29,000,000 has been spent for levees; $43,000,000 has been spent for revetments which the Engineer says are absolutely in the interests of navigation. Now, the gentleman understands that down to the year 1900 the Mississippi River was the greatest highway of commerce in this country—one of the greatest in the world.

Mr. MOORE of Pennsylvania. In the days of the old flatboats, before the railroads; yes.

Mr. HUMPHREYS of Mississippi. Prior to 1900. So that the figures which the gentleman has given, which go back over 40 years, when the river was being improved for navigation, have no relation whatever to the subject of improvement which is now before the House.

Mr. MOORE of Pennsylvania. I beg the gentleman's pardon. The Mississippi River Commission was created in 1879.

Mr. HUMPHREYS of Mississippi. The first appropriation was made for it in 1881.

Mr. CAMPBELL. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will yield as soon as I state these figures. I wish to state them because there has been a misunderstanding, and I want the gentleman from Mississippi to be correct, as I am correct. I am now quoting from pages 491 and 492 of the official statement of the Secretary of War in House Document No. 1491, showing the appropriations for the Mississippi River from the Ohio River to the Head of the Passes from June 18, 1878, one year before the organic law creating the Mississippi River Commission, down to March 4, 1915, amounting in the aggregate to $87,077,191.28. Those are the figures. Now, I yield to the gentleman from Kansas.

Mr. CAMPBELL. What I want to know is this: Do the gentleman from Mississippi [Mr. HUMPHREYS] and the gentleman from Pennsylvania [Mr. MOORE] place the relative value of their measures upon the comparative amount that has been appropriated heretofore for either of those matters? If they do, they are giving to the country something to use in support of the country's campaign against pork-barrel appropriations for rivers and harbors. If the Mississippi River has no better claim for appropriations than the fact that it has not had as much as the Atlantic coast, and if the Atlantic coast has no better claim than that it has not had as much as the Mississippi River, then both of these claims are resting upon a very poor foundation.

Mr. MOORE of Pennsylvania. The gentleman's lecture is about as helpful as it would be for him to suggest that when we are getting appropriations for the cattle tick they are all right, but when we are getting them for rivers and harbors they are all wrong.

Mr. CAMPBELL. No; I am basing it on the position that these gentlemen are now taking.

Mr. MOORE of Pennsylvania. The gentleman is taking a very high plane. I estimate him highly and admire him, but still I do not care to sit here and see all the money that comes into the Treasury of the United States go into the State of Kansas, because they may need it, and none of it go into the State of Pennsylvania; that is all.

Mr. CAMPBELL. We get very little of it in the State of Kansas. Cow Creek does not get an appropriation, and it should be improved just as much as many streams in the country, and we do not have any money for the cattle tick, either.

Mr. MOORE of Pennsylvania. If Cow Creek had more water and fresher water, the cows would be healthier. [Laughter.]

Now, Mr. Chairman, I have no desire to be captious with anyone on this proposition; but so long as gentlemen argue in support of this measure that we ought to be fair with them and give them the money "to complete this project," I think it is fair to say that there are many worthy projects in the river and harbor bill that are awaiting completion, upon which work has been postponed. I submit that if appropriations for rivers and harbors are to be cut down to $25,000,000 per annum, it will be impossible to deal fairly with all parts of the country so long as a project demanding $45,000,000 takes precedence over the other worthy projects. And so, as to the Ohio, which I want to see improved along with the Mississippi, I differed from my President, the President of the United States, when he argued—and I presume it was a matter of State pride—that all else should give way to the completion of the Ohio. The gentleman from Mississippi [Mr. HUMPHREYS] and the forthcoming Senator from Tennessee [Mr. MCKELLAR] imbibe a little of that pride once in a while, and so do I. And it is perfectly natural that even a President should want to see his own project written into the statutes first. But if it takes $63,000,000 to complete the Ohio, for instance, to say nothing of the Mississippi, and all other work is to be suspended until that splendid stream is to be dammed up to the limit, from Pittsburgh to Cairo, 900 miles, with a uniform depth of 9 feet, what is to become of the other great and worthy projects which are bearing commerce, which are creating revenue, and which are capable of doing greater good if properly recognized by Congress?

Mr. MCKELLAR. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. MCKELLAR. I want to say that I like the gentleman from Pennsylvania very much.

Mr. MOORE of Pennsylvania. And I like the gentleman from Tennessee.

Mr. MCKELLAR. But I am not quite sure that he is familiar with the project.

Mr. MOORE of Pennsylvania. Mr. Chairman, I have seen the banks of the Mississippi drop off into the river like a piece of cheese clipped from a cake by a sharp knife.

Mr. MCKELLAR. With the gentleman's knowledge of what has already been done to complete the levees and with his knowledge of the whole project, is the gentleman in favor of not completing that project, and will he say that to this House?

Mr. MOORE of Pennsylvania. I should be delighted to vote to complete it to-morrow, if assured that it could be done; but I question whether $45,000,000, taken in this sumptuary manner away from river and harbor work, would complete the project to prevent floods to-morrow or next year or the next 100 years.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DYER. Mr. Chairman, since the beginning of my service in this House I have pointed out upon several occasions the great importance of enacting legislation to control the floods of the Mississippi River and to improve the river for navigation. I have introduced bills to bring this about. This Congress created the Committee on Flood Control. The real work was thus started, and we now have before us this splendid bill. It aims to do two things—control the floods and improve the river, just what I have advocated.

The distinguished chairman of this committee, Mr. HUMPHREYS of Mississippi, has ably explained the details of this bill and its importance. He said, in part:

Under the terms of the bill the Government will contribute $30,000,000 for levees and $15,000,000 for revetment, whereas local interests will contribute not less than $10,000,000 for levees, and, in addition, will furnish rights of way, damages, and so forth, and assume all the burden of maintenance. But even if the commerce had passed from the river never to return, which is untrue and wholly and thoroughly improbable that it will ever be true, the money appropriated will have been well invested. Sixteen million acres of the geological cream of the earth are waiting the magic touch to spring into fields of waving beauty. The people of the lower valley have, out of their own pockets, spent more than $100,000,000 since the Civil War in the construction of

levees. This is more than enough to have built the levees high enough and strong enough to have withstood the greatest flood that ever came down the river had not the States of the northern valley perfected their drainage system. They stand ready to continue their contributions, but they do insist that the Federal Government tote its part of the load. Holland spent $46,000,000 to reclaim 2,000 square miles in the Zuyder Zee. Egypt spent $53,000,000 to reclaim 2,200 square miles in the valley of the Nile. Surely this great Nation can afford to contribute $45,000,000 toward the reclamation of 20,000 square miles, when by the same act more than 1,000 miles of the world's mightiest river will be rendered capable of carrying the commerce of an empire.

Mr. Chairman, this is one of the greatest preparedness and conservation measures that has ever come before the Congress of the United States. It will protect the lives and the property of thousands of the people of the Mississippi Valley.

One very great good that will come with the enacting of this bill into law and the completion of this project will be the assistance and encouragement it will give to restore river transportation. Once the river is safe from overflows, the channel will be more settled and safer for barges and ships to haul commerce. The great States of the Mississippi Valley are now earnestly at work to provide docks, terminals, and barges to carry freight on the river.

In 1880 the traffic on the Mississippi River amounted to nearly 2,000,000 of tons annually. During recent years it has not amounted to more than 150,000 tons. The great falling off has been due to quicker transportation by railroads and to the failure of cities to build docks and terminals. The opening of the Panama Canal has made practically necessary the restoration of Mississippi River transportation, or our cities and the people of the Mississippi Valley must suffer in loss of trade and business. I am glad to say that we are alive to the true situation. St. Louis is beginning to build docks and terminals. In fact, every important city on the Mississippi River is now building or has plans for providing modern docks with rail connections and the proper machinery for loading and unloading. Some of the cities that are taking advantage of this situation in regard to docks, terminals, and so forth, are St. Louis, Minneapolis, St. Paul, Rock Island, Dubuque, Clinton, Davenport, La Crosse, Muscatine, Fort Madison, Keokuk, Quincy, and New Orleans.

Mr. Chairman, the Atlantic coast cities have a vast advantage now over the Mississippi Valley cities in the transportation of their products by reason of the Panama Canal and an all-water route, and I am glad to hear that the distinguished gentleman from Pennsylvania approves of this measure with the exception, as I understand it, he thinks the $45,000,000 should be spent in Pennsylvania, his own State, or in the New England States before it is spent on the Mississippi River.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. DYER. Yes.

Mr. MOORE of Pennsylvania. I made no suggestion of transferring the $45,000,000 to Pennsylvania, for Pennsylvania does not need all of it just now. [Laughter.]

Mr. DYER. I am glad to hear the gentleman make that admission. I suppose he means that they do not want more than $35,000,000 now and the other $10,000,000 later. [Laughter.] It has been the desire, Mr. Chairman, of the Members of Congress residing in the Mississippi Valley, and the Mississippi Valley is a vast territory, to see the project enacted into law that will mean that the levees are to be built and that this vast territory of 75,000,000 acres of land are to be reclaimed for cultivation.

The amount of actual wealth that it will bring to the country is so enormous that figures are almost useless to describe them. It will be of great value to the whole people and to the entire country. The appropriation of money for the Mississippi River work by piecemeal, as we have been doing for so many years, has not fixed definitely in the minds of the people what our purpose is and what is going to become of it. The result is that they have not begun to work as they should to assist to restore the river transportation; and river transportation can not be restored on the Mississippi River until the people of the cities establish terminals and docks so that the freight can be made ready to be moved on the river.

St. Louis, of course, is interested in this bill, because it means so much to the great Mississippi Valley and to the 30,000,000 people living in that section of the country. St. Louis is the great commercial center; it is the great city of the Southwest, and that city will from a business point greatly benefit from the enactment of this bill into law. This great city is willing to do its full part in paying the expenses of this project. I have received many telegrams and letters in support of this bill from citizens and business concerns of that city. Among those who have wired their indorsement are the following: The Business Men's League of St. Louis; John Deere Plow Co.; Oliver Chilled Plow Works; J. I. Case Plow Works; Parlin & Orendorff Plow Co.; the Johnston Harvester Co.; Missouri Moline Plow Co.; the William J. Lemp Brewing Co.; the Majestic Manufacturing Co.; Paul Brown, editor St. Louis Republic; the Caradine Harvest Hat Co.; the O. K. Harry Steel Co.; Crunden Martin Manufacturing Co.; A. L. Shapleigh; Simmons Hardware Co.; F. K. Houston; William R. Compton Co.; the Germans' Savings Institution; Charles F. Luehrmann Hardwood Lumber Co.; the Streckfus Steamboat Line; and many other citizens and business concerns of St. Louis.

St. Louis has already begun to build docks and terminals for the purpose of restoring to the river the transportation that represented millions of dollars a few years ago. New Orleans has done it. The other cities on the Mississippi River will do it if this project is established, and it is known for sure that the river is going to have its banks made so that the overflows will be at an end. The millions of acres of land will become, of course, valuable. No one denies that. But let us look at what the facts are, as gathered by this flood committee. We find that since the United States and the levee districts began to cooperate in levee building for flood control the levee districts have contributed $91,000,000 and the United States $29,000,000. Under the provisions of the pending bill during the next five years the United States will contribute $30,000,000 and no district less than one-third of the amount contributed by the United States, and in addition to this the levee districts will have to furnish rights of way and pay all damages incident to the location of the levee line and provide for the maintenance of the levees. This will probably amount to $15,000,000, so that the account will then stand:

| | |
|---|---|
| Contributed by levee districts | $106,000,000 |
| Contributed by Federal Government | 59,000,000 |

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. DYER. I ask for five minutes more.

The CHAIRMAN. The gentleman asks that his time be extended five minutes. Is there objection?

There was no objection.

Mr. DYER. Of course we all know that the people who own the swamp and overflowed land will be benefited. The people of the cities and States are going to help, and they have already helped, as I have indicated, in a great amount of money expended in this work. Some of the cities and States have done more than they ought to have done under all the circumstances. This is largely a Government project. It is a project in which all the people of this country ought to be interested, including the gentleman from Pennsylvania and the people of that great State. The result that will come to this country in one way at least is worthy of note, and that will be that the agricultural productions of the Mississippi Valley will be so greatly increased. The land that will be reclaimed for cultivation is the richest land in this whole country, and the production will be so enormous that it will help in reducing the high price that we now have to pay for foodstuffs. It will be the means of bringing about what the Democratic Party promised us but failed to bring, and that is the reduction in the cost of living.

The great increase that will come will be immense, and, Mr. Chairman, I can not understand why any Representative in the Congress of the United States should not be in favor of the project that will benefit more than 30,000,000 people. If the river banks are made secure, and the people who live in that section can go about their business and go to work and outline and lay plans for raising the enormous crops, it will be the means of making the Mississippi Valley, as it ought to be, the greatest and richest agricultural section in all the world.

When that is done, Mr. Chairman, as I said before, all the towns along the river will build their warehouses, will build the docks and the terminals, that will be needed to take care of the vast passenger and freight business on the river, take advantage of the cheap transportation that water always brings, and we will find our boats loaded with commerce at cities lying along the river, we will find them carrying these goods in enormous quantities down the river to the Gulf, and there to be loaded into steamers that will carry the products of the Mississippi Valley through the canal to South America and the Far East. [Applause.]

Mr. Chairman, my city of St. Louis will then by leaps and bounds become much greater, much larger, and much more useful to the people of the Mississippi Valley and the great Southwest. Our population will increase because we will have more business. We will advance from near 800,000 to 1,000,000 and more.

Mr. MOORE of Pennsylvania. Mr. Chairman, the gentleman has painted a beautiful picture, and I would like to see it

come to pass, but what has that to do with flood control? That is a question of navigation, which should properly be considered by the Committee on Rivers and Harbors.

Mr. DYER. Oh, Mr. Chairman, the gentleman would be against this proposition no doubt if it came from the Committee on Rivers and Harbors. It is immaterial where it comes from. This great proposition has come before the House. It is a just and a fair measure; and I want to see it enacted into law. In closing, I want to pay a tribute to one Member of this House to whom I believe more credit is due for the fact that we have an opportunity to vote for this legislation than any other Member in this House at the present time or at any time in the past, and that is my distinguished colleague, the gentleman from Missouri [Mr. CLARK], our beloved Speaker. [Applause.]

Mr. SHALLENBERGER. Mr. Chairman, I am glad to support this bill for flood control and development of national resources by conserving the forces of nature and making them serve us rather than act as destructive agencies. The Mississippi River and its tributaries drain the richest and most productive regions occupied by the human race. The rivers open ways across the earth's surface for both land and water transportation. Mankind has always produced its greatest material achievements in the valleys of the world. Art, science, and labor combine to build cities along the great water arteries of the earth, and agriculture is most profitable and produces its fullest fruitage where the waters of the rivers have throughout the ages accumulated the richest soils and spread them out in level fields for the use of man. One thing is yet left for America to do to make the valleys of our great rivers the home of the highest developed and most successful civilization yet achieved upon earth. It is to control, distribute, and harness the waters of the streams so that they serve and enrich the Nation, not destroy the efforts of those who labor to make the rivers bear the burden of commerce and the lands productive.

Three agencies for national development are benefited by controlling and conserving the floods that now devastate the valleys—navigation and internal commerce; great water powers, that will furnish heat, light, and cheap power for the future; and improved agriculture, by spreading the waters that now destroy over the agricultural lands and storing in reservoirs at the sources of the streams. By intelligent effort we can redeem the submerged valleys of the Southland from floods and make more productive great areas of land in the North and West, where waters now go to waste that should be put to use in producing food to feed the Nation. The Platte River, extending through the center of Nebraska, borders the congressional district which I have the honor to represent. The Republican River, flowing through the second largest valley in the State, extends through the entire southern portion of the same district, from west to east. The Platte drains the largest area of any stream flowing into the Missouri. The Missouri is the greatest tributary of the Mississippi. The Republican is a great feeder of the Kansas River, the second largest tributary of the Missouri. Both of these streams are subject to violent and destructive floods. Diversion and storage of these flood waters upon the lands that border these streams will make the country upon which they are spread bloom and blossom as the rose and at the same time prevent their flow being added to the floods in valleys below. The Republican River destroyed millions of dollars' worth of property only last year by its repeated overflows. The Platte swells annually the floods in the Mississippi Valley by reason of the vast amount of water that comes down from the mountains and the great plains which it drains. Lying between the Platte and the Republican is a most fertile and beautiful table-land, as rich and productive as any upon earth if only enough water is put upon it to make it do its best service for man.

I have introduced a bill that is before the committee which has reported the measure now before the House which proposes to take the waters from the Platte, that now only waste and destroy the valleys below, and spread them over these table-lands and make them a blessing instead of an injury to the lands that are contiguous to them. I expect that this great committee, dealing as it will on a nation-wide scale to control the floods of the Mississippi and Missouri Valleys, will take up the prevention of floods in the Republican and Platte Rivers, both interstate streams, that now cause destruction in those beautiful and productive valleys. These problems are all national in scope and will be worked out in good time by the American Congress for the benefit of the American people. Energetic and progressive farmers and business men in the counties of Phelps, Kearney, and Gosper, in Nebraska, are already associated together in a great project to divert the waters of the Platte onto the table-lands between the Platte and Republican Rivers, and with the assistance that the Government will give them they will develop a great demonstration of the practicability of storing the flood waters for beneficial use in the soil instead of allowing them to run to waste for destruction and damage.

We have had a great deal of talk of late in this House about the hundreds of millions of money expended by the United States in the Philippine Islands. Authorities differ as to whether it is millions or billions we have spent there. In any event, we have appropriated it for another people, an alien race, of another color, with a different language, who do not love the flag as we do nor would not rise to defend it in an hour of peril. We are to spend many millions in Alaska to build a Government railroad near the Arctic Circle. We have spent hundreds of millions at Panama to build a water highway for all the world. I am glad to vote for a proposition to spend a little money at home to encourage the development of American homes and civilization upon American soil. [Applause.]

Mr. MONDELL. Mr. Chairman, the people I have the honor to represent on this floor live approximately a mile in altitude above the troubled waters of the lower Mississippi Valley, and we are so far away from that great stream that we are familiar with it only as we view the sparkling streams in the northwest corner of our State that form the headwaters of its longest tributary.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. And yet, far away as we are from this flood-troubled river, our people feel, in common with most of the people of the country, some responsibility for the Mississippi River and for its control. I yield to the gentleman from Missouri.

Mr. DYER. The distinguished gentleman himself, I take it, however, first learned the beauty and value of this project from having himself been born upon the banks of the Mississippi River.

Mr. MONDELL. Mr. Chairman, I was born on the banks of that noble stream, and I learned to swim in its muddy waters, and I think of it pleasantly in the recollections of my boyhood days, before I left the muddy waters of the Mississippi for the more refreshing and clearer swimming holes of the Gasconade and later the Shoshone and Wind Rivers.

Mr. STEENERSON. Mr. Chairman, the gentleman is aware that the source of the Mississippi is not muddy, for the river rises in my district.

Mr. MONDELL. Mr. Chairman, I am even more fully aware than the gentleman from Minnesota that the source is not muddy, for the source of the Mississippi is not in his State, as he erroneously supposes, but in the State which I have the honor to represent. The Mississippi River rises in the Yellowstone National Park. It is known there as the Fire Hole River in the first few miles of its course, and it then becomes the Madison, eventually the Missouri, and finally the Mississippi.

Mr. STEENERSON. Mr. Chairman, I know that the American people will be very much obliged for this correction of their general geography. It has heretofore been generally supposed that this great river had its source in Lake Itaska, one of the most beautiful lakes on this continent, where the water is as clear as crystal and deservedly has received the Indian name of "Sky Tinted Water." That lake is in the State of Minnesota.

Mr. MONDELL. All of which proves what an important river it is, because it has so many beautiful and widely separated sources. The American people have long appreciated the duty that the country owes in the matter of the control of the Mississippi River. It is the great national ditch, as it has been called, draining thirty-odd States, into which we drain every swamp, into which we pour the waters of all of the reclaimed swamp lands of all the great territory above the Delta of the Mississippi. Out in our country we have been trying to do something toward helping the flood problem by holding back some of the waters of the Mississippi River and its tributaries and utilizing them for the irrigation of arid lands, but we have always realized and understood that that work, while useful from our standpoint, was but an insignificant factor in the settlement of the question of the Mississippi floods. I am glad that we created the Flood Control Committee. I am glad that we were fortunate enough to secure the services of a very able and active man at the head of that committee. I am glad that the Flood Control Committee brought in a bill, and I hope that it will pass, though I think it might be improved.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I want to say to my colleagues who will have to do with the direction and supervision of the expenditure of the money that will be appropriated, that there is a very great responsibility resting upon them. We started in a few years ago to reclaim the semiarid lands of this country by Federal aid. We did not ask, as you gentlemen do in this case, for an appropriation outright of 75 per cent in the one case and 50 per cent in the other from the Federal Treasury, never to be returned. We were very glad to secure a loan, the major portion of which we believe will be repaid.

We have made some mistakes in the reclamation business, not fundamental, not vitally serious, not affecting the investment in the main, and yet mistakes that have not helped along that highly important and useful work. Possibly one of the reasons for that was that Congress did not have at the beginning as complete control and did not exercise as complete jurisdiction or supervision over the work as it might or it should have done. Judging from our experience, it is exceedingly important that all of the friends of flood control of the Mississippi River and other rivers shall see to it not only that the work is undertaken along the proper lines and under the proper plans, but that they keep their eye on the work as it progresses, to the end that as few mistakes as possible may be made. Some will be made in any event. No great public work goes on without some mistakes being made and some expenditures that are not the wisest. In the interest of the development of a great national work, which I am glad to see undertaken frankly on its merits and not as an adjunct to a river and harbor bill, which has to do with navigation, and in the hope that that great work will be wisely inaugurated and sanely developed——

Mr. PLATT. Will the gentleman yield?

Mr. MONDELL. I trust the Members of Congress from the regions affected and the members of this committee will give their personal attention to the work as it develops and see to it that it is carried out in a thorough, competent, and economical manner. I now yield to the gentleman from New York.

Mr. PLATT. The gentleman lives near the headwaters of the tributaries of the Mississippi River. Will the gentleman say it is impossible to control the floods from the sources, near the headwaters? Is that the opinion of the gentleman and of the engineers?

Mr. MONDELL. I think it is the opinion of engineers, arrived at after a great deal of study, that all you can economically and advantageously do in the control of floods by reservoiring at the headwaters of streams, all that can be accomplished in that way, will have comparatively little effect upon floods of great river systems. In order to hold back enough water to have any appreciable effect upon the crest of the great floods of a river like the Mississippi it would be necessary to utilize vastly greater areas for storage than are to be found at the headwaters of streams.

I do not wish to be understood as minimizing the value and importance of the application of water to the soil for irrigation and the impounding of such water in flood time for such use later on the headwaters of the Mississippi and its tributaries as a factor in flood control. In fact, I am so greatly interested in the development of irrigation and the building of irrigation works that I am naturally tempted to view development of that kind as an important factor of flood control; but a regard for the truth compels me to admit that all that we may do and hope to do in impounding the waters of the tributaries and using them for irrigation, we shall not reduce the peak of the Mississippi floods greatly. However, we do expect that the benefits of that irrigation work as a factor in flood control will not be overlooked.

In expressing the hope that this bill shall pass, I do not wish to be understood to favor all its provisions or as enamored with all of its plans. I think it would have been better if the committee had spent a little more time and worked out a better, or at least a more detailed, plan than has been worked out or will be inaugurated under this bill. For one thing, when the work done will be of great and direct benefit in reclaiming lands, there should be some plan by which the lands benefited will pay a considerable portion of the cost in addition to what the States are to pay. I am inclined to think that before we get very far on this work some such plan as this will have to be worked out. Another thing, I know of no very good reason for the differences in the percentages to be paid locally provided for in the bill. Above all, the work must be done permanently and thoroughly, or the country will soon tire of the expenditure. I for one will be as hostile as I am now favorable if it shall develop that the work is to be carried on in such a way as to be of only temporary benefit. It must be permanent and effective or it will be abandoned.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that he may proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Chairman, I want to make an observation or two about this bill—I believe that is the way to introduce it. I have supported various propositions for the great Mississippi River, and feel quite willing to do so, though I do not see that the proposition which is pending before the House now makes any material change in the policy which has heretofore been pursued. We have been appropriating five, six, seven, or eight million dollars a year for some years for the Mississippi River, and undoubtedly would continue to do so, and I do not see how it makes any great difference to authorize an appropriation of $10,000,000 a year, with a limitation of $45,000,000, which does not amount to a row of pins. The Appropriation Committee will probably not appropriate $10,000,000 anyhow—certainly will not unless the engineers say they can use it for the next year—and the limitation upon this bill amounts to nothing, because it does not limit the authority to appropriate in the river and harbor bill; no pretense to do that. I believe from the statements that have been made here to-day there are 20,000,000 acres of land subject to overflow. Three gentlemen have made the statement that there are 16,000,000 acres of land which are overflowed, and they are not worth very much because they are overflowed; that this will redeem that land. The total amount of cost which is to be charged against the land under the terms of this bill is one-third of $45,000,000, which is $15,000,000, and in addition to that what may be paid for rights of way and for maintenance. Fifteen million dollars to redeem 16,000,000 acres of land does not seem a very large sum to charge against the property owners. Am I right when I understand that there are 16,000,000 acres of land which may be redeemed by this bill? The gentleman from Mississippi says I am. That land, when it is finally redeemed, when it is certain that it is no longer subject to overflow, was described by one gentleman—I think correctly—as the richest land in the world. It would be worth from $200 to $500 an acre. It is proposed to charge against it for its redemption less than $1 per acre.

Now, that does not seem to be a very careful consideration by our distinguished Committee on Flood Control. That land has always been overflowed. The overflow is not caused, as suggested, from the rapid drainage of the Northern States. It was overflowed when the Government was organized. It was overflowed before the first white settler put his foot on the American Continent. It was overflowed 50 years ago. It was overflowed 10 years ago, and it is overflowed now. Doubtless the rapid drainage of the land in the North helps to add to the quantity of water which comes at certain periods of the year, but the amount that is added no one can tell, because the building of levees and restriction of the water within the banks of the stream have added a great deal more, probably, to the height of the water of the Mississippi River than the extra flow. Where the water used to spread out all over an area they now confine it within two narrow banks. Of course, that raises the gauge of the water, and if there is a break it overflows very rapidly at some places. I think the people of the Delta are entitled to consideration from the Government. I think we should make some contribution, because we have added somewhat to the flood waters of the Mississippi from the rapid drainage in the North, but when we propose to say that we pay three-fourths out of the General Treasury for the redemption of 16,000,000 acres of land, the richest land in the world, and the landowner pays one-fourth, or $15,000,000, it seems to me that we are asking a good deal of the General Government and are asking very little of the landowners.

I had hoped when the Committee on Flood Control was created that it would take a very broad view of the whole subject of flood control. There is not a new idea in this bill. There is not a new thought connected with the report which the distinguished chairman made, and which is a very able report, in reference to flood control. I do not know whether or not it is practicable to save any of the water at the headwaters which now goes to waste, aiding in destruction on the lower end of the river, in order that that water so saved may be utilized in irrigation projects, in order that the water may reach the river more slowly than it does now and on its way help to bring fertility to the soil and add to the produce of the farm. But there is no such thought here. The Committee on Flood Control has acted rather precipitately, it seems to me. They have taken the reports of the Army engineers, and there is no one

doubts that the Army engineers, who have given more careful study to the subject of navigation than they have to flood control, think the only way to take care of flood control is to raise the level of the levees and protect them from being washed away.

Well, that may be correct; but the other side of it ought to be considered. It has not been considered, and is not considered here. We ought to know from most careful investigation whether it is possible to hold back some of the waters which run away in the spring, in order that they may be utilized during the drought of the summer and the autumn. There is no such thought here. The Army engineers have been opposed to it, because they have never had occasion to give special consideration to that side of the question. We have appropriated and expended a very large sum of money—millions of dollars—upon the Mississippi River for the purpose avowed—of aiding navigation. The whole purpose of the river and harbor bill was to aid navigation, not to control flood waters; while everyone knew, as a matter of fact, that the aiding of navigation was, in part at least, only a pretense, a matter of making it constitutional and bringing it before the House in that shape. Still, that has been the thought of the engineers. Some people believe—and some people of somewhat great eminence—that it may be possible to partly control the flood waters of the spring months by saving those waters for use on their way to the sea. [Applause.] This bill abandons the idea. There is no question here at all of ever making any pretense of gathering up the waters when the snows melt and the spring rains fall in order that they may be utilized. This bill only helps to hurry the water to the ocean, where it is of no value.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, in answer to the gentleman from Illinois, this fact is very clearly established by the reports of the engineers not that the increased elevation of floods to-day is entirely due to the improvements that have taken place in the northern valleys, but this fact is made perfectly clear, that the people of the lower delta have already out of their own pockets contributed more than enough to have completed a levee system high enough, strong enough to have controlled every flood that would have come down the river or that ever did come down the river prior to the activities of the people of the northern valley.

Now, let us take some figures. The greatest flood that ever came down the river after our records began to be accurate was in 1858, shortly after the development of the upper valley began, and was stimulated by what was called the swamp-and-overflow land grant.

Mr. GREEN of Iowa. Will the gentleman yield there for a question?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. GREEN of Iowa. When did the records begin?

Mr. HUMPHREYS of Mississippi. They began about the first of the century, 1800—the early part of the century, shortly after the Louisiana Purchase was consummated. The first general investigation was made by Bernard and Totten, in 1822. A very elaborate investigation was made in the Ohio watershed by Lieut. Elliot, and in his report he made this statement:

> The process by which the country above is relieved is the process by which the country below is ruined.

In 1850—I have forgotten the exact date—Congress passed what is known now as the swamp and overflow land-grant act, under the terms of which all the public lands in the States of the valley were donated to the several States on the condition that the proceeds of their sales should be devoted to the construction of levees and drains—in the lower States to the construction of levees and in the upper States to the construction of drains. But it soon developed, by reason of the fact that the States of the upper valley developed much more rapidly and that it was cheaper to build drains than it was to build levees, that the elevation in the flood area progressed much more rapidly than the people were able to build their levees.

Mr. CAMPBELL. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. CAMPBELL. The gentleman is developing the general proposition that the lower Mississippi has been seriously affected by the developments on the upper Mississippi. Is it not true that the narrowing of the channel raising the levees has been the serious question with the people on the lower Mississippi——

Mr. HUMPHREYS of Mississippi. Undoubtedly.

Mr. CAMPBELL (continuing). Rather than what has been done in the upper Mississippi?

Mr. HUMPHREYS of Mississippi. Undoubtedly.

Mr. CAMPBELL. And that that has caused floods?

Mr. HUMPHREYS of Mississippi. No; that has not caused the flood, but it has seriously elevated, and very materially, the flood heights.

Mr. CAMPBELL. Is it not true that the levees on the lower Mississippi that have been so elevated have rather added to the grievousness of the situation?

Mr. HUMPHREYS of Mississippi. Undoubtedly. Now, I am going to give you some figures.

In 1858 the flood as it came out of the Ohio, just below the mouth of the Ohio, measured 1,475,000 second-feet. I take, as typical of the development of that country, the 11 States which are in the triangle described between the Missouri River on the one side and the Ohio on the other. At that time the farm values were approximately $800,000,000 in round figures. In 1880 those values had increased to $5,000,000,000, evidencing the improvement, among other things, which had taken place.

The flood of 1882, taken exactly at that same point, measured 1,800,000 second-feet. Now, in 1910 farm values in those same States had increased to $20,000,000,000. In the meantime the innumerable drainage districts had been formed, innumerable slashes and natural reservoirs had been drained, and in 1912, following immediately after the census, measured at that same point, the discharge was 2,300,000 cubic feet a second. So that from the date when the value was $800,000,000, measured at the same point just below the mouth of the Ohio, the discharge increased from 1,475,000 cubic feet to 2,300,000 cubic feet.

Now, the people of the lower Deltas have contributed out of their own pockets more than enough money to have taken care of the flood of 1858 easily, without any Federal aid. So much for that.

The precipitation of these tremendous volumes of water—and the reports show that the floods are no more numerous or in their total volume no greater than before, although the volume is precipitated much more rapidly and passes off more rapidly——

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. TILSON. Mr. Chairman, I ask unanimous consent that the gentleman have 10 minutes more.

Mr. HUMPHREYS of Mississippi. Five minutes more will be enough.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. HUMPHREYS of Mississippi. This rapid precipitation of the waters caused by the improvement of the drainage areas above has produced this most disastrous effect, and the gentleman from Wisconsin [Mr. FREAR] attributes that to inexpert levee construction. But I think that is not warranted by the facts. The rushing of these waters in the lower channel so rapidly has caused the banks to cave infinitely more rapidly than in the earlier days and before any economical method of revetment and bank protection was discovered. When a levee was located they built it in the hope that it would last for 20 years before it would cave into the river.

Mr. DILLON. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. DILLON. I would like to have the gentleman state to the committee at what period in the year his trouble with overflows on the Mississippi occur? In what months are the most serious floods?

Mr. HUMPHREYS of Mississippi. The most serious floods come in March and April. This year it came in February.

Mr. DILLON. How about June?

Mr. HUMPHREYS of Mississippi. That is what we call the "June rise," but it is rarely serious, although sometimes it is quite a serious matter. Sometimes it happens, as it did in 1912, that the floods came out of the Missouri and the Ohio Rivers at the same time.

Mr. DILLON. We get our troubles in South Dakota usually in the early spring, and then again in the month of June.

Mr. HUMPHREYS of Mississippi. Yes; so that this development up there has assisted in destroying the levees. It has not only put more water into the river at one time, but it has caused the levees that were destroyed to cave into the river.

Now, in view of the fact that the people have had to put up more than $100,000,000 since the Civil War—but let me add before I go further that when the Civil War came on it is stated in the famous report of Humphreys and Abbot of 1860 that the levee system was in a fair way to completion and the cleared lands were valued at $100 an acre and the wooded lands at $25 an acre. In 1880 more than half of the land had passed from private ownership, had passed out of the hands of

the property owners and taxpayers there, after a vain effort to meet the progressively increasing floods that had come as the result of the rapid development of the Northern States.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. GREEN of Iowa. Has the gentleman any figures there as to the increase of floods in the lower Missouri?

Mr. HUMPHREYS of Mississippi. No.

Mr. GREEN of Iowa. I have had occasion to think that the floods in general would be rather less than greater than they had originally been in the upper Missouri.

Mr. HUMPHREYS of Mississippi. I have no figures on the Missouri, except incidentally. I made an investigation on one occasion, not for the purpose of ascertaining the volume of the flood, but I ascertained—and I do not know how long this condition obtained—that for 10 years the engineers kept a record of 800 miles on the Missouri and they found that more than 10,000 acres of farm land caved in annually.

Mr. HELGESEN. Mr. Chairman, will the gentleman yield there?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. HELGESEN. I understand that the gentleman stated that the greatest flood on the lower Mississippi occurred in 1912, and that it was caused by the Ohio and Missouri Rivers both happening at that time to discharge their floods?

Mr. HUMPHREYS of Mississippi. Yes. That contributed very largely to it.

Mr. HELGESEN. Then it would be unfair to charge the development of the North with that condition, because it was a weather condition, and it would have come on just the same even if there had been no development in the North.

Mr. HUMPHREYS of Mississippi. Yes; but the flood came again in 1913 and again in 1916. There has been an increase in the flood volume, and gentlemen must know that as the improvement of the drainage area above proceeds the water must necessarily be discharged more rapidly into the tributaries. That is the purpose of drainage.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. KEATING. I will state frankly to the gentleman that the point that is sticking with me is the point raised by the gentleman from Illinois [Mr. MANN]. The gentleman from Mississippi states that there is to be redeemed 16,000,000 acres of land, and that all that land is in private ownership?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. KEATING. Why should not the men who own that land contribute to the redemption of that land, or reimburse the Government for putting its money into it?

Mr. HUMPHREYS of Mississippi. One reason, I will say, is because they can not do it all. They have tried it once, with the result that more than half of it was forfeited. For 200 years the people have been endeavoring to settle this marvelously fertile valley. It has tempted the cupidity of men ever since they landed at New Orleans. There has been a continuous and constant effort to reclaim these fertile areas, with the result that in 200 years they have been able to put under cultivation three and one-half million acres out of the twenty millions.

Mr. KEATING. The suggestion I was making was not that the Government should not assist you. I am perfectly willing to see the Government put money into this project, as I am willing to see it put money into the reclamation fund. But after you have redeemed it and made it worth $200 or $250 an acre, why not then reimburse the Government?

Mr. HUMPHREYS of Mississippi. It may be that in the course of human events that land will be worth from $200 to $250, but it is not worth it now. The finest land in that country, highly improved, is not worth the fourth of that. Fifty dollars an acre is the most that anybody can get for the finest farming land there. In my district, about half of which is immune from overflow, where we have completed our levee system, and where we have not had a crevasse in 19 years——

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HULBERT. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Without objection, the gentleman's time will be extended five minutes.

There was no objection.

Mr. HUMPHREYS of Mississippi. I want to make a reply to one other statement of the gentleman from Illinois which I have not yet reached. I took up my time on this other matter. The question of making a general survey of the drainage area, with a view to ascertaining if it were not possible to husband all the water as it falls from the skies, put it to beneficial uses, and in that way reduce the floods of the lower valley—that matter has been studied. It has been studied for a long time by the engineers. If we were to create a commission with authority to make that investigation and report, we found we were confronted with the statement that no country on the face of the earth has ever been able to make such a survey for less than $70 a square mile. Now, when those figures confronted us, when we were told that it will take, at the lowest estimate, $10,000,000 to make that investigation in the Ohio Valley alone, the committee naturally hesitated. It is estimated by the engineers that $190,000,000 would be required to make the surveys contemplated in one very comprehensive bill which was pending before the committee, that it would require 10 years to make the surveys, and that there are not engineers enough in the Government service to do it in that time.

Mr. MANN. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I yield to the gentleman.

Mr. MANN. A few years ago we sent an Army engineer over to China to tell that country how to prevent floods in one of the greatest streams in the world over there. Did he have to make a survey of all this land, at $70 an acre, in order to tell them how?

Mr. HUMPHREYS of Mississippi. I said $70 a square mile.

Mr. MANN. Seventy dollars a square mile, or any other area that the gentleman wants to fix, I do not care what it is. He did not make any surveys at all, did he?

Mr. HUMPHREYS of Mississippi. I am not fully informed on that. I know what the gentleman is talking about.

Mr. MANN. He did undertake to tell them how to prevent floods in their great rivers. I do not know whether it was successful or not, but he did undertake to tell the Chinese how to prevent that.

Mr. HUMPHREYS of Mississippi. Yes.

Mr. MANN. The gentleman says that in this country all of the engineers combined could not do it without spending $190,000,000.

Mr. HUMPHREYS of Mississippi. If the House understood me to say what the gentleman understood me to say, I was unhappy in my statement, because that is not what I intended to say. The gentleman referred to a survey of this country to see if the water could not be put to some beneficial use from the springs down. Now, here is what the committee does provide. Take the Ohio Valley as an illustration. Why spend $10,000,000 for a survey of the entire Ohio watershed, to ascertain the possibility of controlling the floods of that entire watershed, when it is known just what tributaries of the Ohio these disastrous floods occur upon. We know there is trouble in the Allegheny and the Monongahela and the Scioto and the Wabash and the Miami and others that are troubled with floods.

Every stream in this country where there is a flood condition is represented here on the floor of this House, and it is quite certain that those matters will be brought to the attention of the committee. Therefore the committee provided machinery whereby, instead of taking this entire watershed at a cost of untold millions of dollars, and making an investigation, we would accomplish the desirable thing by taking the tributaries where flood conditions do prevail, where everybody knows that they prevail, and examine the watershed of each particular tributary, which can be done for one-twentieth part of the cost of a great comprehensive survey of the entire country. Now, that is what the committee attempts to provide in section 3 of the bill.

Mr. BORLAND. Will the gentleman yield to me at that point?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. BORLAND. I want to ask the gentleman whether it is not true also that the water that would be collected from these sudden spring floods would be collected in a section of the country where it is of no value and in no demand for the purposes of irrigation? In other words, these floods occur in the humid belt, do they not, and the water that would be collected would be of no value as stored water for the purposes of irrigation?

Mr. HUMPHREYS of Mississippi. As a rule that is true, though there are some places where it can be profitably used for irrigation.

Mr. STAFFORD. In Wisconsin we are conserving the waters, not for irrigation but for power purposes, at the headwaters of the streams tributary to the Mississippi River.

Mr. BORLAND. There is a certain amount of that.

Mr. GARD. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I yield to the gentleman from Ohio.

Mr. GARD. In that connection has the gentleman and his committee, in estimating the cost of the surveys of which he has spoken, taken into consideration the very excellent drainage

map afforded at present by the United States Geological Survey, comprising, I think, surveys of nearly all the States of the Union.

Mr. HUMPHREYS of Mississippi. Of course those surveys do not cover all the States of the Union by a great deal, but that was considered in the estimates. Now, what we provide is this: You have a flood situation——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. STAFFORD. I ask unanimous consent that the gentleman may proceed for five minutes more. We are all very interested in his explanation.

Mr. HUMPHREYS of Mississippi. I do not wish to take all the time.

Mr. MANN. I am sorry I made a speech of 10 minutes that takes the gentleman 20 minutes to answer.

Mr. HUMPHREYS of Mississippi. I think anyone who can answer a speech of the gentleman from Illinois in 20 minutes is doing very well. [Applause and laughter.]

When a watershed is to be examined we provide in the bill that Congress shall indicate that it desires this particular watershed investigated. Then the engineers are called upon to make a comprehensive survey of the entire watershed, and in their reports these are the things they are called upon to report: They shall state what, if any, water-power propositions are involved, give the character and extent of the area, whether it involves the flooding of cities or farm areas or mining properties or what; what, if any, other beneficial uses of water can be coordinated with the flood appropriations; what, if any, effect it will have on navigation of any stream that will be involved. The examination is comprehensive enough, and it is confined to those watersheds that we know before hand are subject to damage by floods. It occurs to the committee that that is a much more businesslike procedure and a much more economical procedure than to create a commission or authorize any agency we have in the Government to go out and make a comprehensive survey of the entire country involving an expenditure of many millions of dollars.

Mr. CLINE. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I will.

Mr. CLINE. I would like to ask the gentleman whether there was any estimate made by the engineers who were before the committee as to the cost of making a critical examination of the different watersheds that contribute to the flooding of the Mississippi.

Mr. HUMPHREYS of Mississippi. Yes; it was stated that it would cost $10,000,000 to make that survey of the Ohio River Valley, that watershed alone, and if we undertook the surveys contemplated in the comprehensive measure that has been urged for several years it would cost $190,000,000 and take 10 years to complete the work.

Mr. HELVERING. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. HELVERING. Last year in Kansas there were thousands of acres overflowed by the tributaries of the Kaw River. Would that scheme of the gentleman relieve that situation in Kansas?

Mr. HUMPHREYS of Mississippi. Section 3 undertakes to provide the machinery in the War Department whereby Congress hereafter, if it was thought a desirable thing to do, could secure the investigation of the situation that the gentleman suggests, and in that investigation they would make a comprehensive survey of the entire watershed and determine whether the water could be diverted to irrigation or what not.

Mr. HELVERING. Does the scheme which the gentleman has outlined relieve the situation above the one I have mentioned?

Mr. HUMPHREYS of Mississippi. I do not think it does.

Mr. PLATT. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. PLATT. Is it not true that the Ohio Valley is already covered by topographical survey maps, and how it would cost $10,000,000 I do not not see.

Mr. HUMPHREYS of Mississippi. I do not know why, but it has not been done for less than that anywhere else on the face of the earth.

Mr. CAMPBELL. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CAMPBELL. Mr. Chairman, I was an enthusiastic supporter of the rule creating the Committee on Flood Control. I was in favor of the creation of that committee because I believed that something practical could be done in controlling flood waters that ultimately create great damage on the larger streams near their mouths. You may imagine somewhat my disappointment that this bill, one of the first and most important reported by the committee, does nothing to carry out the purpose indicated by the name of the committee that was created. This amount could as well have been provided for by the Committee on Rivers and Harbors as by the Committee on Flood Control. There is therefore nothing new, nothing in this appropriation that fulfills the mission of the committee.

In the first place, there are, I believe, scientific reasons for believing that flood control is a sound proposition; that it is possible to control the flood waters of the great streams of this country. I believe that it is possible to save the lower Mississippi, the Missouri, the Kaw, and every great river in the country from the serious overflows that result in such great havoc during the flood season.

I had hoped that this committee would take up that question under surveys that have already been made, that are available now in the departments of this Government, and do something that would relieve those living on these streams from the damage that they sustain by reason of the overflow of the streams at every flood season. There is nothing in this bill that will remedy those conditions that have heretofore existed.

I had hoped that along the waters of the Republic, along the waters of the Kaw, along the banks of every stream that is tributary to the Mississippi, there would be an impoundment under the recommendations of this committee of the flood waters used for irrigation or used for power purposes after the flood tide had passed. Nothing of that kind is done.

The whole scheme of this bill is to relieve the flood conditions on the rivers with which the people have been battling for two or three centuries. The floods on the lower Mississippi have always inundated the land tributary to the river. They always will while the waters are permitted to reach the lower Mississippi Valley in flood seasons.

If those sections of the country are to be reclaimed and made available for farming purposes without serious loss to the people who live upon them, that settlement should be made upon these lands on the same conditions under which settlers go upon semi-arid lands of this country to-day, where irrigation is provided, and these lands should be reclaimed in exactly the same way and on the same principle that these arid lands are reclaimed. The swamp lands, the overflowed lands of the Mississippi, of the Missouri, of every stream, should be reclaimed for the benefit of the citizens of this country under exactly the same conditions and the same provisions as the arid lands are reclaimed. The settler should pay for the land, the Government being reimbursed, as suggested by the gentleman from Colorado a moment ago, when the lands have been reclaimed. Why should the Treasury of the United States be mulcted for these enormous amounts every year for flood control when there is no flood control, for navigation when there is no navigation, all for the purpose of temporarily, if possible, aiding some one in settling upon lands that have been subject to overflow ever since there has been a bed for the Mississippi or for the Missouri or for any other of the streams tributary to which the lands are to be reclaimed? The overflow of the Mississippi and of the Missouri and of these other streams is not a matter of modern origin, and it does not occur because of anything that has happened in the upper tributaries of those streams within the last half century or three-quarters of a century. These streams have always overflowed; they always will overflow while the waters of the upper tributaries are permitted to go into those streams during the flood season. So I say I am disappointed that the Committee on Flood Control has not brought in a bill with a view to controlling the floods in the streams tributary to these great rivers and preventing the floods in the flood season, as it has been demonstrated in other countries can be done and as it has been believed in this country by engineers for years could be done, and as is believed in this country to-day by many men who have given the subject serious consideration can be done. There is nothing in the bill, there *is nothing* in the proposition that is new. There is nothing that differs from what could be brought in here by the Committee on Rivers and Harbors in the regular appropriation bill reported by that Committee. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DILLON. Mr. Chairman, I indorse the position taken by the gentleman from Kansas [Mr. CAMPBELL]. Before making any remarks I would like to ask the chairman of the committee a question, referring to line 3, page 1, which reads "for controlling the floods of the Mississippi River." Would that include the Missouri River and its tributaries?

Mr. HUMPHREYS of Mississippi. It would not.

Mr. DILLON. Mr. Chairman, I thank the gentleman for his clear and positive answer. It seems to me that this committee has overlooked one of the principal elements of flood control. I live on the banks of the Missouri River and know something about its floods. Scarcely a spring passes that we do not have floods that cover thousands of acres of land. It is not a question of the Mississippi River; it is a question of the Missouri River with us. How are we going to control that situation? It is well known what it is, and to control these floods is not a difficult proposition. When the snows melt in the spring the waters come down from the James, the Vermilion, and other rivers flowing to the south, and at the same time from the prairies west of the Missouri River we have the flood waters flowing into the Missouri, which floods thousands of acres of land, not one year, but practically every year. Again in the month of June comes another rise; we call it the June rise. The snows on the mountains in the West are melted, and the waters come pouring down from the West into the Missouri, and we have again a flood that devastates and destroys our crops. I believe it to be a feasible proposition to impound these waters. I think the committee has commenced at the wrong end. You should commence on the tributaries, the streams that feed the Missouri, and impound the waters and store them for irrigation purposes, in order that they may be used for irrigating our lands and thus hold back the floods.

If we can hold back these mountain streams, we will avoid the June rise, we will avoid the spring rise, and we will not be troubled with floods. If this is to be a bill confined only to the Mississippi River, then there is serious objection to it. There is no good reason why it should not be general in its character by which we may stop these waters in the spring of the year caused by the melting of the snow and hold them back until the flood dangers are passed.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. DILLON. Yes.

Mr. DENISON. I would like to know what State of the Union the gentleman would use for the purpose of impounding these waters.

Mr. DILLON. Wherever they may be impounded. For instance, there are narrow defiles in these mountain streams where a small dam costing but little money could hold in check these waters, and the holding of them in check would prevent these floods, and the waters could be used afterwards. As a matter of fact, the Missouri River is the greatest river of the country and the Mississippi is a tributary to it. [Applause.] So I think the committee has overlooked the great question, which is the impounding of the waters and stopping them at their source. If you will do that, you will not be troubled with the Mississippi floods so far as the western country is concerned. [Applause.]

Mr. BENNET. Mr. Chairman, I first want to call the attention of the committee to the fact that Mr. Fox, who is carrying on this propaganda, is not very well acquainted with the constitution of the State of New York. Each Member from New York yesterday received a copy of the bill, and attached to it was what purported to be resolutions adopted by the house of representatives of the State of New York. We never had a house of representatives in the State of New York in the history of the Government. We do have a legislature, and this rather gives the impression, although this book I hold in my hand does not, that these are the instructions to the Members of Congress. It may be that the legislature thinks it has the right to instruct Members of Congress. Now, the fact is—of course, the gentleman from Mississippi did not know it—but the fact is that these resolutions were introduced in our assembly in 1914 as joint resolutions to be passed by both houses of the legislature, and were passed by the assembly of 1914, but were unanimously laid on the table in the senate. [Laughter.] So our legislature has not very thoroughly indorsed it.

Mr. HELVERING. If the gentleman will permit, I was going to suggest possibly there has been a mistake, and there has been an exchange of States, because in my State we do not have an assembly but we have a house of representatives.

Mr. BENNET. The gentleman has my sympathy. [Laughter.] I hope that his house of representatives is as good a body as our assembly.

Mr. BORLAND. They have a representative government in Kansas.

Mr. HUMPHREYS of Mississippi. If the gentleman will permit, the gentleman called on me last night and I explained the matter, and that many of these resolutions were adopted by many legislatures throughout the country, some by the house of representatives and some by the senate, and some by both. I made inquiry at once this morning when the gentleman told me about the New York situation, and I was advised that Mr. Sweet, speaker of the house, requested the leader, Mr. Hinman, to introduce the resolution, which he did, and that resolution passed in that chamber which usually corresponds to the house of representatives. I have certified copies from a number of the States which I could not get hold of to-day; I have them somewhere or other, but I could not get hold of them to-day, but there was no intention on my part to deceive the gentleman from New York or the House. I was simply expressing the opinion of the general assembly or the house of representatives, or whatever they call it in New York, on this subject, and it had done thus and so.

Mr. BENNET. It is called the assembly in my State and the house of representatives in Kansas.

Mr. MANN. If the gentleman desired to express the opinion of the lower house of the legislature, did the gentleman also have an expression of opinion of the upper house?

Mr. HUMPHREYS of Mississippi. My understanding was it was passed by the house of representatives. I did not go into it any more accurately than that.

Mr. MANN. The gentleman from Mississippi was probably imposed upon by some advocate.

Mr. HUMPHREYS of Mississippi. I was not.

Mr. MANN. Then this House was imposed upon.

Mr. HUMPHREYS of Mississippi. If the House was imposed upon, it was imposed upon by me.

Mr. MANN. Of course nobody thinks that the gentleman from Mississippi would impose upon the House.

Mr. BENNET. The gentleman would not do a wrong in any way for the purpose of passing his bill.

Mr. HUMPHREYS of Mississippi. These resolutions were gathered by this Mississippi Levee Improvement Association, which has been conducting this propaganda throughout the country for the last several years, moving pictures, picture books, lectures, and every other means of reaching the people, and among other things it seems they got a lot of resolutions passed by various legislatures, and these were sent to Members of the House for their information.

Mr. MANN. Under the gentleman's frank?

Mr. HUMPHREYS of Mississippi. Under the gentleman's frank.

Mr. MANN. Well, the gentleman was imposed upon.

Mr. BENNET. Mr. Chairman, I ask unanimous consent—inasmuch as I did not have a chance to utter a single sentence—for five minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent for five minutes. Is there objection?

There was no objection.

Mr. BENNET. Because I wanted to pay my respect to this humorous volume which has been placed in my hands, entitled "The Mississippi River: Its Improvement and Flood Control, Declared to be a National Duty by Governors and State Legislatures."

I think it was Artemus Ward who said that he was perfectly willing to sacrifice his wife's relatives on the altar of his country's devotion; and as I read through this volume I am struck with the unanimity with which the governors of the States are willing to have the United States appropriate money. And in order that this may be embalmed in the CONGRESSIONAL RECORD, I wish to say that Gov. Spaulding, of New Hampshire, is in favor of having it done by the Federal Government. Gov. Beekman, of Rhode Island, cautiously thinks that the Federal Government "should do all in their power to preserve the channel of the Mississippi River"—so long as Rhode Island does not have to pay any of the money. Benjamin Gates, secretary of civil and military affairs for the State of Vermont, is directed by the governor to say, "The project is worthy of the attention of Congress." Charles R. Miller, governor of Delaware, is willing that this should be done through Congress. He is the governor of that great State which consists of three counties at low tide and two at high tide. [Laughter.] The governor of Kansas, without the concurrence of the house of representatives, says this presents "a problem which is worthy of the attention of the National Government"—still protecting the treasury of the State of Kansas. Our old friend L. B. Hanna, governor of North Dakota, is warm-hearted and enthusiastic about it. He says: "I will be glad, indeed, to see our National Government expend money sufficient to see that the floods which have devastated so much country in the South in times gone by might be entirely done away with." And that is before he took the trip abroad with Henry Ford. [Laughter.] Gov. Alexander, of Idaho, says, "It is to be hoped that Congress will see its way clear to provide such appropriation as may be necessary for the protection and reclamation of those valuable lands."

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BENNET.. I will.

Mr. MOORE of Pennsylvania. Idaho is a great maritime State, too, is it not?

Mr. BENNET. Our old friend Frank Willis is heard, by saying: "This can be accomplished only by having the general management of the work under the control of the Federal Government. Assuring you of my interest in this worthy movement," and so forth.

G. W. Clarke, governor of Iowa, is anxious. He is in hopes "that Congress will consider this problem at an early date and provide the necessary means for the construction and maintenance of the required levees." Iowa is on board as long as the National Government pays for it. Wisconsin rather varies the monotony of the rest of the governors by indorsing the attitude of the gentleman from Wisconsin [Mr. FREAR] and says, through Gov. Philipp, "I hope this project will not suffer by being confused with the so-called 'pork-barrel' measures which apportion money upon a political basis without legitimate return." The governor is going to be disappointed, because all over this country this is going to be called a "pork-barrel" measure. I did not hear the speech of the gentleman from Wisconsin [Mr. FREAR], but I doubt that he is favoring the bill. Gov. Brewer, of Mississippi, is for the Old Flag and appropriations to the extent of a page of typewriting. Gov. Stuart, of Virginia, had a busy day, and gives us four lines, and simply says that he begs to say that he "regards the levee problem of the Mississippi River of such importance as to deserve the attention of Congress." The secretary of the governor of Colorado conveyed the distinguished consideration of the governor of that great State, and said that Gov. Carlson directed him to say that only the National Government is competent to deal effectively with the same. Gov. Trammell, of Florida, is sure that this thing can only be cared for by Congress at its next session. The governor of West Virginia, whose name I can not make out, but whose initials are "H. D. H.," or were on the 18th of August, 1913, and who may have changed his mind since, says, "I shall be glad to add whatever influence I have to bring about substantial support from the Federal Government."

Who is the governor of West Virginia?

Mr. GARD. Mr. Hatfield.

Mr. BENNET. Gov. Henderson, of Alabama, thinks that this is a national question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. Mr. Chairman, I ask unanimous consent for three minutes more.

The CHAIRMAN. The gentleman from New York asks unanimous consent for three minutes more. Is there objection?

There was no objection.

Mr. CAREW. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. CAREW. Does the gentleman appreciate how much the time he is now occupying costs the National Government?

Mr. BENNET. No. I think I can discuss that with my colleague outside; and, incidentally, since my colleage has asked the question, I will say that the next letter, from the governor of the State of Indiana, can only be characterized by saying it is worthy of one of our recent Democratic governors of New York, our former colleague, Gov. Sulzer, at his best. I read it in full:

> Your letter was received during my absence on the coast, hence the delay in answering it.
>
> It is my judgment that those charged with the responsibility of taking steps looking to a proper solution of the Mississippi River problem will not have to be urged to do their duty. They understand what is required and will do what they can to make the people secure in their rights.
>
> Very truly, yours, SAMUEL M. RALSTON, *Governor.*

[Laughter.]

Gov. Curtis, of Maine, wants the whole country relieved from flood damages—also at the expense of the Federal Government.

The governor of Arkansas is naturally for the proposition.

The governor of Missouri does not have to be shown in relation to this matter. He says:

> I think the action should be Nation wide instead of being an expense to the few States bordering on the Mississippi River.

Where is the State of Missouri located? [Laughter.]

The governor of Georgia thinks that the United States alone is the proper body to take care of it. Shades of the representatives of State rights! [Laughter.]

And here is one letter from all the governors that shows thoughtful and careful consideration. It is from a man who served with distinction in this House. He was called from this floor to be governor of his State and is now, unfortunately, dead. It is our old friend, Gov. Hammond, of Minnesota. [Applause.] He says:

> In reply to your letter of May 11, let me say that I have always been in favor of Mississippi River improvement. The expenditures made in the past have not produced wholly encouraging results, but it seems to me that our engineers, with the experience they have had, can formulate a plan for the improvement of the river that will include very little of a temporary character, but, even though progress be slow, will make for permanence.
>
> Sincerely, yours, W. S. HAMMOND, *Governor.*

He expected our Committee on Flood Control to take its time and do a good job.

The governor of Oregon says he is in favor of getting something for Oregon first. [Laughter.] If this project does not interfere, he is for that, too. [Laughter.] His letter was written on the 21st of May, 1915. It is signed "James Lithycombe."

The governor of North Carolina, Locke Craig, writes:

> It is the duty of the General Government to preserve the channel of the Mississippi as a highway for commerce and to protect the lands of the valley from destruction by floods.

The governor of Tennessee says:

> The magnitude of the undertaking and the expanse of rich country to be preserved makes it a claim upon the Federal Government rather than upon States and small levee districts.
>
> LOUIS C. YE, *Governor.*

Then Connecticut, with proverbial caution, says, through its governor:

> Connecticut is probably as little affected by the conditions upon the Mississippi as any State in the Union, but I think that its people would willingly give their consent for the expenditure of national funds for the completion of the levee system.

Now, here is Pennsylvania, and there has been a little lack of correlation between the governor and at least one Representative of that State here in Congress. [Laughter.]

Mr. HUMPHREYS of Mississippi. Mr. Chairman, will the gentleman yield there?

Mr. BENNET. Yes.

Mr. HUMPHREYS of Mississippi. I want to call the gentleman's attention to the fact that the name of the governor of Tennessee is "Thomas C. Rye."

Mr. BENNET. I thought it was Rye, but I did not dare say "Rye," remembering that Tennessee was a dry State [Laughter.]

Now, the governor of Pennsylvania says this—and I want to have the attention of the gentleman from Pennsylvania [Mr. MOORE]. He says, through his secretary:

> The governor has directed me to say, in reply to your letter of May 13, that he will ask the Congressmen from Pennsylvania to act upon the matter mentioned, and that he hopes the money may be given, as he is in favor of the levee system of protection.

Mr. MOORE of Pennsylvania. I think he meant the system of protection to American industry. [Laughter.]

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. BENNET. Yes.

Mr. GALLAGHER. Has not the gentleman read enough to convince him?

Mr. BENNET. I have read enough to convince me that whenever it is a question of letting the National Government do it the governors of the States are unanimously willing, and also enough to indicate to this House what it seems to me is beneficial to indicate, and that is the ease with which men in high positions permit their names to be attached to documents recommending projects calling for millions of dollars, without giving one useful or careful thought to the matter. [Applause.]

Mr. BORLAND rose.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, before the gentleman proceeds, let us see if we can not read some of the bill. We have had now four hours and a half of debate. I want to see if we can reach some agreement by which we can at least read the first section of the bill before adjournment.

Mr. MANN. Have we not read the first section?

Mr. HUMPHREYS of Mississippi. No; we have read the first paragraph, not the first section.

Mr. MANN. It was to be read by sections.

Mr. HUMPHREYS of Mississippi. That was not the understanding. It was read by paragraphs.

Mr. MANN. It ought to be read by sections.

Mr. HUMPHREYS of Mississippi. Before the gentleman from Missouri proceeds, I want to ask unanimous consent that we read this first section. Then he can proceed.

Mr. DILLON. I have an amendment to offer on this paragraph.

Mr. MANN. Was there an agreement to read it by paragraphs?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. MANN. I am sorry about that.

Mr. HUMPHREYS of Mississippi. I did it under the assurance that gentlemen on that side should be given a vote. We have been just as clever as we possible could be.

Mr. MANN. We on this side are willing to close debate now.

Mr. HUMPHREYS of Mississippi. We do not want to close debate.

Mr. BORLAND. What is this—an amendment?

Mr. MANN. An amendment to the first paragraph.

Mr. BORLAND. I have no objection.

Mr. MANN. Does the gentleman from South Dakota want to discuss it?

Mr. DILLON. Briefly; and there may be others who may want to discuss it.

Mr. MANN. How much time does the gentleman want?

Mr. DILLON. Five minutes.

Mr. MANN. I suggest to the gentleman from Mississippi that he ask unanimous consent to close debate on the first paragraph in five minutes.

Mr. HUMPHREYS of Mississippi. I ask unanimous consent that debate on this paragraph be closed in five minutes.

The CHAIRMAN. The gentleman from Missouri [Mr. BORLAND] has been recognized.

Mr. BORLAND. Does the gentleman want to take my time?

Mr. DILLON. No; I want to speak on my amendment.

Mr. BORLAND. Then I suggest to the gentleman from Mississippi that he make it 10 minutes.

Mr. HUMPHREYS of Mississippi. I want to hear the gentleman's amendment. I do not know what it is. I will withhold my request for five minutes.

Mr. BORLAND. Mr. Chairman, I am very glad to give my support to this bill, although it does not directly solve the problems in which my section of the country is peculiarly interested. I know, however, that it is the forerunner of legislation which will solve the great flood problem of the Mississippi Valley.

I am for this bill for two reasons. In the first place, I believe that the overflow of the lower Mississippi Valley is a great national problem, which can be effectively dealt with only by Congress. I know that the people of the States affected have not lain idle and permitted this damage to come upon them without exerting to the utmost all of the physical and legal power that they had to prevent it. In spite of the facetiousness of some gentlemen who live safely beyond the Alleghenies, they must recognize the fact that the people in the Mississippi Valley who have had to contend against this flood condition have undoubtedly exerted themselves to the utmost to control the situation. So when they finally came to the conclusion that there is no control which holds out any hope of being effective except national control, their opinion is entitled to great weight.

In addition to that the gentleman from New York [Mr. BENNET] is wrong in assuming that because the Mississippi Valley States are urging this action upon Congress they have not contributed to the purpose out of their own State treasuries.

Mr. BENNET. Will the gentleman yield?

Mr. BORLAND. Very briefly. I have not much time.

Mr. BENNET. I never made any such statement. I know the contrary. They have contributed from their funds.

Mr. BORLAND. I want to assure the gentleman from New York that they have.

Mr. BENNET. I said that they had.

Mr. BORLAND. And especially I am familiar with the contributions of the State of Missouri, on the Missouri River, which forms one of the important parts of this problem, and which to-day is being leveed largely by levee districts organized under State law and existing under local taxation.

But in the brief time I am going to occupy I want to call your attention to the fact that I am for this proposition, not alone upon its individual merits, but because it recognizes a principle for which I have long contended—that the improvement of the interior of the country, the internal development of the country, is a matter of national interest. If we can reclaim this great body of land and make it productive and responsive to the growing wealth of the Nation, it is a matter of national benefit and national concern. More land can be reclaimed by levee construction in this country than can ever be reclaimed by the most expensive irrigations projects that can be adopted, and it can be reclaimed more cheaply, and it is better land after it is reclaimed. I know that in the past we have had to do this to an extent under the navigation clause of the river and harbor bill; but I am glad that Congress is frankly taking charge of the situation as an independent proposition, and solely upon the question of national interest in the reclamation of these lands and their restoration to the productive area of the country, their restoration to the food-producing and raw-material producing area of this country, looking upon it as a national proposition worthy of the attention of Congress.

Mr. FESS. Will the gentleman yield?

Mr. BORLAND. Briefly.

Mr. FESS. I want to ask whether the gentleman has any doubt as to the effectiveness of the work, and whether he can give us assurances that the money expended will not be wasted.

Mr. BORLAND. I do not pass on that from a technical standpoint. I know of no method that has ever been used except the levee method to control flood conditions, but I am in favor of reclamation from a national standpoint.

Mr. WHEELER. Mr. Chairman, it is a question in my mind whether I will support this bill. I am in a little doubt as to what effect it will have on the land lying along the Illinois River. There have been thousands and thousands of acres of land redeemed there, the most productive lands in the State to-day. They have expended anywhere from $75 to $100 per acre in redeeming the land by erecting dikes and levees 15 feet high, establishing pumping stations for pumping the surface water, and if this water along the Mississippi River is confined to the banks as proposed by experts and engineers who have gone over the situation, there is no question in my mind but what it will have a great effect on the water in the Illinois River.

Mr. MOORE of Pennsylvania. What does the gentleman mean, reduce the water level?

Mr. WHEELER. No; raise it up very materially, in my opinion; so much so that these lands will become overflowed, and, in fact, become worthless, because we have June floods there; and the question is, Who is going to pay the damages?

Mr. MOORE of Pennsylvania. Does the gentleman mean that the building of revetments below will tend to back the water up?

Mr. WHEELER. That is my contention; that is, the water in the Illinois River will be so retarded by confinement by the water in the Mississippi River that naturally it will take more time to empty the channel in the Illinois River, and it has got to seek a level somewhere.

Mr. BENNET. Do not some people say that building of bridges on a river obstructs the flow of the river to a certain extent?

Mr. MOORE of Pennsylvania. That has developed in inquiries on certain bridge bills.

Mr. FESS. Two large concrete bridges were built across the Miami, and when the flood came the débris lodged against it and the water backed up so that it turned the course of the water and it went down Third Street.

Mr. WHEELER. I do not contend that it is correct, but I would like to receive some information on it from those who have studied the Illinois River, built dikes and levees at enormous expense, and as to what the engineers say, because, as I said before, somebody is responsible in case that should happen. They are redeeming land every year, forming drainage districts, and if the flow is retarded in the Mississippi River it naturally means a retarding of the flow of the water of the Illinois River. I am of the opinion that the dikes there at present are not high enough to take care of additional water.

Mr. HUMPHREYS of Mississippi. Let me say that the levees of the lower regions of the Mississippi will have no effect at all on the Illinois River. They accelerate the flow.

Mr. WHEELER. But you receive the flow from the Missouri River and it will retard the flow of the Illinois River.

Mr. HUMPHREYS of Mississippi. The flow of the Mississippi is not retarded, and the effect of the improvement on the lower Mississippi on the Illinois River is absolutely nil.

Mr. WHEELER. Do I understand the gentleman to say that if they confine the water in the lower Mississippi it will not retard the flow in that river?

Mr. HUMPHREYS of Mississippi. No; it accelerates the flow. Mr. Chairman, I ask unanimous consent that we read the first section now, and then it will be in order to amend it.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to complete the reading of the first section. Is there objection?

Mr. DILLON. I object; I want my amendment read.

The Clerk read as follows:

Page 1, line 3, strike out the words "Mississippi River and continuing its improvement from the Head of the Passes to the mouth of the Ohio River" and insert in lieu thereof the following: "Ohio, Missouri, and Mississippi Rivers and their tributaries."

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this section and amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. DILLON. Mr. Chairman, as supplemental to what I have already said, I want to present the issue to this committee that if we are to have a drainage system we want one that will be considered from every standpoint. The impounding of the waters is the most material proposition before this Flood Committee, and you have entirely ignored every element of impounding of waters. Now, there is no good reason why we should not commence at the other end of this program and stop the flowing of the flood waters by impounding them and in that way you would benefit the lands along the Missouri as well as the lands lying along the Mississippi. You will never control the flood waters of these great streams unless you impound the waters, because the water will fall as sure as the night follows the day, and when you have great rains and the melting of snows, floods will follow all through this entire valley. It seems to me that we will be making a great mistake if you do not take into consideration these propositions. To do things by piecemeal will be a failure. I want to see this bill perfected so that we can all support it; simply doing it by sections, in the form of levees, will mean a miserable failure. I hope this amendment will be adopted, so that we all may be able to give this bill our support, but without such an amendment it is doubtful if I could support a bill of this character. [Applause.]

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I hope the amendment will not be agreed to. It provides for including here the Ohio and the Missouri Rivers and their tributaries, for not only controlling the floods in the Ohio and the Missouri Rivers, but also for continuing their improvement. Congress has already adopted a project for the improvement of the Ohio River, costing more than $60,000,000, which is now proceeding, and it has adopted a project for the improvement of the Missouri River, to cost $20,000,000, and that is proceeding. This amendment, if agreed to, will appropriate $45,000,000 for the improvement of the Ohio River——

Mr. DILLON. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. DILLON. The gentleman says that we have adopted a plan for the improvement of the Missouri River. Where does that come in?

Mr. HUMPHREYS of Mississippi. In the river and harbor appropriation bill.

Mr. DILLON. That is, from Kansas City to St. Louis?

Mr. HUMPHREYS of Mississippi. I can not yield any further.

Mr. DILLON. We have been trying to get a little appropriation up there and we have not been able to do it.

Mr. HUMPHREYS of Mississippi. To adopt this amendment would provide for appropriating $45,000,000 more for the improvement of the Ohio, which is already proceeding now under a plan to cost $60,000,000, and for the Missouri, which is already proceeding under a plan to the improvement to the extent of $20,000,000. It also would appropriate a portion of this $45,000,000 for the improvement of all of the tributaries of those rivers, without any survey or estimate. Nobody knows whether it will cost $45,000,000 or $145,000,000. I hope the committee will not agree to any such proposition. The Ohio River tributaries—the Wabash, the Miami, the Allegheny, the Monongahela—are now being surveyed with a view to the control of the floods. Those surveys are being made, and reports will be had on them next year, so Congress will know then what it will cost and will be able to determine whether Congress is able to undertake the control of the floods on these various tributaries. This proposition is without any survey, without any investigation whatever, just to undertake the control of the floods in all of the tributaries of the Ohio River and of the Missouri River, and, in addition to that, to undertake their improvement, and appropriate therefor $45,000,000.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Dakota.

The question was taken; and on a division (demanded by Mr. DILLON) there were—ayes 13, noes 30.

Mr. DILLON. Mr. Chairman, I suggest the absence of a quorum.

Mr. STAFFORD. Mr. Chairman, I hope the gentleman will not do that. We had an understanding to run until 5.30 o'clock.

Mr. DILLON. Mr. Chairman, I will withdraw the point of order for the time being, but I will say to the gentleman that I will put it in in some other form.

So the amendment was rejected.

The Clerk read as follows:

(b) That no money appropriated under authority of this section shall be expended in the construction or repair of any levee unless and until assurances have been given satisfactory to the commission that local interests protected thereby will contribute for such construction and repair a sum not less than one-third of such sum as may have been allotted by the commission for such work: *Provided*, That such contributions shall be expended under the direction of the commission, or in such manner as it may require or approve, but no contribution made by any State or levee district shall be expended in any other State or levee district except with the approval of the authorities of the State or district so contributing.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word with the idea of seeing if we can not come to some understanding. There are a number of gentlemen here who wish to offer amendments to this and to some of the succeeding paragraphs. Will the gentleman from Mississippi agree to have the remainder of the section read to the end, with the right to offer amendment to any of the respective paragraphs?

Mr. HUMPHREYS of Mississippi. That is entirely satisfactory.

Mr. LENROOT. I would rather finish this paragraph first.

Mr. HUMPHREYS of Mississippi. Let us read the section and then offer the amendments to the paragraphs.

Mr. LENROOT. With the understanding that as to this particular paragraph there shall be no attempt to cut off debate, that there shall be the same freedom as though it were read separately?

Mr. HUMPHREYS of Mississippi. Oh, yes.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the rest of section 1 may be read to the end with the right to offer amendments to any of the paragraphs beginning with line 15 on page 2.

The CHAIRMAN. Is there objection?

Mr. DILLON. Mr. Chairman, reserving the right to object, I would like to ask the gentleman whether he expects to close this paragraph so that we can not offer amendments next Wednesday?

Mr. STAFFORD. No; the very purpose is to allow amendments to be offered next Wednesday.

Mr. DILLON. If that is understood, I have not read this carefully, and I may want to offer some amendment.

Mr. STAFFORD. That is the very purpose, so that Members can prepare their amendments between now and Wednesday next, and they can be then discussed.

The CHAIRMAN. Is there objection?

Mr. LENROOT. Mr. Chairman, reserving the right to object——

Mr. MOORE of Pennsylvania. Mr. Chairman, reserving the right to object, I desire to know whether, if this agreement is entered into any gentleman can offer amendments to any one of these paragraphs if we read to the end of the section now?

Mr. STAFFORD. That is the understanding, beginning on line 15, page 2.

Mr. MOORE of Pennsylvania. Mr. Chairman, still reserving the right to object, there is this objection to that. The gentleman from Mississippi may want to limit the debate on amendments when that question arises, and that may put some gentlemen to a disadvantage.

Mr. STAFFORD. I would like to say to the gentleman from Pennsylvania, if the gentleman from Mississippi will permit, that this paragraph is one of the important paragraphs in the bill, and the amendments to be offered require consideration for some time and, perhaps, would require a larger membership in the discussion.

Mr. GARD. Why can not the unanimous-consent request include the offering of amendments before to paragraph A, which has been passed?

Mr. STAFFORD. That has already been passed, with opportunity to Members to offer amendment, but nobody saw fit, and I did not think it was right to go back and make the request include a paragraph that had been already read.

Mr. GARD. It is only part of one section, and intimately related.

Mr. HUMPHREYS of Mississippi. It has been read.

The CHAIRMAN. Is there objection?

Mr. BENNET. I object.

Mr. LENROOT. Mr. Chairman, I offer an amendment; in line 20, page 2, strike out the word "third" and insert the word "half."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 20, strike out the word "third" and insert the word "half."

Mr. LENROOT. Mr. Chairman, the amendment I propose, if adopted, would require the owner of the land or levee district, instead of paying one-fourth of the total cost, to pay one-third

of the total cost. Now, Mr. Chairman, when this committee was created we all recognized that the Speaker of this House was very influential in its creation, and you will remember that he made a speech in favor of the rule creating the committee. In that speech he advocated two things that he believed this Committee on Flood Control would do. He advocated two propositions that he believed would be a solution of this flood question, and the first one was that some means would be devised to curtail the flow of the streams, thus preventing these floods, and he used this language:

> The only thing to do, it seems to me, is to appoint a committee that will take the best advice it can get so that a system can be devised to curtail, if that is the word, the vast amount of water which goes down the rivers, overflowing the whole country, and make them go down more gradually.

Now, Mr. Chairman, the committee that has made this report—and I have examined it with some care—not only did not make a report upon that proposition, but it does not seem to have even considered it at all, for the admitted result of the proposition which is now before the House is that the waters will not be curtailed in their flow, but, on the contrary, will be accelerated, so that as to one of the propositions that the Speaker advances it not only has been abandoned by the committee, but has not even been considered by it. And we are now confronted with the other proposition, which is a reclamation proposition, and as to that the Speaker had this to say:

> Now, I do not believe that Congress is ever going to drain the public lands, or the private lands either, at public expense, but I will tell you what I believe it will do. It will rig up a scheme like the irrigation scheme except exactly the reverse as to the subject matter, by which these overflowed lands will be drained and the men who own the lands will pay for the drainage.

He says that the theory of irrigation is that the irrigation works will be completed and not cost the Government a single cent, and so forth. Now, in the report of the committee we find that up to this time private interests have contributed $3 in the building of levees on the lower Mississippi for every dollar that the Government has expended. In other words, in the proportion of 3 to 1 contributed by private interests. The United States Government has contributed $29,000,000 for the construction of levees and private interests $90,000,000. Now, this bill before us goes clear to the other extreme.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LENROOT. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. LENROOT. Whereas private interests in the past have been contributing $3 for every dollar the Government has been contributing, and making splendid progress at that, now we propose that the Government shall contribute $3 for every dollar that private interests shall contribute. Now, it seems to me that that is an altogether unfair proposition. It is going altogether too far. And admitting, as I do, that the Government ought to contribute a portion of this cost for the reasons that have been suggested, the fact, nevertheless, remains that every acre of this land that is now overflowed will be increased tremendously in value by this improvement. And instead of the Government contributing $3 for every dollar that private interests contribute the contribution should at least be equal. But I have not even asked for that in my amendment. If my amendment is adopted, the Government will contribute $2 for every dollar that private interests contribute instead of $3, as is proposed in the pending bill.

Mr. GARRETT. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. GARRETT. Taking the amount that has heretofore been expended and the amount that is involved in this bil, will it not work out to about the basis that the gentleman suggests?

Mr. LENROOT. It may; but as I have listened to the debate, and I have been very much enlightened by it during the discussion, there are some portions of this river where the levees are completed entirely, and that get no benefit from this bill. Now, while you are really discriminating against those who have paid $3 for $1 of the Government where the work is completed, is it too much to ask that in that portion of the river where levees are still necessary that they shall pay at least $1 for every $2 that the Government contributes, whereas in the past they have had to pay $3 for every dollar that the Government has contributed?

Mr. GARRETT. I have only this suggestion to offer to the gentleman, if he will permit, and that is that this levee system must necessarily be one complete system in order to give the full relief that is necessary. It will be impossible to work out an absolutely equitable system on any basis, I will say to the gentleman.

Mr. LENROOT. I think that is true; but I do insist that where we propose, as would be in the case of my amendment, to pay $2 for every dollar contributed by the State, that that is certainly equitable, whereas in the past the States have contributed $3 for every dollar that the Government has contributed.

Now, it is said that they can not afford to pay any more. Why, Mr. Chairman, every one of us who lives in a city, especially in the case of street improvement, has seen case after case where property has been assessed and where the taxes can not be paid out of the income from that property, and they have been compelled to mortgage the property. In some cases it has actually been confiscated by taxation. But where the improvement increases the value of the property that is no reason why they should not make a fair contribution for the benefits actually received, because, perchance, they might have to mortgage their land in order to pay the assessment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended two minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HUMPHREYS of Mississippi. I call the gentleman's attention to this: He quoted from the Speaker about the drainage of swamp lands. Gentlemen understand it is a fact that after this land is protected from overflow, of course it has to be drained. Every dollar of the drainage is borne by the local interests. The Government contributes nothing whatever to that. There are projects, as I stated a few moments ago, now in process of completion, that cost $40,000,000, in round figures, for drainage, but the Government is not asked to contribute anything whatever toward them.

Mr. LENROOT. Let us see about that. It has been stated during the debate that on a large portion of this river the river will be as high as 15 feet above the land upon either side, the levees protecting the lower land. These levees are themselves going to make drainage unnecessary. You are certainly not going to be able to drain from lowlands into the Mississippi River if the flow of the Mississippi is above the level of the water upon your lowlands.

Mr. HUMPHREYS of Mississippi. Of course you could not drain into higher water; but even if the levee is constructed by the local interests, you still could not drain over the levee into the river. That is certainly true. But whatever drainage has to be done has to be paid for exclusively by the owners.

Mr. LENROOT. There is no difference between us. The fact is when you have low water upon the Mississippi River a very large percentage of those lands will of themselves be drained, and thereafter the levees will protect them.

Mr. HUMPHREYS of Mississippi. They will be protected from overflow, but they have to be drained.

Mr. LENROOT. But they will drain without expense at low water, to a very large extent.

Mr. HUMPHREYS of Mississippi. No; you have to have these drainage projects. You have to have tremendous drainage projects. The drainage cost in my own county, for instance, is equal to $7 on every acre of land in that county.

Mr. LENROOT. That is a very trifling sum; lands worth absolutely nothing improved at $7 an acre expense, to make it worth $100 an acre, is not a very serious matter. The fact is that it is the building of these levees that will make the tremendous value of the land where you can at a comparatively small expense, after the building of the levees, drain them, and where without the levees you can not do anything with them.

Mr. HUMPHREYS of Mississippi. The gentleman is very much mistaken if the gentleman thinks by building levees and constructing drainage systems the land will be made worth $100 an acre. The fact is the land will be worth only half of that after the drainage has been completed and the land placed under cultivation and after the houses are put upon it. It is still worth only about $50 an acre.

Mr. LENROOT. Perhaps I was misled by some of the over-enthusiastic statements that have been made here to-day.

Mr. HUMPHREYS of Mississippi. It will cost from $35 to $40 an acre to put the land under cultivation. Then it will cost to drain somewhat more in certain places than in others. There is very little land in that country that can be sold for as high as $50 an acre.

Mr. LENROOT. Let me see if the gentleman's statements are correct. If they can not afford to pay $1 for every $2 which the Government pays, how in the past have they been

able to pay $3 to every $1 that the Government has contributed?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I suggest that it is the proper time now to rise, and the gentleman can take the floor on the next occasion when the bill is under discussion.

Mr. HUMPHREYS of Mississippi. We will do that in a few minutes.

Mr. DENISON and Mr. CURRY rose.

Mr. HUMPHREYS of Mississippi. We have proceeded heretofore—that is, the Government has proceeded—by meager appropriations; that is, very small appropriations, and the fact is before us to-day that we have gone along at such a snail's pace that we have never been able to finish the levee system. The result has been that we would get the levees started and pretty well up, and then the floods would come on and destroy them, and we would then have to start all over again, because we had not proceeded expeditiously and completed them.

Now, if we are to proceed in a business way—and nobody doubts that the Government is going to continue in this enterprise, whether it appropriates a considerable sum or a small sum—we are going to stay in it until it is completed. Now, if we can go on in a business way we will have to appropriate, as is proposed in this bill, $6,000,000. That is the opinion of the commission; and it was the opinion of others who came before us that it was impossible for them to raise more than $2,000,000 to put into levees, because they would have to raise another million for rights of way, damages, administration, and things of that kind, and then they would have to pay a million and a quarter interest on the bonds already outstanding, and they could not raise any more money than that. Now, if we are going to require a larger proportion of contribution by them, the only way it can be accomplished will be by the Government spending less money. That will mean that we will proceed during the years as we have been proceeding, that these levees will be swept away by the next flood, that we will be called upon, as we were a few years ago, to spend a million and a quarter dollars down there after the flood of 1912 in relief matters. We spent a million dollars in the flood of 1913 in emergency work, which the commission says was not permanent; and in the last analysis we will spend more money than is contemplated by this bill; and instead of concluding the whole matter in the next five years we will stretch it out to the next 15 or 20 years, maybe; and instead of completing the levees at an expenditure of $30,000,000 on the part of the Government, they will cost $40,000,000 or more, probably $50,000,000.

Mr. LENROOT. May I ask the gentleman as to the method of raising this money? Is it by selling bonds?

Mr. HUMPHREYS of Mississippi. They have outstanding now $20,000,000 of bonds; and, then, they have anticipated their revenues to a considerable extent by ordinary debentures.

Mr. LENROOT. I want to ask the gentleman whether, by this Government going ahead expeditiously and with a full project, it will not be very much easier in the future to sell levee bonds than it has been in the past when the Government has been pursuing this haphazard policy?

Mr. HUMPHREYS of Mississippi. Undoubtedly it will; and it is contemplated in some of the districts, I know, that if this is done they may be able to float bonds. Most of them are already bonded now up to the limit; and, as I stated before, because of the fact that there was no assurance that they were going to complete the job investors were a little chary about buying the bonds, and the result is a very high rate of interest. It is their hope and expectation that they may be able to float bonds at a lower rate of interest. That is the way in which they expect to raise this money.

Mr. LENROOT. So the gentleman does not believe it will be more difficult to raise money in the future on the basis of $2 expenditure by private individuals and $1 by the Government than it has been in the past on the basis of $3 expenditure by private individuals and $1 by the Government?

Mr. HUMPHREYS of Mississippi. No; not on the basis proposed in the bill. I did not mean to be understood that the districts could not raise the money.

Mr. STAFFORD. Mr. Chairman, I suggest the absence of a quorum.

Mr. HUMPHREYS of Mississippi. I will say to the gentleman that, in compliance with my agreement with him, I was about to move that the committee rise.

Mr. STAFFORD. The Chairman was about to recognize another gentleman. If the gentleman is about to move that the committee rise, I will withhold the point.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CARAWAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes, and had come to no resolution thereon.

### LEAVE TO EXTEND REMARKS.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

### HOUR OF MEETING TO-MORROW.

Mr. GARRETT. Mr. Speaker, I believe an agreement has already been made to meet at 11 o'clock to-morrow.

Mr. STAFFORD. No such agreement has been made.

The SPEAKER. No; it has not been made.

Mr. GARRETT. I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 a. m. to-morrow. Is there objection?

Mr. STAFFORD. Reserving the right to object, I do not think that it is customary to meet at 11 o'clock on unanimous-consent day, and to-morrow is given over to unanimous consent. As the leader of the minority left a few minutes ago, with the understanding that we should meet at 12, I think I shall be constrained to object.

Mr. GARRETT. I was under the impression that the agreement had already been made. I want to suggest to the gentleman from Wisconsin that the Unanimous Consent Calendar is pretty full, and I think we could expedite business very much.

Mr. STAFFORD. It has not been generally expected that we would meet at 11 o'clock, except on days when appropriation bills are being considered.

The SPEAKER. The Chair will state to the gentleman from Wisconsin that the Unanimous Consent Calendar now contains 8 pages, and the Chair has about 12 or 13 applications to suspend the rules.

Mr. GARRETT. It would relieve the situation very much.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

### COMMITTEE ON ELECTIONS NO. 2.

Mr. RUSSELL of Missiouri. Mr. Speaker, I want to call up for immediate consideration the resolution which I send to the Clerk's desk pertaining to the business of the House.

The SPEAKER. Is it privileged?

Mr. RUSSELL of Missouri. I think so, but I will ask unanimous consent for the present consideration of the resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 222.

*Resolved*, That Election Committee No. 2 be permitted to sit during the sessions of the House for the remainder of the week while holding hearings on the election case of Horgan against Tinkham.

The SPEAKER. Is there objection?

There was no objection, and the resolution was agreed to.

### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5424. An act to construct a bridge in San Juan County, State of New Mexico.

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 6057) to amend section 14 of the reclamation extension act approved August 13, 1914, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMITH of Arizona, Mr. LANE, and Mr. JONES as the conferees on the part of the Senate.

### ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 759. An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof.

ADJOURNMENT.

Mr. FOSTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.) the House adjourned until to-morrow, Thursday, May 4, 1916, at 12 o'clock noon.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. GANDY, from the Committee on the Public Lands, to which was referred the bill (S. 3203) granting to the city of Lemmon, S. Dak., certain lands for reservoir purposes, reported the same with amendment, accompanied by a report (No. 625), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. STOUT, from the Committee on the Public Lands, to which was referred the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assinniboine Military Reservation, reported the same with amendment, accompanied by a report (No. 626), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR of Colorado, from the Committee on the Public Lands, to which was referred the bill (S. 733) providing for patents to homesteads on the ceded portion of the Wind River Reservation in Wyoming, reported the same with amendment, accompanied by a report (No. 627), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. McCLINTIC, from the Committee on the Public Lands, to which was referred the bill (H. R. 12208) adding certain lands to the Teton National Forest, Wyo., reported the same without amendment, accompanied by a report (No. 628), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. STEPHENS of Texas, from the Committee on Indian Affairs, to which was referred the bill (H. R. 14533) to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota, reported the same without amendment, accompanied by a report (No. 629), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. PHELAN, from the Committee on Banking and Currency, to which was referred the bill (H. R. 15004) to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create financial agents for the United States, and for other purposes, reported the same without amendment, accompanied by a report (No. 630), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. PETERS, from the Committee on Claims, to which was referred the bill (H. R. 7504) for the relief of E. W. Rohmeling, reported the same without amendment, accompanied by a report (No. 631), which said bill and report were referred to the Private Calendar.

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 1622) for the relief of Henry S. Royce, reported the same with amendment, accompanied by a report (No. 632), which said bill and report were referred to the Private Calendar.

Mr. CAPSTICK, from the Committee on Claims, to which was referred the bill (H. R. 12267) for the relief of Wallace L. Bell, reported the same without amendment, accompanied by a report (No. 633), which said bill and report were referred to the Private Calendar.

Mr. STOUT, from the Committee on the Public Lands, to which was referred the bill (S. 1741) for the relief of certain homestead entrymen for lands within the limits of the Glacier National Park, reported the same without amendment, accompanied by a report (No. 634), which said bill and report were referred to the Private Calendar.

Mr. PETERS, from the Committee on Claims, to which was referred the bill (H. R. 3894) for the relief of George H. Grace, reported the same without amendment, accompanied by a report (No. 635), which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1087) granting a pension to Henry N. Wilks; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2783) granting a pension to Alexander Ellert; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 6235) granting an increase of pension to Dock J. Miller; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14638) granting a pension to Michael P. Foley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 15055) to correct the military record of Charles King; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. OLDFIELD: A bill (H. R. 15311) to amend section 66 of the Judicial Code (36 Stat. L., p. 1104); to the Committee on the Judiciary.

By Mr. CONRY: A bill (H. R. 15312) fixing the compensation of inspectors of customs, and for other purposes; to the Committee on Expenditures in the Treasury Department.

By Mr. SLAYDEN: A bill (H. R. 15313) to provide for the removal of the Botanic Garden to Rock Creek Park and for its transfer to the control of the Department of Agriculture; to the Committee on the Library.

By Mr. WEBB: A bill (H. R. 15314) prohibiting threats against the President of the United States; to the Committee on the Judiciary.

By Mr. CARTER of Oklahoma: A bill (H. R. 15315) authorizing the Secretary of War to have made an appropriate investigation of the Washita and other rivers in southeastern Oklahoma, with a view to controlling floods; to the Committee on Flood Control.

By Mr. McGILLICUDDY: A bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes; to the Committee on the Judiciary.

By Mr. HAYDEN: A bill (H. R. 15317) making an appropriation for drilling test wells for artesian water in the San Simon Valley, Ariz.; to the Committee on Appropriations.

By Mr. STEENERSON: A bill (H. R. 15318) granting the consent of Congress to the village and township of Hendrum, Norman County, Minn., and the township of Elm River, Traill County, N. Dak., to construct a bridge across the Red River of the North on the boundary line between said States; to the Committee in Interstate and Foreign Commerce.

By Mr. SCULLY: A bill (H. R. 15319) for the encouragement of the production of better horses for agricultural and military purposes; to the Committee on Agriculture.

By Mr. CONNELLY: A bill (H. R. 15320) providing for a site and public building for post-office and other Federal purposes at Hays, Kans.; to the Committee on Public Buildings and Grounds.

By Mr. STOUT: A bill (H. R. 15321) authorizing the allotment of lands to children on the Fort Peck Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. HELGESEN: A bill (H. R. 15322) granting the consent of Congress to the Board of County Commissioners of Traill County, N. Dak., to construct a bridge across the Red River of the North; to the Committee on Interstate and Foreign Commerce.

By Mr. VOLSTEAD: Joint resolution (H. J. Res. 216) proposing to amend the Constitution of the United States to authorize the Congress to enact laws to define and limit the causes for divorce; to the Committee on the Judiciary.

By Mr. KEATING: Resolution (H. Res. 221) making certain inquiries of the Secretary of the Treasury; to the Committee on Expenditures in the Treasury Department.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 15323) granting an increase of pension to Frederick Brunner; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 15324) granting an increase of pension to Quincy A. Cheadle; to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 15325) granting an increase of pension to Nancy S. H. Goodwin; to the Committee on Invalid Pensions.

By Mr. CONRY: A bill (H. R. 15326) granting an honorable discharge to Isaac Matthew Edwards; to the Committee on Military Affairs.

By Mr. DOOLITTLE: A bill (H. R. 15327) granting an increase of pension to Clarinda Branch; to the Committee on Invalid Pensions.

By Mr. EAGAN: A bill (H. R. 15328) granting an increase of pension to Elijah Blackhurst; to the Committee on Invalid Pensions.

By Mr. EDMONDS: A bill (H. R. 15329) granting to Noble D. Preston brevet ranks of major and lieutenant colonel, United States Volunteers; to the Committee on Military Affairs.

By Mr. GOOD: A bill (H. R. 15330) granting an increase of pension to William Ellison; to the Committee on Pensions.

Also, a bill (H. R. 15331) granting an increase of pension to Margaret Westcott; to the Committee on Pensions.

By Mr. GREGG: A bill (H. R. 15332) for the relief of A. H. Stein; to the Committee on Claims.

By Mr. HILLIARD: A bill (H. R. 15333) granting a pension to Martin O. Larsen; to the Committee on Pensions.

By Mr. KEY of Ohio: A bill (H. R. 15334) granting a pension to Andy R. Fetter; to the Committee on Pensions.

By Mr. LAFEAN: A bill (H. R. 15335) granting an increase of pension to Joseph Walton; to the Committee on Invalid Pensions.

By Mr. MANN: A bill (H. R. 15336) for the relief of Lena R. McCauley; to the Committee on War Claims.

By Mr. RUSSELL of Missouri: A bill (H. R. 15337) granting a pension to Mary Cash; to the Committee on Invalid Pensions.

By Mr. SISSON: A bill (H. R. 15338) granting a pension to John F. Gilliam; to the Committee on Pensions.

By Mr. SMITH of Texas: A bill (H. R. 15339) waiving the age limit for admission to the Medical Corps of the United States Navy in the case of W. Culbert Lyon; to the Committee on Naval Affairs.

By Mr. STEPHENS of Texas: A bill (H. R. 15340) for the cancellation of the allotment and trust patent therefor of Agnes Small Head or Follows the Track, a deceased Crow Indian of Montana; to the Committee on Indian Affairs.

Also, a bill (H. R. 15341) to provide for the disposal of the inherited estate of Takes Across the Water, widow and sole heir of Looks At the Water, deceased allottee of the Crow Indian Reservation; to the Committee on Indian Affairs.

By Mr. TAGUE: A bill (H. R. 15342) granting a pension to Ann Riley; to the Committee on Pensions.

By Mr. TEMPLE: A bill (H. R. 15343) granting an increase of pension to Eli Hovis; to the Committee on Invalid Pensions.

By Mr. TOWNER: A bill (H. R. 15344) granting a pension to Ida Lillis Pettit; to the Committee on Invalid Pensions.

By Mr. WARD: A bill (H. R. 15345) granting an increase of pension to Ellen J. Stratton; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of Chamber of Commerce of Honolulu, indorsing Senate bill 203 and House bill 11252; to the Committee on Education.

Also (by request), memorial of State Convention of Nevada Woman's Civic League, at Reno, favoring reporting the Susan B. Anthony amendment; to the Committee on the Judiciary.

Also (by request), memorial of Local Philadelphia, Socialist Party, indorsing House joint resolution 159; to the Committee on Labor.

Also (by request), memorial of Board of Aldermen of New York, favoring preparedness; to the Committee on Military Affairs.

Also (by request), petition of men and women of Sacramento, favoring the Sutherland-Mondell woman-suffrage amendment; to the Committee on the Judiciary.

By Mr. BAILEY: Petition of sundry voters of Fallen Timber, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BEAKES: Petition of W. P. Elmore and 72 citizens of Jackson, Mich., protesting against the passage of House bills 491, 6468, and 13778; to the Committee on the Post Office and Post Roads.

Also, petition of Paul C. Rowlands and 24 citizens, of Jackson; J. C. Pullen and 47 citizens, of Belleville; Walter H. Smith and 37 citizens, of Monroe; Mrs. E. P. Jones and 28 citizens, of Ann Arbor and Saline; Luther E. Lovejoy and 43 citizens, of Wyandotte; Ann L. Potts and 16 citizens, of Cadmus; E. P. Munn and 24 citizens, of La Salle; Clark T. Woodward and 25 citizens, of Carleton; R. L. Scamehoon and 22 citizens, of Jackson; Rev. Edwin Ewell and 20 citizens, of Monroe County; Lynn A. Barrow and 20 citizens, of Adrian; M. S. Leadd and 23 citizens, of Adrian; J. C. Holser and 24 citizens, of Erie; the Presbyterian Sunday School of Cadmus; the North Street Methodist Episcopal Church, of Jackson; the North Rome Free Baptist Church, of North Rome; the adult members and voters of the Methodist Episcopal Church of Milan; the congregation of the Methodist Episcopal Church of Belleville, all in the State of Michigan, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of C. A. Wilkie and 24 citizens of Jackson County; Zearl Stoddard and 24 citizens of Lenawee County; William Colton and 51 citizens of Temperance; the Methodist Church of Alpena; the Baptist Sunday School of Temperance; 400 members of St. Paul's Methodist Episcopal Church, of Monroe; the First Methodist Church of Wyandotte; the Presbyterian Church and Sunday School of La Salle; the First Methodist Episcopal Church and Sunday School of Carleton; the Congregation and Sunday School of the Free Methodist Church of Jackson; the members of the Congregational Church and Sunday School of Maybee; the West Adrian Sunday School, of Adrian; the Friends' Church of Adrian; the Evangelical Sunday School of Erie; the Sabbath School of the Presbyterian Church of Erie; H. J. Gilbert and 40 citizens of Jackson; S. B. Huff and 35 citizens of Medina; and the Baptist Sunday School of Medina, all in the State of Michigan, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Oliver Stroll and 100 citizens of Battle Creek; William J. Avery and 19 citizens of Moorepark; and Mrs. E. E. Merchant and 42 citizens of Paw Paw, all in the State of Michigan, protesting against the passage of House bills 491, 6468, and 13778; to the Committee on the Post Office and Post Roads.

By Mr. BRUCKNER: Memorial of Board of Aldermen of New York City, favoring House bill 6915; to the Committee on the Post Office and Post Roads.

Also, memorial of United Boards of Business Agents of New York City, indorsing Senate bill 3457 and House bill 8826; to the Committee on Naval Affairs.

Also, memorial of the Manufacturers' and Business Men's Association of Brooklyn, opposing House bills 8665 and 8677; to the Committee on Labor.

Also, petition of Samuel Baker, of New York, indorsing the Nolan bill; to the Committee on Labor.

Also, petitions of sundry citizens of The Bronx, in favor of the Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Daniel J. Laverty, of New York, favoring pensions for superannuated postal employees; to the Committee on the Post Office and Post Roads.

Also, petition of Charles Lange, of New York City, favoring pensions for postal employees; to the Committee on the Post Office and Post Roads.

Also, memorial of Board of Aldermen of New York City, favoring preparedness; to the Committee on Military Affairs.

Also, petition of William A. Maguire, of The Bronx, N. Y., favoring House bill 9820; to the Committee on the Judiciary.

Also, petitions of sundry citizens, favoring House bill 8036; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRUMBAUGH: Evidence to accompany House bill 6984, granting a pension to Mary A. McCann; to the Committee on Invalid Pensions.

By Mr. BURKE: Memorial of Evangelical Lutheran Immanuel's Church, of Lebanon; St. John's Church, of Random

Lake; Evangelical Lutheran Church of Herman; Conference of Evangelical Association, at Appleton; Rev. E. Buenger and citizens of Fredonia; Trinity Evangelical Lutheran Church, of Milwaukee; and Trinity Church of Herman, all in the State of Wisconsin, against war with Germany; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Petition of women voters of Nevada, California, and Arizona, favoring suffrage amendment; to the Committee on the Judiciary.

Also, petition of United Military Order of America, relative to preparedness; to the Committee on Military Affairs.

Also, petitions of National Bank of Commerce and P. W. Brooks & Co., of New York City, relative to flood-control bill; to the Committee on Rivers and Harbors.

By Mr. DAVIS of Minnesota: Petitions of business men of the third congressional district of Minnesota, favoring bills taxing mail-order houses; to the Committee on Ways and Means.

By Mr. DAVENPORT: Petitions of the merchants of Nowata, Afton, Miami, and Chelsea, Okla., favoring the passage of House bills 270 and 712, providing for a tax on mail-order houses doing an interstate business; to the Committee on Ways and Means.

By Mr. ELSTON: Protest of Phoebe A. Hearst and others, against action of House Judiciary Committee with reference to Susan B. Anthony amendment; to the Committee on the Judiciary.

Also, petition of E. E. Parlin and other citizens of Alameda County, Cal., against House bills 491 and 6468, amending the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. FLYNN: Petitions of P. W. Brooks & Co. and National Bank of Commerce, all of New York City, relative to flood-control bill; to the Committee on Rivers and Harbors.

By Mr. FULLER: Petition of the Illinois Bankers' Association, favoring Senate bill 19, Pomerene bill-of-lading bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of the United Military Order of America, relative to preparedness; to the Committee on Military Affairs.

By Mr. GALLIVAN: Memorial of House of Representatives of Massachusetts, in re flood control; to the Committee on Flood Control.

Also, petition of sundry citizens of Massachusetts, favoring House bill 8665; to the Committee on Labor.

Also, memorial of John Devoy Branch, Friends of Irish Freedom, in re foreign relations; to the Committee on Foreign Affairs.

Also, petition of Ham Parsoom Obanian, of South Boston, Mass., favoring Senate resolution for assigning an Armenian relief day; to the Committee on Foreign Affairs.

By Mr. HADLEY: Petition of citizens of Benton County, Wash., against passage of House bill 13048, for juvenile court in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HASTINGS: Petition of citizens of Muskogee, Okla., for continued neutrality of United States; to the Committee on Foreign Affairs.

By Mr. HILLIARD: Petition of 20 citizens of Denver, Colo., against the Taylor system in Government shops; to the Committee on Labor.

By Mr. HULBERT: Memorial of Board of Aldermen of New York City, relative to preparedness; to the Committee on Military Affairs.

By Mr. KAHN: Petition of citizens of San Francisco, Cal., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. KALANIANAOLE: Memorial of Chamber of Commerce of Honolulu, indorsing House bill 11252 and Senate bill 703; to the Committee on Rivers and Harbors.

Also, memorial of Chamber of Commerce of Honolulu, favoring including the College of Hawaii among the colleges benefiting by the Hatch Act; to the Committee on Agriculture.

Also, memorial of Chamber of Commerce of Honolulu, favoring the Newlands bill; to the Committee on Agriculture.

Also, memorial of Chamber of Commerce of Honolulu, in re trade conditions; to the Committee on Appropriations.

By Mr. LAFEAN: Memorial of Chamber of Commerce of Montgomery, Ala., favoring passage of the Shields bill; to the Committee on Interstate and Foreign Commerce.

By Mr. LIEB: Petition of E. E. Baker, George Appel, A. C. Koch, John Mominee, A. G. Eltonhead, John M. Koch, Albert Griese, Jesse Woods, J. C. Sutherland, John Coakley, Clarence Fehrenbach, William A. Herrscher, Oscar Miller, John C. Ruff, Carl Eberhart, Dello Turpen, H. C. Johnston, Thomas Simpson, Mrs. W. Packard, Mrs. F. Reishert, Fred Hohenberger, Charles Morell, George J. Mutschler, Mrs. Mary McGuire, Miss Lula Merritt, Earl V. Reese, Alexander Thomson, A. G. Ermling, A. A. Miller, Robert Leigh, Ralph Stevens, Charles Minch, Lawrence Hicks, Joe H. Kimburger, and W. Francis Jaus, all of Evansville, Ind., favoring House bill 8665; to the Committee on Labor.

By Mr. LOUD: Petition of A. Clabuesch and 190 other members of the Evangelical Lutheran Zion Church of Remus, Mich., protesting against any declaration of war with Germany; to the Committee on Foreign Affairs.

By Mr. McKINLEY: Petition of sundry citizens of the State of Illinois, against the Taylor system in Government shops; to the Committee on Labor.

By Mr. MAGEE: Petition of sundry citizens of Syracuse, N. Y., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. MAPES: Petition of 16 citizens of Grand Rapids, Mich., against the Taylor system in Government shops; to the Committee on Labor.

By Mr. MATTHEWS: Evidence in support of House bill 15251, to increase pension of Albert Fuller; to the Committee on Invalid Pensions.

By Mr. MILLER of Minnesota: Petition of sundry citizens of Carlton, Minn., against passage of the Moss-Hollis rural-credits bill; to the Committee on Banking and Currency.

By Mr. NOLAN: Petition of Building Trades Council of San Francisco, Cal., transmitting resolutions in opposition to war; to the Committee on Foreign Affairs.

By Mr. O'SHAUNESSY: Memorial of German-Americans of Rhode Island, in reference to shipment of Red Cross supplies; to the Committee on Foreign Affairs.

Also, memorial on postalizing the wires; to the Committee on the Post Office and Post Roads.

Also, memorial of sundry organizations of Rhode Island, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of the State of Rhode Island, favoring adequate military preparedness; to the Committee on Military Affairs.

Also, petitions of sundry citizens, favoring House bill 5757; to the Committee on Reform in the Civil Service.

Also, petition of sundry citizens of the State of Rhode Island, against the Taylor system in Government shops; to the Committee on Labor.

Also, petition of John F. McEvoy, of Providence, R. I., in re foreign relations; to the Committee on Foreign Affairs.

Also, petition of sundry citizens of Rhode Island, favoring House bill 8665; to the Committee on Labor.

Also, petition of James H. Young, of Edgewood, R. I., indorsing Senate bill 4784; to the Committee on Education.

By Mr. RANDALL: Memorial of women of Sacramento, Cal., urging woman suffrage; to the Committee on the Judiciary.

By Mr. ROGERS: Petition of sundry citizens, opposing becoming involved in the European war; to the Committee on Foreign Affairs.

By Mr. SMITH of Michigan: Petition of Burt Walker and 26 other citizens of Battle Creek, against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, additional papers to accompany House bill 14897, in pension case of Eliza C. Spears; to the Committee on Invalid Pensions.

By Mr. STAFFORD: Protest of the Trinity Evangelical Lutheran Church, against the passage of House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

By Mr. VARE: Memorial of Chiropody Society of Pennsylvania, in favor of the regulation of podiatry or chiropody in the District of Columbia; to the Committee on the District of Columbia.

Also, memorial of Civic Club of Philadelphia, relative to the erection of the central power plant, Washington, D. C.; to the Committee on the District of Columbia.

Also, memorial of Wharton Street Methodist Episcopal Church members, favoring amendment to the United States Constitution prohibiting polygamy; to the Committee on the Judiciary.

Also, memorial of Union Veteran Legion, in support of widows' pension bill No. 11707; to the Committee on Invalid Pensions.

By Mr. WASON: Petition of R. E. Lufkin, of Quaker City, N. H., and 17 other residents, all of the second New Hampshire congressional district, favoring the adoption of a prohibition amendment to the Constitution; to the Committee on the Judiciary.

Also, petition of F. H. Britton, of Claremont, N. H., and 16 other residents, all within the second New Hampshire congressional district, favoring the adoption of a prohibition amendment to the Constitution; to the Committee on the Judiciary.

By Mr. WHALEY (by request): Petition of Miss Susan Furt and others, in favor of Susan B. Anthony amendment; to the Committee on the Judiciary.

## SENATE.

THURSDAY, *May 4, 1916.*

*(Legislative day of Wednesday, May 3, 1916.)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

### RURAL CREDITS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes.

Mr. HOLLIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Harding | Newlands | Smoot |
| Bankhead | Hollis | Norris | Sterling |
| Beckham | Hughes | O'Gorman | Sutherland |
| Brady | Husting | Oliver | Swanson |
| Brandegee | James | Overman | Taggart |
| Broussard | Johnson, Me. | Page | Thomas |
| Chamberlain | Johnson, S. Dak. | Phelan | Thompson |
| Clapp | Jones | Pittman | Tillman |
| Culberson | Kenyon | Ransdell | Townsend |
| Cummins | Kern | Reed | Underwood |
| Curtis | La Follette | Shafroth | Vardaman |
| Dillingham | Lodge | Sheppard | Walsh |
| du Pont | Martin, Va. | Sherman | Williams |
| Fall | Martine, N. J. | Simmons | Works |
| Gallinger | Myers | Smith, Ga. | |
| Gronna | Nelson | Smith, S. C. | |

Mr. HOLLIS. I desire to announce that the Senator from Delaware [Mr. SAULSBURY], the Senator from Arkansas [Mr. ROBINSON], and the Senator from West Virginia [Mr. CHILTON] are absent on official business.

Mr. GALLINGER. I wish to announce the enforced absence of the Senator from Maine [Mr. BURLEIGH] on account of illness in his family.

Mr. KERN. I desire to announce the absence on official business of the senior Senator from Florida [Mr. FLETCHER] and the unavoidable absence on account of sickness of the junior Senator from Illinois [Mr. LEWIS]. These announcements may stand for the day.

The VICE PRESIDENT. Sixty-two Senators have answered to the roll call. There is a quorum present. The pending amendment is the amendment proposed by the Senator from Iowa [Mr. CUMMINS] to strike out section 29 of the bill.

Mr. WALSH. Mr. President, I rise to submit some remarks upon the very interesting questions presented by the addresses of the Senator from Utah [Mr. SUTHERLAND] and the Senator from Iowa [Mr. CUMMINS]. They have raised the question whether section 29 can be constitutionally sustained, and to my mind that involves the question as to whether the act as a whole can be sustained. The two questions, as I view the matter, being bound up in each other, the seriousness of the question, then, is quite obvious.

Mr. President, it has been repeatedly asserted that this bill is not workable; that it is doomed to failure. The same charge was made with respect to the Federal reserve act. We were told again and again that it was a piece of complicated machinery that would inevitably fall of its own weight; that it would not have the confidence of the business public.

So, Mr. President, predictions that if this pending measure becomes a law it will be a total failure are made by those who rather hope that it will be; and of course whether it is successful or not will depend very largely upon the question whether it is, in the popular mind at least, a constitutional exercise of the power of Congress.

The very complete discussion of these questions by the Senator from New Hampshire [Mr. HOLLIS], who with singular ability has presented this bill to the Senate, practically leaves nothing to be said, and my only excuse for detaining the Senate longer in the discussion of this subject is that something further might aid in dispelling any apprehensions that may have been excited by reason of the comments of these two distinguished Senators, both of them recognized as among the ablest lawyers of this body.

I think, Mr. President, it is rather strange that the Senator from Utah, in the discussion of this subject, should have confined his comment to principles which he thought were supported by the early United States Bank cases and the latter cases dealing with the question whether the property of railroad corporations charged with public functions was exempt, and wholly failed to call the attention of the Senate to the later decisions dealing with the constitutionality of the national bank act and the exemption to which national banks and the property of national banks is entitled under the Constitution and under the statutes.

One would naturally think that when the National Government, in the year 1863, undertook to establish one system of national banks and when now, in the year of grace 1916, it undertakes to establish another system of national banks the question of the constitutionality of this measure would be most safely resolved by a careful study of the decisions construing the act of 1864. Yet this did not receive even a passing notice, as my recollection now serves me, from the distinguished Senator from the State of Utah. They are in great number, among others the Deering case in Ninety-first United States, to which the attention of the Senator was called by the Senator from New Hampshire [Mr. HOLLIS], and the Owensboro case, to which his attention was first invited by the Senator from Illinois [Mr. LEWIS] and later by the Senator from Kansas [Mr. THOMPSON].

As the opinion in that case put into the RECORD yesterday, reported in One hundred and seventy-third United States, a modern case, was decided at a time when the court had before it all the earlier decisions to which the attention of the Senate was invited by the distinguished Senator from Utah, I think it would be wise to direct our attention first to that last general declaration upon the subject and see if we can not make some progress from that as a basis toward determining the question that is now presented concerning this bill.

That was a case in which the constitutionality of a statute of the State of Kentucky was considered, a statute which made the franchises of banks taxable. A later decision of the Supreme Court recites that it presented as well the question whether the property of the bank is taxable, and the opinion in the case, laying down in perfectly clear and positive terms the rule that no property of a national bank is taxable except where it is made so by the act of Congress, was in a way brushed aside on yesterday by remarking that the language is to be considered in connection with the facts, that the question under consideration was the taxability of the franchise.

I invite the attention of the Senate now to the language of the opinion in that case by the Chief Justice. I read from page 667 of One hundred and seventy-third United States, as follows:

> Early in the history of this Government, in cases affecting the Bank of the United States, it was held that an agency, such as that bank was adjudged to be, created for carrying into effect national powers granted by the Constitution, was not in its capital, franchises, and operations subject to the taxing powers of a State. (McCulloch *v.* Maryland, 4 Wheat., 316; Osborn *v.* Bank of the United States, 9 Wheat., 738.)
>
> The principles settled by the cases just referred to and subsequent decisions were thus stated by this court in Davis *v.* Elmira Savings Bank (161 U. S., 283):
>
> National banks—

National banks. We are creating national banks here—

> National banks are instrumentalities of the Federal Government, created for a public purpose, and, as such, necessarily subject to the paramount authority of the United States. It follows that an attempt by a State to define their duties or control the conduct of their affairs is absolutely void, wherever such attempted exercise of authority expressly conflicts with the laws of the United States, and either frustrates the purpose of the national legislation or impairs the efficiency of these agencies of the Federal Government to discharge the duties for the performance of which they were created. These principles are axiomatic and are sanctioned by the repeated adjudications of this court.

So far for the Elmira Savings Bank case. Then the Chief Justice concludes:

> It follows then necessarily from these conclusions that the respective States would be wholly without power to levy any tax, either direct or indirect, upon the national banks, their property, assets, or franchises, were it not for the permissive legislation of Congress.

Not only their franchises, Senators, but their property, their assets. The court continues:

> The first act providing for the organization of national banks, passed February 25, 1863 (c. 58, 12 Stat., 665), contained no grant of power to the States to tax national banks in any form whatever. Doubtless the far-reaching consequence to arise from depriving the States of the source of revenue which would spring from the taxation of such banks, and the error of not conferring the power to tax, early impressed itself upon Congress, for the following year, act of June 3, 1864 (c. 106, 13 Stat., 99), power was granted to the States, not to tax the banks, their franchises, or property, but to tax the shares of stock in the names of the shareholders.
>
> This provision subsequently was amended and supplemented in various particulars (act of Feb. 4, 1868, c. 6, 15 Stat., 34), and the result of this legislation is embodied in section 5219 of the Revised Statutes, which is as follows:
>
> "SEC. 5219. Nothing herein shall prevent all the shares in any association from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the association is located; but the legislature of each State may determine and direct the manner and place of taxing all the shares of national banking associations located within the State, subject only to the two restrictions—that the taxation shall not be at a greater rate than is assessed upon other moneyed

capital in the hands of individual citizens of such State, and that the shares of any national banking association owned by nonresidents of any State shall be taxed n the city or town where the bank is located and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed."

The court then says:

This section, then, of the Revised Statutes is the measure of the power of a State to tax national banks, their property, or their franchises. By its unambiguous provisions the power is confined to a taxation of the shares of stock in the names of the shareholders and to an assessment of the real estate of the bank. Any State tax, therefore, which is in excess of and not in conformity to these requirements is void.

So that I think, Mr. President, we must accept as law that no property of any of the national banks is subject to taxation, except its real estate, and except that a tax may be levied upon the shares of each stockholder assessable against him, but payable by the bank as the agent for the shareholder, the amount being collectible at the source.

Therefore, Mr. President, I think we can not accept the doctrine that was asserted on yesterday that, if a national bank should loan money upon the security of a herd of cattle and it became necessary to reduce its security and to sell the cattle, or if it seized the cattle under an attachment or execution and sold them and bought them in—I think we can not assent to the proposition that those cattle would be to any extent subject to taxation.

Mr. President, the national banks under the late amendment are now authorized to loan money to a limited extent upon farm mortgages. Those farm mortgages are its property exactly the same as are the farm mortgages to be taken under the provisions of the bill under consideration the property of the banks that shall hold them. Unquestionably the mortgages now held by national banks upon farm property are exempt from taxation. The bank pays taxes upon the real estate which it owns, and it pays those taxes just simply because Congress has permitted the State to tax the property of the banks to that extent, and no further.

So, Mr. President, the question that is now addressed to us touching the taxability by the State of the stock of the banks, of the bonds issued by the banks, of the mortgages taken by the banks, and held as security for those bonds, resolves itself into a question simply as to whether or not there is any essential and material difference, so far as this question of taxability is concerned, between the national banks established and created under the acts of 1863 and 1864, and the national banks which we propose to create under this act.

Mr. SUTHERLAND. Mr. President, may I ask the Senator from Montana a question?

Mr. WALSH. Certainly.

Mr. SUTHERLAND. The case to which the Senator has been referring, the case of Owensboro National Bank against Owensboro, I think recognizes the authority of the decision of the court in the McCulloch case. Is that the view of the Senator from Montana?

Mr. WALSH. It clearly says so. It says that the national-bank act was sustained upon the authority of the McCulloch case.

Mr. SUTHERLAND. But I understand the Senator from Montana to cite the Owensboro case as authority for the proposition that the State would be without power to tax any of the property of a national bank unless it were expressly permitted by the act of Congress to do so?

Mr. WALSH. The Senator from Utah has stated my position correctly. I have simply quoted the language of the opinion.

Mr. SUTHERLAND. I ask the Senator from Montana how he reconciles that conclusion with the statement in the McCulloch case, which the Senator now says is the basis for the decision in the Owensboro case, that the decision in that case, namely, the McCulloch case, does not extend to "a tax paid by the real property of the bank in common with the other real property within the State, nor to a tax imposed on the interest which the citizens of Maryland may hold in this institution, in common with other property of the same description throughout the State." In other words, as I construe that language, and as I construe the decision in the McCulloch case, Chief Justice Marshall held that the notes which were issued by the bank were not subject to taxation; that, as a matter of implication, the State could not tax those instrumentalities; but Chief Justice Marshall held in the McCulloch case, as I understand, that the State could tax the real property of the bank in common with the real property of the citizens of the State, and that the State could tax the shares of stock held in that institution by the citizens of Maryland. In the act creating the United States bank there was no provision permitting the State to tax that species of property, and yet the court held that it was taxable by the State.

Mr. WALSH. Mr. President, I will say, in answer to the Senator from Utah, that I do not feel called upon to attempt to reconcile the decision made by the Supreme Court of the United States in the Owensboro case, decided in the year 1898, with some furtive and casual comment that was made in the McCulloch case away back in 1819.

I desire to say further, in connection with this matter, that, of course, the McCulloch case has frequently been reviewed and applied by the Supreme Court of the United States; and I can call your attention again and again to declarations by the court in later cases to the effect that the conclusion at which the court arrived in this case may seem to be not entirely in harmony with some of the declarations of the court in the McCulloch case.

The Senator from Utah referred, in the course of his discussion, to the railroad cases, to which I shall presently advert—the Peniston case and the Thompson case. In the Thompson case the court said "it is true that the remarks made in the course of the opinion in the McCulloch case are probably inconsistent with the conclusion that we arrive at here," but they then went on to say that, however that might be, they reached the conclusion which they did.

So, Mr. President, I do not feel called upon at this time to endeavor to reconcile these clear declarations of the Supreme Court of the United States within our own time, a matter of less than 20 years ago, that none of the property of national banks is taxable except by permission of Congress, with some declarations that may be found in these earlier cases. I shall, however, discuss the railroad cases presently.

I proceed in this connection to say that the court has recognized a vast difference between a bank created by act of Congress and even a railroad corporation, the business of which is the transportation of articles in commerce, with the incidental obligation to carry the mails and military supplies of the Government. But the point I want to address your attention to now is that it was held in the McCulloch case and in the Osborn case, in 1819 and 1823, that a bank is a proper instrumentality for the purpose of carrying out the fiscal operations of the Government. Now, bear in mind, not that bank, not the bank constituted as was the original United States bank, incorporated in 1791 or reincorporated in 1811, but that a bank is a necessary and convenient instrumentality for the purpose of carrying on the fiscal operations of the Government; and apparently this is what is meant by what is said in those cases, that the Government is obliged to have revenue in order to carry on its operations; that it must collect that revenue from time to time; and that it must have a convenient place in which it can deposit that revenue until it shall desire to use it. Likewise it is a fair inference from all of those decisions that it was the conclusion of the court in these early days, as well as of the statesmen who considered it in those times, that the Government would want to borrow money from time to time, and the little banks, private affairs or established under State authority, might not have the funds that would enable the Government to meet its necessities in times of emergency, and that therefore it had a right to create a bank from which it could conveniently borrow large sums of money when it had occasion to do so. Therefore I take it that these earlier decisions declared that the Congress has a right to create a bank.

You will bear in mind that the original United States bank act contemplated the immediate assistance of the Government financially. Doubtless that was one of the factors which entered into the creation of the national banks under the act of 1863 and 1864, but I want to invite your attention to the fact that that was not regarded by the court in any of these cases as an essential consideration in the power to create a bank. The original United States bank act provided, among other things, that a portion of the capital, 20 per cent, should be subscribed by the Government of the United States. It also provided that a portion of the subscriptions of the subscribers to the capital stock should be paid in bonds issued by the Government of the United States, thus making a market for those bonds. Likewise it had the power to issue bills, which, although not legal tender, were accepted in payment of obligations due to the United States and passed current as money, much the same as our national-bank bills do; but that was not considered as a necessary ingredient, as a necessary power, to give to this bank in order that the act should have a constitutional basis. The mere question was whether the United States had the right to organize a bank.

Let me call your attention to the language of the McCulloch case and the Osborn case. I quote first from the opinion of

Chief Justice Marshall in the McCulloch case, reading from page 422:

If a corporation may be employed, indiscriminately with other means, to carry into execution the powers of the Government, no particular reason can be assigned for excluding the use of a bank, if required for its fiscal operations. To use one must be within the discretion of Congress, if it be an appropriate mode of executing the powers of government. That it is a convenient, a useful, and essential instrument in the prosecution of its fiscal operations is not now a subject of controversy. All those who have been concerned in the administration of our finances have concurred in representing its importance and necessity—

Simply a bank—

and so strongly have they been felt that statesmen of the first class, whose previous opinions against it had been confirmed by every circumstance which can fix the human judgment, have yielded those opinions to the exigencies of the Nation. Under the confederation Congress, justifying the measure by its necessity, transcended, perhaps, its powers to obtain the advantage of a bank; and our own legislation attests the universal conviction of the utility of this measure. The time has passed away when it can be necessary to enter into any discussion in order to prove the importance of this instrument as a means to effect the legitimate objects of the Government.

But were its necessity less apparent, none can deny its being an appropriate measure; and if it is, the decree of its necessity, as has been very justly observed, is to be discussed in another place. Should Congress, in the execution of its powers, adopt measures which are prohibited by the Constitution, or should Congress, under the pretext of executing its powers pass laws for the accomplishment of objects not intrusted to the Government, it would become the painful duty of this tribunal, should a case requiring such a decision come before it, to say that such an act was not the law of the land. But where the law is not prohibited and is really calculated to effect any of the objects intrusted to the Government, to undertake here to inquire into the decree of its necessity would be to pass the line which circumscribes the judicial department and to tread on legislative ground. The court disclaims all pretensions to such a power.

Then, Mr. President, I assert that the Supreme Court of the United States in the McCulloch case did not say that only a bank having the power to issue bills that shall pass current as money is within the power of Congress to create; it did not say that a bank a portion of whose capital stock is paid for by Government bonds is a governmental instrumentality and the creation of such a bank as that is within the power of Congress; it did not say that a bank that agrees to lend money to the Government of the United States is an instrumentality within the power of Congress to create; but it said that a bank is a convenient and a necessary agency and instrumentality in order that the Government might carry on its ordinary fiscal operations, and that, therefore, the power to create it is impliedly granted to Congress; and that was what was said in the Osborn case. In that case the court said, referring to the Ohio law which challenged the act of Congress:

Is that law unconstitutional? This point was argued with great ability, and decided by this court, after mature and deliberate consideration, in the case of McCulloch *v.* State of Maryland. A revision of that opinion has been requested, and many considerations combine to induce a review of it. The foundation of the argument in favor of the right of a State to tax the bank is laid in the supposed character of that institution. The argument supposes the corporation to have been originated for the management of an individual concern, to be founded upon contract between individuals, having private trade and private profit for its great end and principal object. If these premises were true, the conclusion drawn from them would be inevitable. This mere private corporation, engaged in its own business, with its own views, would certainly be subject to the taxing power of the State, as any individual would be; and the casual circumstance of its being employed by the Government in the transaction of its fiscal affairs would no more exempt its private business from the operation of that power than it would exempt the private business of any individual employed in the same manner. But the premises are not true: the bank is not considered as a private corporation, whose principal object is individual trade and individual profit, but as a public corporation, created for public and national purposes. That the mere business of banking is in its own nature a private business, and may be carried on by individuals or companies having no political connection with the Government, is admitted; but the bank is not such an individual or company. It was not created for its own sake or for private purposes. It has never been supposed that Congress could create such a corporation. The whole opinion of the court in the case of McCulloch *v.* State of Maryland is founded on and sustained by the idea that the bank is an instrument which is "necessary and proper for carrying into effect the powers vested in the Government of the United States." It is not an instrument which the Government found ready-made and has supposed to be adapted to its purposes, but one which was created in the form in which it now appears, for national purposes only. It is undoubtedly capable of transacting private as well as public business. While it is the great instrument by which the fiscal operations of the Government are effected, it is also trading with individuals for its own advantage.

Mr. President, the question that addresses itself to us is, To what extent are these principles affected, to what extent are they modified, to what extent are they overruled by the railroad cases to which your attention has been called at some length?

In the ninth volume of the compilation known as the Federal Statutes Annotated is a paragraph which, to my mind, quite clearly points out the distinction between the two classes of cases, and it is this: That in the case of the bank, that is in itself an instrumentality of the National Government. The conclusion is to be drawn, even though it were not expressed, as was the case in the United States Bank, that the National Government did not intend that the States should tax these banks any further than it allowed them to tax them; but when it came to create a great railroad corporation that was given a great grant by the Government of the United States of lands constituting an empire, that accumulated an enormous amount of property only incidentally used for public purposes, the conclusion was to be drawn, if Congress was silent upon the matter, that it intended to allow the States to tax the property of these corporations; and the conclusion was drawn that they were subject to taxation because Congress had not in the acts creating them declared, in effect, that their property should not be subject to taxation.

I read as follows from page 232 of the volume to which I have referred:

Congress may, in the exercise of powers incidental to the express powers conferred, make or authorize contracts with individuals or corporations for services to the Government; may grant aid by money or land, in preparation for, and in the performance of, such services; may make any stipulation and conditions in relation to such aid not contrary to the Constitution; and may exempt, in its discretion, the agencies employed in such services from any State taxation which will really prevent or impede their performance. But because of the advancement by the Government of large sums in aid of the construction of the railroad, and the making of large grants of land upon no condition of benefit to itself, except that the company will perform certain services for full compensation independently of those grants, it can not be claimed that the railroad, owing its being to State law, and indebted for these benefits to the consent and active interposition of the State legislature, has a constitutional right to hold its property exempt from taxation—

Now, observe—

without any legislation on the part of Congress which indicates that such exemption is deemed essential to the full performance of its obligations to the Government.

And that fully sustains the view expressed by the Senator from New Hampshire [Mr. HOLLIS] that the property of these corporations would be exempt from taxation if Congress had so declared. Indeed, Mr. President, I want to call the attention of the Senators to a most important fact in that connection.

The case of Thompson against Railroad Co., in Ninth Wallace, presented the case of a corporation created under the laws of a State, but invested with powers and duties of a national character, and enjoying aid by land grants and otherwise from the General Government. The case of Railroad Co. against Peniston, reported in Eighteenth Wallace, was the case of a corporation created by act of Congress for the conduct and operation of a railroad, and it was held that its general property likewise was subject to taxation by the State. Mr. Justice Swayne was one of the judges concurring in the opinion of the court in that case. He filed a separate opinion, as follows:

Mr. Justice SWAYNE (concurring in the judgment): I concur in the affirmance of the judgment in this case. I see no reason to doubt that it was the intention of Congress not to give the exemption claimed. The exercise of the power may be waived. But I hold that the road is a national instrumentality of such a character that Congress may interpose and protect it from State taxation whenever that body shall deem it proper to do so. For some of the leading authorities in support of the principle involved in this view of the subject, I refer to the Chicago & Northwestern Railway *v.* Fuller, decided by this court a short time ago.

And then three other judges—Bradley, Field, and Hunt—dissented absolutely from the opinion.

In the Thompson case some reference was made to the same thing.

But, Mr. President, this question of the taxability of the property of the Pacific Railroad companies created under the act of Congress, or of those railroad corporations created by virtue of the laws of certain States, but granted aid by Congress in discharging Federal functions, was likewise under consideration in a modern case. I refer to the case of Central Pacific Railroad Co. against State of California, reported in One hundred and sixty-second United States, and decided in 1895. The court in that case reaffirmed the doctrine that the property of that railroad company was subject to taxation; but the court said, in the course of the opinion, as follows:

Of course, if Congress should think it necessary for the protection of the United States to declare such property exempted, that would present a different question. Congress did not see fit to do so here, and unless we are prepared to overrule a long line of well-considered decisions, the case comes within the rule therein laid down. Although in Thomson's case it was tangible property that was taxed, that can make no difference in principle, and the reasoning of the opinion applies.

So that, Mr. President, when we have a statute which expressly declares that for the purpose of carrying out the national purposes that Congress has in view this property is not taxable, we present a case altogether different, as the court says in this case, from the railroad cases to which your attention has been so earnestly invited by the Senator from Utah [Mr. SUTHERLAND].

Now I recur for a moment to the proposition I advanced awhile ago—that the creation of a bank possessing the ordinary functions of a bank, having the power to receive deposits and

having the power to loan money, is within the power of Congress; and that it was so decided in these earlier cases appears to me quite clear from this language of the court in the last Legal Tender case, reported in One hundred and tenth United States I read from page 445, as follows:

It is equally well settled that Congress has the power to incorporate national banks, with the capacity, for their own profit as well as for the use of the Government in its money transactions, of issuing bills which under ordinary circumstances pass from hand to hand as money at their nominal value, and which, when so current, the law has always recognized as a good tender in payment of money debts, unless specifically objected to at the time of the tender. (U. S. Bank *v.* Bank of Georgia, 10 Wheat., 333, 347; Ward *v.* Smith, 7 Wall., 447, 451.) The power of Congress to charter a bank was maintained in McCulloch *v.* Maryland (4 Wheat., 316) and in Osborn *v.* United States Bank (9 Wheat., 738) chiefly upon the ground that it was an appropriate means for carrying on the money transactions of the Government.

That was the chief ground on which the court rested its decision.

Now, the court goes on:

But Chief Justice Marshall said: "The currency which it circulates, by means of its trade with individuals, is believed to make it a more fit instrument for the purposes of government than it could otherwise be; and if this be true, the capacity to carry on this trade is a faculty indispensable to the character and objects of the institution." (9 Wheat., 864.) And Mr. Justice Johnson, who concurred with the rest of the court in upholding the power to incorporate a bank, gave the further reason that it tended to give effect to "that power over the currency of the country which the framers of the Constitution evidently intended to give to Congress alone."

Thus you will see, Senators, that the court referred to these matters as additional grounds upon which the power to create the bank rested, but they were not essential at all, the main thing being that it became a convenient means for carrying on the fiscal operations of the Government.

The Senator from Iowa [Mr. CUMMINS] entertains very grave apprehensions that if any such principle as that announced in this bill receives acceptance, and the Congress should later undertake to create corporations for the purpose of engaging in interstate business, all of the property of the corporations thus created will be exempt from State taxation. I hope I have stated the position of the Senator accurately. I have tried to do so.

I think the apprehensions of the Senator have very little foundation, Mr. President. In the first place, even though it were possible for Congress to exempt the property of corporations of that character from State taxation, how can we conceive that the Congress of the United States, in which every State is represented in this body, having an equal voice, will ever undertake to deprive the States of this great power of taxation? Moreover, if the Congress ever should undertake to create corporations of that character, they will be less like a banking corporation than are the railroad corporations, the property of which, it has been held, is not exempt from taxation—at least, unless Congress so declares.

Mr. President, a corporation that might be created by Congress for the purpose of engaging in commerce would not be performing any governmental functions. It would not be necessary nor perhaps even convenient for the purpose of carrying on the Government operations. It would be purely a private enterprise, and would stand upon exactly the same footing as all corporations created by a State to engage in business enterprises of one kind or another.

Mr. THOMAS. Mr. President——

Mr. WALSH. I yield to the Senator from Colorado.

Mr. THOMAS. I have been very much impressed with the soundness of the Senator's argument; and I think it is appropriate here to suggest the query whether, if Congress has not this power of exemption, the States might be in position, or some one or more of them, if it so desired, to tax these agencies or these instrumentalities so highly as virtually to destroy, or at least to cripple, the purpose and object for which the system is designed?

Mr. WALSH. I am very glad the Senator suggested that. That was the point I was coming to—that we do not want to take out this provision in section 29. I agree substantially with the Senator from Iowa that if we have no constitutional power to invade the taxing power of the State so as to make this property exempt we can not, as a matter of course, undertake to do it by a declaration in the statute. The exemption arises by reason of the fact that the banks to be created are instrumentalities of the National Government, and all their property is exempt, except to such extent as the Congress may permit the States to tax them; and we propose to permit the States to tax their real estate, and all their other property, if they have any, and to declare that the stock and the bonds and the mortgages which give substance to the bonds shall all be exempt from taxation.

Mr. President, this is not at all, as the Senator from Iowa seems to believe, an extraordinary or unusual declaration in a statute of the nontaxability of property which is not taxable even though there were no declaration in the statute. The Revised Statutes of the United States, section 3701, declares that—

All stocks, bonds, Treasury notes, and other obligations of the United States, shall be exempt from taxation by or under State or municipal or local authority.

No one can doubt that they would be fully exempt if there was no such declaration as that in the statute. The Senator from Colorado [Mr. THOMAS] called attention a few days ago to the recital in the acts admitting most of the States to the Union within modern times requiring the State to agree that the public lands within their borders should not be subject to taxation. I read the provision of the enabling act under the authority of which four of the great Northwestern States came into the Union. They were each required to enter into a stipulation as follows:

That the people inhabiting said proposed State do agree and declare that they forever disclaim all right and title to the unappropriated and ungranted public lands lying within the boundaries thereof and to all lands lying within said boundaries owned or held by any Indian or Indian tribes the right or title to which shall have been acquired through or from the United States or any prior sovereignty, and that until the title of such Indian or Indian tribes shall have been extinguished the same shall be and remain subject to the disposition and under the absolute jurisdiction and control of the Congress of the United States; that the lands and other property belonging to citizens of the United States residing without the said State shall never be taxed at a higher rate than the lands and other property belonging to residents thereof; that no taxes shall be imposed by the State upon lands or property therein belonging to or which may hereafter be acquired by the United States or reserved for its use.

Then it goes on to provide that lands belonging to the Indians shall not be taxed.

And, Mr. President, it was not necessary by any means that the States should enter into any such compact with the Government of the United States in order that the public lands within their borders should be exempt from taxation. Neither was it necessary that there should be any recital to that effect in any statute; they were, as a matter of fact, so exempt. That was determined in Pollard against Hagan's Lessees in 1845, and the substance of the decision was referred to by Mr. Webster in the great debate over the admission of California into the Union, the enabling act there providing, in substance, as does the act which I have just read to you, that the people of California should stipulate that public lands within that State should not be subject to taxation.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH. I do.

Mr. SUTHERLAND. I quite agree with what the Senator says with reference to the Treasury notes and the property of the United States, that they would be exempt from State taxation without any act of Congress to that effect. The statute which exempts them in each case is merely declaratory of the rule which would exist in the absence of a statutory provision. But does the Senator contend that the property mentioned in section 29 would be exempt if it were not expressly so provided in the bill?

Mr. WALSH. I am endeavoring to establish that it is not a strange thing in our legislation at all to declare by congressional act that certain property shall be exempt from State taxation which would be exempt even though there were no such statute.

Mr. SUTHERLAND. That is quite true; it is not a strange or unusual thing; it has been done. However, the question I propounded to the Senator is whether or not he thinks that section 29 is necessary to prevent the State from taxing the property there described?

Mr. WALSH. I do not think that it is necessary, except that it is a declaration upon the part of Congress that it believes these instrumentalities which they are creating will not effectuate the national purpose for which they are created unless they are exempted, and therefore there is an express declaration upon the part of Congress that those items of property shall not be subject to taxation.

Mr. SUTHERLAND. Then, if I understand the Senator from Montana, he thinks this property would be excluded from State taxation if section 29 were stricken from the bill.

Mr. WALSH. I do not undertake to say so. The question as to whether it would or would not should be a matter for the construction of the court, guided by no expression of opinion on the part of Congress if you strike it out. The court might say, as the court said in the railroad cases, in the absence of a declaration by Congress that exemption is necessary in order

that this organization may carry out their purpose, we shall assume that Congress permitted the State and desired that the State should exercise the right of taxation.

Mr. SUTHERLAND. That is an entirely different thing from holding that Congress would have the power to forbid the State from taxing property of that kind. As I understand the decision of the court in that particular, they simply said that if that was done it would present a different case. They did not say what they would hold on the question if presented.

Mr. WALSH. Exactly; and the question the Senator was discussing under the railroad cases was one which the court in the Central Pacific Railway Co. case said was entirely different from the question which would have been presented if Congress had made the declaration.

Mr. SUTHERLAND. It would undoubtedly present a different question, but the court does not enlighten us as to what they would have decided if that question had been presented.

However, if the Senator will bear with me for just a moment, the distinction which I see between this measure and the statute to which the Senator referred, namely, where Congress has expressly declared that certain property of the United States should be exempt from taxation, is that they were dealing there with property of the United States, and here we are undertaking to deal with property of an agency of the United States, which property, as I interpret it, is not related to any function which the agency is discharging for the United States Government, but is property owned in its private capacity, and not in any way connected with the exercise of any governmental function.

Mr. WALSH. I call the attention of the Senator now to the declared exemption of certain property which did not belong to the United States—that is, it belonged to an Indian. I read from volume 3 of Indian Laws and Treaties, as follows. This is the act admitting the State of New Mexico into the Union.

That no taxes shall be imposed by the State upon lands or property therein belonging to or which may hereafter be acquired by the United States or reserved for its use; but nothing herein, or in the ordinance herein provided for, shall preclude the said State from taxing, as other lands and other property are taxed, any lands and other property outside of an Indian reservation owned or held by any Indian, save and except such lands as have been granted or acquired as aforesaid or as may be granted or confirmed to any Indian or Indians under any act of Congress, but said ordinance shall provide that all such lands shall be exempt from taxation by said State so long and to such extent as Congress has prescribed or may hereafter prescribe.

Mr. SUTHERLAND. Will the Senator read that latter part again?

Mr. WALSH (reading)—

But said ordinance shall provide that all such lands—

That is, lands of the Indians—

shall be exempt from taxation by said State so long and to such extent as Congress has prescribed or may hereafter prescribe.

Congress there assumed the right to lay down the rule that a State can tax the property of an Indian just to the extent that Congress permits the State to tax the property of the Indian.

Mr. SUTHERLAND. Of course, Congress was there dealing with an individual who occupies a peculiar status and who is the ward of the Government of the United States. It has always been held that the United States Government has peculiar powers with reference to Indians.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH. I do.

Mr. CUMMINS. Does the Senator from Montana assert what might be inferred from what he has just said that the United States could sell the public domain and exempt it from taxation for all time?

Mr. WALSH. No.

Mr. CUMMINS. In the hands of an individual?

Mr. WALSH. The Senator from Montana does not make any such assertion at all.

Mr. CUMMINS. Why?

Mr. WALSH. Why?

Mr. CUMMINS. I must state my premise. I infer from the last clause of the statute just read that it was read to show that Congress can exempt the lands of the Indians for just so long a time as it plenses, and I am sure the Senator from Montana did not think the Government could attach that condition to the sale of its Government domain generally.

Mr. WALSH. No; the Senator from Montana does not take any such position. I am very sure that the exercise of this power grows out of the peculiar relation between the General Government and the Indians.

Mr. CUMMINS. But I was wondering if the Senator from Montana would give his reason for denying the right of Congress to sell its public domain and attaching to it exemption from taxation. It is an instrumentality. We have complete power to dispose of it.

Mr. WALSH. I do not agree with the Senator at all. When the Government of the United States transfers its land and parts with title to it I do not consider it any longer an instrumentality of the Government.

Mr. CUMMINS. I inferred that you limit the power of Congress in that respect.

Mr. WALSH. Indeed I do not consider it an instrumentality of the General Government at any time.

But, Mr. President, we are simply driven to the question as to what is the essential difference between these national banks and the national banks now known, and until some essential difference in principle is established or pointed out I think we may safely proceed upon the assumption that these banks will be taxable to such an extent, and to such an extent only, as Congress may permit them to be taxed.

Moreover, Mr. President, if there were any doubt about the matter the declaration upon the part of Congress to the effect that they would not be able to carry out their purposes except by this exemption, and that Congress intended they should be exempt, will serve to remove whatever doubt there may be concerning the exemption of this character of property.

I must say, Mr. President, that I am unable to distinguish in principle between these national banks and the national banks now in existence. It is true that the national banks now in existence have the power to issue their notes payable on demand and that those notes circulate practically as money, but wherein in principle do those obligations differ from the obligations these banks issue that are designated as bonds? They differ only in that the bank bills or notes are payable upon demand and the bonds to be issued by these banks are payable at fixed and definite times provided in the bill. There is no other difference between them that I can see, and certainly that distinction will not enable us to discern any difference in principle between the two systems of national banks.

Mr. CUMMINS. I ask the Senator from Montana whether there is in the statute relating to national banks any provision prohibiting the States from taxing national-bank currency in the hands of a citizen or individual?

Mr. WALSH. I think not. I think that if you had a thousand dollars in national-bank bills in your possession you would be subject to taxation by the State of Iowa.

Mr. CUMMINS. Precisely. Then, if I have $1,000 of farm-loan bonds in my hands, I would not be subject to taxation, I assume, under this bill?

Mr. WALSH. I assume not.

Mr. CUMMINS. Where does the Senator from Montana think that Congress can exempt the individual holder of national-bank currency from taxation on account of his ownership of currency?

Mr. WALSH. I have no doubt it can.

Mr. CUMMINS. The Senator has no doubt about it?

Mr. WALSH. No; I have not.

Mr. CUMMINS. It has no authority?

Mr. WALSH. That is what it does.

Mr. CUMMINS. I asked the Senator whether there was any statute so far as he knew which attempted to exempt in the hands of an individual owner national-bank currency from taxation by the State. There is no such statute, is there?

Mr. WALSH. There is no such statute. Perhaps I spoke hastily a moment ago. I am not prepared to say whether they would fall within the general exemption of the statute.

Mr. CUMMINS. There is no exemption, as I read it, with regard to national banks at all. There are certain directions given with respect to the extent of taxation; it must be discriminatory.

Mr. WALSH. The Senator differs with me about that.

Mr. CUMMINS. That relates, however, to the shares of stock. However we may differ with regard to the construction of section 5219 of the Revised Statutes, it is a negative or legislative suggestion, namely, that the shares of stock of national banks shall not be taxed more heavily by a State than other moneyed capital. The only other reference in section 5219 is to real estate. I do not know of any provision in the law which exempts or attempts to exempt national-bank currency from taxation in the hands, of course, of an individual holder. I was asking whether the Senator from Montana knew of any such statute, and I assume that he does not. Now, I ask him whether it is exempt, in his opinion?

Mr. WALSH. I will say to the Senator, I do not know. I am perfectly certain it is not taxable in the hands of a bank.

Mr. CUMMINS. Of course, in the hands of the national bank it becomes simply the property of the national bank and would be treated, I assume, like any other property of the national

bank, but in the hands of an individual holder I think it bears the same relation precisely to the national bank which issued it as does the farm-loan bond bear to the farm-loan bank which issued it. If either of them is exempt from taxation upon the part of the State, it is because the national bank in the one case issued it and the farm-loan bank in the other case issued it, and it would be exempt under the Constitution, if at all. Does the Senator think that if the Constitution does not exempt that currency in the one case or the bond in the other from taxation Congress could exempt either?

Mr. WALSH. Certainly if the Constitution does not permit it, Congress can not do it. That is axiomatic. I could answer that very readily.

Mr. CUMMINS. But neither is the property of the bank; both belong to an individual.

Mr. WALSH. Oh, yes; but they are issued by the bank in pursuance of authority conferred by the act of Congress.

Mr. CUMMINS. They are issued by the bank. I was mentioning this because I yesterday asserted that Congress had never attempted to exempt from taxation the property or the instrumentality of any corporation organized under its laws. I stated to the Senator from Colorado, when he made the suggestion which he did, that my assertion did not cover the question of the property of the United States itself, the status of which, I think, is determined by the Constitution, but concerning which compacts have been made between the States and the Union, and I think the Senator from Montana agrees with me that no such exemption has ever been made by statute; in other words, that if this property is exempt, it is exempt because of the principles laid down in McCulloch against Maryland, in Osborn against The Bank, and in the Owensboro Bank case. That is what exempts the property, if it is exempted, is it not?

Mr. WALSH. That is what exempts the property, beyond question; but the question still presents itself as to whether or not in the particular case Congress intended that an exemption should be extended. Congress may withhold the exemption.

Mr. CUMMINS. I asked the Senator this question—and it was the point of my whole argument—If the property is not exempted by reason of its character, its relation to the instrumentality which Congress has created, can it be exempted by Congress?

Mr. WALSH. I think that is right. I think it can not be exempted.

Mr. CUMMINS. I ask the Senator one more question, and I shall not further detain him. Is there any difference at all between the case of Osborn against the Bank, decided in the early years of the Republic, and the case of the Owensboro National Bank against Owensboro, in Kentucky? Are they not identical so far as the cases are concerned?

Mr. WALSH. Quite so.

Mr. CUMMINS. That is to say, the Osborn bank presented a case of a tax upon the franchise of the United States Bank; the Owensboro bank case presented an instance of a tax upon the shares, but in such manner that the Supreme Court held that it was in fact a tax upon the franchise of the bank.

Mr. WALSH. And the property.

Mr. CUMMINS. Is it not, therefore, true that when the Supreme Court stated in the paragraph that I can not recall sufficiently to quote, but which the Senator from Montana will recognize, that all the property of a national bank is exempt from taxation unless Congress gives the State the privilege of taxing it, it was pure dictum?

Mr. WALSH. Oh, I do not think so at all.

Mr. CUMMINS. There was nothing of that sort involved in the case.

Mr. WALSH. I do not think that was pure dictum. Indeed, in a later opinion—I have not undertaken to analyze just exactly the foundation for it—but in a later opinion the court declared that the question presented in the Owensboro case was the question as to whether or not the State could tax the franchise and property of the bank. So it is not a dictum by any means.

Mr. SUTHERLAND. Mr. President, the question as to whether or not Congress had the power to exempt all the property of the national banks from taxation could not have been presented to the court, because Congress had never attempted to do that thing. Congress had not attempted to exempt all of the property of the national banks; it had expressly said in the statute that the State might tax the shares of the bank, and that it might tax the real estate of the bank. So the question as to whether or not Congress could have passed a statute to the exact contrary and have said that the State could not tax the shares and could not tax the real estate, never was presented to the court, and therefore could not have been decided by the court.

Mr. WALSH. Of course, I do not care to enter into a discussion as to whether it is dictum or is not dictum. The declaration is perfectly plain, and the Supreme Court itself has declared that the question of the taxability of the property of the bank was involved.

Mr. SUTHERLAND. Mr. President——

Mr. HOLLIS rose.

Mr. SUTHERLAND. Just a moment, if the Senator from New Hampshire will permit me. The point I make about it is this: The syllabus of the Owensboro case is to the effect that—

> A State is wholly without power to levy any tax, either direct or indirect, upon national banks, their property, assets, or franchises, except when permitted so to do by the legislation of Congress.

No such question as that was presented to the court. The question presented to the court was whether or not the State could impose a franchise tax; and to that extent there was presented precisely the question which was presented to the court in the earlier days in the Osborn Bank case, and which the court in that case held could not be done by the State. That the court went beyond the question presented by the statute is clear, as it seems to me, from the consideration that the court expressly follows, or attempts to follow, the decision of the court in the McCulloch case; and in the McCulloch case the Supreme Court of the United States held that the real estate of the bank and the shares of the bank in the hands of individuals could be taxed, even though there was no permission in the statute passed by Congress to the State to exact the tax. So, if the court followed that decision, as it seems to have done, it must have held that property of that species could be taxed without the permission of Congress.

As a matter of fact, the Senator from Montana knows as well as I do that, following the decision in the McCulloch case, the shares of stock of the United States Bank in the hands of individuals were taxed and that the real estate of the bank was taxed. The question as to whether or not the tax could be exacted upon the shares came up before the State courts in numerous cases. In South Carolina there was a series of cases—I do not remember how many of them—in which the courts expressly held, putting the decision upon the authority of the McCulloch case, that shares of stock in the United States Bank could be taxed, notwithstanding the fact that no permission had been given by Congress to that effect.

Mr. WALSH. Mr. President, because the Owensboro case has been attacked in so far as it declares the property of the national banks not subject to tax except as permitted by Congress, and the question presented there was as to the taxability of the franchise of the bank, I merely wish to read a brief statement of facts from the opinion, so as to show just exactly what was involved in that case. The court said:

> This suit was originally instituted in a court of the State of Kentucky by the plaintiff in error, the Owensboro National Bank. The relief prayed was that the city of Owensboro and its tax collector, Simmons, be perpetually restrained from enforcing the collection of alleged "franchise" taxes for the years 1893 and 1894, claimed by the defendants to have been assessed under authority of a revenue act of the State of Kentucky enacted November 11, 1892, as amended. The taxes in question were laid upon the amount fixed by the State board of valuation and assessment provided for in the act, which valuation equaled the combined sum of the par of the capital stock of the bank, its surplus, and undivided profits. It is admitted on the record that the avails of the bank to the amount of the valuation were invested in nontaxable bonds of the United States.

So, really, the tax was a tax laid upon what represented all of the property of the bank.

Mr. SMITH of Georgia. Mr. President, will the Senator allow me to ask him a question?

Mr. WALSH Certainly.

Mr. SMITH of Georgia. I will also ask it of any other Senator who may have the information. Does the Senator know whether the right to tax national-bank notes in the hands of third parties has ever been tested and sustained by any State court? I know that it is the custom to tax them, at least, I know in my own State that holders of national-bank notes get rid of them just before tax-return day, as far as practicable, and substitute for them Treasury notes, and I know that the rule has been to tax national-bank notes in the hands of private citizens. What I wanted to ask was whether that was a mere voluntary submission by the holders of those notes to taxation or whether the question has ever been before any State court or any court for decision? If it has been, I do not know.

Mr. SUTHERLAND. No one ever submits to voluntary taxation.

Mr. WALSH. Mr. President, I will say to the Senator that I do not recall ever having heard or read of that question being tested, but it seems to me a rather remarkable thing that a man, when the assessor comes around, should have among a miscellaneous lot of currency that would not be taxable certain national-bank notes and that the assessor should demand that

he list those national-bank notes, and that thus the question should be presented to the court for determination. It seems to me that that is a condition of things not at all likely to arise.

Mr. SMITH of Georgia. Mr. President, if the Senator will pardon me, my acquaintance with the subject has simply grown out of my knowing that there has been by certain persons quite a rush on the banks for Treasury notes just before tax-paying time, so as to get rid of their national-bank notes. That is probably a line of conduct with which others are also familiar; but whether it has ever been held anywhere that a national-bank note in the hands of a private citizen is subject to taxation I do not know at all, and I thought possibly I might be able to obtain some information on that subject.

Mr. HOLLIS. Mr. President, I am quite sure there is no such decision as that about which the Senator from Georgia inquires; but I call his attention to the statute which expressly exempts Treasury notes from taxation by the State, but does not exempt national-bank notes.

Mr. President, this question of exemption from taxation has been fully and ably argued on four different days. There was one day last week devoted to it; it was argued on Tuesday, on yesterday, and it has been argued so far to-day. We have had two addresses from the distinguished Senator from South Dakota [Mr. STERLING], two from the Senator from Iowa [Mr. CUMMINS], two from the Senator from Utah [Mr. SUTHERLAND], one from the Senator from Montana [Mr. WALSH], one from the Senator from Colorado [Mr. THOMAS], and I believe it is the opinion of the Senate that the subject has been fully debated. I may be wrong; if so, the vote of the Senate will decide; but in order to test that opinion I move that the amendment of the Senator from Iowa be laid on the table.

Mr. CURTIS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER (Mr. MYERS in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Borah | James | Overman | Sutherland |
| Brady | Johnson, Me. | Page | Swanson |
| Brandegee | Johnson, S. Dak. | Pittman | Taggart |
| Chamberlain | Jones | Poindexter | Thomas |
| Clapp | Kenyon | Pomerene | Thompson |
| Culberson | La Follette | Ransdell | Tillman |
| Cummins | Lane | Shafroth | Townsend |
| Curtis | Lea, Tenn. | Sheppard | Vardaman |
| Dillingham | Lee, Md. | Sherman | Walsh |
| du Pont | Lippitt | Simmons | Warren |
| Fall | Martin, Va. | Smith, Ariz. | Weeks |
| Gronna | Martine, N. J. | Smith, Ga. | Williams |
| Harding | Myers | Smith, S. C. | Works |
| Hollis | Nelson | Smoot | |
| Hughes | Norris | Sterling | |
| Husting | O'Gorman | Stone | |

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. There is a quorum present.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. The Senator from Idaho.

Mr. BORAH. Mr. President, I understand the question is on the motion to lay on the table the amendment of the Senator from Iowa [Mr. CUMMINS].

The PRESIDING OFFICER. The Chair will state that that is the question.

Mr. BORAH. If it is not too late, if the yeas and nays have not been called for, I only want to say——

The PRESIDING OFFICER. The yeas and nays have not been called for, but the motion is not debatable, except by unanimous consent.

Mr. BORAH. I do not care to debate it. I simply desire to say a word, which I can say just as well after the vote is taken.

Mr. GRONNA. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Hampshire [Mr. HOLLIS] to lay on the table the pending amendment offered by the Senator from Iowa [Mr. CUMMINS]. The yeas and nays have been ordered, and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BRADY (when his name was called). I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. He is absent from the Chamber, and I therefore withhold my vote.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. SMITH], who is absent. For that reason I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. I am told that the junior Senator from Utah [Mr. SUTHERLAND] has a pair of the same kind with the senior Senator from Arkansas [Mr. CLARKE]. His pair and mine, I am informed, are both absent. I transfer the pair of the Senator from Wyoming [Mr. CLARK] to the Senator from Arkansas [Mr. CLARKE] and vote "yea."

Mr. SUTHERLAND (when his name was called). Under the announcement just made by the Senator from Missouri [Mr. STONE], and I am at liberty to vote. I vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER], which I transfer to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the junior Senator from Arkansas [Mr. ROBINSON] and vote "yea."

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from Florida [Mr. BRYAN], but under an arrangement with him I am at liberty to vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from Illinois [Mr. LEWIS] and will vote. I vote "yea."

The roll call was concluded.

Mr. DU PONT. I inquire whether the junior Senator from Kentucky [Mr. BECKHAM] has voted?

The PRESIDING OFFICER. He has not.

Mr. DU PONT. As I have a general pair with that Senator, I withhold my vote.

Mr. O'GORMAN. I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER]. In his absence, I withhold my vote.

Mr. LODGE (after having voted in the negative). I ask whether the senior Senator from Georgia [Mr. SMITH] has voted?

The PRESIDING OFFICER. He has not.

Mr. LODGE. As I have a general pair with that Senator, I withdraw my vote.

Mr. WARREN. I wish to announce the unavoidable absence of my colleague [Mr. CLARK of Wyoming]. He is paired with the senior Senator from Missouri [Mr. STONE]. I make this announcement for the day.

Mr. CURTIS. I have a general pair with the junior Senator from Georgia [Mr. HARDWICK], and therefore withhold my vote. If at liberty to vote, I would vote "nay." At this time I desire to announce the absence of the junior Senator from Maine [Mr. BURLEIGH] on account of illness in his family.

Mr. FALL. I have a general pair with the senior Senator from West Virginia [Mr. CHILTON]. In his absence I withhold my vote.

Mr. GALLINGER. I inquire if the senior Senator from New York [Mr. O'GORMAN] has voted?

The PRESIDING OFFICER. He has not.

Mr. GALLINGER. I have a general pair with that Senator, and for that reason withhold my vote.

The PRESIDING OFFICER. I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the junior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Maine [Mr. BURLEIGH] with the Senator from Nebraska [Mr. HITCHCOCK];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY].

The result was announced—yeas 39, nays 24, as follows:

YEAS—39.

| | | | |
|---|---|---|---|
| Ashurst | Johnson, S. Dak. | Poindexter | Swanson |
| Broussard | La Follette | Pomerene | Taggart |
| Chamberlain | Lea, Tenn. | Ransdell | Thomas |
| Culberson | Lee, Md. | Reed | Thompson |
| Gore | Martin, Va. | Shafroth | Tillman |
| Hollis | Martine, N. J. | Sheppard | Underwood |
| Hughes | Myers | Simmons | Vardaman |
| Husting | Norris | Smith, Ariz. | Walsh |
| James | Phelan | Smith, S. C. | Williams |
| Johnson, Me. | Pittman | Stone | |

NAYS—24.

| | | | |
|---|---|---|---|
| Borah | Jones | Overman | Sutherland |
| Brandegee | Kenyon | Page | Townsend |
| Clapp | Lane | Sherman | Wadsworth |
| Cummins | Lippitt | Smith, Mich. | Warren |
| Gronna | Nelson | Smoot | Weeks |
| Harding | Oliver | Sterling | Works |

NOT VOTING—33.

| | | | |
|---|---|---|---|
| Bankhead | Catron | Curtis | Gallinger |
| Beckham | Chilton | Dillingham | Goff |
| Brady | Clark, Wyo. | du Pont | Hardwick |
| Bryan | Clarke, Ark. | Fall | Hitchcock |
| Burleigh | Colt | Fletcher | Kern |

| | | | |
|---|---|---|---|
| Lewis | Newlands | Robinson | Smith, Md. |
| Lodge | O'Gorman | Saulsbury | |
| McCumber | Owen | Shields | |
| McLean | Penrose | Smith, Ga. | |

So Mr. CUMMINS's amendment was laid on the table.

Mr. GRONNA obtained the floor.

Mr. CLAPP. Mr. President, will the Senator yield to me for a moment?

Mr. GRONNA. I yield.

Mr. CLAPP. I simply want to say that, no matter how it may place me in the RECORD as in apparent hostility to a matter, I will not vote to table an amendment unless it has become evident that there is a persistent opposition designed to delay the passage of a measure. I make that statement now with reference to all matters. While it may place a Senator in an unfair light with reference to his supposed attitude toward a pending amendment, I shall vote against shutting off debate unless it is evident that debate has reached a point where it is being resorted to merely for delay. I do not believe it is proper, nor do I believe it is fair.

Mr. JONES. If the Senator from North Dakota will permit me, I will simply say that I want to emphasize what the Senator from Minnesota has said, and, further, that if I had had an opportunity to vote on this amendment on its merits I should have voted against it.

Mr. LANE. Mr. President, if the Senator will permit me, I wish to say that I voted against tabling this amendment for the reason that I do not believe in that process of conducting legislation. I like to see a question allowed to come out in the open, and then fight it out, and vote on it upon its merits. I am constitutionally opposed to this way of shutting off debate arbitrarily and tyranically. I am very glad to have an opportunity to say that, although, if the amendment had been allowed to come up on its merits, I would have voted against it.

Mr. WILLIAMS. If the Senator will yield for my part in this experience meeting, I think about the only precious privilege left to the Senate is the motion to lay on the table. It is about the only way we have of terminating a debate. I welcome it as one of the muniments of human liberty. When a fellow is opposed to anything, the quickest possible way to beat it is to lay it on the table.

Mr. GRONNA. Mr. President, I was about to say what the Senator from Minnesota [Mr. CLAPP] and other Senators have said, that I shall not vote to lay on the table any amendment that to my mind is fundamental, and where it has not been shown that time is taken up for the purpose of delaying the passage of the measure.

The Senator from Montana [Mr. WALSH] referred this morning to the Federal reserve act. He called attention to the fact that some Senators who were opposed to the passage of that measure and had predicted that it would not work well, would perhaps find that the same result that followed the enactment of that bill would come from the passage of this one. I should like to call the Senator's attention to the fact that the so-called Federal reserve act provided that every national bank had to join the Federal Reserve Association or it would lose its charter. How many State banks have joined the Federal Reserve Association, I ask the Senator? I also want to remind the Senator from Montana of the fact that it will not be as easy a matter for this political board to compel the American farmer to mortgage his land under the provisions of the bill as it was to compel the national banks to join the association.

I am in favor of a rural-credits law. I think I know something about the hardships that the farmers of the United States have had to endure, and I am not going to take up the time of the Senate this afternoon with any idea in view of opposing this bill in its entirety. I am going, however, to take the time of the Senate to call attention to some of the imperfections in this bill and to some of the provisions that, in my humble judgment, should be changed, because some of them, as I believe, are unworkable.

Mr. President, knowing as I do how arduously the Senator from New Hampshire has labored to perfect the pending rural-credits measure, and knowing that it has been his sincere desire to secure the enactment of a law which will give real relief to the farmers of the country from the burden of unduly and unjustly high interest rates, I have hesitated to say anything in criticism of the bill, and it is with a feeling of regret that I now undertake briefly to call the attention of the Senate to some features which appear to me to be faulty, and to the effect of those provisions.

The problem of rural credits, it appears to me, should be approached from a somewhat different angle. I believe that what we should aim at is the establishment of associations which will borrow money for the farmer, rather than the creation of banks or other organizations lending to the farmer. If an association of the farmers of this country can be created which will substitute for the uncertainty of the loan of an individual farmer the security of farm loans as a class, it is my belief that the investors of this country will find the bonds of such an association an attractive investment, even at low rates of interest, and that by this means funds for farm loans can be obtained.

The pending measure lacks cooperative features. In certain respects, it appears to me, it provides for banks and organizations to lend money, rather than associations which will enable the farmer to borrow on more reasonable terms. The Federal land banks provided for are lending institutions; and while the farm-loan associations provided for are to be represented on the board of directors, it may be doubted whether this will result in the Federal land bank being conducted with a view to furnishing loans at as reasonable a rate as possible rather than with a view to making profits.

The farm-loan associations provided for in this bill appear to me to be too small and weak to be of the greatest assistance to the farmers. They are, in fact, small corporations authorized to do a certain amount of banking business. Because of their small size and the fact that only borrowers can be members, it seems to me to be doubtful whether their obligations will be much safer than the mortgage of the average farmer. I believe it is a serious fault to exclude from such associations farmers who are not borrowers; it seems to me that these would add strength to the association, and it would seem probable that the benefit they might derive from their membership when they might wish to borrow money in the future would be a sufficient incentive to them to become members at a time when they were in no need of a loan. This exclusion, it seems to me, weakens the associations needlessly, and I can not perceive any good purpose served by it.

I may also say that I believe there are too many restrictions attempted to be placed on the farmers applying for loans under this measure. A farmer who risks the loss of his farm by placing a mortgage thereon is not going to do so unless he feels that it is necessary. Under these provisions, if the family of a farmer should suffer from serious and protracted illness, or if he should have any other misfortune which would make it necessary for him to raise money by means of a loan, he could not obtain such a loan from the Federal farm banks, even though such a loan might be safer than loans made by the Federal land bank and the farmer might be in more urgent, immediate need of funds than a farmer to whom the bank was authorized to lend money.

The joint-stock land banks authorized in this bill do not appear to me to form part of a rural-credits system. They are merely commercial banks, differing from other national banks in that they are to deal in farm loans.

I might say in passing, Mr. President, that some of those who are recognized as financiers in this country have written to me stating their belief that so far as the joint-stock banks are concerned they are simply loaning institutions, which necessarily must be started in the larger cities, as small banking institutions in small towns could not possibly serve the purpose or could not loan to the farmers the amount of money that will be required. Necessarily, therefore, the so-called joint-stock bank will be started in the larger cities of the country, and they will simply displace the institutions which we already have.

It is provided in the bill that bonds which may be issued, that are exempt from taxation, shall be permitted to be issued by these corporations at a rate of 5 per cent. It seems to me that this provision of the bill should be changed, and that in no case or under no circumstances should a higher rate than 3½ or 4 per cent be allowed to be charged by those large banking institutions if the bonds and mortgages are to be exempt from taxation.

They will compete with State banks which at the present time make the same kind of loans, and to this extent may perhaps reduce in some localities the rates of interest which the farmer has to pay at present. It may be considered doubtful whether they would form any very useful supplement to the State banks. And I may say in this connection, that the banks which have been of most benefit to the farmers in the past have been the State banks, and not the national banks. So far as the negotiable paper of the farmer has been standardized, it has been done by State banking systems.

Two years ago I introduced a rural-credits bill aiming to establish such a system of associations as I believe we should attempt to make provision for. I reintroduced the measure at this session as Senate bill No. 576.

Mr. President, I want to discuss briefly the provisions of the bill which I have had pending in the Senate for a number of years, and while I shall not of course criticize the chairman of the subcommittee, the Senator having the pending bill in charge, for not reporting my bill, I did have the hope that some of the provisions contained in that bill would be adopted, and I still have the hope that the Senator from New Hampshire will accept as amendments some of the provisions to which I shall call attention.

NATIONAL FARM-LOANS ASSOCIATION CREATED.

It is proposed to create a national farm-loans association, with an authorized capital stock of $50,000,000. The stock is to be held solely by State associations provided for in the bill. Each State association is to subscribe for such stock in the amount of 50 per cent of its own capital, but no association is to be required to subscribe more than $2,000,000. The national farm-loans association is to commence business when not less than 10 State associations have been organized and have made the required stock subscription. (Secs. 1 and 3.)

COMMITTEE ON ORGANIZATION.

A committee on organization is provided for, which is to consist of the Secretary of the Treasury, the Secretary of Agriculture, the Comptroller of the Currency, and two additional members named by the President. This committee will appoint in each State a State agent, who will receive applications for membership in the State association and subscriptions to the stock of such association, and when the necessary stock has been subscribed take the steps necessary to effect the organization of the State association. No State association is to be organized if the subscription to its capital stock is less than $50,000. (Sec. 5.)

DIRECTORS OF THE NATIONAL FARM-LOANS ASSOCIATION.

The board of directors of the national farm-loans association is to consist of a member from each State, elected by the members of the State association. When 10 State associations have organized and chosen directors of the national farm-loans association the board of directors is to organize. A director must be a member of the State association by which elected, must be engaged in farming, must be a resident of the State, and must have such further qualifications as the by-laws of the national farm-loans association may prescribe. A director may be removed by a two-thirds vote of the directors or by a majority vote of the State association which he represents. Directors are to be elected for a term of five years, and they are divided into five classes, in such a way that one-fifth of the total number are elected each year. (Secs. 7, 8, and 10.)

BOARD OF GOVERNORS.

The national farm-loans association is to be governed by a board of governors consisting of seven members, two of whom are to be appointed by the President, by and with the consent and advice of the Senate, and five of whom are to be elected by the board of directors. The latter may be removed by a two-thirds vote of the directors and the former may be removed by the President on charges preferred by the board of directors of the national farm-loans association or by the board of directors of any State association. The term of office is to be five years. (Sec. 9.)

I believe the pending bill provides now for a term of 8 years. Originally it provided for a term of 10 years.

STATE ASSOCIATIONS CREATED.

In each State there is to be organized a State association, with a capital stock of not less than $50,000 nor more than $5,000,000. This stock is to be issued in shares of $25 each, and no one person, organization, or association of persons is to be allowed to hold more than 10 shares. Each State association is required to subscribe to the capital stock of the national farm-loans association an amount equal to 50 per cent of its own capital, but in no event more than $2,000,000. (Sec. 4.)

DIRECTORS OF STATE ASSOCIATIONS.

Each State association is to be governed by a board of directors, consisting of members elected by the local associations. The term of office is to be three years, and the directors are to be divided into classes in such a way that the terms of one-third of the total number will expire each year. A director of a State association must be an actual resident of the State, must be engaged in farming, must be a member of a local association, and must be a stockholder in the State association. The by-laws of the State association may prescribe further qualifications. A director may be expelled by a two-thirds vote of the total number of directors, and may be recalled by a majority vote of the local association which he represents. (Secs. 6 and 11.)

LOCAL ASSOCIATIONS PROVIDED FOR.

Local associations may be formed by any number of persons, not less than 50—in the pending bill it is provided that 10 may constitute an organization or association. Anyone who is familiar with conditions in the country knows that that number is not sufficient and that it should be increased. These 50 shall be persons who are actually engaged in farming, covering a territory of not more than 25 square miles. In sparsely-settled sections the board of directors of the State association may authorize local associations covering a greater territory. Each local association is to be governed by a council elected by the members of the association. The association also elects a president, who is ex officio chairman of the council, a secretary, and such other officers as the by-laws may provide for. The term of office is in each case one year. Any person actually engaged in farming and who is of good character may become a member of a local association, but such an association may by a two-thirds vote of all its members exclude an applicant or expel a member. (Sec. 12.)

QUALIFICATIONS OF ELECTORS.

Every member of a local association in good standing shall be qualified to vote for members of the council of such local association and on all questions coming before the association. In order to vote for directors of the national farm-loans association or of the State association, or on questions submitted by the National or State association, he must be a stockholder in the State association. No one is to be permitted to vote in any State of which he is not a resident, nor is any person who is not a member of a local association to be allowed to vote at any election. Each person is to have only one vote, irrespective of the number of shares of stock he may own. All elections are to be by secret ballot. (Secs. 13 and 14.)

GOVERNMENT DEPOSITS.

On the organization of the national farm-loans association the Secretary of the Treasury is to be required to deposit with the association the sum of $5,000,000. For each State association organized with a capital of not less than $50,000 he is to deposit an additional sum of $200,000; and if a State association is organized with a greater capital than $50,000, or increases its capital beyond this amount, the Secretary is to be required to make a further deposit of such a sum as shall be equal to the amount by which the capital of the State association exceeds the minimum of $50,000. (Sec. 15.)

NATIONAL FARM-LOANS ASSOCIATION MAY ISSUE BONDS.

The national farm-loans association is to be given the power to borrow money and to issue bonds. Such bonds are to bear interest at the rate of 4 per cent per annum, payable semiannually. The pending bill provides that the rate of interest on this class of bonds shall be 5 per cent. Such bonds are to be issued for such terms as the board of directors may decide, not exceeding 20 years, with the privilege of paying them at the end of five years. The board of directors may change the rate of interest, but shall not increase it until such action has been authorized by a majority vote of the members of the State associations.

I wish in this connection to venture the statement that no professor of economy, no man who has given the subject any great thought, no man who has been on a board of directors of any great financial institution, either a bank or an insurance company, will say that the time provided for in the pending bill is workable. The pending bill provides for a term of 36 years, which I believe is entirely too long. No obligation of this class should be issued for a longer term than 20 years. It is neither beneficial to the farmer, the community, the State, nor the Federal Government to issue bonds for a longer term than 20 years. I sincerely hope the Senator from New Hampshire will permit us to amend that section of the bill.

As security there is to be held at least an equal amount in face value of mortgage or deed of trust farm loans or of such mortgage loans and lawful money. A reserve of 5 per cent is required against such bonds. Not more than one-half of such reserve may be advanced to the different State associations for the making of short-time loans. (Secs. 16 and 17.)

Mr. President, the pending bill does not provide for short-time loans at all. I believe I am stating the fact when I say that every farmers' organization in this country has called the attention of Congress to the fact that there is more demand for money for short-time loans and which are more acceptable than the long-time loans, but there is no provision for a short-time loan in the pending bill.

LONG-TIME LOANS.

The national farm-loans association is to be empowered to make loans on farm lands, through the State associations, for terms of not less than 1 year nor more than 20 years. Such loans are to bear interest at the rate of 5 per cent, but this rate may be reduced by the board of directors. On all loans for a longer term than five years a part of the principal, in no case less than 5 per cent, must be paid at the end of five years and every year thereafter.

The pending bill provides that the first year 1 per cent of the principal must be paid, together with the interest. My bill provides that only the interest shall be paid during the first five years, but that after the five years not less than 5 per cent must be paid, and after one year both the principal and interest may be paid.

The borrower is to have the right to pay a larger part of the principal if he so desires, and he may at any time pay the entire loan by paying at the same time the interest which would be due at the next interest-due date. There is no provision made for this in the pending bill. The board of directors are required to prescribe the purposes for which loans may be made, the maximum and minimum amounts of such loans, and the ratio which the amount of the loan may have to the value of the land on which made. (Sec. 18.)

All applications for long-time loans are to be submitted to the local council or to its officers, who forward it to the State association, together with their report and such information as the State association may require.

Mr. President, who is more fitted to pass upon the loans than this local association, the members of which know all the conditions in the immediate vicinity?

If the State association approves the application, it calls on the national association for the amount of the loan. All notes and evidences of indebtedness are forwarded to the national association after being indorsed by the president of the State association. Such indorsement creates a binding obligation on the State association for the payment of the loan and the annual installments of interest.

It seems to me that a first mortgage for a reasonable amount upon a productive farm, together with the indorsement of the State association, will make this paper as good as a Government bond, and that a bond based upon those mortgages will find its way through the avenues and channels of ordinary trade, because there are millions of money now awaiting such an investment as could be made under the provisions of the bill.

Mr. President, it is a fallacy to believe that the Federal Government owns all the money. It is the people of the Government who have the money. The bill of the Senator from New Hampshire is constructed upon the fallacious theory that it is the Federal Government which must provide this money.

The applications for long-time loans have to be submitted to this local council, as I said. Loans may be made to actual farmers who are not members of the local association. There is no such provision in the pending bill.

Loans may be made to actual farmers who are not members of a local association or stockholders in the State association on the same terms as to members. No loans can be made on any property except farm lands. (Sec. 19.)

SHORT-TIME LOANS.

Short-time loans for terms of not more than nine months may be made by a State association to extent of one-half of its paid-in capital and to the further extent of such sums as the national association may advance for such purpose, but the national association shall in no case advance a sum greater than the par value of the capital stock of the State association. Applications for short-time loans must be approved by the officers of the local association, and such local association shall be liable to the State association for the payment of such loan.

My bill provides that the local association shall be responsible to the State association for the short-time loans. Short-time loans are to bear interest at the rate of 6 per cent. (Sec. 20.)

I wish to call the attention of the Senator from New Hampshire to this point. I believe some provision should be made in the bill for the disposition of the money when it is paid back by the farmer to the land bank. There is no such provision in the bill.

DISPOSITION OF MONEYS COLLECTED ON LONG-TIME LOANS.

Money collected as part or all of the principal of a long-time loan is to be used for the following purposes only: First, to pay the principal of such bonds as may be due or may be subject to call; second, to make another long-time loan.

Money collected as interest on long-time loans is to be distributed as follows: There is to be paid (a) the actual expenses of the national farm-loans association; (b) the interest due on bonds outstanding; (c) an amount to each State association equal to 10 per cent of the capital stock of the national farm-loans association held by such State association. Of any proceeds remaining, one-half is to be paid into the Treasury of the United States and the remaining one-half is to be paid to the different State associations in proportion to the average amount of outstanding long-time farm loans made through such State associations. The amounts paid into the United States Treasury are to be credited against the sums advanced to the national farm-loans association, and when such payments equal the sum total of all such advancements the debt of the association to the United States is to be considered canceled and thereafter such payments shall not be made. (Sec. 22.)

Under the provisions of my bill I simply start these associations. The Government of the United States puts in a part of the money, but there is a provision made that it shall be returned or the Government shall be reimbursed, and whenever the Government has once been paid in full no further advances are to be made to these associations by the Government of the United States. They stand absolutely on their own resources, just the same as any other business institution should stand.

DISPOSITION OF MONEYS COLLECTED ON SHORT-TIME LOANS.

Money collected as the principal of short-time loans is to be used only in repaying the advancements made to the State association by the national association, or in making other short-time loans.

Money collected as interest on such loans is to be used to pay the expenses the State association incurred in making them, including any losses resulting from such loans; the remainder shall be distributed in such manner as the board of directors of the State association shall direct.

Money received from the national association as provided in section 22 shall be used to pay the expenses incurred by the State association in making long-time loans; any remainder is to be distributed in such manner as the board of directors of the State association may direct. (Sec. 23.)

Mr. President, I said at the outset that I voted against the motion of the Senator from New Hampshire to lay on the table the motion of the Senator from Iowa to strike out the exemption section, 29. On the direct question I should have voted to retain the exemption clause, because I do not believe we can do justice to the agricultural industry or to the farmers of the country unless the mortgages and bonds are made exempt from taxation.

EXEMPTION FROM TAXATION.

The bonds issued by the national farm-loans association, together with the interest thereon, and all notes and mortgages taken by the association, shall be free from taxation of every kind, but this exemption shall not extend to any real estate actually owned by any of the associations. (Sec. 24.)

THE STOCK OF THE NATIONAL FARM-LOANS ASSOCIATION.

Shares of the capital stock of the national farm-loans association are not to be transferred nor hypothecated nor owned otherwise than by the State associations in the proportion prescribed.

If the subscriptions of the State associations exceed the amount of capital stock authorized, the board of directors of the national association may apportion the stock among the State associations in proportion to their respective capital. If a State association surrenders its charter or decreases its capital stock to such an extent that the amount of stock held by it is in excess of 50 per cent of its own capital, the remaining State associations may be required to take over the surplus stock. If at any time the capital stock of the national association should exceed 50 per cent of the combined capital of the State associations, such excess stock is to be retired. (Sec. 25.)

STOCK OF STATE ASSOCIATIONS.

Each State association may increase or decrease its capital stock within the limits provided, and may reduce the number of shares each person may hold to not less than one, and may require any person holding more than such a number of shares to dispose of the excess to any applicant who is not the owner of any stock, at its market value, in no case less than par, but no person can demand that more than one share be sold to him. (Secs. 26 and 27.)

LIABILITY OF STOCKHOLDERS.

Stockholders in every State association are liable to the par value of their stock in addition to the amount which they have invested in such stock. (Sec. 28.)

POWER TO HOLD REAL ESTATE.

The real estate which the various associations can hold is limited to such as is required for their immediate accommodation in carrying on the business, such as may be mortgaged to them as security for loans, such as may be conveyed to them in satisfaction of debts, and such as may be purchased at sales under decrees, judgments, or mortgages held by such association, or in order to secure debts due them. Except for the first-named purpose, no association shall retain title for a longer term than five years. (Sec. 29.) This is practically similar to the provision embodied in the pending bill.

EXAMINING BOARDS.

The board of directors of the national farm-loans association shall select from among its own members an examining board which shall, at least once a year, make an examination of the business of the national association and the State associations, and make a full report to the board of directors. Similarly, the boards of directors of the various State associations shall select examining boards which shall examine the condition of the business of the State association, and may, when deemed necessary, inquire into the management of the local associations in the State. This is provided for in section 30.

REPORTS TO BE MADE BY THE VARIOUS ASSOCIATIONS.

I want to call the attention of the Senator from New Hampshire [Mr. HOLLIS] to this provision.

Each State association is to make a monthly report to the board of governors of the national farm-loans association, and in addition thereto an annual report, one copy of which shall be forwarded to the board of governors and one copy to the Comptroller of the Currency. The board of governors shall similarly make monthly and annual reports to the Comptroller of the Currency. The board shall also make an annual report to Congress. I believe that it is absolutely necessary and important that the report should be made to Congress as well as to the Comptroller of the Currency, showing the operations of the national farm-loans association and the State associations, and shall include in such report the annual reports of the State associations. The Comptroller of the Currency is to have the power to make examinations of the affairs of the national farm-loans association and of the State associations in the same manner as of national banking institutions. This is provided for in section 31.

DISCIPLINE OF STATE ASSOCIATIONS.

If the officers of a State association conduct their business in violation of the provisions of the law or of the by-laws of the national farm-loans association, the board of governors may, with the approval of the board of directors of the national association, refuse to advance further funds to such State association and may require the repayment of all funds previously advanced. In such event, further funds are to be advanced only after the offending officers have been removed and assurances have been given that the offensive practices have been discontinued. (Sec. 32.)

RIGHT TO AMEND ACT RESERVED BY CONGRESS.

The right is to be reserved to Congress to alter or amend the act, to take effect at the end of any decennial period after the organization of the national association. (Sec. 33.)

The underlying idea in framing this bill has been to form an organization of borrowers rather than of lenders, in order to substitute for the uncertain obligation of the individual farmer the bond of a nation-wide association of farmers. As a class farm loans are almost as secure as Government bonds, but at the present time the investor must examine the conditions of each loan in which he may desire to invest. It appears to me that the bond issued by a national association will have such a security that money for farm loans will be attracted in much greater amounts than at present, and at much lower rates of interest.

Membership in these associations has not been restricted to borrowers, as there would seem to be no good reason for such restriction, and the admission of others who are not at the time borrowers would tend to strengthen the system by increasing public confidence in the associations. Furthermore, what is contemplated is a permanent system—an organization, membership in which will enable the farmer to secure a loan when he needs it without requiring him to become a borrower when he does not need it in order to retain his membership.

Rather than selecting an arbitrary number of associations and trying to divide the United States into an equal number of sections it appeared preferable to establish a State association in each State. The laws governing real estate transfers differ in the different States, and each State association will have only the laws of that one State to consider in adapting its operations, while under a system where an association covered a district composed of several States or parts of States the laws of all of such States would have to be taken into consideration, which might seriously interfere with an attempt to make uniform rules for such district. Furthermore, I believe that the fewer kinds of districts we have, with their necessarily artificial boundaries, the less confusion there will be.

It is possible that it may be considered that the aid extended by the Government in the matter of deposits with the national association is larger than is wise. But it is believed that while in the long run the investors of the country will find the bonds issued by the national association attractive investments, there will be some hesitancy at the outset in accepting these bonds, and that if immediate relief, rather than assistance 10 or 20 years hence, is to be aimed at, the credit of the Government must be used to some extent in some manner or other. The Federal Reserve System uses the resources and credit of the Government in carrying on its operations, and it would not seem too much to ask that as much be done to assist in establishing a system of rural credits, especially as it is contemplated that such assistance be withdrawn when no longer needed.

Experience may show that the provision made for the repayment to the Government of the funds advanced is not sufficient, and that provision should be made for the repayment of a greater sum each year. The aim has been to formulate this provision in such a manner as not to embarrass the association at the outset and yet to result in considerable repayments each year when the system is well established.

In the making of long-time loans, instead of the usual amortization schemes whereby the borrower pays a certain sum each year, so apportioned as to result in the repayment of the principal together with all the interest at the end of a certain number of years, it has been thought best to allow some latitude both to the borrower and the associations. Ordinarily it will be found that the borrower will be in a better position to pay a proportionally larger part of the principal each year after the fifth, than to make annual payments the first few years equal to those made the last years during which the loan runs. It is also thought that if the borrower finds he can repay the loan before it is due, he should be allowed to do so without being penalized therefor.

To reduce as much as possible the cost of making loans, it is made the duty of the officers of the local associations to examine the application and submit a recommendation on it, and also to furnish such information as the officers of the State association may require relative to it. In order to protect the national association, the State association is made liable for the full amount of every loan made.

As will be observed, the money advanced by the national farm-loans association for use in making short-time loans can not exceed 2½ per cent of the par value of the outstanding bond issue, nor can it exceed the capital of the State association to which advanced. In addition to this sum, the State association may lend an amount not in excess of one-half of its capital. It is possible that during the early days of the system it will be found that these funds will not suffice to meet the demand for short-time loans, but it has been thought best to err on the side of safety. Some difficulty may be experienced in holding the local associations liable for these short-time loans, but it would appear that the advantages derived by the members of such local associations from affiliation with the State association would be a sufficient inducement to render them willing to pay such assessments as it might be necessary to make as well as to exercise all due caution in the making of such loans.

Provision is made for the disposition of the moneys collected so as to insure the payment of the interest and principal of the bonds issued by the national farm-loans association, the expenses of the National and State associations, and the repayment of the money advanced by the Government.

Since these associations are not organized for profit, it is thought wise to exempt so far as possible their bonds and mortgages from taxation, especially as these are merely evidences of indebtedness, either of the associations or of the members of the associations.

Mr. President, if the Senator from New Hampshire would consent to strike out the provision for the establishment of the joint-stock bank, I should feel that I would not have so much right to criticize the bill; but it is my sincere belief that those so-called joint-stock banks can not perform the functions of a rural-credit system. The joint-stock banks would be simply another financial banking institution, which would supersede the institutions which we now have; but this legislation is proposing to give them an undue advantage as against the institutions which are now in existence, in so far as it permits them to issue bonds which are to be exempt from taxation. I say that

some consideration should be given to the institutions which are now in existence.

As the State associations are dependent on the national association for practically all the funds with which to carry on business, it is thought that the power given the latter to refuse to advance funds will be sufficient to secure observance on the part of the former of the laws and by-laws regulating their operations.

As stated at the outset, the aim of this bill is to provide credit for farmers by forming associations of borrowers rather than of lenders. That is the only way you can form a real farm rural-credit association, by the borrowers and not by the lenders.

Loans based on farm lands ought to be the safest of all loans. Distrust of such loans can come only from a lack of knowledge on the part of the lender as to the security for the particular loan. The formation of a national association as proposed will relieve the lender from the necessity of inquiring as to the safety of any particular loan. With the affairs of such an association wisely administered its bonds should approach in safety that of our national bonds. They would be far safer than any of our industrial bonds or railroad bonds. There would be no opportunity for reckless directors or managers to speculate in the stock of the association, nor would there seem to be any temptation to unduly expand the loans. As the national farm-loans association will have no outstanding demand obligations, a nation-wide panic can affect it only indirectly through the possibly lessened demand for its bonds.

There may be those who believe that this bill contemplates too much governmental assistance to the farmer. The assistance, however, it should be noted, consists mainly in establishing the system and advancing some funds at the beginning of its operations. That there is need of some such system I firmly believe. Few people realize how small are the returns the average farmer enjoys as the result of his year's labor. As the result of investigations made by the Department of Agriculture the following is published in the department's Weekly News Letter, dated April 26, 1916, only a few days ago:

> * * * Recently 64 groups of farms in 19 States were studied in order to ascertain what the farmer obtained for his year's work after deducting the interest at 5 per cent on the value of his farm and other capital—in other words, to find out his labor income or wages. In each of these groups, which included altogether 4,400 farms—

That seems to me, Mr. President, to be a respectable number—

> the conditions were reasonably similar. In each group the farmers were divided into five numerically equal classes according to their labor incomes.
>
> It was found that although the average labor income for all the groups was only $387—

That is for the whole year—

> the average for the farmers in the first class—that fifth of the farmers who did best—was $1,421. In the second class it was $642. The last class—the fifth of the farmers who were least successful—got nothing for wages and lost, on the average, $517.

Instead of receiving pay for their labor, they lost $517:

> That is to say, the interest on the amount of money represented by their farm, stock, and equipment would have been $517 more than the farm returned them. It should be borne in mind in this connection that the labor income is merely the farmer's wages, and that the family has in addition, besides interest on investment, the use of the farmhouse and such fuel and food as the farm supplies free of money cost.

Now, it seems evident that even the class of farmers who were most successful can not prosper greatly if they have to pay the interest rates which farmers have to pay in many sections of this country. In the cases considered by the department, the interest on the investment was figured at 5 per cent. Obviously, in those places where the interest rate is twice this figure, the average farmer can not, if he is considerably in debt, pay the interest on his debt and make anything beyond a bare living.

To me it does not seem too much to ask the Government to enable the farmer to establish a rural-credit system which will make it possible for him at the end of the year to show a fair return for his year's labor, even though in doing so the Government may be asked for a limited time to extend aid by making deposits with the national farm-loans association.

Mr. President, I am not opposed to a rural-credit system; I am intensely in favor of a rural-credit system, but my fear is that the provisions of the pending bill will not give to the farmers the relief to which they are entitled. The rate of interest specified in the bonds should not be 5 per cent; it should not be above 4 per cent. Is there a Senator on this floor who would be willing to vote for an issue of Government bonds bearing interest at the rate of 5 per cent? The farm-loan bonds will be just as safe as Government bonds; why, then, should not the rate of interest be reduced? Is there a Senator on this floor who will say that in the older sections of the country the farmers can not now secure money at 6 per cent? So, what relief will you give to the farmers of the United States by passing this bill? The maximum rate of interest under this bill on farm loans should not exceed 5 per cent.

We all know that the man who is interested in a financial concern feels it is his obligation and his duty to treat that institution fairly. The man who becomes a shareholder or who acts as an officer in such an institution as a bank knows that there is an obligation binding upon him, and that he must see to it that that institution is cared for. You are permitting in this bill—and I say it in all seriousness to the Senator from New Hampshire—banking institutions to be exempt from taxation on their bonds as well as on their mortgages, and yet you make it possible for them to charge the farmer just as high a rate of interest as he is paying to-day.

Mr. President, as I have said, my fear is that the farmers of the United States will not be benefited by this bill unless we change it. I am very sure that the farmers in my section of the country will not submit to the provisions of this bill, with all its restrictions, under which they will be penalized and compelled to pay as high a rate of interest as they are now paying. For that reason, Mr. President, I say that I hope the Senator from New Hampshire will permit us to change some of the provisions in the bill.

I shall not vote against this bill; the Senator from New Hampshire knows that; I believe he knows that I intend to vote for it, because I believe in a rural-credits system; but I sincerely hope that the majority party will permit us to incorporate into this bill some of our ideas, which are practical ideas, and make it a better bill. I for one am perfectly willing to give the Democratic Party credit for it, but give us the opportunity to help you to improve it for the benefit of the American farmer.

Mr. WORKS. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from North Dakota yield to the Senator from California?

Mr. GRONNA. I yield to the Senator from California.

Mr. WORKS. I understand the Senator to say that, in his judgment, this bill will be of no practical benefit to the farmers?

Mr. GRONNA. That is my belief.

Mr. WORKS. And yet the Senator says he is going to vote for the bill.

Mr. GRONNA. Yes; I am going to vote for it.

Mr. WORKS. I should like the Senator to explain his position a little in that respect, for I know the Senator is perfectly sincere in any view he may take; but I do not understand very well how the Senator can take that position. I think if we are going to pass a rural-credits bill we should pass one that will do some good, and that no legislation ought to be passed by Congress that is not going to benefit somebody.

Mr. GRONNA. Mr. President, I agree with the Senator from California that it is rather an embarrassing position to take. I have said that there are provisions in this bill which I can indorse. The bonding feature of this bill is, in my judgment, nearly perfect, and I am not complaining of that provision. What I object to is the rate of interest. The maximum rate of interest should not exceed 4 per cent, because the farm-loan bonds will be absolutely as good as Government bonds.

Mr. WORKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from California?

Mr. GRONNA. I yield to the Senator.

Mr. WORKS. There may be some good things in this bill; I have no doubt there are; but when it comes to a final vote on the passage of the bill we have got to take it as a whole or let it alone; and the fact that there are some good provisions in it will not help the matter if, taken as a whole, it is not beneficial. It is that view of it which was appealing to my mind when the Senator was stating his position with respect to the bill.

Mr. GRONNA. Mr. President, the Senator from California is right; but I have the hope that at some time in the future the Congress of the United States will amend this bill. I am no prophet, but I do predict that the money appropriated for high-salaried officers under the system now proposed will be money thrown away, unless we can secure men as directors upon the farm-loan board and upon the various other boards who will see to it that the maximum amount specified in the bill will not be used; but that is a very unsafe proposition. No man who knows anything about financial affairs will risk his fortune to the good judgment of the other fellow. It may be that this bill will be of some help to the American farmer; but if it shall so happen that it will give the farmer relief, it will be because some men will be appointed on these boards who know more about the conditions than we who make this law.

As I said at the outset, the Senator from New Hampshire has given this bill close attention; he has devoted a great deal of time to it, and he deserves a great deal of credit for doing what he already has done; but no one man can hope to be able to change the whole financial system of a Government like the United States, where the welfare of a hundred million people is involved, without criticism, and I have called the attention of the Senate to some of the provisions of the bill which, in my judgment, are faulty, weak, and dangerous, but not with the idea of opposing a rural-credits system, because I am sincerely in favor of the right kind of a rural-credits bill.

The Senator from California asked me how I could explain my position when I attack certain provisions of the bill and then state that I will vote for it. It is only with the hope, as I have said, that at some time in the future this bill will be amended and improved, not altogether along the lines that I have suggested, but I believe that some of the provisions I have suggested will have to be incorporated into the law, if its provisions are to be successfully carried out and if it is to become a financial success.

Mr. President, I have here a letter from a gentleman, who I understand is not only a business man but a financier, whose name is James A. Johnston and whose post-office address is Poplar Bluff, Mo. I shall not take the time of the Senate to read his letter, but there are so many valuable suggestions in it that I ask to have it printed in the RECORD in connection with my remarks without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

POPLAR BLUFF, MO., *February 3, 1916.*

Hon. ROBERT L. OWEN,
*Chairman Committee on Banking and Currency,*
*United States Senate, Washington, D. C.*

DEAR SIR: Referring to your favor of January 22, I beg to submit for your observation a few suggestions concerning S. 2986, introduced by Senator HOLLIS. You will observe that the page and line of said bill is referred to in this brief so far as specific suggestions are concerned.

Page 3, line 1: The words "10 years," I think, should be changed to "5 years."

(a) A man to serve in this place will need to have the experience of half a lifetime, besides a general reputation that will carry with it confidence. All of which follows hard work, and if he should enter on the duties of this post in the prime, his time should be terminated by statute just before he passes a point where ambition and efficiency begin to decline.

(b) Admitting a man of character will be selected. He may have professional ambitions and environments or business interests that will retain a hold upon him, and it is possible, for various reasons, for the appointee to fail, or, at any rate, not handle the work to an advantage. In such an event 5 years would be better for the banking system than 10.

Page 16, line 8. A definite territory should be designated, based either on area or population.

Page 16, lines 15 and 16: It would be a mistake to permit anyone to be a director who is not a stockholder. There would be much danger of business being choked to death.

Page 16, line 21: The president should be a man that is on the outside and in touch with the farming public—that is, active among them and associated in a way to have an opportunity to mix with them in order that farmers may have an opportunity to learn the advantages awaiting them under this law.

(a) In order to encourage the study of the detail, board meetings should be had at fixed periods, say every 15 days, members receiving $3, the president receiving $3.50 per attendance. On the publicity of the provisions under this section much depends, and board members must know the detail of the law, so they can explain it.

(b) (The writer has been a stockholder for nearly 20 years in our local building loan association, and a good portion of the time a member of the loan committee. One of the weak places was that not enough people were interested who knew the detail, and with whom the public came in contact, to encourage the patronage it was entitled to. Said association would be stronger to-day if it had the board meetings every 15 days and each member paid for his attendance.)

(c) The principle as well as the detail will have to be instilled in the borrower's mind, and the explanation must to a large degree come from some one of the association with whom said farmer is acquainted.

(d) For the further reason that the loan applications will have many provisions therein and will need to be fully explained to the borrower when taken home by him, there studied, and be explained again by the officer.

(e) If meetings are too long apart under such necessarily slow procedure, private loan companies, banks, and bankers will get one or more commissions before applicants and the board learn the detail and properly prepare the application.

(f) Every facility consistent with prudence and economy should be written into this section, for the success of the measure depends on applications; at least two members of the board should ever be in a position to encourage new business, as well as take care of that in the records.

(g) Publicity by placard in every post office in the county where association is located should be required.

Page 24, division B: This section in the opinion of the writer will make a weak point, for the reason that it would be considered unwise by the average man who has anything or expects to leave anything to indorse any piece of paper that is to be paid 5, 10, or 30 years hence. That being the feeling of the average individual, competition will use this clause to scare and intimidate those who might otherwise patronize the system. Division A furnishes all the responsibility and safety needed for the creditor. That being the case, everything else should be arranged for the purpose of getting business.

Page 26, line 11: If this certificate could be in $50 and multiples, and draw interest collectible by the bearer at maturity or semiannually at any loan association, bank, or post office, it would be the means of placing them with people who now keep such funds in their sock.

(a) A certain multiple, say $200, to be converted into coupon bonds at a rate higher than the certificate can draw.

Page 27, lines 13 and 18: Provisions should be made to cover all classes of mechanic liens, as they have priority over other liens in some States. In fact it would be a good idea to have all funds loaned to be paid out only on the order of the applicants, the borrower and the president and secretary of the association, the voucher relating purposes of the payment. In this way no money could go out in an improper channel.

Page 27, lines 19 and 20: "Five to 36 years." Thirty-six years is too long. Is there a member of your committee—aye, what Member of the entire Senate would want to indorse any kind of check, draft, or note that would be payable 36 years hence. Twenty years is long enough; and, furthermore, such liens as this may make bond sales weaker by having your farm-loan notes dated too long hence. There are a number of reasons, but the fact that said notes are to be indorsed and guaranteed by all the institutions that handle them is sufficient from a business standpoint to look impracticable. Twenty years is a long time. Trust companies and building loan associations, as a rule, try to have their paper turn over every 5 to 10 years.

Page 28, line 13: Maximum interest rates should be inserted, be it 5, 6, or 7 per cent.

(a) It might be advisable to schedule rate according to the time. For example, 5 years, 6 per cent; 10 years, 5½ per cent; 20 years, 5 per cent.

Pages 29 and 30: Could contain a clause providing that when proceeds of liens was expended on a building that insurance to be assigned to the local association.

(a) It might be that in the event of the destruction by fire the borrower would not have funds to replace and could not borrow from others on account of farm-loan association lien, and that in that way be forced to let property decline. A fire insurance clause would do no harm and might be well worth while for both borrower and the association.

Page 31, end of line 8: Without finding any fault with the contents of this and succeeding sections, would like to suggest as follows:

The essentials about this bill—first stability and second simplicity—in procedure to make it popular with the masses and beyond the influence of criticism; at any rate, the criticism of its enemies. As a whole, this measure is practical, but think it should be changed some, and by such change be better.

For example, to make it stronger and to give it assurance of confidence have all notes, bonds, and certificates of deposit made at one central bank at the seat of government, Washington, D. C. Capital stocks, say, fifty to one hundred million dollars, one half paid in the funds, for the first half to be raised by and paid in by the Federal Government, a part of which might be raised from the sale of bonds, a portion with cash; the other half of the capital stock to be retained in the treasury of said institution to be subscribed and paid for by the State Federal land bank as hereinafter suggested. State Federal land bank to be at seat of State government, capital stock one or two millions, according to the population of the State, and subscribed and paid in the same manner as national institutions.

The national farm-loan association, with each application for a loan, also have application for shares of stock in the State institution for an amount equal to 5 per cent of the loan applied for. The State institution to do likewise with the national institution at the seat of Government. In this way the Government will some day be relieved of all the money it has paid in. This is a slight deviation from the plans you have outlined; it might be stronger and better.

Among the other features that would add to its strength and usefulness would be to have the national institution at the seat of Government issue all of the certificates of deposit and in small denominations drawing a certain small interest rate, sell them or charge them to the State institution, to be countersigned and indorsed and sold to the public or to the national rural association, and to all postmasters in said State of a certain class office, to be by them countersigned and sold to the public. Said certificates would be payable on fixed dates with interest, and could be made so as to be exchanged at will for bonds of a higher rate of interest and issued by the national institution, the bond issues to be sold through the same channel or on the open market. Said bonds of course to be issued on liens that have originated with the rural loan association under a detail that almost insures stability and safety. And if it could be done without too much danger of errors, to issue at the national institution a certain ratio of bonds and a certain ratio of currency on the liens gathered from said rural association and indorsed by them and the State institution. It would cut down the interest to be paid and furnish a good circulating medium besides.

(a) For example, $50,000 in notes and liens sent to the national institution by the State institution, on the group, national institution to issue, say, $25,000 in currency. Currency to go direct, $25,000 bonds either sold on open market or sent to State institution.

(b) This would be of the same class of currency as regional law issues on two-name paper, only in this case you have one name and the property and the two banks that indorse it. But under the regional law bank's names are ignored and the two-named paper make the base. In this case it looks as though it would be safe to issue currency against one-half of said notes, other one-half in bonds, all of which to be canceled when security is paid.

Page 32, line 15: Associations should not be permitted to buy land under any circumstances as an investment or otherwise except at sale under its own liens or to protect its lien, and then only when the public will not bid the amount of that lien or liens.

(a) Bondholders will soon learn to like the plan if its resources are always liquid as planned, but if the system permits local associations to get land dumped on them, competition will show it up as having a weak link.

Section 19, D. C., page 41, line 8: This section can not be of much use to farmers, inasmuch as a bank the size stipulated therein would need to be in a city to find the capital for such an organization, and capital in such cities would, if invested in any bank, get into one having other advantages.

(a) And if they did organize would not stand much show to get deposits with the depositing public. Their competitors would see to that on account of the long-time real estate paper and bonds, and their turnovers would most likely be too slow to allow them a net profit after buying time deposits, and meeting competition on loans. If this bank could be one in a State or given territory, and be the middle step

between the farm-loan association and the Federal land bank, it would be a strong link. As it now reads it is doubtful if it will be of any real value as a relief to farmers.

Page 50, line 24: Suppose that on account of the fact that larger and extensive industrial companies, manufacturers, warehousemen, railway, and other borrowers have to (which they are doing now at an enormous rate per month) get their money in the United States for the next 5 to 10 years, which looks at this time as they will do, can the farm-loan bank sell their liens in competition? If they can not, then, of course, they can not supply money for farmers. Such a condition is the case now; that is, no bank with funds on hand that they can, or will, lend to him except for a short time. In order to be its real self and be useful the Federal land bank or banks should have authority to issue a certain amount of circulating medium based on the liens they hold. Such would be new funds in circulation.

All certificates of deposit and all bonds would have a better standing if issued by one bank under proper restrictions; likewise the currency; and if it is considered unwise to have a bank issue the currency, it might be that it could be made to read so the Federal Treasurer could issue money on said liens with and under certain restrictions. The saving of this interest, together with the assurance of the funds, may mean the success of the measure; funds insufficient will also insure its failure.

Criticism of this plan would be based on the principal of a single or central bank, and which would be justifiable if said central bank controlled personal credit. That is, if it was a personal application, and whether or not the applicant got the accommodation depended on the state of mind, opinion, pleasure, or displeasure of the acting official, as is the case in every bank in the United States to-day. But inasmuch as the credit line defined is based on documents and declarations by applicants, appraisers, and others no personal credit will be at stake. Therefore one bank can issue all the credit needed under the detail of the law and do it better, and for less expense, than a dozen or more could. The detail of the law can and will be used to protect the lien holders.

All national-bank methods of the past, all the State banks customs so far as they relate to credit, can be eliminated when we consider this bill, for they are in no way akin. Each of the above-named banks are supposed to do business largely on individual responsibility, in a general way—that is, responsibility as a whole—while your plan deals with the individual in a specific way; that is, you have a specific indestructible thing of his nailed down and sowed up tight, and as a farmer would say "hog tied," and the only danger about the plan is getting the property. Therefore you can afford to deviate entirely from the State and national-bank rules.

Trust companies in this State are selling a great many liens cut up into one to five hundred dollar denominations, to be paid off at fixed periods and sold to the depositing public who prefer them to pass books, and indeed it is a protection to the individual who wishes to be about his own business, be he laborer, guardian, custodian, or retired business person who gets the interest and has the lien for protection. From this class you raise a great deal of money, but this plan, or any rural-credit system you launch, will need a system of automatically furnishing its own resources in order to insure its success.

The late Sam Jones, one time, in delineating his desire and capacity to talk to the rank and file, said one time he had occasion to talk to an audience of colored people, and after he had finished one old black mammy came forward to greet him and said: "Brother Jones, youse got a white skin, but thank the Lord youse got a black heart."

Now I, to a certain and limited extent, know the needs of the farmer for the following reasons: First, I was on a rented farm the first half of my life, the last half of it I have been dealing, a part of the time quite extensively, with farmers, merchants, manufacturers, and banks, and to a considerable extent know their ups and down, needs and abuses of credits, and if you would formulate a set of questions and send them to one or two thousand persons situated and experienced as the writer, you would get a detail not possible for the average lawyer to know, and around such information and facts it would be easy to wrap the law.

If there be any specific question that you would like to ask or any data at my command that you may need, will be glad to supply it on request.

Hoping that this document will be of some use to you, I remain,

Yours, very truly,

JAS. A. JOHNSTON.

Mr. GRONNA subsequently said: Mr. President, I offer a substitute for the pending bill, and I ask unanimous consent to have it printed in the RECORD in connection with the remarks which I made this afternoon. I discussed the provisions of the bill quite thoroughly; I took, I think, an hour or more in doing so, and I do not feel warranted in delaying the action of the Senate on the bill at this time, for I understand that the Senator from New Hampshire [Mr. HOLLIS], having the bill in charge, is anxious to have it passed this evening.

The VICE PRESIDENT. Without objection, the substitute submitted by the Senator from North Dakota will be printed in the RECORD. The Chair hears none.

The substitute referred to is to strike out all after the enacting clause of the bill and insert the following:

That the national farm-loans association of the United States be, and is hereby, created and established for a term of 50 years from the date of filing with the Comptroller of the Currency of a certificate of paid-in capital stock as hereinafter provided. Said association shall have a capital stock of $50,000,000, but shall be authorized to commence business when 10 or more State associations shall have been organized, as hereinafter provided, and shall have made the required subscriptions to the capital stock of the national farm-loans association. The capital stock of said association shall be divided into shares of $100 each. The outstanding capital stock may be increased from time to time as State associations increase their capital or as additional State associations are organized under the provisions of this act. The head office of the national farm-loans association shall be located in Washington, in the District of Columbia.

SEC. 2. That upon duly making and filing with the Comptroller of the Currency the certificate hereinafter required the national farm loans association shall become a body corporate, and as such and by that name shall have power—

First. To adopt and use a corporate seal.

Second. To have succession for a period of 50 years from the date of said certificate.

Third. To make all contracts necessary and proper to carry out the purposes of this act.

Fourth. To sue and be sued, complain, and defend in any court of law or equity as fully as a natural person.

Fifth. To elect or appoint directors and officers in the manner hereinafter provided and define their duties.

Sixth. To adopt by its board of directors by-laws, not inconsistent with the provisions of this act, regulating the manner in which its property shall be transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To purchase, acquire, hold, and convey real estate as hereinafter provided.

Eighth. To exercise by its board of directors or duly authorized committees, officers, or agents, subject to law, all the powers and privileges conferred upon the national farm-loans association by this act.

SEC. 3. That all subscriptions to the capital stock of the national farm-loans association shall be by State associations organized as hereinafter set forth. Each such State association shall subscribe for stock in the national farm-loans association in the amount of at least 50 per cent of its own subscribed capital, but no State association shall be required to subscribe for more than $2,000,000 of such stock in any event. Each State association shall pay at least 20 per cent of its subscription in cash; one-half of the remainder shall be paid in one year from the date of the organization of such State association, and the remaining one-half shall be paid in two years from the date of such organization. When any State association increases its capital it shall subscribe for an additional amount of stock in the national farm-loans association equal to one-half of such increase in its own capital stock, 40 per cent of which shall be paid in cash and the remainder in one year from the date of such increase.

SEC. 4. That there may be organized in each State a State association in the manner hereinafter set forth. Such State association shall have a capital stock of not less than $50,000, but it may at any time increase its capital stock to not more than $5,000,000. Such stock shall be issued in shares of $25 each, and no one person, organization, or association of persons shall hold more than 10 such shares. Such State association may begin business when a certificate of paid-in capital stock is filed with the Comptroller of the Currency as hereinafter provided. One-half of the subscriptions for stock in such State association shall be paid in cash and the remaining one-half shall be paid in one year from the date of organization. Each such State association shall subscribe to the cpital stock of the national farm-loans association as hereinbefore provided. Such State associations shall have the same general powers enumerated in section 2 of this act, and may exercise them in any manner not inconsistent with the provisions of this act or the by-laws adopted by the national farm-loans association.

SEC. 5. That the Secretary of the Treasury, the Secretary of Agriculture, the Comptroller of the Currency, and two members to be named by the President of the United States are hereby constituted a committee to effect the organization of the national farm-loans association and State associations. Within 30 days after the passage and approval of this act the President shall appoint the two members indicated, who shall be paid a salary at the rate of $500 per month until such time as the board of governors hereinafter provided for have been elected and assumed office, when their duties and salaries shall wholly cease and determine. Within 15 days after the appointment of such members the committee shall meet in the city of Washington, at a time and place to be designated by the Secretary of the Treasury, and shall proceed to organize by electing a chairman and a secretary. Said committee shall have power to employ such clerks, stenographers, and other employees as may be necessary. The necessary expenses of said committee shall be payable out of the Treasury upon vouchers approved by the chairman of the committee, and the sum of $100,000, or so much thereof as may be necessary, is hereby appropriated for this purpose out of any unexpended balance in the Treasury. The committee shall elect one person in each State as its agent, hereinafter called the State agent, who shall receive applications for membership in the State association in such State and subscriptions to stock in such State association. The State agent shall open an office at a place within the State to be designated by the committee and shall announce by public advertisement that he has been designated to receive applications for membership in the State association and subscriptions to the stock of such State association. When his office has been open for the receipt of applications and subscriptions for a period of 30 days he shall transmit a full report to the committee on organization. If it shall appear that subscriptions of not less than $50,000 have been received the committee shall, under such rules and regulations as it may deem necessary, authorize said State agent to receive the 50 per cent payments on such subscriptions. Said State agent shall also within 15 days from the receipt of such authorization, under regulations to be prescribed by the committee, provide for an election of directors by the persons subscribing to the capital stock of such State association. Such directors shall have such qualifications and shall hold office for such terms as are hereinafter set forth. If it shall appear from the report of the State agent to the committee on organization that subscriptions in the amount of $50,000 have not been received he shall by public advertisement announce that his office will remain open for the receipt of applications and subscriptions for another period of 30 days; if at the end of such additional period the required amount has not been subscribed the office of the State agent shall be closed. No State agent or officers of a State association shall refuse to receive subscriptions to the capital stock of such association until such subscriptions total $5,000,000, but no subscriptions shall be received from any person who is not an actual farmer residing within the State in which such association is organized.

SEC. 6. That 15 days after the election of the directors of the State association they shall meet at a place and on a day to be designated by the State agent and proceed to organize by electing a president, vice president, secretary, treasurer, and such other officers as may be necessary. They shall also adopt a body of by-laws which shall be submitted to a referendum vote by the subscribing members of the State association. The president and secretary shall execute a certificate in duplicate setting forth the name of the association, the amount of capital stock subscribed, the number of stockholders, and certifying that the State association has made the required subscription to the stock of the national farm-loans association. One copy of this certificate shall be filed with the Comptroller of the Currency and one copy with the committee on organization. The subscription of said State association to stock in the national farm-loans association shall become due 15 days after the orgazination of the said board of directors. On the organization of the board of directors the powers of

the State agent shall cease. Such State agent shall submit a full report of his operations to the committee on organization.

SEC. 7. That not later than 15 days after the organization of the board of directors of any State association said board shall make provision for the election of a member of the board of directors of the national farm loans association, under such rules and regulations as the committee on organization shall prescribe. Such directors of the national farm-loans association shall have such qualifications and shall be chosen for such term as is hereinafter set forth.

SEC. 8. That as soon as State associations have been organized in not less than 10 States and directors of the national farm-loans association have been chosen in such States such directors shall meet in the city of Washington at a time to be designated by the committee on organization, and shall organize by electing a president, vice president, secretary, treasurer, and such other officers as may be necessary. Immediately after such organization they shall adopt a body of by-laws, not inconsistent with the provisions of this act, governing the operations of the national farm-loans association. On a demand of one-third of the directors present any part of the by-laws shall be submitted to a vote of the members of the various State associations. On a similar demand any proposed subsequent changes in the by-laws shall be similarly submitted. The board of directors shall also elect five members of a board of governors, whose duties and terms of office shall be such as is hereinafter provided. Within 15 days after their election and qualification the president and secretary of the board of directors shall execute a certificate setting forth the fact of the organization of said board, the number of State associations which have subscribed to the capital stock of the national farm loans association, and the amount subscribed by each such State association, which shall be filed with the Comptroller of the Currency.

SEC. 9. That the national farm-loans association shall be governed by a board of governors, consisting of seven members, two of whom shall be appointed by the President of the United States, by and with the consent and advice of the Senate, and the remaining five of whom shall be elected by the board of directors, but the members elected by the board of directors may be removed by a two-thirds vote of such directors, and the members appointed by the President may be removed by the President on charges made either by the board of directors of the national farm-loans association or by the board of directors of any of the State associations. The members of the board of governors shall be paid a salary of $7,000 per annum. Members appointed by the President shall serve five years from the date of appointment. Of the five members of the board of governors elected by the board of directors at the first election one shall serve one year, one two years, one three years, one four years, and one five years; thereafter the term of each member shall be five years, and if any vacancy occur the person elected to fill such vacancy shall, under such election, serve only the remainder of the unexpired term. The board of governors shall perform all the duties necessary to carry out the purposes of this act under the provisions of this act and the by-laws of the national farm-loans association in a manner to be prescribed by said by-laws. Until the election and qualification of the board of governors such powers shall, so far as may appear necessary, be exercised by the committee on organization. On the election and qualification of the board of governors the powers and duties of the committee on organization shall cease, and all duties and powers which it may thereafter be necessary to exercise in connection with the organization of any State associations shall be exercised by the board of governors.

SEC. 10. That the board of directors of the national farm-loans association shall consist of one member from each State in which a State association has been organized as provided in this act, who shall be elected by the members of such State association. Each such director shall be a member of the State association of the State from which elected, shall be engaged in farming, and shall be a resident of the State from which elected; the national farm-loans association may by by-laws prescribe further qualifications. The directors and officers of the board shall receive such compensation as the by-laws may prescribe. A director may be removed by a two-thirds vote of the board of directors or by a majority vote of the members of the State association whom he represents. The directors shall be divided into five classes. Those from the following States shall constitute the first class: Alabama, Michigan, Missouri, Nevada, North Dakota, Oklahoma, Pennsylvania, Vermont, Virginia, and Washington. Those from the following States shall constitute the second class: Arizona, Kansas, Kentucky, Massachusetts, Mississippi, New Jersey, North Carolina, Washington, West Virginia, and Wyoming. Those from the following States shall constitute the third class: Arkansas, California, Colorado, Connecticut, Georgia, Indiana, Iowa, Maine, Maryland, and Montana. Those from the following States shall constitute the fourth class: Delaware, Idaho, Louisiana, Minnesota, Nebraska, New Mexico, Ohio, Rhode Island, and South Carolina. Those from the following States shall constitute the fifth class: Florida, Illinois, New Hampshire, New York, Oregon, South Dakota, Tennessee, Texas, and Utah. At the first meeting of the board of directors it shall be determined by lot the terms of which class shall expire in one year, in two years, in three years, in four years, and in five years. Thereafter all directors shall be elected for terms of five years, except that a person elected to fill a vacancy shall serve under such election only the unexpired term of his predecessor.

SEC. 11. That each State association shall be governed by a board of directors to be elected by the members of such association, and shall consist of one director from each local association hereinafter provided for, but the number of such directors shall not be less than 10, and the State associations may at any time, by a referendum vote, change the number. Such directors shall at their first meeting be, by lot, divided into three classes. The terms of the first class shall expire one year from the date of organization of the State association, the terms of the second class in two years, and the terms of the third class in three years. Thereafter all directors shall be elected for a term of three years, but if a vacancy occurs the person elected to fill such vacancy shall under such election serve only the unexpired term. A person to be eligible as a director of a State association must be an actual resident of the State, must be engaged in farming, must be a member of a local association, and must be a stockholder in the State association. The by-laws of the State association may prescribe additional qualifications. The board of directors shall organize by electing a president, vice president, secretary, and treasurer, and they may elect such other officers and employees as shall be authorized by the by-laws of said association. The directors shall serve without pay, but the officers and employees of the association may be paid such compensation for services actually rendered as the by-laws shall prescribe. Any director may be expelled by a two-thirds vote of the total number of directors and may be recalled by a majority vote of the local association or district which he represents.

SEC. 12. That local associations may be formed by any number of persons, not less than 50, actually engaged in farming, covering a territory of not more than 25 square miles, but the board of directors of the State association may authorize local associations covering a greater territory in sparsely settled sections. Each such local association shall be governed by a council, the members of which shall be elected by a majority vote of such association. Such council shall consist of seven members; the local association may by a majority vote change such number, but in no case shall the council consist of less than five members. Each local association shall have the power to adopt such by-laws necessary for the carrying out the purposes of its organization as are not inconsistent with the provisions of this act or with the by-laws adopted by the national farm-loans association and the State association in the State in which located. The members of the council shall be elected for a term of one year. The local association shall also elect by majority vote a president and a secretary, and such other officers as its by-laws may authorize. All officers shall be elected for a term of one year. The president of the local association shall be chairman of the council ex officio. Any person actually engaged in farming and of good character may become a member of a local association, but such association may by a two-thirds vote of all its members exclude an applicant or expel a member.

SEC. 13. That all elections of members of the board of directors of the national farm-loans association and the boards of directors of the different State associations, and all votes on questions submitted to the members of such associations, shall be by secret ballot. Ballots shall be mailed to all qualified electors in each State by the officers of the State association not more than 10 nor less than 6 days before the day of election; after having marked the ballot so as to indicate his choice the elector shall, on the day designated as election day, mail it in a sealed envelope directed to the president of the State association. Such envelopes shall not be opened except in the presence of the canvassing board, to be constituted as shall be prescribed in the by-laws of the State association, which board shall proceed to canvass the votes on a day not later than 10 days after the date of election. The canvassing board shall certify to the board of directors of the national farm-loans association the results of all votes for directors of the national farm-loans association and on all questions submitted to the electors by the national farm-loans association, and shall certify to the board of directors of the State association the results of all votes. The boards of directors of the national farm-loans association and State associations shall prescribe such further regulations as may be necessary to insure the secrecy of the ballot and a correct and honest count of the votes. Each State association may by its by-laws prescribe other modes of electing members of the board of directors of such State association, but in no event shall the secrecy of the ballot be permitted to be destroyed, nor shall such directors be elected otherwise than by a direct vote of the members of such State association. Elections of members of the council of each local association shall be by secret ballot in such manner as such local association shall prescribe.

SEC. 14. That every member of a local association in good standing shall be qualified to vote at elections for members of the council of such local association and on all questions coming before such local association. Members of local associations who have subscribed to the stock of the State association, or are owners of such stock, shall be qualified to vote for members of the board of directors of such State association and for members of the board of directors of the national farm-loans association and on all questions submitted by the national farm-loans association and the State association; but no one shall be entitled to vote in a State of which he is not an actual resident, and no one who is not a member of a local association, an no one who has not subscribed to the stock of the State association, or is not the owner of such stock, shall be qualified to vote for directors of the national farm-loans association or State association, or on any questions submitted by such associations. Each elector shall have only 1 vote, irrespective of the number of shares of stock he may hold.

SEC. 15. That on the organization of the national farm-loans association, as hereing provided, the Secretary of the Treasury shall deposit with such association the sum of $5,000,000. He shall further deposit with such association the sum of $200,000 on proof of the organization of any State association with a subscribed capital of not less than $50,000, and the subscription by such State association to the capital stock of the national farm-loans association in the amount and in the manner hereinbefore provided. If a State association shall be organized with a capital greater than $50,000, he shall deposit in addition to the sum of $200,000 such additional sum as shall be equal to the amount by which the subscribed capital stock of such State association exceeds $50,000, and if a State association shall increase its capital stock in the manner prescribed he shall, on proof that such State association has made the required additional subscription to the capital stock of the national farm-loans association, deposit an additional sum equal to the amount by which the capital of the State association has been increased.

SEC. 16. That the national farm-loans association shall have power to borrow money and to issue bonds for this purpose. Such bonds shall bear interest at the rate of 4 per cent per annum, payable semiannually. They shall be issued for such terms as may be decided by the board of directors, not exceeding 20 years, and the privilege shall be retained of paying such bonds at the end of five years or any time thereafter on any date on which interest is due on the giving of such proper notice as may be provided by the board of directors. The board of directors may change the rate of interest, but it shall not be increased above 4 per cent per annum until such action has been authorized by a vote of a majority of the qualified electors. As security for such bonds there shall be held at least an equal amount in face value of mortgage or deed-of-trust farm loans (and of bonds or notes secured thereby), or of such mortgage or deed-of-trust farm loans and lawful money.

SEC. 17. That the national farm-loans association shall have power to make loans on farm lands through the State associations organized under the provisions of this act. The money loaned by the association shall consist of such funds as have been advanced by the United States to the national farm-loans association and such funds as have been obtained by the sale of bonds as hereinbefore provided, but a reserve of 5 per cent shall be maintained against such bonds. Such part of said reserve as the board of governors shall decide may be deposited in any Federal reserve bank, and an amount not exceeding one-half of such reserve may be advanced to the different State associations for the making of short-time loans having a term of not more than nine months.

SEC. 18. That long-time loans made by the national farm-loans association shall be for terms of not less than one year nor more than 20 years. Such loans shall bear interest at the rate of 5 per cent per

annum, payable annually, but the board of directors of the national farm-loans association may reduce such rate. Every contract for a loan for more than five years shall contain a clause providing that five years after the date of the loan and every year thereafter there shall be due and payable, in addition to the interest, a part of the principal, which shall in no case be less than 5 per cent of the original loan; after each such payment interest shall be computed only on that part of the principal remaining. The contract shall also give the borrower the right to pay a larger part of the principal if he so desires on any day on which interest is due, and shall give him the right to pay the entire loan at any time on paying at the same time the interest that would be due on the next interest-due date. The board of directors of the national farm-loans association shall prescribe the purposes for which long-time loans may be made, the maximum and minimum amounts of such loans, the ratio which the loan may have to the value of the land on which made, and such other conditions of the loan as are not inconsistent with the provisions of this act.

SEC. 10. That all applications for long-time loans shall be submitted to the local council or its officers, who shall forward it to the president of the State association, together with a report on the value of and security offered, the standing of the applicant in his community, and such other information as may be required, and a recommendation in the matter. On the receipt of such application the president of the State association, or such officer as may be designated by the board of directors for the performance of such duties, shall, after having obtained such further information as may be necessary in the case, pass on the application without undue delay. If he rejects the application, the applicant shall have the right to appeal from such action to the board of directors of the State association, under such rules and regulations as the board of directors of the national farm-loans association shall prescribe. When an application is approved, the national farm-loans association shall, on a call signed by the president of the State association, forward funds in the amount approved. There shall be transmitted to the national farm-loans association, with the indorsement of the president of the State association, all notes, obligations, and evidences of indebtedness on which such loan is made, and the indorsement shall create a binding obligation on the State association for the payment of said loan at maturity, together with the annual installments of interest, and for this obligation the capital of the State association shall be liable. Any actual farmer, whether or not a member of a local association, and whether or not a stockholder in the State association, may submit an application for a loan; and loans may be made to such nonmembers on the same terms as to members. No loans shall be made on any other property than farm lands.

SEC. 20. That short-time loans for a period of not more than nine months may be made by the State associations on such security and under such regulations as such State association shall by their by-laws prescribe. Each State association may make such loans to the extent of one-half of its paid-in capital, and to the further extent of such sums as the national farm-loans association may advance for such purposes, but the national farm-loans association shall in no case advance a greater sum than the par value of the capital stock of such State association. Applications for short-time loans shall be submitted to the officers of the local association, and unless approved by them, the application shall not be allowed. If approved by them, the State association shall forward to the president of the local association the amount approved, with directions to pay the same over to the applicant on the deposit of the security required. For the payment of such loans the local association shall be liable to the State association. Such loans shall pay interest at the rate of 6 per cent per annum.

SEC. 21. That there shall be no discrimination against an application for a loan shown by any officer of the national farm-loans association or of any of the State and local associations because of the race, creed, political belief, or previous condition of servitude of the applicant, but this shall not be held to prevent such officers from giving due weight and consideration to the applicant's character, thrift, mode of life, and standing in his community.

SEC. 22. That all collections of the interest on long-time loans and the principal of such loans shall be made by the officers of the respective State associations in accordance with such regulations as the board of governors may prescribe. Moneys so collected shall be transmitted to the national farm-loans association, but the board of governors may deposit any part of such moneys with the State association collecting them. Money paid as part or all of the principal of a loan shall be used only for the following purposes: First, to pay the principal of such bonds as may be due or may be subject to call; second, to make a long-time loan as provided in this act. Moneys collected as interest on long-time loans shall be distributed as follows: There shall be paid (a) the actual expenses of the national farm-loans association; (b) the interest due on the bonds issued by the national farm-loans association; (c) an amount to each State association equal to 10 per cent of the stock of the national farm-loans association held by such State association. Of any proceeds remaining one-half shall be paid into the Treasury of the United States and the remaining one-half shall be paid to the different State associations in proportion to the average amount of outstanding long-time farm loans made through each State association, such average to be computed in such manner as the board of directors of the national farm-loans association shall direct. The amounts paid into the Treasury of the United States shall be credited against the sums advanced to the national farm-loans association by the United States, and when such payments equal the sum total of such advancements the debt to the United States shall be considered canceled, and thereafter such payments shall not be made.

SEC. 23. That all collections of the interest and principal of short-time loans shall be made by the officers of the local association or by the officers of the State association, as the board of directors of such State association may direct. Moneys paid as the principal of such loans shall be used only to repay advancements made to the State association by the national farm-loans association or to make other short-time loans as provided for in this act. Moneys paid as interest shall be used to pay the expenses of the State association incurred in making such loans, including any losses from such loans; the remaining profits shall be distributed in such manner as the board of directors of the State association shall direct. Moneys received by the State association from the national farm-loans association, as provided in section 22 of this act, shall be used to pay the expenses of the State association in the making of long-time loans, including any losses which may have resulted from such loans; the remainder shall be distributed as the board of directors of the State association may direct.

SEC. 24. That the bonds issued by the national farm-loans association under the provisions of this act, together with the interest thereon, and all notes and mortgages taken by the national farm-loans association upon farm lands shall be free from all taxation of every kind, National, State, and municipal, but this exemption shall not extend to real estate actually owned by the national farm-loans association or by any of the State associations.

SEC. 25. That the shares of the capital stock of the national farm-loans association shall not be transferable, and under no circumstances shall they be hypothecated, nor shall they be owned otherwise than by the subscribing State associations, nor shall they be owned by such associations in any other than in the proportion herein provided, but the board of directors of the national farm-loans association may, in the event the subscriptions of State associations should exceed the authorized capital stock of the national farm-loans association, apportion such stock among the State associations in proportion to their capital, without regard to the requirement that each State association shall subscribe for an amount of stock equal to 50 per cent of its own capital; but if a State association should surrender its charter or decrease its capital to such an extent that the amount of the stock of the national farm-loans association owned by it is in excess of 50 per cent of its capital, the remaining State associations may be required to take over this surplus stock up to 50 per cent of their respective capitals. If at any time the outstanding capital stock of the national farm-loans association shall exceed 50 per cent of the combined capital of the State associations, such excess stock shall be retired and the shares canceled, and the State association holding such excess shares shall be paid their par value.

SEC. 26. That each State association shall have power to increase and decrease its capital within the limits provided in this act. Each State association may also decrease the number of shares of its stock which any one person may hold to any number not less than one, and may require any person holding such stock in excess of such amount to dispose thereof to any applicant for the purchase of such stock who is a member of a local association, at the market value of such stock, in no case less than par, but no person who is already the owner of stock in such association shall hereby be given the right to demand the sale of stock to him, nor shall anyone be given the right to demand the sale to him of more than one share of stock. When the number of shares which any one person may hold has been decreased, it shall not again be increased unless such increase shall be approved by a majority vote of the members of the State association, and in no case shall such number be increased to more than 10.

SEC. 27. That whenever the capital stock of a State association is increased or decreased, the president and secretary of such association shall execute in duplicate a certificate showing such increase or decrease; one copy of this certificate shall be filed with the Comptroller of the Currency and one copy with the board of governors of the national farm-loans association. If the capital stock of the national farm-loans association shall be increased or decreased, the president and secretary of the board of directors shall execute and file with the Comptroller of the Currency a certificate showing such increase or decrease.

SEC. 28. That the stockholders in every State association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such stock. Persons holding stock as executors, administrators, guardians, or trustees shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds would be if living and competent to act and hold the stock in his own name.

SEC. 29. That the national farm-loans association and the various State associations organized under the provisions of this act may purchase, acquire, hold, and convey real estate for the following purposes and for no other:

First. Such as shall be necessary for the immediate accommodation of their boards of directors and officers in the transaction of the business of such associations.

Second. Such as shall be mortgaged to them in good faith by way of security for debts and loans.

Third. Such as shall be conveyed to them in satisfaction of debts previously contracted in the course of their dealings.

Fourth. Such as they shall purchase at sales under judgments, decrees, or mortgages held by said associations, or shall purchase to secure debts due to them.

But the national farm-loans association and the State associations shall not hold the title and possession of any real estate, except such as is acquired for the first-named purpose, for a longer time than five years.

SEC. 30. That there shall be an examining board elected annually by the board of directors of the national farm-loans association from among their own number, excluding the officers of the association. It shall be the duty of this board to make a careful examination of the condition and the business of the national farm-loans association and of all the State associations at least once every year and to make a full report to the board of directors. Similarly there shall be an examining board to be selected by the board of directors of each State association, which shall examine the condition and business of such State association at least once a year and which may, when deemed necessary, inquire into the management of the local associations in such State. Such board shall make a full report to the board of directors of the State association.

SEC. 31. That each State association shall make a monthly report to the board of governors of the national farm-loans association showing its operations for the preceding month, and in addition thereto shall make an annual report, one copy of which shall be forwarded to the board of governors and one copy to the Comptroller of the Currency. The board of governors shall similarly make monthly and annual reports to the Comptroller of the Currency. The board shall also make an annual report to Congress, showing the operations of the national farm-loans association during the preceding year, together with the operations of the State associations, and shall include in such report the annual reports of the State associations. The national farm-loans association and the State associations shall make public abstracts of their annual reports. The Comptroller of the Currency shall have power, whenever it is deemed necessary and proper, to cause examinations to be made of the affairs of the national farm-loans association and the State associations in the same manner as examinations are made of national banking institutions.

SEC. 32. That whenever it is found that the officers of a State association are conducting their business in violation of the provisions of this act or of the by-laws of the national farm-loans association, the

board of governors shall, with the approval of the board of directors of the national farm-loans association, refuse to advance any further funds to such State association for the making of either long-time or short-time loans, and may require the repayment of all such funds previously advanced. Further funds shall be advanced to such State association only when the offending officers have been removed and assurances have been given that the offensive practices will be discontinued.

SEC. 33. That Congress reserves the right to alter or amend the provisions of this act, to take effect at the end of any decennial period from and after the organization of the national farm-loans association.

Mr. HOLLIS. Mr. President, I have listened with the deepest interest to the very able address by the distinguished Senator from North Dakota [Mr. GRONNA]. He is a good farmer, an accomplished banker, a patriotic citizen, and a sound legislator. We had the benefit of his advice throughout the deliberations of the Senate Banking and Currency Committee. He attended faithfully, as he always does; and there are many provisions in this bill that are due to his advice. We received the greatest help from his opinion.

A year ago Congress established a joint committee to prepare a bill on the subject of rural credits. That committee met the 1st of November. It spent two solid months, meeting mornings and afternoons, preparing a bill. In previous Congresses some twenty or more bills had been introduced, and the joint committee took the one that it thought had the most merit. Starting with that bill, the joint committee prepared the bill that is now before the Senate, with a very few amendments made by the Senate Banking and Currency Committee; so that the bill which is now before the Senate is the result of the work of many, many men who have been interested in this subject, and it does not represent the views of any one man particularly. It represents the composite of the views of many men.

I was particularly struck with what the distinguished Senator said about the quality of the men who are to put this system into force. He is exactly right about that. Unless there are good and learned and able banking men to get behind this system and make it a success, it will be a failure. That is so with every law that is passed. It is so with every form of government that is devised. Unless the men behind the guns are faithful, the guns will not be effective.

I should feel very much gratified if I could agree with the Senator in some of the criticisms he makes of the bill, some that he has previously made, and some that have not been adopted in the bill; but I think the bill has been very, very carefully considered. I do not want the Senator to think that I want to shut off debate on any amendmnt he may offer. I do not feel that way. I made the motion to lay the other amendment on the table merely because it had been discussed for four days.

Mr. GRONNA. Mr. President——

Mr. HOLLIS. I yield to the Senator from North Dakota.

Mr. GRONNA. I will only suggest to the Senator that before a vote is taken on the pending bill I shall ask the privilege of having a vote upon my bill as a substitute for it.

Mr. HOLLIS. Yes; I understand that, and the Senator will undoubtedly have that opportunity.

If there is no amendment pending, I want to make a few verbal changes and corrections in the bill to perfect it.

The PRESIDING OFFICER. The bill is still in Committee of the Whole and open to amendment.

Mr. HOLLIS. On page 53, line 3, after the word "mortgages," I move to insert the words "and bonds."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. After the words "first mortgages," in line 3, page 53, it is proposed to insert the words "and bonds."

Mr. HOLLIS. That is for the reason that we are here dealing with the security that is put up for an issue of farm-loan bonds, and the bill provides elsewhere that that may be United States bonds as well as mortgages; and the words "and bonds" were omitted here by mistake.

The amendment was agreed to.

Mr. HOLLIS. I move to make the same insertion, in line 21, after the word "mortgages."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 53, line 21, after the words "said mortgages," it is proposed to insert the words "and bonds."

The amendment was agreed to.

Mr. HOLLIS. In line 9, after the word "bonds," I move to insert a comma.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 53, line 9, after the words "issue of bonds," it is proposed to insert a comma.

The amendment was agreed to.

Mr. HOLLIS. On page 62, line 10, after the word "any," I move to insert the word "other."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 62, line 10, after the word "any" and before the word "Federal," it is proposed to insert the word "other."

The amendment was agreed to.

Mr. HOLLIS. On page 63, line 23, I move to strike out the hyphen after the word "twenty."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 63, line 23, where it reads "twenty-per centum," it is proposed to strike out the hyphen.

The amendment was agreed to.

Mr. HOLLIS. Hyphens are not very popular just now.

On page 64, at the bottom of the page dealing with the reserves and dividends of farm-loan associations, I move to strike out the words "than two per centum of its capital or," for the reason that this is a provision that came over from the former bill, which has been replaced by the words "twenty-five per centum of such net earnings," so that it is of no further value.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 64, line 24, it is proposed to strike out the words "than two per centum of its capital or."

The amendment was agreed to.

Mr. HOLLIS. On page 69, line 1, at the beginning of the line, I move to insert the word "to."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 69, line 1, before the words "the holder," it is proposed to insert the word "to."

The amendment was agreed to.

Mr. HOLLIS. On page 76, line 2, after the word "and," I move to insert the word "shall."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 76, line 2, after the word "and," it is proposed to insert the word "shall," so that it will read: "and shall also make report."

The amendment was agreed to.

Mr. HOLLIS. Mr. President, the section that the Senate now has under consideration deals with the subject of dissolution and appointment of receivers. I invite the attention of the Senator from Kansas [Mr. CURTIS]. He brought up the other day the question of whether the appointment of a receiver should properly be left to the farm-loan board instead of to a court. I have no doubt the Senator was aware that under the national banking act receivers have been appointed for 50 years by the Comptroller of the Currency. I find, on investigation, that 564 receivers have been appointed by the Comptroller of the Currency since 1864, 106 of them within the last 10 years. There are many cited cases dealing with the constitutionality of the procedure that I shall not take the trouble to put in the RECORD unless the Senator desires.

Mr. CURTIS. Mr. President, I have no desire to have the authorities placed in the RECORD. I asked the question because there was some doubt in my mind about the authority of Congress to authorize a board to appoint a receiver. I knew that under the national banking act the Comptroller of the Currency had appointed receivers; but that is done upon the theory that the receivers are Government officers, and I had not studied this bill sufficiently to determine whether or not the receivers appointed by the board would likely be construed to be Government officers. If they are so to be considered, and the courts should hold that they are Government officers, I think that the board would have a perfect right to appoint them; but if it is held that they are not Government officers, then I doubt very much the authority of Congress to grant such power to the board.

Mr. HOLLIS. Mr. President, I will insert in the RECORD, without reading, the authorities that cover the point raised by the Senator.

The PRESIDING OFFICER. In the absence of objection, that may be done.

The matter referred to is as follows:

Washington National Bank of Tacoma *v.* Eckles (57 Fed., 870).
Bushnell *v.* Leland (164 U. S., 684).
Clapp *v.* Beebe (57 N. Y., 339).
Cadle *v.* Baker (20 Wall., 650).

Mr. HOLLIS. On page 76, in line 6, I move to strike out the comma and the words "to be appointed."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 76, line 6, after the word "receiver," it is proposed to strike out the comma and the words "to be appointed."

Mr. HOLLIS. I do that in order that the declaration of insolvency, as well as the appointment of the receiver, may be made by the Federal farm-loan board, which was the intention.

The amendment was agreed to.

Mr. HOLLIS. On page 29, line 6, after the word "bonds," I move to insert the words "issued by a Federal land bank." This is the feature permitting the purchase of bonds on the installment plan; and I think it should be applied only to those bonds issued by the Federal land banks, not to those issued by the joint-stock land banks.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 29, line 6, after the word "bonds," the first word in the line, it is proposed to insert the words "issued by a Federal land bank."

The amendment was agreed to.

Mr. HOLLIS. On page 41, in the section dealing with the agents of Federal land banks, it is provided that the—

Federal land banks may pay to such agents not to exceed one-half of 1 per cent per annum upon the unpaid principal of said loan.

I wish to add the provision:

Such payment to be deducted from dividends payable to the borrower on his stock in the Federal land bank.

Otherwise there would be a double payment there. The borrowers coming into the system through the agents would not join the farm-loan associations; they would get their dividends directly from the Federal land bank, and whatever is paid to the agents for expenses should be deducted from their dividends.

Mr. STERLING. Mr. President, will the Senator state that amendment again?

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 41, line 9, after the word "loan" and before the period, it is proposed to insert a comma and the words "such payment to be deducted from dividends payable to the borrower on his stock in the Federal land bank."

The amendment was agreed to.

Mr. SUTHERLAND. Mr. President, before the Senator passes from that, may I ask just what is the effect of the amendment which the Senator has last suggested?

Mr. HOLLIS. I shall be very glad to state that.

Mr. SUTHERLAND. The effect of it is to have the borrower pay a commission, is it not?

Mr. HOLLIS. No. Under the general provisions of the bill, a borrower would become a borrower through the farm-loan association, and the profits from his loan would be taken out by the land bank, and then would come to the loan association in the form of dividends, and then back to the borrower in the form of dividends from the farm-loan association. Under this provision of the bill a borrower applies through a bank, and we provide that the bank shall get not to exceed one-half of 1 per cent commission. Now, if the borrower were allowed to take this full dividend from the bank, it would include the whole 1 per cent. Therefore there should be deducted from the dividend so much commission as is paid to the bank acting as agent for its services.

Mr. SUTHERLAND. It does come out of the borrower in the end?

Mr. HOLLIS. Yes; it should.

On page 42, line 4, at the beginning of the line, I move to insert the words "ten times." The reason for that is this: In this paragraph of the bill a limitation is put upon the amount of these mortgages an agent may indorse. There should be some limit; but to limit it to the capital and surplus would make it a very small amount in a locality, and on conference with the members of the House Banking and Currency Committee it has been agreed to put that at ten times, thinking that is perfectly safe.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 42, at the end of line 3, after the word "exceed," it is proposed to insert the words "ten times," so that it will read, "shall not exceed ten times its capital and surplus."

The amendment was agreed to.

Mr. HOLLIS. Mr. President, the criticism has been made by the distinguished Senator from North Dakota [Mr. GRONNA] that the farm-loan associations do not have much substance. That is very true. It is not intended that they shall have a great deal. They are merely to act as the local agents for the land banks in placing and supervising the loans and collecting the payments; and under the terms of the bill as it now stands the farm-loan associations will not have any money on which to do business. They will have expenses, but nothing upon which to do business. We have provided that when loans are made through the banks as agents the banks may be allowed one-half of 1 per cent commission; and I think the same advantage should be given to the farm-loan associations, and that they should be allowed to borrow not to exceed one-fourth of the amount of their capital stock in case they have liabilities to meet.

I therefore ask the Secretary to read the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 38, at the end of section 15, it is proposed to insert the following:

Subject to rules and regulations prescribed by the Federal farm-loan board, any national farm-loan association shall be entitled to retain as a commission from each interest payment on any loan indorsed by it not to exceed one-quarter of 1 per cent semiannually upon the unpaid principal of said loan, any amount so retained as commissions to be deducted from dividends payable to such farm-loan association from the Federal land bank, and to borrow from the land bank of the district, at a rate of interest not to exceed 6 per cent per annum, sums aggregating one-fourth of its stock holdings in said land bank.

The amendment was agreed to.

Mr. HOLLIS. On page 13 there is an omission of the word "district," in line 19, after the word "each." I move to insert the word "district" at that point.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 13, line 19, after the word "each," it is proposed to insert the word "district," so that it will read "each district director shall."

The amendment was agreed to.

Mr. HOLLIS. Mr. President, on pages 18 and 19 are provisions stating that the ownership of stock shall not be a necessary qualification for officers and directors of the farm-loan association. That has been a debated point. The reason for not requiring them to be shareholders is this: No one can be a member unless he is a borrower. Therefore, no one can be an officer unless he is a borrower, if this provision stays in. Now, there will be cases where a man will be a borrower and become an officer, and get very much interested in the association, but pay up his loan; and in those cases that man could not serve any longer as an officer unless this provision were in the bill.

I am satisfied, however, after conferring with many people, that on the whole it is desirable that no one but borrowers shall be members or officers of these farm-loan associations; and I therefore move, on page 18, in lines 17, 18, and 19, to strike out the proviso.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 18, line 17, beginning with the words "*Provided, however,*" it is proposed to strike out down to and including the word "director," in line 19, the words proposed to be stricken out being as follows:

*Provided, however,* That the ownership of stock shall not be a necessary qualification for director.

The amendment was agreed to.

Mr. HOLLIS. On page 19, to carry out the same purpose, I move to strike out the words in lines 6 and 7, "but they need not be shareholders of the association."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 19, line 6, after the word "business," it is proposed to strike out the comma and the words "but they need not be shareholders of the association."

The amendment was agreed to.

Mr. SUTHERLAND. Mr. President, let me ask the Senator a question there? As amended, will there be a requirement that the directors shall be stockholders?

Mr. HOLLIS. Yes. As amended, as the bill now stands, no one but a shareholder can be an officer.

Mr. SUTHERLAND. Where does the Senator find that provision?

Mr. HOLLIS. That is not in the bill. This is merely left out, and then it will be left for each association to make its own by-laws in that regard. They will do as they think best.

Mr. SUTHERLAND. There would be no requirement that the——

Mr. HOLLIS. Oh, there is nothing compulsory about it. That is left to the individual wishes of each association. In many States no one but a shareholder of a corporation can be a director, but in other States it is not so.

Mr. SUTHERLAND. That is the usual requirement of all laws providing for incorporation.

Mr. HOLLIS. I think that may be safely left to the local custom. However, if anyone wants to offer an amendment compelling it, I shall be very glad to accept it.

Mr. SUTHERLAND. If the Senator should leave the proviso in, that would not alter the rule, would it? The proviso is:

That the ownership of stock shall not be a necessary qualification for director.

But that would allow them to prescribe that qualification, if they desired.

Mr. HOLLIS. I should expect that provision, as it stands, to be construed by these local associations as permitting them to have men for officers who were not shareholders. I should expect it would have the effect that anyone would think it would have on reading it. I agree it would not have that legal effect.

On page 60, line 5, after the word "mortgage," I move to insert the words "or bond," for the same reason as in two other places.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 60, line 5, after the words "first mortgage," it is proposed to insert the words "or bond."

The amendment was agreed to.

Mr. HOLLIS. On page 60, line 9, before the word "mortgage," I move to strike out the word "the" and insert the word "any."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 60, line 9, before the word "mortgage," it is proposed to strike out the word "the" and insert the word "any," so that if amended it will read "credited upon any mortgage entitled to such credit."

The amendment was agreed to.

Mr. HOLLIS. On page 32, line 18, I move to strike out the words "farm-loan association" and insert "Federal land bank." When this provision was originally drawn the loans were made directly by the farm-loan association. It has now been changed so that the loans are made by the Federal land bank through the association.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 32, line 18, it is proposed to strike out the words "farm-loan association," and in lieu thereof to insert "Federal land bank."

The amendment was agreed to.

Mr. HOLLIS. In connection with the provision on page 46, line 17, there have been various changes in the sections, and the numbers have not been properly changed. I therefore move to strike out the words "section 13 or section 20," and insert "sections 12, 20, or 23."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 46, line 17, it is proposed to strike out the words "section 13 or section 20" and to insert "sections 12, 20, or 23."

The amendment was agreed to.

Mr. HOLLIS. On page 51, the amendment that was adopted, offered by the Senator from Ohio [Mr. POMERENE], the printed amendment, is not correct. It should read:

To exercise general supervisory authority over the Federal land banks, the national farm loan associations and the joint stock land banks herein provided for.

The hyphen should come out of "joint-stock."

The amendment was agreed to.

Mr. HOLLIS. On the opposite page, page 50, in line 6, I move to insert at the end of the line "and in its discretion to authorize them to increase their capital stock." That should obviously be allowed, and it has escaped everyone's attention until lately.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 50, line 6, after the word "act" and before the period, it is proposed to insert "and in its discretion to authorize them to increase their capital stock."

The amendment was agreed to.

Mr. SMOOT. Mr. President, I should like to have the provision read as amended.

The VICE PRESIDENT. The Secretary will read the provision as amended.

The Secretary read as follows:

(a) To organize and charter Federal land banks, national farm-loan associations, and joint-stock land banks, subject to the provisions of this act, and, in its discretion, to authorize them to increase their capital stock.

Mr. HOLLIS. On page 31 criticism has been made of the restrictions that are put on the mortgages, and in line 12 it is provided that a loan may be obtained "to provide for the purchase of a farm for a home." I believe myself that is too narrow, and I therefore move to strike out the words "a farm for a home" and insert the words "agricultural land."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In the paragraph on page 31, occupying line 12, it is proposed to strike out the words "a farm for a home" and to insert the words "agricultural land," so that it will read:

(a) To provide for the purchase of agricultural land.

The amendment was agreed to.

Mr. HOLLIS. I have one more provision that I offer because it was recommended to me by an association of farmers who have had a good deal of experience in running organizations of this sort. They said that the by-laws should contain provisions requiring the board of directors to meet at least twice a month and providing a reasonable director's fee for attendance and a reasonable forfeit for failure to attend any meeting. I felt myself that that could be fairly left to the by-laws, but they felt that they would be very much gratified if that could be put in. If there is any objection, I will not offer it.

Mr. SMOOT. I do not think it is wise to put it in this law. I am not going to make any strenuous objection to it, if the Senator from New Hampshire really thinks it ought to be in the bill. I think it is very unwise and I do not think there is any precedent for any such legislation passing Congress.

Mr. HOLLIS. I do not think it ever has been done heretofore. I should leave everything of this sort to local discretion. I will not offer the amendment, then.

That is all I have to offer.

Mr. POMERENE. Mr. President, I offer the amendment which I send to the desk, to come in on page 46. It is the one which was offered, I think, on Saturday.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 46, line 6, it is proposed to strike out the words "and paid in cash" and to insert in lieu thereof:

One-half thereof paid in cash and the balance subject to call by the board of directors.

The amendment was agreed to.

Mr. POMERENE. Mr. President, I offer the amendment which I send to the desk, to be inserted after line 10.

Mr. SMOOT. Before that is acted upon, may I ask the Senator having the bill in charge if he will not accept an amendment, in line 5, increasing the amount of the capital stock to $500,000, now that the amendment has been adopted which was just offered by the Senator from Ohio? In other words, it seems to me that with this provision in, a capital stock of $125,000 would be altogether too small to do any kind of a business. I know that it is not mandatory; but, really, I believe that a capital stock of $250,000 is as small as it ought to be in order to have the institution begin doing business.

Mr. POMERENE. Before finally disposing of the amendment, I want to offer a suggestion.

Under an amendment which was offered by the chairman of the committee a moment ago the capital stock may be increased from time to time. My thought is that in some localities which are sparsely settled it may be deemed wise to organize one of these banks. As they are not banks of deposit, it would certainly jeopardize the financial success of the institutions to some extent if they were obliged to pay in $250,000 at once and not be able to loan it out. For that reason it seems to me that if we start with $125,000, the balance being subject to call, the directors have it absolutely in their power to get this money in just as quickly as it may be needed.

Mr. SMOOT. Of course I always like, in passing a law, to have an absolute understanding as to exactly what they have to meet and when they have to do it, just the same as in the national-bank law, or just the same, generally, as in organizing a State bank.

Mr. POMERENE. Ordinarily, the Senator is right. If this were a bank of deposit, or something of that kind, I would entirely agree with the Senator.

Mr. SMOOT. I am not going to insist upon it, though I believe it would have been very much better to have the amount increased. I will not offer it as an amendment.

Mr. POMERENE. I offer the second amendment.

The VICE PRESIDENT. It will be stated.

The SECRETARY. On page 46, line 10, after the numerals "$500,000" and the period, insert:

No joint stock bank shall issue any bonds until after the capital stock has been entirely paid up.

Mr. SMOOT. That should be "joint-stock land bank," should it not?

Mr. POMERENE. Yes; "joint-stock land bank."

The VICE PRESIDENT. The amendment will be so modified.

Mr. POMERENE. The reason for this amendment, I think, is apparent. We would not want any bonds to be issued unless the entire capital stock was paid up.

Mr. SMOOT. It is all right.

The amendment was agreed to.

Mr. SMITH of Georgia. Mr. President, whether all the provisions of the rural-credits bill suit me or not, I shall vote for the best bill or the nearest bill to the one that I would like to vote for when it finally comes before the Senate.

Soon after I entered the Senate, more than four years ago, I expressed my deep conviction that no greater contribution could be made to our national prosperity than legislation which improved the condition of the farmers, not in the interest of the farmers alone but in the interest of all the people of the country. I believe intensely in the importance of improving the condition of the small farmer as well as the large farmer. No nation ever went backward when agriculture was going for-

ward. The great necessities of life—food and raw materials for clothing come from the soil.

About four years ago I called to the attention of the Senate five lines of legislation by which I then urged that the agricultural conditions of our country might be improved and which we might properly handle.

I urged that they were lines which could properly be directed and partly supported through national legislation, and that they would greatly add to the fertility of the soil and to the net profits of agriculture and substantially improve the general conditions of farm life.

I urged that there were practical and sane ways for aiding the farming classes of the country, not in a sense of paternalism, not in a sense of taking from them their own responsibilities, but to stimulate them as individuals to a better condition of preparedness as individuals to carry individual responsibility and thus open the door of hope to many a struggling farmer and encourage many a tenant farmer to become the owner of the land he tills.

The five suggested lines of legislation in the interest of the farmer to which I then called attention were parcel post, agricultural-extension work from the colleges of agriculture, a market division to help improve the marketing of farm products, a contribution to good roads, and improvement of rural credits. Three of those five are already laws, and I hope within a few days we will, by passing the good-roads legislation, add legislation upon that subject; we will pass a rural-credits bill to-day.

There are three lines of credit that the farmer needs. One is to aid him in purchasing, holding, and improving his land. This kind of credit necessarily is a long-time credit, and we seek to provide for it in this bill. The other two are, first, in connection with raising his crop, and, second, in connection with marketing his crop.

I do not know whether additional legislation can be passed upon those lines, but I desire to call attention to the fact that the theory that our reserve-bank system is solely in the interest of bankers and merchants is entirely a misapprehension of that legislation. To make easier the time loans which farmers need to raise their crops, we made a provision in that act that notes given in connection with agriculture for farm purposes, though not due for six months, should be good to be discounted in reserve banks, giving the farmer, as compared with the ordinary merchant the right to have his paper discounted, though it ran six months, while the merchant's paper could only be discounted if it ran 90 days.

We also provided in that bill a system of finance by which farmers are greatly aided at the time they become merchants and dispose of their crops. I refer especially to farmers who produce staple crops, such as oats, corn, wheat, or cotton.

I will illustrate what I mean by its effect upon the cotton crop. Coming in at a single season in enormous quantities, the facilities for obtaining money, and obtaining it at a low rate of interest, saved the farmers of the South last fall. The ability to warehouse cotton and obtain money at 6 per cent upon that cotton made it possible to carry a large part of the crop and prevent it from crowding down the price by putting upon the market more than the market could supply. The small farmer who did not warehouse his cotton at all received the benefit even more, perhaps, than the large farmer who warehoused it, because the warehousing process and the loans upon warehousing took off the market great quantities of cotton and left the market for the small farmer to sell his cotton to the consumer and get the benefit of a good price. So it is that the banking and currency act which we passed has been of great service to the farmer.

It has been claimed by some that the Federal reserve banking system was in the interest of the banks and not of the people. Those who make this claim should remember that the national banks of the country were compelled by the Federal reserve act to finance 12 Federal reserve banks. They were required to subscribe all the money for the stock of these banks, and they were only allowed to receive 6 per cent interest upon their stock, no matter how much the banks made. They were required to deposit their reserves in the Federal reserve banks. While prior to the passage of this law the national banks deposited their reserves in the banks of the big cities and received interest upon their reserves, the Federal reserve act required them to deposit their reserves in the Federal reserve bank without interest.

After paying 6 per cent on the capital stock paid into the reserve banks by the national banks, the balance of all profits made by the reserve banks goes to the United States for the benefit of the people of the country. The 6 per cent is only paid when earned.

Mr. President, coming down to the long-time loans that the farmer needs, the suggestion has been made in a number of letters that I have received that this could be done in a simple way merely by the Government issuing Treasury notes and loaning them direct to the farmer. I wish to say just a word about that in reply to the men who make the suggestion. The farm loans are now between four and five billion dollars. Under such a system the loans would readily run to $6,000,000,000. Loaned at a nominal rate of interest, it would be $6,000,000,000 of additional paper money, without any possible basis to maintain specie payments. The country would go at once to a paper basis. Money would be as plentiful as the leaves in autumn and not very much more valuable. It is simply an impossible proposition, as we all know.

The second is that the Government should issue its own bonds at 3 per cent and raise the money for farm loans. That would involve an issue in not a great length of time of Government bonds running from $4,000,000,000 to $6,000,000,000. The low rate of interest at which Government bonds now sell would cease. They would go to a commercial rate higher than the rate of interest they now draw; and if this country were unfortunately confronted with war and the credit of the country were needed for the defense of the country, and an enormous quantity of bonds had already gone into the markets, it would hamper the credit of the Government and hinder the possibility of our properly financing the affairs of the Government, besides the unfairness of selecting simply one class of people to whom such a credit was extended rather than to all the people is a serious obstacle.

There is but one way to effectively handle this subject. It is to overcome the difficulty of disposing of credits upon farm lands secured by mortgages which now can not be readily sold for the reason that the lender is so far separated from the borrower. A man in Washington contemplates a loan in Oregon. He is not familiar with the land; he is not familiar with the land law; he is not familiar with the lawyers. If his note fell due and was not paid, the collection of his debt would be a source of embarrassment. The same thing would be true if living here and the loan were made in Georgia. The expense of the individual transaction is great.

The lands of the country furnish the very best basis for credit, and farm land is the best of all lands. Yet unless the loans can be consolidated, unless the various loans can be brought together and the creditor saved the necessity for supervision of the loan, saved the necessity for investigating the value of the loan, it is impossible to bring them to the lowest rate of interest to which they are entitled.

The rural-credits scheme is to furnish an agency or agencies equipped to examine titles and to pass upon the value of property, to bring the notes secured by mortgages on lands together, and to finance the loan by issuing bonds, secured by the note and land mortgage of the farmer as collateral, the agency handling the mortgage and the bond, taking the responsibility of passing on the title and the value of the property, taking the responsibility of the collection of the money and letting the investor look simply to the central agency that handles the work under Government supervision. In this way we minimize the cost of examining titles, we minimize the cost of examining values, we minimize the cost of collection, and we free the lender from those responsibilities while a complete organization extending all over the United States, handling vast quantities of these loans, is in a position to handle them most economically and to the very best advantage.

I thoroughly approve freeing these loans from taxation. It is an unjust taxation. The farmer pays his tax on his land; he pays his tax on his improvements. If the man who loans him the money must also pay a tax on the note he holds, he must charge that much more interest against the farmer when he makes the loan. The average tax in most of the cities is 2½ per cent. Take the city in which I live. Our city tax is 1¼ per cent, our State and county tax 1 per cent, the two together never less than 2¼ per cent. If a citizen loans money to a farmer and wants 5 per cent on his money, he must charge 7¼ per cent to get it. If he charges 5 per cent, then 2¼ per cent off leaves 2¾ per cent interest. If the taxes can be taken off of these loans as they have been in many States, I have no question but that the immediate and complete benefit goes to the farmer.

Suppose one of the banks to be organized issues a 4 per cent bond and that bond is to be subject to taxation. A citizen of my home, Atlanta, gets it and he has to pay 2¼ per cent taxes on it. He can not invest in the bond at all. It would leave him only 2¾ per cent interest. But if he can buy it on a 4 per cent basis with no taxes there are many who would buy it. We simply can not travel with this movement, we can not succeed in substantially reducing the rate of interest which the farmer is to pay unless these instrumentalities are freed from taxes.

I have thought, Mr. President, and I still think that we would escape some trouble if we had the bill in a little different shape. There are many things in the bill which commend themselves to me. I believe in the plan of the Government furnishing $6,000,000 for the capital of these banks, and $6,000,000 annually to aid in financing it. I approve investing postal savings in these banks. But I believe it would be better if we simply chartered one bank in the District of Columbia, where there is no question about our right to grant the charter, and where there is no question about our right to free it from taxes. Then it could do business only in those States that freed the bonds issued from taxes. All the States would soon free them from taxes. We would thereby induce the States to cooperate in this movement for the benefit of the citizens of the States of the whole country. It seems to me in that way the business could start out more conservatively with expenses in proportion to the amount of loans which are to be made, and gradually grow in expense as it developed in the quantity of loans made. Such an organization would have its land agent in each State of the Union and enlarge the number of its employees as the volume of the loans increased, and the 1 per cent coming to the bank would furnish the means.

A capable land agent and a capable lawyer to examine the titles could for the present do practically the entire work of the central bank in each State. They could travel through the State, meeting the farmers who desire to make loans in their respective counties, examine into the value of the lands, and pass upon the titles.

Such a central corporation located in Washington could be required to deposit all of its farm mortgages with the Treasurer of the United States and receive from him a certificate of deposit of collateral notes secured by mortgage on farm lands equal to the amount of the bonds issued upon such collateral. The certificate of the Treasurer of the United States could be attached to the bonds, showing that the security for the bonds was in the possession of the Government. The collateral would be put up for the bond issue by the central organization from time to time as the issues of the bonds were required to meet the loans needed by the farmers.

The stock in the central corporation would be owned by the Government, the officers would be appointed by the President and confirmed by the Senate, and the safeguard of a Government administration both in passing upon the value of the lands and the titles upon which the mortgages were given to secure farmers' notes would rapidly grow in public confidence and the bonds secured by these collaterals would in my opinion soon find ready sale all over the United States. The 1 per cent difference between the rate of interest charged the farmer and the rate at which the bonds for general distribution were sold would more than cover the expense of operation and the central corporation should rapidly accumulate a surplus. This surplus would be an additional guaranty fund for the payment of outstanding bonds or else be used as a credit upon the farmers' notes. It would be easy under such a system to permit the borrower to increase his rate of interest to 6 or 7 per cent, and this increase beyond 5 per cent would be passed to his credit, reducing the amount of the principal which he owed, or invested for him in other 4 per cent bonds to be held for his benefit. It could be handled with so much less machinery that I regret exceedingly such a change did not occur to me sufficiently early to work out an amendment. I only hope that before the bill passes the House of Representatives or comes back to us for conference some such change may be made.

I throw out this suggestion really only having developed it in my own mind last night, too late to offer an amendment. I introduced a bill somewhat upon these lines 12 months ago, but it was prepared by some one else and I did not really thoroughly comprehend it myself, nor did I comprehend the importance as I do now of eliminating all doubt as to the constitutionality of everything connected with this organization, if we expect the bonds to sell upon the market for their full value with the privileges we are undertaking to give them.

I would be exceedingly gratified if some such line of amendments might yet be worked into this legislation. I would feel great confidence in the ability of an organization here starting with $6,000,000 of capital and reaching out into the States as the call was made, developing in size and force of operators as the business developed. It would certainly be constitutional, because nobody can question our right to create a corporation in the District of Columbia. We certainly have the right to free from taxation the assets of a corporation of the District of Columbia, and I believe we would have the cooperation of the States to free the bonds issued. Indeed in few States would they now be taxable. It is also worth mentioning that the lowest rates of interest on farm loans are paid in those States where the holders of such loans are not required to pay tax on them.

I do not mean to express an opinion that the pending bill is not constitutional. If I were called on to express an opinion from my own original view of what the Constitution meant I might almost be ready to express an opinion, but the decisions of the Supreme Court lean toward a different view, and under those decisions it might be that the Supreme Court would sustain this power. It hardly comports with my own earlier conception of the Constitution.

Mr. CUMMINS. Mr. President, I am prompted to ask a question of the Senator from Georgia. I am sure he desires that the farmer shall have the benefit of the exemption from taxation either under the Constitution or under section 29 of the bill, no matter which. Is there any way in which it can be made absolutely sure that his rate of interest will be reduced by the rate of taxation? That is to say, suppose the rate of taxation of this Federal farm bond was 1 per cent. I wish the Senator from Georgia would tax his ingenuity to prepare an amendment to the bill which will make it compulsory upon the farm-loan bank to loan the farmer at a rate of interest which is at least the rate of taxation less than other institutions which are taxed are loaning money to farmers.

Mr. SMITH of Georgia. I think the bill now does it, and I will explain to the Senator why I think it does. I do not think the Senator was in the Chamber when I suggested that I would greatly prefer an organization located in the District of Columbia, where there would not be any doubt about our right to free it from taxation as we legislate for the District of Columbia. But, passing by that, these organizations sell their collateral bonds. They are not allowed to charge a farmer more than 1 per cent in addition to what they sell their collateral bonds for. They are not operated for profit. They are cooperative. Expenses are limited to 1 per cent of the loans. That expense is subject to the control of the Federal board. They can not spend a cent of that 1 per cent except for legitimate expenses. Now, they can not charge more than 1 per cent above what they sell the bonds for. So the farmer gets the full benefit of the rate at which they sell these bonds.

I say to the Senator without a moment's hesitation that a 4 per cent nontaxable bond will sell for as much as a 5 per cent bond in a community where there is a 1 per cent tax on that bond.

We have the market of the whole United States. We have the little fellow who wants to save some money. We have the big man who wants to invest. Now, with the whole people of the United States in a position to invest, with all those who can invest competing in the purchase of these bonds sold in small as well as large sizes, it must be true that a man figuring upon his income, figuring on his investment, will figure what the investment really amounts to. If he knows he has a nontaxable investment and contemplates investing in that or in some other bonds that would be taxed he looks at the relative rate of interest of the two and he finally computes the investment that will net him the most. There are very few people who have anything to invest, who do not make that kind of a calculation, and unless they are capable of making that kind of a calculation they will not long last as people with anything to invest. My own judgment is that the farmer is sure to get the benefit of it.

Mr. CUMMINS. That depends entirely on the will of the loaner. When the person with money comes to part with it, it is a voluntary act on his part, and he may, if he desires, take into consideration the fact that the bond is not taxable or he may not. It depends entirely upon the grip that those who have money to loan may gain upon the money market. But is there not some way in which it can be reduced to a certainty, so that these bonds shall not be sold unless they can be sold at a rate of interest that will take into account the fact that they are exempt from taxation?

Mr. SMITH of Georgia. There is a provision that under no circumstances can they be sold bearing more than 5 per cent interest at par. That is in the bill.

Mr. CUMMINS. No.

Mr. SMITH of Georgia. Yes; there is a provision of that sort in the bill. Unless they can sell them at par on a 5 per cent basis for par they can not be sold.

Mr. CUMMINS. I agree with that. I was thinking about the mortgage.

Mr. SMITH of Georgia. Then we have the market of the whole United States. We have the little fellow who wants to save some money. We have the big man who wants to invest. Now, with the whole people of the United States in a position to invest, with all those who can invest competing in the purchase of these bonds sold in small as well as large sizes, it must be true that a man figuring upon his income, figuring on his in-

vestment, will figure what the investment really amounts to. If he knows he has a nontaxable investment and contemplates investing in that or in some other bonds that would be taxed he looks at the relative rate of interest of the two and he finally computes the investment that will net him the most. There are very few people who have anything to invest, who do not make that kind of a calculation, and unless they are capable of making that kind of a calculation they will not long last as people with anything to invest. My own judgment is that the farmer is sure to get the benefit of it.

Mr. CUMMINS. He would get the benefit of it under the operation of those normal factors in business which the Senator has just stated. But the business of the United States is not normal. We have found that it is not normal in any branch of human activity, and we have been busy for the last two years endeavoring to restore normal conditions, that is, to prevent those combinations and concerns and associations which disturb if they do not destroy the ordinary currents of business by which profits are determined or ought to be determined.

I fear, and I think I have a real basis for it, that the person who has money to invest in these farm-loan bonds will not be the little fellow with a hundred dollars. He has no way of getting it any more than he has of getting any other security. It will be the insurance companies, the savings banks as associations, the very large investors of money who will be attracted to these bonds. As I said yesterday, I think they are a very attractive investment. I do not believe that in determining the rate of interest at which they will take these bonds they will give the farmer or the borrower the benefit of the exemption from taxation.

Mr. SMITH of Georgia. In most of the big cities where the large insurance companies are located to which the Senator refers the States exempt such securities from taxation. They do not now pay taxes upon them; and one of the reasons why we get a considerable sum of fairly low-rate money in my section is that in Connecticut, and I think in New York, the insurance companies do not pay taxes on their loans. In my own State if the loan is made there you do pay a tax on it, and local money is not in competition with this outside money for such loans. If local loans on farm lands were free from taxation, I am confident farmers would obtain money at lower interest rates.

Mr. CUMMINS. So far as the insurance companies are concerned, most of them have a peculiar form of taxation that is applicable only to such business. They are permitted to deduct their liabilities from their assets or property so that they pay taxes only upon their surplus.

Mr. SMITH of Georgia. But they would not pay taxes on the basis of the quantity of the loans they held. I do not think any of them pay taxes on their real estate loans. They pay taxes on the basis of capital and surplus, but not on their farm loans. That is the rule nearly everywhere. Instead of doing a special favor to them, we will be developing a great mass of small holders of money as competitors with them on the same basis of freedom from taxation.

Mr. CUMMINS. But, Mr. President, the exemption of the savings banks really is not any exemption at all; so far as their mortgages are concerned it is but a shadow. The depositors in the savings banks pay taxes on their deposits.

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. Of course, the tax on those deposits is the equivalent of the tax on the mortgages, because they represent exactly the same capital.

Mr. SMITH of Georgia. Yes; and this would not change that.

Mr. CUMMINS. It can not be said that they are free from taxation.

Mr. SMITH of Georgia. As a rule the savings bank itself now pays no taxation on its land loans. If it invests in these 4 per cent bonds and pays no taxes upon them, it would be in just the same position then that it would be in loaning direct to the farmer.

Mr. CUMMINS. I do not assent to that. It seems to me there is an important or vital element left out.

Mr. SMITH of Georgia. So far as the taxes are concerned, I mean.

Mr. CUMMINS. With the farm-land bank—putting aside now the capital stock and their other physical property—money comes in from the East to a farm-land bank in Iowa; it comes from wherever it can be found willing to invest in the farm-loan bonds. That wealth is not taxed anywhere to anybody under this bill; whereas in the case of the savings-bank depositor, who furnishes the money to be loaned, who occupies toward the savings bank the same relation as those who buy the farm-loan bonds do to the farm-loan bank, they pay interest upon their deposits. In that way the wealth represented by that accumulation is taxed. This bill proposes to exempt positively certain wealth or property from taxation. That is not true of a savings bank, even though the savings bank itself is not taxed upon its mortgages.

Mr. SMITH of Georgia. But the Senator from Iowa wanted some way to prevent the big financial institutions from getting the benefit of this exemption from taxation. What I undertook to do in reply to the Senator was to show that their loans are now exempt from taxation, and that, if they invested in these securities, they would no more be placing their money in loans that were exempt from taxation than they are now so exempt; that the average citizen's loan would be subject to taxation in many States, and the effect of this exemption from taxation, instead of inuring to the benefit of the big financial institutions, will make competitors against them in loans of this character; that it will put the average citizen on the same basis as to freedom from taxation and ability to lend his money out at a low rate of interest that the savings banks and the insurance companies now have.

Mr. WILLIAMS. Mr. President, I do not want this bill to go to its passage without announcing to the Senate and to my constituents my emphatic advocacy of it. I am not much of a hand at dividing "a hair 'twixt south and southwest side," nor do I think, as a rule, that that amounts to much in practical life or in practical legislation, or anywhere else outside of a law court bent on technicalities.

In every controversy, Mr. President, there are some things which are conceded and some things which are disputed. I think, as a rule, a sensible debater will inquire what they are, and will plainly state them to his own judgment and as far as he can to the judgment of other people, and will dispose of the question by elimination of the first sort and contrast and comparison of the second.

Mr. President, there is no dispute anywhere about the practical general benefit of this proposed legislation. I have not heard one Senator raise his voice to say that, if this bill became a law, it could do any interest of a general and unselfish character any harm. That is one of the things which is not disputed.

There is another thing which is not disputed. If the Federal Government wishes to render its aid to commercial banking, it ought to render its aid, as far as it constitutionally can, to agricultural banking. Nobody disputes the proposition that agriculture is the fundamental, basic, primordial, healthy pursuit of mankind, and that if any sort of industry at all deserves encouragement at the hands of the Government more than another, it is agriculture. Even that proposition might be disputed to a slight extent; but the proposition that it deserves as much consideration as any other pursuit can not be disputed by anybody; certainly not by anybody who holds office.

Now, having gotten rid of the things that are not in dispute, the things which are conceded in connection with this legislation; everybody admitting that it is good legislation; everybody admitting that it sounds in benefit and not in damage; everybody admitting that we have neglected our farming and agricultural interests beyond every other civilized nation on the globe; everybody admitting that we have nothing in America to compare in its benefits to the German landschaft system, nothing to compare even with the French crédit foncier, nothing to compare even with the Italian land-loan system, we come to disputed questions. Everybody then agreeing that if, as the legislative body of the Federal Government, we have the constitutional power to pass this legislation, we ought to pass it, we come to the questions now that are disputed.

I have listened here for two or three days to some very shrewd arguments by lawyers who are trying to divide "a hair 'twixt south and southwest side," as I said at the beginning, and yet the whole constitutional question reduces itself to this: John Marshall himself once said that, if the end or the purpose of an act be constitutional, then every means for its accomplishment which is appropriate or convenient, if not necessary, is also constitutional.

In the early history of this Republic it was disputed as to whether or not the United States Government had a right to charter a bank at all. Without passing upon the original proposition, the Supreme Court, when John Marshall—the demigod of Republicans and Federalists—was Chief Justice, decided that it had a right to do it; that is res adjudicta; he decided that a bank—any bank—a banking business, from its very nature was a convenient and appropriate fiscal agency for the Federal Government, and that, as the Federal Government needed, in order to carry out its powers, fiscal agencies to render it more efficient in carrying out its granted powers, it had a right to charter a bank.

Now, then, later on the question came up as to whether or not the Federal Government, having a right to charter a bank in which the Federal Government in that particular case had stock, had a right to charter banks in which the Federal Government had no stock, and the sole general purpose of which was to make money in private business, the Supreme Court then decided that the Federal national banking system, as now organized, differing in those respects from the original United States Bank, was authorized by the Constitution.

Now, I lay down this proposition, and I think it is indisputable, not only from the layman's standpoint but also from the lawyer's standpoint: If this Government has the right to institute the banks contemplated under this legislation at all—and leave that question in dispute for the nonce—then it has the right, as a means to the accomplishment of its ultimate purpose, to pass every provision that defends and protects the system, every provision that will render it more efficient as an instrumentality for the purposes for which it has been enacted. That is following in the line of the decision that if the end be constitutional, the means, if it is appropriate and convenient, is constitutional, and that, furthermore, the court will not sit too closely in judgment upon the appropriateness or the convenience of the means, because that, after all, is a question for the legislative branch of the Government.

Now, how is any man going to say that the establishment of this system is constitutional, but that a provision in the bill to render it efficient and to protect it and defend it from the possible attacks of another sovereignty are not constitutional? Again, how is any man going to say that the Federal Government has a right to establish a bank—a bank, any bank, a banking system—from its very nature convenient and appropriate as a fiscal agent of the United States Government, usable for the purpose of strengthening its credit and its cash—how is he going to say that it has the power to do that for the commercial interests of the country and has no power to do the same thing for the agricultural interests of the country?

There is no difference between the national banking act and this act except the differences that grow out of the very character and nature, not of Federal jurisdiction, not of the extent of power granted by the Constitution to the Federal Government, but of the business carried on on the one side by the commercial people and on the other side by the agricultural people.

Everybody with a particle of knowledge of banking laws at all knows that you can not engraft an agricultural system upon a commercial system of banking without bankrupting the commercial system. A commercial bank wants live assets, which are readily convertible into cash. It can not survive a run; that is one of the ordinary incidents of commercial banking if it puts its money out on long time or upon securities which require length of time for foreclosure in the courts. The difference—whatever difference exists—is a difference in the character of the business carried on, not a difference in the constitutional power of the Federal Government.

I agree with an argument made yesterday—in the address commenced day before yesterday and concluded yesterday—by the Senator from Iowa [Mr. CUMMINS] that if these mortgages and bonds can be exempt by act of Congress from local taxation, there is nothing added to the strength of the bill by saying that these banks shall be "construed as being fiscal agencies" of the Federal Government. They either are or they are not; the courts can determine that question; but if a commercial bank, simply because it is a bank—and that is what John Marshall decided—is from its very nature a useful adjunct to the Federal Government and a possible fiscal agency of it, then these banks are also. This is true, because this bill carries with it the same right of deposit and very many other rights which characterize the commercial banks. If it did not, however, the fact still remains that the banks hereby organized will be useful and appropriate agencies for the Federal Government.

Mr. President, there is another reason why I should like to see this bill passed. I should like to see the example set in America of exempting debts from taxation. I hope to live to see the time when no State or county or city will tax the evidences of indebtedness, because, in the long run, when you do that, you tax the people least able to pay taxes, to wit, the debtors.

The Senator from Iowa had a colloquy a moment ago with the Senator from Georgia [Mr. SMITH] about whether or not an exemption from taxes would reduce the amount of interest that a man had to pay upon a loan. There are peculiar abnormal circumstances here and there under which an exemption from taxation will not reduce the interest that the borrower will have to pay; but, when that is the case, it is not *because* of the exemption from taxation, it is *in spite* of it and in the teeth of it, just as a hundred times, in considering economic questions, the application of a general law is locally or temporarily set aside by the more intense operation of some particular law that happens at the place or at the time to assume control. Notwithstanding that, for any man of ordinary common sense to deny that an exemption from taxation upon loans and mortgages will normally and in the long run inure to the benefit of the man who borrows money is equivalent to that man's denying the operation of the law of supply and demand.

I come into the market with a certain amount of money to lend. A and B and C and D and E come into the market with money to lend. X and Y and Z come into the market to borrow money. We meet one another in the marts, just like buyers and sellers of goods do. There is a certain amount of loanable funds; there is a certain demand for loanable funds, and the price of interest is just as thoroughly fixed by the comparison of the demand for loans with the supply of loanable money as the price of cotton or of wheat is fixed upon the market by the supply of spot cotton or wheat on the one hand and the effective demand for either upon the other—meaning by "effective demand" the number of dollars in the hands of would-be buyers. The minute you reduce the cost of any operation you fix it so that normally and in the long run the price to the ultimate consumer of the operation decreases. The ultimate consumer of the operation of borrowing and loaning is the borrower. The Senator from Iowa says "of course the lender will get all he can." Of course he will. So will the seller of cotton get all he can; of course he will; but if there are 18,000,000 bales of cotton and a demand for 10,000,000 bales only, the question resolves itself into this: Not what he wants, but what he can get; and the question of what he can get resolves itself into this: How many people with dollars behind them want this thing? So it is with loanable funds, and so it is with everything else in this world. The opera singer depends upon how many people can sing that way and how many people have money in their pockets willing to pay to hear a particular sort of song sung. The very ballet dancer in the vaudeville show has her price as a dancer depend absolutely upon those two things—how many people are there who can dance that way and how many people are there willing to pay to see somebody dance that way. It may happen in a great war or in a time of great distress that a ballet dancer's time is worth nothing; people are thinking about something else; and it may happen with regard to loans, now and then, that you might exempt them from taxation and furnish half the money, and still the demand for loans would be so great that the interest might be very high; but the normal, general rule—and that is what legislators must obey—is that the cheaper you make the operation of lending, the cheaper the borrower can get his money.

Mr. President, it seems to me, to sum it all up in one sentence, that these are the two great things that ought to appeal to us: If the Federal Government can do for its agricultural interests what Germany and France and Italy have done, we ought to do it, and then when you come to the consideration of whether it can or can not—meaning, of course, constitutionally can or can not—this conclusion presents itself—that if we have the power to inaugurate these banks at all then we have the power to defend and protect and better the system by every possible provision which is an appropriate and germane means for strengthening of the system to make it efficient.

Mr. STERLING obtained the floor.

Mr. LODGE. Mr. President, will the Senator allow me to ask to place in the RECORD a short letter?

Mr. STERLING. I yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, I introduced the other day a draft of a report signed by Mr. Herrick. There was some misunderstanding owing to what was printed at the head of the paper. It was not a report but a draft of a report, and I ask that a letter from Mr. Herrick may be placed in the RECORD. It corrects the mistake in regard to that matter.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

NEW YORK CITY, *May 3, 1916.*

Hon. HENRY C. LODGE,
*United States Senate, Washington, D. C.*

DEAR SENATOR LODGE: The article appearing on pages 7744–47 of the CONGRESSIONAL RECORD of the 25th of last month is not a report. It is simply my suggestions for a report, which I as chairman submitted on March 31, 1916, to the members of the rural-credits committee of the Chamber of Commerce of the United States of America. The members of this committee are:

Robert W. Brown, secretary American Galloway Breeders' Association, Carrollton, Mo.
Roger A. Derby, Drowning Creek Plantation, Jackson Springs, N. C.
Oscar L. Gubelman, Knauth, Nachod & Kuhne, New York, N. Y.
C. B. Kegley, master of the State Grange, Palouse, Wash.
Clarence Ousley, Agricultural and Mechanical College of Texas, College Station, Tex.

H. J. Sconce, president Peace Valley Farms Co., Sidell, Ill.
R. B. Van Cortlandt, New York, N. Y.
H. W. Danforth, president National Council of Farmers' Cooperative Associations, Washington, Ill.
John J. Dillon, commissioner, Department of Foods and Markets, New York, N. Y.
William Hill, Bethany, W. Va.
F. E. Myers, F. E. Myers & Bro., Ashland, Ohio.
Herbert Quick, Berkeley Springs, W. Va.
Treadwell Twichell, Mapleton, N. Dak.
George Woodruff, president First National Bank, Joliet, Ill.
Myron T. Herrick, Cleveland, Ohio.

The committee has not yet rendered a report, but expects to do so before the end of the month. Would it be possible to have this fact published in the RECORD? If so, I wish you would do me the very great favor of reading this letter into the debate.

The word "report," it is true, is used neither in the heading nor in the text of my article. Nevertheless, as it stands, it could easily be construed as a report because of the use of the name of the Chamber of Commerce of the United States of America at the top of the paper upon which it was written.

Very sincerely, MYRON T. HERRICK.

Mr. STERLING. Mr. President, I realize how apparently useless it is at this stage of the discussion, and after various amendments have been disposed of, to bring forward anything new, especially if it be anything of a radical nature affecting the general plan of this bill; but I trust that Senators will, notwithstanding the lateness of the day, have an open mind with reference to the proposed substitute which I have to offer and the few suggestions I may make in regard to it. The changes I have to suggest are of such nature that the general plan of the system proposed by the Senator from New Hampshire for the Committee on Banking and Currency can be readily changed and adapted to the plan I have in view.

The Senator from New Hampshire is well aware of the fact that I am in hearty sympathy with the main provisions of this measure, rather with what I may term the essential provisions of the measure. I was in favor of section 29, the section which exempted the bonds and mortgages and capital stock of the farm-land banks from taxation, and when I voted against tabling the amendment of the Senator from Iowa, it was not because I was in favor of the amendment but because I was opposed to the principle involved in a motion to table.

Mr. President, the purpose of this measure, as the bill was originally introduced, is "to provide loans of money for the purchase of a farm for a home." That has been broadened so as to include the purchase of agricultural lands, and I think the amendment, as accepted by the Senator from New Hampshire in this respect, is a very wise one. It is "to provide for the purchase of equipment, fertilizers, and live stock necessary for the proper and reasonable operation of the farm, * * * to provide buildings, and for the improvement of farm lands," and finally "to liquidate indebtedness of the owner of the land mortgaged, existing at the time of the organization of the first national farm-loan association," as provided in his bill, or "indebtedness subsequently incurred for one of the purposes above mentioned."

First and primarily, of course, the great purpose is to enable the farmer desiring money for these several purposes, or any of them, to get that money at a lower rate of interest and on longer time than he is now enabled to do. But the instrumentalities through which it is to be accomplished, or the parts of the machine, as I may term them, are, first, the farm-loan board; second, the Federal land bank; and, third, the national farm-loan association.

The question occurred to me, Mr. President, when I first read the provisions of this bill, as to whether there was not more machinery here provided for than is necessary to effect these very laudable purposes. With that in view I made some study of the bill to see whether a part of this machinery could not be dispensed with, and whether we could not accomplish the same purpose at less expense and more easily than we can with all this machinery. It may be said, with reference to any machine designed to accomplish a certain result or a certain purpose, that the more simple and the less complex that machine is the better it is, the less is the liability to breakage, the less will be the friction, and the less the cost of operating the machine. So I think this machine may be simplified; you may leave out at least one of the parts and still have a perfect machine for the accomplishment of all the purposes contemplated by the bill.

Mr. President, the weak part of the machine, as it occurs to me, the needless part of the machine—and as I now view it, the impractical part of the machine—is the national farm-loan association. I want to call attention to some of the provisions relative to the national farm-loan association.

First, on page 12 it is provided:

Farm-loan associations limited and farm-loan associations unlimited shall, respectively, have representation on the board of directors in proportion to the amount of unpaid principal on loans made to their members by the land bank and actually outstanding three months before each election. If the amount unpaid on the principal of loans outstanding in either division shall amount to less than $1,000,000, all associations in the district shall vote together for all three local directors.

Now, remember that only three directors are to be elected. The other two of the five directors are to be appointed by the Federal farm-loan board. But how shall we apportion the three elected directors between those associations the liability of whose members is unlimited and those the liability of whose members is limited when you have but three to elect?

The proposition is that they shall elect "in proportion to the amount of unpaid principal on loans made to their members by the land bank and actually outstanding three months before each election." Suppose it is an equal amount on the part of the unlimited liability association and the limited liability association, and you have the mathematical problem then of each one, if they elect according to this proportion, electing one and one-half of the three directors. Suppose it is a different proportion than that; it is one and two-thirds, on the one hand, and one and one-third, on the other. There you have the proposition of electing one and two-thirds of the three directors by the unlimited liability association, for example, and one and one-third of the three directors by the limited liability association.

So here is one practical difficulty in the very organization of the national farm-loan association, a difficulty which extends to the government and to the administration of the affairs of the association. There being three directors to elect, the only circumstances under which a proportionate number of directors can be elected by these two classes of associations will be where the proportion would be as 1 to 2, or, in other words, where the amount unpaid of principal on loans made to their members by the land bank and actually outstanding three months before each election is twice as much in one association as it is in the other. Then the election would be practical, and you would have a proportion which would authorize one form of association to elect one, the other form of association to elect two, of the elective directors. Otherwise, and under no other circumstances could you have the three directors elected in proportion to the amount of the unpaid principal of each of these associations.

With this as a practical difficulty in the organization and government of the national farm-loan association, I come to consider for a moment the purposes of the national farm-loan association when it is organized. What purpose does it serve? Primarily it is meant to be the intermediary between the farmer and the Federal land bank from which the farmer, as a member of the national farm-loan association, procures a loan, because it is not the national farm-loan association but it is the land bank that handles the money and loans the money to and takes the mortgage from the farmer. The mortgage runs not to the national farm-loan association but to the Federal land bank.

What other purpose is served, or is it urged upon the floor here is served, by the national farm-loan association? The other purpose is this, namely, that under the terms of the bill the national farm-loan association and all the members of it are liable for the indebtedness of the individual member of the farm-loan association; and it is to be remembered that in order to be qualified to be a member of the farm-loan association he must be a borrower. Otherwise, he is not entitled to belong to the farm-loan association at all. The liability of the loan association, it is urged, adds to the security of the mortgages given by its members and the bonds issued thereon.

But, Mr. President, is that security necessary? It occurs to me that one great trouble with this measure in its entirety is that the framer of the bill, or the committee, have been misled by the provisions of the Federal reserve bank act. They have thought that this bill must be in analogy to that plan; and hence they must have the Federal farm-loan board to correspond to the Federal Reserve Board; they must have the Federal land bank to correspond to the several Federal reserve banks in the 12 districts in the United States; and they must have the national farm-loan association to correspond to the national banks, they being members of the Federal reserve bank system. And why? Because each and every national bank is security for the obligations of its borrowing members, whose obligations it takes to the Federal reserve bank for rediscount, and there gets the currency permitted to be issued under the Federal reserve bank act to the member banks for the purposes of use in business. But there is absolutely no need for the indorsement of a national farm-loan association in order that the mortgages, or the bonds issued upon the mortgages, may be secure.

Under the provisions of this bill the loans are to be made under the most careful limitations and restrictions. The bill is safeguarded throughout in that respect, in the first place, and then, in the second place, a loan may be made only to the extent of 50 per cent of the value of the property mortgaged to secure the

loan. It is the best security in the world; bonds issued thereon will be readily taken by the investing public; the tendency will naturally be to bring down the rate of interest charged the farmer, and all this without a national farm-loan association behind it.

You have what, now, as further security than the mortgagor himself, than the farm he mortgages, and the Federal land bank which loans him the money and takes his mortgage? You have the security of every other Federal land bank for the payment of every coupon interest note upon default of payment by the bank that issued it, and then, finally, as to the ultimate payment of the principal, you have the security of every Federal land bank in the entire system.

Do you need any more security than that to make these, as it were, liquid assets, or the assets upon which negotiable bonds may be issued and pass current as money throughout the country? I think not. So, Mr. President, when it comes, first, to the practical difficulties in the operation of the national farm-loan association, and, second, to the question of the necessity of such associations as security for the loans, it seems to me that in providing for the national farm-loan association we are providing for an institution that is both quite impractical and unnecessary.

In passing, let me refer to another instance that may interfere with the practical success of the National Farm Loan Association. Ten persons under the bill can form a national farm-loan association. They must all be borrowers in order to be qualified to form and be members of it. In a given State or community they may not readily be found. There may be found one at a given place in one portion of the State, and you may not find another would-be borrower within a distance of 10 miles or another within a distance of 20 miles. And so only within the radius of 25 or 30 miles may you find the 10 members required to form the National Farm Loan Association. Thus you can see some of the difficulties of organization to begin with in men getting together to transact the business of such an association, holding their meetings, electing officers, and providing for a course of action by that farm-loan association. If we can dispense with this part of the machinery, which seems to me so utterly useless and may be mischievous, we would better do it if we can, as I said, accomplish the same laudable purpose without it; and I think we can.

How may we do it in the main? I have provided in my proposed substitute, not for 12 Federal land banks, but that the farm-loan board may create as many Federal land banks as there are States in the Union. Let me read the provision in that regard. This is section 4, and it corresponds to section 4 in the original bill:

That each State of the United States is hereby constituted a Federal land bank district, to be known and designated by the name of the State comprising such district. As soon as practicable the Federal farm-loan board shall establish in each such district one Federal land bank, with its principal office located in such city within the district as said board shall designate, and each land bank shall include in its title the names of the city and State in which it is located. Subject to the approval of the farm-loan board any Federal farm-land bank may establish branches within the State or district in which it is located.

In no case shall a Federal land bank be established with a capital stock of less than $250,000.

Senators will remember that in the pending bill the minimum of capital stock is $500,000 and the minimum of all the capital stock of all the Federal land banks under the system provided for in the original bill will be $6,000,000. I have thought that, since we have established so many under the provisions of this bill, $250,000 should be the limit. If we organize 24 Federal land banks in 24 States of the Union we shall have an aggregate capital stock equal to that provided for in this bill, namely, $6,000,000, if we take only half the States in the Union, whereas if one is organized in every State of the Union we shall have just twice the aggregate capital stock provided for in this bill.

Further:

*Provided*, That if, in the judgment of said Federal farm-loan board, agricultural conditions, or the terms and conditions on which farm loans may be procured from other sources, in any State do not warrant the establishment of a Federal land bank in such State, then such board may defer the establishment of such bank until conditions do so warrant, or may refrain altogether from establishing such bank: *Provided further*—

I do not want to cut anybody out of the privileges he may enjoy under a Federal farm-loan or rural-credits system, and hence I provide this—

That any qualified person seeking a loan on farm lands in a State where no bank has been established may make application to and receive a loan from the Federal land bank of an adjacent or other State under all the provisions and restrictions of this act.

So, throughout my proposed substitute, wherever the farm-loan association has been mentioned, or where there has been any reference to it in the original bill, I have changed or cut out the language entirely. Beginning with section 7 of the original bill, which deals especially with farm-loan associations—those of unlimited and those of limited liability—I cut out all of those provisions, and I adapt then my ideas in regard to the Federal land bank to the rest of the provisions of this bill, and harmonize them with them. In other words, then, the individual farmer, instead of being a member of a national farm-loan association and subscribing to that stock to the extent of one-twentieth the amount he wants to borrow, becomes a subscriber to the stock of the Federal land bank, and his stock is security for the debts of the Federal land bank, as was his stock security for the debts of the national farm-loan association.

Mr. SMITH of Michigan. And as is the stock of the other banks.

Mr. STERLING. Yes; and as is the stock of the other banks. I am glad the Senator from Michigan mentions that fact, because I want to call attention again to that feature of the bill in regard to the class of farm-loan associations where the liability of the members is limited—limited in the ordinary way—where each one is liable equally and ratably for himself, and not one for another, for the debts of the association, to the extent of the par value of his stock and to the extent of the amount paid in on his stock. That is the general limited liability. The other is where he is liable one for another for the indebtedness of the association, without any limit whatever in that liability. Whatever property he may have under that rule liable to execution at all is subject to execution to satisfy any contract, debt, or engagement whatever of the association.

Mr. President, this touches again the practicability of the national farm loan association. How many such associations is it believed will be organized under the unlimited-liability plan? The Senator from New Hampshire [Mr. HOLLIS] hopes that eventually they will all become unlimited-liability associations. Why, he says, it will add to the security, as though under this bill any more security were needed than the value of the man's farm, the mortgage being for not to exceed one-half that value, with the added liability of the Federal land bank from which he borrows, and, added to that, the liability of each and every land bank in the entire system. There is no need for an unlimited-liability association to render the mortgage a better security or the bonds a better investment. I would hesitate before encouraging or advising any farmer friend of mine to identify himself with or become a member of any unlimited-liability association.

Mr. SMITH of Michigan. Especially, Mr. President—if the Senator will permit me—after he has pledged his property, and pledged it for 50 per cent of its value only.

Mr. STERLING. Yes.

Mr. SMITH of Michigan. If the value of the land is arrived at fairly, he has given ample protection for his loan, without assuming the responsibility of others.

Mr. STERLING. Certainly.

So, Mr. President, it seems to me now that the proposition I urge is entitled to the greatest consideration. We are starting out here on a new plan, beneficently intended, and I feel it will be beneficent in its results. I think that the more easily that plan is understood, the more simple the machinery to begin with, the more readily can we say its success will be assured. It is easy to segregate, as it were, this unnecessary part of the scheme from the rest and have, first, your Federal farm-loan board, organized as it is under the provisions of the original bill, and then your Federal farm-land banks, organized, as they are to be, under the provisions of the original bill, with the farmer a member of the Federal land bank instead of the farm-loan association, but having exactly the same rights and subject to the same liabilities he would have and be subject to were he a member of such an association.

Mr. President, I have gone through the original bill and compared my substitute with it, and I think I have now in every respect adapted my substitute to the provisions of the original bill, leaving out, of course, all references to national farm-loan associations. I might have had this substitute read before beginning my remarks, and yet I did not want to take that time. I simply hope that in all fairness, and in order that it may have some further consideration, the bill may not be pressed to a final vote this evening.

Mr. HOLLIS. Mr. President, I notified the Senate last night that it was my intention to pass the bill, if I could, to-day, and I have every hope of being able to do so. I am very sure the point the Senator has made is clear to the Senate. His bill is like the bill before the Senate in every particular, except that the national farm-loan associations are eliminated. I also understand that the Senator is willing to submit his substitute without having it read; and, if so, we may vote upon it at once.

Mr. STERLING. I am willing to submit it. I should like, if I may have unanimous consent, to have the substitute printed in the RECORD.

The VICE PRESIDENT. Without objection, it will be so ordered.

Mr. STERLING. I want to call attention to one feature of the bill in which I have made a change, and that is on page 5, I think, of the bill. I have stricken out the provisions relative to the attorneys, experts, assistants, clerks, and so forth, and to their appointment without regard to the civil-service law. It should not have been in my substitute. I had already offered an amendment which was printed providing for striking that out, and it was by inadvertence that it was printed in the substitute.

The substitute submitted by Mr. STERLING is as follows:

Amendment in the nature of a substitute intended to be proposed by Mr. STERLING to the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes, viz: Strike out all after the enacting clause and insert the following:

"That the short title of this act shall be 'The Federal farm-loan act.' Its administration shall be under the direction and control of the Federal farm-loan board hereinafter created.

"DEFINITIONS.

"SEC. 2. That wherever the term 'first mortgage' is used in this act it shall be held to include such classes of first liens on farm lands as shall be approved by the Federal farm-loan board, and the credit instruments secured thereby. The term 'farm-loan bonds' shall be held to include all bonds secured by collateral deposited with a farm-loan registrar under the terms of this act; they shall be distinguished by the addition of the words 'regular' or 'joint stock,' as the case may be.

"FEDERAL FARM-LOAN BOARD.

"SEC. 3. That there shall be established at the seat of government in the Department of the Treasury a bureau charged with the execution of this act and of all acts amendatory thereof, to be known as the Federal farm-loan bureau, under the general supervision of a Federal farm-loan board.

"Said Federal farm-loan board shall consist of five members, including the Secretary of the Treasury, who shall be a member ex officio, and four members to be appointed by the President of the United States, by and with the advice and consent of the Senate. Of the four members to be appointed by the President, not more than two shall be appointed from one political party, and all four of said members shall be citizens of the United States and shall devote their entire time to the business of the Federal farm-loan board; they shall receive an annual salary of $10,000, payable monthly, together with actual necessary traveling expenses.

"One of the members to be appointed by the President shall be designated by him to serve for two years, one for four years, one for six years, and one for eight years, and thereafter each member so appointed shall serve for a term of eight years, unless sooner removed for cause by the President. One of the members shall be designated by the President as the farm-loan commissioner, who shall be the chairman and the active executive officer of said board. Each member of the Federal farm-loan board shall within 15 days after notice of his appointment take and subscribe to the oath of office.

"The first meeting of the Federal farm-loan board shall be held in Washington as soon as may be after the passage of this act, at a date and place to be fixed by the chairman of said board.

"No member of the Federal farm-loan board shall be an officer or director of any institution, association, or partnership engaged in banking. Before entering upon his duties as a member of the Federal farm-loan board each member shall certify under oath to the President that he is eligible under this section.

"The President shall have the power, by and with the advice and consent of the Senate, to fill any vacancy occurring in the membership of the Federal farm-loan board; if such vacancy shall be filled during the recess of the Senate a commission shall be granted which shall expire 30 days after the Senate convenes.

"The Federal farm-loan board shall appoint a farm-loan registrar in each land-bank district to receive applications for issues of farm-loan bonds and to perform such other services as are prescribed by this act. It shall also appoint one or more land-bank appraisers for each land-bank district and as many special appraisers as it shall deem necessary. Farm-loan registrars, land-bank appraisers, and special appraisers appointed under this section shall be public officials and shall have no connection with or interest in any institution, association, or partnership engaged in banking.

"The salaries and expenses of the Federal farm-loan board and of farm-loan registrars and special appraisers authorized under this section shall be paid out of any moneys in the Treasury of the United States not otherwise appropriated. Land-bank appraisers shall receive such compensation as the Federal farm-loan board shall fix, and shall be paid by the Federal land banks and the joint-stock land banks which they serve, in such proportion and in such manner as the Federal farm-loan board shall order.

"The Federal farm-loan board shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said board. All salaries and fees authorized in this section and not otherwise provided for shall be fixed in advance by said board and shall be paid in the same manner as the salaries of the Federal farm-loan board.

"Every Federal land bank shall semiannually submit to the Federal farm-loan board a schedule showing the salaries or rates of compensation paid to its officers and employees, and said board shall have power to disapprove such schedule, or any item in it, and to alter any or all salaries therein shown.

"The Federal farm-loan board shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

"The Federal farm-loan board shall from time to time require examinations and reports of condition of all banks established under the provisions of this act, and shall publish consolidated statements of the results thereof. It shall cause to be made appraisals of farm lands as provided by this act, and shall prepare and publish amortization tables which shall be used by banks under its supervision. It shall, by suitable rules and regulations, require all offenses and delinquencies under this act to be forthwith reported to it and to the United States district attorney for the district in which any such offense or delinquency shall occur, and shall institute immediate proceedings in the proper court for the prosecution of any person committing an offense under any provision of this act.

"The Federal farm-loan board shall prescribe a form for the statement of condition of banks under its supervision, which shall be filled out quarterly by each such bank and transmitted to said board.

"It shall be the duty of the Federal farm-loan board to prepare from time to time bulletins setting forth the principal features of this act, and to distribute the same, particularly to the press, to agricultural journals, and to farmers' organizations; to prepare and distribute in the same manner circulars setting forth the principles and advantages of amortized farm loans and the protection afforded debtors under this act, and advising investors of the merits and advantages of farm-loan bonds; and to disseminate, in its discretion, information for the further instruction of farmers regarding the methods and principles of co-operative credit and organization. Said farm-loan board is hereby authorized to use a reasonable portion of the organization fund provided in section 36 of this act for the objects specified in this paragraph, and is instructed to lay before the Congress at each session its recommendations for further appropriations to carry out said objects.

"FEDERAL LAND BANKS.

"SEC. 4. That each State of the United States is hereby constituted a Federal land-bank district, to be known and designated by the name of the State comprising such district. As soon as practicable the Federal farm-loan board shall establish in each such district one Federal land bank, with its principal office located in such city within the district as said board shall designate, and each land bank shall include in its title the names of the city and State in which it is located. Subject to the approval of the farm-loan board any Federal land bank may establish branches within the State or district in which it is located.

"In no case shall a Federal land bank be established with a capital stock of less than $250,000: *Provided*, That if in the judgment of said Federal farm-loan board agricultural conditions, or the terms and conditions on which farm loans may be procured from other sources, in any State do not warrant the establishment of a Federal land bank in such State, then such board may defer the establishment of such bank until conditions do so warrant, or may refrain altogether from establishing such bank: *Provided further*, That any qualified person seeking a loan on farm lands in a State where no bank has been established may make application to and receive a loan from the Federal land bank of an adjacent or other State under all the provisions and restrictions of this act.

"Each Federal land bank shall be temporarily managed by five directors appointed by the Federal farm-loan board. Said directors shall be citizens of the United States and residents of the district. They shall each give a surety bond, the premium on which shall be paid from the funds of the bank. They shall receive such compensation as the Federal farm-loan board shall fix. They shall choose from their number, by majority vote, a president, a vice president, a secretary, and a treasurer. They are further authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as they may deem necessary, and to fix their compensation, subject to the approval of the Federal farm-loan board.

"Said temporary directors shall, under their hands, forthwith make an organization certificate, which shall specifically state:

"First. The name assumed by such bank.

"Second. The district within which its operations are to be carried on, and the particular city in which its principal office is to be located.

"Third. The amount of capital stock and the number of shares into which the same is to be divided.

"Fourth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

"The organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, transmitted to the farm-loan commissioner, who shall record and carefully preserve the same in his office, where it shall be at all times open to public inspection.

"The Federal farm-loan board is authorized to direct such changes in or additions to any such organization certificate as it may deem necessary or expedient.

"Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

"First. To adopt and use a corporate seal.

"Second. To have succession until it is dissolved by act of Congress or under the provisions of this act.

"Third. To make contracts.

"Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.

"Fifth. To elect or appoint directors, and by its board of directors to elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure and appoint others to fill their places.

"Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal farm-loan board, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected, its officers elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

"Seventh. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

"After the subscriptions to stock in any Federal land bank, hereinafter authorized, shall have reached the sum of $100,000, the officers of said land bank shall be elected and appointed as hereinafter provided, and shall, upon becoming duly qualified, take over the management of said land bank from the temporary officers appointed and chosen under this section.

"The board of directors of every Federal land bank shall be selected as hereinafter specified, and shall consist of five members, each holding

office for three years. Three of said directors shall be known as local directors, and shall be chosen by the stockholders of said bank in the manner prescribed for the election of directors of national banking associations; and the remaining two directors shall be known as district directors, and shall be appointed by the Federal farm-loan board and represent the public interest.

"The Federal farm-loan board shall designate one of the district directors to serve for two years and to act as chairman of the board of directors. The other district director shall serve for a term of one year. After the first appointments each director shall be appointed for a term of two years.

"At the first regular meeting of the board of directors of each Federal land bank it shall be the duty of the local directors to designate one of the local directors whose term of office shall expire in one year from the date of such meeting, one whose term of office shall expire in two years from said date, and one whose term of office shall expire in three years from said date. In making such designations an equitable allotment shall be made between directors chosen in the two divisions in accordance with the proportional representation determined by the farm-loan commissioner. Thereafter every director of a Federal land bank chosen as hereinbefore provided shall hold office for a term of three years. Vacancies that may occur in the board of directors shall be filled in the manner provided for the original selection of such directors. The board of directors shall at such first regular meeting elect from their number a loan committee of three members.

"Directors of Federal land banks shall have been for at least two years residents of the district for which they are appointed or elected, and at least one district director shall be experienced in practical farming and actually engaged at the time of his appointment in farming operations within the district. No director of a Federal land bank shall act as an officer, director, or employee of any other bank.

"Directors of Federal land banks shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their respective boards, to be paid by the respective Federal land banks. Any compensation that may be provided by boards of directors of Federal land banks for directors, officers, or employees shall be subject to the approval of the Federal farm loan board.

"CAPITAL STOCK OF FEDERAL LAND BANKS.

"SEC. 5. That every Federal land bank shall have, before beginning business, a subscribed capital of not less than $250,000. The Federal farm loan board is authorized to prescribe the times and conditions of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof.

"The capital stock of each Federal land bank shall be divided into shares of $5 each, and may be subscribed for and held by any individual, firm, or corporation, or by the Government of any State or of the United States.

"Stock owned by the Government of the United States in Federal land banks shall receive no dividends, but all other stock shall share in dividend distributions without preference. Each borrowing shareholder in any Federal land bank, including the government of any State or of the United States, shall be entitled to one vote for each share of stock held by him or it in deciding all questions at meetings of shareholders, and no other shareholder shall be permitted to vote. Stock owned by the United States shall be voted by the farm-loan commissioner, as directed by the Federal farm-loan board.

"It shall be the duty of the Federal farm-loan board, as soon as practicable after the passage of this act, to open books of subscription for the capital stock of a Federal land bank in each Federal land bank district. If within 90 days after the opening of said books any part of the minimum capitalization of $250,000 herein prescribed for Federal land banks shall remain unsubscribed, it shall be the duty of the Secretary of the Treasury to subscribe the balance thereof on behalf of the United States, said subscription to be subject to call in whole or in part by the board of directors of said land bank upon 30 days' notice, with the approval of the Federal farm-loan board; and the Secretary of the Treasury is hereby authorized and directed to take out shares corresponding to the unsubscribed balance as called, and to pay for the same out of any moneys in the Treasury not otherwise appropriated.

After the subscriptions to capital stock, exclusive of Government subscriptions, shall amount to $250,000 in any Federal land bank, said bank shall apply semiannually to the payment and retirement of stock held by the United States, one-quarter of all sums thereafter subscribed to capital stock, until all stock held therein by the United States is retired at par.

"Whenever capital stock of any Federal land bank or joint-stock land bank to the amount of $100,000 is paid in, at least 10 per cent thereof, and at least 10 per cent of any further payment amounting to $100,000, shall be invested in bonds of the United States, not later than two years after such payment.

"GOVERNMENT DEPOSITARIES.

"SEC. 6. That all Federal land banks and joint-stock land banks organized under this act, when designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them. And the Secretary of the Treasury shall require of the Federal land banks and joint-stock land banks thus designated satisfactory security, by the deposit of United States bonds or otherwise, for the safekeeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the Government. No Government funds deposited under the provisions of this section shall be invested in mortgage loans.

"SEC. 7. Any person, qualified under the provisions of this act, desiring to borrow on farm-land mortgages from a Federal land bank within the district where the land to be mortgaged is situated shall deposit with the treasurer of said bank for the purchase of stock at par an amount equal to 5 per cent of the face of the desired loan. If the loan is granted, the applicant therefor shall thereupon become the owner of one share of capital stock in said bank for each $100 of the face of his loan, which shall be paid off at par and retired upon full payment of said loan. Said capital stock shall be held by said bank as collateral security for the payment of said loan, but said borrower shall be paid any dividends accruing and payable on said capital stock while it is outstanding. Such stock may at any time, in the discretion of the directors of said land bank, be paid off at part and retired. In such case a holder of said stock shall be credited with the par value thereof, and if said par value shall exceed the amount then due on his loan the balance shall be paid to him in cash.

"SEC. 8. Every Federal land bank formed under this act shall have its organization certificate provide for an increase of its capital stock from time to time for the purpose of securing additional loans for its qualified members and stockholders desiring the same and providing for the issue of shares to borrowers in accordance with the provisions of this act. Such increases shall be included in the quarterly reports of said banks to the Federal farm-loan board.

"SEC. 9. All earnings and reserves of any Federal land bank, together with the capital stock of said bank, shall be primarily applied to satisfy the obligations of said bank; and all mortgages belonging to said bank, whether or not the same have been pledged with the farm-loan registrar, shall be security for the payment of every farm-loan bond issued by said bank.

"RESTRICTIONS ON LOANS BASED ON FIRST MORTGAGES.

"SEC. 10. That no Federal land bank organized under this act shall make loans except upon the following terms and conditions:

"First. Said loans shall be secured by duly recorded first mortgages on farm land within the land-bank district in which the bank shall be situated.

"Second. Every such mortgage shall contain an agreement for the payment of a fixed number of semiannual installments sufficient to provide for an agreed rate of interest during the term and for the payment of the principal during and at the end of the term, on what is known as the amortization plan.

"Third. Every such mortgage shall run for a period of at least 5 years and not exceeding 36 years.

"Fourth. Every mortgage loan made under this act, for whatever period, shall provide for its extinguishment, at the option of the borrower, in whole or in part, at any date set for the payment of interest after five years from the date upon which said loan was made, as follows:

"(a) By the tender at their face value of farm-loan bonds issued by the land bank holding such mortgage, all unmatured coupons being attached to said bonds.

"(b) By advance payments in cash in sums of $100, or any multiple thereof. In such case the Federal land bank receiving such payments shall purchase for its own account, and credit at par upon the mortgage, farm-loan bonds in suitable amount; said land bank may call, as may be necessary, farm-loan bonds in suitable amounts, and when such calls shall have become effective shall credit such payments on such mortgage.

"*Provided*, That farm-loan bonds of any Federal land bank, tendered or purchased under the foregoing two paragraphs to extinguish the whole or any part of a mortgage loan, shall bear the rate of interest current on farm-loan bonds issued by such bank at the time such mortgage loan was made.

"Fifth. The rate of interest charged for such loans shall not exceed the legal rate fixed by law for loans by national banks.

"Sixth. Such loans may be made for the following purposes and for no other:

"(a) To provide for the purchase of a farm for a home.

"(b) To provide for the purchase of equipment, fertilizers, and live stock necessary for the proper and reasonable operation of the farm; the term 'equipment' to be defined by the Federal farm-loan board.

"(c) To provide buildings and for the improvement of farm lands; the term 'improvement' to be defined by the Federal farm-loan board.

"(d) To liquidate indebtedness of the owner of the land mortgaged, existing at the time of the organization of the first Federal land bank under the provisions of this act, or indebtedness subsequently incurred for one of the purposes above mentioned.

"Seventh. No such loan shall exceed 50 per cent of the value of the land mortgaged, said value to be ascertained by appraisal, as provided in section 16 of this act. In making said appraisal the actual earning power of said land shall be a principal factor. A reappraisal may be permitted at any time in the discretion of the Federal land bank, and such additional loan may be granted as such reappraisal will warrant under the provisions of this paragraph. Whenever the amount of the loan applied for exceeds the amount that may be loaned under the appraisal as herein limited, such loan may be granted to the amount permitted under the terms of this paragraph without requiring a new application or appraisal.

"Eighth. No such loan shall be made to any person who is not at the time, or who does not in his application promise shortly to become, engaged in the cultivation of the farm mortgaged. In case of the sale of the mortgaged land, the Federal land bank may, in its discretion, declare the mortgage thereon due and payable, or permit said mortgage to be assumed by the purchaser. In case of the death of the mortgagor, the mortgage may, on default and if necessary to protect the loan, declare the mortgage due and payable and take all steps necessary for its collection.

"Ninth. The amount of loans to any one borrower shall in no case exceed a maximum of $10,000, nor shall any loan be less than the sum of $200.

"Tenth. Every applicant for a loan under the terms of this act shall make application on a form to be prescribed for that purpose by the Federal farm-loan board, and such applicant shall state the objects to which the proceeds of said loan are to be applied, and shall afford such other information as may be required.

"Eleventh. Every borrower shall pay simple interest on defaulted payments at the rate of 6 per cent per annum, and by express covenant in his mortgage deed shall undertake to pay when due all taxes or assessments which may be lawfully assessed against the land mortgaged. Taxes or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear simple interest at the rate of 6 per cent per annum.

"Twelfth. Every borrower who shall be granted a loan under the provisions of this act shall enter into an agreement, in form and under conditions to be prescribed by the Federal farm-loan board, that if the whole or any portion of his loan shall be expended for purposes other than those specified in his original application, or if the borrower shall be in default in respect to any condition or covenant of the mortgage, the whole of said loan shall, at the option of the mortgagee, become due and payable forthwith: *Provided*, That the borrower may use part of said loan to repay any sum borrowed to pay for his stock in the Federal land bank, and the land bank holding such mortgage may permit said loan to be used for some other purpose specified in this section.

"Funds transmitted or paid out to borrowers on loans made to them by Federal land banks shall be in current funds, or farm-loan bonds, at the option of the borrower.

"POWERS OF FEDERAL LAND BANKS.

"SEC. 11. That every Federal land bank shall have power, subject to the limitations and requirements of this act—

"First. To issue, subject to the approval of the Federal farm-loan board, and to sell farm-loan bonds of the kinds authorized in this act, to buy the same for its own account, and to retire the same at or before maturity.

"Second. To invest such funds as may be in its possession in the purchase of qualified first mortgages on farm lands situated within the Federal land-bank district within which it is organized or for which it is acting.

"Third. To receive and to deposit in trust with the farm-loan registrar for the district, to be by him held as collateral security for farm-loan bonds, first mortgages upon farm land qualified under section 10 of this act, and to collect or empower any duly authorized agent, to collect and immediately pay over to said land bank the dues, interest, armortization installments and other sums payable under the terms, conditions, and covenants of the mortgages and of the bonds secured thereby.

"Fourth. To receive and to set apart for expenses and profits the excess of interest payments on indorsed mortgages above the interest payments on farm-loan bonds for which said mortgages are held as collateral security, said excess of interest in no case to be more than 1 per cent of the amount of principal remaining unpaid on said mortgages.

"Fifth. To acquire and dispose of—

"(a) Such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be in part leased to others for revenue purposes.

"(b) Parcels of land mortgaged to it as security where there has been default in payment of the mortgage.

"(c) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debt due to it, for a longer period than five years, except with the special approval of the Federal farm-loan board in writing.

"Sixth. To deposit its securities and its current funds subject to check with any Federal reserve bank or with any member bank of the Federal reserve system, and to receive interest on the same as may be agreed.

"Seventh. To borrow money, to give security therefor, and to pay interest thereon.

"Eighth. To buy and sell United States bonds.

"RESTRICTIONS OF FEDERAL LAND BANKS.

"SEC. 12. That no Federal land bank shall have power—

"First. To accept deposits of current funds payable upon demand except from its own stockholders, or to transact any banking or other business not expressly authorized by the provisions of this act.

"Second. To loan on first mortgage except on direct application of a qualified borrower under the provisions of this act or through agents as provided in section 14.

"Third. To accept any mortgages on real estate except first mortgages created subject to all limitations imposed by section 10 of this act and those taken as additional security for existing loans.

"Fourth. To issue or obligate itself for outstanding farm-loan bonds in excess of twenty times the amount of its capital and surplus.

"Fifth. To demand or recive, under any form or pretense, any commission or charge not specifically authorized in this act. This provision shall also apply to joint-stock land banks.

"SPECIAL PROVISIONS.

"SEC. 13. That any person who shall become a shareholder of any Federal land bank and is otherwise qualified under the provisions of this act shall be entitled to borrow money on farm-land mortgage upon filing his application in accordance with section 7 and otherwise complying with the terms of this act whenever the Federal land bank of the district has funds available for that purpose, unless said land bank or the Federal farm-loan board shall, in its discretion, otherwise determine.

"Such member may, at his option, pay the expenses for appraisal, examining title, drawing legal papers, recording, and similar services, or he may require such expenses to be advanced by the Federal land bank making the loan, in which case said expenses may be made a part of the face of the loan and paid off in amortization payments. Such addition to the loan shall not be permitted to increase said loan above the 50 per cent limited in section 10.

"Any person who shall borrow from a Federal land bank for the purpose of purchasing a farm for a home under the provisions of section 10 of this act may, at his option, borrow from the Federal land bank such sum as is needed to pay for his required shares of stock in the Federal land bank, and such sum may be borrowed in addition to the amount permitted to be borrowed under the provisions of said section 10.

"AGENTS OF FEDERAL LAND BANKS.

"SEC. 14. Federal land banks may make loans on farm lands through agents approved by the Federal farm-loan board.

"Such loans shall be subject to all the conditions and restrictions provided by this act, and each borrower shall contribute 5 per cent of the amount of his loan to the capital of the Federal land bank, and shall become the owner of as much capital stock of the land bank as such contribution shall warrant.

"No other agent than a duly incorporated bank, trust company, or mortgage institution, chartered by the Federal Government, or by the State in which it has its principal office, shall be employed under the provisions of this section.

"Federal land banks may pay to such agents not to exceed one-half of 1 per cent per annum upon the unpaid principal of said loan.

"Actual expenses paid by borrowers for appraisal, examining title, drawing legal papers, recording, and similar services may be added to the face of the loan and paid off in amortization payments. Such addition to the loan shall not be permitted to increase said loan above the 50 per cent limited in section 10.

"Said agents, when required by the Federal land banks, shall collect and forward to such banks without charge all interest and amortization payments on loans indorsed by them.

"Any agent negotiating any such loan shall indorse the same and become liable for the payment thereof, and for any default by the mortgagor, on the same terms and under the same penalties as if the loan had been originally made by said agent as principal and sold by said agent to said land bank, but the aggregate of the unpaid principal of mortgage loans received from any such agent shall not exceed its capital and surplus.

"JOINT-STOCK LAND BANKS.

"SEC. 15. That corporations, to be known as joint-stock land banks, for carrying on the business of lending on farm-mortgage security and issuing farm-loan bonds, may be formed by any number of natural persons not less than 10. They shall be organized subject to the requirements and under the conditions set forth in section 4 of this act, so far as the same may be applicable: *Provided*, That the board of directors of every joint-stock land bank may consist of more than 5 members.

"Shareholders of every joint-stock land bank organized under this act shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares.

"Except as otherwise provided, joint-stock land banks shall be subject to all the restrictions and conditions imposed on Federal land banks by this act, so far as such restrictions and conditions are applicable: *Provided, however*, That the Government of the United States shall not purchase or subscribe for any of the capital stock of any such bank; and each shareholder of any such bank shall have the same voting privileges as holders of shares in national banking associations.

"No joint-stock land bank shall have power to issue or obligate itself for outstanding farm-loan bonds in excess of fifteen times the amount of its capital and surplus, or to receive deposits, or to transact any banking or other business not expressly authorized by the provisions of this act.

"No joint-stock land bank shall be authorized to do business until capital stock to the amount of at least $250,000 has been subscribed and paid in cash, and a charter has been issued to it by the Federal farm-loan board. In States having populations exceeding 2,000,000, the capital stock of joint-stock land banks shall be not less than $500,000.

"Farm-loan bonds issued by joint-stock land banks shall be so engraved as to be readily distinguished in form and color from farm-loan bonds issued under this act by Federal land banks, and shall otherwise bear such distinguishing marks as the Federal farm-loan board shall direct.

"Joint-stock land banks shall not be subject to the provisions of section 11 or section 17 of this act as to interest rates on mortgage loans or farm-loan bonds, nor to the provisions of the paragraphs designated first, sixth, eighth, ninth, and twelfth of section 10 as to restrictions on mortgage loans: *Provided, however*, That no loans shall be made in excess of 50 per cent of the appraised value of the mortgaged lands, and all loans shall be secured by first mortgages on farm lands within the State in which such joint-stock land bank has its principal office or within some State contiguous to such State.

"Joint-stock land banks shall in no case charge interest on farm loans exceeding by more than 1 per cent the rate of interest established for the last series of farm-loan bonds issued by them.

"Each joint-stock land bank organized under this act shall have authority to issue bonds based upon mortgages taken by it in accordance with the terms of this act. Such bonds shall be in form prescribed by the Federal farm-loan board, and it shall be stated in such bonds that such bank is organized under section 15 of this act, is under Federal supervision, and operates under the provisions of this act.

"Farm-loan bonds issued by joint-stock land banks shall be called joint-stock bonds.

"APPRAISAL.

"SEC. 16. That whenever an application for a mortgage loan is made to any Federal land bank it shall be first referred to the loan committee provided for in section 7 of this act. Said loan committee shall examine the land which is offered as security for the desired loan and shall make a detailed written report signed by all three members, giving the appraisal of said land as determined by them, and such other information as may be required by rules and regulations to be prescribed by the Federal farm-loan board. No loan shall be approved by the directors unless said loan committee agrees unanimously upon a favorable report.

"The written report of said loan committee shall be submitted to the Federal land bank, together with the application for the loan, and the directors of said land bank shall examine said written report when they pass upon the loan application which it accompanies, but they shall not be bound by said appraisal.

"Before any mortgage loan is made by any Federal land bank or joint-stock land bank it shall refer the application and written report of the loan committee to one or more of the land-bank appraisers appointed under the authority of section 3 of this act, and such appraiser or appraisers shall investigate and make a written report upon the land offered as security for said loan. No such loan shall be made by said land bank unless said written report is favorable.

"Whenever any Federal land bank or joint-stock land bank shall desire to issue farm-loan bonds under the provisions of section 19 of this act, the Federal farm-loan board shall refer the application of such land bank to one or more of the special appraisers appointed under the authority of section 3 of this act. Such special appraiser or appraisers shall make such examination and appraisal of the mortgages offered as collateral security for such bonds as the Federal farm-loan board shall direct, and shall make a written report to said board. No issue of farm-loan bonds shall be authorized unless the Federal farm-loan board shall approve such issue in writing.

"Forms for appraisal reports for Federal land banks shall be prescribed by the Federal farm-loan board.

"Land-bank appraisers and special appraisers shall make such examinations and appraisals and conduct such investigations concerning farm-loan bonds and first mortgages as the Federal farm-loan board shall direct.

"No borrower under this act shall be eligible as an appraiser under this section, but borrowers may act as members of a loan committee in any case where they are not personally interested in the loan under consideration. When any member of a loan committee or of a board of directors is interested, directly or indirectly, in a loan, a majority of the board of directors shall appoint a substitute to act in his place in passing upon such loan.

"POWERS OF FEDERAL FARM-LOAN BOARD.

"SEC. 17. That the Federal farm-loan board shall have power—

"(a) To organize and charter Federal land banks and joint-stock land banks, subject to the provisions of this act.

"(b) To review and alter at its discretion the rate of interest to be charged by Federal land banks for loans made by them under the provisions of this act, said rates to be uniform so far as practicable.

"(c) To grant or refuse to Federal land banks or joint-stock land banks authority to make any specific issue of farm-loan bonds.

"(d) To make rules and regulations respecting the charges made to borrowers on loans under this act for expenses in appraisal, examining title, drawing legal papers, recording, and similar services.

"(e) To require reports and statements of condition and to make examinations of all banks doing business under the provisions of this act.

"(f) To prescribe the form and terms of farm-loan bonds, and the form, terms, and penal sums of all surety bonds required under this act and of such other surety bonds as they shall deem necessary, such surety bonds to cover financial loss as well as faithful performance of duty.

"(g) To require Federal land banks to pay forthwith to any Federal land bank their equitable proportion of any sums advance by said land bank to pay the coupons of any other land bank, basing said required payments on the amount of farm-loan bonds issued by each land bank and actually outstanding at the time of such requirement.

"(h) To exercise such incidental powers as shall be necessary or requisite to fulfill their duties and carry out the purposes of this act.

"APPLICATIONS FOR FARM-LOAN BONDS.

"SEC. 18. That any Federal land bank, or joint-stock land bank, which shall have voted to issue farm-loan bonds or joint-stock bonds under this act, shall make written application to the Federal farm-loan board, through the farm-loan registrar of the district, for approval of such issue. With said application said land bank shall tender to said farm-loan registrar as collateral security first mortgages on farm lands qualified under the provisions of section 10 or section 14 of this act, or United States Government bonds, not less in aggregate amount than the sum of the bonds proposed to be issued. Said bank shall furnish with such mortgages a schedule containing a description thereof and such other information as may be prescribed by the Federal farm-loan board.

"Upon receipt of such application said farm-loan registrar shall verify said schedule and shall transmit said application and said schedule to the Federal farm-loan board, giving such further information pertaining thereto as he may possess. The Federal farm-loan board shall forthwith cause one or more special appraisers to make such investigation and appraisement of the securities tendered as it shall deem wise, and upon receiving a report from said special appraiser or appraisers it shall grant in whole or in part, or reject entirely, such application.

"The Federal farm-loan board shall promptly transmit its decision as to any issue of farm-loan bonds to the land bank applying for the same and to the farm-loan registrar of the district. Said registrar shall furnish, in writing, such information regarding any issue of farm-loan bonds as the Federal farm-loan board may at any time require.

"ISSUE OF FARM-LOAN BONDS.

"SEC. 19. That whenever any farm-loan registrar shall receive from the Federal farm-loan board notice that it has approved any issue of farm-loan bonds under the provisions of section 18, he shall forthwith take such steps as may be necessary, in accordance with the provisions of this act, to insure the prompt execution of said bonds and the delivery of the same to the land bank applying therefor.

"Whenever the Federal farm-loan board shall reject entirely any application for an issue of farm-loan bonds the first mortgages tendered to the farm-loan registrar as collateral security therefor shall be forthwith returned to said land bank by him.

"Whenever the Federal farm-loan board shall approve an issue of farm-loan bonds the farm-loan registrar having the custody of the first mortgages and bonds tendered as collateral security for such issue of bonds shall retain in his custody those first mortgages and bonds which are to be held as collateral security and shall return to the bank owning the same any of said mortgages and bonds which are not to be held by him as collateral security. The land bank which is to issue said farm-loan bonds shall transfer to said registrar, by assignment in trust, all first mortgages and bonds which are to be held by said registrar as collateral security, said assignment providing for the right of redemption at any time by payment as provided in this act and reserving the right of substitution of other mortgages qualified under section 10 or section 14 of this act. Said mortgages shall be deposited in such deposit vault or bank as the Federal farm-loan board shall approve, subject to the control of said registrar, and in his name as trustee for the bank issuing the farm-loan bonds and for the prospective holders of said farm-loan bonds.

"No mortgage shall be accepted by a farm-loan registrar from a Federal land bank as part of an offering to secure an issue of farm-loan bonds, either originally or by substitution, except first mortgages made subject to the conditions prescribed in said sections 10 or 14.

"It shall be the duty of each farm-loan registrar to see that the farm-loan bonds delivered by him and outstanding do not exceed the amount of collateral security pledged therefor. Such registrar may, in his discretion, temporarily accept in place of mortgages withdrawn United States Government bonds, farm-loan bonds, or cash.

"The Federal farm-loan board may, at any time, call upon any land bank for additional security to protect the bonds issued by it.

"FORM OF FARM-LOAN BONDS.

"SEC. 20. That all bonds provided for in this act shall be issued under the authority and by the direction of the Federal farm-loan board. They shall be issued in denominations of $25, $50, $100, $500, and $1,000. They shall run for specified minimum and maximum periods, subject to be paid and retired at the option of the land bank at any time after 10 years from the date of their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than $50,000, whose amount and term shall be fixed by the Federal farm-loan board. They shall bear a rate of interest not to exceed 5 per cent per annum.

"The Federal farm-loan board shall prescribe rules and regulations concerning the form of farm-loan bonds, and the circumstances and manner in which farm-loan bonds shall be paid and retired under the provisions of this act.

"Farm-loan bonds shall be delivered through the registrar of the district to the bank applying for the same.

"In order to furnish suitably engraved bonds for delivery to Federal land banks and joint-stock land banks, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such bonds of the denominations of $100, $500, and $1,000 as may be required to supply such land banks. Such bonds shall be in form and tenor as directed by the Federal farm-loan board under the provisions of this act and shall bear the distinctive numbers and names of the several land banks by which they are issued. They may be exchanged into registered bonds of any amount, and reexchanged into coupon bonds, at the option of the holder, under rules and regulations to be prescribed by the Federal farm-loan board.

"When such bonds have been prepared they shall be deposited in the Treasury or in the subtreasury or mint of the United States nearest the place of business of each land bank, and shall be held for the use of such bank, subject to the order of the farm-loan registrar of the district.

"The plates and dies to be procured by the Comptroller of the Currency for the printing of such bonds shall remain under his control and direction, and the expenses necessarily incurred in executing the laws relating to the preparation of such bonds and all other expenses incidental to their issue and retirement shall be paid by the land banks. The Federal farm-loan board shall levy semiannually against the respective Federal land banks and joint-stock land banks, in proportion to the issue of bonds by each, a sufficient amount to cover such expenses.

"The examination of plates, dies, bed pieces, etc., and regulations to such examination of plates, dies, etc., of national-bank notes provided for in section 5174, Revised Statutes, are hereby extended to include bonds herein provided for.

"Any appropriation heretofore made out of the general fund of the Treasury for engraving plates and dies, for the purchase of distinctive paper, or to cover any other expense in connection with the printing of paper currency, and any distinctive paper that may be on hand at the time of the passage of this act may be used in the discretion of the Secretary of the Treasury for the purposes of this act, and should the appropriations heretofore made be insufficient to meet the requirements of this act, the Secretary is hereby authorized to use so much of any funds in the Treasury not otherwise appropriated as may be required for the purpose of furnishing the bonds aforesaid, adequate reimbursement being duly made therefor under the provisions of this section.

"SPECIAL PROVISIONS OF FARM-LOAN BONDS.

"SEC. 21. That each Federal land bank shall be bound in all respects by the acts of its officers in signing and issuing farm-loan bonds, and by the acts of the Federal farm-loan board in authorizing their issue.

"Every Federal land bank issuing farm-loan bonds shall be primarily liable therefor, and shall also be liable, upon presentation of farm-loan bond coupons, for interest payments due upon any farm-loan bonds issued by other Federal land banks and remaining unpaid in consequence of the default of such other land banks; and every such bank shall likewise be liable for such portion of the principal of farm-loan bonds so issued as shall not be paid after the assets of any such other land banks shall have been liquidated and distributed: *Provided*, That such losses, if any, either of interest or of principal, shall be assessed by the Federal farm-loan board against solvent land banks liable therefor in proportion to the amount of farm-loan bonds which each may have outstanding at the time of such assessment.

"Every farm-loan bond issued by a Federal land bank shall be signed by its president and attested by its secretary, and shall contain on the face thereof a certificate signed by the farm-loan commissioner to the effect that it is issued under the authority of the Federal farm-loan act, has the approval in form and issue of the Federal farm-loan board, and is legal and regular in all respects; that it is not taxable by National, State, municipal, or local authority; that it is issued against collateral security of Government bonds, or first mortgages on farm lands, deposited with the farm-loan registrar, and that all Federal land banks, stating the approximate amount of their aggregate capital and surplus, are liable for the payment of each bond.

"APPLICATION OF AMORTIZATION AND INTEREST PAYMENTS.

"SEC. 22. That whenever any Federal land bank, or joint-stock land bank, shall receive any interest, amortization, or other payment upon any first mortgage pledged as collateral security for the issue of farm-loan bonds, it shall forthwith notify the farm-loan registrar of the items so received. Said registrar shall forthwith cause such payment to be duly credited upon the mortgage entitled to such credit. Whenever any such mortgage is paid in full, said registrar shall cause the same to be canceled and delivered to the proper land bank for transmission to the original maker thereof, or his heirs, administrators, or assigns.

"Upon written application by any Federal land bank, or joint-stock land bank, to the farm-loan registrar, it may be permitted, in the discretion of said registrar, to withdraw any mortgages or bonds pledged as collateral security under this act, and to substitute therefor other mortgages or United States Government bonds not less in amount than the mortgages or bonds desired to be withdrawn, such substituted mortgages being qualified under section 10 or section 14 of this act.

"Whenever any farm-loan bonds, or coupons or interest payments of such bonds, are due under their terms, they shall be payable at the land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the Federal farm-loan board, payment of any farm-loan bond or coupon or interest payment may, however, be authorized to be made at any Federal land bank, any joint-stock land bank, or any other bank, under rules and regulations to be prescribed by the Federal farm-loan board.

"When any land bank shall surrender to the proper farm-loan registrar any farm-loan bonds of any series, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds pledged as collateral security for any of said series of farm-loan bonds to an amount equal to the farm-loan bonds so surrendered, and it shall be the duty of said registrar to permit and direct the delivery of such mortgages and bonds to such land bank.

"Interest payments on hypothecated first mortgages shall be at the disposal of the land bank pledging the same, and shall be available for the payment of coupons and the interest of farm-loan bonds as they become due.

"Whenever any bond matures, or the interest on any registered bond is due, or the coupon on any coupon bond matures, and the same shall be presented for payment as provided in this act, the full face value thereof shall be paid to the holder.

"Amortization or other payments on the principal of first mortgages held as collateral security for the issue of farm-loan bonds shall constitute a trust fund in the hands of the Federal land bank, or joint-stock land bank, receiving the same, and shall be applied or employed as follows:

"In the case of a Federal land bank—

"(a) To pay off farm-loan bonds issued by said bank as they mature.

"(b) To purchase farm-loan bonds issued by said bank or by any Federal land bank.

"(c) To loan on first mortgages on farm lands within the land-bank district, qualified under this act as collateral security for an issue of farm-loan bonds.

"(d) To purchase United States Government bonds.

"(e) To convert said payments into gold or lawful money.

"In the case of a joint-stock land bank—

"(a) To pay off farm-loan bonds issued by said bank as they mature.

"(b) To purchase farm-loan bonds.

"(c) To loan on first mortgages on farm lands within the State in which it has its principal office.

"(d) To purchase United States Government bonds.

"(e) To convert said payments into gold or lawful money.

"The farm-loan bonds, first mortgages, Government bonds, or gold or lawful money, constituting the trust fund aforesaid, shall be forthwith deposited with the farm-loan registrar as substituted collateral security in place of the sums paid on the principal of indorsed mortgages held by him in trust.

"Federal land banks, in the order of their applications, shall have a preference over other subscribers in purchasing the whole or any part of an issue of farm-loan bonds.

"Every Federal land bank, or joint-stock land bank, shall notify the farm-loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for an issue of farm-loan bonds, and said registrar is authorized, at his discretion, to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid.

"RESERVE AND DIVIDENDS OF LAND BANKS.

"SEC. 23. That every Federal land bank, and every joint-stock land bank, shall, out of its net earnings, semiannually carry to reserve account 25 per cent thereof until said reserve account shall show a credit balance equal to 20 per cent of the outstanding capital stock of said land bank. Whenever said reserve shall have been impaired, said balance of 20 per cent shall be fully restored before any dividends are paid. After said reserve has reached the sum of 20 per cent of the outstanding capital stock, 5 per cent of the net earnings shall be annually added thereto. For the period of two years from the date when any default occurs in the payment of the interest, amortization installments, or principal on any first mortgage, by both mortgagor and indorser, the amount so defaulted shall be carried to a suspense account, and at the end of the two-year period specified, unless collected, shall be debited to reserve account.

"Whenever the net earnings of any Federal land bank or joint-stock land bank, after deducing the 25 per cent or the 5 per cent hereinbefore directed to be deducted for credit to reserve account, shall amount to 2 per cent upon the face value of the capital stock of such land bank then outstanding, said land bank may, at its discretion, declare a divident to shareholders of the whole or any part of the balance of said net earnings.

"DEFAULTED LOANS.

"SEC. 24. That if there shall be default under the terms of any indorsed first mortgage held by a Federal land bank under the provisions of this act, the agent, if any, through which said mortgage was received by said Federal land bank shall be notified of said default. Said agent shall thereupon be required, within 30 days after such notice, to make good said default, either by payment of the amount unpaid thereon in cash or by the substitution of an equal amount of farm-loan bonds issued by said land bank, with all unmatured coupons attached.

"EXEMPTION FROM TAXATION.

"SEC. 25. That every Federal land bank, including the capital stock and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes upon real estate held, purchased, or taken by said bank under the provisions of section 11 of this act. First mortgages executed to Federal land banks or to joint-stock land banks and farm-loan bonds issued under the provisions of this act shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal State, municipal, and local taxation.

"INVESTMENT IN FARM-LOAN BONDS.

"SEC. 26. That farm-loan bonds issued under the provisions of this act by Federal land banks or joint-stock land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

"Any bank of the Federal Reserve System may buy or sell farm-loan bonds issued under the authority of this act; any member bank of said system may accept time drafts against a deposit of such bonds as security; acceptances of a member bank thus made, or the direct obligations of such bank maturing within 60 days, when accompanied by farm-loan bonds as collateral security not less in face value than the amount of such direct obligation, shall be eligible for discount by the Federal reserve bank of its district.

"Section 9 of the act of June 25, 1910, entitled 'An act to establish postal savings depositaries for depositing savings at interest, with the security of the Government for repayment thereof, and for other purposes' (vol. 36, U. S. Stat. L., p. 814), shall be, and the same is hereby, amended by adding a new paragraph at the close of said section to read as follows: 'Federal farm-loan bonds authorized by the Federal farm-loan board and issued by any Federal land bank may be purchased by the trustees, in lieu of United States bonds or other securities, for the purpose of investing postal savings deposits under the provisions of this section. Whenever funds shall be withdrawn from postal savings depositaries for investment, the trustees are hereby authorized to purchase Federal farm-loan bonds in the open market or from any Federal land bank authorized to issue the same: *Provided*, That in no case shall such farm-loan bonds be purchased at more than par, nor shall more than 30 per cent of the postal savings deposits be invested at any one time in farm-loan bonds as herein provided.'

"STATE LEGISLATION.

"SEC. 27. That it shall be the duty of the farm-loan commissioner to make examination of the laws of every State of the United States and to inform the Federal farm-loan board as rapidly as may be whether in his judgment the laws of each State relating to the conveying and recording of land titles, and the foreclosing of mortgages or other instruments securing loans, as well as providing homestead and other exemptions and granting the power to waive such exemptions as respects first mortgages, are such as to assure the holder thereof adequate safeguards against loss in the event of default on loans secured by any such mortgages.

"Pending the making of such examination in the case of any State, the Federal farm-loan board may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm-loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this act, the said Federal farm-loan board may declare said first mortgages on land situated in such State ineligible during the continuance of the laws in question. In making his examination of the laws of the several States and forming his conclusions thereon said farm-loan commissioner may call upon the office of the Attorney General of the United States for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary.

"At the request of the executive of any State the Federal farm-loan board shall prepare a statement setting forth in what respects the requirements of said board can not be complied with under the existing laws of such States.

"EXAMINATIONS.

"SEC. 28. That the Federal farm-loan board shall appoint as many land-bank examiners as in its judgment may be required to make careful examinations of the banks permitted to do business under this act.

"Said examiners shall be subject to the same requirements, responsibilities, and penalties as are applicable to national bank examiners under the national bank act, the Federal reserve act, and other provisions of law. Said examiners shall be required to examine and report the condition of every Federal land bank and joint-stock land bank at least twice each year.

"Said examiners shall receive salaries to be fixed by the Federal farm-loan board, which shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated.

"PENALTIES.

"SEC. 29. That any applicant for a loan from a Federal land bank or joint-stock land bank who shall knowingly make any false statement in his application for such loan, and any member of a loan committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than $5,000, or both. Any examiner appointed under this act who shall accept a loan or gratuity from any bank examined by him, or from any person connected with any such bank in any capacity, shall be deemed guilty of a misdemeanor, and shall be imprisoned not exceeding one year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this act. No examiner shall perform any other service for compensation while holding such office, for any bank or banking or loan association, or for any person connected therewith in any capacity.

"Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any bond, coupon, or paper in imitation of, or purporting to be in imitation of, the bonds or coupons issued by any bank or association, now or hereafter authorized and acting under the laws of the United States; or any person who shall pass, utter, or publish, or attempt to pass, utter, or publish any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by any such bank or association, knowing the same to be falsely made, forged, or counterfeited; or whoever shall falsely alter, or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such bond, coupon, or paper, or shall pass, utter, or publish as true any falsely altered or spurious bond, coupon, or paper issued, or purporting to have been issued, by any such bank or association, knowing the same to be falsely altered or spurious, shall be deemed guilty of a misdemeanor and shall be fined not exceeding $5,000 or imprisoned not exceeding five years, or both.

"Other than the usual salary or director's fee paid to any officer, director, or employee of a Federal land bank or a joint-stock land bank, and other than a reasonable fee paid by such bank to any officer, director, attorney, or employee for services rendered, no officer, director, attorney, or employee of any bank organized under this act shall be a beneficiary of or receive, directly or indirectly, any fee, commission, gift, or other consideration for or in connection with any transaction or business of such bank. No bank organized under this act shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized. No examiner, public or private, shall disclose the names of borrowers to other than the proper officers of a Federal land bank without first having obtained express permission in writing from the farm-loan commissioner or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress or of either House duly authorized. Any person violating any provision of this paragraph shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding one year, or both.

"Any person connected in any capacity with any Federal land bank, or joint-stock land bank, who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits, or who without authority from the directors draws any order, assigns any note, bond, draft, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such land bank with intent in either case to defraud such institution or any other company, body politic or corporate, or any individual person, or to deceive any officer of a land bank or any agent appointed to examine into the affairs of any such bank, and every person who with like intent aids or abets any officer, clerk, or agent in any violation of this section, shall be deemed guilty of a misdemeanor, and shall be fined not exceeding $5,000 or imprisoned not exceeding five years, or both.

"Any person who shall receive, defraud, or impose upon, or who shall attempt to deceive, defraud, or impose upon, any person, firm, or corporation by making any false pretense or representation regarding the character, issue, security, or terms of any farm-loan bond, or coupon, issued under the terms of this act; or by falsely pretending or representing that any farm-loan bond, or coupon, issued under the terms of this act by one class of land banks is a farm-loan bond, or coupon, issued by another class of banks; or by falsely pretending or representing that any farm-loan bond, or coupon, issued under the terms of this act, or anything contained in said farm-loan bond, or coupon, is anything other than, or different from, what it purports to be on the face of said bond, or coupon, shall be deemed guilty of a misdemeanor, and shall be fined not exceeding $5,000 or imprisoned not exceeding five years, or both.

"GOVERNMENT DEPOSITS.

"SEC. 30. That the Secretary of the Treasury is authorized and directed, upon the request of the Federal farm-loan board, to make advances or deposits for the temporary use of any Federal land bank, out of any money in the Treasury not otherwise appropriated. Such Federal land bank shall issue to the Secretary of the Treasury a certificate of indebtedness for any such advance or deposit, bearing interest at the rate of 2 per cent per annum, to be secured by farm-loan bonds or other collateral to the satisfaction of the Secretary of the Treasury. Any such certificate shall be redeemed and paid by such land bank at the direction of the Federal farm-loan board. The aggregate of all sums so advanced or deposited by the Secretary of the Treasury in any fiscal year shall not exceed the sum of $6,000,000 at any one time.

"DISSOLUTION AND APPOINTMENT OF RECEIVERS.

"SEC. 31. Upon default of any obligations by any Federal land bank or any joint-stock land bank, said bank may be declared insolvent and placed in the hands of a receiver, to be appointed by the Federal farm-loan board. Such receiver, under the direction of the Federal farm-loan board, shall take possession of the books, records, and assets of every description of said bank, collect all debts, dues, and claims belonging to it, and with the approval of the Federal farm-loan board, or upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like approval or order, may sell all the real and personal property of such association on such terms as the Federal farm-loan board or said court shall direct. Such receiver shall pay over all money so collected to the Treasurer of the United States, subject to the order of the Federal farm-loan board, and also make report to said board of all his acts and proceedings.

"Whenever the capital stock of a Federal land bank shall be reduced the board of directors shall cause to be executed a certificate to the Federal loan board showing such reduction of capital stock, and if said reduction shall be due to the insolvency of a farm-loan association, the amount repaid to such association.

"No Federal land bank or joint stock land bank shall be dissolved without the written consent of the Federal farm-loan board.

"ORGANIZATION EXPENSES.

"SEC. 32. That the sum of $100,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Federal farm-loan board, for the purpose of carrying into effect the provisions of this act.

"LIMITATION OF COURT DECISIONS.

"SEC. 33. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof, directly involved in the controversy in which such judgment shall have been rendered.

"REPEALING CLAUSE.

"SEC. 34. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved.

"Amend the title so as to read: 'A bill to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes.'"

The VICE PRESIDENT. The question is on the substitute of the Senator from South Dakota.

Mr. CURTIS. Mr. President, when this bill was agreed upon by the committee I sent a number of them and copies of the bill introduced by the Senator from North Dakota [Mr. GRONNA] and a House bill to various organizations in the State of Kansas. At that time I thought the Gronna bill would be offered as a substitute for this measure; and I asked the heads of these organizations if they would not comment upon the two bills and write me what they thought of them. I stated in the letter that as this measure had been agreed upon by the committee and was indorsed by the majority, it would likely pass.

I have here a letter from one of the leading farmers of the fourth Kansas district, in which he analyzes this measure, and I should like to have it read in my time. After it is read, I want to submit a few remarks.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

The Secretary read as follows:

ONAGA, KANS., *March 25, 1916.*

Hon. CHARLES CURTIS,
*Washington, D. C.*

MY DEAR SENATOR: Under date of February 18 you wrote me asking the farmers' view on rural credits bill recommended by the Joint Committee on Rural Credits. You will pardon my delay in responding thereto, but I desired to give the matter careful consideration before submitting an opinion, and, if possible, ascertain from farmers themselves their consensus of the measure proposed. I feel that I can now give you the general view of the Kansas farmer.

The Kansas farmer has very little trouble to-day in securing real estate loans on improved land, or on land in cultivation upon which improvements are to be made, for a period of five years or longer, to the amount of 50 per cent of the value of the land, at 6 per cent interest. Fully half of these loans are made by loan agents and the other half by trust companies, banks, and private persons. The loan agents and trust companies obtain their money at 5 per cent. They sell the loans in the East so that the purchaser realizes 5 per cent interest on his money, and they thus make 1 per cent profit, less their expense, in securing and writing the business. It is apparent, therefore, that the Kansas farmer is securing money at a fair rate of interest.

Under the proposed measure loans will be made to actual tillers of the soil for 50 per cent of the value of the land, at 5 per cent interest, no loan to exceed the sum of $10,000, or for a longer time than 36 years, said loans to become due in case the land is sold by the mortgagor.

The first criticism of this bill is the complicated machinery for putting same into effect.

1. The appointment of a Federal farm-loan board of five members, with a staff of assistants and clerks.
2. The appointment of a registrar.
3. The creation of 12 Federal land banks, with directors, attorneys, appraisers, stockholders, and a corps of employees.
4. The creation of national farm-loan associations of two kinds.
5. The organization of joint-stock land banks.

It is difficult to determine just how many persons will be required to start the system, but that it will require the services, in whole or in part, of a great number is clear. This will require the expenditure of a large sum of money, and after the system is started the expense of operation will be large.

The second objection is that the system is founded upon the idea of profit. The Federal land bank and the joint-stock land bank are to have paid-up capital stock. This stock is to be subscribed by persons, firms, corporations, by the United States, and by national farm-loan associations. The stock of any one or all of these banks might be held by capitalists. Every subscriber, except the national farm-loan associations, will purchase such stock as an investment, and the incentive to every investment is profit.

If the object of this legislation is to provide funds which are to be loaned to farmers at the lowest rates of interest, then, why should it be founded upon the idea of profit? While we do not think it would happen, however, it is possible that the stock of these banks might be controlled by a very few persons.

There is no good reason why our Government should build up a system of dividend-paying financial institutions in order to supply money to the agricultural interests of the country. If the primary object is the issuing of bonds secured by farm mortgages, then the bank idea should be eliminated.

Now, if banks are necessary in conducting this business, why should the number be limited to 12? It would seem that certain financial centers of the country are to be favored once more, as in the case of the Federal reserve banks.

Any view of this measure looks toward the exploitation of the borrower in the interest of the investor. The bill does not seek to give the borrower the lowest rate obtainable. If money can be obtained on 4 per cent bonds, then it should be loaned to the borrower at 4 per cent plus the expense of handling the business and a slight charge to cover possible losses or depreciation in values. The bill contemplates loaning the money, raised by the sale of 4 per cent bonds, to the borrower at 5 per cent interest. This will give the bank making the loan a profit of 1 per cent, less expenses. The loans are to run from 5 to 36 years, which means that 5 per cent to 36 per cent of the loan will go to the bank making the loan during the period of time.

There is no provision made for distribution of surplus in case the bonds should sell at a premium, which is very probable. Under the bill such premium would be the property of the bank issuing the bonds and could be paid out in dividends.

The farm-mortgage indebtedness of the United States is more than seven and one-half billions of dollars. If this legislation is to be of any benefit to the farmer he must have the privilege of refunding his outstanding mortgage indebtedness, should he desire to do so, and he will desire to do so where he is now paying more than 5 per cent interest. That being the case, it is fair to assume that seven billions of the present mortgage indebtedness will be rewritten within a year after the bill becomes a law, if the money is available. It is very doubtful whether so much money can be raised by the sale of 4 per cent bonds, but that is a fair estimate of the amount which will be required to meet the demand. The profit to the banks on that amount would be $7,000,000 annually. Assuming that there will be 36 banks, with a combined capital of twenty-four millions, and assuming that the business can be handled for one-half of 1 per cent, which is about the cost at the present time, these banks could set aside 12 per cent on their capitalization the first year. If the new business amounts to one billion a year, which is a fair assumption, at the end of five years these banks would be making over 35 per cent. This is manifestly unfair to the borrower, when the paramount purpose of this bill is to furnish money at a low rate. The Government of the United States, which is conducted for the benefit of all the people, should not lend aid to the creation of any financial institution or system which will grow fat on the earnings of the people as a whole. A proposition very similar to this caused trouble in 1836.

As has been said, half of the real estate loans made to-day are successfully made without the assistance of a bank, except to cash the checks. Surely, then, a system can be devised whereby bonds secured by real estate mortgages can be placed on the market and the proceeds loaned without the establishment of dividend-paying financial institutions, where the profits go not to the borrowers but to private investors.

This is the age of cooperation. The producer is learning that the secret of success is to cooperate with those similarly engaged. The most successful cooperative organizations are those where the profits of the business are distributed among the patrons according to the patronage of each. The profits under this bill should be distributed to the borrowers according to the amount of money loaned.

The bill, then, should provide for the issue and sale of bonds, without the aid of joint-stock companies, by associations composed of borrowers, and the profits should be distributed among the members.

There are other objections to the bill, but as these are the leading ones, I shall omit the others. Trusting that this may be of some benefit to you, and assuring you that I shall be pleased to furnish what information I may have at any time, I am,

Yours, truly, CHESTER A. LEINBACH.

Mr. CURTIS. Mr. President, it is not my intention to comment upon this letter nor to detain the Senate very long in a discussion of this measure. Upon two different occasions I have pointed out objections to the measure. One is that I think it provides for too many offices. In fact, I doubt if anyone now knows how many it will require. The reserve bank system now employs, with only 12 banks, 593 persons, and I judge that this measure will require many more than that number.

I believe it is top-heavy, and I doubt very much if there are many farmers in the State of Kansas who will take advantage of the provisions of the act. I doubt if it will be of any benefit to them.

I doubt if you will get 10 or more farmers in Kansas or in other parts of the country to organize and become responsible for each other's mortgages and the obligations of the association provided for in the act. I doubt that very much. But, in my judgment, if the bill does them no good, it will do them no harm. There may be some sections of the country where the bill will do some good, and because I believe it is a step in the right direction it is my intention to vote for the bill upon its final passage. In the meantime, I shall vote for the substitute offered by the Senator from North Dakota [Mr. GRONNA].

I may say in this connection that I have received several letters from farmer organizations, or, rather, from heads of organizations, who have studied these measures very carefully, and every one who expressed a preference, expressed a preference for the Gronna bill with the exception, I think, of one or two, who favored the House bill, which I think is known as the Morgan bill.

I do not believe we are justified in building up a great organization here and providing for 12 banks in different sections of the country, with a corps of officers of all kinds to be paid large salaries. I believe if we want to help the farmers we should provide for an organization or an association and have the loans made in the simplest way and with just as little expense as possible. As was said by the writer of the letter which was read, these associations should not be organized for profit. If we are going to help the farmers, we ought to help them by making the loans through associations which will not be so expensive as to be burdensome.

Mr. GRONNA. Mr. President——

Mr. CURTIS. I yield to the Senator from North Dakota.

Mr. GRONNA. I do not know whether I misunderstood the letter when it was read, but I understood the writer to say that the rates to the farmers are going to be 5 per cent and that the rates on the bonds would be 4 per cent. I wish to say to the Senator from Kansas that the pending bill—the Hollis bill—provides for a maximum of 5 per cent on bonds and 1 per cent more to the farmer, which, of course, would be 6 per cent.

Mr. CURTIS. I understand that, and in that regard, of course, the writer was mistaken. I wished to say this much before the final vote is taken. I shall vote for the measure not because I believe it is going to do our farmers in Kansas any good in its present shape, but it can do them no harm, and it may do good elsewhere, and in the course of time defects may be discovered in the measure and a future Congress can and will remedy those defects.

Mr. CLAPP. Mr. President, at the proper time I shall offer, in behalf of the senior Senator from North Dakota [Mr. McCUMBER], a substitute. He is necessarily absent from the Senate. I may say in passing that it will be a pleasure to offer this substitute. If we are unable to substitute either this or the so-called Gronna substitute, I shall vote for the pending bill, although I regret some of its features. It does seem to me that every time we undertake a movement of this kind instead of starting back to the party who is to be benefited we start with a great top-heavy organization here in the city of Washington.

I shall not take the time of the Senate at this late hour to discuss the merit of farm credits. I believe that we are coming to recognize in this country that farm credits require a different system of handling than do commercial credits.

Nor am I at all deterred in supporting either of these measures by the charge that they are along the line of paternalism or constitute class legislation. Nearly all our legislation in the first instance benefits some particular class. We justify such legislation upon the broad ground that in the last analysis the entire public receives the benefit of it. Those who have received directly and at first hand the benefits of such legislation along former lines may as well recognize at one time as another that you can not pass legislation where the direct benefit is first hand to a particular class without sooner or later meeting the proposition that such legislation will be advanced all along the line of our activities.

The pending bill is at least a recognition that farm credits do require a different system of handling than ordinary commercial credits. I have received some requests to vote against the pending bill, but I shall vote for it upon the principle that it is the recognition that farm credits do require a different system of handling, and if we can once get that principle enacted into legislation I have no doubt that whatever imperfections or disappointments may be disclosed in connection with the pending bill will be later corrected.

I will not go over the McCumber substitute. He has twice discussed it at length in the Senate. It is simply a plain proposition to take the agencies that are already in existence all over the country and, instead of establishing additional agencies in every town and village, to use the agencies that are already there and through those agencies make the loans at a rate of 4½ per cent, the Government taking the mortgages and issuing debentures upon them at the rate of 4 per cent. Under this plan there is no question of taxation. The mortgages will belong to the Government and the debentures will be issued by the Government, and naturally, of course, both mortgages and debentures would be free from any taxation.

The plan is a plain one, a simple one, and I believe it is a workable plan. Instead of starting in with a great top-heavy organization, as the pending bill does, it utilizes those organizations and those instrumentalities which are already in operation.

As soon as the pending substitute of the junior Senator from North Dakota [Mr. GRONNA] is disposed of I shall offer the substitute proposed by the senior Senator from North Dakota [Mr. McCUMBER].

Mr. JONES. Mr. President, I wish to offer an amendment in the nature of a proviso at the close of paragraph 7, on page 32, of the bill.

The VICE PRESIDENT. It will be stated.

Mr. HOLLIS. Mr. President, a point of order. I think the Senator from North Dakota [Mr. GRONNA] has already an amendment pending.

The VICE PRESIDENT. The original text can be perfected before the question is put on the substitute. The amendment proposed by the Senator from Washington will be stated.

The SECRETARY. On page 32, line 13, after the word "appraisal" and before the period, insert a colon and the following proviso:

*Provided*, That whenever a loan is desired for improving land in such a manner as to enhance the value of the land itself as distinguished from increase in value due to the erection of buildings or other similar improvements, and delivery of money to be loaned is not desired until the completion of such improvement, and the application so states and fully describes the proposed improvement, the appraisal shall state the value which such land will have when so improved, and the loan may equal one-half of such valuation, but the loan so made shall not be forwarded by the land bank for delivery until the loan committee appraising such land reports to it that such improvement has been made and that the value of the land as so improved equals the appraised valuation, and if such report be not received within six months after the date of making the loan and notice thereof to the applicant, or such further time as the land bank in its discretion may allow, such loan shall be canceled and the mortgage given to secure it shall be satisfied on payment of the accrued interest. An applicant may apply for a loan to improve land, the loan to be delivered on the completion of the proposed improvement, and at the same time make a separate application on other land for a loan to be delivered immediately.

Mr. JONES. Mr. President, this amendment was suggested by one of my constituents. It takes into consideration a particular situation which he has in mind, but the amendment applies to another situation that is especially applicable to the West.

In the irrigated sections the lands that are to be irrigated are in such a condition that, before they can be put into crop, they require the expenditure of a considerable sum of money to get them levelled, to get the ditches built, and to get them in proper shape. This cost ranges from ten to fifteen, twenty-five, thirty-five dollars, or more, an acre. The particular situation that this gentleman has in mind is where lands have been logged off. It costs a great deal then to get the land clear of stumps, so that it may be cultivated. This amendment, therefore, is intended to cover a situation like the one described; and, in my judgment, it is very important, not only to all the logged-off sections, but to practically every irrigated section throughout the West.

As I understand, under the bill the appraisement is made, if the land is not actually under cultivation, upon the basis of the condition of the land when the application is submitted. Wherever the land is improved by leveling and getting it in proper shape under irrigation projects for the planting of crops, it is worth just the amount, at least, that has been expended to get it in shape more than it is in the raw state. As I say, that cost runs from ten, fifteen, twenty, twenty-five, thirty, or forty dollars an acre. So, with reference to the land that has been cut for the timber, that land is increased in value by clearing away the stumps, practically what it costs to clear the stumps away; and that may be as high as $100 an acre, if the man has to clear it himself, a small tract at a time; but, if it is possible for a man who owns, say 40 acres of this logged-off land, to let a contract, by which a person who is accustomed to do this work can take the whole 40-acre tract, he can get it done for probably $25 an acre.

The purpose of this amendment is to give the man who wants to get a loan, the benefit of the value of the land that has been thus improved and put into shape for cultivation. Under the amendment the money will not be advanced until the improvement is actually made and completed. So if the land is

not cleared of stumps or leveled or put in shape, the loan is not made.

I think that is a very important provision and a very wise one. I think it would accomplish a great deal of good. I doubt myself if any particular use of this bill will be made in my State unless something of this kind is put into it. Unless that be done, I doubt if very much use of it will be made in the different irrigated sections of the country where this rural-credit legislation is really needed by the men who are trying to make homes in that desert country.

So, I hope, Mr. President, that the chairman of the committee will not make an objection to this amendment.

Mr. HOLLIS. Mr. President, the purpose of this bill is to enable farmers to borrow money on land as it exists. The proposed amendment is to permit the land bank to make a contract that it will loan a certain amount of money as the land may exist at some future time. I do not think that will do any particular harm, but we must depend for the money that we are to loan farmers on the money that we can borrow from the investors in farm-loan bonds; and I fear that those investors would look with apprehension on any plan that bound a land bank to loan a certain amount of money on a tract of land as it might exist at some future time.

Mr. JONES. Mr. President, I want to call the Senator's attention to the fact that the loan will not actually be made until the land has been put in the condition contemplated, so that it is in practical effect the same as if the loan were made upon the land in its improved condition.

Mr. HOLLIS. It seems to me that every practicable end will be reached under the bill as it is. It is perfectly easy to go to a land bank, just as a man goes to the savings bank now, to see if he can borrow a certain amount of money if he buys a certain farm. If the land bank thinks that the land under consideration is going to be worth that amount of money when the work has been done, it will undoubtedly give him assurance; but I do not, however, think this matter is very important. I do not feel that I ought to accept the amendment; but my feelings will not be injured if the Senate should adopt it.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington [Mr. JONES]. [Putting the question.] The "noes" seem to have it.

Mr. JONES. I ask for a division, Mr. President.

The VICE PRESIDENT. All in favor of the amendment will rise and stand until they are counted. [A pause.] Those opposed will rise. [A pause.] The amendment is rejected.

Mr. SMOOT. Mr. President, I have here a letter from the Secretary of the National Civil Service Reform League, of New York. It is in relation to the amendment which was offered by the Senator from Nebraska [Mr. NORRIS] proposing to strike out the part of section 3 beginning on line 21, page 5. It is the provision that all attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars and appraisers of the Federal farm-loan board shall be appointed without complying with the requirements of the civil-service law. I shall not take the time to read the letter, but I ask that it be printed in the RECORD, without reading.

The VICE PRESIDENT. It is so ordered in the absence of objection. The Chair hears none.

The letter referred to is as follows:

NATIONAL CIVIL SERVICE REFORM LEAGUE,
*New York, May 3, 1916.*

Hon. REED SMOOT,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR SMOOT: On behalf of the National Civil Service Reform League I earnestly urge that section 3 (page 5, lines 21 and following) of the pending rural-credits bill (S. 2986, Calendar No. 135) be eliminated.

This is the section which provides that all "attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars and appraisers" of the Federal farm-loan board shall be appointed without complying with the requirements of the civil-service law.

The bill specifically provides that these subordinate places are all to be treated, initially at least, as unclassified offices. The effect is only to subject the administration of the new act to the most serious menace possible, namely, the influences of partisan politics in the entire organization of the subordinates of the board. It will be impossible to keep these influences out if the places are in the unclassified service. Everyone knows this to be true. The adoption of the amendment, in other words, will expose the new rural-credits system of the country to the corrupting and extravagant influences of the spoils system. Nothing could be more surely fatal to the success of the new system than this result. On its merits and aside from its character as a rider it is neither necessary nor in the slightest degree excusable. No more serious menace to the new rural-credits system, for example, could be imagined than that its administration be tainted with politics, and no surer way could be found to make that menace real than by opening the entire subordinate force to partisan appointments, as the rider in the rural-credits bill does.

For the great majority, if not in fact for all, of the places not the slightest difficulty will be encountered in securing efficient men of practical experience without political ties and obligations through examinations conducted by the Civil Service Commission with the aid of the experts which it can employ. If any exceptions are necessary, it would be within the President's power to make such exceptions by Executive order under the civil-service law. This power to classify offices or put them in the unclassified service should be left to the President, as has been the practice under the civil-service law for 30 years.

In explaining the presence of this outrageous spoils item in the bill, Senator HOLLIS referred to the exemption of the employees of the Federal Reserve Board. It is true that these employees were exempted by act of Congress without just cause. The best answer in favor of the elimination of such spoils provisions is the statement of Senator HOLLIS that the Federal Reserve Board is using the machinery of the Civil Service Commission to secure a great many of its employees. The Federal Reserve Board needed the protection of the civil-service law against the pressure of spoilsmen.

It is further contended by the advocates of the rider that competitive examinations would mean a delay for years in the organization of the new rural-credits system. Such a statement is not supported by the facts, inasmuch as the Civil Service Commission is holding examinations to secure highly technical eligibles for many of the great departments. The staff for the railway valuation work in the Interstate Commerce Commission were all obtained as the result of competitive examinations conducted by the Civil Service Commission. Such an explanation on the part of the Senator in charge of the bill can not possibly support the exemption of every single employee of the Federal farm-loan board including "clerks, laborers, and other employees."

For these reasons, the league, therefore, urges that if an opportunity is given you register your opposition to this dangerous provision and vote against its adoption by the Senate.

Very truly, yours,

GEORGE T. KEYES, *Secretary.*

Mr. STERLING. Mr. President, I should like to ask the Senator from New Hampshire if there has been any change in the first paragraph of section 17 of the bill?

Mr. HOLLIS. I will say, in reply to the Senator, that I find the only change has been to strike out the word "some," in line 12 of that section.

Mr. STERLING. I should like to call the attention of the Senator to the peculiar language of that paragraph of the section. It reads as follows:

SEC. 17. That whenever, after this act shall have been in effect one year, it shall appear to the Federal farm-loan board that national farm-loan associations have not been formed, and are not likely to be formed, in any locality, because of peculiar local conditions, said board may, in its discretion, authorize Federal land banks to make loans on farm lands through agents approved by said board.

I call the Senator's attention to the words "after this act shall have been in effect one year." Of course the effect of that would be to prevent any would-be borrower from securing a loan from a Federal land bank during that year unless there was formed a national farm-loan association.

Mr. HOLLIS. That is exactly the purpose of the language; that is precisely the intention.

Mr. STERLING. Well, does the Senator think that is a wholesome and wise provision?

Mr. HOLLIS. Certainly; otherwise they would not organize and we should not secure the cooperative features requiring the assistance of the farmers to the farm-loan association. They would all do it through land banks, and we should miss the important features of the bill which we had in mind when we chartered them.

Mr. STERLING. There may be peculiar conditions in a given locality which will prevent the organization during the first year. You ought to provide every man where there is no farm-loan association the opportunity to apply for a loan during that time.

Mr. HOLLIS. Yes; that is it. We shall have one year to find out.

Mr. STERLING. I move to strike out the words "after this act shall have been in effect one year."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from South Dakota.

The amendment was rejected.

Mr. THOMPSON. Mr. President, I desire to offer a slight amendment in line 3 on page 30, which I think the Senator from New Hampshire will be glad to accept. I have received a large number of letters from farmers and others interested in the passage of this bill, who feel that they should have the right, or at least the option, to make payments annually as well as semiannually. I move as an amendment, after the word "semiannual," in line 3, on page 30, to insert the words "or annual." I think the Senator from New Hampshire will accept that amendment.

Mr. SMOOT. If that is what the Senator desires to reach, why not strike out the word "semiannual" and insert the word "annual"?

Mr. THOMPSON. I think it is proper to give the option of paying either semiannually or annually; that is all.

Mr. HOLLIS. I do not think the purpose will be clearly expressed unless both "semiannual" and "annual" are inserted. That will give the option. In some parts of the country the payments could be made semiannually and in other parts they could be made annually. So far as I am concerned, I am willing to accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Kansas.

The amendment was agreed to.

Mr. JONES. Mr. President, I have a letter from the commissioner of the Washington State Grange, representing the department of rural credits and national marketing, with reference to this bill, in which he points out some features to which those for whom he speaks are very much opposed, stating that they do not think it will bring very much relief, but that he has been advised by different Representatives that the committee bill is the only one that stands any chance of passage. Taking that view of it in this letter, he urges that the bill be amended in certain particulars. One is to strike out all of sections 7, 8, 9, 10, and 11 and insert in lieu section 12 of what he calls the Morgan bill. As I understand the amendment of the Senator from South Dakota [Mr. STERLING], it does that, and so I shall not offer that amendment. Furthermore, I am satisfied that it would be useless to offer the amendment anyhow, because I can see that the Senator from New Hampshire could not very well accept it, and, with his opposition, it would stand no chance of passage.

I want to call the attention of the Senator from New Hampshire also to another suggestion or two which this gentleman makes, and ask the Senator whether or not the committee has considered these propositions. He suggests that paragraph 3 of section 12 be stricken out, and that there be inserted the words "Every such mortgage shall run for a period of at least 5 years and not exceeding 60 years."

Mr. HOLLIS. I am perfectly willing to accept that.

Mr. JONES. If the Senator is willing to accept it, I offer the amendment, namely, in section 12, to strike out paragraph 3 and insert——

Mr. HOLLIS. It will be sufficient to strike out the word "thirty-six," in line 8, and insert "sixty."

Mr. JONES. Very well; that will cover it, and I offer that amendment.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 30, line 8, it is proposed to strike out "thirty-six" and insert "sixty."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES. The gentleman referred to also suggests in section 12, that paragraph 5 be stricken out, and that there be inserted in lieu the following. I will read it to the Senator and ask what he things of it:

The rate of interest charged for such loans shall not exceed 5 per cent per annum, of which one-half of 1 per cent shall apply as amortization payment, and one-half of 1 per cent shall be used for administration expense.

Mr. HOLLIS. Mr. President, I can not accept that amendment. The section has already been amended by inserting the following:

No loan or mortgage shall be made under this act at a rate of interest exceeding 6 per cent per annum, exclusive of amortization payments.

If we can not place our farm-loan bonds at 5 per cent, then we can not loan to anybody; but we can do a great deal of good if we can loan in some sections as high as 6 per cent. I am afraid the amendment the Senator has suggested would defeat the object of the bill.

Mr. JONES. The Senator knows much more about that than I do, and I am not going to urge it further, but I desired to offer the suggestion.

I have one further amendment that I should like to see adopted. I know it is late; but I have been hoping to get to present it during the day, but, on account of the continuance of general debate, I have been unable to do so. I desire to offer now an amendment as a new section to the bill.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add a new section to read as follows:

SEC. —. That the Federal farm-loan board provided for herein be, and it is hereby, authorized and directed, in connection with the loaning system provided for in this act, to organize and put in operation a loaning system under and through which loans of not exceeding $5,000 may be made to any one person at not to exceed 4 per cent interest per annum and for a period of time not to exceed 20 years. Such loans shall be made only for the purpose of acquiring farm lands or city property and improving the same for residence purposes, or for improving residence property, and shall be made to such honest, industrious, temperate, economical persons as, in the judgment of said board, with the property so purchased or improved as security, will reasonably insure the repayment of such loan with interest within the time fixed. The terms of payment shall be arranged as the board may deem wise, and be such as will repay the loan with interest by the time set for the maturity of the same.

The said Federal farm-loan board is hereby authorized to make all rules and regulations necessary to carry out the foregoing provisions and not inconsistent with the provisions of this act.

For the purpose of instituting and carrying on operations under this section the sum of $5,000,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to continue available until used, and to be supplemented by such appropriations as Congress may from time to time make upon estimates to be submitted by said board. All repayments of loans made hereunder and all income from such loans shall constitute a loaning fund hereunder. All the provisions of this act which are applicable to the purposes of this section and not inconsistent with its provisions shall apply to the same.

Mr. JONES. Mr. President, I am not going to take the time to express my views with reference to the pending measure, further than I have already expressed them and as they have been expressed by several of the Senators who have spoken with reference to it. I am going to vote for it, in the hope that it will accomplish some good, and that it will at least inaugurate a system that can be worked out in the end to bring relief to those whom we are trying to relieve and as the best that it is possible to get now.

Rural-credit legislation has been promised in all of the political platforms, so that it is not a partisan question at all. I fear that this measure will not meet the public sentiment that led to those platform declarations. Money will not be secured as easily or as cheaply as those who have urged rural-credit legislation had hoped for nor by those who expect relief by it.

The amendment which I have proposed is in substance a bill which I introduced at the last session of Congress. When I introduced it I made a brief statement with reference to the purpose of it. At that time a very prominent Senator on the floor seemed to regard it in rather a light way, and made some rather caustic suggestions with reference to it. He seemed to think that there was nothing at all in it except paternalism and socialism, and said with reference to it:

I really think the Senator ought to amend his bill, however. There are a great many young men and young women who would like to go into the mercantile business. They have not the means to buy stock, and present prices for money and interest are too heavy a burden for them. They will have to have their experience, and they need a little Government assistance. There are a great many people who want to go into the fruit business, others into the dairy business, and I might mention half a thousand businesses which people would like to go into, but they really have not the means to start in the business. It will be experimental with them, and they do not want to take the chance of the experimenation. They want the Government to take the chance and give them an opportunity to develop the "individualism" of which the Senator speaks.

Mr. President, we have been trying this same proposition with the American Indian. We have had it in operation for the last 50 years. We furnish them plows, we furnish them farms, we try to start them in business, and every year we have to furnish the same thing over and over again. We have been trying to develop individualism in the Indian to take care of himself, and just so long as we will do that he will allow the Government to take care of him; and almost any individual, be he white or black or yellow, will do substantially the same thing.

Inasmuch as the Senator is seeking to apply our policy with reference to the American Indian to our farmers and people generally, it seems to me this bill ought to be referred to the Committee on Indian Affairs.

Mr. President, I bided my time; I felt the Senator would see the light; I was sure he would join the ranks of those who really want to help those who really need help. He has done so. I am glad to say that this Senator has proposed as a substitute for the pending measure practically the measure I then introduced—at least, a measure under which money will be taken directly from the Treasury of the United States and loaned, not to school-teachers, not to merchants, not to these thousand and one other businesses, but to the farmers. So, I am glad to have my bill now receive the indorsement of this able Senator—not only the indorsement by actually adopting the principle of it but by introducing it here in all seriousness without even having it referred to the Indian Affairs Committee and pressing it with far greater ability than I.

Mr. President, what I propose is to furnish money directly to those who need it without the intervention of an expensive and complex agency upon security that will be just as ample, in my judgment, as what you have under this bill. Under this amendment we provide for the loaning of money at not exceeding 4 per cent interest. The interest rate is fixed. There will not be any question like that raised by the Senator from Iowa [Mr. CUMMINS] with reference to the rate of interest, and the borrower getting the benefit of a low rate. It is to be not exceeding 4 per cent. It must be paid off in 20 years, and so arranged over that period as to meet the interest and make sufficient payments to cancel the obligation at the end of 20 years. The security which the Government will have will be the property that is purchased, and all of the money that is loaned must be used in the purchase of property—farm property or city property—and back of that you have the industry and character of the individual.

Some suggest, "How do you determine the character of these men?" Why, it will be determined by the agencies provided in this bill for passing upon loans. Every loaning association that will be organized under this bill can pass with reasonable cer-

tainty upon the character of any man that may apply for a loan, and the probabilities of his repaying that loan. They will know whether he is reliable or not.

I know and you know in your communities of men to whom, if you had money to loan, you would be perfectly satisfied to loan that money if you could direct what they should purchase with it; and with your knowledge of their character and industry and economy and what they can do, you would count that as a better security than to take farm lands at 50 per cent of their value. Of course the man is apt to die within a day or two after he gets the loan; that is true, but suppose he does. The Government has everything that was purchased with that money. Nothing is lost if proper supervision was exercised in the purchase. Each year that passes the principal is lessened and the amount of security increases. There might be some loss on a particular loan, but on the whole the Government would be amply secured. The sole purpose of this amendment is to get the money to people that need it, with ample security to the Government.

I know of renters in the different States of this country who are not only supporting themselves, but supporting somebody else—not only supporting their own family, but supporting some other family—off 40 or 80 or 160 acres that they have rented. In many of the sections of the Middle West a man who rents a farm gives half his crop to the landlord, and if he takes the risk and pays cash rent, he pays $5, $6, or $7 an acre cash rent. If he gets a crop he is able to pay that and get something himself. If he gets no crop he has to pay the $5, $6, $7, or $8 an acre, if it can be gotten out of him; and in many cases men have had to turn over to the landlord, in effect, every dollar in value of the crops that they have raised on their lands leased in order to discharge their rent. The landlord takes no chances. He gets his return without effort on his part, while the renter may get nothing for his labor and his family suffer from want. These men are honest; they are industrious and frugal; but it is almost impossible for a man to support his own family and some other family at the same time off of farm lands. If the Government is to help anyone these are the men to be assisted. If these men had an opportunity to get money to buy a farm, so that whenever they worked upon it the whole profit of their labor was their own and what they did not have to use for the support of their family they could use for paying the purchase price of land, we would find a great many people who are renters in this country who in a very few years would own their own farms.

So it is with laboring men in the cities. They would soon be able to own their homes. There are building and loan associations, I know, organized and doing a great deal of good. That is true. I think much greater use could be made of them than is made of them. But as we are starting upon a proposition to take the money of the United States to help some of the people of this country, I should like to see some of it used for the men who really need help.

I am not so much interested in helping the man who has a quarter-section of land or a section of land already. I am not interested in his ability to borrow five, ten, or fifteen thousand dollars upon that in order to make more or buy out his poor neighbor so much as I am interested in enabling the poor fellow who has not any land, who has not any home, to get a home. That is what I should like to do something toward accomplishing, if we could.

Mr. SUTHERLAND. Mr. President, does the Senator's amendment contemplate that money shall be loaned at 4 per cent per annum to the full purchase price of the property, and that that is the only security which shall be taken for the loan?

Mr. JONES. That and the character of the man. It contemplates that if a man wants to buy 80 acres of land, which he can get for $5,000, he will come here to the agency provided in this bill and make his showing to them. Then if they approve it and say: "This land is worth $5,000; he is getting it at a reasonable rate; he is the right kind of a man; his industry and character and economy and frugality and all that sort of thing commend him to us, and we recommend that he shall have the $5,000 to buy that 80 acres," that is what the amendment proposes to do.

Mr. SUTHERLAND. How much money does the Senator think the Government of the United States would have to invest in this enterprise to satisfy all the people in the United States who would be willing to acquire farms and city homes upon those terms?

Mr. JONES. Mr. President, we can not go beyond the amount provided in the bill—$5,000,000.

Mr. SUTHERLAND. The Senator proposes to appropriate $5,000,000?

Mr. JONES. Yes.

Mr. SUTHERLAND. And then says that other appropriations shall be made as from time to time may be found to be necessary?

Mr. JONES. Yes.

Mr. SMITH of Michigan. "First come, first served."

Mr. SUTHERLAND. I think the Senator will agree with me that the $5,000,000 would not last very long.

Mr. JONES. Well, I do not know how long it would last; but it certainly would do some good while it did last. Here we put up, for these banks, $6,000,000. How much good is that going to do? How much real, substantial good to the men that need help will the Government money do that you put up under this bill?

Mr. SUTHERLAND. I think probably that $5,000,000 would not get beyond the Members of this Senate, who would be very glad to borrow money upon those terms, pay 4 per cent, and simply use the lands that they had bought as security, and speculate themselves upon the increased valuation of the lands.

Mr. JONES. Oh, no; there would not be any speculation under this. This is to be acquired for a home, and the people of a community know whether a man is acquiring land for a home or not. Of course, if the Senator from Utah went off into the State of Washington and wanted to buy something there, he might not get a report from the loan association at that place under which he would get the money. But if he was right in his home place, where they knew that he was not going to be a candidate for the Senate or for the Presidency or for the Supreme Bench—for all of which he is well qualified—if they knew that he was going to settle down there and stay at home and live among them as one of them, they would probably not hesitate to recommend him for a loan to enable him at the end of his term, when he goes out without anything, to have $5,000 to acquire a home for his declining years. That home, with his ability and industry, would make the loan gilt-edged.

Mr. SUTHERLAND. If the Senator's amendment is adopted, I am quite sure that the Senator and myself will both write out an application for a loan very quickly after his amendment goes into the bill.

Mr. JONES. Mr. President, I will not speak for the Senator from Utah; but I do not think I would apply for the loan, because I will frankly say that I like the work in the Senate. I have seen the time, however, when I was glad to apply for a loan on substantially those terms, and I am glad to say that I got it. I am glad that I could even get a loan without any landed security, and that the man who loaned it never lost a cent, and that he did not hesitate about letting it go. It was suggested to me a moment ago that one of the greatest financiers of this country loaned a large sum of money to some individual without any security except his word; but he knew what was back of the man. He knew what was back of his word. He knew whether or not he was likely to get his money back, and he knew it much better than if somebody that he did not know had come to him with a lot of land security or other kind of security. He knew that honesty, good judgment, and industry are the best kinds of security. They never depreciate.

Mr. President, I will not say that I do not hope this amendment will be adopted; possibly it will not be; and yet the fundamental principle of this amendment—Government aid to private parties—is the fundamental principle of the pending bill, and in the several substitutes that are offered for this bill. The only difference is in the application of the principle. Adopt the principle and its application is only a matter of degree and judgment. Adopt this bill and the time will come when you will adopt my amendment and the Congress of the United States will make it a little bit easier and make it possible for men who really need help, for men who have but very little security except their character to get some help and some relief. You may laugh at this amendment, but you will vote for the principle of it in this bill.

I should like to see some encouragement given to the forming of organizations in this country similar to those abroad, under which men are able to get credit largely upon their character, with security from the neighbors who know them and who know that they can be depended upon. That is the correct system, but we are not yet ready for it here. Possibly we will work out something along those lines by and by, rather than something like this; but there is not anything of that sort in this bill.

Mr. President, I have taken more time than I intended to take. I would not have taken so much except for the interruptions, and for the very great interest I see manifested in the amendment I have proposed; and I shall submit it to the Senate without further argument.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Washington.

Mr. JONES. I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. CUMMINS. Mr. President, to perfect the bill, I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add to section 29 the following proviso:

*Provided*, That if the farm-loan board finds and certifies as a fact that the foregoing exemption from taxation does not operate to reduce the rate of interest to the borrowers by substantially the rate of taxation from which the aforesaid property is exempted, then this section shall cease to have any force and effect.

Mr. CUMMINS. Mr. President, just a moment with regard to the amendment. I had hoped that the Senator from New Hampshire would at once accept it.

Mr. HOLLIS. I thought the Senator was sure that this exemption from taxation would not be effective. If so, there is no point to his amendment.

Mr. CUMMINS. I do not believe the Congress has any authority to pass section 29. My mind has not been changed upon that subject by the very learned arguments from the other side, to which I have listened with great interest. But the Senator from New Hampshire [Mr. HOLLIS] and the Senator from Montana [Mr. WALSH] believe that Congress has the power to make the exemptions specified in section 29. They have asserted—at least, the Senator from New Hampshire has asserted many times—that the purpose of the exemption is to make it possible for the farmer to borrow money from the land banks at a rate of interest lower than he would be able to borrow the money for if the property were subject to taxation.

This amendment takes the Senator from New Hampshire at his word; and if the effect of the exemption is to benefit the farmer, section 29 will continue in effect. If, however, it shall turn out—as I fear it will turn out—that the exemption from taxation benefits only men or institutions of great capital, and if the farmer is still compelled to pay the rate of interest which he would be required to pay if there were no exemption, then it is a plain, palpable conclusion that we ought not to exempt the property of these moneyed men from taxation.

I believe the amendment I have offered is entirely within our competency. It has been held more than once, I think, that an administrative body may be given the authority to ascertain a fact upon the existence of which the continuance of the operation of a law shall depend. If the farm-loan board is as faithful as I am sure it will be in conserving the interests of the farmers, there ought to be no apprehension of any unwise or unfounded ascertainment of the fact which I have pointed out.

I should like to know from any Senator, whether on this side or the other side of the Chamber, why the proposal should be opposed if it turns out that the borrower does not receive the benefit of the exemption which is said to be made in the section.

I hope the Senator from New Hampshire will not think that I have offered the amendment lightly. I am sincerely in favor of it. I asked the Senator from Georgia, it will be remembered, when he was speaking whether he could make any suggestion that would render it certain that the farmers shall receive the benefit of the exemption. He had no suggestion, except the general operation of unwritten financial or commercial usages. I have since that time put my mind upon it, and this is the result of my efforts to find a way in which we will make it reasonably sure, anyhow, that the intended beneficiary of this exemption shall, in fact, receive what it is intended he should have.

Mr. POMERENE. Mr. President——

Mr. CUMMINS. I yield to the Senator from Ohio.

Mr. POMERENE. If the Senator will permit me, the other day some reference was made to our constitution in the State of Ohio, and, if I may repeat very briefly, I think we have an object lesson in that State. The constitution of the State of Ohio adopted in 1851 provided that all property, real, personal, and intangible, including credits, bonds, and mortgages, should be taxed according to its true value in money and according to a uniform rule. That has remained the provision in our constitution except for a period of perhaps three or four years, during which time the constitution had been amended and the amendment remained in force. Under the amendment township bonds, county bonds, municipal bonds were exempted from taxation. Prior to that time all public funds of this character were sold and usually held by the savings banks in the New England States. During the time they were exempt from taxation most of them were bought and held in the State of Ohio by farmers and other small owners. While they could thus be held the bonds sold in Ohio for either a less rate of interest or for a very much higher premium. I have no doubt that that would be the result if these bonds here are exempted from taxation. Later the constitution was again amended and these bonds were again made taxable, and since that time nearly all of them have been held outside of the State.

The Senator may say, if that be true it is no reason why this amendment should not be incorporated in the bill. My judgment is so firm that it will benefit the farmer that I see no need for placing it in the bill, and if it is placed in it will simply be a matter for contention later on. For that reason I for one would be opposed to the amendment.

Mr. CUMMINS. Mr. President, the question propounded by the Senator from Ohio is somewhat intricate. I, of course, shall not attempt to answer it as a question; but it is plain, is it not, that the case he suggests is not parallel to the case under consideration. There——

Mr. POMERENE. I do not agree with the Senator.

Mr. CUMMINS. Allow me to answer the question, if I can. There the State of Ohio or a municipality as the borrower deals directly with the loaner of the money. It is a matter of contract between the two without any intermediary. Under this bill the farmer does not deal directly with the person who ultimately advances the money and who will control the rate of interest. The land bank is the institution which deals with the farmer through the farm-loan association. Even if it were true that ordinarily exemption from taxation does tend to increase the value of a security, and I have no doubt about that, it would be absurd to doubt it, when the farm-loan bonds are offered for investment they will be in competition with similar securities that are subject to taxation. Those who invest in the farm-loan bonds want to secure the highest rate of interest possible under the circumstances. In my judgment, therefore, the fact that farm-loan bonds are exempt from taxation will not diminish the rate of interest upon them to the extent suggested by the Senator from Ohio as to State or municipal bonds. On the other hand, those who supply the money market for these securities will get all the interest they can, and if they believe that they can secure the higher rate of interest by insisting upon it then they will receive the benefit of the exemption and not the borrower.

Mr. HOLLIS. I ask for a vote on the pending amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa [Mr. CUMMINS].

The amendment was rejected.

Mr. STERLING. I offer the following amendment.

The SECRETARY. On page 33, at the end of line 5, add the following:

Nor shall any loan be for a less sum than $200.

Mr. STERLING. Mr. President, just a word with reference to this proposed amendment——

Mr. HOLLIS. I will accept the amendment.

The amendment was agreed to.

Mr. NORRIS. I offer the following substitute——

The VICE PRESIDENT. A substitute for the bill?

Mr. NORRIS. For the bill.

The VICE PRESIDENT. It is not in order. There is a substitute pending now.

Mr. NORRIS. What is the substitute pending?

The VICE PRESIDENT. The one offered by the Senator from South Dakota [Mr. STERLING].

Mr. GRONNA. Mr. President, I move to strike out on page 44, section 18. This is the section which provides for the joint-stock land banks. I do not believe that it should be in the bill. I discussed it quite fully this afternoon, and I shall not take any further time of the Senate, but simply ask to have a vote on it.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota.

Mr. NORRIS. Mr. President, briefly stated this bill provides for three kinds of securities. First we have the security of farm-loan associations that is based upon mortgages, where the liability of the individual members of the farm-loan association is unlimited. Then we have bonds issued by the farm-loan bank based upon mortgages from farm-loan associations in which their liability is limited. Then we have bonds issued by joint-stock banks which are organizations organized with private capital. It is the joint-stock land-bank provision that the Senator from North Dakota seeks to strike out of the bill by his amendment.

I realize that it is perhaps useless now at this stage to try to amend the bill, but I do believe that there ought to be only one kind of bonds issued under this law. I think if we permit the

bill to stand as it is now, with three separate and distinct kinds of bonds that are attempted to be floated under the provisions of the bill, we will have these different kinds of bonds coming into competition with each other, and the investing public will be induced by various means and in various ways to invest their money in one and against the other. The tendency of the private institutions who have organized joint-stock companies for private profit will be to try to induce the investing public to believe that the bonds of the joint-stock company are better as a matter of investment than the other bonds provided for in the bill.

I had intended to introduce an amendment similar to this, but it became apparent to me that it would be useless, although I am glad that the Senator from North Dakota has offered the amendment. It seems to me that it will strengthen this law. I do not believe there can be any doubt about it. More than that, there is no reason why, in my judgment, we should organize by Federal law a system by which we expect to furnish the farmer cheap money by a sort of mutual organization plan, and at the same time and in the same law put into it a provision that will put that very idea into competition with privately owned and privately managed institutions for the purpose of profit, which will certainly come in competition with the other methods provided for in the bill.

There is ample room now under the various State laws for private corporations and stock companies to organize and go into this business if they desire to, and I for one would not want to keep them out of the field; but Congress is trying to devise a plan here by which farmers can organize among themselves associations of borrowers for the purpose of combining their credit and getting money at as near cost as possible. Then we ought to confine our energies and our efforts, it seems to me, to that kind of a plan. As I understand it, this plan was put into the bill, as well as the two forms of farm associations, limited and unlimited, because there were certain people who advocated that we ought to pass a bill, and that the only bill we ought to pass is one that would provide for private individuals to organize for the purpose of profit organizations and corporations similar to the joint-stock provision. There were other people who said that under a certain system in Europe, where they had unlimited liability, they got cheaper money. They advocated that in these associations the liability of the farm membership should be unlimited, and thus we would have a combination of unlimited obligations that would reduce the rate of interest to the farmer and would make the bonds better and sell them at a lower figure, and give the farmer the benefit of it. There were others still who argued that the American farmer could not be induced to go into organizations where the liability of the individual member was unlimited, and that the American farmer, different from the European farmer, would not consent to become obligated for the debt of his neighbor; that he would not permit his farm to be put up as security for some other farmer's debt. Hence they advocated the system of limited liability.

Now, the committee having the bill in charge put all three of them in the measure, so that they would all be satisfied. I am going to vote for the bill whether this amendment is adopted or not, but if I had my way about it I would eliminate what the Senator from North Dakota undertakes to eliminate—the privately organized joint-stock companies—and I would likewise eliminate the unlimited liability associations by which one farmer becomes obligated for the debt of another in the same association, although I am not so particular about that. I do not believe in reality it is necessary to eliminate that, because according to my belief, if this bill goes into effect, there never will be an association organized anywhere in America where the farmers will go in under the unlimited plan. They will not consent to become liable, both individually and with their property, for the debts of somebody else; but as far as the joint-stock company is concerned, it seems to me we ought to eliminate it. If a joint-stock company method is the way to get money for the farmers, then we ought to eliminate everything else that is in the bill. There is not any reason, in my judgment, for having three methods provided for in the bill that will come into competition with each other on the money market and that, I believe, will do injury.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota [Mr. GRONNA].

The amendment was rejected.

Mr. GRONNA. On page 55, line 3, I move to strike out the word "five" and to insert the word "four," so as to read:

They shall bear a rate of interest not to exceed 4 per cent per annum.

I call the attention of the Senator from New Hampshire to this amendment that I am offering.

Mr. HOLLIS. Does the Senator ask me to accept it? He knows well I can not. You can not regulate the rate of interest by passing statutes. It depends on the market. I can not accept it.

Mr. GRONNA. I ask for a vote on my amendment.

The amendment was rejected.

Mr. GRONNA. I move to strike out the word "five" and to insert the words "four and one-half," so as to read:

They shall bear a rate of interest not to exceed 4½ per cent per annum.

The VICE PRESIDENT. The question is on the amendment submitted by the Senator from North Dakota [Mr. GRONNA].

The amendment was rejected.

Mr. CLAPP. Mr. President, I offer the substitute——

The VICE PRESIDENT. There is a substitute pending. The Chair is trying to get the original amendment perfected so as to put the question on the substitute.

Mr. CLAPP. I thought the substitute had been acted upon.

The VICE PRESIDENT. Is there any further amendment to the original bill? The Chair hears none. The question now is on the substitute offered by the Senator from South Dakota [Mr. STERLING]. [Putting the question.] The "noes" seem to have it. The "noes" have it, and the amendment is rejected.

Mr. GRONNA. Mr. President, I now offer as a substitute for the bill the amendment to which I have heretofore referred, which has been ordered printed in the RECORD. I ask for a vote of the Senate upon it.

The VICE PRESIDENT. The question is on the amendment in the nature of a substitute offered by the Senator from North Dakota.

The amendment was rejected.

Mr. CLAPP. Mr. President, I offer the substitute which has been heretofore proposed by the Senator from North Dakota [Mr. MCCUMBER], and I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it will be printed in the RECORD.

The substitute referred to is as follows:

That there is hereby created in the Treasury Department a bureau to be known as the bureau of farm credits. Said bureau shall be presided over by an officer, who shall be designated commissioner of farm credits. The Secretary of the Treasury shall provide for sufficient clerical force to perform the duties of said bureau.

SEC. 2. That there is hereby appropriated and set aside for the use of said bureau in the manner hereinafter provided, the sum of $10,000,000, or so much thereof as may be necessary.

SEC. 3. That the said sum so provided shall be used for the purpose of purchasing notes secured by first mortgages on agricultural lands, as hereinafter provided, for stationery and clerical expenses, and such other expenses as may be incident to the business of said bureau.

SEC. 4. That every national bank and every State bank desiring to avail itself of the privileges herein provided are hereby created and declared to be agencies of the Treasury Department for the purpose of receiving from mortgagors notes and mortgages securing same, advancing the moneys to the said mortgagors and transmitting said notes and mortgages to the bureau of farm credits, and receiving in return therefor the amount advanced to the mortgagor by the said bureau.

SEC. 5. That it shall be the duty of the Secretary of the Treasury to apportion the sum hereby appropriated among the several States according to the agricultural population, importance of the agricultural productions of each States, and percentage of agricultural lands incumbered by mortgages or trust deeds, and to pay for such notes and mortgages as may be presented to the extent of the amount apportioned to any State.

SEC. 6. That any owner of agricultural lands within the United States, who is living upon and farming such lands, desiring a loan under the provisions of this act, shall execute a promissory note, due in 10 years, bearing interest at the rate of 4½ per cent per annum, interest payable annually, which interest shall be evidenced by 10 coupon notes attached to said principal note, and which coupons shall also bear interest at the rate of 5 per cent per annum from the date of maturity until paid, payable annually. Said note shall also provide that the principal may be paid on any interest-paying day after the expiration of five years. Said note shall be secured by a first mortgage upon the lands so farmed by the owner and executed and recorded in the manner provided by the laws of the State in which the land is situated, for the execution and recording of mortgages on real estate. Such mortgage shall be accompanied by an application for loan, which application shall recite the purpose for which the loan is desired, the market value of the land, the value at which it was last assessed for taxation, the value and kind of buildings thereon, the number of acres under cultivation, the character and quality of the soil, the number of acres capable of being cultivated, and such other information as may be required by the rules of the said bureau. Said application shall have attached thereto or made as a part thereof an affidavit signed by the owner and at least two neighbors who are thoroughly acquainted with land values in the vicinity, stating the market value of such lands and the market value of the particular lands to be mortgaged. Said note, mortgage, and application shall also be accompanied by an abstract of title duly certified by an abstract company, the register of deeds, or other officer authorized by the laws of the State to make and certify abstracts of lands, which abstract shall show no other mortgages, judgments, delinquent taxes, or other liens of any character against the said lands, unless the purpose of the loan is to secure money to cancel such liens. Said owner shall then present to any national bank or State bank accepting the provisions of this act the said loan papers. The said abstract and papers shall be carefully examined by the president, cashier, or other officer of the bank for the purpose of ascertain-

ing whether the title is perfect in the mortgagor, whether the land is affected by any liens, who shall certify the result of his examination of the abstract, and who shall further certify what in his opinion and judgment is the actual cash selling price of the land. And no mortgage shall be accepted for a greater amount than one-half of the value of such lands, including improvements, nor in any event to an amount exceeding one-half of the actual market value thereof. The said bank may charge the borrower for its services in examining papers and abstract, and in forwarding the papers to the bureau of farm credits, a sum not exceeding 1 per cent of the amount of the mortgage. No mortgage shall be less than $300 nor more than $10,000 to one person or company, and shall be in multiples of $100. The said notes and mortgages shall not be dated at the time they are executed and presented to the bank. The said bank shall forward all the said papers to the said bureau of farm credits, which bureau shall examine the abstract, note, mortgage, and application, and if said abstract shows the land to be clear or to have no liens of greater amount than the amount desired to be loaned, and all papers properly executed, it shall remit to the bank forwarding the papers the amount of the loan, and shall date the notes and mortgage the date on which the remittance is made, from which date interest shall begin to accrue; and all coupons shall be dated to correspond with the date affixed to the principal instrument; and said bureau shall return, with the remittance, the abstract of title. Upon the receipt of the said abstract of title by the bank said bank shall require the abstract to be continued up to date of payment by said bank to the borrower, and if said abstract, after being continued, shows the land clear, the bank shall indorse over to the borrower the remittance made by the bureau of farm credits. If there are any liens upon the land, the bank, out of the remittance, shall first pay and have canceled such liens and pay the balance to the borrower. The bank shall be held responsible for any negligence in the performance of its duties as agent of said bureau. The principal and all interest coupons shall be payable at the bank where and through which the loan is negotiated and remitted by said bank to said bureau.

SEC. 6. That whenever the bureau of farm credits shall have received such mortgages to the extent of $1,000,000 it shall issue bonds in the name of the United States payable in 20 years and bearing 4 per cent interest, payable annually, with the privilege and option of the said bureau to pay the principal at the expiration of 10 years. Said bonds shall be issued in denominations from $100 to $500 each, and the said commissioner of farm credits shall sell the said bonds for the face value thereof to any person applying therefor, preference being given to those desiring small investments. Said bonds shall not be subject to taxation by the United States, a State, or municipality. All moneys received by the said commissioner in the sale of bonds and the principal and all interest paid on said mortgages shall be covered into the said fund of $10,000,000 and used in the payment of mortgages as they may be presented, the expenses of the bureau, the interest on bonds, and payment thereof at maturity.

SEC. 7. That all mortgages shall run to the commissioner of farm credits, and said commissioner shall have all the rights and authority of a mortgagee under the laws of the State wherein such mortgage is executed.

SEC. 8. That all taxes of every kind levied by a State or municipality which may become a lien prior to said mortgage shall be paid by the mortgagor at least 30 days prior to the time such lands could be sold for delinquent taxes. Upon his failure to do so, or to pay any other lien that may attach to said lands and become superior to said mortgage, the commissioner may pay the same and the mortgage shall stand as security for such sums so paid and interest thereon at 8 per cent per annum. And said mortgage shall further provide that in default of the payment of any interest or the payment of taxes, or other superior liens, as aforesaid, the commissioner may foreclose the premises pursuant to the laws of the State in which the land is situated. All papers necessary for the foreclosure proceedings shall be prepared and premises foreclosed by the proper law officer of the bureau. In lieu of foreclosure the commissioner may sell the mortgage to any person desiring to purchase the same, without recourse, and the money so received shall be covered into said fund. Upon foreclosure, the said commissioner may transfer and assign the certificate of sale to any purchaser, and after the period of redemption has expired, may sell the lands. And any sum received therefor shall in like manner be covered into said fund.

SEC. 9. That it is the purpose of this act not only to secure and facilitate borrowing upon agricultural lands at a reasonable rate of interest, but also to afford a means for those who desire a safe investment, and so long as the said bureau shall be able to dispose of bonds at par it shall accept mortgages presented to any extent above the $10,000,000 hereby appropriated.

SEC. 10. That said bonds shall be negotiable in form, and transferable by indorsement, and may be bought and sold by Federal reserve banks under the provisions of sections 13 and 14 of the Federal reserve act, approved December 23, 1913, and may also be received as colateral for the issue of Federal reserve notes under the provisions of section 16 of said act.

SEC. 11. That the word "mortgage" shall be construed to include deeds of trust or any other instruments of security on agricultural lands.

SEC. 12. That the Secretary of the Treasury shall make all needful rules and regulations to carry out the provisions of this act.

SEC. 13. That this act shall take effect from and after its passage and approval.

The VICE PRESIDENT. The question is on the amendment, in the nature of a substitute, proposed by the Senator from Minnesota [Mr. CLAPP] for the Senator from North Dakota [Mr. MCCUMBER].

The amendment was rejected.

Mr. NORRIS. Mr. President, I reoffer the amendment which I offered awhile ago.

The VICE PRESIDENT. The amendment proposed by the Senator from Nebraska will be stated.

The SECRETARY. It is proposed to strike out all after the enacting clause and to insert the following——

Mr. HOLLIS. Mr. President, does the Senator from Nebraska care to have the amendment read, if it may be printed in the RECORD?

Mr. NORRIS. No. It has already been printed in the RECORD. I do not care to have it read. I discussed it at considerable length the other day, but I should like to have it printed in the RECORD at this point. I do not care to have the Secretary take up the time to read it.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment referred to is as follows:

That there is hereby established in the Department of Agriculture a bureau to be called the bureau of farm loans. There shall be appointed a director of said bureau, who shall receive a salary of $6,000 per annum, and an assistant director, who shall receive a salary of $4,500 per annum. The assistant director shall perform the duties of the director of said bureau in case of the death, resignation, removal from office, or absence of the director, and he shall also perform such other duties as may be assigned to him by the Secretary of Agriculture, by the director, or by law. There shall also be in said bureau a chief clerk and such other agents, clerks, inspectors, and employees as are provided for in this act or as may hereafter be authorized by law, or as may be authorized by the Secretary of Agriculture. The director and assistant director shall hold their respective offices for a term of 10 years and shall be removed from office during such term only for cause. The Secretary of Agriculture can remove either of said officers for a violation of law or neglect of duty, but only after a public trial upon charges duly made, of which the accused official shall have reasonable notice, and then only upon the approval in writing of the President of the United States. The director and assistant director shall be appointed by the President, by and with the advice and consent of the Senate, and in case there is a vacancy in either of said offices the appointment to fill the same shall be made for the full term.

SEC. 2. That under the rules and regulations made by the director of said bureau and approved by the Secretary of Agriculture, and in accordance with the provisions hereinafter provided, the said bureau shall make loans on farm lands located in any of the States of the Union or in the District of Columbia. Said loans shall be secured by mortgage made payable to said bureau, and shall bear interest at the rate of 4 per cent per annum, payable semiannually. No loan shall be made upon any tract of land less than 10 acres in area. Loans shall be made only for $100 or any multiple of $100 up to and including $2,000. The mortgage securing any such loan shall provide that at the end of five years one-tenth of said loan shall become due, and that thereafter one-tenth of said loan shall become due each year until the entire loan matures. Said mortgage shall also provide that whenever any interest is due, the mortgagor or his grantee shall have the right to pay the entire loan or to make a payment of $100 or any multiple thereof on the principal thereof, and upon such payment being made the interest on the amount so paid shall thereupon cease. Said mortgage shall also provide that both principal and interest shall draw interest at the rate of 6 per cent per annum from maturity.

SEC. 3. That no person shall be entitled to a loan of money from said bureau until he has made application therefor under oath upon blanks to be furnished by said bureau. Such application can be sworn to before any person authorized to administer an oath, and all postmasters and their deputies in the United States are hereby authorized to administer oaths to applicants making application for loans under this act and to administer oaths to such applicants or other persons to any other affidavits made necessary by the rules and regulations of said bureau. Whenever any oath is administered by a postmaster or deputy postmaster no charge shall be made therefor. No person shall be entitled to a loan under this act who is not of good moral character and who does not establish to the satisfaction of said bureau that he is honest and bears a good reputation in the neighborhood where he resides. No loan shall be made to any person who is not an actual resident on and engaged in the cultivation of the land offered as security: *Provided*, That where the applicant for the loan is endeavoring to secure the money for the purpose of building a house upon the land or for the purpose of making part payment upon the purchase price thereof, the bureau can waive this stipulation if convinced that it is the intention of applicant as soon as possible to reside upon the land and to cultivate the same, the intention of this act being to provide money only for persons who intend to reside upon and cultivate the land which they offer as security. No loan shall be made for more than one-half of the value of the land offered as security and only for one or more of the following purposes:

First. To make payment of part of the purchase money of the land to be mortgaged.

Second. To pay off an indebtedness already existing against said land.

Third. To build a house, barn, or other building or buildings upon said land: *Provided*, That said bureau, under proper rule and regulation, can provide that not to exceed 50 per cent of any loan may be used for the purchase of stock and farm implements. Any applicant or other person testifying falsely to any material fact in any application or other affidavit connected with any loan under this act shall, upon conviction thereof, be deemed guilty of perjury and punished accordingly.

SEC. 4. That it shall be the duty of every postmaster, deputy postmaster, or other employee or official of the Government, without fee or pay therefor, to make confidential reports to said bureau, upon request therefor, upon anything pertaining to any loan and upon the character or standing of any applicant or witness. Such postmaster, deputy postmaster, or other officer shall also, when requested by said bureau, appoint appraisers to appraise the land offered for security under the regulations of and upon the blanks furnished by said bureau.

SEC. 5. That any person applying for a loan shall furnish to said bureau an abstract of title to the land offered as security and shall pay all the necessary expenses connected with the making of said loan. Such applicant shall furnish conveyance for the appraisers appointed to fix a value upon land offered for the loan, or shall pay for the transportation of said appraisers to and from said land, and if required by said appraisers he shall pay a fee to each of them, not exceeding two in all, which fee shall be ascertained in advance and fixed by the official appointing said appraisers. It shall be the duty of said bureau and the officials appointing said appraisers to select efficient, qualified, and unbiased persons, but, at the same time, to regulate any fee that they may charge for such service so as to make the same as small as possible. Said appraisers shall make return upon blanks provided by the bureau and shall swear to the same before some person qualified under this act to administer an oath.

SEC. 6. That it shall be the duty of every United States district attorney or deputy district attorney, upon request from said bureau, to examine the abstract of title to any land offered as security under this act and to make return thereof to the said bureau. It shall likewise be the duty of any district attorney or deputy district attorney when

requested by the bureau to foreclose any mortgage taken as security for a loan under this act and to prosecute the same to final judgment. All such services so rendered by an attorney connected with the Department of Justice shall be a part of his official duty and shall be rendered without pay, but said bureau shall pay in all cases the actual expenses of any such attorney in connection with such litigation.

SEC. 7. That it shall be the duty of any post-office inspector, United States marshal, deputy United States marshal, or other employee or inspector of any other department, when engaged in official business in the vicinity of any land mortgaged to said bureau, upon request of said bureau, to make a personal inspection of the same and to report thereon to said bureau. Such inspection shall be made without charge, but said bureau shall pay the actual expenses, if any, made necessary thereby. It shall likewise be the duty of any postmaster, deputy postmaster, or other governmental official residing or doing business in the vicinity of any land that has been mortgaged to said bureau, upon request of said bureau, to make a report upon said loan or as to whether the money borrowed upon said land has been expended or is being expended in accordance with the purposes for which the same was loaned, and in making any loan under this act the said bureau can withhold, under such rules and regulations as it may prescribe, any part of the same for the purpose of insuring the application of said loan to the purposes for which the same was made.

SEC 8. That should the owner of any land mortgaged to said bureau fail or neglect to pay the interest thereon at or before the time when the same is due, or permit the taxes on the land to become delinquent, or neglect or refuse, without the consent of said bureau, to apply the money borrowed in accordance with the statements made in the application for the loan, or if he has made any false statement as to any material matter in said application, or if he neglects to properly care for the improvements on said land, or if he do any other act that materially injures the value of the security, either by overt act or by neglect and inattention, or should said land, without the consent of the bureau, cease to be farmed and cultivated, then the said bureau shall have the right, at its election and without notice, to declare the entire amount secured by said mortgage due and payable, and may take any steps necessary for the foreclosure of said mortgage and the collection of said loan, and from and after said election so made by the bureau the amount secured by said mortgage shall bear interest at the rate of 6 per cent per annum.

SEC. 9. That in making any payment of interest or payment of the principal, or part payment of the same, upon any loan made under this act the person making such payment can pay the same to any postmaster designated by said bureau, and the same shall be transmitted by said postmaster either directly to the bureau or to such Federal reserve bank as may be designated by the bureau, and such postmaster shall immediately notify the bureau of such payment and the transmission of the money so paid, and thereupon credit shall be given for the payment of such money as of the date the same was paid to the postmaster. The said bureau shall notify each person to whom a loan has been made as to the post office where payments upon his loan can be made. The bureau may make such designation by general circular or by specific notice in writing, and can designate by such notice a post office within a county or other district to which all payments within such district can be made.

SEC. 10. That the bureau shall deposit all money it receives in the Federal reserve banks provided for in the act of December 23, 1913, and in making disbursements of money it shall do so by check upon such banks. Any Federal reserve bank organized under the said Federal reserve act is hereby authorized and instructed to receive such deposits and to pay checks or drafts drawn by said bureau upon said deposits, the same as other accounts authorized to be held by said banks under said act.

SEC. 11. That the bureau shall have power to sue and to be sued, to complain and defend in any court of law or equity having jurisdiction of the subject matter in litigation. To protect any loan it may pay the taxes or any other prior lien due and unpaid against the land securing said loan, and in such case the amount paid in liquidation of such taxes or lien shall be added to and become a part of its mortgage on said real estate, and from the date of such payment shall bear interest at the rate of 6 per cent per annum. It shall have the right and authority to purchase, at sale under judgments or decrees of court rendered in foreclosure proceedings of any mortgage it owns, the land so mortgaged, but in such case it shall not bid a greater amount for such land at such sale than the amount due in such proceedings, together with costs and expenses expended in relation to said loan. In case the bureau obtains title as set forth in this section to any real estate, it shall have authority to sell the same at such price as may be for the best interests of said bureau, in the judgment of the director, and to convey title to the purchaser thereof by deed signed and acknowledged by the director. In making such sale it shall be authorized to take a return mortgage from the purchaser for part of the purchase price thereof in accordance with the provisions of this act.

SEC. 12. That in order to secure money for the purpose of making loans as hereinbefore provided the said bureau shall issue bonds which shall be the obligation both as to principal and interest of the United States. Said bonds shall be issued in denominations of $100 or any multiple thereof, and shall bear interest at the rate of 3½ per cent per annum, payable semiannually. Said bonds, together with the interest thereon, and also all notes and mortgages taken by said bureau upon farm lands, shall be entirely free from all taxation of every kind, National, State, and municipal. When in need of money for the purpose of making loans as provided in this act, the bureau shall give notice of its intention to issue bonds and invite from the public generally subscriptions to said bonds. If the amount of subscriptions shall exceed the then demand of the bureau, it shall give preference in accepting money for said bonds to those offered in the smallest amounts, the intention being to give as wide circulation and distribution to said bonds throughout the country as is possible. Said bonds shall be issued for the term of 15 years, with the privilege on the part of said bureau of paying the same upon the date of maturity of any interest payment after 10 years. After this act shall have been in active operation for one year said bureau shall have authority to change the rate of interest charged for farm loans thereafter made and to also change the rate of interest upon the bonds herein provided for thereafter issued, it being the object of this act to pay as low a rate of interest upon said bonds as will float said bonds at par and to charge as low a rate of interest upon the farm loans herein provided for as will bring in sufficient revenue to pay said bonds, the interest thereon, the expenses connected with the making of said loans, and any losses, if any, incurred therein.

SEC. 13. That it shall be unlawful for any Senator, Member of the House of Representatives, or any other official of the Government of the United States to use or attempt to use any political or other influence to induce said bureau to make or refuse to make any loan or loans. Any person found guilty of the conduct in this section prohibited shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $2,000.

SEC. 14. That it shall be unlawful for any official of any State or any officer or member of any political committee to use or attempt to use any political or other influence to induce said bureau to make or refuse to make any loan or loans. Any person found guilty of the conduct in this section prohibited shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 15. That it shall be the duty of the officials of said bureau to give publicity to any letter or communication from any of the persons named in the above two sections requesting or urging said bureau to make or to refuse to make any loan, and to give to the Department of Justice the names of any of said mentioned persons attempting to influence the action of said bureau in allowing or refusing any application for a loan, together with the evidence connected with said attempt, whether the same be in writing or otherwise.

SEC. 16. That any person who shall make any false representation to said bureau in connection with the making or the investigation of any application for a loan shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000 or be imprisoned for a term not exceeding one year, or both such fine and imprisonment, in the discretion of the court.

Mr. NORRIS. So far as I am concerned, I am ready for a vote on the amendment.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska.

The amendment was rejected.

Mr. LANE. Mr. President, before the bill proceeds further, in justice to myself, I wish to say that it is not so liberal as I would like to have it. It does not render it so easy for the deserving farmer to obtain money as it should. In Oregon we loan $6,000,000 of the school fund to farmers, and have had such a fund for 30 years, at 6 per cent, with the governor, the secretary of state, and the State treasurer acting as a board, under the advice of the attorney general, without the loss of one dollar of the loan. Such a Federal law would be safe, if it were administered with ordinary business acumen; but the Members of this body have not yet arrived at that conclusion, and this bill being the best that we can get under the circumstances, I am going to vote for it in the hope that it may lead to something better.

Mr. NORRIS. Mr. President, the brief remarks of the Senator from Oregon [Mr. LANE] illustrate what I tried to establish the other day, and which I tried to carry out in the substitute which I have offered. How many millions did the Senator say had been loaned of the school fund in the State of Oregon?

Mr. LANE. The loan is now $6,000,000.

Mr. NORRIS. Six million dollars belonging to the school fund. That has been loaned out to the farmers of Oregon for how many years?

Mr. LANE. For about 30 years, if my memory serves me aright.

Mr. NORRIS. That practice has been going on for about 30 years; and, as the Senator states, without the loss of a dollar. The substitute which I proposed, in effect, undertook to carry that into the Nation as it has been carried out in the State of Oregon with the exception that the rate of interest would be 4 per cent, instead of 6 per cent. In my judgment there can be no way in which cheap money can be afforded for loaning purposes to the farmers of the country unless the Government lends its credit for the purpose of floating the bonds that will be placed upon the market. Personally I can not see why the Government should not do so directly with the loans properly supervised in the same way in which the State of Oregon has done it in that State. It would not be dangerous in any respect, as I look at it, to the Government; but it would certainly bring about a reduction in the rate of interest. Unless the Government credit is loaned to any plan of this kind, it will not result in the relief that is possible to be brought about. To my mind the pending bill gives some relief of that kind. It does not do it, however, in the right way, nor does the bill go to the extent to which it ought to go.

I do not believe that it is necessary for the Government to loan its general funds for any purpose of this kind. My substitute did not provide for anything like that; but in some way the Government ought to loan its credit; and, in my judgment, it is a proper use of Government credit, and a proper instrumentality of the Government, if we can bring about a low rate of interest, that must be paid by the man who has the best security in the world and who has to pay the highest rate of interest under present conditions.

I said the other day that I doubted very much whether this bill would work satisfactorily. Other men just as honest and much more able than I think it will. I know it has been conceived and drafted in a very honest intention and with the

honest belief that it will bring relief. I sincerely trust that it will, although I feel morally certain that if it does bring some relief, it will not be to the degree that we ought to go and to the degree that we may properly go if we utilize the Government credit in the proper way.

The bill was reported to the Senate as amended.

The VICE PRESIDENT. The question is on concurring in the amendments made as in Committee of the Whole.

Mr. HOLLIS. I reserve the amendment which was submitted by the Senator from Utah [Mr. SMOOT] to the committee amendment. I want a separate vote on that amendment in the Senate.

The VICE PRESIDENT. What is the amendment?

Mr. HOLLIS. The amendment is, on page 3, line 12, where, on the motion of the Senator from Utah, the figures "$10,000" were struck out and the figures "$7,500" were inserted.

The VICE PRESIDENT. The question is on concurring in all the other amendments made as in Committee of the Whole.

The amendments made as in Committee of the Whole, with the exception of the reserved amendment, were concurred in.

The VICE PRESIDENT. The question now is on concurring in the amendment which was adopted, as in Committee of the Whole, on the motion of the Senator from Utah [Mr. SMOOT] to the amendment reported by the committee, on which the Senator from New Hampshire [Mr. HOLLIS] desires a separate vote. The amendment will be stated.

The SECRETARY. In the committee amendment, on page 3, line 12, the Senate, as in Committee of the Whole, struck out "$10,000" and inserted "$7,500."

Mr. SMOOT. On that I ask for the yeas and nays.

Mr. HOLLIS. Mr. President, those opposed to the amendment of the Senator from Utah, I understand, will vote "nay"?

The VICE PRESIDENT. Yes.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CURTIS (when his name was called). I have a general pair with the Senator from Georgia [Mr. HARDWICK], which I transfer to the Senator from Illinois [Mr. SHERMAN], and vote "yea."

Mr. PAGE (when Mr. DILLINGHAM's name was called). I wish to announced the necessary absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH]. If present and permitted to vote, my colleague would vote "yea."

Mr. FALL (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr. CHILTON]. I transfer that pair to the Senator from California [Mr. WORKS] and vote "yea."

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Delaware [Mr. SAULSBURY] and vote "nay."

Mr. ASHURST (when the name of Mr. SMITH of Arizona was called). I rise to announce that my colleague has just been called from the Chamber on a very important matter at one of the departments.

Mr. SHAFROTH (when the name of Mr. THOMAS was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS]. He is paired with the senior Senator from North Dakota [Mr. MCCUMBER].

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Arkansas [Mr. ROBINSON] and vote "yea."

Mr. TOWNSEND (when his name was called). I transfer my pair with the Senator from Florida [Mr. BRYAN] to the junior Senator from Rhode Island [Mr. COLT] and vote "yea."

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. I transfer that pair to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. LODGE (when the name of Mr. WEEKS was called). My colleague [Mr. WEEKS] is absent from the Chamber. If present, he would vote "yea." He is paired with the Senator from Kentucky [Mr. JAMES].

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

The roll call was concluded.

Mr. BECKHAM. I transfer my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. STONE. I thought I had arrangements made with a Senator on the other side for a mutual transfer of pairs; but I do not see him present, and as I am unable to obtain a transfer of my standing pair with the Senator from Wyoming [Mr. CLARK] I will have to withhold my vote. If I were permitted to vote, I should vote "nay."

Mr. MYERS. I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. JAMES. I desire to withdraw my vote, as I am paired with the junior Senator from Massachusetts [Mr. WEEKS], and he has not voted.

Mr. SMITH of Georgia. I desire to announce the absence of my colleague [Mr. HARDWICK]. He is paired with the junior Senator from Kansas [Mr. CURTIS].

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Maine [Mr. BURLEIGH] with the Senator from Nebraska [Mr. HITCHCOCK];

The Senator from North Dakota [Mr. MCCUMBER] with the Senator from Colorado [Mr. THOMAS];

The Senator from New Hampshire [Mr. GALLINGER] with the Senator from New York [Mr. O'GORMAN]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 29, nays 31, as follows:

YEAS—29.

| | | | |
|---|---|---|---|
| Beckham | Fall | Norris | Sterling |
| Borah | Gronna | Oliver | Tillman |
| Brady | Jones | Overman | Townsend |
| Brandegee | Kenyon | Page | Vardaman |
| Clapp | Lane | Poindexter | Wadsworth |
| Culberson | Lodge | Reed | |
| Cummins | Martine, N. J. | Smith, Mich. | |
| Curtis | Nelson | Smoot | |

NAYS—31.

| | | | |
|---|---|---|---|
| Ashurst | Johnson, Me. | Newlands | Smith, Ga. |
| Bankhead | Johnson, S. Dak. | Owen | Smith, S. C. |
| Chamberlain | Kern | Phelan | Swanson |
| Fletcher | La Follette | Pittman | Taggart |
| Gore | Lea, Tenn. | Pomerene | Thompson |
| Hollis | Lee, Md. | Ransdell | Underwood |
| Hughes | Martin, Va. | Sheppard | Williams |
| Husting | Myers | Simmons | |

NOT VOTING—36.

| | | | |
|---|---|---|---|
| Broussard | du Pont | McCumber | Smith, Ariz. |
| Bryan | Gallinger | McLean | Smith, Md. |
| Burleigh | Goff | O'Gorman | Stone |
| Catron | Harding | Penrose | Sutherland |
| Chilton | Hardwick | Robinson | Thomas |
| Clark, Wyo. | Hitchcock | Saulsbury | Walsh |
| Clarke, Ark. | James | Shafroth | Warren |
| Colt | Lewis | Sherman | Weeks |
| Dillingham | Lippitt | Shields | Works |

So the amendment of Mr. SMOOT to the amendment of the committee made as in Committee of the Whole was nonconcurred in.

The amendment of the committee was concurred in.

The VICE PRESIDENT. The bill is in the Senate, and open to amendment.

Mr. STERLING. I submit the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to strike out lines 18 and 19 on page 25; and strike out "division A" in line 20 on the same page and insert in lieu thereof the words "national farm loan"; and to strike out pages 26, 27, and down to and including the word "board," in line 10 on page 28.

Mr. STERLING. Mr. President, just a word in explanation of this amendment. The amendment relates to the two classes of farm-loan associations, the limited class and the unlimited class. If the amendment is adopted the provision will read:

> That shareholders of every farm-loan association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares.

In other words, the amendment will provide for the limited liability of the members of the national farm-loan associations, and there will not be any distinction in liability whatsoever.

I wish to say further that I hardly think that the adoption of this amendment will affect any of the other provisions of the bill. If it does, and if the amendment should be accepted, the necessary changes could be made very readily so as to make the bill correspond with the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was rejected.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. BRANDEGEE. Mr. President, I shall take only one minute, and it is the first minute I have taken on the floor since this bill has been under consideration.

This bill will do my section of the country no good whatever, in my opinion. There is no demand for it there. The loans are obtainable upon good farm security from the insurance

companies and the savings banks, and, in my opinion, this bill and its provisions will not be availed of at all. I would not, however, vote against the bill for that reason if I were convinced that it would be of any substantial benefit in other parts of the country; but I regard the bill as an unpractical and unconstitutional piece of legislation, and therefore I shall cast my vote against it.

As showing the extent to which the insurance companies have loaned money upon farms and the exceedingly moderate rates which they have charged, I ask permission to insert in the RECORD a short editorial from the Hartford Courant, of my State.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

[Editorial from the Hartford Courant of May 1, 1916.]

ABOUT FARM LOANS.

While there is agitation over Government banks to afford to farmers the opportunity to borrow on their farms it is well worth while to look over the extent and the experience of one of our great life insurance companies in this field, suggesting alike the worth of such investments and the ease with which the farmer can borrow.

The Connecticut Mutual Life Insurance Co., of this city, the first life insurance company organized under the laws of Connecticut, dating back to 1846, found that the accustomed outlets for investments in city mortgages, Government, municipal, railway, and other securities of the most desirable standard were somewhat limited; and in that year, after a thorough study of the whole situation, the company began making farm loans, and selected for its operations the choicest agricultural areas in the States of Ohio, Indiana, Illinois, Missouri, Iowa, and Nebraska, and northeastern Kansas, commonly known as the "corn belt."

From August 1, 1881, to April 26, this year, the company has made loans on farm lands and improvements in the vast sum of $128,786,021.67. There have been retired on this account, in cash payment or new loans, the sum of $95,038,811.56, leaving outstanding in force on April 26, 1916, $33,747,210.11. In the 35 years of this experience the company has acquired title to these mortgaged farm lands in a sum amounting to only sixty-three one-hundredths of 1 per cent of the principal. These farms so taken have, on the other hand, yielded to the company on sales a net profit of $68,367.61.

These loans have all run directly to the company and have been negotiated through its approved financial correspondents in the various States—men of judgment, experience, and personal integrity; men of the highest standing in their respective communities, competent and experienced in all matters relating to farm-loan securities; experts in valuations, and with personal knowledge of the character and responsibility of the borrowers. These loans have been made on the most favorable rates of interest to the thousands of borrowers, running from a minimum of 4½ per cent to a maximum of 6 per cent per annum. It is a most notable share, through this remarkable experience, that this company has had in the development and conservation of the great agricultural interests so vital to our country's prosperity.

There would seem to be little occasion for the exploitation of the scheme entitled "rural credits," with all its complications, covered in the Hollis bill, so called, pending in the Congress, or for its acceptance, with its many burdensome details, by the multitude of borrowers whose relations with this company and many others transacting a like business have been and are satisfactory in all respects.

It is a significant fact in this relation that at the close of 1914 (the figures for 1915 are not yet available) 148 American life insurance companies carried in their assets $654,650,505 loans on farms in the United States, or 39.3 per cent of their entire mortgage holdings, all of which amounted to $1,677,102,467.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. HOLLIS. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BECKHAM (when his name was called). I transfer my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Louisiana [Mr. BROUSSARD] and will vote. I vote "yea."

Mr. HOLLIS (when Mr. CHILTON's name was called). I have been requested to announce that the senior Senator from West Virginia [Mr. CHILTON], the junior Senator from Delaware [Mr. SAULSBURY], and the junior Senator from Arkansas [Mr. BOBINSON] are absent on official business, and are all paired in favor of the bill.

Mr. CURTIS (when his name was called). I am paired with the junior Senator from Georgia [Mr. HARDWICK]. He has authorized me to vote on this bill, as he would vote "yea," and I intend to vote "yea." I, therefore, vote "yea."

Mr. PAGE (when Mr. DILLINGHAM's name was called). I wish to announce the necessary absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH]. If present and at liberty to vote, my colleague would vote "nay."

Mr. FALL (when his name was called). I announce my pair with the senior Senator from West Virginia [Mr. CHILTON], but as I am at liberty to vote upon this matter I vote "yea."

Mr. JAMES (when his name was called). I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from Georgia [Mr. HARDWICK] and will vote. I vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "yea."

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Delaware [Mr. SAULSBURY] and will vote. I vote "yea."

Mr. ASHURST (when the name of Mr. SMITH of Arizona was called). I again announce the unavoidable absence of my colleague [Mr. SMITH of Arizona].

Mr. STONE (when his name was called). I transfer my standing pair with the Senator from Wyoming [Mr. CLARK] to the Senator from West Virginia [Mr. CHILTON] and will vote. I vote "yea."

Mr. SMOOT (when Mr. SUTHERLAND's name was called). My colleague [Mr. SUTHERLAND] is necessarily detained from the Senate. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE].

Mr. SHAFROTH (when Mr. THOMAS's name was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS].

Mr. TILLMAN (when his name was called). Repeating the announcement I made a moment ago, I vote "yea."

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. I transfer that pair to the junior Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. MYERS (When Mr. WALSH's name was called). My colleague [Mr. WALSH] is necessarily absent. If he were present, he would vote "yea."

Mr. LODGE (when Mr. WEEKS's name was called). My colleague [Mr. WEEKS] is necessarily absent. He is paired with the senior Senator from Kentucky [Mr. JAMES]. If present, my colleague would vote "nay."

Mr. WILLIAMS (when his name was called). Repeating the announcement made upon the last roll call, I vote "yea."

The roll call was concluded.

Mr. HOLLIS. I wish to announce that the senior Senator from Nebraska [Mr. HITCHCOCK] is paired with the junior Senator from Maine [Mr. BURLEIGH]. If the Senator from Nebraska were present, he would vote "yea."

Mr. SHAFROTH. I desire to announce that my colleague [Mr. THOMAS], who is unavoidably absent, is paired with the senior Senator from North Dakota [Mr. MCCUMBER], and that if my colleague were present he would vote "yea."

Mr. MYERS. I desire to announce the pair of my colleague [Mr. WALSH] with the Senator from Rhode Island [Mr. LIPPITT], both of whom are absent.

Mr. CURTIS. I desire to announce that the Senator from New Hampshire [Mr. GALLINGER] is paired with the Senator from New York [Mr. O'GORMAN]. I also desire to announce the absence of the Senator from Maine [Mr. BURLEIGH], who is paired with the Senator from Nebraska [Mr. HITCHCOCK]. I do not know how the Senator from Maine would vote if he were present.

The result was announced—yeas 58, nays 5, as follows:

YEAS—58.

| | | | |
|---|---|---|---|
| Ashurst | Hughes | Nelson | Smith, Mich. |
| Bankhead | Husting | Newlands | Smith, S. C. |
| Beckham | James | Norris | Smoot |
| Borah | Johnson, Me. | Overman | Sterling |
| Brady | Johnson, S. Dak. | Owen | Stone |
| Clapp | Jones | Phelan | Swanson |
| Chamberlain | Kenyon | Pittman | Taggart |
| Culberson | Kern | Poindexter | Thompson |
| Cummins | La Follette | Pomerene | Tillman |
| Curtis | Lane | Ransdell | Townsend |
| Fall | Lea, Tenn. | Reed | Underwood |
| Fletcher | Lee, Md. | Shafroth | Vardaman |
| Gore | Martin, Va. | Sheppard | Williams |
| Gronna | Martine, N. J. | Simmons | |
| Hollis | Myers | Smith, Ga. | |

NAYS—5.

| | | | |
|---|---|---|---|
| Brandegee | Oliver | Page | Wadsworth |
| Lodge | | | |

NOT VOTING—33.

| | | | |
|---|---|---|---|
| Broussard | du Pont | McLean | Sutherland |
| Bryan | Gallinger | O'Gorman | Thomas |
| Burleigh | Goff | Penrose | Walsh |
| Catron | Harding | Robinson | Warren |
| Chilton | Hardwick | Saulsbury | Weeks |
| Clark, Wyo. | Hitchcock | Sherman | Works |
| Clarke, Ark. | Lewis | Shields | |
| Colt | Lippitt | Smith, Ariz. | |
| Dillingham | McCumber | Smith, Md. | |

So the bill was passed.

The title was amended so as to read: "A bill to provide capital for agricultural development, to create a standard form of in-

vestment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes."

PETITIONS AND MEMORIALS.

Mr. NELSON presented petitions of sundry citizens of Minnesota, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. DU PONT presented a petition of sundry citizens of Rehoboth Beach, Del., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Newark, Del., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Milford, Del., praying for prohibition in the District of Columbia, which was ordered to lie on the table.

Mr. THOMAS presented petitions of sundry citizens of Colorado, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. JONES presented petitions of sundry citizens of Washington, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. PHELAN presented memorials of sundry citizens of California, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

He also presented petitions of the Friday Study Club, of Santa Barbara, and of the Woman's Club, of Carquinez, all in the State of California, praying for an investigation into conditions surrounding the marketing of dairy products, which were referred to the Committee on Agriculture and Forestry.

He also presented a memorial of the Civic Art Commission of Berkeley, Cal., remonstrating against the proposed location of the central heating, lighting, and power plant in the District of Columbia, which was ordered to lie on the table.

Mr. TILLMAN presented a petition of sundry citizens of Salley, S. C., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. TOWNSEND presented petitions of sundry citizens of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Michigan, praying that the United States remain at peace, which were referred to the Committee on Foreign Relations.

He also presented a petition of the Fourth District Michigan Christian Endeavor Union, of Holland, Mich., praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of the Fourth District Michigan Christian Endeavor Union, of Holland, Mich., praying for prohibition in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of Orcutt Camp, No. 10, Sons of Veterans, of Kalamazoo, Mich., praying for an increase in armaments, which was ordered to lie on the table.

Mr. KERN presented a petition of the Lutheran Ministers and Teachers' Conference, of Peru, Ind., praying that the United States remain at peace, which was referred to the Committee on Foreign Relations.

He also presented a memorial of sundry citizens of Indianapolis, Ind., remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Franklin, Ind., praying for the enactment of legislation to recognize the services of certain employees in the Canal Zone, which was referred to the Committee on Interoceanic Canals.

He also presented petitions of sundry citizens of New Albany, Ind., praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

Mr. WADSWORTH presented memorials of sundry citizens of New York, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented memorials of sundry citizens of Jamestown, N. Y., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

Mr. SMITH of Michigan. I have a telegram from the mayor of Port Huron, Mich., which I ask may be printed in the RECORD.

There being no objection the telegram was ordered to be printed in the RECORD, as follows:

PORT HURON, MICH., *May 4, 1916.*

Hon. WILLIAM ALDEN SMITH,
*Washington, D. C.:*

Port Huron is a city of 22,000 and growing. It has varied industries, including elevators, large thrashing machinery plant, railroad shops, and marine interests. At present, because we have no sufficient channel, we do not benefit by large lake commerce which passes our door. We are located at the foot of Lake Huron on the greatest waterway in the world and the St. Clair River, but get no benefit. Consequently the surrounding and interior territory get no benefit. We urge your cooperation and help in securing an appropriation for the construction of an additional channel such as is recommended by engineer and shipping interests.

JOHN L. BLACK, *Mayor.*

Mr. O'GORMAN presented a petition of the Merchants' Association of New York, praying for the extension of the pneumatic-tube service of the New York City post office, which was referred to the Committee on Post Offices and Post Roads.

He also presented the petition of Adolph Lewisohn, of New York City, N. Y., praying for the enactment of legislation to provide a guarantee of the Philippine government bonds in connection with the proposed legislation to grant independence to the Philippine Islands, which was ordered to lie on the table.

He also presented a petition of the Chamber of Commerce of Plattsburg, N. Y., praying for the enactment of legislation to provide an adequate standing army, which was ordered to lie on the table.

Mr. PAGE presented memorials of Industrial Grange, No. 127, Patrons of Husbandry, of Andover; of Crystal Lake Grange, No. 441, Patrons of Husbandry, of Barton; and of Mount Philo Grange, No. 329, Patrons of Husbandry, of North Ferrisburg, all in the State of Vermont, remonstrating against an increase in armaments, which were ordered to lie on the table.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BANKHEAD:

A bill (S. 5841) to authorize the Perdido Bay Bridge & Ferry Co., a corporation existing under the laws of the State of Alabama, to construct a bridge over and across Perdido Bay from Lillian, Baldwin County, Ala., to Cummings Point, Escambia County, Fla.; to the Committee on Commerce.

By Mr. DU PONT:

A bill (S. 5842) granting an increase of pension to Hetty R. Lynch; to the Committee on Pensions.

By Mr. KERN:

A bill (S. 5843) granting an increase of pension to Mary J. Yocum; to the Committee on Pensions.

By Mr. TAGGART:

A bill (S. 5844) granting a pension to Wilbur C. Gahret; and

A bill (S. 5845) granting an increase of pension to Louise P. Wasem (with accompanying papers); to the Committee on Pensions.

By Mr. BECKHAM:

A bill (S. 5846) granting a pension to James G. Rollins (with accompanying papers);

A bill (S. 5847) granting a pension to Jacob F. Allen (with accompanying papers);

A bill (S. 5848) granting an increase of pension to Cyrus B. Parrigin (with accompanying papers);

A bill (S. 5849) granting an increase of pension to John French (with accompanying papers); and

A bill (S. 5850) granting an increase of pension to William Ingram (with accompanying papers); to the Committee on Pensions.

By Mr. MARTIN of Virginia:

A bill (S. 5851) granting the consent of Congress to the Norfolk-Berkley Bridge Corporation, of Virginia, to construct a bridge across the Eastern Branch of the Elizabeth River in Virginia; to the Committee on Commerce.

By Mr. O'GORMAN:

A bill (S. 5852) for the relief of the Hellenic Transatlantic Steam Navigation Co. (with accompanying paper); to the Committee on Claims.

By Mr. UNDERWOOD:

A bill (S. 5853) to incorporate the Federal Council of the Churches of Christ in America; to the Committee on the Judiciary.

By Mr. SWANSON:

A bill (S. 5854) to provide for the erection, furnishing, and equipping of a building in the city of Washington, D. C., for the Department of Justice; to the Committee on Public Buildings and Grounds.

By Mr. LODGE:
A joint resolution (S. J. Res. 128) authorizing the acceptance of the gift of the Berkshire Trout Hatchery, Berkshire County, Mass.; to the Committee on Fisheries.

GOOD ROADS.

Mr. SHAFROTH submitted an amendment intended to be proposed by him to the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter, which was ordered to lie on the table and be printed.

INDIAN APPROPRIATIONS—CONFERENCE REPORT.

Mr. ASHURST. Mr. President, I wish to give notice that to-morrow morning, immediately after the reading of the Journal, or as soon thereafter as I can secure the floor, I shall ask the Senate to consider the conference report on the Indian appropriation bill.
The report has been standing for something like a week, and I shall ask the Senate to dispose of it to-morrow.

GOOD ROADS.

Mr. BANKHEAD. I move that the Senate proceed to the consideration of House bill 7617, commonly known as the good-roads bill.
Mr. SMOOT. The Senator can take up that bill by motion in the morning just as well.
Mr. BANKHEAD. I will lay it aside at once.
Mr. SMOOT. With that understanding, I have no objection.
The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Alabama.
The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.
Mr. BANKHEAD. I ask that the bill may be temporarily laid aside.
The VICE PRESIDENT. Without objection, it is so ordered.
Mr. KERN. I move that the Senate adjourn.
The motion was agreed to; and (at 6 o'clock and 50 minutes p. m., Thursday, May 4, 1916) the Senate adjourned until to-morrow, Friday, May 5, 1916, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

### THURSDAY, *May 4, 1916.*

The House met at 12 o'clock noon.
The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:
Almighty God, our heavenly Father, we thank Thee for all the rich and varied blessings of life, especially for the faculties of mind and soul with which Thou hast endowed us, and we most fervently pray that we may wisely, conscientiously, and efficiently use them in the work Thou hast called us to do, that we may be faithful sons of Thee, the living God. And Thine be the praise through Jesus Christ our Lord. Amen.
The Journal of the proceedings of yesterday was read and approved.

ILLITERACY.

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to print in the RECORD an article from the Macon (Ga.) Telegraph on the subject of illiteracy, in which article is incorporated a plan of correction inaugurated most successfully by the very distinguished gentleman from Georgia, Judge PARK, which is worthy of the highest commendation.
The SPEAKER. The gentleman from Georgia asks unanimous consent to print in the RECORD an article from the Macon (Ga.) Telegraph on the subject of illiteracy, incorporating a system of correcting it inaugurated by a Member of the House, Judge PARK. Is there objection?
There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bill (S. 5802) to amend an act approved June 8, 1906, entitled "An act to amend section 1 of an act entitled 'An act relating to the Metropolitan police of the District of Columbia,' approved February 28, 1901," in which the concurrence of the House of Representatives was requested.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:
S. 5802. An act to amend an act approved June 8, 1906, entitled "An act to amend section 1 of an act entitled 'An act relating to the Metropolitan police of the District of Columbia,' approved February 28, 1901"; to the Committee on the District of Columbia.
S. 509. An act for the relief of the heirs of Joshua Nicholls; to the Committee on War Claims.
S. 3423. An act to provide for the construction of a bridge across the Salt Fork of the Arkansas River near White Eagle Agency, in the Ponca Indian Reservation, Okla.; to the Committee on Indian Affairs.
S. 4425. An act to provide for the retirement of officers and employees of the Bureau of Lighthouses and the Lighthouse Service; to the Committee on Interstate and Foreign Commerce.
S. 4426. An act to regulate the salaries of keepers of lighthouses; to the Committee on Interstate and Foreign Commerce.

CALENDAR FOR UNANIMOUS CONSENT.

The SPEAKER. Under the order heretofore made the Calendar for Unanimous Consent will be called, and the Clerk will report the first bill.

FRAUDULENT ENLISTMENT.

The first business on the Calendar for Unanimous Consent was the bill (H. R. 7619) to repeal section 3 of section 1342 of the Revised Statutes of the United States, enacted July 27, 1892.
The SPEAKER. Is there objection?
Mr. MANN. I object.
The SPEAKER. The gentleman from Illinois objects, and the bill is stricken from the calendar.
Mr. MANN. Mr. Speaker, the gentleman from Ohio [Mr. GORDON] who is interested in the bill is not present, and I am perfectly willing that it should go over without prejudice.
Mr. FOSTER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.
The SPEAKER. Is there objection?
There was no objection.

SECTION 20 OF THE ACT TO REGULATE COMMERCE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 722) to amend section 20 of an act to regulate commerce, approved February 4, 1887, as amended, and for other purposes.
The SPEAKER. Is there objection?
Mr. MANN. Mr. Speaker, reserving the right to object, there is a minority report upon this bill. The gentleman from New Jersey [Mr. PARKER] filed a minority report and is not present. In his absence I would have to object, unless the gentleman from Georgia will consent to having it passed over without prejudice.
Mr. ADAMSON. Mr. Speaker, I know the gentleman is in the city, for he attended a committee meeting a few moments ago.
The SPEAKER. Has the gentleman from Georgia any suggestion to make in respect to the bill?
Mr. ADAMSON. Mr. Speaker, I will act on the suggestion of the gentleman from Illinois and ask unanimous consent that it be passed over without prejudice.
The SPEAKER. Is there objection?
There was no objection.

JOINT COMMITTEE TO INVESTIGATE INTERSTATE AND FOREIGN COMMERCE.

The next business on the Calendar for Unanimous Consent was the joint resolution (S. J. Res. 60) creating a joint subcommittee from the membership of the Senate Committee on Interstate Commerce and the House Committee on Interstate and Foreign Commerce to investigate the conditions relating to interstate and foreign commerce, and the necessity of further legislation relating thereto, and defining the powers and duties of such subcommittee.
The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I am making some further inquiries which are not yet complete, and I hope the gentleman from Georgia will ask to have this joint resolution passed over without prejudice.

Mr. ADAMSON. Mr. Speaker, I have no disposition to refuse to oblige the gentleman from Illinois in any respect, but I beg to state to him, in showing the importance of this matter, that probably one-half, or at least a very large percentage, of the bills before our committee are depending on this resolution. Every time we take up one for consideration somebody suggests it will be covered by the jurisdiction of the joint committee, if appointed under this joint resolution. I would be glad to have the joint resolution disposed of one way or the other, so that our committee would be relieved of that embarrassment.

Mr. MANN. Mr. Speaker, I am sure that the gentleman's committee is busy with important work, so that they are not losing anything by putting over some bills.

Mr. ADAMSON. The gentleman speaks correctly, so far as that is concerned, yet there are so many bills as to which that plea is made that it amounts to an embarrassment. The gentleman suggests to me that it can be called up again a week from next Monday, and, in view of that statement, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

FOREST HOMESTEAD ACT.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10668) to repeal section 4 of the act of Congress approved June 11, 1906, known as the forest homestead act, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and the Clerk will read the bill.

The Clerk read as follows:

*Be it enacted, etc.*, That section 4 of the act of Congress, approved June 11, 1906, entitled "An act to provide for the entry of agricultural lands within forest reserves," be, and the same is hereby, repealed: *Provided*, That lands within forest reserves in Lawrence and Pennington Counties, in South Dakota, shall remain subject to all other provisions of the said act of June 11, 1906.

With the following committee amendments:

After the word "reserves," in line 6, insert "as amended by the act of February 8, 1907 (Stat. L., vol. 34, p. 883), and by the act of July 3, 1912 (Stat. L., vol. 37, p. 239)."

Mr. MANN. Mr. Speaker, I move to amend the committee amendment, line 10, page 1, by striking out the words "two hundred and thirty-nine" and inserting "one hundred and eighty-eight."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 1, line 10, by striking out the words "two hundred and thirty-nine" and inserting "one hundred and eighty-eight."

Mr. FOSTER. Mr. Speaker, let me ask the gentleman—he has probably looked it up—as to whether the reference to the page is wrong——

Mr. MANN. The reference is wrong, and I think I am correct in the amendment I offered. I have that notation, and I did look it up.

Mr. FOSTER. All right.

Mr. MANN. It was acknowledged to be wrong when the bill was up the last time.

Mr. FOSTER. That is my recollection.

The SPEAKER. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

The amendment as amended was agreed to.

The Clerk read the next committee amendment, as follows:

Page 2, line 1, strike out, after the word "repealed," the colon and the words "*Provided*, That" and insert a period and the word "all."

The question was taken, and the amendment was agreed to.

The next committee amendment was read as follows:

Page 2, line 2, strike out the words "forests reserves" and insert the words "a national forest."

Mr. MANN. Mr. Speaker, I ask unanimous consent to amend the committee amendment by striking out the word "a" and inserting the word "the."

The amendment was agreed to.

The committee amendment as amended was agreed to.

The next committee amendment was read, as follows:

Page 2, line 3, after the word "shall," insert the words "be and."

The question was taken, and the amendment was agreed to.

The next committee amendment was read, as follows:

In line 5, page 2, after the word "six," insert the words "and acts amendatory thereof and supplementary thereto."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

MANUSCRIPT COPIES OF PATENT OFFICE RECORDS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11798) providing for the temporary employment of typewriters in the Patent Office.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman having charge of this bill what is the especial need of this additional force? I see the chairman of the subcommittee on the legislative, executive, and judicial appropriation bill present, and, as I recall, this authorization was included as a Senate amendment to the bill which was not agreed to in conference.

Mr. MANN. Was agreed to.

Mr. BYRNS of Tennessee. No; it was not agreed to. But I will call the attention of the gentleman to the fact that this is a different provision and covers a much wider scope than the Senate amendment, because that amendment was limited to the expenditure of $10,000, and there is absolutely no limit of expenditure that may be made under this bill except the provision here providing that the amount expended for such employment shall not exceed in any month the amount received for furnishing the manuscript copies of records, and so forth.

Mr. STAFFORD. In other words, the language of this bill is broader than the item which was objected to in conference?

Mr. BYRNS of Tennessee. Yes.

Mr. STAFFORD. Mr. Speaker, in the absence of the gentleman having charge of the bill, I am going to ask——

Mr. MORRISON. Mr. Speaker, Mr. OGLESBY has charge of this bill, and I do not see him present at this moment; but I would like to answer any question any gentleman desires to ask in reference to the purposes of this bill.

Mr. STAFFORD. Can the gentleman inform the House whether any other bureau has a similar authority to that intended to be vested by this bill?

Mr. KITCHIN. Mr. Speaker, I suggest that the bill be passed over without prejudice until Mr. OGLESBY returns. He will be in in a few moments.

Mr. STAFFORD. Very well.

Mr. SISSON. Then it will go to the heels of this docket.

Mr. FOSTER. Mr. Speaker, I ask that it be passed over without prejudice.

The SPEAKER. The gentleman asks that this bill be passed over without prejudice——

Mr. MORRISON. Mr. Speaker, I am chairman of that committee, and I am willing to assume the responsibility of answering any question.

Mr. KITCHIN. I beg the gentleman's pardon. I did not so understand, and I withdraw my request.

Mr. STAFFORD. Mr. Speaker, I renew the inquiry I put to the gentleman as to whether there is any other bureau that has a similar authority which is intended to be vested in the Commissioner of Patents?

Mr. MORRISON. Mr. Speaker, I am not able to answer that question, but I would like to be permitted to state how we came to have this bill before the House. The Patent Office is called upon frequently to furnish certified copies of records to be used in litigation. The present force is not able to furnish the work within a reasonable time, and it operates to the great disadvantage of litigants.

Mr. STAFFORD. Will the gentleman permit?

Mr. MORRISON. Certainly.

Mr. STAFFORD. Is this additional work done throughout the year, or is it periodical?

Mr. MORRISON. It is periodical, because it grows very largely, if not exclusively, out of litigation, and there is no assurance in advance how much demand there will be for this work.

Mr. STAFFORD. Of course there are advantages, which the gentleman would recognize, in having a permanent force rather than a small temporary force of employees, as provided in this bill.

Mr. MORRISON. It is not general. As I recall the bill, the Commissioner of Patents has permission to give temporary employment to those who are already eligible to permanent employment, so that this work when it is needed may be done quickly. I will state the financial side of it so far as the Patent

Office is concerned. The typewriters who do the work are paid $2.50 per day. On the average the office will receive for their work $8 to $10 a day. It is not a matter that will involve expense on the part of the Government except long enough to pay for the help, deliver the work, and get back the current price as fixed by law.

Mr. STAFFORD. Under the phraseology of this bill, what would prevent the Commissioner of Patents from detailing these typewriters on other work and keeping them employed continuously throughout the year?

Mr. MANN. The bill, if the gentleman will pardon me, only provides for keeping current the work of furnishing manuscript copies of records. They could not under this bill employ these clerks for any other purposes. It only authorizes the employment for that purpose. Those records are sold. So all this bill does is that if the gentleman or some one else ordered some manuscript copies of patents for use, they could get them promptly. Now you can not always get them promptly because there is no force to copy them. This bill would authorize the temporary employment of typewriters to copy those manuscripts, which are sold at 10 cents a folio, or something like that. Is that the price?

Mr. MORRISON. I think so. That is my recollection.

Mr. STAFFORD. I reserved the objection more to direct the attention of the conferees on the legislative bill to this measure, as they have objected to a similar provision in the appropriation bill as a Senate amendment.

Mr. FOSTER. Mr. Speaker, reserving the right to object, I understand they have 140 copyists over in that office now.

Mr. MANN. Those are permanent employees.

Mr. FOSTER. I know they are.

Mr. MANN. And this bill provides that when there is an excess demand for manuscript copies over those that can be furnished by the permanent employees, the Commissioner of Patents can furnish those manuscripts, which are sold and used in patent litigation.

Mr. FOSTER. There is no limitation on this bill.

Mr. MANN. There is a limitation that they can not be used for any other purpose than that.

Mr. FOSTER. It seems to me that this is not a good way to give the department leave to go ahead and employ copyists.

Mr. MANN. It is immaterial to me, but here is the situation: Here is a patent lawyer who has litigaticn. He wants to obtain copies of patents. He asks the Government to furnish him those copies. Under the law he is required to pay 10 cents a folio for them, and the office can not furnish them to him. Litigation has to be put off on the ground that the Government of the United States can not furnish copies of the patents which are necessary to the litigation, and that is a reflection upon the governmental operation.

Mr. GOOD. Let me ask the gentleman how far behind the commissioner is in furnishing requests for copies?

Mr. MANN. I do not suppose he is behind at all now, but there are times when he is behind and can not furnish the copies.

Mr. GOOD. He can furnish them within a few days. He has so many clerks there that he can so adjust the work that these copies can be furnished. This is simply another plan to get additional clerks where we have already granted so many additional clerks that for one I do not see what the Commissioner of Patents is going to do with them.

Mr. MANN. I have not talked with the Commissioner of Patents about this bill, but I know a great many patent lawyers in Chicago, where a great deal of patent business is transacted, have frequently complained to me that they were delayed unduly in obtaining copies of patents which they had to have in their litigation, and that occasionally, at least, it required the postponement of litigation which was ready to be disposed of. I do not think that ought to occur.

Mr. MADDEN. I think that in any ordinary business we would do just exactly what this bill proposes to do. We would give to the man in charge of the office the facilities to keep his business up current. And inasmuch as only $2.50 is paid for any person who is employed for every $8 that is received, it seems to me that it is a good business transaction if nothing else, to say nothing at all of the importance and propriety of giving to the people who are interested in the work prompt service.

Mr. SISSON. They are making a little profit out of this work now.

Mr. MADDEN. They always will.

Mr. SISSON. This bill provides that they may employ this temporary service, provided that it does not exceed the return on the sale of these copies—that is, the fees for copies. The result of it is that if you furnish these clerks to the departments then the other clerks will be doing other work, and you simply put more clerks there than are needed, and in that way they will be able to eat up under this bill all the profits that may come to the Government under the present system.

Mr. MADDEN. But they pay them by the folio, do they not?

Mr. SISSON. Not these per diem clerks. Now, they do not pay anything for regular clerks. Where the regular clerks down there copy it is a part of the overhead charge of running the office, which is constant.

Mr. HAMLIN. Here is a limitation which I think the gentleman overlooks in the bill. The commissioner is not authorized to employ these temporary clerks unless it is necessary to keep current the work.

Mr. SISSON. That will always be necessary in all the departments of this Government, and there never will be a time, until you change the system, when that will not be the case. And if you observe closely these departments, you will find, as we all find, that that is true. And the gentleman from Illinois [Mr. MADDEN] has served on the committee, and he will not deny that statement.

Mr. MADDEN. That is true.

Mr. HAMLIN. I think we have to trust executive officers.

Mr. SISSON. I do not know who has the floor, but I am going to object to this bill, anyway.

Mr. MORRISON. I would like the gentleman from Mississippi to withhold his objection until I tell the House the facts, which I think I can do in three minutes.

Mr. SISSON. Very well.

Mr. MORRISON. The fact is that there is no working force in the Patent Office available to furnish these certified copies. The fact is that the litigants of the country from time to time are required to have certified copies. Frequently they must have them within a few days of the time when the order is given.

Mr. GOOD. Where does the litigant get the copies under the present law?

Mr. MORRISON. In some cases he does not get them. In some cases he sends a clerk from his own office to get them, and has them certified after the clerk has made them, and pays the office for the work that his own clerk has done. In other cases he gets a postponement of the trial of the case to some time in the future.

Mr. GOOD. Under the present law the commissioner does not hire people to have these copies made and sent out, does he?

Mr. MORRISON. Under the present law he has no authority to hire persons not regularly on the force to do this work.

Mr. GOOD. No; but he is doing that with his regular force, is he not?

Mr. MORRISON. Yes; when he can, but it frequently happens that it can not be done within five or six or seven weeks after the order is given, and in such instances the litigant must either get the case continued or send his own clerk and have him do the work and get the office to certify the work of his own clerk.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. Yes.

Mr. SISSON. Does the gentleman understand that the legislative bill, the conference report on which has just passed the House and been sent to the President, gives the commissioner nearly $70,000 additional to what he had last year? That is in the present bill.

Mr. MORRISON. I do not recall, even if I remembered the amount given; but not one dollar of that is available for this work.

Mr. SISSON. We anticipated in the committee the very bill which was reported by the gentleman's committee reorganizing the Patent Office. We had come before us in the committee the Commissioner of Patents and the chief clerk, and we had hearings as to what would be needed to carry out the law which you gentlemen recommended to Congress and which passed the House. Now, in carrying out that law we added $67,000 to that bill with the idea that all this work that he has been claiming he had to detail his clerks to do would be done and taken care of with regular clerks, by lower grades of clerks under the civil service, and that there would then be a great profit to the Government in this business. But if you will permit him, as he is permitted under this bill, to permit all that force which is given to be performing various and sundry and other duties, perhaps unnecessary, Congress loses the absolute control of the duties which these permanent clerks may perform, because he will then do all this work with this special $2.50 per day man. In order that Congress may control what these clerks are doing the committee gave him

$67,000 worth of clerks in the places where he said they were needed. I do not think the gentleman's committee were aware of the fact when they reported this bill.

Mr. MORRISON. The committee were aware of all these facts, and still believe that it is a bad thing for the litigants of the country for Congress to refuse this appropriation.

Mr. SISSON. Does the gentleman know how many copyists there are there?

Mr. MORRISON. No; I can not tell the gentleman.

Mr. SISSON. There are 140 copyists there now; what we have given.

Mr. MORRISON. The Patent Office is underofficered and has fewer employees than are needed to give the people of the country the value of their money.

Mr. SISSON. Then I will ask the gentleman what on earth the commissioner can do with 140 copyists? He can have 140 days' work done in one day. Some of these copies that the gentleman refers to include only one typewritten page. The average would not include more than two or three pages to be copied. A great deal of this stuff is in forms printed with cuts. All you have to do is to make that a part of the record and certify to that. All that has been provided for, and the Commissioner of Patents is to be congratulated, as I understand, because he has endeavored to reduce that work to a minimum. Now we have given him 140 copyists. Perhaps he does not like to turn into the Treasury one dollar earned from the work of his office.

Mr. MORRISON. The filing of a claim for a patent and the proceedings thereunder sometimes runs into hundreds of pages. The Patent Office issues a completed patent once in every six minutes of the working time of the employees of that office, and the man who knows that and knows the volume of work that may be entailed by a single application will know what they do with the employees of that office.

The SPEAKER. Is there objection?

Mr. SISSON. I object, Mr. Speaker.

The SPEAKER. The gentleman objects, and the bill is stricken from the calendar.

DISTRICT COURT AT WINCHESTER, TENN.

The SPEAKER. The Clerk will report the next bill.

The next business on the Calendar for Unanimous Consent was the bill (S. 377) providing for the establishment of a term of the district court for the middle district of Tennessee at Winchester, Tenn.

The title of the bill was read.

Mr. WEBB. Mr. Speaker, I ask that this bill be considered in the House as in Committee of the Whole. It is on the Union Calendar.

The SPEAKER. You have not got permission to consider it at all yet. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman how much business is likely to be transacted at this new location?

Mr. WEBB. I yield to my friend from Tennessee [Mr. MOON] to answer that question. The report sets out those facts.

Mr. MOON. A very large amount of business is done in the middle district of Tennessee at Nashville. We have two Federal courts in Tennessee, one in the eastern and middle districts of Tennessee and one in the western district of Tennessee. There are two Federal judges. One judge has perhaps two-thirds of all the business in the State—the judge presiding in the eastern and middle divisions of Tennessee.

In east Tennessee court is held at three places, and in middle Tennessee there is one at Nashville and one at Cookeville. It is desired by the lawyers who live at the southern end of the middle district of Tennessee, close to the Alabama line, that a term of court be held in Winchester. Winchester is half way between Chattanooga and Nashville, the distance being 156 miles. The lawyers living east of Winchester, within 25 miles of Chattanooga, are obliged to go to Nashville to attend court, so they have to travel 125 or 130 miles there. The judge sits half the year at Nashville. Winchester is in a very large county—Franklin County—which has much Federal business. Of course I can not tell the number of cases.

Mr. MANN. That is what I want to inquire. The report says there will be a great saving to the people of Franklin County. How much Federal business is there in Franklin County?

Mr. MOON. I am not able to tell the gentleman the number of cases; I should suppose 40 or 50 cases in Franklin County.

Mr. MANN. In view of the statement in the report I think somebody ought to be able to tell.

Mr. MOON. I wrote for a report of the number of cases, but have not received it. Now, the point is this: It will be a great convenience, not only to the litigants and in the saving of the trips of witnesses to Nashville but to the bar of that section of the State, for the judge to hold two terms of court there. I am advised that he has no objection to it, and there will be little or no expense to the Government. If it were necessary to put up a Federal court building at Winchester or to rent quarters for the Federal court there, some question of economy might be involved, but we have a new Federal building there in which we have a Federal court room already.

Mr. MANN. I want to know how you got a Federal court room and a Federal building in a city where there is no authorization to hold a Federal court?

Mr. MOON. I can tell the gentleman very easily how it happened.

Mr. MANN. I know it is a secret that other Members of the House would like to obtain.

Mr. MOON. An appropriation was made for a post-office building, and one large room was set aside for Federal purposes, and could be used for any Federal purpose. The post office does not need specially that room in the building, and it is there, available for use by the Federal judge.

Mr. MANN. What was the occasion for Congress and the department constructing a building and putting in rooms which the Government did not need?

Mr. MOON. Of course, the gentleman understands that the building was not put up for a Federal court room, but there is that space which is not needed for post-office purposes which can be used for a court room.

Mr. MANN. All I know, except what the gentleman says, is the statement in the report:

> It has a new Federal building in which there is room provided for holding court.

Mr. MOON. That simply means that there is a room there which can be utilized for that purpose. I do not mean to say that the law has already directed it to be held there at all.

Mr. MANN. I understand the gentleman to say that the Supervising Architect has provided a room there for which there is no use now.

Mr. MOON. No; he has provided a room which can be utilized for holding court and which is not used for any purpose now.

Mr. MANN. For which there is no use now?

Mr. MOON. There is not, of course, except for that purpose.

Mr. MANN. Of course, that is an extra expense.

Mr. MOON. If the gentleman wants to know about the facts, there is nothing to be concealed. The appropriation for this building was $55,000, and it was requested by the people of Winchester, when that building was put up, that space be given in the upper part of it for the purpose of holding a court, so that if eventually we could get it there that might be done. Now, there is no expenditure outside of the appropriation of $55,000.

Mr. MANN. I will say this, that the people of Winchester are very forehanded, and that is more than can be said of the Supervising Architect's Office, which was not economical.

Mr. MOON. Oh, well, $55,000 is the amount they put in all these buildings. If the gentleman has had any experience with one of these smaller buildings, he knows that if the contractor's bid is $45,000 and the appropriation is $55,000, the Government will force you to use the other $10,000 on the building in some way.

Mr. MANN. Well, we would not. Let me ask the gentleman another question. There is no provision in this bill that I think it is customary to have in some bills in reference to a deputy clerk or marshal.

Mr. MOON. That is not necessary. The marshal, of course, has his deputies, and the clerk can go to Winchester. I think the only expense that will possibly be attached under present conditions to the holding of this court at Winchester will be the purchase of the dockets, and possibly a few tables and chairs for that room.

Mr. MANN. We pay the judge $10 a day while he is holding court.

Mr. MOON. Yes; we pay him that, wherever he is.

Mr. MANN. Oh, no.

Mr. MOON. He is paid that wherever he is in the middle division of Tennessee.

Mr. MANN. We do not pay him that when he is at home.

Mr. MOON. He is not at home except in Knoxville, in east Tennessee, so anywhere he holds court in middle Tennessee he gets the allowance.

Mr. MANN. At how many places are Federal courts now held in Tennessee?

Mr. MOON. They are held in Knoxville, Chattanooga, and Greeneville, in the eastern division, which is smaller than the middle division, and they are held at Nashville and Cookeville, in the middle division, and now we want this one at Winchester to accommodate the people in the lower end or southern part of middle Tennessee. Then court is also held at Jackson, in west Tennessee, and Memphis, in west Tennessee. There are two judges for the State of Tennessee.

Mr. GREEN of Iowa. Will the gentleman yield further?

Mr. MOON. Yes.

Mr. GREEN of Iowa. Are there jury rooms and the marshal's room and a room for the clerk at Winchester?

Mr. MOON. No.

Mr. MANN. There soon will be an addition.

Mr. MOON. It is not the purpose to hold criminal courts there. The main docket that will be disposed of there will be the equity docket. It is purely for the convenience of lawyers and the judge. Now, we hold a court under exactly similar circumstances. We have a room provided in the post-office building. As a matter of course, if you are going to have a Federal building and maintain three or four terms a year you might want these extra rooms, but here is a term once a year, purely for the accommodation of the judge and the lawyers. As to the convenience of jury rooms, that is altogether available, because we have a fine public building—a courthouse—in less than 200 feet of this new building, which can be used if needed.

Mr. GREEN of Iowa. Does the gentleman think that they will be contented with that very long, and that they will not be in here asking for an appropriation to enlarge that building to provide these additional rooms?

Mr. MOON. Oh, no; I think not. In Greeneville they have been holding court for a number of years, and they have been contented.

Mr. GREEN of Iowa. What is the population of Winchester?

Mr. MOON. The population of the county is about 30,000 to 40,000.

Mr. GREEN of Iowa. Will it be for the convenience of any of the other counties?

Mr. MOON. Grundy County that adjoins is a mountainous county, and there are tens of thousands of acres of land in litigation between the citizens of Tennessee and nonresidents, and it will be a great convenience to the people of that county, and I have no doubt four or five additional counties. It will be observed that there is no separate division made. This is merely a provision that allows the court to be held in another place, in an already legally established court division of the State. I hope there will be no objection.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I think the gentleman ought to get some information definitely before this bill passes.

Mr. MOON. I hope the gentleman will not object. He voted for the passage of a bill for Cookeville and Greeneville.

Mr. MANN. Unless the gentleman asks to have it passed over at this time in order to get the information about the litigation that will be taken care of, I shall object.

Mr. MOON. This county has one-third of the litigation of middle Tennessee.

Mr. MANN. It is easy to ascertain the amount of litigation pending and what will be taken care of by this district, and this information has not been obtained.

Mr. MOON. I will say that that has been written for but it has not been sent. I do not think it is very material, and the gentleman can take the statement of his colleague as to what is to be done.

Mr. MANN. But he does not know.

Mr. MOON. He does know.

Mr. MANN. How much is the litigation that is pending there now?

Mr. MOON. I am not able to tell just what the litigation in middle Tennessee is, but much of it comes from Franklin County.

Mr. MANN. I do not think we ought to take up the time of the House any longer, and unless the gentleman asks to have it postponed I shall object.

Mr. MOON. Well, the gentleman can object.

The SPEAKER. Is there objection?

Mr. MANN. I object.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the bill be passed without prejudice.

Mr. MANN. It is too late, the bill is off the calendar.

Mr. MOON. Yes; it is too late, and the gentleman will pay one hundred times for his objection.

Mr. MANN. I am willing to pay a thousand times.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the bill be passed without prejudice.

Mr. MANN. I object, and I objected before.

The SPEAKER. The bill will go off the calendar.

### BRIDGE ACROSS ST. LOUIS RIVER BETWEEN MINNESOTA AND WISCONSIN.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 3032) authorizing the county of St. Louis to construct a bridge across the St. Louis River between Minnesota and Wisconsin.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the consent of Congress is hereby granted to the county of St. Louis, in the State of Minnesota, a municipal corporation organized and existing under and pursuant to the laws of the State of Minnesota, to build, maintain, and operate a bridge across the St. Louis River, at a point suitable to the interests of navigation, between the State of Minnesota and the State of Wisconsin, commencing at or near the intersection of Cherokee Street and One hundred and thirty-fifth Avenue west, in the city of Duluth, Minn., at the suburban village known as Fond du Lac, thence crossing the St. Louis River in a line at right angles to the channel of said river to a point on the Wisconsin shore about 100 feet westerly from the mouth of Dubray Creek, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. MILLER of Minnesota. Mr. Speaker, I ask unanimous consent that I may proceed for three minutes in relation to a bill on the Unanimous Consent Calendar.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to proceed for three minutes with reference to a bill on the calendar. Is there objection?

Mr. MOON. I object.

### STATUE OF JAMES BUCHANAN.

The next business on the Calendar for Unanimous Consent was the joint resolution (H. J. Res. 145) authorizing the erection on the public grounds in the city of Washington, D. C., of a statue of James Buchanan, a former President of the United States.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, let the bill be reported.

The Clerk read as follows:

*Resolved, etc.*, That the Chief of Engineers, United States Army, be, and he is hereby, authorized and directed to grant permission to the trustees designated in the will of Mrs. Harriet Lane Johnston for the erection of a memorial to James Buchanan, a former President of the United States, on public grounds of the United States in the city of Washington, D. C., in the southern portion of Meridian Hill Park, between Fifteenth, Sixteenth, W, and Euclid Streets NW.: *Provided*, That the design and location of said memorial and the plan for the treatment of the grounds connected with its site shall be approved by the Commission of Fine Arts, and that the United State shall be put to no expense in or by the erection of said memorial.

With the following committee amendment:

After the word "Columbia," in line 9, page 1, of the resolution, strike out all the words following down to and including the word "northwest," in line 11.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I see that the committee recommends an amendment to strike out the location of this monument. I would like to know where it is to be located.

Mr. SLAYDEN. I will say to the gentleman that that was stricken out because the committee did not feel that the committee or the author of the bill should select the site, and the whole matter is in abeyance awaiting consultation of the Fine Arts Commission, consisting of sundry gentlemen whom the gentleman from Illinois knows and Col. Harts, the secretary of the commission. The matter has not yet been determined, and, so far as I know, the site has not been tentatively selected. The gentleman from Maryland [Mr. LINTHICUM] says it has. I will yield to him.

Mr. LINTHICUM. They have tentatively agreed on a site. I was in conference with Col. Harts yesterday in selecting the Fort McHenry monument at Baltimore, and had a long conversation about this Buchanan monument. He says that the Fine Arts Commission have practically decided to locate it in Meridian Hill Park; that there is to be a large court with an octagonal basin of water in front, and back of this, as a commanding figure, is to be the statue. Then there is to be another line of treatment of the park, all to meet at a central point. This is entirely in accord with the desires of the Fine Arts Commission. They have practically passed upon the statue, with the exception of a few minor changes. The location is well suited and

quite satisfactory, and is in Meridian Hill Park. Col. Harts says that they hope to get busy very shortly.

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. MILLER of Minnesota. I understand the gentleman to state that the Fine Arts Commission is in favor of this statue.

Mr. LINTHICUM. Yes; and they are in favor of placing it in Meridian Hill Park. I was informed by one of the sculptors, acting as a juror on the Fort McHenry monument, that they have practically decided on the statue executed by Bergé, of Baltimore, which is said to be most appropriate.

Mr. MILLER of Minnesota. I presume it is the desire of the gentleman's committee to erect statues in the Capital City to the great men of the Nation. Can the gentleman from Maryland point out just what claims James Buchanan had for such distinction?

Mr. LINTHICUM. The gentleman from Maryland will not attempt to add to the historical knowledge of the gentleman from Minnesota. Knowing the gentleman so well, it would be useless to call his closer attention to the history and life of Buchanan—lawyer, Congressman, ambassador, and President of the United States.

Mr. MILLER of Minnesota. I wanted to give the gentleman from Maryland a chance to make a speech.

Mr. LINTHICUM. I am not desirous of making a speech. My desire is to pass this resolution.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. MOORE of Pennsylvania. James Buchanan was a President of the United States, I will say to the gentleman from Minnesota. And he hailed from Pennsylvania. He was the only Pennsylvania President that we ever had. Some day we will have another, and then we will ask for another monument. I would say further to the gentleman from Minnesota [Mr. MILLER] that Mr. Buchanan was President in a very trying time, when the Union was threatened, and while he was the subject of a very great deal of criticism, he was regarded as one of the very ablest lawyers and statesmen of his day.

Mr. SLAYDEN. And he was also minister to some of the European countries.

Mr. MOORE of Pennsylvania. He had had a very unusual career. He never married. That was one of his failings.

Mr. MILLER of Minnesota. Would it not be more appropriate, then, to erect a monument to the Nation's great who have never married and not specify any particular man?

Mr. MOORE of Pennsylvania. James Buchanan was born in Pennsylvania, and he ought to be given credit for that.

Mr. MILLER of Minnesota. I admit that is a distinction that he could not live down.

Mr. MOORE of Pennsylvania. And he died in Pennsylvania and is buried there. In his earlier career he was a Member of Congress.

Mr. MILLER of Minnesota. Is that on the debit or the credit side of his account?

Mr. MOORE of Pennsylvania. And his name will be found in the archives, where the name of the gentleman from Minnesota will be found some day—not sooner, but later. He was ambassador to Russia and subsequently to the Court of St. James. He was United States Senator and Attorney General of the United States before he was President, and his record was about as strong as that of any man, so far as his serviceability as a citizen is concerned. He was, as I say, President at a time when the Union was in the throes of a very great disturbance, and as the result of his attitude on public questions at that time he was very much criticized, but he was President of the United States, and criticism of a President is not unusual.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. If I may be permitted to do so.

Mr. COOPER of Wisconsin. Speaking of Mr. Buchanan being a great man, a distinguished Pennsylvanian has suggested to me that quite recently he read an authority which said that Pennsylvania had produced but two really great men. One was Benjamin Franklin, of Massachusetts, and the other was Albert Gallatin, of Switzerland. [Laughter.]

Mr. MANN. And I might add for the benefit of the gentleman from Pennsylvania that that statement is quoted from a speech recently made by the President of the United States to which I listened, but he added the name of a third man, of whom I had never heard before or since.

Mr. MOORE of Pennsylvania. I do not care to mention that third name now. [Laughter.] I was about to inform the gentleman from Wisconsin that while he has discovered that Franklin was a Pennsylvanian, and Gallatin also, there are others. Pennsylvania's illustrious men are so numerous that I would not undertake to mention them at this time.

Mr. MILLER of Minnesota. Mr. Speaker, if we are going to erect a statue to a Pennsylvanian who really created something of permanent value and benefit to the people, does the gentleman not think that a statue erected to the memory of James Wilson would be very appropriate? He probably was the most potent influence in the framing of our Constitution.

Mr. MOORE of Pennsylvania. That is very true, and we honor him very much in our State, and people from other States honor him likewise. It is quite unnecessary to say that if we undertook to call the roll of great men who have come from Philadelphia, who started this Nation from that city, it would take more time than the Speaker would permit us to use for the purpose.

Mr. SLOAN. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. Mr. Speaker, will the gentleman yield?

The SPEAKER. To whom does the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to my friend from Nebraska to say that his forbears came from Pennsylvania and that we are proud of the fact.

Mr. SLOAN. The gentleman was naming the eminent natives and citizens of Pennsylvania and among others mentioned Benjamin Franklin and Albert Gallatin, but there is MOORE, I understand. [Laughter.]

Mr. MOORE of Pennsylvania. Oh, yes; but I did not want to mention that.

Mr. DAVIS of Texas rose.

Mr. MOORE of Pennsylvania. Mr. Speaker, it might be interesting to my friend from Texas to know that Daniel Boone also came out of Pennsylvania.

Mr. DAVIS of Texas. I want to suggest that my recollection is that the man who rang the Liberty Bell was a Pennsylvanian.

Mr. GREENE of Vermont. Oh, they always have a lot of old ringers in that State. [Laughter.]

Mr. MOORE of Pennsylvania. In addition to the Liberty Bell I might remind the gentleman that we also contributed the Declaration of Independence and the Constitution.

Mr. MANN. Mr. Speaker, while I am perfectly willing and desirous that as to any of these statues or monuments the Fine Arts Commission should be consulted and that we should not act contrary to their recommendations, yet I am certainly not willing, so far as I am concerned, by unanimous consent, to eliminate the Congress from any consideration in the choice of a place for the erection of any statue anywhere in the District of Columbia. I think the recommendation of the place of erection should be made so that we can approve when we pass the bill.

The Fine Arts Commission under this bill, if passed as recommended by the committee, might erect this statue on the White House Lot, the Washington Monument Lot, in the Potomac Park, in Rock Creek Park, in Meridian Hill Park, or anywhere else. They might erect it down here in front of the Post Office Building or in front of the White House. We ought to have something to say about where these things are to be erected, and unless we can, none of these bills will pass by unanimous consent, and I object until we get that information.

The SPEAKER. The gentleman from Illinois objects.

Mr. LINTHICUM. Will the gentleman withhold his objection for a moment?

The SPEAKER. And the resolution is stricken from the calendar.

Mr. MANN. I am willing that it should be passed over without prejudice.

Mr. LINTHICUM. Mr. Speaker, I ask the gentleman to withhold his objection for a moment to say that this monument and its location have been definitely decided upon for the southern part of Meridian Hill Park, and it was so included in my bill. But the gentlemen of the committee having charge of the bill thought we had better leave the matter entirely in the hands of the Fine Arts Commission. I thought that was the general practice, but if the gentleman objects to it in this shape, I will ask him to withhold his objection and let the resolution be passed without prejudice.

Mr. MANN. Ask that it be passed over.

The SPEAKER. The gentleman from Maryland asks unanimous consent that the resolution be passed without prejudice. Is there objection? [After a pause.] The Chair hears none.

### CONCURRENT JURISDICTION IN REFERENCE TO FISH IN THE COLUMBIA RIVER.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 6097) to ratify the contract and agreement between the States of Oregon and Washington regarding concurrent jurisdiction over the waters of the Columbia

River and its tributaries in connection with regulating, protecting, and preserving fish.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MOON. Mr. Speaker, I object.

Mr. GANDY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. GANDY. I rise to ask unanimous consent to return to the bill H. R. 10668 for the purpose of making a correction.

The SPEAKER. As soon as we get through with this bill. Does the gentleman object?

Mr. MOON. Mr. Speaker, I object, and was on my feet when I did so.

The SPEAKER. The gentleman from Tennessee objects.

Mr. HAWLEY. Mr. Speaker, will the gentleman from Tennessee withhold his objection?

Mr. MOON. No, sir.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent that this bill be passed without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. MOON. Mr. Speaker, I object.

The SPEAKER. The bill is ordered stricken from the calendar.

FOREST HOMESTEAD ACT.

Mr. GANDY. Mr. Speaker, I ask unanimous consent to return to the bill (H. R. 10668) for the purpose of making a correction.

The SPEAKER. What is the calendar number?

Mr. MANN. Unanimous Consent Calendar No. 94.

The SPEAKER. Is there objection to the request of the gentleman to return to the bill mentioned?

Mr. MANN. Mr. Speaker, I reserve the right to object until I can hear the gentleman.

Mr. GANDY. Mr. Speaker, in line 2, page 2, the amendment recommended by the committee read, "A national forest," and, on the suggestion of the gentleman from Illinois [Mr. MANN], that was changed to "the national forest." I will say there are two forests, and I now ask unanimous consent to strike out the word "the" and make the word "forest" in the plural.

Mr. MANN. What are those forests?

Mr. GANDY. Harney, on the south side of what is known as the Base Line, and the Black Hills National Forest, on the north side, within those two counties.

Mr. MANN. Will the gentleman please make that request a little later, after I have looked this over? I had looked the matter over very carefully before.

Mr. GANDY. I did not understand when.

Mr. MANN. Give me a little chance to look it over again.

Mr. GANDY. All right.

INVESTIGATION OF AVIATION SERVICE IN THE UNITED STATES ARMY.

The next business in order on the Calendar for Unanimous Consent was the joint resolution (S. J. Res. 65) creating a joint commission of Congress to be known as the joint commission of Congress to investigate the aviation service of the United States Army.

The Clerk read the title.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I will leave the objection to the gentleman from Tennessee——

Mr. MOON. Mr. Speaker, I do not know why the gentleman from Illinois should have made such a gratuitous remark.

Mr. MANN. It was not gratuitous.

Mr. MOON. I have no partnership with him on the subject of objections.

Mr. MANN. It was the action of the gentleman in objecting and his attitude.

Mr. MOON. The gentleman has very little sense, then, in judging a man's attitude.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, what is the necessity or occasion for the passage of this resolution now? Has not the aviation service been reorganized by the Secretary of War?

Mr. CALDWELL. Well, the gentleman will understand that aviation was started in America; that it is commonly understood——

Mr. MANN. Oh, I was here when it started, and helped to start it and put it in the Army.

Mr. CALDWELL. If the gentleman will allow me, I will answer him.

Mr. MANN. But what has all this got to do with this question?

Mr. CALDWELL. If the gentleman will wait a minute I will state, and if he will listen he will learn something. There are men in the world who learn as they grow older.

Mr. MANN. The gentleman from Tennessee does not.

Mr. CALDWELL. Neither does the gentleman from Illinois, apparently. I have endeavored to be as courteous as I possibly can.

Mr. MANN. The courtesy is not too great.

Mr. CALDWELL. I understand that; but it is because the gentleman will not permit it, that is all. Now, as I was saying, aviation started in America. We find ourselves to-day the last in aviation service of all the great powers in the world. The object of this resolution is to get the necessary information for the purpose of framing a law that will put America in the forefront in the matter of aviation. There was, of course, at the time this resolution was first offered, a deplorable condition existing in the aviation service. That condition has been, to some extent, rectified, but at the same time there is no law pending before this Congress, and the Military Committees of both Houses do not feel they are in this position to frame the proper kind of a bill until we know more about conditions. We know men who have appeared before those committees have not been able to give the information that was required. We know men came here who are heads of the service, but who were unable to answer the questions and were compelled to rely upon the people who are their subordinates, and they have proven inefficient. We want this for the purpose of having a law that will protect America in the air as well as she is protected on the land and in the sea.

Now, it is my purpose to offer an amendment to this bill, if we get consent to the consideration of it, to change the time of reporting from July 1 to December 1, in order that a thorough examination of this situation can be undertaken. And I will say to the gentleman that this resolution has been considered by the Committee on Military Affairs in the House and has been unanimously reported, and I have been directed to press it here if possible.

Mr. MANN. Has the gentleman finished?

Mr. CALDWELL. Yes, sir; I have finished.

Mr. MANN. Mr. Speaker, the report in this case, favorably reporting the joint resolution, says:

> The committee has had under consideration the evidence on file and the statements submitted by Senator ROBINSON, the author of the joint resolution, to the Senate Committee on Military Affairs, as embodied in Senate Report No. 153.

Mr. MOON. Mr. Speaker, of course everybody understands that the gentleman from Illinois [Mr. MANN] is just trying to take up the time in casting out his insinuations and remarks against gentlemen here who had nothing to say about it. I do not want to take any more time on this matter, and I am going to object right now.

Mr. CALDWELL. I hope the gentleman will withdraw his objection.

The SPEAKER. The gentleman from Tennessee has objected.

Mr. MOON. I give notice right now, that if a bill with the merit in it that the bill possessed which I presented a while ago can not receive consideration under unanimous consent there is no bill on this calendar that will.

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent that this bill retain its place on the calendar without prejudice.

The SPEAKER. The gentleman from New York asks unanimous consent that this bill be passed without prejudice. Is there objection?

There was no objection.

HEROES OF THE TITANIC.

The next business on the Calendar for Unanimous Consent was the House joint resolution 104, granting permission to the Woman's Titanic Memorial Association to erect a memorial on public ground in the city of Washington, D. C.

The SPEAKER. Is there objection to the consideration of the resolution?

Mr. KAHN. Mr. Speaker, I ask unanimous consent that the resolution remain on the calendar and be passed without prejudice.

The SPEAKER. Is there objection?

Mr. HUDDLESTON. Mr. Speaker, I object.

The SPEAKER. The gentleman objects, and the resolution is stricken from the calendar. The Clerk will report the next bill.

FEDERAL RESERVE ACT.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

The SPEAKER. Is there objection?

Mr. BENNET. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. BENNET. In order to stop the slaughter of the innocents, I move that the House do now adjourn.

The SPEAKER. The gentleman from New York moves that the House do now adjourn.

The question was taken, and the motion was rejected.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 13391) to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section.

*Be it enacted, etc.*, That the act approved December 23, 1913, known as the Federal reserve act, be amended by adding thereto a new section, as follows:

"SEC. 25a. Any national bank possessing a capital and surplus of $1,000,000 or more may purchase and hold stock in foreign or domestic corporations, other than national banks, which are authorized by their charter to do a banking business in foreign countries: *Provided, however*, That the aggregate amount of stock so held by any one national bank shall not exceed 10 per cent of the capital and surplus of the bank: *And provided further*, That before any such national bank shall purchase stock in any such corporation it shall file with the Federal Reserve Board a copy of the charter or articles of incorporation of such association and shall agree to be bound by such special regulations or restrictions regarding its business with, and relations to, such corporation as may be prescribed by the Federal Reserve Board: *And provided further*, That before any national bank shall be permitted to purchase stock in any such corporation, the said corporation shall enter into an agreement or undertaking with the Federal Reserve Board to restrict its operations or conduct its business in such manner or under such limitations and restrictions as the said board may by regulations provide. If at any time the Federal Reserve Board shall ascertain that the said restrictions or limitations prescribed by it are not being complied with by such corporation or by any national bank holding stock therein, said board shall be authorized and shall have power to institute an investigation of the matter and to send for persons and papers, subpœna witnesses and administer oaths, in order to satisfy itself as to the actual nature of the transactions referred to. Should such investigation result in establishing the failure of the corporation in question, or of the national bank or banks which may be stockholders therein, to comply with the regulations laid down by the said Federal Reserve Board, such national banks may be required to dispose of stockholdings in the said corporation upon 30 days' notice, and in the event of their noncompliance with such order the Federal Reserve Board shall request the Comptroller of the Currency to institute proceedings for forfeiture of charter.

"Any national banking association located in a city or incorporated town of more than 100,000 inhabitants and possessing a capital and surplus of $1,000,000 or more may, under such rules and regulations as the Federal Reserve Board may prescribe, establish branches within the corporate limits of the city or town in which it is located.

"Any national banking association located in any other place may, with the approval of the Federal Reserve Board, and under such rules and regulations as such board may prescribe, establish branches with the limits of the county in which it is located, provided that no such branch shall be established unless the capital of the parent bank is at least equal to the aggregate of the amounts which would be required of each branch, under the provisions of section 5138, Revised Statutes, if it were organized as an independent association, together with the amount required of the parent bank itself by that section."

Also the following committee amendments were read:

On page 1, line 10, strike out the colon after word "countries" and insert after the word "countries," in line 10, the word "exclusively," followed by a colon.

On page 2, line 4, strike out the word "special."

On page 2, line 7, strike out the colon after the word "Board" and insert a comma, and insert after the word "Board," in line 7, the following: "and the said board is hereby empowered and directed to make regulations for the conduct of such foreign business for each foreign country where such business is to be conducted," to be followed by a colon.

On page 2, line 13, strike out the words "be regulations."

On page 2, line 13, strike out, after the word "provide," the period and insert the following: "for the foreign country wherein such business is to be conducted."

On page 2, line 15, strike out the word "limitations" and insert in lieu thereof the word "regulations."

On page 3, lines 3 and 4, strike out the words "shall request" and insert in lieu thereof the words "may direct."

On page 3, strike out all of lines 13 to 24, inclusive.

The SPEAKER. Is there objection?

Mr. MOON. Mr. Speaker, I object.

Mr. GLASS. Mr. Speaker, I move to suspend the rules and pass the bill.

Mr. FINLEY. Mr. Speaker, it is not in order to suspend the rules now according to the usual practice here?

The SPEAKER. It is an unusual situation.

Mr. FINLEY. It has not been the practice.

The SPEAKER. The Chair understands that.

Mr. MANN. Did not the bill pass the point of consideration?

The SPEAKER. No.

Mr. MANN. I thought it did.

Mr. GLASS. Mr. Speaker, I move to suspend the rules and consider the bill H. R. 13391.

Mr. MANN. The gentleman will have to make his motion to pass the bill in a certain way.

Mr. GLASS. And pass the bill with the committee amendments and with the further amendment that I send to the Clerk's desk.

The SPEAKER. The gentleman from Virginia moves to suspend the rules and pass the bill, which the Clerk will report. The Clerk will read the amendment into the bill.

Mr. MANN. That is to take something out of the bill?

Mr. GLASS. Yes; it is to strike out.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] had best pay close attention to the reading of this, so as to get the amendment where he wishes it, because he can not amend.

Mr. GLASS. It is a very simple amendment, Mr. Speaker.

The SPEAKER. The Chair suggests to the gentleman from Virginia that the gentleman knows more about his bill than anybody else does, and if he gives close heed to the reading he will get it the way he wants it.

The Clerk read as follows:

*Be it enacted, etc.*, That the act approved December 23, 1913, known as the Federal reserve act, be amended by adding thereto a new section, as follows:

"SEC. 25a. Any national bank possessing a capital and surplus of $1,000,000 or more may purchase and hold stock in foreign or domestic corporations, other than national banks, which are authorized by their charter to do a banking business in foreign countries exclusively: *Provided, however*, That the aggregate amount of stock so held by any one national bank shall not exceed 10 per cent of the capital and surplus of the bank: *And provided further*, That before any such national bank shall purchase stock in any such corporation it shall file with the Federal Reserve Board a copy of the charter or articles of incorporation of such association and shall agree to be bound by such regulations or restrictions regarding its business with, and relations to, such corporation as may be prescribed by the Federal Reserve Board and the said board is hereby empowered and directed to make regulations for the conduct of such foreign business for each foreign country where such business is to be conducted: *And provided further*, That before any national bank shall be permitted to purchase stock in any such corporation, the said corporation shall enter into an agreement or undertaking with the Federal Reserve Board to restrict its operations or conduct its business in such manner or under such limitations and restrictions as the said board may provide for the foreign country wherein such business is to be conducted. If at any time the Federal Reserve Board shall ascertain that the said restrictions or regulations prescribed by it are not being complied with by such corporation or by any national bank holding stock therein, said board shall be authorized and shall have power to institute an investigation of the matter and to send for persons and papers, subpœna witnesses and administer oaths, in order to satisfy itself as to the actual nature of the transactions referred to. Should such investigation result in establishing the failure of the corporation in question, or of the national bank or banks which may be stockholders therein, to comply with the regulations laid down by the said Federal Reserve Board, such national banks may be required to dispose of stockholdings in the said corporation upon 30 days' notice, and in the event of their noncompliance with such order the Federal Reserve Board may direct the Comptroller of the Currency to institute proceedings for forfeiture of charter."

The SPEAKER. Is a second demanded?

Mr. MADDEN. I demand a second, Mr. Speaker.

Mr. GLASS. I ask unanimous consent, Mr. Speaker, that a second be considered as ordered.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] has 20 minutes, and the gentleman from Illinois [Mr. MADDEN] has 20.

Mr. GLASS. Mr. Speaker, I shall require only a moment or two to explain the provisions of this bill.

Mr. MOON. Mr. Speaker, I make the point that there is no quorum in this House.

The SPEAKER. The gentleman from Tennessee makes the point that there is no quorum present, and evidently there is not.

Mr. GLASS. I move a call of the House, Mr. Speaker.

The SPEAKER. The gentleman from Virginia moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

| | | | |
|---|---|---|---|
| Adair | Collier | Gard | Jones |
| Aiken | Conry | Gardner | Keister |
| Anderson | Copley | Garland | Kent |
| Austin | Costello | Godwin, N. C. | Kiess, Pa |
| Bacharach | Cullop | Goodwin, Ark. | Kincheloe |
| Barchfeld | Dale, N. Y. | Gould | King |
| Barkley | Davis, Minn. | Gray, N. J. | Konop |
| Barnhart | Dewalt | Griest | Kreider |
| Beales | Dooling | Griffin | Lee |
| Britt | Driscoll | Guernsey | Lehlbach |
| Brumbaugh | Dunn | Hamilton, N. Y. | Lewis |
| Burnett | Dyer | Haskell | Liebel |
| Byrns, S. C. | Eagan | Heaton | Lindbergh |
| Candler, Miss. | Estopinal | Helgesen | Littlepage |
| Cantril | Fairchild | Henry | Loft |
| Casey | Flynn | Hopwood | Longworth |
| Chandler, N. Y. | Focht | Humphrey, Wash. | McDermott |
| Coleman | Fordney | James | McFadden |

| | | | |
|---|---|---|---|
| McGillicuddy | Phelan | Scott, Mich. | Stephens, Nebr. |
| McLaughlin | Porter | Scott, Pa. | Sumners |
| Martin | Pou | Scully | Sutherland |
| Morgan, La. | Powers | Sells | Switzer |
| Morin | Price | Sinnott | Vare |
| Moss, W. Va. | Ragsdale | Slemp | Walsh |
| Mott | Rainey | Small | Ward |
| Neely | Roberts, Mass. | Smith, N. Y. | Watkins |
| North | Roberts, Nev. | Snell | Watson, Pa. |
| Norton | Rowland | Snyder | Williams, Ohio |
| Overmyer | Sanford | Sparkman | Wilson, Fla. |
| Paige, Mass. | Saunders | Steele, Iowa | Wilson, Ill. |
| Patten | Schall | Steele, Pa. | Wood, Ind. |

The SPEAKER. On this roll call 310 Members, a quorum, answered to their names.

Mr. GLASS. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from Virginia [Mr. GLASS] has 20 minutes and the gentleman from Illinois [Mr. MADDEN] has 20.

Mr. GLASS. Mr. Speaker, as previously stated, I shall not occupy more than a minute or two to explain this bill. It is merely an amplification of the provisions of section 25 of the Federal reserve act, authorizing national banks with a million dollars or more of capital to establish branches abroad.

It was found that under the provisions of the Federal reserve act only national banks of very large capital could operate effectively, so that of the six branch banks established abroad, in the South American countries and in Panama and in Cuba, four of them have been established by the National City Bank of New York, and two by a banking association here in Washington. Thus it would appear that under the provisions of the Federal reserve act there is a very great likelihood of the foreign banking business becoming a monopoly. Hence a large number of national banks have petitioned that the law be so amended as to permit a number of national banks to unite and form a banking corporation to do business in foreign countries—to subscribe 10 per cent of their capital to such domestic or foreign corporation doing a banking business exclusively in foreign countries.

That, in a word, is the purpose of this bill.

Mr. KITCHIN. Mr. Speaker, may I interrupt the gentleman a moment?

Mr. GLASS. Yes.

Mr. KITCHIN. Was that a unanimous report from the committee?

Mr. GLASS. It is a unanimous report. There was no objection whatever to the bill.

I may state in this connection that the committee embodied in this bill a provision for domestic branch banking; but in view of the fact that there was considerable opposition to that proposition, and no objection whatsoever to the other proposition, it was thought advisable to eliminate from the bill the domestic branch banking proposition in order to separate it from the foreign banking proposition, to which there was no objection.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. GLASS. I yield.

Mr. STAFFORD. I notice that you provide but 30 days' notice in which a bank that fails to comply with the regulations of the Federal Reserve Board must dispose of its holdings of stock in this foreign banking corporation. Does the gentleman believe that in case a national bank offends in the particular suggested, 30 days would be sufficient time for them to dispose of their holdings in a foreign bank?

Mr. GLASS. It will not necessarily be a foreign bank. There is doubt whether it will be a foreign bank. It will be a bank authorized in the United States to do a foreign business. It is in a new field of banking, and the committee thought that every possible safeguard and precaution ought to be taken in initiating this new adventure in the banking business, and we thought that 30 days will be ample time for an offending bank. A bank has no business to offend.

Mr. STAFFORD. That would be ample time in which to dispose of their stock after they had failed to comply with the conditions?

Mr. GLASS. The committee thinks so.

Mr. RUBEY. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Yes.

Mr. RUBEY. I notice on page 3 lines 13 to 19 have been stricken out.

Mr. GLASS. Yes; lines 13 to 19 have been stricken out. Mr. Speaker, I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I do not intend to take much time in the consideration of this bill. I do not want to consume the time of the House. I think the recommendation made by the committee in this bill fills a long-felt want. We have been in a very embarrassing situation on account of not having any foreign banking connections. I can realize how impossible it would be for any single bank in the United States, even though we may have some very large ones, to organize a bank to do a foreign business; whereas, under the recommendations proposed in this bill it will be possible for national banks to take stock in a bank to do an exclusively foreign business and thereby enable the exporters of the United States to enlarge the scope of their activities abroad. Inasmuch as the committee have thought wise to offer an amendment to modify other clauses of the bill, I see no reason why the bill as proposed to be amended should not pass. Therefore I will not take the time that was allotted to me under my demand for a second.

Mr. GLASS. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question being taken and two-thirds voting in the affirmative, the rules were suspended and the bill passed.

GOLD.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13474) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 2, 1911.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The bill was read, as follows:

*Be it enacted, etc.*, That section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act approved March 2, 1911, be, and the same is hereby, further amended by striking from the last proviso of said section 6 the word "one-third" and inserting in lieu thereof the word "one-half," making the last proviso of said section 6 read as follows:

"*And provided further*, That the Secretary of the Treasury may, in his discretion, receive, with the Treasurer or any assistant treasurer of the United States, deposits of gold bullion bearing the stamp of the coinage mints of the United States, or the assay office in New York, certifying their weight, fineness, and value, in ammounts of not less than $1,000 in value, and issue gold certificates therefor of the description herein authorized. But the amout of gold bullion and foreign coin so held shall not at any time exceed one-half of the total amount of gold certificates at such time oustanding. And section 5193 of the Revised Statutes of the United States is hereby repealed."

With the following committee amendments:

Page 2, line 3, strike out the word "one-half" and insert "two-thirds"; on page 2, line 14, strike out the word "one-half" and insert "two-thirds."

The SPEAKER. This bill is on the Union Calendar.

Mr. GLASS. I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Virginia asks unanimous consent to consider the bill in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. GLASS. I yield to the gentleman.

Mr. MANN. The law now provides for one-third bullion. The department originally recommended that that be changed to make it one-half, and the committee has now reported in favor of making it two-thirds?

Mr. GLASS. In favor of making it two-thirds.

Mr. MANN. I will say to the gentleman that that seems to me to be perfectly proper. Was there any change in the situation between the time that the department made its recommendation and the bill was introduced and the time when the bill was reported, or was it the result of further reflection?

Mr. GLASS. The alteration was made in consequence of the fact that the Director of the Mint was notified to appear before the committee, and the suggestion was made by my colleague the gentleman from California [Mr. HAYES] that owing largely to the disuse of coin on the Pacific coast, where coin had been most used theretofore, he thought the change should be made from one-half, as suggested by the Secretary of the Treasury, to two-thirds, to which suggestion the Director of the Mint readily agreed that it would be better to have it that way.

Mr. HAYES rose.

Mr. GLASS. I yield to my colleague.

Mr. HAYES. The only place where gold coin is used to any great extent that I know of is in California.

Mr. LA FOLLETTE. Oregon and Washington also.

Mr. HAYES. And Oregon and Washington. Gradually the people of those States are coming to use paper money, and I can see no reason in the world for paying $125,000, which is the difference in cost between what the present law requires us to

coin and what this bill would require, for coining money that will never be put in circulation. The bullion is just as good to base gold certificates on as the coin.

Mr. GLASS. This is unanimously reported by the committee, Mr. Speaker, and it not only saves $125,000 in coinage, but it releases the mints to engage in minting foreign coinage, and to that extent it will be an additional saving.

Mr. MILLER of Minnesota. Will the gentleman yield for an inquiry?

Mr. GLASS. I do.

Mr. MILLER of Minnesota. I understood from the statement just made by the gentleman from California [Mr. HAYES] that the only place where gold coin is now used is in the States of California, Oregon, and Washington. Will the coining of one-third, as provided for in this bill, no more than accommodate the demand for gold coin in those three States?

Mr. GLASS. The accommodation is now more than ample for all the gold coin that is demanded.

Mr. MILLER of Minnesota. I do not know anything about it, but I want to add that I do know that we want American gold in the various parts of the world, because that is the only thing that you can exchange at a fair, decent rate in the foreign countries of the world.

Mr. GLASS. This bill simply enables the Treasury Department to hold a greater amount of bars against outstanding gold certificates than heretofore, and a less amount of coin. To comply technically with the existing law would involve the Treasury in a useless expenditure of $125,000, and the gold coins are not demanded.

Mr. MANN. Does it not go a little further than that? We have been bringing in a very large amount of foreign coin in the last year or so. It is not unlikely that sooner or later in the course of transfers much of that will go out of the country again, and it is better not to recoin it or even reduce it to bullion, but it is better to send the coin back when we do have to export gold.

Mr. GLASS. That is entirely true.

Mr. HAYES. If the gentleman will yield, I desire to say that the amount provided for here will undoubtedly meet every demand for gold coin that can exist, and if that be not so the Secretary of the Treasury will have authority under the law, as it will be if this bill passes, to coin more if it is demanded.

Mr. GLASS. Oh, yes.

Mr. HAYES. It only authorizes that in case there is no demand for the coin the unnecessary coinage shall be suspended, thereby saving the money that would be uselessly expended.

Mr. HILL. Mr. Speaker, I move to strike out the last word. The gentleman from Minnesota [Mr. MILLER] said that he wants to see American coin go all over the world. Some years ago I visited the vaults of the Bank of England. I had the same patriotic idea that the gentleman from Minnesota has, and I found that the only result of not having such a law as this was that the United States, England, and France all went to the expense of melting down one another's money and coining it into their own coin. This bill will tend largely to prevent that, and save not only this Government but other Governments the expense of unnecessary recoining. The gentleman from Illinois [Mr. MANN] very appropriately says that we have been receiving a large amount of gold from abroad. The probability is that when the war is over a great deal of that gold will go back again. Now, supposing we coin that into American coin, what will happen? It goes over to Paris and to London, and the result will be that if you go into the vaults of the respective banks you will find a little machine with an arm on one side, a funnel at the top, and they pour the coin into the funnel; it runs down grade until it comes to the end of the arm, and then if it is the least mite light weight it is tossed to one side; if it is full weight it is tossed to the other side; it is "separating the sheep from the goats." If it is a light weight in the slightest degree, it is recoined; it goes into the world's commerce and then it possibly comes back here again and we have been in the habit of melting it down into American coin to put it behind our gold certificates, and so it goes on year after year, a perfect economic absurdity, and this bill in a large degree corrects that thing. There ought not to be the slightest opposition to it on the part of anybody.

Mr. BENNET. Will the gentleman yield?

Mr. HILL. Yes.

Mr. BENNET. Is the gentleman sure that this bill does to any large extent cure that trouble?

Mr. HILL. I think it does. It allows the Treasury to use a larger proportion of gold bullion and foreign coin, instead of changing it into American coin, and putting it behind the certificate in the form it was received.

Mr. BENNET. Along about the Sixtieth or the Sixty-first Congress we passed some sort of an act to do away with recoinage.

Mr. HILL. To some extent we did, but this goes further than that, and the further it can be carried with proper convenience to the American people the better. There are some countries where you have to ship American coin. Africa, for instance, in some cases, and certain countries in South America, but the great bulk of it goes back and forth between Paris, Berlin, London, and New York, and you can not stop it.

A word in regard to another matter. I rose to take the time on a former bill, and the gentleman will pardon me if I talk about a bill that has already passed, because I want to correct an erroneous impression in the country.

Mr. GLASS. I have no objection.

Mr. HILL. Mr. Speaker, not long ago a most distinguished citizen of the United States made this statement:

> Until the recent banking act you could not find, so far as I am informed, a branch of an American bank anywhere outside of the United States, whereas other nations of the world are doing their banking business on foreign shores through the instrumentality of their own banks.

Now, that statement was pardonable because the deadly isolation of some official positions in this country are such as excuse it. But when the head of the Bureau of Foreign Commerce, who is supposed to be directly conversant with such things, repeats the statement, and when, if I am not mistaken, it is again repeated on the floor of this House by one of the leading business men of one of the largest States in the Union, it seems to me that it ought to be corrected in the interest of everybody.

I made a trip around the world in 1901, and I then found what I believe to be the best business on earth, and that was foreign banking. I came home, and was gratified to learn that my own State had chartered a bank for the purpose and that it was doing business. And now, for the information of those gentlemen and the country at large, I want to tell you what a modest American bank has been doing the last 14 or 15 years, since 1902, in extending American business and American commerce throughout the world.

The International Banking Corporation was chartered in 1902. They have been carrying on branches at Bombay, Calcutta, Canton, Cebu, Colon, Hankow, Hongkong, Kobe, London, Manila, Panama, Peking, San Francisco, Shanghai, Singapore, and Yokohama. They have $37,000,000 cash assets engaged in that business; and yet, notwithstanding a branch has been kept right here in the city of Washington until a year or two ago, that through all these years it has been a recognized agent of the United States Government in transacting business in the Philippine Islands and all through the Orient, that for 14 years it has been carrying on this business in all the principal commercial centers of the Orient and the North American Continent, the statement is made here that we need to pass this bill—and I think we do—which has been passed in order to encourage American business in foreign countries.

We do not realize what American citizens are doing to carry the honor, glory, and credit of this great country all over the world. [Applause.] It seems to me to be fair to make this statement to the House so that they can realize that the bill as passed a moment ago is but supplementary to what is already being done by our citizens. [Applause.]

The SPEAKER. The gentleman from Connecticut withdraws his pro forma amendment, and the question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. GLASS, a motion to reconsider the vote whereby the bill was passed was laid on the table.

### EXCLUSION OF INTOXICATING LIQUORS FROM NATIONAL PARKS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 6814) to exclude intoxicating liquors from national parks and national forest reserves.

The bill was read by title.

The SPEAKER. Is there objection?

Mr. MOON. I object.

Mr. RANDALL. Mr. Speaker, I ask unanimous consent that the bill may hold its position on the calendar.

The SPEAKER. The gentleman from California asks unanimous consent that the bill be passed without prejudice.

Mr. MEEKER and Mr. GALLAGHER objected.

### DRY-LAND AGRICULTURE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 393) to authorize an exchange of lands

with the State of North Dakota for promotion of experiments in dry-land agriculture, and for other purposes.

The SPEAKER. Is there objection?

Mr. MOON. Mr. Speaker, I object.

The SPEAKER. The gentleman from Tennessee objects, and the bill is stricken from the calendar, and the Chair recognizes the gentleman from Tennessee [Mr. PADGETT].

OFFICERS AND ENLISTED MEN OF THE NAVY AND MARINE CORPS DETAILED FOR SERVICE IN HAITI.

Mr. PADGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12835) to authorize and empower officers and enlisted men of the Navy and Marine Corps to serve under the Government of the Republic of Haiti, and for other purposes, with the committee amendments, which I send to the desk and ask to have read.

The Clerk read as follows:

*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized, in his discretion, to detail to assist the Republic of Haiti such officers and enlisted men of the United States Navy and the United States Marine Corps as may be mutually agreed upon by him and the President of the Republic of Haiti: *Provided*, That the officers and enlisted men so detailed be, and they are hereby, authorized to accept from the Government of Haiti the said employment with compensation and emoluments from the said Government of Haiti, subject to the aporoval of the President of the United States.

SEC. 2. That to insure the continuance of this work during such time as may be desirable, the President may have the power of substitution in the case of the termination of the detail of any officer or enlisted man for any cause: *Provided*, That during the continuance of such details the officers and enlisted men shall continue to receive the pay and allowances of their ranks or ratings in the Navy or Marine Corps.

SEC. 3. That the following increase in the United States Marine Corps be, and the same is hereby, authorized: Two majors, 12 captains, 18 first lieutenants, 2 assistant quartermasters with the rank of captain, 1 assistant paymaster with the rank of captain, 5 quartermaster sergeants, 5 first sergeants, 5 gunnery sergeants, and 11 sergeants.

SEC. 4. That the following increase in the United States Navy be, and the same is hereby, authorized: One surgeon, 2 passed assistant surgeons, 5 hospital stewards, and 10 hospital apprentices, first class.

SEC. 5. That officers and enlisted men of the Navy and Marine Corps detailed for duty to assist the Republic of Haiti shall be entitled to the same credit for such service, for longevity, retirement, foreign service, pay, and for all other purposes, that they would receive if they were serving with the Navy or with the Marine Corps.

The SPEAKER. Is a second demanded?

Mr. CALLAWAY. Mr. Speaker, I demand a second.

Mr. PADGETT. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that a second be considered as ordered. Is there objection?

Mr. CALLAWAY. I object.

The SPEAKER. The gentleman from Texas objects, and the Chair appoints the gentleman from Tennessee, Mr. PADGETT, and the gentleman from Texas, Mr. CALLAWAY, to take their place as tellers, and the House will divide on the question of ordering a second.

The House divided; and the tellers reported—ayes 78, noes 12.

Mr. CALLAWAY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. PADGETT. Mr. Speaker, I move a call of the House.

Mr. CRISP. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CRISP. Under the rules of the House, when the House is dividing on seconding a motion to suspend the rules, and a quorum fails to vote, is there not an automatic call of the House?

The SPEAKER. The gentleman is correct. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. The question is on seconding the motion to suspend the rules.

The question was taken; and there were—yeas 229, nays 63, answered "present" 9, not voting 132, as follows:

YEAS—229.

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|---|---|---|---|
| Abercrombie | Cannon | Dale, Vt. | Elston |
| Adamson | Capstick | Dallinger | Emerson |
| Aiken | Carew | Danforth | Esch |
| Allen | Carlin | Davenport | Estopinal |
| Almon | Carter, Okla. | Davis, Tex. | Evans |
| Anthony | Cary | Dempsey | Farr |
| Ayres | Charles | Denison | Ferris |
| Beakes | Chiperfield | Dent | Fess |
| Bennet | Church | Dickinson | Fields |
| Blackmon | Clark, Fla. | Dill | Flood |
| Booher | Condy | Dillon | Foss |
| Britt | Connelly | Dixon | Foster |
| Britten | Cooper, Ohio | Doolittle | Freeman |
| Browne | Cooper, W. Va. | Dowell | Fuller |
| Browning | Cooper, Wis. | Drukker | Gallagher |
| Bruckner | Cox | Dupré | Gallivan |
| Butler | Crago | Dyer | Gandy |
| Byrns, Tenn. | Cramton | Eagle | Gard |
| Campbell | Crosser | Ellsworth | Garland |
| Garner | Kinkaid | Oakey | Snyder |
| Gillett | Kitchin | Oldfield | Stafford |
| Glynn | La Follette | Oliver | Steagall |
| Good | Lenroot | Olney | Stedman |
| Gould | Lever | O'Shaunessy | Steele, Iowa |
| Gray, Ind. | Lieb | Overmyer | Steele, Pa. |
| Green, Iowa | Linthicum | Padgett | Steenerson |
| Greene, Vt. | Lobeck | Parker, N. J. | Stephens, Cal. |
| Hadley | Loud | Parker, N. Y. | Stephens, Nebr. |
| Hamill | McAndrews | Peters | Sterling |
| Hamilton, Mich. | McArthur | Phelan | Stiness |
| Harrison | McClintic | Platt | Stone |
| Haugen | McCracken | Powers | Sulloway |
| Hawley | McGillicuddy | Pratt | Sweet |
| Hay | McKellar | Ragsdale | Swift |
| Hayden | McKenzie | Raker | Taggart |
| Hayes | McKinley | Ramseyer | Tague |
| Helgesen | McLaughlin | Randall | Talbott |
| Hernandez | Madden | Rauch | Taylor, Colo. |
| Hicks | Magee | Reavis | Temple |
| Hilliard | Mann | Ricketts | Tilson |
| Hinds | Mapes | Rodenberg | Timberlake |
| Holland | Matthews | Rogers | Tinkham |
| Hollingsworth | Mays | Rowe | Towner |
| Howell | Meeker | Rucker | Treadway |
| Hulbert | Miller, Del. | Russell, Ohio | Volstead |
| Hull, Iowa | Miller, Minn. | Sabath | Wason |
| Husted | Miller, Pa. | Sanford | Watson, Va. |
| Hutchinson | Mondell | Sears | Whaley |
| Igoe | Mooney | Shallenberger | Wheeler |
| Johnson, S. Dak. | Moores, Ind. | Siegel | Williams, T. S. |
| Johnson, Wash. | Morgan, Okla. | Sims | Williams, W. E. |
| Kearns | Moss, Ind. | Sinnott | Winslow |
| Kennedy, Iowa | Mudd | Sloan | Wood, Ind. |
| Kennedy, R. I. | Murray | Smith, Idaho | Woods, Iowa |
| Kent | Nelson | Smith, Mich. | Young, N. Dak. |
| Kettner | Nicholls, S. C. | Smith, Minn. | |
| Key, Ohio | Nichols, Mich. | Smith, Tex. | |
| King | Nolan | Snell | |

NAYS—63.

| | | | |
|---|---|---|---|
| Ashbrook | Gray, Ala. | Lloyd | Sumners |
| Aswell | Gregg | McLemore | Tavenner |
| Bailey | Hamlin | Page, N. C. | Taylor, Ark. |
| Bell | Hastings | Park | Thomas |
| Buchanan, Ill. | Heflin | Quin | Thompson |
| Buchanan, Tex. | Helm | Rayburn | Tillman |
| Burgess | Helvering | Reilly | Tribble |
| Callaway | Hensley | Rouse | Venable |
| Caraway | Hood | Rubey | Vinson |
| Cline | Huddleston | Russell, Mo. | Walker |
| Crisp | Hughes | Sherwood | Webb |
| Dies | Jacoway | Sisson | Wilson, La. |
| Doughton | Johnson, Ky. | Slayden | Wingo |
| Edwards | Keating | Stephens, Miss. | Wise |
| Finley | Kincheloe | Stephens, Tex. | Young, Tex. |
| Gordon | Lesher | Stout | |

ANSWERED "PRESENT"—9.

| | | | |
|---|---|---|---|
| Cantrill | Hull, Tenn. | Montague | Morrison |
| Glass | London | Moon | Shackleford |
| Hill | | | |

NOT VOTING—132.

| | | | |
|---|---|---|---|
| Adair | Doremus | James | Paige, Mass. |
| Alexander | Driscoll | Jones | Patten |
| Anderson | Dunn | Kahn | Porter |
| Austin | Eagan | Keister | Pou |
| Bacharach | Edmonds | Kelley | Price |
| Barchfeld | Fairchild | Kiess, Pa. | Rainey |
| Barkley | Farley | Konop | Riordan |
| Barnhart | Fitzgerald | Kreider | Roberts, Mass. |
| Beales | Flynn | Lafean | Roberts, Nev. |
| Black | Focht | Langley | Rowland |
| Borland | Fordney | Lazaro | Saunders |
| Brumbaugh | Frear | Lee | Schall |
| Burke | Gardner | Lehlbach | Scott, Mich. |
| Burnett | Garrett | Lewis | Scott, Pa. |
| Byrnes, S. C. | Godwin, N. C. | Liebel | Scully |
| Caldwell | Goodwin, Ark. | Lindbergh | Sells |
| Candler, Miss. | Graham | Littlepage | Sherley |
| Carter, Mass. | Gray, N. J. | Loft | Shouse |
| Casey | Greene, Mass. | Longworth | Slemp |
| Chandler, N. Y. | Griest | McCulloch | Small |
| Coleman | Griffin | McDermott | Smith, N. Y. |
| Collier | Guernsey | McFadden | Sparkman |
| Conry | Hamilton, N. Y. | Maher | Sutherland |
| Copley | Hardy | Martin | Switzer |
| Costello | Hart | Moore, Pa. | Van Dyke |
| Cullop | Haskell | Morgan, La. | Vare |
| Curry | Heaton | Morin | Walsh |
| Dale, N. Y. | Henry | Moss, W. Va. | Ward |
| Darrow | Hopwood | Mott | Watkins |
| Davis, Minn. | Houston | Neely | Watson, Pa. |
| Decker | Howard | North | Williams, Ohio |
| Dewalt | Humphrey, Wash. | Norton | Wilson, Fla. |
| Dooling | Humphreys, Miss. | Oglesby | Wilson, Ill. |

So a second was ordered.

The Clerk announced the following pairs:

For balance of day:

Mr. MORRISON with Mr. HUMPHREY of Washington.

For this session:

Mr. DEWALT with Mr. MCFADDEN.

Until further notice:

Mr. DALE of New York with Mr. HASKELL.

Mr. ADAIR with Mr. GRIEST.

Mr. LANGLEY with Mr. CANTRILL.

Mr. SPARKMAN with Mr. MORIN.

Mr. SMALL with Mr. WILLIAMS of Ohio.

Mr. RAINEY with Mr. HILL.

Mr. HOUSTON with Mr. GUERNSEY.
Mr. GODWIN of North Carolina with Mr. NORTH.
Mr. WATKINS with Mr. ROWLAND.
Mr. MAHER with Mr. HEATON.
Mr. HENRY with Mr. FOCHT.
Mr. JAMES with Mr. KONOP.
Mr. OGLESBY with Mr. ROBERTS of Nevada.
Mr. BARKLEY with Mr. FAIRCHILD.
Mr. LEE with Mr. LEHLBACH.
Mr. GARRETT with Mr. MCCULLOCH.
Mr. JONES with Mr. NORTON.
Mr. LOFT with Mr. ROBERTS of Massachusetts.
Mr. NEELY with Mr. SCOTT of Michigan.
Mr. PATTEN with Mr. SWITZER.
Mr. SHERLEY with Mr. WILSON of Illinois.
Mr. HART with Mr. MOORE of Pennsylvania.
Mr. MORGAN of Louisiana with Mr. SCHALL.
Mr. VAN DYKE with Mr. SELLS.
Mr. GRIFFIN with Mr. KELLEY.
Mr. HOWARD with Mr. LONGWORTH.
Mr. HUMPHREYS of Mississippi with Mr. MOTT.
Mr. POU with Mr. SCOTT of Pennsylvania.
Mr. WILSON of Florida with Mr. PORTER.
Mr. PRICE with Mr. MOSS of West Virginia.
Mr. LAZARO with Mr. KREIDER.
Mr. RIORDAN with Mr. VARE.
Mr. SCULLY with Mr. WATSON of Pennsylvania.
Mr. LITTLEPAGE with Mr. KIESS of Pennsylvania.
Mr. LEWIS with Mr. MARTIN.
Mr. SAUNDERS with Mr. LAFEAN.
Mr. SMITH of New York with Mr. PAIGE of Massachusetts.
Mr. MCDERMOTT with Mr. SUTHERLAND.
Mr. LIEBEL with Mr. WARD.
Mr. RAGSDALE with Mr. WALSH.
Mr. ALEXANDER with Mr. CARTER of Massachusetts.
Mr. SHOUSE with Mr. HAMILTON of New York.
Mr. BRUMBAUGH with Mr. DARROW.
Mr. DECKER with Mr. HOPWOOD.
Mr. FLYNN with Mr. KEISTER.
Mr. EAGAN with Mr. KAHN.
Mr. BURKE with Mr. ANDERSON.
Mr. CALDWELL with Mr. BEALES.
Mr. HARDY with Mr. GREENE of Massachusetts.
Mr. CULLOP with Mr. EDMONDS.
Mr. FARLEY with Mr. COSTELLO.
Mr. CANDLER of Mississippi with Mr. BARCHFELD.
Mr. BURNETT with Mr. GRAHAM.
Mr. DOREMUS with Mr. FORDNEY.
Mr. COLLIER with Mr. DAVIS of Minnesota.
Mr. FITZGERALD with Mr. COPLEY.
Mr. DRISCOLL with Mr. GRAY of New Jersey.
Mr. BORLAND with Mr. FREAR.
Mr. CONRY with Mr. CURRY.
Mr. BARNHART with Mr. DUNN.
Mr. BLACK with Mr. COLEMAN.
Mr. BYRNES of South Carolina with Mr. CHANDLER of New York.
Mr. CASEY with Mr. BACHARACH.
Mr. DOOLING with Mr. AUSTIN.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present; the Doorkeeper will unlock the doors. The gentleman from Tennessee [Mr. PADGETT] is recognized for 20 minutes and the gentleman from Texas [Mr. CALLAWAY] for 20 minutes.

Mr. PADGETT. Mr. Speaker, two weeks ago this bill was before the House, and there was considerable discussion over the matter, and I do not feel called upon at this time to renew that discussion. Recently the President of the United States negotiated a treaty with the Republic of Haiti, which was ratified by the Senate, but which has not yet been proclaimed. As I understand, it is being held up in order to get this legislation in aid of the treaty. Under that treaty the United States is to appoint and administer the finances of the Republic of Haiti.

Mr. COX. Will the gentleman yield?

Mr. PADGETT. I do.

Mr. COX. What was the necessity for making that kind of a treaty? What conditions existed between the two countries which required such a treaty, in brief?

Mr. PADGETT. There was anarchy there on that little island, which is right here under our protection, and we have felt in reference to Haiti as we have felt in reference to Santo Domingo and a number of other countries, that, as under the Monroe doctrine we will not let anybody else interfere with them, it is necessary for us to maintain order and good government.

Mr. COX. They were wasting and squandering the revenues of that little Republic?

Mr. PADGETT. Absolutely, sir.

Mr. COX. And not applying them to their debts?

Mr. PADGETT. No, sir. Now, also, it was stipulated that the Government of the United States should reorganize their constabulary. We have disbanded their constabulary and have taken charge of it under the military government. Now that this treaty has been ratified, and it must be taken under civil administration, this is for the purpose temporarily of organizing the constabulary of that Republic.

Mr. SISSON. Will the gentleman yield for a question?

Mr. PADGETT. Yes, sir.

Mr. SISSON. The treaty which the gentleman speaks of provides that the Haitian Government shall pay as much for the constabulary as the Federal Government pays, does it not?

Mr. PADGETT. Not that I know of; I do not know of such a provision.

Mr. SISSON. Now, my understanding of the treaty is that half the amount to be paid for the constabulary shall be paid by the Haitian Government. Now, that being true, since the gentleman has fixed full pay for these officers, the 20 per cent for serving in the tropics simply means, under the treaty, the Haitian Government must respond in like amount, which gives these officers and marines two salaries. Now that is my understanding of the treaty.

Mr. PADGETT. I think there is no such provision in the treaty that applies to the men. A marine, an enlisted man in the Marine Corps, who is receiving somewhere from $18 to $30 or maybe $35 a month goes down there. This provides that he shall have authority to receive from the Republic of Haiti as much additional compensation as the Republic of Haiti may give him, as may be approved by the President of the United States.

Mr. SISSON. Now that is the gentleman's bill?

Mr. PADGETT. Yes, sir.

Mr. SISSON. The President will be compelled, if the treaty is as I have been informed it is, to comply with the treaty.

Mr. PADGETT. No. This being a later law the later law governs always.

Mr. SISSON. That is true; but if the gentleman were President of the United States he would not repudiate a treaty, would he?

Mr. PADGETT. He would be governed by this law that authorizes their employment.

Mr. SISSON. Without consulting the other party?

Mr. PADGETT. This says we shall consult them. It says such compensation as the President of the Republic of Haiti may pay, which may be approved by the President of the United States.

Mr. SISSON. The gentleman is asking Congress to rather buy a pig in a sack until we know what is in the treaty and what we are doing by this bill.

Mr. PADGETT. Not at all, sir; it is as plain as anything can be, and I see nothing to be alarmed over in allowing these marines that receive a small compensation, who go down into that country under hard circumstances, among a population which is not congenial, to organize temporarily a constabulary there and maintain order, this being only a temporary matter, to allow them to receive such additional compensation——

Mr. COX. What will it cost this Government?

Mr. PADGETT. It would cost this Government very little, as it is contemplated sending only about 35 of our marines down there. They have estimated the number at 35.

Mr. CALLAWAY. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. CALLAWAY. I want to know how much extra pay we give for foreign service, which is provided by this bill, that they shall have in addition to what they get under the regular service?

Mr. PADGETT. The men get 20 per cent for foreign service and officers get 10 per cent.

Mr. CALLAWAY. In addition to that, do we pay anything for service in the Tropics?

Mr. PADGETT. No, sir; that is foreign-service pay.

Mr. CALLAWAY. In tropical service, then, or foreign service, we pay 20 per cent additional to our men and 10 per cent additional to our officers. Can you tell us how many men in addition to the ones named here, the increase provided in this bill, will be named in that service?

Mr. PADGETT. Not even all of those are expected to go. There are about 55 additional officers provided there, but it is estimated in the hearing of Gen. Barnett, the commandant of the Marine Corps, that they would employ in the Government of Haiti about 35 men. That is his statement. But this addi-

tional number that is authorized is because the Marine Corps has to operate in detached and irregular bodies, a certain number here, a smaller number yonder, and a different number there, not having a regularly constituted organization, as in the Regular Army, and it would require these additional officers referred to in the bill.

Mr. CARAWAY. Haiti is practically under martial law at the present time, is it not?

Mr. PADGETT. Our Marine Corps is in control there. We are hoping to get this legislation through so that the President of the United States can proclaim the treaty recently ratified by the Senate and put the civil government of Haiti into full control and operation.

Mr. CALLAWAY. Has this anything to do with the treaty?

Mr. PADGETT. With the exception of its promulgation the treaty is complete. It has been ratified by the Senate of the United States, and the President has not yet issued his proclamation, because when the proclamation is issued the treaty would become operative, and it is waiting to have this legislation so that the President will have authority then, as the treaty provides, to take charge under civil administration and civil organization.

Mr. CALLAWAY. Do you mean to tell this House that that treaty can not become operative until this act is passed?

Mr. PADGETT. I do not. But I mean to say this, that the President could not carry out the provisions of this treaty in the way that it is intended that he should without this legislation.

Mr. CALLAWAY. Do you mean it is intended he should in this bill?

Mr. PADGETT. Just exactly.

Mr. CALLAWAY. It does not have anything on earth to do with the operation of the treaty?

Mr. PADGETT. The treaty would become operative as a treaty regardless of this legislation, but the President would not have the means of executing it as he would like to do it.

Now, I desire to reserve the remainder of my time.

Mr. CANNON. Does not the gentleman think that the difficulty in the United States now in getting volunteers for the Marine Corps and for the Army and for the Navy, at pay which is comparatively inconsiderable to what they would receive in private life, is that just such discussions as this, and just such pay as is authorized here, have a tendency to say to a hundred million of people, "After all, what good?"

Mr. HENSLEY. What other countries south of us do we bear the same relation to as we do to Haiti?

Mr. PADGETT. We have a treaty with Santo Domingo. I do not remember whether there are other treaties or not.

Mr. HENSLEY. Nicaragua?

Mr. PADGETT. I do not know whether there is a treaty with Nicaragua or not, but we have done the same thing in Nicaragua, by going down there and putting our marines in control under military authority and military government. This treaty and legislation is to put them in control under civil administration.

Mr. HENSLEY. Now, then, the Marine Corps of this country who are serving in those countries are receiving also the additional pay that this bill provides the marines shall receive in Haiti?

Mr. PADGETT. Down there they receive 20 per cent additional for the enlisted men and 10 per cent for the officers. They are there only for a short time.

Mr. HENSLEY. Why make an exception of Haiti? Why not pass a general law to cover all those countries and permit them to receive this additional pay?

Mr. PADGETT. Because I think it better to deal with each case as it arises and under the peculiar equities of each time. I reserve the balance of my time.

The SPEAKER. The gentleman from Texas [Mr. CALLAWAY] is recognized for 20 minutes.

Mr. CALLAWAY. Mr. Speaker, Haiti is under martial law at the present time, with the United States Government in charge. Now, the impression that the chairman of this committee might have left on the minds of some Members of the House—that we have a treaty entered into between the United States and the Haitian Government, ratified by the Senate, which will not become operative until this law is passed—is pure buncombe. This law has not a thing on earth to do with that treaty. That treaty will go on and operate just as well without this act and just as thoroughly as it will with it. Treaties are not made between the different Governments and ratified that have to have a part passed by the House. The truth about it is that the United States marines do not want to go down to the Haitian Government under the treaty, knowing that this provision is pending, until this law is passed, they will get only one salary instead of two salaries. Now, that is the meat in the coconut; that is the vitals in this bill.

When this bill first came before the committee it provided that the United States troops the United States Government sent to Haiti to administer the Haitian Government would receive the same salary from the Haitian Government that the Haitian Government was accustomed to pay their people for like services, in addition to the salaries they received from the United States Government, which were the regular salaries of the Marine Corps, plus 20 per cent for serving in the Tropics or in foreign service.

Mr. TEMPLE. Will the gentleman yield?

Mr. CALLAWAY. Yes.

Mr. TEMPLE. Is it true that you say this provision is in the treaty between the United States Government and the Haitian Government?

Mr. CALLAWAY. I did not say a word about that.

Mr. TEMPLE. Is there an agreement by which Haiti pays a certain amount?

Mr. CALLAWAY. No, sir.

Mr. TEMPLE. That point was brought out by another gentleman a while ago, and I thought it well to correct it.

Mr. SISSON. Will the gentleman yield?

Mr. CALLAWAY. Yes, sir.

Mr. SISSON. I have not seen a copy of the treaty.

Mr. CALLAWAY. I would like to know if there is a man in the House that has a copy of the treaty.

Mr. MANN. I have one here, and anybody can get one who wants it.

Mr. CALLAWAY. What I said about the treaty I based on my general understanding, that I take it every man in the House has, that a treaty made between the United States and a foreign country, when it is ratified by the Senate of the United States, does not wait on the passage of a law to do what the terms of it provide.

I did not consider it worth while to look to the treaty. We are passing a law, not part of a treaty.

Mr. HUDDLESTON. Mr. Speaker, will the gentleman yield?

Mr. CALLAWAY. Yes.

Mr. HUDDLESTON. I would like to inquire of the gentleman if our marines are not there to-day, performing exactly the same duties that they will perform later, and for which it is proposed to pay them this increased allowance, without any increase?

Mr. CALLAWAY. Yes; and they will perform the same service without additional allowance. Some men have spoken to me about this bill. They had letters from relatives and friends and people in their respective districts who were in the service and wanted to go to Haiti, provided this bill passed increasing their pay. That influence, I take it, is largely responsible for this bill.

Mr. DILL. Mr. Speaker, will the gentleman yield?

Mr. CALLAWAY. Yes.

Mr. DILL. Will the giving to these men of an extra salary while they are in Haiti, serving there, have any influence upon their desire to continue there?

Mr. CALLAWAY. I take it that the gentleman asked the question knowing he is talking to a practical man, who could not answer but one way. Of course, if they get two salaries while they stay there and only one when they come away, they will want to stay.

Another thing: These men detailed for service in Haiti are the men on whom we depend to put that Government in such a state as that we can withdraw, and they are the men whose advice we will depend on to determine when we shall withdraw. How long will it take them to conclude that it is in such condition that we should withdraw them if they are drawing two salaries as long as they stay and only one salary when they quit staying?

Some may say they are patriots that salaries will not affect. But they are talking to a practical-minded man when they make such statements to one who knows human nature works just the same in the Marine Corps as it works in practical everyday business.

Another thing: When we do this for those sent to Haiti to police that country we will be called on to do it for every police squad sent at any time to any country to do police duty. I can not understand how anybody can argue that we ought to do it. They say that service is hard in a tropical country, but we add 20 per cent to the salary to pay for additional hardships of foreign service. This bill provides not only that they get the 20 per cent provided by general law, but in addition to that they get

such a salary from the Haitian Government as it pays for such service. The testimony before the committee shows this conclusively.

Mr. TILSON. Mr. Speaker, will the gentleman yield there?

Mr. CALLAWAY. Yes; I yield.

Mr. TILSON. This will not increase the salary of these men unless it is approved by the President of the United States. All this is subject to approval by the President of the United States, and if he decides that receiving this additional salary is in any way unwise or productive of sinister effect upon these men he could refuse to approve of it and could stop the payment of additional pay under the terms of this bill. Is that correct?

Mr. CALLAWAY. No; it is not correct at all, because the President will be influenced by the advice of the men sent down there. They are the people who will advise him. It will have to depend upon them. Acting upon their advice, he will be influenced by the extra pay they get.

Mr. BENNET. Mr. Speaker, will the gentleman yield there?

Mr. CALLAWAY. Yes.

Mr. BENNET. Is not the gentleman willing to trust the President of the United States in a matter of this kind?

Mr. CALLAWAY. Well, I am not long on trust anywhere. [Laughter.]

Mr. TEMPLE. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Texas yield to the gentleman from Pennsylvania?

Mr. CALLAWAY. Yes.

Mr. TEMPLE. Can the gentleman tell how many officers and men of the Marine Corps are stationed now in Haiti?

Mr. CALLAWAY. No; I can not.

Mr. TEMPLE. Or how it will compare in expense to keep those there that are there or to send the 35 that it is proposed to send?

Mr. CALLAWAY. I do not suppose it would make any difference whether you paid them two salaries or one. Will two salaries enable them to accomplish more than one salary would enable them to accomplish?

Mr. TEMPLE. There are now 1,665 men of the Marine Corps under 82 officers. It would cost a great deal more to keep them there than to keep the 40 men provided by this bill. If the gentleman is in favor of economy, he ought to be in favor of this bill.

Mr. CALLAWAY. Oh, that is pure buncombe that you are working on the House and has nothing to do with the facts.

Mr. TEMPLE. There are 1,665 men.

Mr. CALLAWAY. That has nothing to do with it. The men that are to be sent can do better work if you pay them the two salaries provided in this bill than if you pay them one salary as provided by law. That is all there is to it. Does any man attempt to say if we pay two salaries you can withdraw the Army and 35 could do the work, and if we do not provide two salaries you will have to have the Army? We know that you can not. That is rot, rot, rot.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. CALLAWAY. Yes.

Mr. MANN. Under the existing law would the President have the authority to detail Marine officers to act as officers of the local constabulary there?

Mr. CALLAWAY. I do not think that this bill will affect the President in detailing the officers at all. If that were the question and anybody had made it in the committee or had offered it here, there would be no question raised on that. The whole question involved in this bill is a question of two salaries from different Governments.

Mr. MANN. The gentleman is on the committee. My understanding was that to make legal the detail of these officers is the main proposition.

Mr. CALLAWAY. The President has the right to detail the officers. He has the power under the treaty made and ratified by the United States Senate. It is already in effect. He could detail officers to do the work. This bill simply provides additional salaries. That is the only reason for the bill. That is the only reason I have ever head for it.

Mr. HULBERT. Mr. Speaker, will the gentleman yield for a question?

Mr. CALLAWAY. Yes; but gentlemen have taken up all my time. Some others want to be heard.

Mr. HULBERT. I have not taken up any of the gentleman's time.

Mr. CALLAWAY. I do not refer to the gentleman.

Mr. HULBERT. I have not yet made up my mind. It will depend somewhat on the answer that I get from the gentleman. The gentleman has stated that these men will receive two salaries—one that they are now receiving, plus 20 per cent by the Government. Do I understand that the other salary will be paid to them from the customs receipts of Haiti, or will both salaries be paid by the United States?

Mr. CALLAWAY. One salary will be paid by Haiti and the other by this Government.

Mr. HULBERT. These officers, sent down there, perform dual functions, do they not? In the first place, they are peace officers and maintain peace, and, on the other hand, they perform administrative functions on behalf of the Haitian Government?

Mr. CALLAWAY. I thought when a man was an officer in the Army he performed the service that the United States detailed him to perform, without regard to the number of the services.

Mr. HULBERT. Within the United States.

Mr. CALLAWAY. When he goes into foreign service he gets 20 per cent extra for the foreign service.

Mr. HULBERT. Will the gentleman yield for one more question?

Mr. CALLAWAY. Yes.

Mr. HULBERT. Does the gentleman make any distinction between sending a man into a foreign country with United States forces, in the service of his own country exclusively, and a case where men are sent into a foreign country to act in behalf of the people of that country?

Mr. CALLAWAY. That is a hair-splitting proposition I do not care to go into.

Mr. REAVIS. Will the gentleman yield for a question?

Mr. CALLAWAY. I want to save the rest of my time for the other members of the committee.

The SPEAKER. The gentleman from Tennessee [Mr. PADGETT] has eight minutes remaining and the gentleman from Texas [Mr. CALLAWAY] has five minutes.

Mr. PADGETT. I yield five minutes of my time to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, last summer and fall a treaty was negotiated between this country and the Republic of Haiti, signed by the representatives of the two Governments on the 10th day of September last. On the 8th day of January last the Secretary of State transmitted that treaty to the President of the United States with a letter, in which he said:

> The undersigned, the Secretary of State, has the honor to submit, with a view to its transmission to the Senate, if you approve thereof, to receive the advice and consent of that body to its ratification, a treaty—

And so forth. On January 11 the President, having approved thereof, transmitted this treaty to the Senate of the United States for ratification.

On February 28 the treaty was ratified by the Senate. This is about the most distinctive act which the present administration has performed in our foreign relations. The treaty was approved by the President, and by the Secretary of State transmitted to a Democratic Senate, and approved by the Democratic Senate. It requires certain action on the part of the House of Representatives to carry that treaty into effect.

The treaty provides that the constabulary in the Haitian Republic shall be officered by officers of the United States Army or Navy. The President can not direct that without an act of Congress. The bill now pending before us was prepared in the State Department and the Navy Department jointly, and transmitted to Congress with the recommendation that it be passed. To-day the motion was made to suspend the rules. To bring it up for consideration required a vote on a second, which is usually dispensed with, and on that vote 46 Democrats voted against considering the bill—128 Republicans voted in favor of considering the bill. [Applause on the Republican side.] Eighty-eight Democrats, not a two-thirds majority of the Democratic side, followed the Republicans in voting to consider the bill. Not a Republican voted against considering the bill. Here is an administration measure. [Applause on the Republican side.] A few days ago I heard gentlemen on that side of the House say, "We must stand by the President, who has asked us to agree to the Clarke amendment to the Philippine bill." Every one of the 46 Democrats who voted against the consideration of this bill meekly and mildly excused himself for his vote the other day on the ground that he was following the President. They roasted the other Democrats who did not follow the President then. Well, gentlemen, you are not following him now.

Mr. HENSLEY. Mr. Speaker, will the gentleman yield?

Mr. MANN. No; I do not yield. It is much more important to this administration to carry out this treaty that it has made with Haiti than it was to have the Clarke amendment in the Philippine bill. You have gone back on your own administration. When it comes to great questions, when it comes to the important problems in dealing with our foreign affairs——

Mr. GORDON. Like the McLemore resolution——

Mr. MANN. When it comes to the important problems, during a whole century of time, all administrations must depend upon the Republican side of the House for support. [Applause on the Republican side.]

The SPEAKER. The gentleman from Texas has five minutes left and the gentleman from Tennessee three minutes.

Mr. CALLAWAY. I yield the time on this side to the gentleman from Missouri [Mr. HENSLEY].

Mr. HENSLEY. Mr. Speaker and gentlemen of the House, it was not my intention to submit any observations concerning this bill, but after listening to the arguments made by both those who are favorable to it and those who are against it I feel inclined to say something. I can not quite understand how the Members of the House can make such arguments in connection with this matter as I have heard made here to-day. I have faith in the intelligence and the honesty of the membership of this body and I can not believe that they, if they fully understood the meaning of this measure, would support it.

It is said by the chairman of the Committee on Naval Affairs and others that it is necessary to pass this bill in order to put into force and effect the treaty which has already been ratified by the Senate between this country and Haiti. There can not be any connection whatsoever between this bill and the treaty. The provisions of the treaty can be put into force and effect without this bill, which has for its purpose wholly the increase in pay of the men and officers in the marine service of this Government. The Good Book says that one can not serve two masters, and yet in the very terms of this bill there is a divided allegiance and a divided authority. The marines in the service of this Government, enjoying full pay from this Government with 20 per cent additional for the enlisted men and 10 per cent additional for the officers for foreign service, are, under the provisions of this bill, to receive a salary from the Haitian Goverment, fixed by certain officers.

The first bill submitted by the chairman of the committee provided explicitly that in addition to the pay from this country they are to receive the same pay of native men and officers of the Haitian Government in similar positions. I stated before the committee and I say now that if it is necessary for these men and officers to receive additional pay over and above what the law provides at the present time that upon a proper showing of that fact I am perfectly willing to vote for an increase, and I have no doubt but that they are entitled to an increase, but the money should be recovered from the Haitian Government by some means or other and the whole pay of our officers and men should be chargeable against the Treasury of this Government. In other words, they should be the servants of this Government even though a portion of the money they receive is first gotten from the Haitian Government. I think it is a bad principle. We bear the same relation to several other small Republics south of us that we bear to Haiti. Now, this will be used as a precedent in case this bill becomes a law, and we will find that bills on the same basis will be introduced to take care of our men and officers in these other countries. If this is necessary, why should not there be a general law to cover all such cases as this?

Then, too, Mr. Speaker, this Government must of necessity depend upon our representatives in these countries for information; and upon the question as to when our relations with these Governments should be changed information must come from these people, and it is as natural as the night follows the day that these people will be considering their own individual interests in reporting to this Government. I am informed now that several Members of the House have friends in the service besieging them for their influence in being detailed for this constabulary service at Haiti; and, in addition to this, there is another point that I wish to call your attention to. Peculiar and extraordinary conditions prevail throughout our country concerning the question of military preparedness. I have not the time to present to you my views with reference to the causes for this situation, but we all know that in this plea of patriotism, if we make military increases, the burden must rest somewhere. Patriotism necessarily requires service. The duty devolves upon the people to render that service, and I say here and now, Mr. Speaker, that my observations thus far during this session of Congress convince me that the military people, who are most instrumental in this propaganda for preparedness, are urging increases in every way they can. I appreciate that I should be more definite and certain in my statement. I should point out to you instances where officers and men are asking and receiving increases in provisions contained in different bills from time to time, but I warn you here and now that you will find from time to time as we progress with this movement that these people will be recognized in their demands for increases simply because the people, they believe, are willing to stand for it now under the present stress of conditions.

In conclusion, Mr. Speaker, I desire again to say that I can not subscribe to this divided allegiance and divided authority. I want our people who are servants of this Nation to serve under the Stars and Stripes and not under the flag of any other nation. [Applause.]

Mr. PADGETT. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, the vote against the consideration of this bill, I feel sure, was due to misapprehension as to what in fact is its real purpose and effect. I fully concur in the view stated by the gentleman from Illinois [Mr. MANN] that the primary purpose of this bill is to make effective the treaty between this country and the Government of Haiti. The only opposition, so far as I understood, that was even suggested to the bill was due to the fact that it provided some possible additional pay for the officers and members of the Marine Corps who might be stationed there, such additional pay to come out of the revenues of the Government of Haiti.

The committee carefully guarded against any real objection that might be offered on that ground by providing in the bill that before any additional pay can be received by the officers or members of the Marine Corps, the President of the United States must first approve the same. The duty enjoined on officers and enlisted men of the Marine Corps who may be detailed for service in Haiti under the provisions of the bill are in many respects different from the duties ordinarily imposed on such officers and enlisted men. It has been correctly stated that they will have important administrative duties to perform.

Mr. CALLAWAY. Will the gentleman yield?

Mr. OLIVER. No; I can not yield now. I desire to say in support of the bill that it is my opinion that its passage is important in order to give full effect to the treaty between this Government and the Government of Haiti. The provisions, as stated, in reference to additional pay are fully guarded, and the Marine officers will be entitled to none, unless they first secure the approval of the President of the United States. [Applause.]

The proposed bill has been strongly urged by the Secretary of the Navy and the Secretary of State, and I will here insert in the RECORD as a part of my remarks and for the purpose of showing the necessity of this legislation letters from both of these Secretaries to the chairman of the Committee on Naval Affairs.

DEPARTMENT OF THE NAVY,
*Washington, March 3, 1916.*

MY DEAR MR. CHAIRMAN: In reply to the committee's letter, inclosing the bill (H. R. 12584) to authorize and empower officers and enlisted men of the Navy and Marine Corps to serve in the Government of Haiti, and for other purposes, and requesting my views and recommendations of the department thereon, I have the honor to inform you that the department recommends this bill for your favorable consideration.

However, to better accomplish the purpose of the bill, I suggest that it be redrafted in the form of the draft herein inclosed, which has been prepared with a view to a compliance with those provisions of the treaty with Haiti which require the detail for various positions under the Government of the Republic of Haiti of officers and enlisted men of the naval service.

The bill (H. R. 12584) provides for the detail of officers and enlisted men of the naval service to serve with the Haitian Gendarmerie, without reference to the approval by the Government of Haiti, contrary to the provisions of the treaty.

The first proviso in the bill that officers and enlisted men detailed for service with the Haitian Gendarmerie "shall receive the pay and allowances of their grades in the Marine Corps and in the Medical Corps and Hospital Corps of the Navy" is ambiguous for the reason that there are several ranks in some of the grades, and that the rate of pay of the individual may be based rather on his rank than on his grade. In the Quartermaster's Department of the Marine Corps there are only two grades, those of quartermaster and assistant quartermaster, whereas there is one rank in the upper grade, that of colonel, and three ranks in the lower grade, those of lieutenant colonel, major, and captain.

Among the articles of the treaty are the following:

"The President of Haiti shall appoint, upon nomination by the President of the United States, a general receiver and such aids and employees as may be necessary, who shall collect, receive, and apply all customs duties on imports and exports accruing at the several customhouses and ports of entry of the Republic of Haiti."

"Upon the appointment of the financial adviser the Government of the Republic of Haiti, in cooperation with the financial adviser, shall collate, classify, arrange, and make full statement of all the debts of the Republic, the amounts, character, maturity, and condition thereof, and the interest accruing and the sinking fund requisite to their final discharge."

I have been advised that it is the intention to appoint temporarily, and until some further arrangements are made, officers of the line of the Pay Corps of the Navy to the positions provided for in the above articles of the treaty. To provide for this contingency it is deemed necessary that the language in section 1 of the inclosed draft should be employed.

According to the information received by the department, an additional medical officer is desired by the Haitian Government to supervise sanitary measures, and I suggest that provision be made for an increase in the Medical Corps of one surgeon and two passed assistant surgeons, as set forth in the inclosed draft; also that provision be made for the increase of five hospital stewards and two hospital apprentices, first class, in order to provide for the detail of men of those ratings.

The increases noted in the proposed draft are only to replace such officers and enlisted men as may be detailed for service under the Republic of Haiti, and the numbers proposed are in accordance with the plans submitted to the department as having been determined upon and approved after consultation with the Haitian Government. The Marine Corps is now very short of officers and noncommissioned officers, and the Medical Department of the Navy is in a similar condition, and it would seriously embarrass the service to furnish the proposed detail for the Haitian Republic unless legislative provision were made to fill the vacancies so caused. I am informed that it is very desirable to secure the speedy enactment of such legislation, since the plans for assistance of the Republic of Haiti can not be carried into effect without the details being made from the naval service; and, as you are aware, officers of the Navy and Marine Corps can not legally assume or hold offices under the Haitian Government owing to the provisions of Article I, section 9, clause 8, of the Constitution, without the consent of Congress.

Sincerely, yours,

JOSEPHUS DANIELS,
*Secretary of the Navy.*

The CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
*House of Representatives.*

—

DEPARTMENT OF STATE,
*Washington, March 4, 1916.*

Hon. LEMUEL P. PADGETT,
*Chairman Committee on Naval Affairs,*
*House of Representatives.*

SIR: I have the honor to acknowledge the receipt of your letter of March 3, 1916, with which you were good enough to inclose a copy of House resolution 12584, entitled "A bill to authorize and empower officers and enlisted men of the Navy and Marine Corps to serve under the Government of Haiti, and for other purposes."

In reply to your request for an expression of my opinion on the bill, I venture to suggest that if it meets with your approval the bill be redrafted in the form of the inclosure herewith, which I understand has been already submitted to your consideration by the Secretary of the Navy.

You will note certain increases in the numbers of sergeants, hospital stewards, and hospital apprentices, first class, which have been suggested by the Department of the Navy.

Now that the treaty between the United States and the Republic of Haiti, signed at Port au Prince on September 16, 1915, and approved by the Haitian Chambers November 11, has been ratified by the United States Senate, it is most desirable that every effort should be made to put the provisions thereof in operation with the least delay, and it is therefore my earnest hope that favorable action may be taken upon the bill at the earliest moment possible.

I can not too strongly recommend that officers and enlisted men of the Navy and Marine Corps of the United States can be made available for service in Haiti, not only because I am convinced that the purpose of the treaty would be most advantageously carried to a successful completion by them, but particularly on account of the fact that by their excellent behavior and considerate bearing they have gained the confidence and esteem of the Government and people of Haiti, toward whom this Government has now assumed great responsibilities and obligations.

It is needless for me to assure you that I shall be most happy to be of any assistance in this connection, and I beg to thank you for your courtesy in affording me an opportunity to express an opinion in the matter.

I have the honor to be, sir,
Your obedient servant,

ROBERT LANSING.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. CALLAWAY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 239, nays 53, answered "present" 6, not voting 135, as follows:

YEAS—239.

| | | | |
|---|---|---|---|
| Abercrombie | Dallinger | Glynn | King |
| Adamson | Danforth | Good | Kinkaid |
| Alexander | Davenport | Gray, Ala. | Lafean |
| Allen | Davis, Minn. | Gray, Ind. | La Follette |
| Anthony | Dempsey | Green, Iowa | Lazaro |
| Ashbrook | Denison | Greene, Mass. | Lesher |
| Ayres | Dent | Greene, Vt. | Lever |
| Beakes | Dickinson | Gregg | Lieb |
| Bennet | Dill | Hadley | Linthicum |
| Britt | Dillon | Hamill | Lobeck |
| Britten | Dixon | Hamilton, Mich. | Loud |
| Browne | Doolittle | Hamlin | McAndrews |
| Browning | Doremus | Hardy | McArthur |
| Bruckner | Dowell | Harrison | McCracken |
| Buchanan, Tex. | Dupré | Hastings | McGillicuddy |
| Burgess | Dyer | Haugen | McKellar |
| Burke | Eagle | Hawley | McKenzie |
| Butler | Ellsworth | Hayden | McLaughlin |
| Byrns, Tenn. | Elston | Heflin | McLemore |
| Caldwell | Emerson | Hernandez | Madden |
| Campbell | Esch | Hicks | Magee |
| Cannon | Estopinal | Hill | Mann |
| Capstick | Evans | Holland | Mapes |
| Carew | Farley | Hollingsworth | Matthews |
| Carlin | Farr | Howell | Mays |
| Carter, Mass. | Ferris | Hughes | Meeker |
| Carter, Okla. | Fess | Hulbert | Miller, Del. |
| Cary | Fields | Hull, Iowa | Miller, Minn. |
| Charles | Foss | Hull, Tenn. | Miller, Pa. |
| Chiperfield | Foster | Humphreys, Miss. | Mondell |
| Church | Frear | Husted | Mooney |
| Coady | Freeman | Igoe | Moores, Ind. |
| Cooper, Ohio | Fuller | Johnson, S. Dak. | Morgan, Okla. |
| Cooper, W. Va. | Gallagher | Johnson, Wash. | Moss, Ind. |
| Cooper, Wis. | Gallivan | Kearns | Murray |
| Cox | Gandy | Kelley | Nelson |
| Crago | Gard | Kennedy, Iowa | Nicholls, S. C. |
| Cramton | Garland | Kennedy, R. I. | Nolan |
| Crosser | Garner | Kent | Oakey |
| Curry | Gillett | Kettner | Oldfield |
| Dale, Vt. | Glass | Key, Ohio | Oliver |
| Olney | Riordan | Snell | Temple |
| O'Shaunessy | Roberts, Mass. | Snyder | Tilson |
| Overmyer | Rodenberg | Stafford | Timberlake |
| Padgett | Rogers | Steagall | Tinkham |
| Parker, N. J. | Rouse | Stedman | Towner |
| Parker, N. Y. | Rowe | Steele, Iowa | Treadway |
| Peters | Rucker | Steele, Pa. | Van Dyke |
| Phelan | Russell, Ohio | Steenerson | Volstead |
| Platt | Sabath | Stephens, Cal. | Wason |
| Powers | Sanford | Stephens, Nebr. | Watson, Va. |
| Pratt | Shallenberger | Stephens, Tex. | Wheeler |
| Price | Siegel | Sterling | Williams, T. S. |
| Ragsdale | Sims | Stone | Williams, W. E. |
| Raker | Sinnott | Sulloway | Wilson, Fla. |
| Ramseyer | Slemp | Sweet | Wood, Ind. |
| Randall | Sloan | Swift | Woods, Iowa |
| Rauch | Smith, Mich. | Taggart | Young, N. Dak. |
| Reavis | Smith, Minn. | Tague | Young, Tex. |
| Ricketts | Smith, Tex. | Taylor, Colo. | |

NAYS—53.

| | | | |
|---|---|---|---|
| Almon | Edwards | Lloyd | Taylor, Ark. |
| Aswell | Finley | London | Thomas |
| Bailey | Goodwin, Ark. | McClintic | Thompson |
| Bell | Gordon | Page, N. C. | Tillman |
| Black | Helm | Park | Tribble |
| Blackmon | Helvering | Quin | Vinson |
| Buchanan, Ill. | Hensley | Rayburn | Walker |
| Callaway | Hilliard | Rubey | Webb |
| Candler, Miss. | Hood | Russell, Mo. | Wilson, La. |
| Cline | Huddleston | Sisson | Wingo |
| Crisp | Jacoway | Slayden | Wise |
| Decker | Johnson, Ky. | Stephens, Miss. | |
| Dies | Keating | Sumners | |
| Doughton | Kincheloe | Tavenner | |

ANSWERED "PRESENT"—6.

| | | | |
|---|---|---|---|
| Caraway | Moon | Reilly | Shackleford |
| Helgesen | Morrison | | |

NOT VOTING—135.

| | | | |
|---|---|---|---|
| Adair | Edmonds | Kitchin | Pou |
| Aiken | Fairchild | Konop | Rainey |
| Anderson | Fitzgerald | Kreider | Roberts, Nev. |
| Austin | Flood | Langley | Rowland |
| Bacharach | Flynn | Lee | Saunders |
| Barchfeld | Focht | Lehlbach | Schall |
| Barkley | Fordney | Lenroot | Scott, Mich. |
| Barnhart | Gardner | Lewis | Scott, Pa. |
| Beales | Garrett | Liebel | Scully |
| Booher | Godwin, N. C. | Lindbergh | Sears |
| Borland | Gould | Littlepage | Sells |
| Brumbaugh | Graham | Loft | Sherley |
| Burnett | Gray, N. J. | Longworth | Sherwood |
| Byrnes, S. C. | Griest | McCulloch | Shouse |
| Cantrill | Griffin | McDermott | Small |
| Casey | Guernsey | McFadden | Smith, Idaho |
| Chandler, N. Y. | Hamilton, N. Y. | McKinley | Smith, N. Y. |
| Clark, Fla. | Hart | Maher | Sparkman |
| Coleman | Haskell | Martin | Stiness |
| Collier | Hay | Montague | Stout |
| Connelly | Hayes | Moore, Pa. | Sutherland |
| Conry | Heaton | Morgan, La. | Switzer |
| Copley | Henry | Morin | Talbott |
| Costello | Hinds | Moss, W. Va. | Vare |
| Cullop | Hopwood | Mott | Venable |
| Dale, N. Y. | Houston | Mudd | Walsh |
| Darrow | Howard | Neely | Ward |
| Davis, Tex. | Humphreys, Wash. | Nichols, Mich. | Watkins |
| Dewalt | Hutchinson | North | Watson, Pa. |
| Dooling | James | Norton | Whaley |
| Driscoll | Jones | Oglesby | Williams, Ohio |
| Drukker | Kahn | Paige, Mass. | Wilson, Ill. |
| Dunn | Keister | Patten | Winslow |
| Eagan | Kiess, Pa. | Porter | |

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following additional pairs:

On the vote:

Mr. TALBOTT (for Padgett bill) with Mr. CARAWAY (against).

Mr. PATTEN (for Padgett bill) with Mr. REILLY (against).

Until further notice:

Mr. WHALEY with Mr. MUDD.

Mr. HAY with Mr. GOULD.

Mr. AIKEN with Mr. BARCHFELD.

Mr. FLOOD with Mr. FORDNEY.

Mr. KITCHIN with Mr. MCKINLEY.

Mr. LOFT with Mr. WALSH.

Mr. CLARK of Florida with Mr. DRUKKER.

Mr. DAVIS of Texas with Mr. KREIDER.

Mr. BOOHER with Mr. HAYES.

Mr. SHERWOOD with Mr. MOTT.

Mr. STOUT with Mr. WINSLOW.

Mr. VENABLE with Mr. BEALES.

Mr. BORLAND with Mr. HUTCHINSON.

Mr. MONTAGUE with Mr. STINESS.

Mr. RAINEY with Mr. NICHOLS of Michigan.

Mr. GRIFFIN with Mr. SELLS.

Mr. COLLIER with Mr. Moss of West Virginia.

Mr. SEARS with Mr. SMITH of Idaho.

Mr. CONNELLY with Mr. HOPWOOD.

Mr. CONRY with Mr. COLEMAN.

Mr. SAUNDERS with Mr. COSTELLO.

Mr. CARAWAY. Mr. Speaker, I voted "nay" and I am paired with the gentleman from Maryland, Mr. TALBOTT. I desire to withdraw my vote of "nay" and answer "present."

The name of Mr. CARAWAY was called, and he answered "Present."

Mr. REILLY. Mr. Speaker, I voted "nay." I am paired with the gentleman from New York, Mr. PATTEN. I desire to withdraw that vote and answer "present."

The name of Mr. REILLY was called, and he answered "Present."

The result of the vote was announced as above recorded.

Mr. TEMPLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter from the Secretary of State and one from Col. Lejeune, of the Marine Corps, and also a copy of the treaty, all bearing on the bill that has just been passed.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the bill passed in the manner indicated. Is there objection?

There was no objection.

The letter and treaty referred to are as follows:

DEPARTMENT OF STATE,
*Washington, April 10, 1916.*

The Hon. H. W. TEMPLE,
*House of Representatives.*

SIR: I have the honor to acknowledge the receipt of your communication of the 6th instant in which, referring to House bill 12835, authorizing officers and enlisted men of the Navy and Marine Corps of the United States to serve under the Government of the Republic of Haiti, and authorizing an increase both in the Marine Corps and the Navy, you request further information concerning the purpose for which these officers and men are to be used and how such service differs from that which is performed by the Marine Corps in other services.

You are doubtless aware that a detachment of the Marine Corps of the United States is serving at Peking, China, and that another detachment is performing similar duties at Managua, Nicaragua. Their duties are, as the nature of their service implies, to protect the property and personnel of the respective legations.

The duty contemplated by the bill now under consideration, and which will comprise the only other foreign duty of a permanent nature now being performed by the Marine Corps, differs in that such service contemplates their nomination as officers of the Haitian constabulary, provided for in the treaty between the United States and the Republic of Haiti of September 6, 1915, a copy of which, in accordance with your request, I take pleasure in inclosing. Under the operation of this treaty and the exercise of the good offices of the United States the army of Haiti has been entirely disbanded and replaced by a native constabulary, temporarily officered by officers and men of the United States Marine Corps and naval forces.

The important obligation assumed by us to guarantee the protection of life and property, the maintenance of order, and the establishment of an adequate police force in that Republic renders it highly expedient that, until such time as the Haitians may have proven their ability to act in such capacity, the officers and men of the Marine Corps of the United States be duly authorized to act in the capacity contemplated by the bill now under discussion.

Noting with great pleasure that you are inclined to lend this measure your support, and trusting that the information herein contained may satisfactorily answer you inquiry,

I have the honor to be, sir, your obedient servant,

ROBERT LANSING.

(Inclosure: As stated.)

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HEADQUARTERS UNITED STATES MARINE CORPS,
COMMANDANT'S OFFICE,
*Washington, April 7, 1916.*

Hon. H. W. TEMPLE, M. C.,
*House of Representatives, Washington, D. C.*

MY DEAR MR. TEMPLE: Your letter of the 6th instant, in regard to Mr. PADGETT'S bill, H. R. 12835, has been received, and in the temporary absence of the major general commandant I have the honor to reply as follows:

The only foreign countries, except Haiti, in which marines are now serving are China and Nicaragua. At Peking there are 9 officers and 337 enlisted men, and at Managua, Nicaragua, there are 3 officers and 107 enlisted men; these detachments serving as legationary guards for the protection of the ministers and their suites, and of other Americans and their property, from the violence of the turbulent, disorderly, and revolutionary elements in those countries. Such protection was found necessary because of the extreme instability of the Governments, the former detachment having been established in September, 1905, relieving an Army detachment, and the latter in November, 1912.

The First Brigade of Marines, consisting at present of 82 officers and 1,665 enlisted men, is now serving on shore in Haiti, engaged in the preservation of life, property, and tranquillity in that country. The brigade landed in July and August, 1915, and succeeded in a short time in reducing a state of disorder and anarchy to one of order and peace.

The military and police forces of Haiti have been found unreliable and have been abolished. It is proposed to organize and train a gendarmerie composed of native Haitians to assist in and eventually to take over most of the work now being done by the marines. It will be necessary that this force be temporarily officered largely by Americans in order to insure its efficiency and to place it on a sound basis from the start. The treaty signed September 16, 1915, and ratified by the Senate on February 28, 1916, provides for the detail of such officers by the President of Haiti on the nomination of the President of the United States. Marine officers and noncommissioned officers are at present assisting informally in the organization and training of this gendarmerie, but are prohibited by the Constitution from accepting positions contemplated by the treaty above referred to without the authority of Congress.

The bill to which you refer gives the necessary authority of Congress, and provides for the replacing of the officers and enlisted men detached for this duty. Without the provision for filling the places of those necessarily separated from their ordinary duty, the corps would be very seriously handicapped in the discharge of its normal functions.

I trust that the foregoing contains the information that you desire.

Very respectfully,

JOHN A. LEJEUNE,
*Colonel, United States Marine Corps.*

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*To the Senate:*

With a view to receiving the advice and consent of the Senate to its ratification, I transmit herewith a treaty between the United States and the Republic of Haiti, signed at Port au Prince on September 16, 1915, having for its objects the strengthening of the amity existing between the two countries, the remedying of the present condition of the revenues and finances of Haiti, the maintenance of the tranquillity of that Republic, and the carrying out of plans for its economic development and prosperity.

WOODROW WILSON.

THE WHITE HOUSE,
*Washington, January 11, 1916.*

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THE PRESIDENT:

The undersigned the Secretary of State has the honor to submit, with a view to its transmission to the Senate, if you approve thereof, to receive the advice and consent of that body to its ratification, a treaty between the United States, and the Republic of Haiti, signed at Port au Prince on September 16, 1915, having for its objects the strengthening of the amity existing between the two countries, the remedying of the present condition of the revenues and finances of Haiti, the maintenance of the tranquillity of that Republic, and the carrying out of plans for its economic development and prosperity.

Respectfully submitted.

ROBERT LANSING.

DEPARTMENT OF STATE,
*Washington, January 8, 1916.*

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TREATY BETWEEN THE UNITED STATES AND THE REPUBLIC OF HAITI.

PREAMBLE.

The United States and the Republic of Haiti desiring to confirm and strengthen the amity existing between them by the most cordial cooperation in measures for their common advantage;

And the Republic of Haiti desiring to remedy the present condition of its revenues and finances, to maintain the tranquillity of the Republic, to carry out plans for the economic development and prosperity of the Republic and its people;

And the United States being in full sympathy with all of these aims and objects and desiring to contribute in all proper ways to their accomplishment;

The United States and the Republic of Haiti have resolved to conclude a convention with these objects in view, and have appointed for that purpose plenipotentiaries.

The President of the United States, Robert Beale Davis, jr., chargé d'affaires of the United States;

And the President of the Republic of Haiti, Louis Borno, secretary of state for foreign affairs and public instruction, who, having exhibited to each other their respective powers, which are seen to be full in good and true form, have agreed as follows:

ARTICLE I.

The Government of the United States will, by its good offices, aid the Haitian Government in the proper and efficient development of its agricultural, mineral, and commercial resources and in the establishment of the finances of Haiti on a firm and solid basis.

ARTICLE II.

The President of Haiti shall appoint, upon nomination by the President of the United States, a general receiver and such aids and employees as may be necessary, who shall collect, receive, and apply all customs duties on imports and exports accruing at the several customhouses and ports of entry of the Republic of Haiti.

The President of Haiti shall appoint, upon nomination by the President of the United States, a financial adviser, who shall be an officer attached to the Ministry of Finance, to give effect to whose proposals and labors the minister will lend efficient aid. The financial adviser shall devise an adequate system of public accounting, aid in increasing the revenues and adjusting them to the expenses, inquire into the validity of the debts of the Republic, enlighten both Governments with reference to all eventual debts, recommend improved methods of collecting and applying the revenues, and make such other recommendations to the minister of finance as may be deemed necessary for the welfare and prosperity of Haiti.

ARTICLE III.

The Government of the Republic of Haiti will provide by law or appropriate decrees for the payment of all customs duties to the general receiver, and will extend to the receivership and to the financial adviser all needful aid and full protection in the execution of the powers conferred and duties imposed herein; and the United States on its part will extend like aid and protection.

ARTICLE IV.

Upon the appointment of the financial adviser the Government of the Republic of Haiti, in cooperation with the financial adviser, shall collate, classify, arrange, and make full statement of all the debts of the Republic, the amounts, character, maturity, and condition thereof, and the interest accruing and the sinking fund requisite to their final discharge.

ARTICLE V.

All sums collected and received by the general receiver shall be applied, first, to the payment of the salaries and allowances of the general receiver, his assistants and employees and expenses of the receivership, including the salary and expenses of the financial adviser, which salaries will be determined by previous agreement; second, to the interest and sinking fund of the public debt of the Republic of Haiti; and, third, to the maintenance of the constabulary referred to in Article X, and then the remainder to the Haitian Government for purposes of current expenses.

In making these applications the general receiver will proceed to pay salaries and allowances monthly and expenses as they arise, and on the first of each calendar month will set aside in a separate fund the quantum of the collection and receipts of the previous month.

ARTICLE VI.

The expenses of the receivership, including salaries and allowances of the general receiver, his assistants and employees, and the salary and expenses of the financial adviser, shall not exceed 5 per cent of the collections and receipts from customs duties, unless by agreement by the two Governments.

ARTICLE VII.

The general receiver shall make monthly reports of all collections, receipts, and disbursements to the appropriate officer of the Republic of Haiti and to the Department of State of the United States, which reports shall be open to inspection and verification at all times by the appropriate authorities of each of the said Governments.

ARTICLE VIII.

The Republic of Haiti shall not increase its public debt except by previous agreement with the President of the United States, and shall not contract any debt or assume any financial obligation unless the ordinary revenues of the Republic available for that purpose, after defraying the expenses of the Government, shall be adequate to pay the interest and provide a sinking fund for the final discharge of such debt.

ARTICLE IX.

The Republic of Haiti will not without a previous agreement with the President of the United States modify the customs duties in a manner to reduce the revenues therefrom; and in order that the revenues of the Republic may be adequate to meet the public debt and the expenses of the Government, to preserve tranquillity, and to promote material prosperity, the Republic of Haiti will cooperate with the financial adviser in his recommendations for improvement in the methods of collecting and disbursing the revenues and for new sources of needed income.

ARTICLE X.

The Haitian Government obligates itself, for the preservation of domestic peace, the security of individual rights, and full observance of the provisions of this treaty, to create without delay an efficient constabulary, urban and rural, composed of native Haitians. This constabulary shall be organized and officered by Americans, appointed by the President of Haiti, upon nomination by the President of the United States. The Haitian Government shall clothe these officers with the proper and necessary authority and uphold them in the performance of their functions. These officers will be replaced by Haitians as they, by examination conducted under direction of a board to be selected by the senior American officer of this constabulary and in the presence of a representative of the Haitian Government, are found to be qualified to assume such duties. The constabulary herein provided for shall, under the direction of the Haitian Government, have supervision and control of arms and ammunition, military supplies, and traffic therein throughout the country. The high contracting parties agree that the stipulations in this article are necessary to prevent factional strife and disturbances.

ARTICLE XI.

The Government of Haiti agrees not to surrender any of the territory of the Republic of Haiti, by sale, lease, or otherwise, or jurisdiction over such territory, to any foreign Government or power, nor to enter into any treaty or contract with any foreign power or powers that will impair or tend to impair the independence of Haiti.

ARTICLE XII.

The Haitian Government agrees to execute with the United States a protocol for the settlement, by arbitration or otherwise, of all pending pecuniary claims of foreign corporations, companies, citizens, or subjects against Haiti.

ARTICLE XIII.

The Republic of Haiti, being desirous to further the development of its natural resources, agrees to undertake and execute such measures as in the opinion of the high contracting parties may be necessary for the sanitation and public improvement of the Republic, under the supervision and direction of an engineer or engineers, to be appointed by the President of Haiti upon nomination by the President of the United States, and authorized for that purpose by the Government of Haiti.

ARTICLE XIV.

The high contracting parties shall have authority to take such steps as may be necessary to insure the complete attainment of any of the objects comprehended in this treaty; and, should the necessity occur, the United States will lend an efficient aid for the preservation of Haitian independence and the maintenance of a government adequate for the protection of life, property, and individual liberty.

ARTICLE XV.

The present treaty shall be approved and ratified by the high contracting parties in conformity with their respective laws, and the ratifications thereof shall be exchanged in the city of Washington as soon as may be possible.

ARTICLE XVI.

The present treaty shall remain in full force and virtue for the term of 10 years, to be counted from the day of exchange of ratifications, and further for another term of 10 years if, for specific reasons presented by either of the high contracting parties, the purpose of this treaty has not been fully accomplished.

In faith whereof, the respective plenipotentiaries have signed the present convention in duplicate, in the English and French languages, and have thereunto affixed their seals.

Done at Port au Prince, Haiti, the 16th day of September, A. D. 1915.

[SEAL.] ROBERT BEALE DAVIS, JR.,
*Chargé d'Affairs of the United States.*

[SEAL.] LOUIS BORNO,
*Secretary of State for Foreign Affairs and Public Instruction.*

Mr. HENSLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the bill that has just been passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

PREVENTION AND TREATMENT OF LEPROSY IN THE UNITED STATES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 193) to provide for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the United States.

The SPEAKER. Is there objection?

Mr. MOON. Mr. Speaker, I object.

Mr. ADAMSON. Mr. Speaker, will the gentleman object to passing it over without prejudice?

Mr. MOON. No.

Mr. ADAMSON. Then I so request.

The SPEAKER. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Speaker, would the Chair entertain a motion to suspend the rules?

The SPEAKER. He will.

Mr. ADAMSON. Then, Mr. Speaker, I move to suspend the rules and pass the bill as amended, and in addition to the committee amendment I suggest an amendment, on page 2, in line 21, to strike out the words "or homes."

The SPEAKER. The Clerk will report the bill with amendments.

The Clerk read as follows:

*Be it enacted, etc.*, That for the purpose of carrying out the provisions of this act the Secretary of the Treasury is authorized to select and obtain, by purchase or otherwise, a site suitable for the establishment of a home for the care and treatment of persons afflicted with leprosy, to be administered by the United States Public Health Service; and either the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, or the Secretary of Agriculture is authorized to transfer to the Secretary of the Treasury any abandoned military, naval, or other reservation suitable for the purpose, or as much thereof as may be necessary, with all buildings and improvements thereon, to be used for the purpose of said home or homes.

SEC. 2. That there shall be received into said home, under regulations prepared by the Surgeon General of the Public Health Service, with the approval of the Secretary of the Treasury, any person afflicted with leprosy who presents himself or herself for care, detention, and treatment, or who may be apprehended under authority of the United States quarantine acts, or any person afflicted with leprosy duly consigned to said home by the proper health authorities of any State, Territory, or the District of Columbia. The Surgeon General of the Public Health Service is authorized, upon request of said authorities, to send for any person afflicted with leprosy within their respective jurisdictions, and to convey said person to such home for detention and treatment, and when the transportation of any such person is undertaken for the protection of the public health, the expense of such removal shall be paid from funds set aside for the maintenance of said home.

SEC. 3. That regulations shall be prepared by the Surgeon General of the Public Health Service, with the approval of the Secretary of the Treasury, for the government and administration of said home and for the apprehension, detention, treatment, and release of all persons who are inmates thereof.

SEC. 4. That the Secretary of the Treasury be, and he is hereby, authorized to cause the erection upon such site of suitable and necessary buildings for the purposes of this act at a cost not to exceed the sum herein appropriated for such purpose.

SEC. 5. That when any commissioned or other officer of the Public Health Service is detailed for duty at the home herein provided for he shall receive, in addition to the pay and allowances of his grade, one-half the pay of said grade and such allowances as may be provided by the Surgeon General of the Public Health Service, with the approval of the Secretary of the Treasury.

SEC. 6. That for the purposes of carrying out the provisions of this act there is hereby appropriated, from any money in the Treasury not otherwise appropriated, the sum of $250,000, or as much thereof as may be necessary, for the preparation of said home, including the erection of necessary buildings, the maintenance of the patients, pay and maintenance of necessary officers and employees, until June 30, 1917.

The SPEAKER. Is a second demanded?

Mr. MANN. Mr. Speaker, I demand a second.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Georgia is entitled to 20 minutes and the gentleman from Illinois to 20 minutes.

Mr. ADAMSON. Mr. Speaker, I do not care to consume much time. The gentleman from Virginia [Mr. MONTAGUE] prepared the bill for presentation. I will take just a minute to state that it is the same bill that we passed last year, I think, with practical unanimity. It was not considered in the Senate. There is a tremendous demand for this all over the country on account of the increasing number of lepers that are upon different communities in the United States. I hope there will be no trouble about passing the bill. I reserve the remainder of my time.

The SPEAKER. Does the gentleman from Illinois care to consume his time?

Mr. MANN. No.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

SESSION OF UNITED STATES COURT AT DURANGO, COLO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13765) to amend section 73 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The SPEAKER. Is there objection?

Mr. MOON. Mr. Speaker, I reserve the right to object.

Mr. TAYLOR of Colorado. Mr. Speaker, will the gentleman from Tennessee [Mr. MOON] withhold his objection and permit me to make a brief statement in respect to this bill?

Mr. MOON. Yes.

Mr. TAYLOR of Colorado. Mr. Speaker, I earnestly hope that neither the gentleman from Tennessee [Mr. MOON] nor anyone else will object to the consideration of this bill, because it is of very great importance to the people and the business interests of southwestern Colorado. At the present time the State of Colorado is one Federal judicial district. Terms of court are now held in Denver, Pueblo, and Montrose, and the purpose of this bill is to establish an additional term of court in the city of Durango.

Durango is a city of some five or six thousand population and is practically 500 miles from Denver. The business interests, the lawyers, litigants, and all people in the five counties of the southwestern part of Colorado are exceedingly anxious to have a term of court established at that city. The expense at the present time, and ever since Colorado was admitted into the Union, of taking Federal business from that portion of the State to Denver for trial has been very burdensome. In fact, it is prohibitive to litigants of ordinary means. For instance, when a poor man brings a suit in the State court, which is a case that can be transmitted to the Federal court, and the defense elects to transfer it to that court, and takes the case to Denver, it practically prevents the plaintiff from following up, and he is virtually denied his rights.

The board of county commissioners of La Plata County, Colo., in which the city of Durango is located, have filed a guaranty to furnish court rooms for the holding of terms of court, including fuel, light, heat, and janitor services, free and without any expense to the Government until such time as a public building can be constructed in that city. That guaranty is in the form of a resolution, as follows:

RESOLUTION.

Whereas there is now pending before Congress a bill (H. R. 22) to amend the laws relating to the judiciary and to establish a term of the Federal court in the city of Durango, La Plata County, Colo.: Now, therefore, be it

*Resolved by the board of county commissioners of said La Plata County*, That in consideration of the passage of said bill and establishing a term of the Federal court in the city of Durango, La Plata County, Colo., said La Plata County hereby agrees to furnish court room for the holding of said term of court, including fuel, light, heat, and janitor service, free and without expense to the Government, until such time as a public building may be constructed in the city of Durango.

Passed and approved this 10th day of March, A. D. 1916.

A. E. REECE, *Chairman.*

Attest:

OLIVE ORME, *County Clerk.*

STATE OF COLORADO,
*County of La Plata, ss:*

I, Olive Orme, county clerk within and for said La Plata County, do hereby certify the above to be a true and correct copy of a resolution passed and approved by the board of county commissioners of said La Plata County on the 10th day of March, A. D. 1916. In testimony whereof I have hereunto affixed my name and the seal of said county at Durango, Colo., this 10th day of March, A. D. 1916.

[SEAL.] OLIVE ORME,
*County Clerk and Recorder.*

A public building at Durango was authorized by Congress some four years ago and the Supervising Architect is preparing to construct that building now. And the people are desirous of having a suitable provision made in that building for the Federal court, and such provision can not be made excepting by authority of Congress in the form of the passage of a bill of this kind. So that there is an emergency for the passage of this bill as soon as possible.

The Southwestern Colorado Bar Association has prepared a statement upon this subject which is very complete, and I ask to have it inserted in the RECORD as a part of my remarks, as follows:

DURANGO, COLO., *March 11, 1916.*

To the DURANGO EXCHANGE,
*Durango, Colo.*

GENTLEMEN: The Southwestern Bar Association is very much interested in the establishment of a Federal court at Durango, and at your suggestion has taken up the matter of the bill introduced by Mr. TAYLOR for that purpose, together with the suggestions made by Judge Robert E. Lewis. A canvass of the bar association and a study of the conditions show:

1. That the members of the bar to a man are unwilling to accept any provision which does not fix a definite, regular term of court to be held here if there is any business to be transacted.

2. They have no desire to cause expense or to compel the attendance of the court and officials when there is no business to transact, and to the end that the suggestions made by Judge Lewis may be met they are willing that the bill be so amended as to provide:

(a) That when there are no cases to be tried and no business to be transacted the term may be continued or adjourned by the judge in chambers at Denver.

(b) That jurors for each term may be selected from such counties as the judge may designate.

3. The board of county commissioners have by resolution agreed to furnish a courtroom, light, heat, and janitor service, without expense to the Government until such time as a public building may be constructed. Provision for such construction has been made and the site has been purchased. A certified copy of said resolution is herewith transmitted.

4. An office of the district clerk in Durango is maintained in the courthouse. The clerk is in attendance there every day and is available in all business hours. If he were also appointed clerk of the United States court the expense of that office would be nominal, and business could be transacted as readily and promptly as at the offices in Denver and Pueblo.

Under these conditions we feel that the establishment of a term of court here will not involve any considerable expense or serious inconvenience to the judge and court officials, and we think there is no valid objection to the establishment of such court.

The greater part of this district is distant from Denver at least 500 miles. It takes practically 24 hours to get to Denver from Durango, and a day longer from some other portions of the district. It takes substantially the same time and almost the same cost to reach Pueblo, and the only train service to Pueblo lands us there at 1 or 2 o'clock in the morning and makes us leave there at about midnight. It takes as long to reach Montrose, and because of higher rates over the Southern Railroad the expense is about as great as to reach Denver, and the conveniences of travel are very limited. Under these conditions it is preferable to transact the Federal court business from this district at Denver rather than at Montrose or Pueblo, and it is a hardship which should not be imposed upon our people to require them to attend at any of these places.

The bar association has been unable to get any complete data as to the business from this section which has been transacted in the Federal court. It has no record of such business outside of this county, and has no complete record of the business here. Reports made by a part only of the local attorneys to our committee show that they have been interested in the last few years in some 150 matters in the Federal court. The United States commissioner at this place has had upward of 125 cases from 1907 to this time. There are other commissioners in the district and several other counties which would be included in a Federal district to be formed, and the amount of business from these counties has been considerable. At one time, when the mining business was active, there were some 40 mining cases from Dolores County alone pending in the Federal court. During last summer there was tried in Denver a case from this section where more than 150 witnesses were taken to Denver. We think it will appear that the costs to the Government in its cases against the Porter Fuel Co., the New Mexico Lumber Co., the Pagosa Lumber Co., the Denver & Rio Grande Railroad Co., and other cases where a large number of witnesses were required, would maintain a local court here for a great many years. It has happened that most of the larger cases, involving the greatest expense and the largest number of witnesses, arising in this section have not been heard by Judge Lewis, but have been heard by Judges Trieber, Riner, Marshall, and others. For this reason, probably, Judge Lewis is not fully aware of the extent of the business actually arising in this section.

We suggest, further, that in all probability the Federal court business hereafter will increase rather than diminish, for the following reasons:

1. There is a land office here, within whose jurisdiction all kinds of public-land business is transacted and from which before long appeals to the courts will probably be allowed.

2. There are two Indian reservations, with separate agencies, schools, and irrigation projects, and with all questions arising on account thereof or on account of dealings with the Indians.

3. There are two large forest reserves with district offices within this district from the administration of which the usual questions pertaining thereto may be expected to arise.

4. There are a large number of mining districts now again actively engaged in mining. A very large proportion of the properties are owned by foreign corporations or nonresident individuals. There is renewed activity in all these camps, resulting from better prices for products and improved methods, and as well from new discoveries of precious metals and new metals.

5. There are several national banks, having the right in certain cases to sue and be sued in Federal courts.

6. The counties, schools, cities, towns, irrigation districts, power plants, mines, and industrial corporations have outstanding large issues of bonds held by nonresidents.

7. There are a large number of irrigation ditches and projected irrigation ditches, heading in Colorado and covering New Mexico lands. It can readily be seen that this condition is certain to furnish a very considerable business for the Federal courts.

8. There are seven large rivers rising in Colorado and running into New Mexico, Utah, Arizona, and California, and interstate questions as to rights to the use of water and as to respective priorities are continually arising.

9. Important questions are arising as to the priority of the Indians as to the right to use water as against the whites who have made actual, prior usage. These questions will arise as to practically all of our streams, and before long must be settled in the Federal courts.

10. This section is geographically and commercially intimately connected with northwestern New Mexico and southeastern Utah, both rapidly growing and developing communities, and controversies arising out of these relations between citizens of different States must result from this intercourse.

To the above matters may be added the facts that there is a large power plant owned and operated by a foreign corporation, which covers a large part of the territory of this district; that a considerable quantity of land has been sold by the Government with coal and mineral rights reserved to the United States; that the Government surveys of lands are very irregular and defective; and that the boundary line between Colorado and New Mexico has never been satisfactorily adjusted, and perhaps dozens of other circumstances from which Federal questions might arise.

In the course of our investigations a matter has come to our attention which we think should be mentioned. We find that several cases (par-

ticularly damage cases) have been removed from the local courts to the Federal courts, with the result that the plaintiff was unable to follow them there and to further prosecute them. We are not advised as to the merits of these cases, but certain it is that their removal to Denver and Pueblo deprived the plaintiffs in these cases of the opportunity to have tried the question involved. This condition ought not to exist, and if for no other reason there should be a Federal court within easy reach where such cases might be tried.

We have a list of the title of something over 200 cases which we can furnish you if desired, and we will endeavor to get returns from other counties, which will largely increase the number. It has been impossible for us to make anything like a full list of the cases from this section, but we have found that a very considerable amount of business, some of which was very important, has originated from this section. A very considerable number of the cases arising in this section have been in charge of Denver attorneys, and consequently are not found on the dockets of our local attorneys.

We ask you to join us in urging the passage of the bill and suggest that you concur in the amendments indicated if such amendments meet with the approval of Mr. TAYLOR.

Respectfully,

THE SOUTHWESTERN COLORADO BAR ASSOCIATION,
By REESE MCCLOSKEY, *President*.
ROBT. S. CLEMENTS, *Secretary*.

REESE MCCLOSKEY,
ROBT. S. CLEMENTS,
B. W. RITTER,
*Committee*.

It will be observed from the bill that I have therein provided that whenever there is no business to be transacted in any year, if such should ever be the case, that the judge may adjourn the term of court by an order issued at chambers in Denver, and thereby be relieved of the expense and inconvenience of making the trip to Durango. The Judiciary Committee have investigated this matter very carefully and made a complete, unanimous, and strongly favorable recommendation.

Mr. DYER. Will the gentleman yield?

Mr. TAYLOR of Colorado. I will.

Mr. DYER. I just want to state in addition to what the gentleman from Colorado has said that the Committee on the Judiciary of the House had hearings upon this bill and considered it and were unanimous in making a favorable report.

Mr. MOON. May I ask the gentleman from Colorado has he consulted the gentleman from Illinois [Mr. MANN] as to whether this bill should be passed or not?

Mr. TAYLOR of Colorado. I will say yes. [Laughter.] I asked the minority leader just a few minutes ago whether or not he had any objections to this bill, and he very frankly told me he had not. I do not always ask the gentleman from Illinois about my bills, but sometimes I do. This matter is of so much importance to the people of the southern part of my district, that, out of over anxiety, I might say, for the passage of the bill, I endeavored to ascertain whether or not there was going to be any systematic opposition to it on the part of the minority. In view of the number of bills that have been slaughtered here to-day I do not want to take any chances on getting this bill killed if I can possibly avoid it.

Mr. MOON. And he did not object. Mr. Speaker, I want to make a statement for a moment or two. I am not making any captious objection to these bills. I am willing that any bill upon the calendar should pass by a vote of the House of Representatives if it is entitled to pass, but there is a condition existing here that I think is improper. This House took from the Speaker the right of recognition on unanimous-consent requests, and it seems by common consent that everybody now goes to the gentleman from Illinois [Mr. MANN] to see whether he will object or not. I had a bill here to-day to which the gentleman objected that is identical with the bill of the gentleman from Colorado except that he hopes to have a place fixed for his court, and we have already got the place. That is all the difference between them. Just like the balance of you gentlemen, I talked with my friend [Mr. MANN] about the propriety of this matter some time ago, and he wanted to know how many cases arose in that county. Well, I could not tell him how many cases came up in a single county. I knew that division of the State had an immense amount of litigation and that that county furnished a great part of it, and I said I would send for the statement, but it had not come. Now he persists in his objection to a local measure of this kind. He proposes to determine for himself whether my bill shall pass or not. He does not make any objection to the bill of the gentleman from Colorado and does not make any objection to others.

Mr. TAYLOR of Colorado. Will the gentleman permit an interruption?

Mr. MOON. I will.

Mr. TAYLOR of Colorado. I may say the gentleman from Illinois did not agree not to object to it, but he said——

Mr. MOON. I want to say this: The gentleman from Illinois [Mr. MANN] had the right, and I am not questioning his right, to make objections to any bill in this House to which he sees fit to make objection, but when a simple measure like the one I have already referred to is presented in this House, nothing in the world in it except to hold court at two places in one county in a division, not changed or altered by the terms of the law, for the convenience of the lawyers and the convenience of the public, there comes that objection. Under such conditions I felt that it was about time in this House that bills cease to pass by unanimous consent, if a measure of that sort could not pass. I have no objection, of course, to the bills, but I have to the method of procedure—to this method of the minority leader determining in this House as to whether measures shall be passed or not because he likes or dislikes certain Democrats who may have them up. Now, why did not the gentleman object to that bill? He objected to mine. As I said, the gentleman has the right to object to my bill or anybody else's bill, I concede he has the right to continually make any sort of remark that he sees fit, until he gets to the danger line, and then very probably he will not make them—remarks about Members who are not even engaged in the debate, as he did in reference to myself to-day. Decent procedure in this House demands under such conditions that bills hereafter shall pass by a vote of the House of Representatives and not by unanimous consent, and I shall object from now on except in specially meritorious cases.

The SPEAKER. The gentleman from Tennessee objects.

Mr. TAYLOR of Colorado. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TAYLOR of Colorado. Will the Speaker entertain a motion to suspend the rules and consider this bill at this time?

The SPEAKER. He will.

Mr. TAYLOR of Colorado. Then, Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13765).

The SPEAKER. The gentleman from Colorado moves that the rules be suspended and the bill be passed which the Clerk will report.

Mr. TAYLOR of Colorado. There are no amendments.

The Clerk read as follows:

A bill (H. R. 13765) to amend section 73 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

*Be it enacted, etc.*, That section 73 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same is hereby, amended to read as follows:

"SEC. 73. That the State of Colorado shall constitute one judicial district, to be known as the district of Colorado. Terms of the district court shall be held at Denver on the first Tuesday in May and November; at Pueblo on the first Tuesday in April; at Montrose on the second Tuesday in September. That the counties of Archuleta, La Plata, San Juan, Montezuma, and Dolores, in said State, shall constitute the southwestern division of said district, and a term of said court shall be held at the city of Durango, in said district, on the first Tuesday in October of each year; and the clerk of said district court of said State shall maintain an office at said city of Durango, in charge of himself or a deputy, which shall be kept open at all times for the transaction of the business of the court; and the selection of jurors for attendance upon said court in said southwestern division may be selected from said counties: *Provided*, That if at the time of holding a term of said court in any year at said city of Durango there is no business to be there transacted by said court the term may be adjourned or continued by order of the judge of said court in chambers at Denver, Colo.

The SPEAKER. Is a second demanded? [After a pause.] The Chair hears no request for a second. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

## CONCURRENT JURISDICTION OVER COLUMBIA RIVER.

Mr JOHNSON of Washington. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 6097, with an amendment which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the bill and read the amendment into it.

The Clerk read as follows:

A bill (H. R. 6097) to ratify the compact and agreement between the States of Oregon and Washington regarding concurrent jurisdiction over the waters of the Columbia River and its tributaries in connection with regulating, protecting, and preserving fish.

*Be it enacted, etc.*, That the Congress of the United States of America hereby consents to and ratifies the compact and agreement entered into between the States of Oregon and Washington relative to regulating, protecting, and preserving fish in the boundary waters of the Columbia River and other waters, which compact and agreement is contained in section 20 of chapter 188 of the general laws of Oregon for 1915, and section 116, chapter 31, of the session laws of Washington for 1915, and is as follows:

"All laws and regulations now existing, or which may be necessary for regulating, protecting, or preserving fish in the waters of the Columbia River, over which the States of Oregon and Washington have concurrent jurisdiction, or any other waters within either of said States, which would affect said concurrent jurisdiction, shall be made, changed, altered, and amended in whole or in part, only with the mutual consent and approbation of both States."

Nothing herein contained shall be construed to affect the rights of the United States to regulate commerce or the jurisdiction of the United States over navigable waters.

This act shall take effect from and after the date of its passage.

The SPEAKER. Is a second demanded?

Mr. FINLEY. Mr. Speaker, I demand a second.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The gentleman from Washington [Mr. JOHNSON] is entitled to 20 minutes, and the gentleman from South Carolina [Mr. FINLEY] to 20 minutes.

Mr. FINLEY. Mr. Speaker, I would like to ask the gentleman from Washington to explain the necessity for this legislation on the part of Congress.

Mr. JOHNSON of Washington. This matter is explained in the report of the committee which accompanies the bill. The States of Oregon and Washington have each, in joint sessions of their legislatures, passed memorials to Congress asking for this legislation by Congress, which is in the nature of a ratification of an agreement between the legislatures of the two States. Under the Constitution of the United States the different States can not make treaties and agreements with each other. Any compact or understanding that may be reached has to be ratified by Congress. To provide for such ratification is the purpose of this bill.

Mr. FINLEY. How will it affect the fishing rights of the citizens of other States?

Mr. JOHNSON of Washington. Citizens of other States can not be concerned. These two States have concurrent jurisdiction over the waters of the Columbia River, which runs for 300 miles between the States.

Mr. FINLEY. I understand that. So there is nothing of that kind in the statute or enumerated in the bill?

Mr. JOHNSON of Washington. The right to take fish for sale is limited to citizens of the United States and to persons who have declared their intention to become such and who have been residents of one or other of the States on the Columbia River. We have, by amendment, provided that none of the laws of the United States in regard to navigation may be done away with or anything of that kind.

Mr. FINLEY. I was asking a question with reference to fishing rights of the citizens of other States.

Mr. JOHNSON of Washington. They are not affected.

Mr. FINLEY. One provision that I heard read said they may be altered or amended by the respective States.

Mr. JOHNSON of Washington. I will try to make the general situation clear to the gentleman. For 25 years these two States have had fishing laws that differed greatly. For instance, in regard to placing nets at the mouth of smaller streams that run into the Columbia River, the law was different on one side of the river from that on the other side. The law in regard to citizenship was different, and so on. After these 25 years of quarreling and trouble the two legislatures appointed commissions to get together and harmonize the laws. Then the legislatures adopted uniform laws and then they passed identical memorials to Congress asking for the ratification of a compact, as explained in the bill.

I ask for a vote, Mr. Speaker.

Mr. ADAMSON. I would like to ask the gentleman if the saving amendment that he spoke to me about has been read into the bill?

Mr. JOHNSON of Washington. It has been read into the bill.

Mr. ADAMSON. A provision not to interfere with commerce over navigable waters?

Mr. JOHNSON of Washington. Yes; that has been read in.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

APPROPRIATION FOR THE ORGANIZED MILITIA.

Mr. McKELLAR. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 15005.

The SPEAKER. The gentleman from Tennessee moves to suspend the rules and pass the bill, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 15005) to appropriate $200,000 for training the Organized Militia of any State, Territory, or of the District of Columbia.

*Be it enacted, etc.*, That for paying the expenses of the Organized Militia of any State, Territory, or of the District of Columbia, which may be authorized by the Secretary of War to participate in such encampments as may be established for the field instruction of the troops of the Regular Army, as provided by sections 15 and 21 of the act of January 21, 1903, entitled "An act to promote the efficiency of the militia, and for other purposes," to be immediately available and to remain available until the end of the fiscal year 1917, $200,000 is hereby appropriated: *Provided*, That when it is not practicable to obtain the presence of regular troops for a joint encampment, the funds herein appropriated shall be available for such encampments, maneuvers, and field instruction for the Organized Militia as the Secretary of War may prescribe.

The SPEAKER. Is a second demanded?

Mr. MANN. Mr. Speaker, I demand a second.

Mr. McKELLAR. Mr. Speaker I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that a second may be considered as ordered. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Tennessee [Mr. McKELLAR] is entitled to 20 minutes and the gentleman from Illinois [Mr. MANN] 20 minutes.

Mr. McKELLAR. Mr. Speaker and gentlemen of the House, this is a bill that comes from the War Department, and the reason for it in substance is as follows:

The Division of Militia Affairs has been arranging for some time to hold summer encampments. It was first contemplated they should be joint encampments composed of divisions of the Regular Army and of the Organized Militia.

However, the Army appropriation bill has been retarded because of the fact that we have to finish the new Army reorganization bill before the Army appropriation bill can be passed. Now they need this money for organizing these camps. Several of them are fixed before the 30th of June, and in the Army appropriation bill the amount appropriated for this purpose will be decreased by this sum of $200,000 appropriated in this bill. The Secretary of War has recommended that this be done. They need the money in order to carry out these summer-camp plans, and I take it for granted that there can be no real objection to the passage of this bill at this time.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Mississippi?

Mr. McKELLAR. Yes.

Mr. SISSON. Is there an item in the Army bill of this character?

Mr. McKELLAR. Yes; it is precisely like this; but it will be omitted from the Army bill. This will take the place of the provision that ordinarily goes into the Army bill. It is just appropriating at this time for this purpose in lieu of the usual appropriation in the Army bill. I will say to the gentleman that the Army appropriation bill is frequently passed by this time.

Mr. SISSON. Does the Army appropriation bill carry this amount of money? Is it in the bill?

Mr. McKELLAR. It will be in the bill. The bill has not been reported out yet, and we can not report it out, I will say to the gentleman, until after the Hay or the Chamberlain bill, or a composite bill, is passed.

Mr. SISSON. It is in conference now?

Mr. McKELLAR. Yes.

Mr. SISSON. The conference report, of course, will have to come in and be adopted before the Committee on Military Affairs will be able to understand what organization they will have to appropriate for?

Mr. McKELLAR. Yes.

Mr. SISSON. If that becomes a law, your committee will not appropriate this amount of money for the current year?

Mr. McKELLAR. No; we will not appropriate this amount of money for this purpose this year.

Mr. TILSON. Mr. Speaker, will the gentleman yield to me for a statement?

Mr. McKELLAR. Does the gentleman want time?

Mr. TILSON. Yes; I would like to have two minutes.

Mr. McKELLAR. I will yield to the gentleman from Connecticut two minutes and reserve the balance of my time, Mr. Speaker.

Mr. TILSON. Mr. Speaker, this is by way of anticipation of the usual maneuver-encampment appropriation. It is important that these encampments be extended over as long a period as possible so as to enable as many Regular Army officers as possible to attend them; and if all the encampments must be arranged after June 30, so as to come in under the regular appropriation bill, the time would be very much limited. Hence the importance of having this bill pass ahead of the regular appropriation bill, making $200,000 immediately available. It is the intention of the committee to report just $200,000 less in the item for the joint encampments than would be reported if this bill should not pass.

Mr. McKELLAR. If nobody wishes to be heard, Mr. Speaker——

Mr. MANN. Mr. Speaker, I am not opposed to the passage of this bill. If anyone who is opposed to it desires time, I will

yield time. But I want to make a statement or two in reference to it.

Because of the necessities of the case I am not opposed to the bill, but it is an extremely bad practice. The Committee on Military Affairs does not have jurisdiction over deficiency appropriations. We have passed already in this Congress three deficiency appropriation bills, and if the War Department had attended to its business it would have asked for a deficiency appropriation to have gone in one of those appropriation bills instead of sending in a letter to have an appropriation made, not in an appropriation act at all but as a legislative act.

Mr. McKELLAR. Mr. Speaker, will the gentleman yield?

Mr. MANN. Certainly; I yield.

Mr. McKELLAR. I imagine that the gentleman will agree that our Army appropriation bill has been delayed because of this new Army reorganization bill.

Mr. MANN. Oh, the Army appropriation bill would not have become a law in any event until after the 1st of July. The gentleman knows that. It did not two years ago.

Mr. TILSON. Mr. Speaker, will the gentleman yield to me?

Mr. MANN. Certainly.

Mr. TILSON. As a matter of fact, the gentleman from Illinois is right, and this appropriation ought to have been made in the Army appropriation bill that passed a year ago. They knew at that time that there ought to be maneuver encampments held prior to July 1, 1916, and this sum ought to have been included in last year's appropriation bill.

Mr. MANN. I am not going so far back as that. We are told every day that we are to follow the military experts all along the line. In the main, I agree with that; but the military experts in the War Department are not very expert as to legislation.

They ought to know, and they do know, that when they want a deficiency appropriation they should make an estimate for it as a deficiency appropriation, and let it go before the proper committee as such. We have passed three deficiency appropriation bills which have become laws at this session of Congress. This item, or a part of it, ought to have been included in one of those bills, if they were in a hurry. If it had not been for the unusual circumstances to-day, any one Member could have knocked this bill into a cocked hat if he had wanted to. That is the way the Army does its expert business at times.

Mr. McKELLAR. I will say to the gentleman that if I had known that was what he was going to say, I would not have interrupted.

Mr. MANN. I am not criticizing the Committee on Military Affairs. They did not ask for a deficiency appropriation. They asked for the passage of a bill, which shows how foolish people can be at times.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds voting in the affirmative, the rules were suspended and the bill passed.

### ARMY SUPPLIES TO MILITARY SCHOOLS AND COLLEGES.

Mr. MILLER of Minnesota. Mr. Speaker, I move to suspend the rules and pass the bill (S. 4726) to permit issue by the supply departments of the Army to certain military schools and colleges.

The SPEAKER. The gentleman from Minnesota moves to suspend the rules and pass a bill, which the Clerk will report.

The bill was read, as follows:

*Be it enacted, etc.*, That the Secretary of War is authorized to issue, at his discretion and under such regulations as he may prescribe, such quartermaster supplies and stores belonging to the Government, and which can be spared for that purpose, as may appear to be required for the establishment and maintenance of military instruction camps by the students of any educational institution to which an officer of the Army is detailed as professor of military science and tactics, and the Secretary of War shall require a bond in each case in the value of the property for the care and safe-keeping thereof and for the return of the same when required.

The SPEAKER. Is a second demanded?

Mr. FOSTER. I demand a second.

Mr. MILLER of Minnesota. I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that a second may be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Minnesota is entitled to 20 minutes and the gentleman from Illinois to 20 minutes.

Mr. MILLER of Minnesota. Mr. Speaker, I can state in a moment's time the reason for the passage of this bill.

For several years the military departments of some of our leading universities, as well as some of the schools in the United States organized and conducted along military lines, have desired the practical experience to be obtained only from fieldwork. Four years ago I introduced a bill permitting the Secretary of War to loan tents and equipages of that kind to schools of this class for the purposes indicated. It did not become a law.

At the beginning of this session of Congress this bill was drawn by the Secretary of War, or under his direction, sent to the Senate and introduced there by Senator NELSON, and passed that body. It has been unanimously reported by the House committee, and is here on the calendar for consideration.

A paragraph in the pending general Army reorganization bill contains this provision. The reason for asking consideration of this bill now is that it is generally agreed that the Army reorganization bill will not become a law until some time in June, or later. There are numerous colleges in the United States that desire to avail themselves of the privileges of this act early in June of this year. I have special reference to the University of Minnesota, with its cadet corps of 1,400 students, which has already made arrangements to mobilize on the Fort Snelling Reservation and conduct a series of field maneuvers lasting eight days, an unusually serious effort for practical military training by this cadet corps, which is pronounced by military inspectors to be one of the best in the United States. The president of the university informs me that it is necessary that this bill be passed immediately, in order that they may avail themselves of the opportunity to get the necessary supplies.

Mr. FOSTER. Mr. Speaker, I do not know that I am opposed to this bill, except for the fact that, as I understand, this provision is in the Army reorganization bill, which in all probability will be reported to the House and Senate for some final action within the next week or 10 days. For that reason I do not see the necessity of passing a separate bill providing for a loan of certain supplies to these military schools and colleges. I suppose that 30 days will not make much difference to these schools and colleges in getting these supplies, which this bill provides shall be obtained from the War Department.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. FOSTER. Yes.

Mr. GREENE of Vermont. The gentleman from Illinois realizes, of course, that a summer camp requires advance preparation by the school authorities, and the procurement of the necessary supplies must be anticipated with sufficient certainty so that they may make requisitions in order to get the supplies in time for use.

Mr. FOSTER. Let me say to the gentleman from Vermont——.

Mr. MOON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Tennessee rise?

Mr. MOON. To suggest that we have worked here long enough without a quorum. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is not.

Mr. FOSTER. I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

| | | | |
|---|---|---|---|
| Adair | Eagan | Howard | Mudd |
| Anderson | Edmonds | Howell | Neely |
| Anthony | Edwards | Huhphrey, Wash. | Nelson |
| Austin | Evans | Husted | Nichols, Mich. |
| Bacharach | Fairchild | Hutchinson | North |
| Barchfeld | Fitzgerald | James | Norton |
| Barkley | Flood | Jones | Oglesby |
| Beales | Flynn | Keister | Olney |
| Borland | Focht | Kelley | O'Shaunessy |
| Britt | Fordney | Kent | Paige, Mass. |
| Britten | Frear | Key, Ohio | Patten |
| Brumbaugh | Freeman | Kiess, Pa. | Platt |
| Burnett | Gardner, Mass. | Konop | Porter |
| Byrnes, S. C. | Garrett | Kreider | Pou |
| Campbell | Gillett | Langley | Rainey |
| Cantrill | Godwin, N. C. | Lee | Roberts, Mass. |
| Carter, Okla. | Goodwin, Ark. | Lehlbach | Roberts, Nev. |
| Casey | Gould | Liebel | Rowland |
| Chandler, N. Y. | Graham | Lindbergh | Rucker |
| Clark, Fla. | Gray, N. J. | Littlepage | Saunders |
| Coleman | Griest | Loft | Schall |
| Connelly | Griffin | Longworth | Scott, Mich. |
| Conry | Guernsey | McCracken | Scott, Pa. |
| Copley | Hamilton, N. Y. | McCulloch | Scully |
| Costello | Harrison | McDermott | Sells |
| Cullop | Hart | McFadden | Sherley |
| Dale, N. Y. | Haskell | McGullicuddy | Sherwood |
| Darrow | Hastings | Maher | Shouse |
| Dent | Hay | Martin | Slemp |
| Dewalt | Heaton | Miller, Pa. | Small |
| Dickinson | Helvering | Moore, Pa. | Smith, N. Y. |
| Dooling | Henry | Morgan, La. | Snyder |
| Driscoll | Holland | Morin | Sparkman |
| Drukker | Hopwood | Moss, Ind. | Steagall |
| Dunn | Houston | Moss, W. Va. | Stiness |

| | | | |
|---|---|---|---|
| Stone | Towner | Watkins | Williams, Ohio |
| Sutherland | Vare | Watson, Pa. | Wilson, Ill. |
| Switzer | Walsh | Webb | Winslow |
| Talbott | Ward | Whaley | Wise |

The SPEAKER. On this vote 275 Members have responded to their names—a quorum.

Mr. COX. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Indiana moves that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. Cox) there were 27 ayes and 159 noes.

So the House refused to adjourn.

Mr. FOSTER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. FOSTER. Mr. Speaker, I asked for a second in order to get some information. The gentleman from Minnesota has given this information and says that the War Department asks for this quick action. While I do not like the plan of putting two laws on the statute books relating to the same thing, the other may not become a law for some time, and I shall make no objection.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

BRIDGE ACROSS TOMBIGBEE RIVER.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent for a minute to make a statement that I think will appeal to the brethren.

The SPEAKER. The gentleman from Georgia asks unanimous consent for a minute to address the House. Is there objection?

There was no objection.

Mr. ADAMSON. The gentleman from Alabama [Mr. GRAY], who is sick, has an emergency bridge bill, and has been trying to get it up, but has been unable to, on the Unanimous Consent Calendar. In consideration of the circumstances, I want to request that the Speaker recognize me to move to suspend the rules and take up that bill. It will take but a moment.

Mr. MANN. I have no objection to the Chair recognizing the gentleman to move to suspend the rules.

Mr. ADAMSON. That is what I want.

Mr. MANN. That is a request addressed to the Speaker.

The SPEAKER. The gentleman is recognized to move to suspend the rules.

Mr. ADAMSON. The gentleman moves to suspend the rules and pass the bill S. 4603 as amended.

The SPEAKER. The Clerk will report the bill, reading into it the amendments.

The Clerk read as follows:

An act to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at Princes Lower Landing, near Jackson, Ala.

*Be it enacted, etc.*, That the Jackson Highway Bridge Co., a corporation organized under the laws of the State of Alabama, its successors and assigns, be, and are hereby, authorized to construct, maintain, and operate a bridge and all approaches thereto across the Tombigbee River at or near Princes Lower Landing, near Jackson, Ala., at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That said bridge shall be constructed, maintained, and operated so that it may serve as a roadway for continuous use by the public as a highway bridge, to be used by vehicles, pedestrians, horsemen, animals, and all kinds of highway traffic and travel, for the transit of which reasonable rates of toll may be charged and received.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is a second demanded? [After a pause.] The Chair hears no request for a second. The question is on suspending the rules and passing the bill as amended.

Mr. COOPER of Wisconsin. Mr. Speaker, I would like to ask the gentleman from Georgia a question. Does the bill contain a provision for tolls?

Mr. ADAMSON. It does, but that is regulated by the general bridge act, which authorizes the Secretary of War to control that.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

INTERLOCKING DIRECTORATES OF NATIONAL BANKS.

Mr. GLASS. Mr. Speaker, I move to suspend the rules and pass the bill S. 4432, to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended, which I send to the desk and ask to have read.

The Clerk read as follows:

*Be it enacted, etc.*, That section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, be, and the same is hereby, amended by striking out the period at the end of the second clause of said section, inserting in lieu thereof a colon, and adding to said clause the following:

"*And provided further*, That nothing in this act shall prohibit any officer, director, or employee of any member bank or class A director of a Federal reserve bank, who shall first procure the consent of the Federal Reserve Board, which board is hereby authorized, at its discretion, to grant, withhold, or revoke such consent, from being an officer, director, or employee of not more than two other banks, banking associations, or trust companies, whether organized under the laws of the United States or any State, if such other bank, banking association, or trust company is not in substantial competition with such member bank."

The consent of the Federal Reserve Board may be procured before the person applying therefor has been elected as a class A director of a Federal reserve bank or as a director of any member bank.

The SPEAKER. Is a second demanded?

Mr. BUCHANAN of Illinois. Mr. Speaker, I demand a second.

Mr. GLASS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The genfleman from Virginia is entitled to 20 minutes and the gentleman from Illinois 20 minutes.

Mr. GLASS. Mr. Speaker, this is a bill known as the Kern amendment to the Clayton Act, reported unanimously from the Banking and Currency Committee of the Senate and passed there, I believe, without objection. It is reported unanimously from the Banking and Currency Committee of the House. Its purpose may best and most briefly be expressed by reading a paragraph from a letter from Gov. Hamlin, of the Federal Reserve Board, to Senator OWEN. In that letter Gov. Hamlin says:

This amendment, if adopted, will give some elasticity to the provisions of the Clayton Act which prohibit directors of other banking institutions from serving as directors of member banks under certain conditions. It would seem to be desirable to have this discretionary power vested in the board, since in many instances the enforcement of the provisions of the Clayton Act will result in depriving a member bank of the services of a director because of his connection with other banking institutions, even though his serving on both boards would not be violative of the spirit of the [Clayton] act.

In a word, this Kern amendment permits a person to be a member of two banking directorates in the same community and one bank directorate in some other community. This is a modification of the Clayton Act only in that respect. It does not contravene the real spirit and intent of the Clayton Act. The dual or triplicate directorship is to be permitted by the action of the Federal Reserve Board first obtained, and only in cases in which it shall appear to the satisfaction of the Federal Reserve Board that there is no substantial competition between the banking institutions upon whose directorates the person wishes to serve.

I reserve the remainder of my time.

Mr. BUCHANAN of Illinois. Mr. Speaker, when the reserve banking act was passed in the last Congress some of us, at least, hoped that the power of Wall Street would be curbed, but it seemed the administration was very kind to that combination which has been committing the crimes against the people and selected members of the Banking Reserve Board who operated affairs in complete accord with those who had been violating—I will not say violating—those who had been exercising the power of depriving the people of their rights. One of the things that we hoped to get a benefit from was denying to the big-business financiers of the country the power of interlocking directorates. This bill puts that power back into their hands. I believe Members of Congress ought to realize that the currency question is one of the biggest questions there is, and they also, at least by this time, when prices are three and four times the normal amount, should realize that there is a power somewhere by which big financiers of the country and big business continue to rob and plunder the wealth-producing masses of the country. And instead of giving them back any part of the power that was taken away from them in the banking and currency bill we ought to be taking more away from them. Why, gentlemen, to-day, through this power that is being exercised, one of the most important commodities there is to the American people, that is steel, has gone up three and four times the price it was before the war occurred, giving the war as an excuse; but in fact the reason is that they have that power or monopoly. They have the power to charge whatever they see fit to the people of the country, and if that power is enlarged at this time, instead of taking it away from them, what can the people of the country hope for?

Now, on account of that enormous robbing price they are charging it is going to stop one of the most important industries of the country if they are not curbed in some manner or other, because they are getting these prices so high that the building and construction industry of the country can not stand it, and it is about time that the Members of Congress and the people of the country wake up to the fact that something ought to be done and that we should take more power away from these people instead of giving them back some of the power that was supposed to be taken from them. Of course as long as the laws are administered by the agents of these criminals and high financiers and they have the judges to construe, strain, wrench, and twist it to suit themselves, it does not matter much about the laws we have in the country, but let us not weaken any of the laws which have been passed. I want to warn the Members of this Congress that if they start to take a step backward that the people of the country will soon become aroused and will relegate to the political scrap heap those who are responsible for it. The administration now is doing nothing to prevent the crimes that are being committed by big business of the country; in fact, they seem to acquiesce in them. We appropriate money here for the investigation of some poor devil who has not committed any crime; but the agents of big business, who are plundering and robbing the great wealth-producing masses of the country, are permitted to run with a free hand rampant over the rights and interests of the people of the country.

Mr. Speaker, this bill did not come to my attention until I came into the Chamber this afternoon. I am sorry that somebody of greater ability has not seen it of sufficient importance to take up this question and try to stop a step backward in this important legislation. In fact, we ought to be giving the people of the country protection from the money power instead of loosening up the reins, so they may have greater freedom in robbing and plundering the great masses of the people.

Mr. SMITH of Minnesota. Will the gentleman yield?

Mr. BUCHANAN of Illinois. I will reserve the balance of my time and will yield time to the gentleman, if he desires.

Mr. SMITH of Minnesota. No; I want to ask the gentleman a question.

Mr. BUCHANAN of Illinois. I do not know that I am prepared to answer the question, but I will if I can.

Mr. SMITH of Minnesota. Is the gentleman aware of the fact that this bill simply permits the Federal Reserve Board to permit a director of a member bank of the Federal Reserve System to be a director of not more than two other banks, and those banks must be noncompetitive?

Mr. BUCHANAN of Illinois. Oh, I understand how those things are done, especially when the control of these privileges are in the hands of the agents of the trusts and big business of the country. I want to say it is dangerous to take such a step. It does not matter whether it is noncompetitive. Who is going to say whether or not they are noncompetitive?

Mr. SMITH of Minnesota. Your Federal Reserve Board created for that purpose.

Mr. BUCHANAN of Illinois. I am not willing that the Federal Reserve Board shall have any more power than they have got now. They have got too much power now.

Mr. GLASS. Mr. Speaker, I ask for a vote.

Mr. MANN. Will the gentleman yield me a minute?

Mr. GLASS. I yield the gentleman—how much time?

Mr. MANN. I do not want but a moment.

Mr. GLASS. I yield to the gentleman.

Mr. MANN. Mr. Speaker, a little while ago we passed a bill authorizing national banks to buy stock in foreign banking companies. When that bill was reported to the House it contained a provision authorizing a national bank in a city of 100,000 to establish branch banks.

Partly at my suggestion, I think—I do not want to put the entire responsibility upon the gentleman from Virginia [Mr. GLASS]—when he moved to suspend the rules, he left that provision out in order that it might be considered by itself. It is a matter of some importance to a city like Chicago, both of these propositions, and I presume the same is true in other large cities. There are in the city of Chicago a number of large national banks in the downtown centers. There are in the outlying portions of the city, I think, 30 or 40 or 50 banks, some of them national banks, but most of them State banks. Under the bill now pending these local outlying banks, of course, all clear through the downtown banks. In one sense they are a kind of branch banks, though the stockholders are entirely different. Those local banks cater to the local business. This bill permits a director of one of the downtown banks to be a director of two of these small outlying banks. And the outlying banks always desire, if practicable, to have one of their directors a director of one of the big banks through whom they clear. It is an advantageous arrangement to everybody, adds to the value of the small bank, and facilitates the watching of the business that goes through the big banks. These small banks, however, were not in favor of a proposition to let the big banks establish branch banks in their locality, thinking that if that were done the branch banks would be merely receiving banks, to receive deposits without giving much attention to the needs of the locality.

I am very much obliged to the gentleman from Virginia [Mr. GLASS] for the action that he took on the former matter, so that these people can be heard if they desire to be heard in the future, and I am very glad to support this bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 10750. An act permitting the Mondak Bridge Co. to construct, maintain, and operate a bridge across the Missouri River, in the State of Montana; and

H. R. 8067. An act to quiet the title to certain lands in the possession of G. B. Dickson, and for other purposes.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned until to-morrow, Friday, May 5, 1916, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the Treasury, inviting attention to an item in the general deficiency bill covering the removal and reerection of the wharf at the quarantine station at Honolulu, Hawaii, and making suggestions thereon (H. Doc. No. 1081), were taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (H. R. 12582) to relieve the estate of Thomas H. Hall, deceased, late postmaster at Panacea, Fla., and the bondsmen of said Thomas H. Hall, of the payment of money alleged to have been misappropriated by a clerk in said office, reported the same without amendment, accompanied by a report (No. 636), which said bill and report were referred to the Private Calendar.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. HOOD: A bill (H. R. 15346) for the purchase of a site for a public building at Beaufort, Carteret County, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. BOOHER: A bill (H. R. 15347) to amend existing laws relating to the use of alcohol, free of tax, by scientific institutions or colleges of learning; to the Committee on Ways and Means.

By Mr. PARK: A bill (H. R. 15348) to increase the salaries of the United States district attorney and United States marshal for the southern district of Georgia, and for other purposes; to the Committee on the Judiciary.

By Mr. FERRIS: A bill (H. R. 15349) to amend an act entitled "An act to codify, revise, and amend the laws relating to the Judiciary"; to the Committee on the Judiciary.

By Mr. CARLIN: Joint resolution (H. J. Res. 217) extending until October 15, 1918, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; to the Committee on the Judiciary.

By Mr. TREADWAY: Joint resolution (H. J. Res. 218) authorizing the acceptance of the gift of the Berkshire Trout Hatchery, Berkshire County, Mass.; to the Committee on the Merchant Marine and Fisheries.

By Mr. HOWARD: Resolution (H. Res. 223) authorizing the installation of an electrical mechanical voting machine in the House of Representatives; to the Committee on Accounts.

By Mr. HUGHES: Resolution (H. Res. 224) authorizing the appointment of an annual clerk to the Committee on Education; to the Committee on Accounts.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 15350) granting a pension to Maria Routte; to the Committee on Pensions.

Also, a bill (H. R. 15351) granting an increase of pension to Robert E. Best; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 15352) granting an increase of pension to Louis C. Baughman; to the Committee on Pensions.

By Mr. CALDWELL: A bill (H. R. 15353) granting a pension to Louisa Donnelly; to the Committee on Invalid Pensions.

By Mr. COADY: A bill (H. R. 15354) granting an increase of pension to Benjamin F. Shipley; to the Committee on Invalid Pensions.

By Mr. CRAGO: A bill (H. R. 15355) granting an increase of pension to Herbert W. Barnhart; to the Committee on Pensions.

By Mr. CULLOP: A bill (H. R. 15356) granting a pension to Perneta J. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15357) granting an increase of pension to John W. Buskirk; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 15358) for the relief of Lottie Gilstrap; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 15359) granting a pension to Melissa Sisley; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 15360) granting an increase of pension to George W. Wolfe; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 15361) for the relief of Daniel O'Connell; to the Committee on Military Affairs.

By Mr. FREEMAN: A bill (H. R. 15362) granting an increase of pension to Sarah V. Pitts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15363) granting an increase of pension to Mary J. Freeman; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 15364) granting an increase of pension to Ellen B. Thomas; to the Committee on Invalid Pensions.

By Mr. HAYES: A bill (H. R. 15365) granting an increase of pension to Cecile F. Jacobi; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 15366) granting an increase of pension to William H. Pitts; to the Committee on Invalid Pensions.

By Mr. JONES: A bill (H. R. 15367) to remove the charge of desertion against the military record of William H. Thompson; to the Committee on Military Affairs.

Also, a bill (H. R. 15368) granting a pension to Augustine L. Sherwood; to the Committee on Pensions.

By Mr. KEATING: A bill (H. R. 15369) granting an increase of pension to Edward N. Webb; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 15370) granting a pension to Sarah Katharine Dodge (incompetent); to the Committee on Invalid Pensions.

By Mr. LITTLEPAGE: A bill (H. R. 15371) granting a pension to James E. Ratliff; to the Committee on Pensions.

By Mr. McGILLICUDDY: A bill (H. R. 15372) granting an increase of pension to Henry A. Cross; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 15373) granting a pension to Perry L. Lockhart; to the Committee on Pensions.

Also, a bill (H. R. 15374) granting an increase of pension to Isaac Koon; to the Committee on Invalid Pensions.

By Mr. PATTEN: A bill (H. R. 15375) for the relief of the heirs of the late James L. Watson; to the Committee on Claims.

By Mr. RODENBERG: A bill (H. R. 15376) granting a pension to Sarah L. Truck; to the Committee on Invalid Pensions.

By Mr. SANFORD: A bill (H. R. 15377) granting a pension to Christopher Dahlen; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 15378) for the relief of James G. Hill; to the Committee on Military Affairs.

By Mr. STEPHENS of Texas: A bill (H. R. 15379) providing for disposal of the inherited estate of Kills On Her Own Ground, wife and heir to one-half of the estate of Dummy, deceased allottee of the Crow Indian Reservation, Mont.; to the Committee on Indian Affairs.

Also, a bill (H. R. 15380) providing for the disposal of the inherited estate of Kills On Her Own Ground, mother and heir to two-thirds of the estate of Small Head, deceased allottee of the Crow Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. STINESS: A bill (H. R. 15381) granting an increase of pension to Mary A. Dixon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15382) granting an increase of pension to Ellener R. Potter; to the Committee on Invalid Pensions.

By Mr. TAGUE: A bill (H. R. 15383) granting an increase of pension to James W. Cail; to the Committee on Invalid Pensions.

By Mr. WILSON of Louisiana: A bill (H. R. 15384) to give jurisdiction to the Court of Claims to readjudicate the case of Albert H. Gillispie against the United States, No. 30777 on the docket of said court; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition; to the special committee to investigate the charges of contempt against H. Snowden Marshall, United States district attorney for the southern district of New York.

Also (by request), memorials of voters at the Leisure Hour Club, Carson City, and mass meeting of Nevada Woman's Civic League, Reno, Nev., favoring a favorable report on the Susan B. Anthony amendment; to the Committee on the Judiciary.

By Mr. BAILEY: Memorial of churches of the western district of Pennsylvania of the Church of the Brethren, against compulsory military training; to the Committee on Military Affairs.

By Mr. CALDWELL: Memorial of the Board of Aldermen of New York, pledging loyalty to the United States Government and favoring adequate preparedness; to the Committee on Military Affairs.

Also, memorial of the Board of Aldermen of New York, favoring House bill 6915 and Senate bill 3081; to the Committee on the Post Office and Post Roads.

Also, petition of Henry W. Volkman, of Richmond Hill, Long Island, N. Y., opposing House bill 13048; to the Committee on the District of Columbia.

Also, petition of sundry citizens of Glendale, Long Island, N. Y., opposing House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Petition of Nellie H. Nelson, of Minneapolis, Minn., favoring woman suffrage amendment; to the Committee on the Judiciary.

Also, petition of the Chamber of Commerce of Montgomery, Ala., favoring Shields general dam bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of New York Milk Committee, against Senate joint resolution 120, relative to members of United States Public Health Service; to the Committee on Agriculture.

By Mr. EAGAN: Memorial of the Chamber of Commerce of Montgomery, Ala., in re so-called Shields general dam bill; to the Committee on the Public Lands.

Also, memorial of the American Hardware Manufacturers' Association, in re flood control; to the Committee on Flood Control.

By Mr. ELSTON: Petition of D. P. Decker and other citizens of Oakland, Cal., against Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

By Mr. EMERSON: Memorial of Ohio Milk Distributors' Association as to sanitary condition of Ohio dairies; to the Committee on Agriculture.

Also, petition of citizens of the twenty-second district of Ohio, against the water-power bill; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH: Memorial of Wisconsin Conference of the Evangelical Association, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 414 members of the Evangelical Lutheran St. Peter's Church, of Dorchester, and 2,170 members of Trinity Evangelical Lutheran Church, of Milwaukee, Wis., against United States in war; to the Committee on Foreign Affairs.

By Mr. FESS: Petition of sundry citizens of Franklin, Madison, and Pickaway Counties, Ohio, against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. FLYNN: Petition of New York Milk Committee, against Senate joint resolution 120, relative to member of United States Public Health Service in a medical or private health association; to the Committee on Agriculture.

Also, memorial of Chamber of Commerce of Montgomery, Ala., favoring passage of the Shields general dam bill; to the Committee on Interstate and Foreign Commerce.

By Mr. FREEMAN: Petition of Woman's Christian Temperance Union of Norwich and Baptist Church of Clinton, Conn., favoring national prohibition; to the Committee on the Judiciary.

By Mr. FULLER: Petition of Illinois Commandery of the Military Order of the Loyal Legion, advocating universal military service; to the Committee on Military Affairs.

Also, petition of Clarence Poe, editor of the Progressive Farmer, relative to rural-credits legislation; to the Committee on Banking and Currency.

Also, petition of associated merchants of La Salle, Ill., opposing the price-maintenance bill; to the Committee on Interstate and Foreign Commerce.

Also, papers to accompany a bill granting an increase of pension to Ellen B. Thomas; to the Committee on Invalid Pensions.

By Mr. GALLIVAN: Petition of sundry citizens of Massachusetts against the Taylor system in Government shops; to the Committee on Labor.

Also, memorial of Bay State Automobile Association in re present prices of gasoline; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON of New York: Papers to accompany House bill 15301, granting a pension to Harriet E. Fellows; to the Committee on Invalid Pensions.

By Mr. KING: Petition of sundry citizens of Kewanee, Ill., against the Taylor system in Government shops; to the Committee on Labor.

Also, petition of Evangelical Lutheran Church of St. John, of Quincy, Ill., against bills to amend the postal law; to the Committee on the Post Office and Post Roads.

By Mr. LOUD: Petition of E. Bromley and Methodist Episcopal Church of Mecosta, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. McCLINTIC: Petition of sundry citizens of Shattuck, Okla., opposing Senate bill 645; to the Committee on the District of Columbia.

Also, petition of sundry citizens, favoring the Emerson joint resolution; to the Committee on Ways and Means.

Also, petition of citizens of Greer, Okla., opposing House bill 13048; to the Committee on the District of Columbia.

By Mr. MEEKER: Petition of 38 citizens of St. Louis, Mo., against passage of bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petitions of Lodges Nos. 24 and 41 of the International Association of Machinists, of St. Louis, and 39 citizens of St. Louis, Mo., favoring House bill 8665, against Taylor system; to the Committee on Labor.

By Mr. MONDELL: Petitions of citizens of Wheatland, Wyo., and vicinity, against war with Germany; to the Committee on Foreign Affairs.

By Mr. NEELY: Petition of citizens of the State of West Virginia, against the Taylor system in Government shops; to the Committee on Labor.

Also, petition of citizens of Grafton, W. Va., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. NOLAN: Petition of the Maryland Realty Corporation, Baltimore, Md., and 39 other leading mercantile establishments of Baltimore, favoring the passage of House bill 11876, known as the Nolan minimum-wage bill; to the Committee on Labor.

By Mr. OAKEY: Petition of Capital City Lodge, No. 354, I. A. of M., against the Taylor system in Government shops; to the Committee on Labor.

By Mr. POWERS: Petition of sundry citizens of Somerset, Ky., against the Taylor system; to the Committee on Labor.

By Mr. SCOTT of Michigan: Petition of sundry citizens of the State of Michigan, favoring national prohibition; to the Committee on the Judiciary.

By Mr. SIEGEL: Memorial of Board of Aldermen of New York City, favoring preparedness; to the Committee on Military Affairs.

By Mr. SMITH of Idaho: Papers to accompany House bill 15222, granting an increase of pension to Patrick F. Corron; to the Committee on Invalid Pensions.

Also, paper to accompany House bill 6796, appropriating to purchase a site and construct a Federal building at Hailey; to the Committee on Public Buildings and Grounds.

Also, memorial of Commercial Club of Lewiston, Idaho, favoring legislation providing for the conducting of experiments for the production of potash and nitrates; to the Committee on Military Affairs.

By Mr. SNYDER: Petition of sundry citizens of the thirty-third congressional district of New York, against Taylor system in Government shops; to the Committee on Labor.

By Mr. STEPHENS of Nebraska: Petition of W. Ganiard and others, of Petersburg, Nebr., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. TINKHAM: Memorial of executive committee of the Society of the Chagres, in re conditions in Canal Zone; to the Committee on Reform in the Civil Service.

By Mr. TOWNER: Petition of Rev. R. L. Wilson and other citizens of Allerton, Iowa, praying for the enactment of a Christian amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WINSLOW: Petition of sundry citizens of the State of Massachusetts, favoring national prohibition; to the Committee on the Judiciary.

## SENATE.

### FRIDAY, *May 5, 1916.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou art worthy to receive all our adoration and praise. Every thought Thou hast had to usward has been a thought of grace, and love, and mercy. Thou hast dealt with us in our larger life, our national life, as Thou hast not dealt with any other people. We pray we may not forget our debt of obligation, an obligation that can be paid only by obedience to Thy will. We thank Thee that Thou hast given to us in this land a patriotism that is not based upon any of those forces that disintegrate and destroy, but upon those high ethical ideals which have been made known to men through the revelation of God. Guide us this day in the discharge of our duties. Forgive our sins. For Christ's sake. Amen.

The Journal of the proceedings of the legislative day of Wednesday, May 3, 1916, was read and approved.

#### COAST DEFENSES.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of War, transmitting, in response to a resolution of the Senate of April 24, 1916, a tabulated statement showing the military forces now located in the States of Oregon and Washington, the branch of the service to which they belong, the places at which stationed, and the numerical strength at each place; also the coast defenses in the States mentioned. The communication and accompanying paper will be printed in the RECORD and referred to the Committee on Military Affairs.

The VICE PRESIDENT subsequently said:

This morning the Chair laid before the Senate a communication from the Secretary of War in response to a resolution that was introduced by the Senator from Oregon [Mr. CHAMBERLAIN] without reading the letter of the Secretary of War. It is in reference to coast defenses, and in the letter it is stated that it is confidential in character. The Chair ordered the communication printed in the RECORD. The Chair has now withdrawn that order, and if there be no objection the communication will go direct to the Committee on Military Affairs without printing.

#### THE REVOLT IN IRELAND.

Mr. BORAH. Mr. President, I ask leave to have read a very short editorial in the New York Sun of to-day, under the heading, "What would have been Abraham Lincoln's counsel?"

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read the editorial, as follows:

WHAT WOULD HAVE BEEN ABRAHAM LINCOLN'S COUNSEL?

The heart of the world will join with John Redmond in hoping and pleading that the course of the British Government regarding the great body of Irishmen recently in armed revolt may be shaped by other considerations than those of a sternly punitive policy. At least three of the leaders—brave men, but both technically and legally in treasonable cooperation with the belligerent enemies of the State—have already paid the extreme legal penalty of their infatuated courage. Even as a matter of political expediency it may be doubted whether further executions either under martial or civil process would add an iota to the repressive effect of example. No man of common sense who has studied the history and justly valued the causes of Irish national discontent can mistake the certain consequences to the Empire's future of an attempt to administer retribution by wholesale.

John Redmond is right; and fortunate it will be for Britain if his loyal advice is taken at this time.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 4726) to permit issue by the supply departments of the Army to certain military schools and colleges.

The message also announced that the House had passed the bill (S. 4432) to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 4603) to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tom Beckby, commonly called Tombigbee, River at Princes Lower Landing, near Jackson, Ala., with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 193. An act to provide for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the United States;

H. R. 3032. An act authorizing the county of St. Louis to construct a bridge across the St. Louis River between Minnesota and Wisconsin;

H. R. 6097. An act to ratify the compact and agreement between the States of Oregon and Washington regarding concurrent jurisdiction over the waters of the Columbia River and its tributaries in connection with regulating, protecting, and preserving fish;

H. R. 12835. An act to authorize and empower officers and enlisted men of the Navy and Marine Corps to serve under the Government of the Republic of Haiti, and for other purposes;

H. R. 13391. An act to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section;

H. R. 13474. An act to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 2, 1911; and

H. R. 13765. An act to amend section 73 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

## PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a petition of Local Union No. 12, Typographical Union, of Baltimore, Md., praying for Government ownership of telegraph and telephone systems, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the National Society of the Daughters of the American Revolution, praying for legislation to protect the flag, coat of arms, seal, shield, and other insignia of the United States against desecration and abuse in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. JOHNSON of South Dakota presented a memorial of sundry citizens of Colome, S. Dak., remonstrating against the proposed creation of a juvenile court in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. JOHNSON of Maine presented a memorial of sundry citizens of Belmont, Me., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. JOHNSON of Maine (for Mr. BURLEIGH) presented a petition of sundry citizens of Cumberland, Me., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also (for Mr. BURLEIGH) presented a memorial of sundry citizens of Belfast and Lincolnville, in the State of Maine, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. HUGHES presented petitions of sundry citizens of New Jersey, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of New Jersey, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

Mr. O'GORMAN. I have a letter in the nature of a memorial from Mrs. Barbara L. Horne, of New York City, which I ask may be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

126 WEST NINETY-THIRD STREET,
*New York, May 3, 1916.*

Hon. JAMES A. O'GORMAN,
*United States Senate, Washington, D. C.*

DEAR SIR: Learning that the State Department has informed the American Red Cross that Great Britain will not permit hospital supplies to be sent forward for the central powers, I desire to enter my protest as an American against such a procedure. It would seem that our Government calmly acquiesces in thus nullifying the act of the Geneva Convention.

We speak in this country of "acting for the rights of humanity," while we ignore those very rights in justice and fair play if we uphold Great Britain in her contention on this subject. The American Red Cross must be neutral, and if supplies are sent to the allies they should also go forward to the central powers.

We who know you feel sure that you will continue to work for right, justice, and fair play in this as you have done in the past in other matters.

Very truly, yours, MRS. BARBARA L. HORNE.

Mr. ASHURST. I present resolutions adopted by the New Century Club, of Philadelphia, Pa., which I ask may be printed in the RECORD and referred to the Committee on Indian Affairs.

There being no objection, the resolutions were referred to the Committee on Indian Affairs and ordered to be printed in the RECORD, as follows:

THE NEW CENTURY CLUB,
*124 South Twelfth Street, Philadelphia, May 4, 1916.*

Hon. HENRY F. ASHURST,
*Chairman Indian Committee of the Senate, Washington, D. C.*

DEAR SIR: At a stated meeting of the New Century Club, held May 3, 1916, the following resolution was unanimously adopted, and a copy thereof was directed to be sent you.

"Whereas there are now pending in Congress certain bills inimical to the best interests of the American Indians who are under the care of the United States Government, viz, the Hastings bill (H. R. 108), the Johnson bill (S. 3904), and the Lane bill (S. 4452); and

"Whereas the New Century Club, of Philadelphia, wishes ever to stand for the rights of the oppressed: Be it

*"Resolved*, That the New Century Club, of Philadelphia, consisting of about 800 women, write to our Senators and Representatives asking them to study the terms of these bills in order that they may become convinced of their wrongful character, and to vote against them; be it

*"Resolved*, That a copy of this resolution be sent to our Senators, our Representatives, and to the chairman of the Indian Committee of the Senate and of the House of Representatives."

Very truly,

MARIE C. (Mrs. CHARLES F.) JENKINS,
*Corresponding Secretary.*

Mr. GALLINGER presented a memorial of Mount Livermore Grange, Patrons of Husbandry, of Holderness, N. H., remonstrating against any change being made in the parcel-post law, which was referred to the Committee on Post Offices and Post Roads.

## BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 5855) to provide for the disposal of the inherited estate of Takes Across the Water, widow and sole heir of Looks at the Water, deceased allottee of the Crow Indian Reservation;

A bill (S. 5856) for the cancellation of the allotment and trust patent therefor of Agnes Small Head, or Follows the Track, a deceased Crow Indian of Montana;

A bill (S. 5857) providing for the disposal of the inherited estate of Kills On Her Own Ground, mother and heir to two-thirds of the estate of Small Head, deceased allottee of the Crow Indian Reservation, Mont.; and

A bill (S. 5858) providing for the disposal of the inherited estate of Kills On Her Own Ground, wife and heir to one-half of the estate of Dummy, deceased allottee of the Crow Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. SIMMONS:

A bill (S. 5859) granting an increase of pension to Stephen Rice (with accompanying papers); to the Committee on Pensions.

By Mr. LANE:

A bill (S. 5860) granting an increase of pension to John A. Jones (with accompanying papers); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 5861) to create a Board of Accountancy for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. THOMPSON:

A bill (S. 5862) granting an increase of pension to Frank W. Brown (with accompanying papers); to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 5863) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Charles H. Bingham from Congressional Cemetery, District of Columbia, to Lock Haven, Pa.; to the Committee on the District of Columbia.

By Mr. CURTIS:

A bill (S. 5864) to provide for the classification of the Indians under United States Indian agents or superintendents for the selection of a business committee from among the members of

each tribe of Indians, and for other purposes; to the Committee on Indian Affairs.

A bill (S. 5865) for the relief of Abner W. Loomis (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 5866) granting an increase of pension to Charles E. Anderson (with accompanying papers);

A bill (S. 5867) granting a pension to Sarah E. Baker (with accompanying papers);

A bill (S. 5868) granting a pension to Sarah J. Briles (with accompanying papers);

A bill (S. 5869) granting an increase of pension to Fermon L. Botkin (with accompanying papers);

A bill (S. 5870) granting an increase of pension to George W. Carroll (with accompanying papers);

A bill (S. 5871) granting an increase of pension to Sophronia V. Dodge (with accompanying papers);

A bill (S. 5872) granting a pension to Victoria Duby (with accompanying papers);

A bill (S. 5873) granting an increase of pension to Lewis W. Fulton (with accompanying papers);

A bill (S. 5874) granting an increase of pension to Mary M. Harris (with accompanying papers);

A bill (S. 5875) granting a pension to Mary E. Hixon (with accompanying papers);

A bill (S. 5876) granting an increase of pension to Ferdinand Kunkel (with accompanying papers);

A bill (S. 5877) granting an increase of pension to George M. Kimble (with accompanying papers);

A bill (S. 5878) granting an increase of pension to Nathaniel Minks (with accompanying papers);

A bill (S. 5879) granting a pension to Ella R. Parker (with accompanying papers);

A bill (S. 5880) granting a pension to Mary Ellen Saunders (with accompanying papers);

A bill (S. 5881) granting an increase of pension to Luther M. Summers (with accompanying papers);

A bill (S. 5882) granting an increase of pension to Harriet N. Woods (with accompanying papers); and

A bill (S. 5883) granting an increase of pension to Thomas White (with accompanying papers); to the Committee on Pensions.

By Mr. NELSON:

A bill (S. 5884) granting an increase of pension to Fritz Brendler; to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 5885) to provide Federal aid in caring for indigent tuberculous persons, and for other purposes; to the Committee on Public Health and National Quarantine.

By Mr. SHIELDS:

A bill (S. 5886) extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912"; to the Committee on Commerce.

By Mr. SHERMAN:

A bill (S. 5887) granting a pension to Margaret Boudreaux; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 5888) increasing the limit of cost for site and building at Yonkers, N. Y. (with accompanying papers); to the Committee on Public Buildings and Grounds.

By Mr. SMITH of Arizona:

A bill (S. 5889) granting water-power sites on nonnavigable streams to the States in which located; to the Committee on Public Lands.

A bill (S. 5890) to authorize mining for metalliferous minerals on Indian reservations in the State of Arizona; to the Committee on Indian Affairs.

By Mr. REED:

A bill (S. 5891) granting a pension to Famy Kerr; to the Committee on Pensions.

By Mr. OVERMAN (by request):

A joint resolution (S. J. Res. 129) extending until October 15, 1918, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; to the Committee on the Judiciary.

### RIVER AND HARBOR APPROPRIATIONS.

Mr. KENYON submitted an amendment intended to be proposed by him to the river and harbor appropriation bill (H. R. 12193), which was referred to the Committee on Commerce and ordered to be printed.

### NATIONAL PROHIBITION.

Mr. THOMPSON. I present a paper setting forth some statistics prepared by Mrs. Alice Stone Blackwell, of Boston, Mass., editor of the Woman's Journal, showing the influence of the women voters in regard to securing prohibition in certain States. I ask that it may be printed in the RECORD for the information of the Senate and the country on these important subjects for legislation now pending before Congress.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

WHY DO THE LIQUOR INTERESTS OPPOSE WOMAN SUFFRAGE?—HAVE THEY REASON TO FEAR IT?—LOOK AT THE FACTS.

The women of Oregon and Arizona got the ballot in 1912, and a constitutional amendment for State-wide prohibition was adopted in 1914, at the first general election in which the women could vote.

The women of Washington got the ballot in 1910, and a constitutional amendment for State-wide prohibition was adopted in 1914, at the second general election in which the women could vote.

In all these States both the friends and the enemies of prohibition attribute its victory to the women.

The women of California got the ballot in 1911. In the three years from 1911 to 1915 the number of no-license towns increased from 200 to 690 (Anti-Saloon League Yearbook for 1915, p. 120). Of the cities and towns in southern California, 183 are dry and only 28 wet.

WYOMING AND TEMPERANCE.

Until after 1910 the only States where women could vote were the four Rocky Mountain States of Wyoming, Colorado, Utah, and Idaho. All of these were mining States, where the men outnumbered the women, and where the traditions and atmosphere were such as to make it inevitable that they should be slow to adopt prohibition.

Yet even in Wyoming, where there were about twice as many men as women, the influence of the women voters soon made itself felt. Away back in the Territorial days the Rev. Dr. B. F. Crary, presiding elder of the Methodist Churches in northern Colorado and Wyoming, wrote of the woman-suffrage law: "Liquor sellers and gamblers are unanimous in cursing it." He added:

"The very best ladies of this Territory vote; and, as they generally vote on the right side of all questions, the lies told to their deteriment originate with men of the 'baser sort'; with defeated demagogues and the meanest kind of politicians, who hate the majority of the women because of their pure lives and independent ballots." (Thirteen Years' Experience in Wyoming, p. 2.)

Chief Justice Groesbeck, of Wyoming, wrote, in 1897:

"The influence of the women voters has always been on the side of temperance, morality, and good government, and opposed to drunkenness, gambling, and immorality. Our liquor licenses are very heavy and the laws and ordinances are severe against the sale or furnishing of liquor to minors or to habitual drunkards." (Falsehoods about Wyoming, p. 1.)

For a long time the few and scattered women of Wyoming could obtain little more than high license. At present 96,000 of the State's 97,594 square miles are under prohibition (Anti-Saloon Yearbook for 1915, p. 214), including all the unincorporated portion of the State. The incorporated towns and villages are under license and municipal council option. Five of the incorporated cities are dry, and the Sunday-closing law is vigorously enforced throughout the State.

W. C. Deming, editor of the Cheyenne Tribune, says in the Brooklyn Eagle of October 15, 1915: "Women are very strong for strict regulation of the liquor traffic. Saloons have been driven from all unincorporated villages. They were formerly at every crossroad, but they are now conducted only where there is plenty of police regulation, and under high license."

COLORADO AND TEMPERANCE.

The women of Colorado got the ballot in 1893. Within four years the number of no-license towns in the State had more than quadrupled, and it kept on growing. When a constitutional amendment for State-wide prohibition was defeated in 1912, Ellis Meredith, the head of Denver's reform election commission, and a strong advocate of the dry policy, wrote in the Woman's Journal of November 16, 1912: "It is because under our local option law conditions are so good and dry territory increasing so fast that many people feel we shall come nearer regulating the traffic in this way."

In 1914 State-wide prohibition was adopted. Both its friends and its enemies attributed its passage to the women. The organ of the Denver brewers says that Colorado made a great mistake when it gave women the ballot.

TEMPERANCE IN IDAHO.

The women of Idaho got the ballot in 1896. The number of no-license towns grew till in 1914 there were only 190 saloons in the State. (Anti-Saloon Yearbook for 1915.) In January, 1915, a prohibition law was passed by the legislature and in November a constitutional amendment for State-wide prohibition was adopted by popular vote.

TEMPERANCE IN UTAH.

In Utah in 1911, 87 cities and towns voted dry and 23 wet, and the number of dry towns has increase since. A State-wide prohibition law was passed by the legislature of 1915, but was vetoed by the governor.

TEMPERANCE IN ILLINOIS.

The experience of Illinois is of especial interest, because in that State the men's and women's votes are cast in separate ballot boxes and it is possible to see just how the women vote. They have voted dry much more generally than the men.

For instance, at the election held in Illinois on April 7, 1914, in Rockford 5,155 women voted dry and 1,048 wet, 4,480 men voted dry and 5,155 wet; in Bloomington 3,806 women voted dry and 2,311 wet, 2,655 men voted dry and 3,896 wet; in Freeport 2,890 women voted dry and 1,877 wet, 1,984 men voted dry and 2,867 wet; in Pontiac 1,137 women voted dry and 364 wet, 768 men voted dry and 797 wet, and so on.

According to the official returns published in the Chicago Tribune of April 22, 1914, in all 121,315 women voted dry and 67,418 wet, while 144,925 men voted wet and 98,179 dry. Of the women, 64.3 per cent voted dry and 35.7 wet; of the men, 59.7 per cent voted wet and 40.3 per cent dry.

Out of 329 townships voting there were only 20 where a majority of the women voted wet, and in all of these the majority of the men voted wet also, so that the women's vote made no difference in the re-

sult. Among these hundreds of cities and towns there was not one where the women's vote turned the scale in favor of license and there were 96 where it turned the scale against license.

The Anti-Saloon Yearbook for 1915 says: "Of the 1,150 saloons that were closed, 900 were closed on account of the majorities found in the women's ballot boxes." And it adds: "The woman's suffrage bill has proved to be the most valuable piece of temperance legislation the State has enacted" (p. 135).

"An ounce of fact is worth a ton of theory."

ALICE STONE BLACKWELL.

## INDIAN APPROPRIATIONS.

Mr. ASHURST. I ask unanimous consent that the Senate proceed to the consideration of the conference report upon the Indian appropriation bill, made about a week ago.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses upon the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917.

Mr. LANE. I ask leave to offer as a substitute for the conference report the following bill.

Mr. ASHURST. Mr. President, much to my regret I am inclined to make a point of order against the motion made by my esteemed friend, the Senator from Oregon. A substitute in the nature of a bill is not in order.

The VICE PRESIDENT. The Chair sustains the point of order. The only question before the Senate is either to accept or reject the conference report.

Mr. LANE. I shall offer the bill, then, for publication in the RECORD.

The VICE PRESIDENT. It will be printed in the RECORD.

The bill, which had been introduced by Mr. LANE February 14, 1916, is as follows:

A bill (S. 4452) for the abolishment of the Indian Bureau, the closing out of Indian tribal organizations, and for other purposes.

*Be it enacted, etc.*, That from and after the passage and approval of this act the offices of Commissioner, Assistant Commissioner, and Second Assistant Commissioner of Indian Affairs shall be, and are hereby, abolished. Hereafter the Bureau of Indian Affairs shall be administered as an independent bureau, subject only to the control of Congress, by three commissioners; that five candidates for said commissionerships shall be selected by a council of all the Indian tribes of the United States congregated in general delegate council, most conveniently located, which shall be designated by the Secretary of the Interior within 30 days after the passage and approval of this act; that there shall be three delegates selected from each tribe of over 1,000 members, and where tribes are formed of several separate and independent bands each such band consisting of over 1,000 members shall select three delegates. All tribes or bands consisting of less than 1,000 and more than 500 members shall have two delegates, and those tribes or bands consisting of less than 500 members shall have one delegate; that such delegates shall be chosen by the Indians in open council after due and proper notice given for at least 15 days; that the said commissioners are given full and complete authority in the management of all Indian affairs now vested in or exercised by the Secretary of the Interior, Commissioner of Indian Affairs, Assistant Commissioner of Indian Affairs, and Second Assistant Commissioner of Indian Affairs, or either or any of them, and whenever in any law the final consent, authority, or decision of the Secretary of the Interior or Commissioner of Indian Affairs is declared to be necessary or final, the authority, consent, and decision of the said commissioners shall be equally necessary and final.

SEC. 2. That said three commissioners, no two of whom shall be from the same State, shall be appointed by the President of the United States, by and with the advice of the Senate of the United States, from the five candidates named by the council, and they shall each receive compensation at the rate of $5,000 per annum. Each of said commissioners shall be paid necessary traveling expenses incurred in the discharge of his duties as a commissioner.

There is hereby appropriated out of the Treasury a sufficient sum to pay the salaries of said officials.

SEC. 3. That the said commissioners shall proceed, as soon after installation in office as possible, to a complete reorganization of the United States Indian Service, with a view to its speedy abolition and the complete emancipation of the American Indian from the control, supervision, and management of the United States Government.

SEC. 4. That all Indians who have received or who may hereafter receive an allotment of land under any law or treaty, and are not already citizens, are hereby declared to be citizens of the United States and the State where they reside, and have the same rights, privileges, and immunities of any other citizen of the United States, and be entitled to the equal protection of the law, and they, and each of them, shall have the benefit of and be subject to the laws, both civil and criminal, of the State or Territory in which they reside.

SEC. 5. That there is hereby appropriated out of the Treasury the sum of $35,000, or as much thereof as may be necessary, to pay the expenses of the delegations attending the council herein provided for.

SEC. 6. That all laws or parts of laws inconsistent herewith be, and the same are hereby, repealed.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. GRONNA. I wish to ask the chairman of the committee what disposition was made of amendment numbered 127?

Mr. ASHURST. In response to the question propounded by the learned Senator from North Dakota I will state that amendment 127, made by the Senate committee and adopted by the Senate, provided for an appropriation of $250,000, to be used in the erection of buildings and the acquisition of sites for further school buildings for the Sioux Indians. I do not know whether I am permitted to disclose what took place in the conference committee, but I assume that that is the only way I can answer the question. The House conferees simply would not consent to the amendment, and language in lieu of the Senate amendment 127 was suggested as a compromise. It was believed finally by the conferees, after they had been in session nearly a month, that it would not be wise to appropriate $250,000 without an investigation, without any letter from the department. So an amendment was agreed upon providing for the appropriation of $1,000, to be used by the Secretary of the Interior and requiring and directing him to make a report as to the school facilities or lack of school facilities on the Sioux Reservations and to report on the first Monday in January, 1917. I ask the Secretary to read the matter proposed to be inserted in lieu of the Senate amendment.

The SECRETARY. In lieu of the matter proposed insert the following:

The Secretary of the Interior is hereby authorized and directed to cause investigation to be made as to the probable cost of providing on the various Sioux Indian reservations adequate school facilities for the children of the Sioux tribes who are now without Government or public-school facilities on the respective reservations, and to make a report thereof to Congress on or before the first Monday in January, 1917, together with a complete and detailed statement of the per capita cost per annum, including mileage paid, now expended for the education of the Sioux Indian children in all the schools, whether on or off the respective reservations, and there is hereby appropriated for the expense of such investigation and report the sum of $1,000, or so much thereof as may be necessary, to be immediately available.

And the Senate agree to the same.

Mr. GRONNA. Mr. President, I did not object to the immediate consideration of the conference report, but I had hopes that the conference committee would adopt the language proposed by the Senate committee and agreed to by the Senate. As the Senate knows, this has been a very vexatious question, which has come before Congress every year since 1899.

Mr. President, the appropriation of $200,000 for mission schools is not an appropriation to carry out treaty stipulations with the Indians. I want the Senate to know that since 1909 there has been no such treaty. It expired 10 years before that time and was extended for a period of 10 years.

This has, as I said, been a vexatious question pending before this body, and I had hopes that the House conferees would see the benefit of this amendment. It was thoroughly discussed before the Senate Committee on Indian Affairs. There was not a single vote passed against it. Every member of the committee favored the amendment.

I was somewhat curious to know why the conference committee should reject such an important amendment as this. It rests on a fundamental proposition, Mr. President. The Indians residing in this country have asked me at various times to present this proposition to the Senate and to the Congress. They want public schools the same as the white children. They want to have the benefit of the public schools.

Mr. President, I hope that this investigation will be made, and that a report will be made to Congress before the next Indian appropriation bill is presented, and this will be the last time that we shall appropriate money for mission schools on any Indian reservation in the United States. This appropriation is in direct contravention of law and contrary to the spirit of our Constitution.

Mr. JONES. Mr. President, I wish to ask the chairman of the committee what was done with the provision in the bill requiring the Efficiency Board or Commission to provide a system of accounting for the Indian Office.

Mr. ASHURST. In reply to the learned Senator from Washington I will say that the provision requiring the Efficiency Bureau to make an investigation was known and comprehended within amendment 157. That amendment was not considered by the Senate committee. Senators will recall that that amendment was adopted on the motion of the esteemed Senator from Oregon [Mr. LANE], and that there was very little discussion, although there was a discussion of an hour possibly on the amendment.

When the conference committee, composed of the conferees of the two Houses on the disagreeing votes on the bill, met, we received intelligence from the Department of the Interior that that department had already availed itself of efficient and skillful persons, and had commenced the keeping of a proper, sufficient, and adequate set of books, so that all kinds of balances, trial balances or others, could be had; that it had been done at the expenditure of considerable money; and that, as the Secretary of the Interior, therefore, in his opinion viewed it, the efforts and energies of the Efficiency Bureau, so far as the office of the Indian Bureau was concerned, would be an unnecessary and useless expenditure of public money. He said that he had

inaugurated his own system and did not wish and would not consent to the Efficiency Bureau coming in and upsetting the bookkeeping which he had started. The honorable Secretary did not appear before the conference committee, but the Assistant Commissioner of Indian Affairs appeared twice and made the statement to the effect that they had their own system inaugurated, and objected to an outside board coming in and upsetting all their work at an expenditure of four or five thousand dollars, whereby no good could come.

Now, I want to say to my friend, the Senator from Washington, that that is the reason why the Senate conferees receded from the amendment.

Mr. JONES. I want to ask the Senator whether or not the House conferees were very much opposed to this provision?

Mr. ASHURST. Oh, Mr. President, the House conferees, if I am permitted to speak of what they said, were very eager for the amendment; but the Senate conferees, with a view of saving every dollar that they possibly could save, thought that for once a piece of unnecessary work and unnecessary expenditure might be prevented.

Mr. JONES. Well, Mr. President, it does seem to me, on the statement of the chairman of the committee, that a very extraordinary situation appears. According to the statement of the Senator from Arizona, the Secretary of the Interior said he would not consent to having an independent board go into the Indian Office and provide a system of accounts. It is the business of Congress to provide whether or not this shall be done. If Congress provides for it, it is not a question of the consent of any department as to what Congress deems wise.

Then the chairman of the committee says that the House conferees were eager for this amendment, and yet it is receded from by the Senate conferees after the Senate had adopted it.

Mr. ASHURST. Mr. President——

Mr. JONES. And the Senate conferees——

Mr. ASHURST. I beg the Senator's pardon. Of course the Senate conferees would have to recede when the work had already been done. Would you expect your Senate conferees to stand for an appropriation of money to build a bridge when the bridge had already been built?

Mr. JONES. No, Mr. President, but——

Mr. ASHURST. Do you expect that kind of service from your conferees?

Mr. JONES. The Senate expected its conferees to stand for an amendment which the Senate had adopted; and the Senate conferees should at least bring it in here and present to the Senate the reasons, if any, why it should not be adopted, because the Senate might not agree with the suggestion of the Secretary of the Interior that this work was already done. I do not agree with that; I do not think it has been done. I think that we ought to have the Efficiency Board provide for a system of accounting in the Indian Department.

Mr. OVERMAN. Mr. President, do I understand the Senator to say that the Secretary of the Interior had said that no efficiency board should enter his department?

Mr. JONES. The chairman of the committee said that the Secretary of the Interior said he would not consent.

Mr. ASHURST. I said I did not talk with the Secretary. I object to, I take exception to, and resent having words put into my mouth. I said I did not talk with the Secretary of the Interior; that he did not appear before the conference committee; but that in the person of his Assistant Commissioner an appearance was made, and it was there made manifest to the conference committee that the Interior Department objected to this amendment.

Mr. JONES. Of course the Senator from Arizona knows I would not intentionally put any words into his mouth that he did not utter, but I certainly understood the Senator to say——

Mr. SUTHERLAND. A parliamentary inquiry, Mr. President.

Mr. JONES. That either the Secretary or the department would not consent to an outside board going in there. If the Senator did not say that, why, of course——

Mr. ASHURST. They objected for this reason——

Mr. SUTHERLAND. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator from Utah will state his parliamentary inquiry.

Mr. SUTHERLAND. I should like to know to what amendment this heated argument is directed?

Mr. JONES. It is the amendment with reference to the efficiency committee providing a system of accounting.

Mr. ASHURST. It is amendment 157.

Mr. SUTHERLAND. Amendment 157.

Mr. JONES. Mr. President, I certainly understood the Senator from Arizona to make a statement of that character, and I think that the RECORD will show either that he stated that the Secretary or the department would not permit or consent or, he said, it would not give its consent for that being done; in other words, it appears that the Senate conferees have receded from this amendment because the department objects to it and not because the House conferees object to it.

Mr. ASHURST. No, Mr. President, if the Senator will pardon me. The Senate conferees receded simply and solely and only because the work which the amendment sought to impose upon the department had already been accomplished. Now, if my learned friend, the distinguished Senator from Washington, thinks it has not been done, that is a ground for an honest difference of opinion.

Mr. JONES. Certainly.

Mr. ASHURST. When the Senate adopted this amendment it had not been discussed in the committee, and the Senate had no knowledge whatever of the fact that the work had been done. I did not know about it.

Mr. SMOOT. Mr. President, may I ask the Senator from Arizona a question?

Mr. ASHURST. Certainly.

Mr. SMOOT. I ask the Senator if this work has been done by the Bureau of Efficiency?

Mr. ASHURST. No, Mr. President, it has not.

Mr. SMOOT. That is the object of the amendment. There is no doubt that the department has a form of bookkeeping, and, no doubt, they are following the form that has been in operation there for, perhaps, years and years; but I want to say to the Senator that there has been created by Congress a Bureau of Efficiency. Every year we appropriate for the maintenance of that bureau. For instance, that bureau went into the Post Office Department; and if any Senator will take the time to ask the Postmaster General what he thinks of the work that was done by the bureau, he will ascertain that the department recommends in the highest possible terms the work of the bureau. Not only that, but the Postmaster General will show by actual figures, as he has done to the Appropriation Committee more than once, that that bureau has saved to that department hundreds of thousands of dollars.

Mr. OVERMAN. How about the Treasury Department? That is true also as to the Treasury Department.

Mr. ASHURST. The statement of the Senator from North Carolina is entirely correct.

Mr. SMOOT. I was going to add that if the Senator from Arizona or any other Senator will inquire of the Treasury Department, he will find the same answer from the head of that department. As I have stated, Congress has established the Bureau of Efficiency. I believe the amendment was a wise and wholesome one, and I believe the Senate conferees ought to have insisted upon it. I can not see why the House conferees would object.

Mr. GALLINGER. They did not object; they favored the amendment.

Mr. LODGE. Will the Senator permit an interruption?

Mr. SMOOT. I will.

Mr. LODGE. As I have understood from the statement of the Senator from Arizona, the House conferees wanted the amendment.

Mr. ASHURST. Yes, sir; that is true.

Mr. LODGE. The House conferees wanted the amendment, and the Senate conferees gave it up; gave up the Senate's own amendment.

Mr. SMOOT. The Senate conferees gave up the Senate amendment. I am quite sure that the Senator from Arizona is not aware of the situation. Otherwise, I know that he would not have yielded on this amendment.

This Bureau of Efficiency is now working in other departments of the Government; and it has not entered any department of this Government and done the work which it performs where the head of the department does not give it the highest possible recommendation——

Mr. ASHURST. Mr. President——

Mr. SMOOT. And I am quite sure that when these facts are called to the attention of the Senator from Arizona he will believe that we ought to send this report back to conference, have this amendment insisted upon by the Senate conferees, and agreed to by the conference committee.

Mr. ASHURST. Mr. President, all that the learned Senator says is true, and all that he says was substantially before the committee.

I am not a stickler for economy; I do not pretend that I am at all times standing for rigid economy; but the question did occur to the conferees that since the department advised us that the work was being done and in a large measure, if not wholly, accomplished, why should the energies of this excel-

lent bureau, which would probably involve an expenditure of five or six thousand dollars more, be brought into requisition and the work be duplicated?

It was not in any spirit or desire to avoid responsibility on the part of the Senate conferees that the action was taken. The Senate conferees contended for nearly a month for many of the items put on the bill by the Senate; and we yielded on many amendments only after it was obvious that an agreement could not otherwise be reached. We did not believe we would be doing our duty further to contend for an amendment put on by the Senate, knowing that the Senate did not know that the work had already been done in the Interior Department.

Mr. STONE. Mr. President, may I ask the Senator a question?

Mr. JONES. Mr. President——

Mr. ASHURST. I yield the floor.

Mr. JONES. I understood I had the floor, Mr. President.

Mr. STONE. I merely desire to ask the Senator a question for information.

Mr. ASHURST. I will be glad to answer the question if I can.

Mr. SUTHERLAND. Mr. President, I should like to ask the Senator from Arizona a question.

Mr. STONE. Is this amendment now before the Senate?

Mr. ASHURST. No; it is not before the Senate.

Mr. STONE. It is in the conference report?

Mr. ASHURST. It was disagreed to; the Senate conferees receded from this amendment.

Mr. LODGE. It is before the Senate as a part of the conference report.

Mr. STONE. And the amendment that is now under discussion is a Senate amendment?

Mr. ASHURST. It is a Senate amendment.

Mr. STONE. It was stated by some Senator on the floor that the House conferees were willing to agree to and desired the Senate amendment, was it not?

Mr. ASHURST. I think that, so far as I am permitted to disclose what took place, I ought to truthfully say the House conferees did not object to the amendment. I think I state the truth when I say that there was no objection.

Mr. STONE. Mr. President, this is rather confusing. Why did the Senate conferees desire to reject an amendment which the Senate put on and which the House was willing to accept?

Mr. ASHURST. Because, as I have stated, the work had already been done; and when the Senate adopted the amendment the Senate did not know that the work had been done; that is the only reason.

Mr. STONE. I should like to ask the Senator another question——

Mr. MYERS. Mr. President——

Mr. STONE. Does the Senator desire to interrupt me?

Mr. MYERS. When the Senator from Missouri is through I should like to say a word. I do not want to interrupt the Senator.

Mr. STONE. I am not through. I should like to ask the Senator from Arizona if it be true—and I think it important to the Senate and to the dignity of the Senate to know whether it is true—that the Department of the Interior, whether by the Secretary or any authorized official, stated to the Committee on Indian Affairs or to the conference committee that that department would resent and resist any investigation by a legal body—I mean especially the Efficiency Bureau.

Mr. ASHURST. Mr. President, in reply to the question propounded by the distinguished Senator from Missouri, I will say that we did not keep a stenographic record of the proceedings of the conference committee; but I believe I can state with considerable accuracy, with ordinary accuracy, what took place. The Assistant Commissioner, Mr. Meritt, asked to come before the conference committee. That request was granted. He discussed, if I remember, some other minor details, and then said he wished to discuss in particular amendment No. 157, with reference to the Efficiency Bureau, and that the department was opposed to the amendment. It must not be forgotten that our committee has a habit—and I do not think it is a very good habit—of calling on the department for their opinion with reference to bills. The department was not in favor of that amendment, because it would involve an unnecessary expenditure of public funds and because the objects sought to be brought about by the activities of the Efficiency Board had already been inaugurated, and, if I remember correctly, were about accomplished. That is substantially about what took place and about what was said.

Mr. STONE. If it was merely a suggestion that it was unnecessary and a useless expenditure, I have not anything to say; but if a department of this Government takes the position that a body created by Congress for such a purpose as the Efficiency Commission was created for undertakes to put itself in opposition to the performance of the duties of that body——

Mr. ASHURST. No, Mr. President.

Mr. STONE. I would like to know about it. That is a very different question.

Mr. ASHURST. Mr. President, those who know the Secretary of the Interior may give their perturbed souls rest. They know that he will faithfully execute every law and regulation made by Congress.

Mr. STONE. My soul is not perturbed. It would be a very great surprise to me if the Secretary of the Interior would stand behind a proposition of that character.

Mr. MYERS. Mr. President, I think there is some misunderstanding of the situation by some of the Senators, and I think that a great deal of unnecessary and unjustifiable indignation and resentment has been worked up to a fever heat over no cause whatever and owing to an incorrect understanding of facts and conditions. As is often true in the case of a prolonged meeting, where a lot of people are present and indiscriminate talk back and forth is indulged in which is not taken down by stenographers, my recollection of affairs differs slightly in some respects from the recollection of the Senator from Arizona [Mr. ASHURST], although I agree with him in the main and as to the essentials.

In the first place, when the conferees came to this amendment there was a great deal of talk about it, but it is not my recollection that the House conferees simply rose up as one man immediately and clamored for it. There was a great deal of discussion; it lasted several hours and parts of several days, and a great many suggestions were made about amendments and changes, when, upon the unanimous request of the conferees—eight of them, five House conferees and three Senate conferees—the Assistant Commissioner of Indian Affairs was sent for and requested to come before the conferees and explain the departmental views about this matter. The Assistant Commissioner of Indian Affairs did not come of his own accord; he did not inject himself in there and assume a threatening or domineering attitude or any attitude of that kind; he did not, as I have said, voluntarily inject himself into the matter at all. He did not come until he was sent for at the unanimous request of the conferees of the House and of the Senate, and then I know he came with a little reluctance and had to be assured that it was the unanimous request of the conferees that he should come and answer certain questions. He simply said, as the Senator from Arizona has stated, that the Department of the Interior was not in favor of that amendment. We asked him the attitude of the Department of the Interior, and I, for one, am in favor of giving people a chance to be heard and of getting light on any subject which is being considered. I do not see any objection when a department is involved in any proposed legislation to asking its attitude and views in regard to it.

Mr. CURTIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Kansas?

Mr. MYERS. With pleasure.

Mr. CURTIS. Is it not a fact that the Assistant Commissioner of Indian Affairs was before the committee when the Lane amendment was adopted, and was given full opportunity to be heard?

Mr. MYERS. The Lane amendment? What does the Senator mean by the Lane amendment?

Mr. CURTIS. The amendment from which the Senate receded.

Mr. MYERS. Amendment numbered 157?

Mr. CURTIS. Yes; the one on which the Senate conferees receded.

Mr. ASHURST. It was never before the committee.

Mr. MYERS. Oh, the Senator means in the committee meeting? He is not talking about the conferees?

Mr. CURTIS. No. When the amendment, offered by the Senator from Oregon [Mr. LANE], was being considered by the Indian Affairs Committee of the Senate, was not Mr. Meritt present, and did he not have an opportunity to express himself upon it before the committee, and did not the Senate committee unanimously report it to the Senate?

Mr. MYERS. I do not know. I was not present at that meeting of the Committee on Indian Affairs, but I was present at the meeting of the conferees of which I am talking, and I know that the Assistant Commissioner of Indian Affairs came before the conferees with some reluctance, and had to be assured that it was the unanimous request of the conferees. He stated that he did not want to voluntarily inject himself into

the conference meeting or anywhere else where his presence was not wanted.

Mr. ASHURST. Mr. President——

Mr. MYERS. I am not yielding. I want to say some things. I have not fairly begun yet. I say, I am a believer in permitting a department to express its views about legislation affecting it, and particularly to send a representative to answer questions when his attendance is asked.

Mr. SUTHERLAND. Mr. President, may I ask the Senator a question?

Mr. MYERS. With great pleasure.

Mr. SUTHERLAND. As I understand, this amendment was passed by the Senate, and a conference agreed upon between the two Houses with reference to it, and the Secretary of the Interior appeared before the committee?

Mr. MYERS. Oh, the Secretary of the Interior never appeared before any committee when I was present.

Mr. SUTHERLAND. Before the conference committee?

Mr. MYERS. No, sir; he never did. Oh, no; that is absolutely incorrect. The Secretary of the Interior never did.

Mr. SUTHERLAND. Well, a representative of the Interior Department appeared?

Mr. MYERS. The Assistant Commissioner of Indian Affairs was sent for by the conferees, and in response to that command he appeared.

Mr. SUTHERLAND. He appeared before the committee and asked that the conferees recede from the Senate amendment?

Mr. MYERS. No, sir; he did not.

Mr. SUTHERLAND. What did he do?

Mr. MYERS. I was just getting to that. Now I will go on. I want to state what I have to say in a connected and sequential manner. I am just up to that point.

I had gotten this far—that the conferees sent for Mr. Meritt, the Assistant Commissioner of Indian Affairs. He appeared in response to the request for his attendance. When he appeared he was asked about the attitude of the Interior Department and the Indian Bureau in regard to this amendment, and he stated substantially about what the Senator from Arizona has stated—that the work of investigation, looking to an improved system of accounting and bookkeeping, had been started along a different line, and that in the estimation of the Interior Department the amendment was not necessary. However, what I want to get to and correct is this: Neither the Secretary of the Interior nor anybody connected with the Interior Department ever said or intimated, as some Senators here seem to infer, that he or they would not permit this to be done. They did not threaten to barricade their offices with bolted doors and bars, and with the use of clubs and rifles resist the authority of the United States Government as expressed by the Congress. They never hinted at nor intimated any such absurd state of mind. It was stated that if this work was done it would not be with the consent of the Interior Department, because the Interior Department deemed it unnecessary, and that it would conflict with work which was then actually going on to install an improved system of bookkeeping and accounting; but Congress may do a great many things that people do not ask it to do or consent to having done. Congress may do a great deal that I may not consent to nor assent to; but I do not undertake to defy Congress and say that it shall not be done. Now, there is the line of demarcation. Some of the Senators seem to have gotten the idea that the Interior Department was going to go into a state of rebellion and defy Congress. Nobody connected with the Interior Department ever intimated such a thing. It just stated in response to questions that the department did not consent to this innovation.

Mr. ASHURST. Mr. President, if the Senator will yield to me for a moment, I believe I can pour oil on the troubled waters and propose a solution that will be satisfactory to everybody. I will ask that the conference report be rejected, if the Senator will pardon me.

Mr. MYERS. I want to finish my remarks.

Mr. ASHURST. I was going to make that motion at the appropriate time—that the report be withdrawn.

Mr. MYERS. It can not be done while I have the floor.

I want to say, further, that my recollection differs quite materially from what was stated, in this particular: As to the amendment in question there was a great deal bound up with it; if we adopted that amendment, according to the contention of the House conferees, it involved our consenting to some changes in other sections, according to my recollection; if we retained amendment No. 157, it was to be tied up with and involve certain changes of a somewhat complicated nature in amendment No. 156 and section 27 of the printed bill, and the proposition was that all should stand or fall together; that if we retained amendment No. 157 we must make certain changes in No. 156 and in section 27, which appears between the two. The Senate conferees would not consent to those changes. I was opposed to them, and the Senate conferees as a body would not assent to them, and that is a further reason why this recession was made.

The Senate conferees did not just voluntarily take this action without any opposition; but they finally receded on amendment No. 157 because if they took 157 they had to accept some changes in 156, which they would not accept. It was a dual proposition. It was put up to us in this way: "If you retain 157, you have to make some changes in 156, the two go together," and the Senate conferees would not consent to that dual proposition.

Mr. NORRIS. Mr. President, would the Senator mind telling us what those other changes were?

Mr. MYERS. They were talked over for hours and, in fact, for several days, and I would have to call for the clerk's notes. I can not tell them all. I would not undertake to correctly state them. I simply know that the proposition involved some change in amendment 156. They were talked over for hours and for parts of several days. The conferees sat for about four weeks, sitting nearly every day, and it was a tremendous undertaking. I can not undertake orally to state even a small part of what occurred, but I am sure of this—I know this much—that it involved some change in 156 which was not acceptable to the Senate conferees, and that is the backbone of the reason why 157 was receded from. It was not a bald backdown on the part of some of the conferees, as some Senators seem to have acquired the idea it was.

Under the circumstances, being coupled up with changes in another section which we would not accept, and the information having come to us that the work contemplated had already been undertaken and some of it completed, and that what had been done was entitled to a trial—it having been represented to us that the system which had been installed was first entitled to a trial to see whether it would be effective before we upturned it and went into something entirely new—I think the conferees acted wisely and justifiably. I say, under all these circumstances, taking all of these things into consideration, and not just one thing persistently held up before our eyes, the mere fact that we receded, the conferees were justified in their actions, and should not be criticized.

Mr. NORRIS. Mr. President, will the Senator yield to me for a question?

Mr. MYERS. Certainly.

Mr. NORRIS. I am interested in what the Senator says is now on trial. Is there a system provided by law which they are trying now?

Mr. MYERS. They are making some changes there to improve their system; and to go to work and install this contemplated new system would upset and cause them to abandon all they had done on the system which is now on trial. So, taking all of these things together, I do not think the Senate conferees did a strange or an incomprehensible thing at all. They had ample justification for what they did. We did not just go into the conference meeting and supinely prostrate ourselves and throw up our hands and say, "We surrender immediately, and recede from this amendment." There was discussion about it pro and con in different ways for days. It took a good part of several days, and all sorts of suggestions and amendments and compromises were suggested; and, as I say, right down to the last the proposition of retaining amendment No. 157 involved certain changes in No. 156, to which we would not consent. However, I arose especially to correct the idea that some Senators seem to have acquired, that somebody connected with the Interior Department was defying Congress, or saying that they would not permit any changes. Nobody ever suggested such a thing.

Mr. JONES. Mr. President, will the Senator permit an interruption right there?

Mr. MYERS. With great pleasure.

Mr. JONES. In justice to myself, as well as to the Senator from Arizona, I just want to read an extract from the stenographic notes of his remarks a moment ago upon which my suggestions were based.

Mr. MYERS. I yield for that purpose. I do not yield the floor.

Mr. JONES. He said:

When the conference committee, composed of the conferees of the two Houses on the disagreeing votes on the bill, met, we received intelligence from the Department of the Interior that that department had already availed itself of efficient and skillful persons, and had commenced the keeping of a proper, sufficient, and adequate set of

books, so that all kinds of balances, trial balances, or others could be had, and that it had been done at the expenditure of considerable money; and that, as the Secretary of the Interior, therefore, in his opinion, viewed it, the efforts and energies of the Efficiency Bureau, so far as the office of the Indian Bureau was concerned, would be an unnecessary and useless expenditure of public money. He said that he had inaugurated his own system and did not wish and would not consent to the Efficiency Bureau coming in and upsetting the bookkeeping which he had started. The honorable Secretary did not appear before the conference committee, but the Assistant Commissioner of Indian Affairs appeared twice, and made the statement to the effect that they had their own system inaugurated, and objected to an outside board coming in and upsetting all their work at an expenditure of four or five thousand dollars, whereby no good could come.

My suggestions were based on that statement of the Senator, and I would not, of course, do him any injustice.

Mr. ASHURST. Mr. President——

Mr. MYERS. In a moment I will yield to the Senator from Arizona. The Senator from Arizona, in speaking of a representative of the Interior Department, said that that representative stated that the department would not consent to the enactment of certain legislation. Well, lack of consent or assent does not mean defiance.

Mr. JONES. Let the language speak for itself.

Mr. MYERS. I want to comment on it. I want to speak about it, too. I remember that about three years ago one of the clerks of the Senator from Washington [Mr. JONES] was taken away from him by the action of the Senate; but he did not consent to that procedure, did he?

Mr. JONES. Oh, Mr. President——

Mr. MYERS. But the Senator from Washington did not go into rebellion about it.

Mr. JONES. I got the clerk; I have him, and I expect to keep him.

Mr. MYERS. The Senator will keep him as long as the majority of this body, in its generosity, will let him.

Mr. JONES. As soon as he was taken away from me——

Mr. MYERS. The Senator did not consent to having his clerical force reduced, did he?

Mr. JONES. No; and it did not stay reduced. I have him, and, as I say, I expect to keep him.

Mr. MYERS. But at the same time the Senator did not resign from the United States Senate, and he did not go into a state of rebellion.

Another illustration: About a year ago the Senator from Washington was running for reelection to his seat in the United States Senate, and he was reelected, which was a tribute to his worth and ability; but if he had been defeated it would not have been with his consent, would it? And he would not have gone into a rebellion against the Federal Government, nor against the State of Washington, would he?

Mr. JONES. Mr. President, if that has anything to do with this conference report, I can not see it. Of course if it is entertaining to the Senator from Montana, it certainly is to me.

Mr. MYERS. It has as much to do with it as the evidently somewhat strained construction of the Senator from Washington to the effect that when a man does not consent to anything he proposes to go into a state of rebellion and defy a superior authority.

Mr. WILLIAMS. Mr. President, will the Senator permit a question?

Mr. MYERS. Certainly.

Mr. WILLIAMS. Does not the Senator think there is a difference that is patent when a Cabinet officer, or one of his agents or representatives, informs the legislative assembly that if a certain thing becomes a law he will not consent to it? Is not that the highest form of rebellion?

Mr. MYERS. It depends upon circumstances. Happily, no Cabinet officer so informed Congress, in this instance.

Mr. WILLIAMS. Well, the Senator says a representative of a Cabinet officer did.

Mr. MYERS. No; I have not so stated, I beg to say. The Assistant Commissioner of Indian Affairs was sent for by the conferees, and was asked the attitude of the Interior Department toward this amendment.

Mr. WILLIAMS. I understand that, and I understood the Senator himself to say that if this amendment were passed it would be without the consent of the Interior Department.

Mr. MYERS. I have not said that. I do not recollect saying anything of that kind. The Senator from Arizona [Mr. ASHURST] stated something to that effect. Please do not tax me with that.

Mr. WILLIAMS. Now, when an executive officer begins to read the riot act to Congress, if he has done it, by saying that he will not consent to a law, he announces beforehand opposition to and defiance of legal authority. The Senator has to consent to every law, whether he will or not, and I must, and so must every Senator.

Mr. MYERS. He submits to it as every good citizen does.

Mr. WILLIAMS. He has to consent to it; because, in a free government, the will of the majority must necessarily be accompanied by the consent of all when that will takes the form of a law. This was to have been part of a law.

Mr. MYERS. I do not believe that the United States Senate is such a high and mighty body that everybody connected with the United States Government has to submissively consent or assent to everything it does. It may do many things to which many people do not consent. Any American citizen has the right to dissent from the wisdom of anything that it may do, and certainly an official of the Government has a right, in his own mind, to say that he does not assent to it.

But I want to say that the Senator from Mississippi imputes to me the assertion that the Interior Department, or somebody connected with it, said that it would not consent to this legislation. I remember of no such language having been used before the conferees. I have not asserted it was. The Senator from Arizona may remember it; but I have not stated that any such language was used, and I do not remember that Mr. Meritt used any such language. The Senator from Arizona may, but I do not; and I want to say that whatever Mr. Meritt may have said, all that he said was certainly said in a most respectful and proper manner, frame of mind, and attitude on behalf of himself and the Interior Department toward the United States Senate and toward Congress. He said nothing, he carried no message, he expressed no idea, he made no suggestion, that carried any implication of disrespect for Congress or defiance of its authority.

Mr. STONE. Mr. President, let me ask my friend if this is not about the truth as he understands it: That this executive official, whatever his exact language was, meant merely to say that he would advise against the proposed legislation, as a matter of policy?

Mr. MYERS. Yes; he said that the Interior Department advised against it; that the Interior Department did not assent to it; did not think it necessary. Whether or not my recollection of it agrees with everybody else's recollection or is absolutely correct there is absolutely nothing in it to cause anyone in this body to assume an air of righteous indignation, and work himself up to a fever heat over some one not showing it proper respect, or bowing quite low enough in obeisance to it.

Mr. THOMAS. Mr. President, I merely wish to inquire if the Vice President at this time will entertain a motion for the previous question?

Mr. LODGE. Mr. President, I have not the honor to be upon the Committee on Indian Affairs and of course was not on the conference committee, but I am always interested in what seems to me to be the proper conduct of the business of the Senate. I have listened, as we all have, I am sure, with great interest to the lucid and ingenious argument of the Senator from Montana [Mr. MYERS], and I have tried to extricate from it what seemed to me the salient facts, setting aside for a moment the reelection of the Senator from Washington.

Mr. MYERS. Permit me to say that that will be no difficult task for a gentleman of the high standing and ability of the Senator from Massachusetts.

Mr. LODGE. Mr. President, I have the floor.

Mr. MYERS. I wanted to pay the Senator a compliment.

Mr. LODGE. I waited until the Senator got through his argument. In fact, nobody interrupted him; it was too fascinating.

It appears that the Senate added an amendment to the Indian appropriation bill known as amendment numbered 157. It further appears that that amendment is as follows:

(157) SEC. 28. On or before the 31st day of December, 1916, the Bureau of Efficiency shall prepare and submit to the Secretary of the Interior a system of accounting for the Bureau of Indian Affairs that will meet the requirements of section 26 of the Indian appropriation act approved June 30, 1913 (38 Stat. L., p. 103).

Now, to an outsider like myself that seems simple; I mean the object of it seems simple. The language is plain. We are told by the Senator from Montana that the conference committee passed hours and days even in discussing that amendment and trying to amend it and alter it and change it; and I confess it gives me great respect for the powers of that conference committee beyond even what I had before, and that was very great.

Now, the Senate put that on, and the testimony which has been rendered here by the various speakers this morning is, in substance, to the effect that the House conferees were ready to accept it. Then there floats upon the scene the person of the Assistant Commissioner of Indian Affairs.

Mr. MYERS. I wish to say to the Senator that he was sent for by the conferees.

Mr. LODGE. I did not say he was not sent for. I said he floated in.

Mr. MYERS. No; he did not float in. He was drawn in by order of the conferees.

Mr. LODGE. I do not know why he was sent for, except to explain this complicated, intricate amendment. But the substance of what he said was that the Interior Department did not want it. That is what it comes down to in plain English; and having delivered that elaborate and difficult opinion, he then retired, and the clause retired with him from the bill. The Senate put it on; the House conferees were ready to accept it, and the Senate conferees—I suppose perhaps the House conferees cooperated—took it out.

Mr. President, of course I suppose this is an old-fashioned idea, but I have always understood since I have been in the Senate, and I understood when I was in the other House, that it was the duty of the conferees on the part of the Senate to sustain amendments placed on a bill by the Senate; that it did not matter whether the conferees personally approved of an amendment in all respects, it was their duty as representing the Senate to sustain the amendment. The other House, of course, was at full liberty to resist, and if they resisted it might become necessary for the conferees on the part of the Senate to yield or to agree on a compromise.

Mr. GALLINGER. Or to bring it back.

Mr. LODGE. Or to bring it back for further instructions to the body that sent them into conference. But in this case our conferees appear to have abandoned our amendment when the other House was ready to take it.

Now, that is a point, it seems to me, of great importance in the conduct of business. There can be no possible confidence in conferees appointed by the Senate if the fundamental proposition is not agreed to that they are there to represent the will of the Senate.

I trust that this report will be returned to the conferees and that the will of the Senate will be carried out. I am not aware that the Interior Department or any other department or any assistant commissioner has anything to do with conferences between the Houses. I trust the report will go back and that the Senate conferees will not insist, they do not need to insist, but that they will allow the House conferees to keep the amendment in the bill.

Mr. JOHNSON of South Dakota. Mr. President, I am glad that the Senator from Arizona has asked that the conference report shall go back because I had intended to do so if he did not, and I believe then the matter will receive more favorable consideration and I hope will be presented to this body in much better shape. I can not support the conference report as it is and I do not think I shall support the bill.

I live in a State which, under the provisions of this legislation, would be given something like a million dollars for the benefit of the Indians, in line with the policy of the department, but if, in order to secure this appropriation for my State, I have to vote for this bill in its entirety, I say to you now, fellow Senators, I shall not do so.

There are items in the bill of something like three-quarters of a million dollars that is appropriated for the benefit of the Indians I suppose, and which I myself asked a representative of the department in the committee if they thought would be of any real benefit to the Indians and they told me no.

Mr. MYERS. I ask the Senator what items those are?

Mr. JOHNSON of South Dakota. They are items for irrigation.

Mr. MYERS. Of what project?

Mr. JOHNSON of South Dakota. A project in the Senator's State of Montana.

Mr. MYERS. Which project in Montana?

Mr. JOHNSON of South Dakota. The Blackfeet, is it not?

Mr. MYERS. I wish to show how far wide of the mark the Senator is. There is no appropriation of three-quarters of a million dollars for the Blackfeet project. There was an appropriation of $50,000, and the conferees cut it down to $25,000. The Senator is just $725,000 off the facts.

Mr. JOHNSON of South Dakota. I am referring to the appropriations in the bill for irrigation in your State, in all.

Mr. MYERS. There was appropriated only $50,000 for the Blackfeet Reservation project, and that was cut down to $25,000.

Mr. JOHNSON of South Dakota. And for the Flathead project?

Mr. MYERS. There is an appropriation of $750,000 for the Flathead, and I deny that the Indian Commissioner ever said that was not a successful project or was not for the benefit of the Flatheads. He said it was successful, and that it was for the benefit of the Flatheads.

Mr. JOHNSON of South Dakota. I did not say that the Indian Commissioner said that. I said a representative of the commissioner's department told me, on the direct question that I asked him, if that would be of any benefit to the Indians, and he said "No."

Mr. MYERS. The Flathead project? If so, I deny that there is any such language in the report which was taken down verbatim in regard to the Flathead project. I want to have it corrected. I deny that any such statement was made.

Mr. JOHNSON of South Dakota. Now, Mr. President, I am not opposed to reasonable appropriations, where I feel that there will be a return for value received, but I am to-day, and I hope always will be, opposed to any appropriation made under the guise of benefit to those whom it will not benefit and where no advantages come from such appropriations, as the bill specifies, but will accrue to the benefit of some State or some locality which is entirely foreign to the object for which the appropriation is proposed. I shall be censured in South Dakota for my vote on this measure, but that will not deter me from casting it as I believe I ought to cast it.

We are voting away appropriations of millions of dollars by methods of this kind each year, like it was so many postage stamps, and for purposes that in many cases are questionable, at least, and I shall not, as a Member of this Senate, be a party to anything that appears to me of this character.

Mr. President, I am a new Member of this Senate. When I came here I was not familiar with committee legislation matters. I do not profess to be to-day, but I am learning, and as I learn I shall act. I have not taken up much of the valuable time of this Senate thus far, because I have had nothing to say that I believed was important enough to do so. But I presume I shall have more to say as time passes, and shall take up the Indian question on the floor of this Senate very soon, perhaps at some length.

I have lived among the Indians for the past 30 years, and I believe I know what their needs and wants are. I also know of their treatment, which I shall no doubt discuss in the near future. I have had some personal talks with the Indian Department since I have been here, and shall endeavor to have other meetings with them before I discuss at length the Indian question.

There are some splendid features in this bill, particularly one presented by Senator GRONNA, of North Dakota, but the bad ones so far overbalance the good ones that I shall cast my vote against the bill as a whole, when it shall come to vote, if it is not in much better shape than it is to-day.

While I regret that my views do not conform with theirs and with those of the framers of this bill, I shall cast my vote against the conference report to-day believing that I am within my rights in doing so and that, from the light I have, I am doing my duty as I see it.

Mr. ASHURST. Mr. President, I shall take only two or three minutes. I regard my situation as a Senator somewhat different from my position as a conferee. I may be in error, but it is obvious to me that the Senate desires to retain this amendment with respect to the Efficiency Bureau, and, acting upon that belief, which has been made manifest here this morning, I am going to ask unanimous consent that the conference report heretofore submitted about a week ago be withdrawn and that it be committed to the conference committee. I am perfectly willing to adhere, and I hope the Senate will instruct the conferees to adhere, to the amendment of the Senate in regard to the Efficiency Bureau.

Mr. OVERMAN. I think the Senator is doing wisely to ask that the report shall go back. I think there will be no objection to its going back. But when it goes back, like every conference report that is sent back, every item of difference will be before the conferees. I have an item which was in disagreement, about which I intended to say something, but I am not going to do it now. I should like to have the Senator consider it when it goes back to conference.

Mr. SMOOT. I think a very proper thing for the Senator from Arizona to do is to ask unanimous consent that the report be rejected. If he will simply withdraw the report, there will be no action upon it on the part of the Senate; and there should be action upon the part of the Senate, so that he can inform the House conferees.

Mr. ASHURST. Then I ask that the conference report be rejected.

Mr. OVERMAN. That puts all the differences between the two Houses in conference.

Mr. FALL. Mr. President, I have no intention of discussing this matter at any length, but I listened with a good deal of interest to the chairman of the committee, particularly to his statement that the Secretary of the Interior should be thor-

oughly trusted to properly account for the public money appropriated by Congress or received by him as a trust fund from other sources. I do not disagree with the Senator in so far as the honesty or integrity of the Secretary is concerned, and that is not attacked, as I understand, by the proposed amendment nor by any Senator upon the floor.

The question is as to the proper method of accounting to be made. It is a fact known to every member of the Indian Affairs Committee, I presume, that it is almost impossible for any layman to understand at the present time the method of accounting used in that department. It is equally impossible for any layman who has made any investigation of the method of accounting used in the Interior Department to understand the method used in such accounting in that department. It is not only impossible for any layman to understand it, but it is impossible for the department itself to understand it.

It is not possible for a Senator to-day to obtain from the Department of the Interior or from any other source in this Government, which I have been able to reach, an accounting of the expenses of the administration of the Indian department of the Indian lands or of the public lands of the United States, and the departments admit that they can not furnish to the Senate or Senators or to the committees such an accounting under their present methods.

The excuse made, for instance, for presenting a certain report to Congress by the present Secretary of the Interior or his department, in which certain statements are made as an accounting for the public moneys coming into his hands, is simply that he has followed the methods pursued by a former administration. He can not explain it, nor can he give you the figures.

Mr. President, it is a most astounding thing to a man who has been accustomed to dealing in a business way with business problems to know that you can not from any source whatever to-day discover what it costs to administer the public lands of the United States. As illustrative of this—as it is not my desire to go very fully into the matter nor to read into the RECORD documents—I want to call the attention of the Senate to the last report of the Secretary of the Interior, because it involves an accounting for some of the amounts coming into his hands from the Indian Service and is directly in point here, and because it illustrates the methods of keeping accounts in the Interior Department.

In the report of the Secretary of the Interior dated Washington, September 22, 1915, we are told that there is set forth here, presumably accurately, an accounting of the cash receipts and expenditures of the Public Lands Department of the Interior Department. I read from the report. I should like to have the attention, if I may, of the chairman of the Committee on Indian Affairs:

> The total cash receipts for the sales of public land, including fees and commissions on both original and final entries, and sales of Government property in the local offices for the fiscal year 1915 were $3,786,319.54 (1914, $4,256,102.96), a decrease of $469,783.42. Miscellaneous receipts were as follows: From sales of Indian lands, $1,556,630.97 (1914, $1,884,802.77); depredations on public lands, $31,203.54; depredations on Indian lands, $38.33; leases, power sites, etc., act of February 15, 1901, $1,116.21; copies of records, plats, etc., made at General Land Office, $14,738.82, and at 13 surveyors generals' offices, $4,900.79, making the aggregate cash receipts of this bureau during the fiscal year 1915, $5,394,948.20 (1914, $6,148,367.63), a decrease of $753,419.43.

Note the method of accounting, and then answer, Senators, whether it is correct, taking into consideration the further figures from the official records to which I shall call your attention, reading on page 6:

> The total expenses of district land offices for salaries and commissions of registers and receivers and incidental expenses during the fiscal year ended June 30, 1915, were $828,865.71, a decrease of $24,832.89. The aggregate expenditures and estimated liabilities of the public-land service, including expenses of district land offices and surveys made were $3,008,996.31—

Now, listen—

> leaving a net surplus of $2,384,922.61 of receipts over expenditures.

This is a statement made by the Secretary of the Interior in accounting to the President and to the Congress of the United States of the administration of his office. Now, let us just follow it for a moment to see how it figures up. The total is, as he has stated, $5,394,948.20 receipts—receipts from the public-land sales and from the other items or the other sources which I have mentioned in detail. There is not one word of the $640,000 appropriated by the Congress of the United States for the support of the General Land Office; not one charge is made against it, nor one cent shown in the report as to the $3,250,100 appropriated by the Congress of the United States for the support of the Department of the Interior; not a charge against it. I will call your attention to that in a moment. I am going to read from a memorandum which I have made:

"The above quoted statements of the commissioner with regard to 'cash receipts and expenditures,' if not incorrect, are to say the least, misleading, as they fail to show the financial transactions of the General Land Office, in the discharge of the Public Land Service.

"It will be seen by the above statement, that the commissioner in arriving at his final conclusion, that there exists a 'net surplus' of $2,384,922.61 in the public-lands fund of receipts over expenditures, has taken into consideration and counted as a receipt from public lands the sum of $1,556,630.97, the proceeds of the sale of Indian lands."

Now, compare the Treasurer's report and you will find that, as a matter of fact, this account was, by the commissioner, covered into the Treasury for the credit of the Indians entitled thereto and forms no part whatever of the public-land receipts; that it was not carried as a portion of the public-land receipts; but, as it was received, was from day to day deposited to the credit of the Indian funds. So, instead of the public-land receipts, according to the Secretary's own report, showing a balance of $2,384,922.21, his books would actually show a balance of $828,291, or $1,555,000 less. This is one of the methods of keeping accounts which the Secretary of the Interior will not consent to have changed. Why? Apparently the public-land business is self-sustaining, while, as a matter of fact, this great magnificent domain, hundreds of millions of acres of property belonging to the United States in the public-land States, is costing the taxpayers of the United States every day of the year more money to administer than is being received under the laws from the sales or from any other source of income from those public lands; but, according to the method of accounting, we have a balance of $2,000,000 a year.

Further reading from this memorandum we find, in addition to the total of $5,394,948.20 shown as receipts, the General Land Office is chargeable with all appropriations made by Congress for the discharge of the public-land service for the fiscal year ending June 30, 1915, the amount of which at this time is not known, but from information at hand will probably total an amount from three and a half to four millions of dollars, and making the total cash and credits with the Treasurer of the United States to be accounted for by the Commissioner of the General Land Office, something like eight and a half or nine millions of dollars.

The Commissioner of the General Land Office refers to "the aggregate expenditures and estimated liabilities of the public-land service, including expenses of district land offices and surveys," as being $3,008,996.31.

The natural inference to be drawn from the remarks of the Commissioner of the General Land Office is that this expenditure was made from the receipts as above set forth. Is not that the natural inference? It is not, however, the case.

The moneys received from the sale of public and Indian lands and other miscellaneous receipts were deposited with the Treasurer of the United States for the credit of funds and accounts entitled thereto, and the moneys from which the operating expenses of the public-land service was paid were the credits on the books of the Treasurer provided by appropriations made by Congress.

To make a statement showing correctly the financial transaction of the General Land Office, the commissioner should, first, charge his office with all appropriation made by Congress, and, second, charge his office with all cash receipts from sale of public lands and from miscellaneous sources.

To offset this total charge, he should take credit for money deposited with the Treasurer, proceeds from sale of public lands and miscellaneous receipts, and further credit for all moneys drawn against appropriations made by Congress for purpose of conducting public-land service.

The commissioner, in his report of 1915, shows, on page 82, that for the year 1914 there was "covered into the Treasury to the credit of the reclamation fund from the sale of public lands and fees and commissions in the several States, under the act of June 17, 1902" (32 Stat., 388), the sum of $3,458,649.19, but does not include in his report for the present year the amount by him covered into the Treasury for the reclamation fund from the sale of public lands, fees, and commissions, but I am informed that this exceeds more than $3,250,000, this going to show that the commissioner deposited receipts from public lands, and so forth, with the Treasurer, and his expenditures were drawn from money to his credit with the Treasurer as a result of appropriations by Congress, and not drawn out of the public-land funds.

Now, I wish to make just a brief statement to show how the bookkeeping methods at present being followed must be incorrect, because these are all taken from the report of the same department—the Department of the Interior. This covering of money by the commissioner, proceeds of sale of lands, and so

forth, is further evidenced by the Director of the Reclamation Service, who, in his report for the fiscal year ended June 30, 1915, on page 456, has a table showing "actual receipts from sale of public land, exclusive of town-site sale, transferred to credit of reclamation fund," and shows a total receipt from this source of $4,100,720.65 instead of $3,250,000.

I have the exact amount made here in the memorandum of the commissioner as to the amount turned into the reclamation fund. The memorandum shown by his books to be turned in to the credit of the reclamation fund was $3,268,057.73. Under the report of the Reclamation Service he turned in during exactly the same period of time $4,100,000.

Is this system of bookkeeping satisfactory to the Senate of the United States? This is the people's money. I do not think that a dollar of it has been improperly expended; but I defy any living human being to ascertain from the report what the actual fact is with reference to the public-land service, to the Reclamation Service, and to the expenditures in the Indian Service, from the books in the Secretary's office or any department thereof. You go to one and you find $4,100,000 credit; you go to the other and you find they claim credit for $3,268,000, a difference of over $800,000, which would be quite an amount if it were shown on the average business man's books.

Mr. President, I have letters from the different departments and correspondence from the different bureaus. I have here a copy of a letter written by me, to which I have never been able yet to receive an answer, because it is impossible to answer it. Under date of January 27, I wrote the Commissioner of the General Land Office with the request that he give me the items going to make up the $3,008,996 of expenditure, "including expenses of district land offices and surveys"; deducting the amount of $828,865.71, as shown to be the expenses of the district land office, leaves a balance of $2,180,130.60 for other expenditures and estimated liabilities:

Will it be possible for you to give me the items going to make up this last-mentioned sum?

I do not mean, of course, to request of you that I should have every item included in this total, but merely the heading under which items were expended showing the purpose of such expenditure; for instance, an appropriation was made by Congress for salaries of commissioner, and so forth, amounting to $631,250; I presume that no part of this appropriation is embraced in the expenditure as shown of $2,180,130.60.

My secretary is going to the department this morning, and if he could obtain this information I would much appreciate it.

The memorandum made at the time by my secretary is as follows:

Delivered your letter to Mr. Tallman's office, and was sent by his secretary with the letter to division of accounts. They will be unable to furnish you with the classification of expenditures such as you desire, but will in the course of two or three days make up a statement of various appropriations for the General Land Office, giving the purpose for which the appropriation was made, showing amount of appropriation, and the amount paid from such appropriations during the fiscal year ending June 30 last.

I called attention to the fact that the amount shown by the Reclamation Service to have been received from the sale of public lands was larger than the amount received shown in commissioner's report, after deducting the receipts from sale of Indian lands.

Mr. Newberg, the chief of accounts division, promptly stated that the Reclamation Service must be in error.

The Reclamation Service is under the Interior Department, exactly as is the Indian Service. The chief of accounts says that the accounts of the Reclamation Service must be in error; but still they are furnished here and form the data upon which Congress must legislate and act, the data upon which Congress must proceed now in the matter of making appropriations for reclamation projects, because that matter is now in the hands of Congress and they show $4,100,000—$800,000 more than the accounts of the chief of accounts show.

As I have said, I have never received an answer to this letter—not that every courtesy has not been shown me and every opportunity afforded. I will say that I have had a man, who has been a bank examiner and an expert accountant for 25 years, undertake to obtain from the different bureaus the accountings which would enable him to ascertain what the cost of the administration of public lands was and what the cost of the Reclamation Service and of other bureaus included in the Department of the Interior was, but it has been absolutely impossible for him to do so, in spite of the assistance offered him—and there has been no attempt to hide anything—by the Secretary's office. Their excuse is that they have simply been following the old methods of accounting which have come down to them for unknown generations and through prior administrations; but I will defy anyone to ascertain to-day and to tell the people of the United States what it is costing to administer the different bureaus within the Department of the Interior.

Now, when the Senate Committee on Indian Affairs asks that a method of accounting be adopted so that the committee itself can examine the accounts of any reservation and into the disposition of any appropriations in order that it may be able to account to the Indians for the reimbursable funds which we are constantly appropriating, and which are trust funds in our hands for the benefit of the Indians alone, for the money is theirs and we simply administer it in trust—when the Senate Committee on Indian Affairs asks that a different method of accounting may be instituted, they are answered, as I understand, that the Interior Department will not "consent." I have simply been attempting to illustrate the difficulty.

Mr. BORAH. Mr. President, if the Senator from New Mexico will allow me, does not the Interior Department say more than that? Does it not say that it has now adopted a system of bookkeeping, as I understand, which it expects will cover this entire situation?

Mr. FALL. Well, I understand that the chairman of the committee and the ranking member of the committee on the other side do not agree exactly upon what was said.

Mr. MYERS. Mr. President, I wish to say to the Senator that I do not recollect all that was said, but, as to the use of the word "consent," I never heard anybody say that the Interior Department would not consent to this. I know nothing about that. That is one of the matters as to which I simply differ from the Senator from Arizona.

Mr. BORAH. Mr. President, if I may again interrupt the Senator from New Mexico, as I understood the Senator from Arizona, it was not that the Interior Department objected to the provision in question in and of itself, but by reason of the fact that the Interior Department had adopted or were working out a new system of bookkeeping, which they thought would be efficient and sufficient for all purposes.

Mr. ASHURST. Mr. President, I think the Senator from Idaho [Mr. BORAH] has substantially stated what I conceive to be the position of the department—not that the department in any way were opposed to a searching investigation or to an accurate method of bookkeeping, but the department, or a representative of the department, asserted that they had begun and had fairly well finished such a proper and efficient system of bookkeeping.

I do not want the Senate to get the impression that the Interior Department in any way is opposed to any investigation; on the contrary, the department itself took the initiative and instituted a new system of bookkeeping before any Member of either House of Congress suggested such a thing. I think that answers the question.

Mr. BORAH. I understood that they had begun a new system of bookkeeping in the bureau. If that is not true——

Mr. ASHURST. Mr. President, if the Senator will pardon me for a moment further, I will say that when I came to Congress I was utterly amazed to find that every bill referred to the Committee on Indian Affairs was sent down to the Interior Department with a request for the department's opinion concerning it. I do not now agree with that policy. I do not believe that bills which are introduced should be sent to the department and the department's opinion asked. I think the department should submit facts; but I found that for a long time, running many years back, that policy had been followed; and when I became chairman of the committee, following the ancient policy, which I think is an unwise one, I, as chairman, referred all bills and all amendments, just as had been done for a long time, to the Department of the Interior for its opinion.

I say here and now, that I do not agree to that policy. I wish Congress would get into the habit of making its laws without regard to the opinion of the departments; and of then permitting the departments to exercise their function of enforcing the law Congress makes.

Now, as to the word "consent." I have said, and I say again, that the honorable Secretary of the Interior did not come before the committee. His representative came before us and made manifest to us that the department objected to the legislation; but it was not even remotely suggested that they would fail to enforce the law if Congress should enact the legislation. I do not want any misapprehension to arise in that respect.

Mr. FALL. Mr. President, as I stated in opening the remarks which I have made, I have no doubt, of course, of the honesty and integrity of the different officials, and certainly not of that of the Secretary of the Interior. I am simply calling the attention of the Senate to the fact that in answer to requests for information upon the subject they admit that their accounts are not correct. For instance, the chairman of the committee, I think, will agree with me that there should not be a surplus shown in the administration of the public-land funds of two million and some odd hundred thousand dollars, when $1,555,000 of that money belongs to the Indians, and they take credit for it, but do not charge themselves with it. Mr. President, evidently that is an erroneous system of bookkeeping, involving

Indian funds—one of the very questions now under consideration; in fact, the principal question now under consideration. Under the present method, whether they have adopted a new one or not, they show $1,555,000 of private Indian moneys in the general public-land accounts as a receipt, and they show no charge against the department whereby that amount is placed to the credit of the Indians, to whom it belongs.

Is that a correct method of bookkeeping? Is that the new method which has been inaugurated, and which, in the eyes of the department, is sufficient? It is incorrect. The money is there. It is in the Treasury, or was placed in the Treasury, but never was placed to the credit of the public-land fund at all, as shown by the books of the Treasurer of the United States. While credit is obtained for it, and by that method of keeping the accounts of the public lands the receipts are so swollen as to make it appear to the people of the United States that there is an excess of receipts over expenditures, as a matter of fact the contrary is the truth.

For instance, take the matter of the public lands of the United States, which are the property of the people of the United States. You own the forest reserves. They are public-reserved lands of the United States. After deducting the credit to the Indians, which never should have been credited to the public-land fund, you still show a credit of $824,000 of excess receipts over expenditures to the general-land business. You do not tell the people in the same report that the forest reserves are costing you over $2,000,000 a year to administer more than you are getting out of them. That is part of the public land of the United States. The people of the United States consequently can not tell, unless some man rises here and gives them the figures as they should be given, that in administering the public-land service of the United States, instead of deriving any benefit from it, this great, magnificent domain which you hear Senators from the Eastern States speak of—and which some of them are so very adept in attempting to prevent anybody in the West from getting any undue benefit of—is costing the taxpayers of Massachusetts and New Hampshire and of Connecticut and the other States in the East at least $2,000,000 a year to administer more than it is producing. Properly administered, in a businesslike way, these public lands of the United States should practically support the States in which they lie, and the forest reserves will contribute very materially to the support of the Government.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Hampshire?

Mr. FALL. I yield to the Senator.

Mr. GALLINGER. I have been more or less surprised when certain Senators from the Western States have presented here maps showing, as I think the Senator from Idaho has, that one-half the domain of that great State has been made into forest reserves. I do not know what proportion would hold against the State of New Mexico, which the Senator in part represents. Being a friend of the forest-reserve principle, I have wondered very many times if there is not some way in which what is regarded now as an abuse can be corrected. Must we always allow 50 per cent, we will say, of a State to remain in forest reserves, hundreds and tens of thousands of acres of which, perhaps, do not possess a tree? Must we always allow that condition to exist, or have the Senators from these Western States undertaken to devise some plan whereby they can get some degree of relief?

Mr. FALL. Mr. President, speaking for myself, almost immediately upon my being sworn in as a Member of this body, when my State came into the Union, shortly after the Agricultural appropriation bill was under consideration, I made a few remarks upon the Forestry Service at that time, and I offered an amendment to the Agricultural appropriation bill the effect of which I will state. First, however, I showed to the Congress that the forest reserves in New Mexico were obtaining as an income from the people of that State a very large amount of money, something like $150,000 or $175,000, from $150,000 to $200,000 a year, very largely for grazing their stock upon the forest reserves. I showed that in addition to expending that money—every dollar of it which was received, except 25 per cent of the people's own money, which went back to the State—after expending the 75 per cent of the total proceeds they came before this Congress every year and asked for the administration of the forest reserves in New Mexico an excess appropriation out of the taxpayers' money of from one to two hundred thousand dollars per year.

My amendment proposed this: To leave the laws precisely as they stand now regulating the forest reserves; not to change the limits, the boundary lines, or to exclude an acre from them, if it so pleased the Congress; to allow not only the laws but the rules and the regulations of the Department of Agriculture to remain in full force and effect; and that then the administration should be taken over, under those laws and under the regulations, by the State of New Mexico, with a guaranty from the Legislature of New Mexico, for which I spoke, that in accepting the trust they would administer the forest reserves under the laws of the United States, under the rules and regulations as adopted by the Secretary of Agriculture, and under his general supervision, with the right in him to remove any official at any time; that they would administer the reserves without the cost of one cent to the taxpayers of the United States; they would only cut such timber as they were directed to cut; that they would not abuse the trust in any way; that they would administer the trust under the laws of the United States, with the power in Congress at any time to take back the forest reserves if they were not so administered; and that the State of New Mexico would relieve the people of the United States of the burden of administering the forest reserves, which are now costing them $2,000,000 more per annum than they receive from them.

I think this is the solution of the matter, Mr. President, for this reason: I know that the Senator from New Hampshire will agree with me that as to the general subject of the public lands in the States, while they constitute a trust for the people of the entire United States, as Daniel Webster said, they should be administered for the benefit of the people living in the State in which they are. I have been contending for that old theory, settled in 1836, from the moment I entered this body down to the present time, and I am still contending for it. I admit that the people of Massachusetts or New Hampshire or other States may have some interest in the mines situated in my State or in the mineral to be obtained from the mine, whether it is gold, copper, silver, or what it may be, because they can remain as nonresidents or as stockholders in a company operating and taking the wealth of the mines from underground. They may help develop my State in that way; but when the question arises of handling the surface lands of my State, then the question of populating my State arises.

If you interfere with the disposition of the surface lands in a State, if you throw restrictions around that disposition by Federal acts, in that way you prevent the new State from acquiring the population which has made this country what it is, and your acts militate against the progress and the prosperity of these public-land States, unless in your legislation you legislate for population.

Now, while these public lands, or the surface lands, form a trust, or belong to the people of the United States, in the administration of them, as shown by the records of the Public Land Office, instead of producing any revenue for the people of the United States, they are costing the people of the United States money every day; and, if the Senate will bear with me for a moment, I want to show something as to the conditions in my State.

The total area of the State is 78,485,760 acres. It is one of the largest States in the Union. There were extensive Spanish land grants in my State confirmed almost entirely by action of Congress when New Mexico had no representative here. Land grants which as originally made would have covered 20,000 acres were extended to cover a million acres, and they were confirmed without the people of New Mexico being heard upon the proposition, largely by direct action of Congress, to the extent of 9,882,229 acres. The railroad grants in my State amount to 4,035,653 acres. The Indian reserves amount to 3,766,554 acres. The Pueblo Indian reservations amount to 985,300 acres. The national monuments in New Mexico amount to 21,109 acres. The military reservations amount to 162,842 acres. The horse-breeding ranch amounts to 230,000 acres, although no horses are being bred on it. The forest reserves amount to 9,881,660 acres. Under certain special acts 5,861, 13,577, and 1,440 acres were set aside. Coal-land withdrawals existing on December 31, 1915—and this means the surface, now, of the coal lands—amount to 5,712,616 acres. Of the magnificent total of 78,000,000 acres of land there remain 27,000,000 acres of public land.

New Mexico came into the Union as a Territory in 1846. It was a Spanish territory or a Crown province. Its people swore allegiance to the Government of the United States without firing a shot or making any resistance whatsoever. They were promised immediate statehood and the use of their resources as citizens of the United States by Mr. Kearney's proclamation, and afterwards by a treaty—at least, so construed. From that day to this they have remained as good, loyal citizens of New Mexico. We had a total acreage of 78,485,000 acres. Under the public-land laws adopted by the Congress of the United States for the settlement of those lands in New Mexico it has only been

possible for the people of that State to acquire 3,581,000 acres. We pay all the taxes; we build the roads.

It was said here in the debate over the public roads on the forest reserves that we tax ourselves and build a road up to one line of the forest reserve, and to the other line of the forest reserve, and can not build it across. We tax ourselves and build a road up to the line of an Indian reserve, and we can not build it across, and the Government will not help us. For every public road built in Arizona or New Mexico benefiting 1 acre of private land the public lands of the United States receive the benefit to the extent of 10,000 acres—at least for every road going through the State.

I hope the Senate will pardon me for these digressions. I will speak possibly upon some other date upon these matters, which are so material to us; but I wanted to call the attention of the Senate now, once for all, to the fact that the bookkeeping in the Department of the Interior, if carried on in any private enterprise, would cause the immediate discharge of every man connected with it. The system is not an obsolete system; it is an incorrect system, if you can call it a system at all. The Senate amendment should be insisted on in this bill as an opening wedge to give the people of the United States, the taxpayers of the United States, the Indians for whom we are acting in trust, some opportunity to ascertain what goes with their money.

Mr. LANE. Mr. President, before the question is put on agreeing to the conference report, I wish to say that I proposed the amendment which has been under discussion without prejudice, for the reason that the books have never been experted, and it has been asserted that they can not be balanced or a balance sheet placed before the Senate which will show how the money has been expended. The department, through its representatives, states that it can not be done, and on the showing of a body of experts who examined the department's books, and whose expenses the United States Government paid, it can not be done. I wish, therefore, that this body would insist that the amendment stay in the bill without prejudice, in order that we may know what we are doing when we make appropriations for the Indian Bureau.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The conference report was rejected.

Mr. ASHURST. I move that the Senate further insist upon its amendments to the Indian appropriation bill and ask for a further conference with the House on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. ASHURST, Mr. MYERS, and Mr. CLAPP conferees at the further conference on the part of the Senate.

### GOOD ROADS.

Mr. STONE. Mr. President, I ask the Senate to take up the motion made on Wednesday to discharge the Committee on the Census from the consideration of Senate bill 5796.

The VICE PRESIDENT. It is just 2 o'clock, and it is the duty of the Chair to lay the unfinished business before the Senate. It will be stated.

The SECRETARY. A bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.

Mr. STONE. I ask to lay aside the unfinished business temporarily that the motion referred to may be disposed of.

Mr. BORAH. Does the Senator from Wisconsin [Mr. LA FOLLETTE] know that the motion is to be made?

Mr. STONE. I told the Senator from Wisconsin that I would have him phoned to at his office, and I have informed him that I am making this motion.

The VICE PRESIDENT. Without objection, the unfinished business is temporarily laid aside. Pending the question on the motion of the Senator from Missouri, the Chair lays before the Senate bills from the House of Representatives for reference.

### HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on the Judiciary:

H. R. 6097. An act to ratify the compact and agreement between the States of Oregon and Washington regarding concurrent jurisdiction over the waters of the Columbia River and its tributaries in connection with regulating, protecting, and preserving fish; and

H. R. 13765. An act to amend section 73 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The following bills were severally read twice by their titles and referred to the Committee on Banking and Currency:

H. R. 13391. An act to amend the act approved December 23, 1913, known as the Federal reserve act, by adding a new section; and

H. R. 13474. An act to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 2, 1911.

H. R. 193. An act to provide for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the United States was read twice by its title and referred to the Committee on Public Health and National Quarantine.

H. R. 3032. An act authorizing the county of St. Louis to construct a bridge across the St. Louis River between Minnesota and Wisconsin was read twice by its title and referred to the Committee on Commerce.

H. R. 12835. An act to authorize and empower officers and enlisted men of the Navy and Marine Corps to serve under the Government of the Republic of Haiti, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

### CALLING OF THE ROLL.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Harding | Oliver | Stone |
| Bankhead | Husting | Overman | Sutherland |
| Beckham | Johnson, Me. | Owen | Swanson |
| Borah | Johnson, S. Dak. | Page | Taggart |
| Brady | Jones | Poindexter | Thomas |
| Brandegee | Kenyon | Ransdell | Thompson |
| Chamberlain | La Follette | Shafroth | Tillman |
| Clapp | Lane | Sheppard | Townsend |
| Culberson | Lodge | Sherman | Underwood |
| Cummins | Martin, Va. | Smith, Ariz. | Vardaman |
| Curtis | Martine, N. J. | Smith, Ga. | Warren |
| Dillingham | Myers | Smith, Md. | Works |
| Fall | Nelson | Smith, S. C. | |
| Gallinger | Norris | Smoot | |
| Gronna | O'Gorman | Sterling | |

Mr. SWANSON. I desire to state that the senior Senator from Ohio [Mr. POMERENE] is unavoidably detained from the Senate on official business.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Fifty-seven Senators have answered to their names. A quorum of the Senate is present.

### ADVISORY VOTE ON DECLARATION OF WAR.

Mr. STONE. I understand that the unfinished business has been laid aside.

The PRESIDING OFFICER. The Chair so understands.

Mr. STONE. Mr. President, the motion which I made on Wednesday and which went over under the rule I wish now to call up. The motion is that Senate bill 5796, which was referred to the Committee on the Census, be now referred to the Committee on Foreign Relations; or more correctly stating the motion, that the Committee on the Census be discharged from the further consideration of this bill, and that the same be referred to the Committee on Foreign Relations.

The PRESIDING OFFICER. The Senator from Missouri moves that the Committee on the Census be discharged from the further consideration of the bill (S. 5796) to authorize the Director of the Bureau of the Census under certain conditions to prepare and distribute blank ballots, and to receive and count marked ballots and report to Congress the result of an advisory vote, and that the bill be referred to the Committee on Foreign Relations.

Mr. STONE. Mr. President, I wish to say a few words only by way of explanation. It seems to me so perfectly manifest that the bill ought to go to the Committee on Foreign Relations that I need only call attention to the substantive features of its provisions.

Preliminary to that, I ask the Senate to read the title of the bill. The title reads "A bill to authorize the Director of the Bureau of the Census under certain conditions to prepare and distribute blank ballots and to receive and count marked ballots and report to Congress the result of an advisory vote." Under that title neither the Presiding Officer nor the Secretary upon reading the title would be able to form any kind of impression as to the provisions of the bill or as to its purposes. It was

referred to the Committee on the Census because of the peculiar character of the title of the bill, and because its author requested that reference.

Now, examining the text it will be found that it provides—

That whenever the President shall sever diplomatic relations with any foreign Government, and thereafter, 1 per cent of the qualified electors in each of 25 States, as determined by the votes cast at the last preceding general election at which Members of Congress were voted for in each of said States, shall file with the Director of the Bureau of the Census duly verified petitions as herein provided, it shall be the duty of said director to ascertain and report to Congress, as provided in this act, the number of electors voting at an advisory election in each congressional district in the several States of the Union in favor and the number of such electors voting in opposition to a declaration of war against such foreign Government. Each of the aforesaid petitions *shall* have written or printed at the top of each sheet thereof substantially the following—

Now, what is the following that shall be written or printed at the top of each sheet sent out? It is as follows:

I, the undersigned, a qualified elector of the city of ———, county of ———, and State of ———, who resides at number ———, on ——— street (or in the town of ———), do hereby petition that the question of declaring in favor of, or in opposition to, war against the Government of ——— (with which Government diplomatic relations have been severed by the President) be submitted to a vote of the electors of the several States.

Name of signer, ——— ———.
In cities: Street ———, number ———.
Date of signing, ———, 19—.

These papers are to be sent out by the Director of the Census to the various postmasters of the country to be distributed by them to the electors of the vicinage. The electors are to fill out the blanks I have read, indicating whether they favor or oppose a declaration of war and return the ballot to the Director of the Census.

Here is the form of the ballot:

Shall the United States declare war against the Government of ——— (here insert name of country), with which Government the President has severed diplomatic relations?

Yes. ——. No. ——.

The voter is required to mark whether he votes affirmatively or negatively. Then follows this:

I do hereby certify that I am a legally qualified voter, residing at No. ———, on ——— Street, in the city, village, or town of ——— county of ———, State of ———, and that I have not heretofore voted at this advisory election.

(Signature of voter) ——— ———.

Dated this ——— day of ———, 19—.

And on the opposite side of said card the address of the Bureau of Census, Washington, D. C., with the words "Official business—Free."

The remainder of the bill is administrative. I have read the substantive features of it.

The ballot is to be sent out to postmasters by the Director of the Census and distributed by the postmasters among the electors in each vicinity. The form of the ballot thus given is to be used, and is to be returned by the voter to the Director of the Census; and the director, in turn, would be required to count and tabulate the returns, and report the result to the Clerk of the House of Representatives, where they are to be preserved, open to the examination of Members of either House of Congress.

Mr. President, it seems so clear that a measure of that kind which concerns and is intended to influence the action of the Congress of the United States in declaring war against a foreign country should go to the Committee on Foreign Relations instead of to the Committee on the Census or to any other committee of the Senate that it is scarcely worth while to elaborate the subject.

Mr. President, we have pending at this hour a situation understood by all of us, by the country, and by the whole world that exemplifies the force of what I have said. I refer to the issue which is at present in the course of diplomatic negotiation between this country and the German Government. It does not matter in the least what the opinion of individual Senators may be with respect to this situation or whatever may be the opinion of individual Senators as to whether the facts and circumstances would justify the Executive in severing diplomatic relations between these two Governments or whether events past or events that might arise would justify a declaration of war by the war-making power of this Nation—that is, the Congress—is a subject of such grave, and it may become one of such emergent, character that Congress should not be held in restraint, and be put in a measurably powerless attitude to take affirmative action. Whatever the opinion of individual Senators may be as to these matters, and without discussing the merits of the bill, I submit to the Senate that the bill presents a question of policy which so intimately and directly concerns the most vital interests of this Government in dealing with foreign affairs that there ought not to be a moment's hesitation in the mind of any Senator that it ought to go to the committee appointed by this body to take charge of our foreign relations.

I think that is all I care to say at this time.

Mr. CLAPP. Mr. President, of course there are two questions involved here. One is as to the advisability of legislation such as is embodied or proposed by the bill under consideration; the other to what committee the bill should be sent, because, of course, no matter what the view of any individual Senator would be as to the merits of the bill it must, in our legislative procedure, go to some committee.

I can not agree with the Senator from Missouri that this is a proper measure to send to the Committee on Foreign Relations. The Committee on Foreign Relations deals with two phases of the attitude of this country toward foreign nations. One is the diplomatic phase, and the other is the consideration of treaties after they have been sent to the Senate by the President. This bill does not deal, of course, with either of those subjects. This bill, if it should become a law, does not become operative in the mechanism, if I may use that term, provided for in the bill until after diplomatic relations have been severed.

I would be the last to embarrass the President in his diplomatic relations, and for that reason, among others, I voted several weeks ago against tabling a substitute resolution which would, in my judgment, embarrass him possibly in subsequent diplomatic matters. After he has dealt, and the Foreign Relations Committee has dealt so far as it may in conjunction with the President, with the matter of diplomatic relations, then, if war were to follow, the question of war in that case would not go to that committee. That committee would have completed its natural functions and ceased to be a material factor in the case when once diplomatic relations were severed. That being true, it is obvious that that committee would not be the committee to which to send this bill. As it is a marked change in law that is proposed, it might, with far more propriety, be urged that it should go to the Judiciary Committee, which deals in a broad way with new legislation. It might even, with much more propriety, be urged that it should go to the Military Committee, which would become the active committee if war were to follow the severance of diplomatic relations.

As to the features of the bill it would seem as though some such provisions as these should have existed long ago as a part of our fundamental law. Twice already the Congress has been placed in a position where it was no longer free to act upon its judgment with reference to the original merits of a question involving war, because, under our Constitution, while the function of declaring war is vested solely in the Congress, yet a President, as Commander in Chief of the Army and Navy, may take such action and may in effect bring on war, and then Congress, in order to avoid the effect of a divided sentiment in this country as to the country or the people involved in that war, must vote aye and approve the course already adopted.

I remember that a year or so ago when our marines were ordered to Mexico, if I had been a Member of the House of Representatives when the motion to approve that action was pending there I would have voted "no" most emphatically. That event is now so far removed from the present contingency in Mexico that there can be no embarrassment in discussing the merits of that act at that time. We had refused to recognize Huerta as the head of a government. Whatever may be said as to inadvertence, of the wrong technically, upon our men, you could not charge it as an international insult to a flag, an act that was not done by somebody recognized and clothed with the prestige and the authority of national existence. Yet it was insisted that Huerta should make an apology; and a difference grew up upon the question of the number of guns that should be fired as a salute. Failing to agree upon that, our marines were ordered to Mexico, and we were upon the verge of a situation there that might well have developed to a war in a broad scale. When that resolution finally reached a vote in the Senate—I think it was early one morning—our soldiers were being shot down upon the streets of Vera Cruz, and we were in actual war; not, of course, upon a broad scale; but, nevertheless, when organized troops of soldiers, recognizing military authority, are actually fighting, combating, that is war. It seems to me that, deplorable as that transaction had been up to that time, there was but one thing to do, and that was to show to the people of Mexico that we were a united people and were behind the President, and for one I voted to approve that action.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Wisconsin?

Mr. CLAPP. I do.

Mr. LA FOLLETTE. I would ask the Senator from Minnesota if he has any doubt that the action of the President in that instance would have resulted in war if our troops had been ordered into and had actually invaded the country of a nation that was in a position to resist, instead of being a nation that was disorganized, which was in the throes of rebellion, helpless, beyond the power to resist? If it had been a strong nation, that action of the President would have brought war upon this country without Congress ever having had the opportunity to exercise its constitutional prerogative of declaring war.

Mr. CLAPP. Undoubtedly. Then it would have seemed, at least to me, a duty to approve what was being done, rather than to encourage, by a suggestion that there was a division of sentiment here, opposition and the further shooting down of our men.

Mr. President, a few months ago I saw a cartoon in a newspaper which was based upon the suggestion that had been made that an eminent citizen of this Republic was going to Europe to talk peace. Of course I may as well name him. It referred to the proposed trip of William J. Bryan to Europe to talk peace. That picture represented some 12 men huddled together, all wearing crowns, throwing their hands aloft, and saying, "We will have peace if it will only prevent you coming here." It was intended as a humorous slant at Mr. Bryan; it was intended to suggest the thought that those crowned heads would stay their hands in that bloody conflict rather than to have to listen to the speeches of Mr. Bryan. But, Mr. President, there was in that picture a lesson deep and important, and one probably never dreamed of by the man who drew that picture. The question is this: How should it happen that 12 men could say whether or not peace or war should prevail in Europe?

Of all the lessons taught by this terrible maelstrom of war to-day, there is none, to my mind, so important as the thought that there must come a time when no 12 men can say whether or not we shall have war or peace upon any continent of this earth. We have to-day peace societies, and their motives are grand and worthy, but we shall have permanent peace on this earth only when that time comes that the great, broad equation of humanity, composing the nations of the earth, shall declare whether there shall be peace or war, and when that broad equation includes not only those who must bare their breasts to the battle storms on the battle field, but shall include the womanhood of the nations who must bear their share of the burden and the sacrifice of war.

Mr. President, this proposed measure takes from Congress no power whatever. If this Nation should be threatened by war, if, as a matter of defense, it was unwise to await the action of a submission to the people of the question, no one would doubt but that Congress would promptly and efficiently respond to the demand for defense and to repel invasion; but it does contemplate that in this matter of declaring war, when time shall permit of the submission of the question, that the great rank and file of this Republic shall be heard in some effective manner, so far as affecting the presentation of their sentiments upon that question. It is only advisory, after all; and yet, Mr. President, if to-day there were an occasion where we were called upon to say whether as a body we would vote for war, there is not a Member of this body but would take into account the thought of the sacrifice that the people must bear and the thought of the attitude of the American people toward the proposed declaration of war.

Instead of leaving that to the uncertain medium that to-day might be employed to communicate to Congress the sentiment and the purposes of the people, this bill, in an orderly way, seeks to provide that the people of this country may be heard, if Congress in its wisdom, in view of the exigencies of probable war, felt that it was wise to await that decision; taking nothing, then, from the power of Congress for providing an orderly way of getting that sentiment that to-day we all understand must come in an uncertain way—come with no certainty as conveying the real purpose of a people behind the expression. It would seem as though a measure of this kind might well be incorporated into the laws of this country, not with reference to existing conditions, but it should long ago have been a part of the law of this country.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. CLAPP. I do.

Mr. BORAH. Would it interrupt the Senator if I were to ask him a question?

Mr. CLAPP. Not at all.

Mr. BORAH. Does the Senator from Minnesota believe that there is any way by which to have a real plebiscite with reference to this kind of a question under our Government? Is there any way by which, when the result would come back here, we would know that there was any authenticity or verity to the public opinion which apparently was recorded by the vote? How would you get a vote or get an expression which, if Congress desired to be guided by it, would indeed be the public opinion of the country?

Mr. CLAPP. The provisions of this bill are that these ballots shall be sent out; that is, after a petition has been presented by the requisite percentage of voters, and those ballots returned, and when counted reported to Congress. Of course, you might well say that even the result of a general election is not fully decisive of the sentiments of a country. There were, no doubt, things in the political platforms of four years ago that were not sanctioned, and which, if submitted to a careful consideration of the American people, would not have received the sanction of a majority of the voters. The only real decisive thing in an election, of course, is the determination of which of several candidates shall be regarded as having received the requisite number of votes; but clearly this is much more satisfactory, much more orderly, and would much more reflect the will and the sentiments of the people than would any system which we have to-day.

One of those systems was discussed at some length by one of the Senators the other morning, as though he had—and I say it in no spirit of reflection—suddenly discovered the existence of a system. Every Senator who has been here any number of years knows that time and again stimulated views of sentiment have been sent to Congress until we have learned to doubt whether they really reflect a settled purpose; but surely this would go far toward relieving that situation.

Mr. President, I did not at this time intend to speak in detail of the merits of the measure. It may be that debate will disclose the fact that this measure will require amendment and perfection. I was speaking more generally upon the broad proposition that the time must come, not only abroad but even here, with a Congress clothed with the power to declare war, when there must be a more general, orderly expression of the will and purpose of the people except when war is essential as a matter of the immediate defense of our country.

But the question that is to-day before us is, Whether or not this bill should go to the Foreign Relations Committee? As I said at the outset, there is nothing in the bill, if it became a law, with which the Foreign Relations Committee would deal. After the severance of diplomatic relations, then, in the ordinary course of things, the next step would be a declaration of war, possibly; but whether Congress would declare war or would refrain from declaring war would not depend upon the views nor would it be a matter within the control of the Committee on Foreign Relations. This measure in no manner impinges upon diplomatic matters; it in no manner limits the authority of the President; nor does it in any manner limit the activity of the Committee on Foreign Relations. It only seeks to provide that, after the function of the President and the function of that committee have ceased and been discharged, because the function has already been performed, whatever that may be, then the question of whether war should follow should be submitted in an advisory manner to a vote of the American people, not even interfering with the power of Congress to take such steps as to it seem wise or necessary.

The PRESIDING OFFICER. The question is on the motion of the Senator from Missouri [Mr. STONE].

Mr. NORRIS. Mr. President, it seems to me we ought always to bear clearly in mind the distinction between the question now before the Senate and the merits of the bill. It is not a question now as to whether or not this bill should be passed; that is not even indirectly involved in the question before the Senate. The question is, Whether this bill shall be referred to the Committee on Foreign Relations or to the Committee on the Census? To determine which of those committees ought to have the bill for consideration, we must have recourse to the bill itself to see for what it provides.

Mr. President, there is not a provision anywhere in the bill pertaining to any department of the Government or to any bureau of a department, except the Bureau of the Census. All of the work to be done, all of the details to be arranged, are under the terms of the bill put upon the Bureau of the Census. As to whether we want this kind of a law, that question will be determined by the Senate when the bill is reported by a committee to the Senate, and subsequently by the other House. As to the necessity of such a law, the reasons for it, and the objections to it, that is a matter that will be determined, so far as the merits of the legislation are concerned, by the Senate, and

not by any committee; but if we want this kind of a law, if we believe it is wise, its details and the manner of working it out, inasmuch as the bill provides that every single function under it shall be performed by the Bureau of the Census, it seems to me that it can not appropriately go to any other committee of the Senate than the Committee on the Census.

The bill provides that upon the filing of a petition—and that petition will be filed with the Director of the Census—containing a certain number of names, and so forth, the Census Bureau shall do certain things. They shall, under certain conditions, provide a ballot, which they shall send out to the postmasters, and the postmasters shall, under the terms of the bill, distribute the ballots among the people, and every citizen shall be allowed to receive one of the ballots, and when he gets ready to vote he returns the ballot to the postmaster, and the postmaster sends it where? To the Bureau of the Census. It comes back again to the Census Bureau. And when the returns are in the Census Bureau shall report the decision to Congress. No instrumentality of our Government is to be put in operation anywhere, except the Census Bureau, by the terms of this bill.

The bill, merely having been introduced, must take its regular course, as do other bills. We can not determine now what the policy of the Senate will be, whether the Senate will pass the bill or not; but it undertakes to work out certain details, every one of which, without exception, must be carried out in every particular by the Census Bureau. That bureau will do all of the work.

The Foreign Relations Committee, as I understand its jurisdiction and its work, has nothing to do with a matter of that kind. If we had before the Senate a joint resolution to declare war against another country and the question arose as to where that joint resolution should be referred, then, manifestly, it ought not to go to the Committee on the Census, but it ought to go to the Foreign Relations Committee. That question is, however, not presented here; that has nothing whatever to do with this question. This is a bill providing that certain things shall be done by the Bureau of the Census; and, therefore, it seems to me the question immediately before the Senate being, What committee of the Senate should have that kind of a bill, that it should be referred to the committee that deals with census matters.

It is just as much a matter for the Committee on the Census as though it were a bill calling upon the Bureau of the Census to secure certain information in regard to the population of the country or to secure certain information in regard to any class of corporations or any industry of any kind. Any bill that may by its terms make it the duty of the Census Bureau to do anything along its peculiar line of activity should be referred to the Committee on the Census. That is particularly true when there is nothing else involved in the bill except a duty to be performed by the Census Bureau. No other committee of the Senate is so appropriately adapted to the consideration of that kind of a bill as the Committee on the Census. It seems to me we eliminate all difficulty in passing on this question if we draw the distinction between the broad question of passing the bill and the question of getting the bill in shape for the performance of the peculiar duties mapped out in the bill.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I yield to the Senator.

Mr. BORAH. If the bill had been introduced solely for the purpose of working out the machinery for taking a referendum upon any public question, separating the question of the machinery by which to take a plebiscite from the subject matter upon which it is going to be taken, we would have, as I understand, the proposition for which the Senator is contending—that is, the mere question of working out a method by which to record public opinion?

Mr. NORRIS. Yes.

Mr. BORAH. But the Senator will notice that this bill covers in and of itself a certain subject matter in connection with that, and that is the question of a declaration of war in case of the severence of diplomatic relations. Does the Senator believe that it is possible under our dual form of government to work out a system or method by which we can have anything like an authentic expression of public opinion upon an abstract question, aside from a general election or something of that kind?

Mr. NORRIS. I am inclined to think that this bill does that to quite an extent. I do not believe, however, that is material; and I have not discussed that question because I do not regard it as material in deciding the question now before the Senate, as to which committee ought to consider this bill.

Mr. BORAH. I was going to say that if anyone knows how to work out the machinery or the method by which to get a referendum upon a public question of that kind, I should like such a one to consider this bill, because I would not know how to do it.

Mr. NORRIS. This bill, the Senator must know, provides exclusively for one operation, and it undertakes to carry that out under the exclusive jurisdiction of the Bureau of the Census.

Mr. BORAH. I understand that.

Mr. JONES. Mr. President——

Mr. NORRIS. In just a moment I will yield to the Senator. No other bureau or department of the Government has anything to do with it. As to whether they can work out a good scheme, I do not care to discuss that. I will only say, in answer to the question of the Senator, that I believe they can; I believe this bill contains the outlines of something of that kind. It must be remembered that it is not final. The bill on its face provides that the report shall be made to Congress, and Congress can give it whatever consideration it deems it ought to have. It is not compulsory; it does not undertake to decide whether we shall have war or not; it simply gives Congress the information as to what the people who care to vote on the proposition under the method provided for think in regard to that question.

Mr. BORAH. What I was seeking to call to the Senator's attention was that, it seems to me, a method or a scheme by which this vote shall be taken and the machinery by which it shall be recorded might very properly be separated and distinguished from the subject matter upon which we might finally come to a conclusion to take a vote; and the method of working out the machinery or formulating the machinery might belong to one committee, and then when we came to arrange for taking the vote it might go to another committee.

Mr. NORRIS. There is not anything involved in this bill except the formulation of a program. As I said in the beginning, whether we want to take that step, whether we want such a formulation made, will depend upon the action of the Senate when the bill is reported here; and the Senate will then determine that proposition.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield first to the Senator from Washington [Mr. JONES], who undertook to interrupt me a while ago.

Mr. JONES. Mr. President, I think the Senator from Idaho has practically answered the suggestion that I was going to make, which was simply this: I was going to ask whether or not the Senator thought that the Census Committee could not work this out just as well as the Foreign Relations Committee, so far as that is concerned?

Mr. NORRIS. I think so.

Mr. JONES. We do not know whether it can be worked out or not; but one committee is just as competent to do it as the other.

Mr. NORRIS. I now yield to the Senator from Utah.

Mr. SUTHERLAND. Mr. President, I want to ask the Senator from Nebraska what he regards as the vital matter in this bill? Is it the question as to whether or not Congress, before exercising its constitutional power over the subject of war, shall invite the opinion of the people of the country, or is it the question of what machinery shall be adopted to ascertain that opinion?

Mr. NORRIS. I think in the beginning of my remarks I answered that question. I will say to the Senator that, as to whether we should adopt any machinery, whether we should take any steps to ascertain that, is a matter that no committee of the Senate can determine; but it must be passed on by the Senate, and will be passed on by the Senate, if this bill is ever reported to the Senate, and then voted on, no matter to what committee the bill is referred.

Mr. SUTHERLAND. Of course, Mr. President, that is true of any question.

Mr. NORRIS. Yes.

Mr. SUTHERLAND. The Senate must pass upon it; but under the rules of the Senate—and very wise rules, I think—when a bill is introduced, depending upon its subject matter, it goes to a particular committee. Now, it seems to me that the subject matter of this bill is the question which I first stated in the proposition I propounded to the Senator, namely, whether or not Congress shall, before exercising its constitutional power, invite the opinion of the people at all. The Senator very well said a moment ago that if a joint resolution were introduced here declaring war against any country, that joint resolution, of course, would go to the Committee on Foreign Relations, because such a matter would very profoundly affect our foreign relations. Now this bill deals with that same subject matter. Before the Congress can——

Mr. NORRIS. No; not at all; I do not think so.

Mr. SUTHERLAND. Yes; this deals with the subject matter of war with a foreign country.

Mr. NORRIS. Oh, no; very indirectly it does; but the Senator, I think, is wrong when he says that this bill even indirectly is to determine whether we shall have war with any foreign country. It has nothing whatever to do with that; it seeks only to get the advice of the citizens of the country, and it provides a method by which that advice may be obtained, and uses the Bureau of the Census as the instrumentality.

Mr. SUTHERLAND. Exactly; it undertakes to provide a way by which Congress shall ascertain what is the sentiment of the people of the country with reference to declaring war against a particular foreign country——

Mr. NORRIS. Yes.

Mr. SUTHERLAND. Because it provides that its provisions shall only apply to a case where diplomatic relations have been severed. Therefore it deals with some particular country. The bill provides that—

> It shall be the duty of said director to ascertain and report to Congress, as provided in this act, the number of electors voting at an advisory election in each congressional district in the several States of the Union in favor and the number of such electors voting in opposition to a declaration of war against such foreign Government.

Evidently the purpose of ascertaining the opinion of the people respecting that is that it may have its influence upon Congress.

Mr. NORRIS. Yes; I think so.

Mr. SUTHERLAND. It is to influence the question as to whether we shall declare war.

Mr. NORRIS. Yes.

Mr. SUTHERLAND. So, after all, the fundamental, the vital, question involved in this bill is whether we shall first of all have the opinion of the people before acting on the question of a declaration of war.

Mr. NORRIS. If there were no modus operandi provided as to how that should be ascertained, if we were merely going to pass on the question as to whether we were going to get an advisory opinion from the citizens of this country on any question, war or anything else, why should such a proposition be referred to the Committee on Foreign Relations?

Mr. SUTHERLAND. That is a very pertinent inquiry.

Mr. NORRIS. They have nothing to do with it; they are not peculiarly adapted to consider the question as to whether or not Congress shall ascertain the opinion of the citizenship of the country; they have not any more jurisdiction over a proposition of that kind than has any other committee, nor as much, it seems to me.

Mr. LA FOLLETTE. Mr. President——

Mr. SUTHERLAND. If the Senator will permit me to answer the question, first——

Mr. LA FOLLETTE. Before the Senator answers it, just let me make a suggestion, if the Senator will permit me.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. Yes.

Mr. LA FOLLETTE. Is it not easily conceivable that the Committee on the Census might broaden the terms of this bill so as to provide for an expression from the qualified voters of the country upon any question relating to the public welfare?

Mr. NORRIS. It is.

Mr. LA FOLLETTE. Then surely it would remove any question as to the prerogatives of this special Committee on Foreign Relations.

Mr. NORRIS. Well, in my judgment, if a bill were introduced to get information on this or any other subject—it does not make any difference what; anything that you can conceive of—if it provided, as this bill does, that the instrumentality for ascertaining the information should be the Bureau of the Census, I think that bill ought to go to the Census Committee, just as much as this bill should go there, because it might pertain to something entirely different from a declaration of war.

Mr. SUTHERLAND. Now, may I answer the question which the Senator propounded, which is a very fair question?

Mr. NORRIS. Certainly.

Mr. SUTHERLAND. We are not dealing with some other bill. We are dealing with this bill; and this bill proposes that after diplomatic relations shall have been severed with any foreign government, there shall be a referendum to the people of the country to ascertain their opinion as to whether or not war shall be declared against that particular country. That is the vital subject with which this bill deals.

Mr. NORRIS. Yes.

Mr. SUTHERLAND. So that the question asked by the Senator from Nebraska is a very fair one.

Mr. STONE. Mr. President——

Mr. SUTHERLAND. Suppose the bill dealt with that question alone, and did not deal with the machinery. The Senator wanted to know why it should go to the Committee on Foreign Relations. Now, suppose that a resolution was introduced here which simply declared that it was the sense of the Senate that before war should be declared against a foreign country the opinion of the people of the United States should be ascertained. It seems to me that obviously a resolution of that kind would go to the Committee on Foreign Relations——

Mr. NORRIS. The answer to that——

Mr. SUTHERLAND. Wait a minute; I have not quite finished, if the Senator will permit me—because the subject matter of it is the question of war with a foreign country. The question presented by the resolution is whether or not we shall so far modify the action of Congress under the Constitution of the United States—which vests the war-making power in Congress—as to invite an advisory opinion of the people before Congress acts; but it deals with that question of war, and it deals with that constitutional power to declare war, and therefore, as I have said, deals in the most profound sense with our foreign relations; and I can conceive of no committee to which it could be appropriately referred except the Foreign Relations Committee. Of course, that is only a difference in the point of view of the Senator and myself.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. NORRIS. I want first to answer the question propounded by the Senator from Utah.

Mr. STONE. Mr. President——

Mr. NORRIS. I will yield to the Senator in just a moment. I want to refer to what the Senator has said.

I could use the Senator's own language and answer his suggestion. In answering a question of mine, he said: "We have this bill before us, and we must not take into consideration what might be in a bill." In answer to his question as to what we should do with a resolution which said that before we declared war it was the sense of Congress that we should submit the matter to a referendum vote, I will say that that is not the question before the Senate now. That is not the bill that is up for reference. It is an entirely different bill. This bill provides in detail for the operations of the Bureau of the Census. It has nothing to do with the State Department. Not even indirectly can they be interested in it.

Mr. SUTHERLAND. Mr. President——

Mr. NORRIS. Let me finish, now. I let the Senator finish his question.

It does not make any difference what the subject might be, if you provide in the bill for the detail of carrying it out. In this case, for instance, the State Department, as I said a while ago, would have nothing to do. They have not even an indirect interest in it. The question of taking a referendum vote before we pass on the tariff, before we pass on a public-buildings bill, before we pass on a currency bill, if the details of the bill are carried out, is something entirely different from the enactment of a tariff bill, from the enactment of a currency bill, or from the enactment of a public-buildings bill; and that is what this bill undertakes to do.

Why, we could have a bill providing for the raising of revenue by a tariff; it would be referred to the Senate Committee on Finance, and then it might have in it a whole lot of other incidental questions. It might have in it, and always does, legal questions of great importance that would perhaps, and in my judgment would, under the theory of the Senator from Utah, be referred to the Committee on the Judiciary.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. The Senator from Missouri [Mr. STONE] has twice addressed the Chair. Does the Senator from Nebraska yield to him?

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. STONE. I thank the Senator.

The matter before the Senate, of course, is merely one of correct procedure under the rules and practice of this body, and perhaps is far less important for the moment than matters of legislation pending. I wish to say to the Senate and to the Senator from Nebraska that I was permitted to call up this motion after the unfinished business had become the order of the Senate by the courtesy of the Senator from Alabama [Mr. BANKHEAD], and I stated to him that I did not suppose it would take over 20 or 30 minutes to dispose of it; but it seems now that there is likely to be a somewhat prolonged discussion.

I assume, as long as this motion is pending, that the Committee on the Census will await the action of this body. I should like now, if the Senator from Nebraska will consent, out of deference to the wish of the Senator from Alabama, who has charge of the bill which is the unfinished business—and

which he can call up anyhow, I imagine, under the rules—to lay aside for the time being this motion which I have called up, and to-morrow morning, during the morning hour, if I can, I will ask to take it up again.

Mr. NORRIS. I have no objection to that. I will say to the Senator that I was about through.

Mr. STONE. The Senator from Alabama has spoken to me just now, and he is anxious to go on with the good-roads bill. Recognizing and in a sense returning the courtesy he extended to me, I make this request, that the matter may be laid aside.

Mr. LODGE. I understand the Senator will call it up to-morrow in the morning hour?

Mr. STONE. I will call it up to-morrow in the morning hour.

GOOD ROADS.

Mr. BANKHEAD. I ask that the Senate may resume the consideration of the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.

The PRESIDING OFFICER. The pending question is upon the amendment of the Senator from Montana [Mr. WALSH] to the amendment of the committee.

Mr. SMOOT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Husting | Owen | Swanson |
| Bankhead | Johnson, Me. | Page | Taggart |
| Beckham | Johnson, S. Dak. | Phelan | Thomas |
| Borah | Jones | Pittman | Thompson |
| Brandegee | Kenyon | Poindexter | Tillman |
| Chamberlain | La Follette | Shafroth | Townsend |
| Clapp | Lane | Sheppard | Underwood |
| Culberson | Lee, Md. | Simmons | Vardaman |
| Cummins | Lodge | Smith, Ariz. | Walsh |
| Curtis | Martine, N. J. | Smith, Ga. | Warren |
| Fletcher | Myers | Smith, Md. | Works |
| Gallinger | Nelson | Smoot | |
| Gronna | Norris | Sterling | |
| Harding | Overman | Sutherland | |

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum of the Senate is present. The question is upon the amendment submitted by the Senator from Montana [Mr. WALSH] to the amendment of the committee.

Mr. TOWNSEND. Mr. President, I have been detained from the Senate on a conference committee during the discussion of this provision, and do not know, therefore, just exactly what has been said or what arguments have been advanced.

I trust, however, that this amendment will not prevail. This is a bill which has for its object a certain specific thing; and if we are going to load it up with the various amendments which have been offered, of course it is the best way to defeat it. I imagine that Senators who are opposed to good-roads legislation of this kind will support these amendments, although I have no doubt that the amendment has been offered and is supported by some in good faith.

I submit, however, that no one of the forest reservation States will get less than its proportionate share of whatever is appropriated under the original bill as presented by the Senate committee. Indeed, if we were to deal with exact equity, they are getting more than their share. There is an element which has not been discussed, but which to my mind has some merit. That is the question as to whether the States which pay the most toward the support of this bill, and will pay the most from the beginning, ought not to have that fact considered in apportioning the appropriation.

Suppose there entered into this as one of the elements for the distribution of the fund the amount of income or corporation tax that is paid by the various States. If that were included in the bill, Michigan and several other States would get much more money than they will get under the pending measure. In fact, applying that rule at the time, when the bill provides for the payment of the $25,000,000 in full, Michigan will pay something like a million dollars and get back something like $700,000.

But, Mr. President, this bill has been worked out with an idea of encouraging the building of good roads for the public good in all the States. The amendment provides that this money shall be paid back out of the forest products; yet I have sat here since I have been a Member of this body and have listened to Senators from the reservation States who insisted that the forest reservations were an expense to the Government; that they were not yielding any profit over and above expenses.

Mr. WORKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from California?

Mr. TOWNSEND. I yield.

Mr. WORKS. The Senator from Michigan is treating this bill as one intended to improve travel and as being in the interest of the States. I had supposed that from the alleged object of the bill, as contained in it, it was for the purpose of improving rural post roads in the interest of the Government. Now, if that be so, and that is the object of the bill, and is not a mere pretense, why should we stop to figure upon how much of the money one State or another will get?

Mr. TOWNSEND. I am not figuring upon that, Mr. President. I am simply answering suggestions that were made while I was in the Senate based on the question of equity. I have ignored it, and have stated clearly that I did not urge a reason which I thought had some merit—that the States which paid the most might get the most out of the appropriation. But I could have urged it with as good reason as supports this amendment.

I was saying, when interrupted by the Senator from California, that the charge has not been answered conclusively that this money will not be refunded to the Government, because, I repeat, the statements are on record here that these forest reservations are costing us more than we are getting out of them. I have not heard that denied. So that these States that are to get this gift without any contribution on the part of the State itself are getting this extra amount of money over and above what the other States not having forest reservations would obtain.

But, Mr. President, this question of roads through the forest reservations is one which should be submitted to and considered by the Committee on Agriculture. I will vote, if it is necessary, for money to build roads on the public domain through the forest reserves if it is found that they are necessary.

Mr. JONES and Mr. WALSH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Washington?

Mr. TOWNSEND. Yes.

Mr. JONES. The Committee on Public Lands has nothing to do with lands in forest reserves. The Agricultural Department has charge of roads, and they are therefore under the jurisdiction of the Committee on Agriculture and Forestry.

Mr. TOWNSEND. I understand that. I made a misstatement. I meant the Committee on Agriculture and Forestry if it has that matter in charge.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Montana?

Mr. TOWNSEND. I yield.

Mr. WALSH. I rose to make the same suggestion as that made by the Senator from Washington and to add that the bill under consideration originally went to the Agricultural Committee but was taken from that committee and sent to the Committee on Post Offices and Post Roads. If it had been left there this would be entirely appropriate, as would the other matters.

Mr. TOWNSEND. I think it would not be appropriate on a purely good-roads bill.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. TOWNSEND. I yield.

Mr. SMOOT. Just for the RECORD, I want to say that wherever lands within a forest reserve are legislated upon—that is, the disposition of those lands—the measure always goes to the Public Lands Committee, and that committee has always considered that class of legislation.

Mr. TOWNSEND. It makes no difference which committee it is, if it be the proper committee. If I made a misstatement as to the committee, I mean the proper committee that has this matter in charge. That is the committee which should consider the question of roads through the national forests.

I have a good deal of sympathy with these western Senators. I have been in their States. I know something about the amount of land that has been set aside for forest reservations, and I should like to have that question brought up and dealt with upon its merits. But I dislike very much, after having considered this road bill, to have it loaded down with a proposition of this kind, which may imperil it, and which may not pass through the House if you have this amendment on it. At any rate, I should like to have a report from the powers that have in charge the forest reservations as to their views upon the need of roads therein.

I say this because I am interested in this particular bill—a bill which has had careful consideration, and which stands a chance of becoming a law if we can pass it through the Senate without encumbering it with other provisions which have not been carefully considered, and which would bring up objections that might be fatal to its final passage.

Mr. NELSON. Mr. President, I am not at all unfriendly to this bill in its original form. I intend to vote for it whether this amendment is put on the bill or not. But there is no part of this entire road scheme, if you group the two together, both under the original bill and under this amendment, that is of such great importance to the people of the country, especially where forest reserves exist, as this amendment of the Senator from Montana.

We have in the northeastern corner of our State a forest reserve created a few years ago. Considerable settlements have been made in that part of the country by homesteaders; and when this forest reserve was created it was in two sections, leaving a strip, a sort of "no man's land," between the two wings of the forest reserve. In fact, the forest reserve up there is like a pair of goggles, and the poor settlers who are inside of that area of land are practically marooned. They have no way of getting out.

In the State of Minnesota public roads are built by the township and county authorities. The State does not build any roads. The State appropriates a small amount of money to aid in the building of roads, but the building of roads is done either by the townships, the towns—we have town government in Minnesota—or by the counties, and they are utterly helpless. They can not invade a forest reserve and build a road there. The counties can not go to a forest reserve and build a road through there. Moreover, the forest reserves up in that part of the country are covered with timber and a dense growth of underbrush, so that it is almost impossible to go through a foot of them.

For four years I have been trying to get a bill passed by Congress providing for the construction of a road from the shore of Lake Superior through a forest reserve, so as to reach those marooned settlers on the interior to whom I have referred. The forest reserve is within a few miles of the shores of Lake Superior. I have not been able, however, to get a favorable report or to get any action. I reintroduced the same bill at this session, hoping to secure something for the building of a road, in cooperation with the towns and counties, into that forest reserve, and what was the result? The department sent back a letter—I think the Senator from Montana has the letter—stating that they were opposed to my bill, but that they favored legislation exactly like the amendment which the Senator from Montana has offered. Practically that amendment has been recommended by the Agricultural Department, and if roads are a necessity anywhere, they are needed under such conditions as prevail in the State of Minnesota.

It is idle to talk about this amendment not being germane to the bill. What did you do here a short time ago? You attached a provision for a nitrate plant to an Army bill. You attached to a bill for increasing our Army a water-power bill, a nitrate bill; and, pray, why is it not as much a necessity and as germane to attach to a road bill a bill for roads through forest reserves to aid marooned settlers in getting out?

I am surprised at the statement that it will imperil the bill if we put on this amendment. I take it that the Members of the House, when this question is presented to them, will look at it in the same light that we look at it—that it is of as much importance to get roads through these forest reserves as it is to build little sections of automobile roads here and there through the country.

That is all there is to it, and I sincerely trust that all those who are friendly to the poor settlers who are marooned in forest reserves will vote for this amendment and give us that relief. I am actuated by no hostility to the original bill. I am simply in favor of this amendment because I regard it as one of prime necessity. Whether the amendment is adopted or not, I intend to vote for the original bill, and it is not in hostility to that bill that I am supporting the amendment.

Mr. BANKHEAD. Mr. President, I assume that the Senator from Minnesota is in favor of this amendment because he has a national forest reserve or an Indian reservation in his State. My information also is that that reservation consists of about a million acres, and under the provisions of this bill the Senator's State gets $2,191,000. It seems to me that after the great effort made on the part of the committee to frame the bill so as to do justice and equity and be fair with every State in the Union and every section of the country, Senators ought to be satisfied with its provisions.

Mr. SMITH of Arizona. Mr. President, as much as I dislike to say anything or do anything which the Senator having charge of this bill may feel retards its speedy passage here or hampers its course through the other House, I can not in the circumstances refrain from supporting the amendment of the Senator from Montana [Mr. WALSH]. No Senator here is more deeply interested than I in seeing that proper aid is extended by the Federal Government to the cause of good roads, better highways in the respective States. The bill now before us is as fair, to the extent it goes, as we can reasonably expect at this session of Congress, especially when the amendment now pending is placed within its provisions. That the proposed amendment will improve the bill by more nearly equalizing its beneficence and at the same time impose in a very slight degree the performance of a duty on the part of the General Government to the public-land States which has been long and scandalously neglected to the injury of those States and the destruction of vast resources belonging to the United States.

The injury to the Western States arises from the boundless reservation of lands from State use, which is now doing no one any good, and costs more for administration than it returns to the Treasury. And this condition will obtain until proper roads and trails are provided whereby the ripe and dying trees may be sawed and transported to market. These roads and trails will also afford the only means of successfully fighting forest fires, which yearly consume more merchantable stumpage than reaches the market in lumber shape in 10 years. Yet we call this conservation of our natural resources. We can never even fortify ourselves against this criminal waste until we devise a means of getting into the forest to cut the overripe and dying trees, thus preventing in a large degree those fire traps and tinder beds caused by fallen and decayed trunks and intermingled branches inviting a spark from a vagrant pipe or a stroke of lightning, to start at once a conflagration that reigns at will over valley and mountain peak and ceases not its mad rule as long as anything destructible lies within its relentless grasp. Yes, this is real modern, up-to-date conservation of our national resources. And the Federal Treasury pays out $2,000,000 a year, above all income derived from the forests, to keep this miserable business going. The amendment now before us looks toward a sensible reform. It proposes to prevent this destruction and waste as far as it can. Roads and trails will help the fire fighters meet the danger of great conflagrations at the start. Roads will make the dangerous timber accessible to the ax and a willing market. The market will produce an income oversufficient to meet the cost of road construction.

If these forests belonged to the States, instead of the National Government, they would to-day be yielding not only a rich income to be applied to State fiscal needs, but the forests would be in fact conserved, by cutting only the ripened trees and giving the young growth the sunlight necessary to its health and swift maturity. The States would build, because it could afford to build the roads. The States would protect the forests because they could not afford to ruin them. We live in the glory of a new day. With enlightened vision we behold the future, without forgetting the tempering lessons of the past. The States are not bent on self-destruction. They are not seeking ways to find bankruptcy. The States have learned as fast as Congress has—the public-land States much faster. These States are more interested, for the problem is at their fireside every day in the year. When will you representatives of Eastern States listen to the voice of justice and consanguinity? If you insist on keeping these vast reservations free from any use by the State, you must furnish the money to build proper roads through them and not impose any part of the expense on the States. We are compelled to police these reservations, yet we can not tax them. We see millions of property going to waste yet we have no power, nay, we have no right, to protect or care for it. We could not build a road or trail through one of them even to connect two important settlements needing each other's products without obtaining the consent of and submitting to the direction of some Government official. But, Mr. President, if we were willing to build such roads the Government—Congress—has put our ability to do it out of the question. Take my own State, Arizona, as a striking example of your wise and beneficent legislation. Forest reservations, extending often over lands on which no tree ever did or ever will grow; Indian reservations, often including lands never occupied and which never will be occupied by any Indian on earth; military reservations, some of them abandoned but not returned to the public domain—these constitute nearly half the area of my State and hold within their borders four-fifths of the really valuable land.

A new Indian reservation of a couple or so million of acres has just been created, and every water-power site—our own

water mind you—has been humanely withheld from our impious hands. The balance left the cities, towns, irrigated districts of small extent, live stock, and the mines must afford from taxes funds to meet the enormous but essential expense attending State, county, and municipal governments. In the face of these facts you hesistate to relieve in the slightest degree the disgraceful situation which your blindness has imposed. A picture often shows a true condition that words however adequate can not reveal.

Look at this map of Arizona [exhibiting], on which I have had the reservations in Arizona plainly painted in colors which catch the eye, so that a glance will show not only the reserved lands but the lands unreserved as well. Turn from this horrid picture to the uncolored and unmarred face of the maps of Indiana, Illinois, Ohio, Michigan, Wisconsin, Kansas, and imagine, if you can, where those States would stand now if in an earlier day the new conservation had been born, and they had contributed a like amount of their birthright to its shortsighted and insatiate zeal. When wisdom shall find a home in the brain and justice an abiding place in the hearts of our national representatives, then, and not till then, will these vast areas be returned to the States in which they are located, and contribute, as they should contribute, to the wealth, prosperity, and happiness of the people, who have undergone unspeakable trials, endured merciless hardships, in laying the foundation of a great State, never dreaming that those boundless resources about them were soon to be withdrawn from their use and dedicated to the General Government—to waste, to destruction.

An early decision of our Supreme Court (Shively *v.* Bolby, 152 U. S.) held, or at least said in effect, that the lands in the Territories were held by the General Government in trust for the people who should constitute the State when ultimately formed. That this was the original purpose is amply shown in the history of the States first admitted and in the liberal, humane homestead law under which nearly all the agricultural lands were settled. But it is needless to go further into this question now. What I have said, aside from advocacy of this bill, has been to set forth facts showing the propriety and justice of the amendment, which proposes an advance of $6,000,000 to construct roads in Government reservations. The sum is vastly inadequate, but the optimism of western spirit will keep on struggling and despond not, while hoping that a day is coming soon when some measure of justice will to equal extent relieve the burden which your mistaken policy has imposed on the States recently admitted to the Union. I can not, Senators, resume my seat without uttering the protest of the young, strong, virile, hopeful West against being longer mothered at the unyielding breast of experimental theory.

Mr. SWANSON. Mr. President, I have listened to the Senator from Arizona [Mr. SMITH] with a great deal of interest. I do not think there ever was a bill prepared with more liberality to the West than this bill. This bill as it came from the House divided the money according to population and rural and star routes. Star routes and rural-delivery routes are usually fixed according to population. We thought it was an element of justice to include the area of all the States, including public lands, State lands, and all in the division, and that that is taking care of the situation generously in all the States that have forest reservations.

Now, let us see what is done under this bill in the State of Arizona and the State of Alabama. The chairman of the committee and of the subcommittee that prepared the bill so framed it that under the bill every man, woman, and child in Arizona gets $5.20 per capita to aid road development in that State. Under the bill Alabama will get about 80 cents per capita, and the same proportion will exist with the other States. There has never been a bill prepared which is more generous to the Western States with that condition than this bill.

The other House has refused repeatedly to include area in any division that comes out of the Treasury for the construction of public roads, but in addition to that, what will the States of Arizona and Montana get? In addition to that, enough for road construction that they complain of, they get 10 per cent of lands that are sold in the forest reserves to keep up the trails.

It seems to me that this is a bill that these gentlemen ought to acquiesce in. It seems to me that it is just and fair. Montana gets about five times as much money as Alabama, $4.40 per capita. Every man, woman, and child in Montana under the bill will get out of the Public Treasury $4.40 per capita to aid in road development and to aid in transportation facilities. Yet Alabama, the State of the chairman of the committee, gets only 80 cents per capita. It is supposed that money more or less gets into the Treasury according to the per capita population.

There has been a great deal of difficulty in getting the House ever to consent that there should be a division of this kind. We thought and we believed and we are satisfied that the bill generously takes care of the situation in connection with the forest reserves.

If the forest reserves do not pay enough, if 10 per cent more ought to be paid, that is another question, and it ought not to be projected into this bill. This amendment does not recognize the injustice of the present law but it asks the Federal Treasury to advance money for what they get from the forest reserves, 10 per cent, and let roads be built there earlier than they are built in the other sections of the country. It extends credit to certain sections to build roads earlier than where there are immense areas with thick population.

I hope the gentlemen from the Western States like Arizona and Montana, considering the generous provisions of the bill, will acquiesce in it. You are going to have great difficulty in getting the House to accept it. When we prepared the bill in subcommittee, and also in the full committee, contentions were made that it was not fair to certain States; that States of the character described by the Senator from Arizona were treated with too much generosity and received too much. It seems to me that they have been treated with generosity and ought to be satisfied with the provisions of the bill.

I think this bill is just; I think it is fair. We thought as it was done to develop the new parts of the country there was an element of justice in it from the fact that we included the forest reserves and the Government reserves to get this pro rata part of the money. I hope gentlemen will not embarrass the bill and these States in their development by insisting on this amendment, which would be a subject of long contention with the House and the sections that think that this is already too generous a measure in its provisions.

Mr. BORAH. Mr. President, I have already spoken briefly upon this amendment and I am not going to detain the Senate long.

The Senate has been listening for the last seven or eight years, ever since the forest reservations were created and these large withdrawals were made, to the complaints of those who represent the Western States. Manifestly, Mr. President, we would not come here season after season and year after year presenting this condition of affairs if it were not vital, if it were not such a condition as impels us to present it and represent it to the Senate of the United States. It is no pastime affair—it is a task of much moment to us.

We have secured some relief in the last few years, and we feel that we have secured it by constantly presenting this matter to the Senate, feeling that when the Senate understands the situation as it is, knows the facts as they exist, we will get the relief to which we are entitled; that it is not by reason of the desire of any part of the country to really oppress or hold back or retard the development of another part, but that it is by reason of the fact that unfortunately no one can know what the real condition is unless he comes and lives with us and among us. We can only inadequately present it to you. To know the situation as it is in fact you must be a part of that situation. Neither facts nor figures nor excursions even can make it known to you in all its bearings, in all its burdens and discouragements.

Mr. President, the Senator from Michigan [Mr. TOWNSEND] was of the opinion that the amendment is not germane to this bill. The bill is providing for a public-road system and appropriations for aid to States in building public roads. If we were in the same situation that you are in the Eastern States, of course, this amendment would not be here. It is here by reason of a condition of affairs which this bill does not, as it is now made, fit. But, based upon our conditions as contradistinguished from yours, it is not only germane but essential to meet the equities of the problem.

You may think that by including the area of the State, and we appreciate that fact, you have met the situation fully, but you have not met the situation fully, because it is not alone a question of area, but it is the burden upon the State which that area in its idle condition imposes upon the State that makes it necessary for us to represent this question under a different form.

Mr. President, these forest reserves not only have the effect of preventing taxation, and thereby embarrassing us in raising our money by which to keep up our portion of this expense when the roads are built, but there is another feature to the forest reserves which I am sure the Senate of the United States does not fully appreciate, and that is that those forest reserves as

they are maintained are a menace to every piece of property in the States where they exist. The forest reserves in those States, without more thorough equipment and means for taking care of them as against fire, without a better method of preserving them against these accidents, are a distinct menace in every way to our homes, to the property which is situated in any part of the State, because every Senator must know on reflection that when those forest fires break out and rage for a few days in a forest the distance which they go into the settled community is great, and greater injury has been done than it would be possible for me to portray in those parts of the State where really no forests exist, a long way from a real forest reservation. The fires break out and, sweeping beyond the forests, go into the villages and grain fields, and the injury is almost incalculable.

There is only one way by which we can take care of these forests as against fire, and that is to have them properly intersected with roads. There is no other means, so they tell me, and it looks reasonable to a lay mind, by which you can with any reasonable degree protect against those conditions. Roads you must have and trails and methods and means of quick access to different parts of the reserves in order to protect against the spread of fire. The roads are not there now. They have only been begun, and in a most imperfect way have they been extended. The means of protecting us against fire is not there now.

It is not only for our interest and greatly to our advantage, but it is also to the interest of the Government and greatly to the advantage of the Government that these roads should be built for the preservation of these vast estates which belong to the Government.

We did not create these forest reserves. It is not a condition of our own making that we are asking to be relieved against. It is not a folly, if it be a folly, which we created and ask to be protected against. You good people in the East put these forest reserves on us. Now, will you not take care of them? These are your creations. You started the propaganda and voted the leases and issued the proclamations not by our request, but out of your own abundant wisdom and benevolence. Now, will you permit your handiwork to perish, to be destroyed, or will you take care of them?

Mr. OVERMAN. How did the people of the East put the forest reservations on you? I do not understand the Senator.

Mr. BORAH. By eastern Presidents creating reservations and then Congress voting to keep them, and constantly voting against all relief even to the simple and unjust proposition of excluding the agricultural lands.

Mr. OVERMAN. It was done by the Presidents of the United States.

Mr. BORAH. Unfortunately we have not had any President from the West yet.

Mr. WALSH. The condition may be soon remedied, however.

Mr. BORAH. Mr. President, what I mean is this: Those of us—the Senator from Montana and the Senator from Oregon and the Senator from Arizona will bear me out—when we have asked for relief against these conditions in these Western States find an insuperable obstacle in the great number of votes which line up in the Eastern States against us. They take an entirely different view of the conservation question from what we do. I am not going to argue now whether they are right or whether we are right; but they take the view which leads them to cast their votes against any practical relief.

It has been asked what shall we do with reference to these forest reserves? It would seem, Mr. President, that a forest reserve ought not to have agricultural land within its boundaries; and it would seem that anyone anywhere throughout the United States would be willing to vote to eliminate the agricultural land from a forest reserve; and yet I say, without fear of successful contradiction, that there are millions of acres of the forest reserves which are as good agricultural lands as lie outdoors.

I also invite you to consider the fact that in the five years preceding the breaking out of the European war we lost over a hundred thousand settlers during each and every one of those five years, who went into Canada to select farm lands upon which to make their homes. We not only lost the citizens, the best sinew and brain and brawn of the land; we not only lost the wealth which went with them, but we are permitted to have nothing in their place, except the idle and untaxed lands, while if we were permitted to settle our lands we would have these men there as taxpayers and as supporters of the Government, to help build up our educational institutions, to maintain our courts, and to enforce our laws.

Mr. President, with other Members from the West, I have endeavored to get these agricultural lands eliminated, but as soon as the campaign is started here in the Senate or in the House of Representatives there begins a propaganda against their elimination. The story is circulated that it is for the purpose of land-grabbing, and of this and that. The result is that the bills for the purpose die, and hundreds and thousands of acres of tillable agricultural lands remain in forest reserves.

If you will take out of the forest reserves the real agricultural lands, you will hear very little complaint from the State of Idaho as to the forest reserves; and I maintain, sir, that until you do that, so long as you retain these vast areas there, it is your solemn, bounden duty to vote money to preserve them from destruction.

My friends, the argument which is made by conservationists in the East is to the effect that you own these lands. I heard the Senator from North Carolina say one night here in a discussion that these lands belonged to all the people throughout the United States. If so, we are asking you to-day to appropriate sufficient money to preserve from destruction the property which you own. I would be willing to submit this amendment to Mr. Secretary Lane or to Mr. Secretary Houston or to the Chief of the Bureau of Forestry or to anyone else who is familiar with the matter; and if they did not say that the amendment was essential and vital to the preservation of these lands and of this estate, I would be willing to modify my position in regard to it.

Mr. OVERMAN. Mr. President, if the Senator from Idaho will yield to me——

Mr. BORAH. Yes.

Mr. OVERMAN. The question has never been submitted to the Senate as to whether they will give to the States these forest lands. I have never had an opportunity to vote on the question. I am in favor of giving these lands to the States; but the Western people have never given us an opportunity to vote on the question; they have never seemed to press a bill of that kind of which I have any recollection.

Mr. BORAH. Mr. President, at some time within the next few days I am going to gather up the amendments to bills which have been presented here from time to time for the relief of the situation in the West.

Mr. OVERMAN. There have been amendments offered to certain bills, but the straight proposition has never been put up to the Senate, as I recollect.

Mr. BANKHEAD. Mr. President, I want to ask the Senator from Idaho how much money is now annually appropriated from the Treasury for the preservation of the forest reserves and what part of it is appropriated for the building of trails? Then I want to ask him the further question—and he may answer both—suppose you have roads through the forest reserves, what benefit would the citizens of the State of Idaho receive from those roads?

Mr. BORAH. Oh, Mr. President, the benefit would be incalculable.

Mr. BANKHEAD. Wait a minute until I get through with my question. In the first place, agricultural lands included in these reservations are not subject to homestead entry; so there are no homes there.

Mr. BORAH. I did not catch the Senator's suggestion.

Mr. BANKHEAD. I say the agricultural lands in these reserves to which the Senator has so eloquently referred as being the "best out of doors," are not subject to homestead entry, but belong to the Government, and are in a reserve. The timber all belongs to the Government, and that can not be cut and used. I am, therefore, at a loss to understand what great benefit the State of Idaho would receive from the appropriation proposed in the amendment.

Mr. BORAH. Well, Mr. President, there was an illustration given by the Senator from Minnesota a few moments ago as to the situation in that State. When I was at home last summer I had this proposition presented to me, and I presume that there are dozens of them throughout the country. Here was what was known as Smith prairie, in my State, a large, rich valley, which was being thickly settled and well developed. The people living there, by reason of the forest reserves between them and the town where they do their trading, and by reason of the fact that there were no roads through the forest reserves, were practically marooned. They had to travel from 75 to 100 miles to get to their trading points, whereas, if there had been roads through the forests which lie between the two places, they could have gotten there within 35 or 40 miles. Those inconveniences exist all through that country, and they retard development; they discourage development. Not only is development discouraged by reason of the regulations which exist with reference to the taking of title in forest reserves, but a man does not like to go and locate even in a desirable place, so far as the fertility of the soil is concerned, if he is going to be cut off indefinitely and interminably from the

point of civilization, as it were, or the point where he must trade.

If the practical Senator from Alabama would come to the State of Idaho and spend the next 60 days after this session adjourns, and go among those who are settled in those places, and see the hardships and the burdens they have to carry, he would understand, far better than I can convey to him in my inadequate way, the discouragement and the burden to the State having such a vast area with no way to pass over it.

Mr. BANKHEAD. Mr. President, I authorize the Senator from Idaho to pay my compliments to the people of that State, and to say to them for me that I am ready at any time to vote to relieve that situation if the Senator from Idaho will bring a bill into the Senate for that purpose.

Mr. BORAH. Mr. President, I think that the Senator from Alabama means just precisely what he says. I have no doubt but that he would vote for such a bill; I have not a particle of doubt that if such a bill were here and had to pass through the Congress of the United States the Senator and I would both have passed beyond the Jordan before it would get through. We know what we are up against.

Mr. BANKHEAD. I do not see how the Senator from Idaho can know that; he has never tried.

Mr. SMITH of Arizona. We can not get such a bill out of committee.

Mr. BORAH. I have offered this proposition upon the floor of the Senate in the shape of amendments, and I have had it defeated. Such propositions are lying in committees, and they die in committees.

Mr. BANKHEAD. I do not remember that.

Mr. BORAH. Mr. President, I have had pending before this body and before the other body for the last three years a most just, equitable, and fair amendment to the homestead law, to enable the homesteader to get title to his land, and under conditions in which he could get it and live, but the bill is as dead as is Julius Cæsar. The same senseless tirade is made in certain quarters that it is to make land grabbing easy, and timid legislators listen and let it die in committee.

Mr. BANKHEAD. The bill is still in committee, is it not?

Mr. BORAH. It is in a committee of a body of which I am not permitted to speak.

Mr. BANKHEAD. I would suggest that that committee is made up of friends of the measure, who are almost exclusively from the States interested, and they ought to bring it out.

Mr. BORAH. The bill is now, I say, in a committee of the other House, and has been there for over two years.

Do not forget, for instance, that the great State of New York has, I think, about 39 Representatives, while the State of Idaho, the State of Montana, the State of Washington, and these other Western States have not, all combined, as many Representatives in that House as has the State of New York; and ordinarily, if you canvass the State of New York, you will find—I am merely taking that State as an illustration—their sentiment to be against what they universally speak of as making it easy for us in the West to grab more lands. Mr. President, sympathy does not do us any good. We can not get the votes.

The Senator from Montana [Mr. WALSH] has offered this proposition as an amendment instead of as a bill. Why? We never have had any relief here practically except as we could work it in the way of amendments. It is practically impossible to get relief by a bill standing separate and apart, or resting upon its own bottom, as it were; it is practically impossible for us to get relief unless it be associated with those matters in which your people are interested. Why? Nobody is deeply concerned in the proposition except those who represent seven or eight Western States; others do not appreciate it.

I wish the Senator from Alabama could see his way clear to accept this amendment. I presume that he thinks he ought not to do so in the interest of his bill; but I feel he could do so in the interest of justice. I know it is just and fair. It helps the people, but it helps the Government property more. It is spending a few million dollars where many times that amount of property may be destroyed because of inadequate protection—the protection which this amendment would help to give.

Mr. WALSH. Mr. President, I am very glad the Senator from Virginia [Mr. SWANSON] has returned to the Chamber, because I desire to assure him, and to assure the chairman of the Committee on Post Offices and Post Roads, that we do not feel at all that we have been treated badly and that we have not been given proper consideration by the committee. It was a favorable idea that seized the committee to take into consideration the area of the various States, as well as the two other elements considered by them, as a basis for the distribution of this fund among the various States, and in the aggregate the amount that comes to us, as a matter of course, is larger in proportion to our area; but you must bear in mind that if the State is larger the appropriation will spread out and will be a good deal thinner than it is in the small States. Our State is 700 miles from east to west. It takes 24 hours to cross it, riding upon a transcontinental train going at the rate of 25 miles an hour on an average, and crossing the mountain ranges besides. It is nearly 400 miles in width. So we have considerable territory through which to build roads.

Mr. President, area, I think, is a very proper element to be taken into consideration in the distribution of this fund, and we have no fault to find with the committee. The point that we are making here, Mr. President, is that we introduce a consideration which the committee never thought of at all. It never entered into their computations that there were peculiar conditions existing in these States by reason of the fact that the Government holds great reserves within them.

Mr. President, the Senators are all wrong in the assumption that the condition to which we now invite their attention is taken care of by that feature of the bill which makes a distribution of one-third of this fund upon the basis of the area of the respective States. That is a condition that pertains to all the States. For purposes of illustration, the State of Missouri has practically the same area as the State of Idaho. Missouri gets credit for her great area; Idaho gets credit for her area. They stand upon an equal footing with respect to that. The great State of Alabama has an area something like six times that of the State represented by the distinguished statesman [Mr. GALLINGER in the chair] who for the time presides over this body, and in the distribution of one-third the State of Alabama will get six times as much as will the State of New Hampshire. In other words, Mr. President, this distribution upon the basis of area is one which all States get the benefit of or suffer the disadvantage of in proportion to their aggregate area.

But here is another element that enters into the general problem. In certain States, for instance in the State of Missouri, there are no forest reserves. The United States owns no great bodies of timber in that State maturing from day to day, decaying from day to day, dying from day to day, the mast and everything else affording a basis for the scattering of great forest fires. I saw last summer in the Glacier National Park one of the most astounding spectacles that I ever witnessed. It was just nightfall; a storm was coming on; the lightning struck a tree at the summit of a mountain, and at once the whole area was a great blaze. The dead timber caught fire; the flames shot clear to the sky, and lit up the whole area around. Fortunately the rain came and the fire was put out. That is the condition we have in the West, and that is a peril to the homes and the lives of the settlers upon the border of and within these great reserves. They become a peril to the land held in private ownership in the immediate vicinity.

These are great resources. We want them utilized. They are preserved that they may be utilized and be of value to the general community and the people of the country at large, and we say to you that here is an element quite separate and apart from area that you have overlooked, and we invite your attention to it now. We say that those States which have forest reserves within their boundaries that ought to be penetrated by roads for the convenience of the community, as well as for the preservation of the property rights of the Government, ought to be taken care of by appropriate provision in this bill. I have no doubt in the world that the idea was not considered by the committee. I entertain no doubt that if it had been they would have speedily recognized that here is a new and distinct element.

I desire to say a word now with reference to the suggestion made by the Senator from Michigan [Mr. TOWNSEND] that the distribution ought to be based, to some extent at least, on the contribution that each State makes to the General Treasury. Of course that is a consideration quite separate and apart from the one that is addressed to the Senate upon the amendment which has been tendered by me; but it has been a troublesome question ever since the formation of our Government. It was contended very stoutly that representation in some way or other ought to be had in the General Government upon the basis of wealth and of contribution to the national revenues by the States respectively, but that idea was rejected, and I believe it has never had a very honored place in our legislation.

Mr. President, the Senator from Alabama [Mr. BANKHEAD] is, I am very sure, laboring under a very mistaken impression concerning the significance and importance of roads through the forest reserves. He entertains the idea that such roads traverse a wilderness; that there may be here and there, and at distances considerably remote from each other, a homestead claim, or possibly a mining claim or two, but that the remainder of the

country is one of unbroken wilderness, and that these roads will serve no purpose except to afford accommodations to a few scattered people. Why, Mr. President, the situation is quite the contrary of that. I called your attention the other day to two great roads built through the forest reserves in my State last year under the provision of the general act setting apart 10 per cent of the receipts of the forest reserves for road-building purposes, and which we are simply endeavoring to anticipate by this bill—the Libby-Troy Road and the Big Horn-Bitter Root Road. The Libby-Troy Road is a part of a great transcontinental highway, connecting the rich valleys in the State of Washington and Oregon with the equally rich valleys in our State. Why, Mr. President, I wish I had the figures here telling of the automobile travel over that road during the past year. It is but a link between two great, populous sections, separated and segregated by the intervening forests. So it is with the Big Horn-Bitter Root Road. These are two valleys for productiveness and fertility perhaps unsurpassed by anything in the Northwest. In order to reach the adjacent territory it would become necessary to make a circuitous route by rail at least 300 miles in distance, while 30 miles of road constructed between those two great valleys permits an interchange of the products and commodities of each with the other and permits traffic there.

Mr. President, I want to call your attention to another road. My own county of Lewis and Clark last year spent a large amount of money, something like $12,000, in the construction of 5 miles of road through the Helena Forest in my county. Something over $12,000 was spent on 5 miles of it, Mr. President, through a forest reserve, connecting the rich, productive valley of the Prickly Pear, in which I live, with the equally rich and productive Deer Lodge Valley, upon the other side of the main ridge. More than that, Mr. President, this highway affords an easy access now from one side of the range to the other.

It is not an easy task to build a road over the backbone of the continent, across the great Rocky Mountains; and our little county and the adjacent county of Deer Lodge have undertaken and paid for that work, and have built a road to the character of which I desire to invite your attention. I have here a letter which our county commissioners addressed to the forest supervisor asking whether it was not just and right that the Government of the United States should bear one-half of the cost of that road? The letter is as follows:

HELENA, MONT., *December 16, 1915.*

Mr. J. B. SEELEY,
*Superintendent United States Forestry Service,*
*Helena, Mont.*

DEAR SIR: Lewis and Clark County has built a public highway through the Helena Forest Reserve, as shown on map herewith attached. This is a standard roadway 30 feet wide, and all timber has been removed therefrom. The average width of the road is 20 feet, and wider at the turns. Considering the great benefit this highway is to the forest reserve as well as the general public, it would seem only fair that the forest reserve should bear their portion of the cost.

We call your attention to the donation of a thousand dollars made to this county for the upkeep of this highway by Col. A. A. White, of St. Paul, whose engineer pronounced this highway one of the best in the western country and the cost of building very much below the general average for work of a similar character.

We solicit inspection and a full investigation of the work done, and do hereby most respectfully petition the United States Government to reimburse this county in such amount as you may determine would be a fair proportion of the amount expended.

You will note the distance from the Powell County line through the forest reserve is 4.6 miles, which cost the county $2,777 per mile, making a total cost of $12,774.20.

Respectfully submitted.

———— ————, *Chairman.*

To this the forest supervisor was obliged to say that he had no funds with which to make any reimbursement to the county for the expenditure thus made, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE, DISTRICT 1,
*December 22, 1915.*

Mr. C. C. COVINGTON,
*Chairman Board of County Commissioners,*
*Lewis and Clark County, Helena, Mont.*

DEAR SIR: Your letter dated December 16 addressed to Supervisor Seely has been referred to this office for reply.

This office has previously been advised of the excellent piece of road work constructed by Lewis and Clark County during the past season, through Priest Pass, and traversing for a part of the distance the Helena National Forest. The completion of this road is important and a long-needed improvement. It is regretted, however, that under the circumstances this department will be unable to comply with your request and bear a portion of the cost by reimbursing the county. Aside from the legal difficulties which would render such a procedure impossible, administrative policies would prevent our cooperation on such a basis. The small amount of funds available to the Forest Service for road-building purposes is derived from an act of Congress which returns 10 per cent of the national forest receipts to the Forest Service for the construction of roads. The total amount available from this source for the whole State of Montana from the receipts of the fiscal year ending June 30 last was only slightly over $30,000. In expending such funds a program is outlined several years in advance. Complete location surveys and plans must be made under the direction of engineers in this department. These plans are approved at Washington, and the construction work then carried out the following field season under Government supervision. In view of such circumstances you will appreciate that assistance on the Priest Pass road upon the basis you suggest is not practicable.

Very truly, yours,

R. H. RUTLEDGE,
*Acting District Forester.*

That is the situation of affairs.

Mr. President, it is only at rare places, among other considerations, that you can find a pass through which a road can be constructed connecting one side of the mountain with the other. About 11 miles north of where this road is constructed through a very low pass, the Northern Pacific Railroad crosses through another pass; but it is rather high and inaccessible, and, although there is a road through there, it is one that is exceedingly difficult to travel, and heavy loads and rapid transportation are absolutely forbidden. Then, Mr. President, from that point on to the international boundary line, some 200 miles farther—and let me ask you to have it in mind in case military operations should be required in that section of the country—for 200 miles it is utterly impossible to cross that great mountain range by any road at all. There is not any.

So, Mr. President, our little county is entitled to credit and to the gratitude of the Nation, considering nothing further than the public defense, by the construction of this road, that will permit easy access from one side of the mountains to the other. It is that condition of affairs that we ask you to take into consideration in connection with this bill; and there need not be any fear either that these roads will not be well constructed. The good-roads spirit is abroad in all that country. They are anxious to have these roads.

Let me speak of another. For the purpose of illustrating that these roads are not in remote sections where travel would be inconsequential, but that they open up great regions and permit them to have intercourse with each other, I will say that I am asking the Forest Service to take up the construction of a road up the Stillwater River. If constructed it will open up an enormously rich mountain section that is now practically unproductive because it is inaccessible. Not only that but it will give an additional automobile opening into the Yellowstone National Park, and will connect a rich and productive agricultural valley with the mining region to which I have adverted, and give an opportunity for the sale of produce; and at the same time it will open up a great area of timber that will be utilized in the mining operations and in the general development of the country that is going on.

You will observe, as stated here, that the law now provides that 10 per cent of every dollar that comes out of these forest reserves from the sale of timber and from allowing cattle to graze within the ranges is set aside and is used for the construction of these roads. We are simply asking to permit the avails from these forest reserves to be anticipated, so that in the stead of $250,000 a year for the construction of these roads we shall have a million dollars a year, and thus open up these resources, so that the avails will be increased, they to be returned from time to time until these appropriations are reimbursed to the Federal Treasury.

I believe that we are asking nothing but that which the great Congress of the United States ought to do, not for us, but for the preservation of their own property.

Mr. VARDAMAN. Mr. President, I am exceedingly desirous that this bill shall be passed, because I think great good will result from legislation of this character. I believe a dollar judiciously invested in good roads—a road that leads to the happy country home—will bring larger returns to the American people—all the people—than a dollar invested in any other way. It is utterly impossible to develop any part of this Republic without adding to the total wealth of the American people. You can not give prosperity and happiness to others without yourself enjoying a larger measure of happiness and prosperity than you give to others. Every home which is constructed and maintained, every field that is cleared and put under the plow, adds materially to the wealth of the Republic in more ways than one. I believe that the country home is the enduring foundation upon which free American institutions rest.

I think the real strength of this Republic depends more largely upon the character of the men who till the soil than it does upon any other class of our citizens. The products of their hands feed and clothe the world. The purity of their lives, their lofty, moral ideals, and their unselfish patriotism make them the great dynamo which vitalizes, inspires, and impels to proper effort the whole body politic. To me, one of the discouraging signs revealed by the recent census is the fact that 51 per cent of our population to-day live in the urban

districts. I hope that I may never take so narrow a view of the function which I am to perform in this Government as a Member of this body as would lead me to be controlled in casting my vote solely by the pecuniary profits which may flow from my action to my immediate constituency, the men who elect me to serve them here. I can serve Mississippi best when my vote adds to the prosperity and happiness of the people of every other State as well as my own.

In the realm of real patriotism there is no partisanship, and the man who is worthy of the people who elect him to membership in this body will not prostitute the functions of his place to serve partisan ends or promote personal advantage. The amendment proposed by the Senator from Montana [Mr. WALSH] appeals to me. It contains merit, and I have been trying to discover some reason why I should not support it. I do not like to differ from the able and prudent chairman of the Post Offices and Post Roads Committee, the senior Senator from Alabama [Mr. BANKHEAD], who is in charge of the bill. The only excuse I have been able to discover for not voting for the amendment other than the one assigned is that it may cause some Senator to vote against the bill and probably defeat its passage. Now, I do not want to do anything that will hinder or delay its passage through this body. I want it to become law; but I believe it is wise economy for the Congress to conserve, to protect the interests of the United States in these Western States, whose conditions have been so graphically and vividly described by the able Senators from those States. It means the opening up of homes there. It means the increase of population. It means putting under the plow those fertile lands. It means adding to the sum total of American wealth. It means more to eat and more clothes to wear for the American people; and, as I said a moment ago, you can not do anything in this way that will help Montana and Idaho without helping Mississippi and Alabama.

I have no sympathy with the selfish doctrine taught by some Senators that these appropriations ought to be controlled by the amount that the State contributes. Why, Mr. President, New York and some other States do not need any help from the General Government in road building. They are rich "beyond the avaricious dream of the ancient princely plunderer," and therefore sufficient unto themselves for any undertaking. But those States that have grown so fabulously rich in the last few years did not produce all the wealth that they now enjoy. Every acre of land in the United States pays tribute to New York, and that is true of many of the Northeastern States, particularly of this Republic. The fields and the forest have paid tribute, the grazing lands of the West, the mines of unmeasured riches have all added their countless millions to the aggregate wealth of these favored States. It strikes me, Mr. President, that the best investment that New York and the other rich States of the Northeast could make would be to invest some of the increments, some of the enormous wealth which they have amassed, in helping to develop the Western and Southern States that have contributed so materially to the great wealth which those States now enjoy. It would be a good investment on their part it seems to me.

I do not want to do anything that is going to imperil the passage of the bill; but I can not vote against this amendment, and I do not see why its adoption should prevent any Senator from supporting the bill, because to my mind it contains great merit. Its effect will be to have the Government of the United States apply good sound business principles to the management of its own affairs. And good governmental business is the manifestation of the highest order of statesmanship.

Mr. TOWNSEND. Mr. President, it seems to me that the question of forest reservations has been unwisely involved in the discussion of the bill under consideration. I can see where, in the forest reservations, there is need of trails or roads for the purpose of protecting the Government property. I am well aware, however, that the Committee on Agriculture and Forestry has charge of that particular subject and is giving it its attention, and I should like to have a recommendation from that committee before voting on a subject about which we have so little information. I should like to know more of what they are doing and what they require, and if they ask for more money there is not any question but that they will obtain it. But the Senator from Alabama asked a question which has not been answered; that is, How much money are the particular States getting out of the forest reservations within their boundaries for road purposes?

The report of the Secretary of Agriculture for 1915 shows that Arizona this year, for her school roads and for her trails and other public roads, will receive $83,000, California will receive $94,000, Colorado will receive $82,000, Idaho will receive $106,000, Montana will receive $111,300 or more, and that Oregon will receive $69,000. Besides that, Arizona and New Mexico will receive for school funds from the school lands that are in the forest reservation an additional amount, Arizona $29,000 and New Mexico $9,000, for that purpose.

Mr. President, these are moneys which come out of the forest reserves and are appropriated for road purposes, and they ought to be considered when we are making an apportionment of the general fund for road purposes if the reserves are to be considered under this bill. Furthermore, there is a thing that I can not quite understand. Senators who are obtaining the benefit for their States under this law of their wide areas, including always the forest reservations and other reservations in their territory which are not occupied by man, and which in a large part, except for roads and trails needed for forest preservation, do not require roads over which the public can go, and yet these States are nevertheless receiving their pro rata share of the appropriation carried by this bill on account of their area.

I have never had an opportunity to vote since I have been in the Senate in favor of a proposition to segregate the purely agricultural lands from the forest reserves. I should like an opportunity to vote on it, because I can not understand why there should be any purely agricultural lands in a forest reservation; but that is a question which should be dealt with upon its merits and through the proper committee. It is not in order on this measure, however. All of these questions are complicated ones which should be dealt with directly and should be considered; but I do not believe it properly in order by amendment to this bill, without the matter having been considered at all by the committee. I sincerely hope the bill before the Senate can be voted upon according to its merits.

Mr. OVERMAN. Mr. President, I desire to ask the Senator from Montana how he arrives at this sum of a million dollars a year, which, after 10 years, will amount to $10,000,000? Has he had any estimate or any survey or any investigation by a committee to show that it will take that much money to build these roads? Is it just an arbitrary sum that is fixed by the Senator himself?

Mr. WALSH. No; I will say to the Senator from North Carolina that the sum is a sum that is recommended by the Agricultural Department.

Mr. OVERMAN. It has been before the Agricultural Committee, has it?

Mr. WALSH. I put in the RECORD day before yesterday a letter addressed by the Secretary of Agriculture to Mr. LEVER, the chairman of the House Committee on Agriculture, in relation to a bill identical in its terms with the one that I introduced, and substantially like this, recommending the enactment of the measure.

Mr. OVERMAN. And he says it will take this much money to build these roads?

Mr. WALSH. Yes; but the Senator can very well understand that that will nowhere near make the amount that will be necessary to cover this great area of a couple of hundred million acres.

Mr. OVERMAN. I know there is a hundred million acres of mountain land, but I do not know how much money it will take to build the necessary roads for the purposes indicated by the Senator in his speech.

Mr. WALSH. I advise the Senator that the amount is proposed on the recommendation of the Secretary of Agriculture. Indeed, the original draft of the bill came from that office.

Mr. BRANDEGEE. Mr. President, I am very glad to have an opportunity to vote for a provision in this bill that I think has some semblance of being a governmental purpose or some warrant under the Constitution of the United States for the expenditure of the public funds. That part of the bill which provides for rural transportation and the marketing of farm products, and so forth, and the building of rural roads, I do not think is warranted by the Constitution of the United States. That part of the title of the bill which says that these roads may be used in interstate commerce and for the transportation of military supplies or postal matters, I think, is nothing but a sham and a subterfuge.

This amendment, providing for the building of roads in the national parks, I think is a very meritorious measure. I do not know why the Government should not protect its national parks, if it is enabled to do so. If this bill stands any chance of passage, I am willing to use it as a vehicle to float through a little merit. I shall vote for the amendment; but I am afraid, even with that good feature of the bill, that I shall not be able to vote for the bill as a whole. But I will take the chance that the bill will pass this branch of Congress at least, and I am quite satisfied that the more money that is put onto it, the more chance it will have of passing.

I shall vote for the amendment.

Mr. GALLINGER. Mr. President, for a somewhat different reason than that given by the Senator from Connecticut [Mr. BRANDEGEE] I am going to vote for the amendment submitted by the Senator from Montana. In fact, it has become so much a habit of mine, dating back a great many years, to vote for what the men from the West want, that I find it difficult to get away from them on any proposition they submit.

I have listened to this debate with a great deal of interest and with a good deal of care, and I confess that I can not see any good reason why an appropriation should not be made for the purpose indicated in the amendment submitted by the Senator from Montana. Whether it is greater than it ought to be, whether or not it might with propriety be reduced, I shall not venture to say, because I have not looked into that matter.

I do not think attaching this amendment to the bill will imperil the success of the bill. I do not know exactly what action I should take if I believed it would, because I am in favor of the bill advocated by the Senator from Alabama [Mr. BANKHEAD] with so much good nature and so much ability. These great forest reservations are of great consequence to the people of the country if they are conserved; but it does seem to me that they are but a desert unless there are some means of traversing them and protecting them and conserving them.

I think this will be a wise expenditure of money. Believing that to be so, hesitating as I have to cast a vote against the opinion of the distinguished chairman of the committee, I shall give my support to the amendment; and whether or not it is attached to the bill I shall give my vote for the bill upon its final passage.

Mr. PITTMAN. Mr. President, I would not urge this amendment, nor would I support it, if I thought it would imperil or endanger the passage of this bill. I do not believe, either, that we are asking anything additional from the Government. I think we are simply asking that the 10 per cent of the value of the proceeds of these forests shall be advanced, rather than to be expended as it is earned.

I can not conceive for one moment that if the building of a street railway in a city were estimated as profitable, that railroad would be attempted to be built mile by mile from the profits of the road. I believe that when a municipality starts in to build a system of railroad, it issues bonds, anticipating the profits upon the enterprise to pay off the bonds.

In this case the amendment expressly provides that no expenditure can be made until after an estimate of the profits of the forest is obtained, and that then such expenditure shall be limited to 10 per cent of such available profits. That in itself prevents any excessive expenditure. It prevents the expenditure of any greater amount of money than is coming back out of that 10 per cent of the profits which is now appropriated for roads. It is simply a question of whether the Government is going to wait for 10 or 15 years to do the necessary development in the forests or whether it is going to advance the money and start the development now. If we wait until this 10 per cent is earned before building the necessary roads through the forests, the development of those forests and the profit to be derived from them will be delayed just that much. Therefore, as a business proposition, this Government should advance the money that it is estimated will come back from such improvements.

There is just one other question that I want to call to the attention of the Senators, particularly the Senator from Alabama, who has the bill in charge, and it is this: That in the West, particularly in my State, the mountain ranges run north and south. There are 12 of these great ranges running north and south in our State. The timber reserves have been laid out on these mountain ranges, along these great ribs that divide our State. It is impossible for us to build roads connecting the 12 valleys in our State without crossing these mountain ranges, which are laid out in forest reserves. Up until the present time the people of our State have built all of the roads across those great forest reserves. It is unfair, in the first place; and in the second place, by reason of the sparsely settled country, it is impossible to build sufficient roads.

I want to call attention to just one little district. I am only going to take up about four or five minutes of the time of the Senate, because I realize that we want to vote. In the northern part of our State, near the Idaho line, is a settlement of 500 or 600 people. It is growing rapidly. It is separated from Idaho and from Nevada by a great forest reserve. Those people had no means of transportation to and from that large settlement. The people of one little county in Nevada built 60 miles of wagon road, most of it through that reserve, to reach those people. To the north of them the road is practically impassable. The snow is so deep in Nevada that that splendid road, built by the people of one county, is frequently impassable in the winter; and for the lack of a road reaching to the north to Twin Falls, in Idaho, the mails are often prevented during many months of the year from reaching such settlement. Now, then, it is all in charge of the Government. The Government is deriving the proceeds from that forest. If those proceeds are estimated to be sufficient to build that road, why not advance the money as a business proposition, put in the roads, sell the timber, and encourage the development there; encourage the ranging and utilizing of the forests?

That is only one condition that I am illustrating. The settlement referred to is called Jarbidge. It is well known to the Senators from the western country. The conditions are well known. The Post Office Department has complained about the great difficulty of maintaining a postal route to such settlement. Take, for instance, the town of Ely, in our State. It is separated from the great farming area to the west of it that supplies it with produce, and yet the people of the one county of White Pine have to maintain 40 or 50 miles of road across the mountains so that their produce may reach the people of Ely from such farming district. These are the conditions.

We are not asking the Government to appropriate any money at all. We are asking the Government simply to advance the money that the Government itself states it will receive back from the 10 per cent of profits of these forest reserves. That is all we have asked.

Mr. BANKHEAD. Mr. President, just one final word on this amendment.

Mr. WALSH. Mr. President, the Senator from North Caroline [Mr. OVERMAN] asked me a question awhile ago about the amendment, and I have here a letter which I should like to read, if the Senator from Alabama will yield for that purpose.

Mr. BANKHEAD. I will be through in a minute. I am going to take only a minute.

I hope the amendment to the amendment will not be adopted. It is not because, as every Senator here knows, I have not the most friendly feeling to the States that are interested in it, but it is unfair, it is unjust, it is inequitable, and it ought not to be put upon this bill.

I want to call the attention of the Senate to another situation. There is another branch of Congress the gantlet of which this bill has to run. I do not know what difficulties we will have. I want to say further that while I do not mean to imply that every Senator who votes for this amendment is opposed to the bill, I do mean to say that every Senator opposed to the bill will vote for this amendment, doing so with the deliberate purpose of making it as objectionable as possible, and in the final hope that somehow or somewhere they may be able to defeat it.

Mr. SMOOT. Mr. President, I know that the Senator from Alabama has always been, and is to-day, friendly to the development of the Western States, and I want to assure him that in voting for this amendment I do it with no hostility to the pending bill, but I do it because I believe that it is only simple justice to forest-reserve States.

The Senator from Michigan [Mr. TOWNSEND] wanted action upon this great question postponed until the department had reported upon the feasibility and the advisability of legislation of this kind. I take up the annual report of the Secretary of Agriculture, and I find on page 177 of that report the following statement:

> Large areas within the national forests, as well as in adjacent territory, are without adequate means of communication. Such roads as exist are ordinarily imperfectly constructed, undrained, and have excessive grades. In many instances such roads are all that the local community can afford to build. The Forest Service is endeavoring to correct this condition as fast and as far as funds permit. The amount available from the 10 per cent fund of the past year for 28 States (including Alaska) was less than $240,000. While much good can be done with this amount, it is insufficient even to keep pace with the annual increase in demands for roads made urgent by the increase in settlement. Large areas of timberland of potentially great value are standing unused, partly because of lack of demand, partly on account of lack of transportation. Some method should be found by which the community's interest in these potential values may serve as security for funds for road construction now.

The Secretary of Agriculture tells what sort of roads they have at the present time, limited as they are, and frankly admits that in those sparsely settled districts it is absolutely impossible for the people to build roads so as to make them passable. The Secretary of Agriculture also says:

> The upkeep cost due to the destruction of telephone lines, buildings, etc., by fires, the washing out of roads, trails, and other means of communication by winter storms, and the like, to say nothing of ordinary wear and tear by use, now demands and will increasingly demand heavy allotments for maintenance. In National Forest District No. 1 it was necessary during the year to devote $35,000 out of a total allotment for improvement purposes of $86,000, or over 40 per cent, to the maintenance of existing improvements in usable condition.

Or, in other words, Mr. President, from the washouts that come in almost every forest reserve in the United States, and

come every year, it has taken in forestry district No. 1 alone 40 per cent of all the money that was appropriated for all the reserves by Congress for maintaining the roads in a passable condition.

I believe that if this amendment is agreed to it will be a profitable investment for the Government. Until the roads are built to the timber of these forest reserves it will be impossible to utilize it because of the absolute impossibility of transporting it to market under present conditions. That is understood by the department, and in this report it is referred to. But if roads are made, and all are upon Government property, and the Government itself ought to build them, then the timber can be utilized and it can be brought to market and disposed of. I am not going over the ground again as to why it ought to be used now instead of allowing it to rot and become a menace through forest fires.

In relation to the amount of money that goes to each State of the receipts from the forest reserves, referred to by the Senator from Michigan, I want to say that the amounts the Senator has stated were not alone the 10 per cent that was allowed for the building of trails, but it also included the 25 per cent for school purposes that comes from the forest receipts to the counties in which the forests are located.

When the law was first passed it was agreed by all that in a county where nine-tenths of the area is in a forest reserve it was absolutely impossible to maintain schools and maintain order and the public institutions required for the people living in the county. Therefore, the law was passed giving 25 per cent of the receipts from forest reserves within the county to the people of the county as a partial reward for the lack of taxes that the county could have imposed upon the property if it had been in private ownership.

Mr. WARREN. It was only 10 per cent for many years.

Mr. SMOOT. The Senator from Wyoming calls my attention to the fact that it was only 10 per cent for many years, as I well remember. I do not believe that the Senate or the House would think for a minute that that money ought to be used entirely in the construction of roads within a forest reserve. The assessment upon one-tenth of the area of the county could not support the schools of the county; such restriction was a greater burden on the people of the county than they could bear.

The law was passed to partially repay them for the loss of the power of taxation. The 10 per cent of the forest-reserve receipts was intended for the building of roads within the forest reserves. The most of that comes from grazing privileges—the grazing of sheep, cattle, and horses. Every dollar of it is paid by the people of the State, and all that the Government does is to turn over 25 per cent of the amount collected to the counties within which the forest reserve is located. The 65 per cent is retained and goes into the Treasury of the United States.

It seems to me, Mr. President, that this is a most just amendment. I do not believe that it is going to jeopardize the passage of the bill, but, on the other hand, I believe it will assist the bill in its passage. If it could not be defended, and justly defended, then there could be some question as to whether it would be the proper thing to put upon the bill or not, but I do not believe there is a Member of the House or the Senate who will study the conditions existing to-day who will not say that this amendment is just in every particular.

As has been repeated time and again, it is only an advance of money on the part of the Government, to be returned to the Government out of the receipts from the forest reserves, and every dollar of that fund is collected from the people of the State for grazing their cattle, sheep, and horses upon the forest reserves and the sale of timber. The same privilege was granted to the people of the Middle Western States without charge. No charge was ever thought to be imposed upon the people of the East or Middle West for grazing their stock; but we are living in a new age, the age of so-called conservation. We now are asking that only a part of what the people pay shall be taken and used for the development of the roads in the forest reserves.

Mr. President, there is county after county in my State where it is impossible for a person to go from one to the other without passing over miles and miles of forest reserves. The Secretary of Agriculture admits that the people have done the best they can in establishing roads, but with the washouts that annually occur, with the great distance over mountain tops and always in sparsely settled communities, it is impossible for those people to build the necessary roads or even to maintain them.

I hope, Mr. President, the Senate will agree to the amendment offered by the Senator from Montana, for it is just in all its provisions.

Mr. WALSH. Mr. President, I rise simply to give definite information in answer to the inquiry of the Senator from North Carolina [Mr. OVERMAN]. I read from the letter of the Secretary of Agriculture, as follows.

Mr. BANKHEAD. The Senator from North Carolina is not in the Chamber.

Mr. WALSH. I called the attention of the Senator from North Carolina to the fact that I would put it in the RECORD, and I am doing it especially at his request. The Secretary of Agriculture says:

> The provision of $1,000,000 annually for 10 years, or a total of $10,000,000, will not be more than sufficient to provide the main lines of a system of roads which will eventually be required within the national-forest areas. It will, however, assist greatly in the initial stages of development and will make it possible to open up the resources of the national forests, to increase the sales, and to make a larger fund available under the 10 per cent appropriation for a general program of road construction. The proposed legislation would, therefore, be chiefly intended to meet emergency conditions which it would not be possible to meet by existing appropriations.

I read from the letter of the Secretary of Agriculture to Hon. A. F. LEVER, chairman of the Committee on Agriculture of the House of Representatives, relating to House bill 10400.

Mr. OVERMAN. I am glad the Senator from Montana read the letter. I had never seen it. Now it is estimated for by the proper department. The estimate clearly sets forth the amount of money needed.

Mr. JONES. Mr. President, I will take just a moment or two in addition to what I have already said in regard to this bill. I wish to call attention to the fact that we do not disturb the bill at all. We do not interfere with any of the terms of it or any appropriations made under it. We leave those as they are. We simply put on an additional provision for the protection of some of the property of the United States.

I want to say, Mr. President, that I am not one of those who are opposed to this bill. I expect to vote for the bill in its present form when it comes to final passage, and I do not believe that this amendment will interfere with the passage of the bill at all. I can not see how it would lead anyone to vote against the bill.

I wish to emphasize the suggestions that have been brought out in reference to the condition in our State especially. We can not go from one side of our State to the other without passing through forest reserves; it is absolutely out of the question. We have not been neglecting the building of roads in our State. In 1914, the latest year for which I have the figures, we spent in our State for the building of roads $6,221,131. We have constructed State roads across the State. They have had to go through forest reserves. I think I am safe in saying that we spend every year more money in the construction of roads within the limits of forest reserves than we will get under this bill.

Now, that is for the improvement of the property of the Government; and it does seem to me that the Senator from Alabama, who is very fair, who, I know, wants to promote our welfare, is rather in error when he says this amendment is very unjust.

The Senator from Virginia [Mr. SWANSON] called attention to the amount per capita that is paid to one of the States, the amount that they get under this bill, and so on. I do not think there ought to be any reference to the amount contributed by one State, the amount paid to one State, or anything of that sort. It all comes out of the Treasury. But because the Senator from Virginia did call attention to that I am going to call attention also to the amount contributed by the State of Alabama to the internal revenues of the country. For the year ending June 30, 1915, Alabama contributed to the aggregate internal revenue to the country $661,217.64. The State of Washington contributed $2,329,311.84. The State of Alabama spent for good roads in 1914 $3,125,925. The State of Washington, as I just called attention to, contributed over $6,000,000.

But I do not think that those figures amount to anything. I do not think they have any bearing on this matter, but they show that all these contributions do not come in one way.

Mr. President, we urge the passage of this amendment in the interest of the Government itself, for the improvement of its own property, for making available its own property, and simply expect that whatever is advanced will be repaid out of the proceeds from that property as improved.

The VICE PRESIDENT. The question is on the amendment of the Senator from Montana [Mr. WALSH] to the amendment.

Mr. BANKHEAD. Mr. President, I regard this as a most important vote. Therefore, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Harding | Nelson | Smoot |
| Bankhead | Hughes | Newlands | Stone |
| Beckham | Husting | Norris | Sutherland |
| Borah | James | O'Gorman | Swanson |
| Brandegee | Jones | Overman | Taggart |
| Chamberlain | Kenyon | Page | Thomas |
| Clapp | Kern | Pittman | Thompson |
| Culberson | La Follette | Poindexter | Tillman |
| Cummins | Lane | Ransdell | Townsend |
| Curtis | Lea, Tenn. | Shafroth | Vardaman |
| Fall | Lee, Md. | Sheppard | Walsh |
| Fletcher | Lodge | Sherman | Warren |
| Gallinger | Martine, N. J. | Simmons | Williams |
| Gronna | Myers | Smith, Ga. | Works |

Mr. KERN. I desire to announce the unavoidable absence of the junior Senator from Illinois [Mr. LEWIS], on account of illness.

The VICE PRESIDENT. Fifty-six Senators have answered to the roll call. There is a quorum present. The pending question is the amendment proposed by the Senator from Montana [Mr. WALSH] to the amendment reported by the committee.

Mr. BANKHEAD. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CURTIS (when his name was called). I have a general pair with the junior Senator from Georgia [Mr. HARDWICK]. In his absence I withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. FALL (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr. CHILTON]. I transfer that pair to the junior Senator from Idaho [Mr. BRADY] and vote "yea."

Mr. HARDING (when his name was called). On account of the absence of my pair, the junior Senator from Alabama [Mr. UNDERWOOD], I withhold my vote.

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). My colleague [Mr. SMITH of Michigan], who is detained from the Chamber, is paired with the junior Senator from Missouri [Mr. REED]. If my colleague were present, he would vote "nay."

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK]. In his absence, I withhold my vote.

Mr. SUTHERLAND (when his name was called). I ask if the Senator from Arkansas [Mr. CLARKE] has voted?

The VICE PRESIDENT. He has not.

Mr. SUTHERLAND. I have a pair with that Senator, which I transfer to the Senator from South Dakota [Mr. STERLING] and vote. I vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. In his absence, I withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Arkansas [Mr. ROBINSON] and vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my general pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

The roll call was concluded.

Mr. BECKHAM (after having voted in the negative). I have a general pair with the Senator from Delaware [Mr. DU PONT]. I understand he has not voted. So I transfer that pair to the Senator from Tennessee [Mr. SHIELDS] and allow my vote to stand.

Mr. WARREN. I wish to announce the unavoidable absence of my colleague [Mr. CLARK], who is paired with the Senator from Missouri [Mr. STONE]. If my colleague were present, he would vote "yea."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN]. I transfer that pair to the Senator from California [Mr. PHELAN] and vote "yea."

Mr. WALSH (after having voted in the affirmative). I voted without noting the absence of my pair, the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the Senator from Arizona [Mr. SMITH] and will let my vote stand.

Mr. LODGE. My colleague [Mr. WEEKS] is unavoidably absent. I desire to announce that he is paired with the Senator from Kentucky [Mr. JAMES].

Mr. CURTIS. I transfer my pair with the Senator from Georgia [Mr. HARDWICK] to the senior Senator from Iowa [Mr. CUMMINS] and vote "yea."

Mr. GALLINGER. I wish to announce that the junior Senator from Maine [Mr. BURLEIGH] is detained from the Chamber on account of serious illness in his family.

Mr. CHAMBERLAIN (after having voted in the affirmative). Since voting I have learned that my pair, the junior Senator from Pennsylvania [Mr. OLIVER], has not voted. That being so, I withdraw my vote.

Mr. LODGE (after having voted in the affirmative). I have been informed that my pair, the Senator from Georgia [Mr. SMITH], has not voted. I heard him answer to his name on the call for a quorum, and supposing he was in the Chamber I voted. I now withdraw my vote.

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Maine [Mr. BURLEIGH] with the Senator from Nebraska [Mr. HITCHCOCK];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH].

The result was announced—yeas 33, nays 18, as follows:

YEAS—33.

| | | | |
|---|---|---|---|
| Ashurst | Husting | Newlands | Sutherland |
| Borah | Jones | Norris | Thompson |
| Brandegee | La Follette | O'Gorman | Vardaman |
| Clapp | Lane | Page | Walsh |
| Curtis | Lea, Tenn. | Pittman | Warren |
| Fall | Lee, Md. | Poindexter | Works |
| Gallinger | Martine, N. J. | Shafroth | |
| Gronna | Myers | Sherman | |
| Hughes | Nelson | Smoot | |

NAYS—18.

| | | | |
|---|---|---|---|
| Bankhead | Johnson, Me. | Sheppard | Tillman |
| Beckham | Kenyon | Simmons | Townsend |
| Culberson | Kern | Smith, S. C. | Williams |
| Fletcher | Overman | Swanson | |
| Gore | Ransdell | Taggart | |

NOT VOTING—45.

| | | | |
|---|---|---|---|
| Brady | du Pont | McLean | Smith, Ga. |
| Broussard | Goff | Martin, Va. | Smith, Md. |
| Bryan | Harding | Oliver | Smith, Mich. |
| Burleigh | Hardwick | Owen | Sterling |
| Catron | Hitchcock | Penrose | Stone |
| Chamberlain | Hollis | Phelan | Thomas |
| Chilton | James | Pomerene | Underwood |
| Clark, Wyo. | Johnson, S. Dak. | Reed | Wadsworth |
| Clarke, Ark. | Lewis | Robinson | Weeks |
| Colt | Lippitt | Saulsbury | |
| Cummins | Lodge | Shields | |
| Dillingham | McCumber | Smith, Ariz. | |

So Mr. WALSH's amendment to the amendment of the committee was agreed to, which was to add as a new section, after section 7 of the amendment, the following:

SEC. —. That there is hereby appropriated and made available until expended, out of any moneys in the National Treasury not otherwise appropriated, the sum of $1,000,000 for the fiscal year ending June 30, 1917, and each fiscal year thereafter up to and including the fiscal year ending June 30, 1926, in all $10,000,000, to be available until expended under the supervision of the Secretary of Agriculture, upon request from the proper officers of the State, Territory, or county for the survey, construction, and maintenance of roads and trails within or only partly within the national forests, when necessary for the use and development of resources upon which communities within and adjacent to the national forests are dependent: *Provided*, That the State, Territory, or county shall enter into a cooperative agreement with the Secretary of Agriculture for the survey, construction, and maintenance of such roads or trails upon a basis equitable to both the State, Territory, or county and the United States: *And provided also*, That the aggregate expenditures in any State, Territory, or county shall not exceed 10 per cent of the value, as determined by the Secretary of Agriculture, of the timber and forage resources which are or will be available for income upon the national forest lands within the respective county or counties wherein the roads or trails will be constructed; and the Secretary of Agriculture shall make annual report to Congress of the amounts expended hereunder.

That immediately upon the execution of any cooperative agreement hereunder the Secretary of Agriculture shall notify the Secretary of the Treasury of the amount to be expended by the United States within or adjacent to any national forest thereunder, and beginning with the next fiscal year, and each fiscal year thereafter, the Secretary of the Treasury shall apply from any and all revenues from such forest 10 per cent thereof to reimburse the United States for expenditures made under such agreement until the whole amount advanced under such agreement shall have been returned from the receipts from such national forest.

DIRECTORS OF BANKS AND TRUST COMPANIES.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4432) to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, which was, on page 2, after line 11, to insert:

The consent of the Federal Reserve Board may be procured before the person applying therefor has been elected as a class A director of a Federal reserve bank or as a director of any member bank.

Mr. SHAFROTH. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

TOMBIGBEE RIVER BRIDGE.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 4603) to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tom Beckby, commonly called Tombigbee, River at Princes Lower Landing, near Jackson, Ala., which were, on page 1, line 7, to strike out "Tom Beckby, commonly called," and to amend the title so as to read: "An act to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at Princes Lower Landing, near Jackson, Ala."

Mr. BANKHEAD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 30 minutes spent in executive session the doors were reopened.

RECESS.

Mr. STONE. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 7 minutes p. m.) the Senate took a recess until to-morrow, Saturday, May 6, 1916, at 12 o'clock meridian.

## NOMINATIONS.

*Executive nominations received by the Senate May 5, 1916.*

SECRETARIES OF EMBASSIES OR LEGATIONS.

CLASS 3.

Frederic R. Dolbeare, of New York, now a secretary of embassy or legation of class 4, to be a secretary of embassy or legation of class 3.

Hallett Johnson, of New Jersey, now a secretary of embassy or legation of class 4, to be a secretary of embassy or legation of class 3.

John Latta Ryan, of Pennsylvania, now a secretary of embassy or legation of class 4, to be a secretary of embassy or legation of class 3.

Eugene C. Shoecraft, of Missouri, now a secretary of embassy or legation of class 4, to be a secretary of embassy or legation of class 3.

CLASS 4.

Oliver B. Harriman, of West Virginia, now a secretary of embassy or legation of class 5, to be a secretary of embassy or legation of class 4.

Louis A. Sussdorff, jr., of New York, now a secretary of embassy or legation of class 5, to be a secretary of embassy or legation of class 4.

Sumner Welles, of New York, now a secretary of embassy or legation of class 5, to be a secretary of embassy or legation of class 4.

L. Lanier Winslow, of New York, now a secretary of embassy or legation of class 5, to be a secretary of embassy or legation of class 4.

CLASS 5.

Norman Armour, of Princeton, N. J., to be a secretary of embassy or legation of class 5.

Allen W. Dulles, of Auburn, N. Y., to be a secretary of embassy or legation of class 5.

Robert M. Scotten, of Detroit, Mich., to be a secretary of embassy or legation of class 5.

John C. Wiley, of Indianapolis, Ind., to be a secretary of embassy or legation of class 5.

JUDGE OF UNITED STATES CIRCUIT COURT.

Evan A. Evans, of Baraboo, Wis., to be United States circuit judge, seventh circuit, vice William H. Seaman, deceased.

REGISTER OF LAND OFFICE.

John L. Wiley, of Spokane, Wash., to be register of the land office at Spokane, Wash., vice Hal J. Cole, term expired.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

*To be first lieutenants, with rank from April 28, 1916.*

James Earle Ash, of Massachusetts.
Astley Paston Cooper Ashhurst, of Pennsylvania.
James Harold Austin, of Pennsylvania.
Louis de Keyser Belden, of North Carolina.
Bernard Johan Beuker, of Michigan.
John Welch Boyce, of Pennsylvania.
Claude Lee Bradford, of Pennsylvania.
Harry Francis Byrnes, of Massachusetts.
George Fitzpatrick Adair, of New York.
Richard Travis Atkins, of New York.
Julius Benjamin Boehm, of New York.
Walter Whitney Boardman, of California.
Ward Brinton, of Pennsylvania.
Bert Wilmer Caldwell, of Pennsylvania.
Williams Biddle Cadwalader, of Pennsylvania.
Donald William Cameron, of Pennsylvania.
Benjamin Van Campen, of New York.
Brewster Clarke Doust, of New York.
Ambrose Francis Dowd, of New Jersey.
Blake Ferguson Donaldson, of New York.
William Darrach, of New York.
Charles Dudley Eldred, of Illinois.
Thomson Edwards, of Pennsylvania.
Eldridge Lyon Eliason, of Pennsylvania.
Daniel Wadsworth Frye, of Pennsylvania.
Isaac Samuel Gellert, at large.
Curtenius Gillette, of New York.
Thomas E. Gutch, of Iowa.
Edward L. Hanes, of New York.
Walter Coit Hill, of Ohio.
Daniel Mansfield Hoyt, of Pennsylvania.
Reid Hunt, of Massachusetts.
Henry Barr Ingle, of Pennsylvania.
Frank Hussy Jackson, of Maine.
Floyd Elwood Keene, of Pennsylvania.
Elmer Alexander Klein, of Ohio.
Edward Bell Krumbhaar, of Pennsylvania.
Peirce Henry Leavitt, of Massachusetts.
Burton James Lee, of New York.
Hanson Thomas Asbury Lemon, of the District of Columbia.
John Borneman Ludy, of Pennsylvania.
William Sharp McCann, of New York.
Archibald Alexander MacLachlan, of Pennsylvania.
Thomas William Maloney, of New York.
Harrison Standford Martland, of New Jersey.
Alvah Strong Miller, of New York.
Alfred Meyer, of New York.
Alfred James Ostheimer, of Pennsylvania.
William Barclay Parsons, jr., of New York.
George Morris Piersol, of Pennsylvania.
Thomas Christian Peightal, of Pennsylvania.
Edmund Brown Piper, of Pennsylvania.
Martin William Reddan, of New Jersey.
Nathaniel Fulford Rodman, of Virginia.
George Malcolm Laws, of Pennsylvania.
Daniel Augustus Shea, of Vermont.
Andrew Watson Sellards, of Massachusetts.
Henry Larned Keith Shaw, of New York.
Richmond Stephens, of New York.
Henry Joseph Fitz Simmons, of Massachusetts.
John Reid Simpson, of Pennsylvania.
Frederick Jennings Smith, of California.
Joseph Wheeler Smith, jr., of New York.
William Johnson Taylor, of Pennsylvania.
Royden Mandeville Vose, of New York.
John William Warner, of New York.
James Homer Wright, of Massachusetts.
Herbert Maxwell Nash Wynne, of Maryland.
John Edward Williams, of New Jersey.
William Whitridge Williams, of Colorado.
Warren Wooden, of New York.
John Archibald Campbell Colston, of Maryland.
Victor Francis Cullen, of Maryland.
Paul Wiswall Clough, of Maryland.
Arthur Bliss Dayton, of Connecticut.
John Howland, of Maryland.
John Theodore King, jr., of Maryland.
Winford Henry Smith, of Maryland.
Arthur Charles Stokes, of Nebraska.
Thomas Linville, of the District of Columbia.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. William P. Burnham, Infantry, unassigned, to be colonel from May 1, 1916, vice Col. Charles J. Crane, Ninth Infantry, retired from active service April 30, 1916.

Maj. Arthur Johnson, Infantry, unassigned, to be lieutenant colonel from May 1, 1916, vice Lieut. Col. William P. Burnham, unassigned, promoted.

Capt. George H. Jamerson, Second Infantry, to be major from May 1, 1916, vice Maj. Edson A. Lewis, Sixth Infantry, detached from his proper command.

First Lieut. Wallace McNamara, Twelfth Infantry, to be captain from May 1, 1916, vice Capt. George H. Jamerson, Second Infantry, promoted.

Second Lieut. William B. Loughborough, Third Infantry, to be first lieutenant from May 1, 1916, vice First Lieut. Wallace McNamara, Twelfth Infantry, promoted.

POSTMASTER.

NEW JERSEY.

John Y. Bellis to be postmaster at Clinton, N. J., in place of Frank A. Esty. Incumbent's commission expired March 13, 1916.

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CONFIRMATION.

*Executive nomination confirmed by the Senate May 5, 1916.*

POSTMASTER.

TENNESSEE.

John M. Jones, Newport.

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REJECTION.

*Executive nomination rejected by the Senate May 5, 1916.*

POSTMASTER.

Henry F. Pembleton to be postmaster at Central Valley, N. Y.

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## HOUSE OF REPRESENTATIVES.

### FRIDAY, *May 5, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who art ever near to us and always ready to help those who seek Thee in spirit and in truth, we draw near to Thee that by the touch of Thy spirit we may be purified, ennobled, and made strong for the duties which wait upon us; that with high ideals, pure motives, and earnest endeavors we may hallow Thy name in thought and purpose, and feel the thrill of an approving conscience when the night shall close upon us and bring quiet and peaceful rest to our souls. In His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEPOSIT OF ASSETS OF INSOLVENT NATIONAL BANKS.

Mr. ROGERS rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. ROGERS. Mr. Speaker, I rise to ask that the bill H. R. 3575, which is on the Speaker's table, be laid before the House. It is a House bill with a Senate amendment.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

A bill (H. R. 3575) to amend section 5234 of the Revised Statutes of the United States so as to permit the Comptroller of the Currency to deposit upon interest the assets of insolvent national banks in other national banks of the same or of an adjacent city or town.

The SPEAKER. The Clerk will report the Senate amendment.

The Senate amendment was read.

Mr. ROGERS. Mr. Speaker, I called this bill up on Tuesday, I think it was, and the gentleman from Tennessee [Mr. GARRETT] asked that it go over for the present. Since that time I have consulted the chairman of the Committtee on Banking and Currency [Mr. GLASS] and the gentleman from New York [Mr. PLATT], in charge of the bill, and they both authorize me to say they have no objection to the Senate amendment, which is purely a formal one.

I move, Mr. Speaker, that the House concur in the Senate amendment.

The SPEAKER. The gentleman from Massachusetts moves that the House concur in the Senate amendment. Without objection, the Senate amendment is concurred in.

Mr. WINGO. Reserving the right to object, Mr. Speaker, I just came from a meeting of the Committee on Banking and Currency, and I have not a clear idea of what the bill is. As I understand it, it is the Rogers bill, with a Senate amendment?

Mr. ROGERS. That is true.

Mr. WINGO. May I inquire what the Senate amendment is?

The SPEAKER. The Clerk will report it again.

The Senate amendment was again read.

Mr. WINGO. That is simply a formal amendment. I have no objection.

The SPEAKER. The question is on agreeing to the motion to concur in the Senate amendment.

The motion was agreed to.

On motion of Mr. ROGERS, a motion to reconsider the vote whereby the Senate amendment was concurred in was laid on the table.

HOUR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

There was no objection.

OREGON AND CALIFORNIA LAND GRANTS.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that the bill H. R. 14864, the Oregon-California land-grant bill, be given a privileged status.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that the Oregon-California land-grant bill, H. R. 14864, be given a privileged status.

Mr. FITZGERALD. Mr. Speaker, I propose to object to such requests until we have our appropriation bills disposed of. We have been waiting to dispose of them for some time.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] objects.

Mr. FERRIS. Will the gentleman withhold his objection a moment until I can make a statement?

Mr. FITZGERALD. I will withhold my objection.

Mr. FERRIS. On December 9 the Supreme Court of the United States rendered a decision placing up to Congress a proposition to deal with 2,300,000 acres of land, roughly estimated at about $50,000,000. Your committee has been at work upon it.

The Supreme Court decision gives Congress six months in which to act upon recouping about $50,000,000 worth of railroad land grants in Oregon. Your Committee on Public Lands has been at work on it and has devoted to it as much time as we could, and we secured reports on it from the Department of Justice and the Department of the Interior and the Department of Agriculture.

This six-months' period runs out on June 9, and if I may just read what the Department of Justice says, in a word, about the necessity of Congress acting, I think gentlemen will be convinced that some action must be taken soon. I will read from the Supreme Court decision and also from the official report of the Department of Justice of April 13, 1916. After reciting the six-months' provision in which Congress may act, this paragraph occurs:

The court also decided that:

"If Congress does not make such provision, the defendants may apply to the district court within a reasonable time, not less than six months, from the entry of the decree herein, for a modification of so much of the injunction herein ordered as enjoins any disposition of the land and timber until Congress shall act, and the court, in its discretion, may modify the decree accordingly." (Id., p. 439.)

If, therefore, Congress does not act in the premises, that part of the judgment of the Supreme Court which forbids the railroad company to make any disposition of the land and timber thereon may be set aside by the lower court upon application of the company. The application will undoubtedly be made in due time unless Congress acts, and in all probability the court would grant it and set aside the injunction to that extent. If it did, the railroad company would be free to sell the rest of the lands in accordance with the provisions of the granting acts, at a price not to exceed $2.50 an acre, etc. If sold at this price, the 2,300,000 acres would bring not to exceed $5,750,000, albeit, according to a stipulation of the parties in the suit just referred to, they are worth upward of thirty millions, and many place their value at fifty millions.

If the lands are sold for $5,750,000, the railroad company will take all the proceeds and the Government will lose at least $25,000,000. It is, therefore, of the first importance that Congress should act, and provide for the disposition of these lands and the timber thereon.

The decision of the court contains this extract:

This, then, being the situation resulting from conditions now existing, incident, it may be, to the prolonged disregard of the covenants by the railroad company, the lands invite now more to speculation than to settlement, and we think, therefore, that the railroad company should not only be enjoined from sales in violation of the covenants, but enjoined from any disposition of them whatever or of the timber thereon, and from cutting or authorizing the cutting or removal of any of the timber thereon, until Congress shall have a reasonable opportunity to provide by legislation for their disposition in accordance with such policy as it may deem fitting under the circumstances, and at the same time secure to the defendants all the value the granting acts conferred upon the railroads.

If Congress does not make such provision, the defendants may apply to the district court, within a reasonable time, not less than six months from the entry of the decree herein, for a modification of so much of the injunction herein ordered as enjoins any disposition of the lands

and timber until Congress shall act, and the court, in its discretion, may modify the decree accordingly.

Decree reversed and cause remanded to the district court for further proceedings in accordance with this opinion.

I may add that the committee provides in section 1 of that bill for complete resumption of title to these lands and the disposition of them as well.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. FERRIS. Let me conclude in just a word more. I may add that I have taken this matter up with the Speaker and with the majority leader [Mr. KITCHIN] and with the minority leader [Mr. MANN], and I think each one of them understands the necessity of early action. And I may also add to that that the committee has no disposition to interfere with the consideration of appropriation bills or other more important measures.

The SPEAKER. May the Chair ask the gentleman one question?

Mr. FERRIS. Certainly.

The SPEAKER. Was not this bill treated as a privileged bill when it was first brought in here?

Mr. FERRIS. It was; and it was reported from the floor. I rather think it is privileged. The rule provides that such matters coming from the Committee on the Public Lands are privileged. It will not take over two or three hours. There is no opposition to it.

Mr. FITZGERALD. When does this six-months' period expire?

Mr. FERRIS. In June.

Mr. FITZGERALD. I thought it was in July.

Mr. FERRIS. No; in June. The Senate has got to act upon it before the six-months' period is up. The gentleman from Wisconsin [Mr. LENROOT] understands the necessity of it. He is acquainted with it.

Mr. MONDELL. I do not think there is any question about its being a privileged bill.

Mr. FITZGERALD. Mr. Speaker, I will withdraw my objection.

Mr. FERRIS. The gentleman from New York withdraws his objection.

Mr. MANN. Reserving the right to object, Mr. Speaker, when does the gentleman expect to call up the bill?

Mr. FERRIS. That rests with the Speaker. I think we can tuck this in between other legislation and dispose of it in two hours, perhaps, in a lull between appropriation bills. I think the House is equally interested in it with the committee. There is nothing selfish about our wanting to take it up speedily. It seems to us a necessity. The committee is anxious to discharge its full duty in the premises.

Mr. MANN. The gentleman does not expect to call it up this week?

Mr. FERRIS. I hope to do it at the first opportunity.

Mr. MANN. I will say frankly to the gentleman that some of the parties interested in the bill do not wish it to come up this week.

Mr. FERRIS. The committee are not at all headstrong about it. We are merely trying to proceed as rapidly as we can.

Mr. MANN. If the gentleman will say he does not intend to call it up this week, I think I shall not object.

Mr. FERRIS. All right; we will not call it up this week.

Mr. MANN. I will take the gentleman's statement, although on January 29 we gave consent to make privileged the Porto Rico bill, and it was expressly stated then by the gentleman making the request and by the Speaker in putting the request in the first instance, that the bill should not interfere with the consideration of appropriation bills.

The SPEAKER. This will not interfere with that now, even if it is given a privileged status.

Mr. MANN. Yet we find that that bill is interfering with two appropriation bills on the calendar and with another ready to be reported. Instead of proceeding with the consideration of appropriation bills, they have been set aside to go ahead with the Porto Rico bill, in violation of the statement which was made when the Porto Rican bill was made privileged.

The SPEAKER. The Chair will not recognize the gentleman from Oklahoma [Mr. FERRIS] or anybody else with a bill which interferes in any way with the appropriation bills.

Mr. MANN. The Porto Rico bill is expected to interfere.

The SPEAKER. But that was by common consent.

Mr. MANN. Oh, no; not at all. There was no common consent about it. That is the reason I am calling the attention of the House to this. When the Speaker first stated the request on January 29, he stated that it was not to interfere with appropriation bills. Yet with two appropriation bills on the calendar we are interfering with their consideration.

Mr. KITCHIN. Mr. Speaker, I ought to remind the gentleman from Illinois that before we took up the Porto Rican bill the other day I spoke to him about it, and it was decided to take it up after the Agricultural bill was finished.

Mr. MANN. Oh, yes; I have no objection to taking it up at any time when there is no appropriation bill ready to be presented. The other day the gentleman from Virginia [Mr. FLOOD], in charge of the Diplomatic bill, did not happen to be here, and we had an hour or two which could be used in that way. I am perfectly willing at any odd time to run in a thing of this sort; but I consented with the understanding that it would not interfere with the consideration of appropriation bills, which it is now doing.

Mr. KITCHIN. I do not think it is interfering with them.

Mr. FITZGERALD. There should not be any misunderstanding. We were ready to proceed with appropriation bills. We had two bills ready from the Committee on Appropriations, and we could not get in; that is all. We were notified that we could not proceed with them.

Mr. GARRETT. Of course there should not be any misunderstanding.

Mr. FITZGERALD. I do not know what the arrangement is. I am just stating what the facts are.

Mr. GARRETT. The order which was adopted, and which is on the calendar, was that the Porto Rican bill should be made privileged. That is the official order.

Mr. FITZGERALD. That may be the official order——

The SPEAKER. The Chair understands the gentleman from Oklahoma to withdraw his request anyway.

Mr. FERRIS. No; there was no objection to it.

Mr. MANN. I make no objection.

Mr. FITZGERALD. I withdrew the objection because of the peculiar conditions affecting this bill, but I will object to any other request which interferes with the consideration of appropriation bills.

The SPEAKER. Without objection, it is made privileged.

### FOREST HOMESTEADS.

Mr. GANDY. Mr. Speaker, I ask unanimous consent to vacate the proceedings on the passage of the forest homestead bill (H. R. 10668) which passed yesterday, and to return to the amendment stage, for the purpose of making a correction in the bill that was attempted to be made yesterday, but the gentleman from Illinois [Mr. MANN] asked me to wait until a little later time.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 10668) to repeal section 4 of the act of Congress approved June 11, 1906, known as the forest homestead act, and for other purposes.

The SPEAKER. The gentleman from South Dakota [Mr. GANDY] asks unanimous consent to vacate all the proceedings touching this bill back to the amendment stage. Is there objection?

There was no objection.

The SPEAKER. Now, what is the gentleman's request?

Mr. GANDY. I ask unanimous consent that the word "forest," in line 2 of page 2, be changed to the plural "forests." There are two forests involved in this case.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 2, in line 2, change the word "forest" to "forests."

The SPEAKER. Without objection, the amendment will be agreed to, and without objection the bill will be engrossed and read a third time and passed; and without objection, a motion to reconsider and to lay that motion on the table will be agreed to.

There was no objection.

### PRINT OF THE PHILIPPINE BILL.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the Philippine bill, which passed the House on Monday last, be ordered to be printed. There is no print of the bill, and there have been a great many requests for it.

The SPEAKER. The gentleman asks that the Philippine bill be printed. Is there objection?

Mr. TOWNER. As it passed the House?

Mr. JONES. As it passed the House.

The SPEAKER. Of course. Is there objection?

There was no objection.

### CIVIL GOVERNMENT FOR PORTO RICO.

On motion of Mr. JONES, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes, with Mr. FOSTER in the chair.

Mr. TOWNER. Mr. Chairman, Porto Rico has an area of 3,606 square miles, or about 2,300,000 acres. It is somewhat larger than the State of Delaware, but is not so large as Connecticut. In conformation the island is mountainous, in its central portions reaching elevations of over 3,500 feet. Interspersed are fertile valleys, with low-lying plains along the coasts. It is the most lovely of all the beautiful cluster of islands washed by the waters of the Caribbean Sea. Climatically it is ideal. The Government records, running for more than 10 years, show a mean annual temperature of 76°. During the coolest month of winter the average is 73°, and during the warmest month of summer it is 79°. There is abundant moisture, but there is no wet and dry season, such as is found in other parts of the Tropics. The trade winds which prevail, combined with the high elevation, make it exceptionally healthful and delightful throughout the year.

Porto Rico has a most interesting and romantic history. It was discovered by Columbus in 1493 in his second voyage to America. Columbus was accompanied on this voyage by Ponce de Leon, on his way to Santo Domingo. Charmed by the beauty of the island and drawn by the tales of the natives of stores of gold in the interior, de Leon soon returned to explore the island and effect a settlement. Entering what is now the harbor of San Juan he named it Puerto Rico, or the gate of riches. A permanent Spanish settlement was soon effected. After many adventures Ponce de Leon was superseded by another governor, and started on his famous expedition in quest of the fabled fountain of perpetual youth. He did not find the fountain, but he discovered Florida, and added it to the possessions of the King of Spain.

For more than 400 years the island remained a colony of Spain. During nearly all these years Porto Rico was at peace, for it was the most pacific of all Spain's possessions in the western world. It was cruelly exploited, however, and Spain's corrupt and rapacious governors kept the island poor. Their object was personal gain rather than the betterment of the people. They were despoilers, not rulers. Against this tyranny and injustice the spirit of revolt was slowly rising, and when in 1898 Gen. Miles landed an army upon its shores the Americans were welcomed as friends rather than invaders. No man not in the pay of Spain lifted an arm to oppose the American occupancy.

In Gen. Miles's first proclamation to the islanders he said:

> We have come to bestow upon you the immunities and blessings of the liberal institutions of our Government.

How well that promise has been kept, the history of American control of the island during the last 18 years bears eloquent testimony.

At the commencement of the American occupancy the population of Porto Rico was about 900,000. It now is about 1,250,000; a rate of increase considerably larger than that of the continental United States. Nearly three-fourths of the population are white, mostly of Spanish descent. Two-thirds are engaged in agricultural pursuits. They are a peaceable, tractable, intelligent people, eager for education, enlightenment, and civic betterment. Since their incorporation into our territory they have never given this country the least trouble, nor have they given the governors whom we have sent to them the slightest apprehension or even embarrassment.

The educational development of the island during the American occupancy has been remarkable when it is considered that there was no general public-school system in existence at its commencement, and that now there is a complete system in operation, with over 168,000 pupils enrolled, with 2,500 teachers regularly employed, with 1,500 schoolhouses already built, and an annual expenditure of $2,000,000 in their support. The amount available is inadequate to make the progress desired, but the people willingly tax themselves to their utmost capacity in order to lift the cloud of illiteracy that for centuries has hung over the island. With an anticipated increase of revenue it is reasonable to expect that the time is not distant when every child on the island may receive the blessings of a public-school education as freely and with at least as much appreciation and gratitude as do the children of the United States.

The Spanish language is the ancestral and common language of the people. It is manifest that because of their political relations with the United States a knowledge of English is essential. Instead, however, of trying to force an abandonment of the use of the Spanish language and the substitution of English, from the earliest days of the American occupancy the purpose has been to establish a bilingual system which would insure the conservation of Spanish and the acquisition of English. As Dr. Brumbaugh, the American commissioner, who did so much wisely to build the foundations of their educational system, said:

> We want the children to have and use both languages, Spanish and English. * * * It will be a hindrance and not a help to deprive these people of an opportunity to acquire both languages.

The present commissioner, in his last report, pertinently suggests that the people of Porto Rico, situated midway between English North America and Spanish South America, have an unusual opportunity to acquire the two great American languages and thus be enabled to take an active participation in the interchange of ideas and products between the two American continents.

There is absolute freedom of worship in Porto Rico, and while Catholicism is the prevalent religion, most of the Protestant churches are represented in the island.

There are a large number of newspapers and magazines published in the island which are well patronized by the people.

The courts are well established and hold the confidence of the people. Disorder and crime are well under control, and the lives and property of the people are as well protected in Porto Rico as in the United States.

In nothing else has Porto Rico so rapidly Americanized itself as in its politics. Almost every intelligent Porto Rican is a politician. Parties with complete organizations and definite policies have been formed. Party organs have been established and party leaders are recognized and followed. At the last election, held in 1914, the total number of votes cast was 204,233. Of these the Unionist Party cast 107,519 and the Republican Party cast 82,574. The rest were scattered. As might be expected the issues which divide the parties are largely concerned with the ultimate destiny of the island and its relation to the United States. The Republican Party looks to closer relations with this country, and ultimate statehood. The Unionist Party aspired to independence. However, it can probably be said that now there is very little expectation or desire in the island for independence. The Unionist Party, largely in the majority, and hitherto representing especially the independence idea, on October 24, 1915, held a convention in San Juan, and by a vote of more than 3 to 1 resolved to "postpone all action looking toward the independence of Porto Rico, and to devote our entire efforts toward a steady activity in favor of self-government." This, they declare, involves a new policy, which, withdrawing all systematic opposition to the American sovereignty, may gradually establish the foundation for a better understanding between Americans and Porto Ricans on the island. In this way, they believe, the legislative task of Congress as regards a possible reform in the organic act of Porto Rico will be rendered easier of accomplishment. As nearly all the essential concessions looking to a larger measure of self-government for the island are granted in this bill, which if passed will constitute their new constitution, it is confidently believed that the dream and desire for independence will not be longer indulged or cherished, and that Porto Rico may become a great and prosperous self-governing Commonwealth, which if not independent, will maintain its association with the United States because of its desire to continue such association, and because it will be mutually beneficial to Porto Rico and to the United States to continue it. I venture the prediction that the next constitution of government for Porto Rico that will be formulated will not be drawn in Washington, but it will be formulated in San Juan by the people of Porto Rico and sanctioned and approved by the Congress of the United States. [Applause.] As the present constitution of Canada was formulated at Ottawa, as the present constitution of Australia was drawn at Melbourne, and as the constitutions of these great self-governing Commonwealths were approved without change by the Parliament at London, so will the future constitution of Porto Rico be drawn by her own people and approved without modification by the Congress of the United States.

The external commerce of Porto Rico has increased from $17,000,000 in 1901, the earliest year under American occupancy for which we have reliable statistics, to over $83,000,000 for the fiscal year ending June 30, 1915.

Its exports have increased during that period from $8,000,000 to $49,000,000.

Imports from $8,000,000 to $33,000,000.

It is gratifying and important to note that the greater part of this large increase in her external commerce has been with the United States.

From 1901 to 1915 the total foreign trade of Porto Rico had increased from $5,000,000 to only $10,000,000.

During the same period the trade between Porto Rico and the United States had increased from $12,000,000 in 1907 to $73,000,000 in 1915.

During last year Porto Rico sold to the United States nearly $50,000,000 of her products, and we sold to Porto Rico nearly $34,000,000 of ours.

We sell more goods to Porto Rico than we do to Russia, or Austria-Hungary, or many of the other great nations of the world. Only 11 of the great nations of the world purchased more goods from us than Porto Rico.

Eighty-eight per cent of all the external trade of Porto Rico is carried on with the United States, and 91 per cent of its external purchases were made in the markets of this country.

The principal products of the island are sugar, tobacco, coffee, and fruit.

About 483,000 acres, or less than 25 per cent of the cultivatable area of the island, is devoted to production. The exports, amounting, as we have seen, to nearly $50,000,000, are practically all produced on this limited area. It represents an average of about $103 for each cultivated acre of the island, a truly remarkable surplus production.

On October 18, 1898, the United States assumed formal possession of the island. A military government was at once established. A postal system was organized, freedom of speech and of the press proclaimed, a police force was formed, and strict sanitary measures adopted. Free public schools were opened, constitutional rights guaranteed, courts with jury trial established, and municipal elections were instituted. Considerable progress was made both politically and economically under Gens. Brooke, Henry, and Davis, who were successively appointed military governors of the island.

April 12, 1900, Congress passed the Foraker Act, now known as the organic law. It was entitled, "An act temporarily to provide revenues and a civil government for Porto Rico." Nevertheless it has continued and is now the fundamental law governing the island. For 16 years this "temporary" act has been in force comparatively unchanged.

In December, 1909, the President sent Hon. J. M. Dickenson, Secretary of War, and Gen. Clarence R. Edwards, Chief of the Bureau of Insular Affairs, to visit the island of Porto Rico to study conditions of the administration of the island, political, economic, and hygienic, and report such recommendations of changes in the organic law as conditions required. Upon his return the Secretary prepared a bill to provide a new organic law, which was introduced in the House by Mr. Olmstead, then chairman of the Committee on Insular Affairs. The bill, with certain amendments, passed the House, but failed of consideration by the Senate.

In March, 1914, the Committee on Insular Affairs of the Sixty-third Congress reported favorably the Jones bill, which was substantially the same in its provisions as the bill now pending.

Consideration of the bill was pressed by the chairman of the committee, but no action was taken during the last Congress.

The present bill is introduced to supersede the organic act of 1900 with its amendments, and to furnish for the people of Porto Rico a constitution of government commensurate with their present needs and in conformity, as far as possible, with their desires. It has been unanimously recommended for passage by the Committee on Insular Affairs.

It is a pleasure for me to say that in the consideration of this bill there has not been the slightest party spirit manifested by the members of the committee. The discussions have been upon broad constitutional grounds, with the evident purpose and desire on the part of all to give to the people of Porto Rico the best possible government, based upon principles of liberty guaranteed by law, and administered under such regulations as our own experience has shown most advantageous to secure the future safety and progress of the island. The chairman of the committee [Mr. JONES] is entitled to especial credit and praise, not only for his wisdom and care in the original preparation of the bill, but also for his uniform courtesy and fairness to all while presiding during the consideration of the bill. [Applause.]

The principal changes in the law that would result from the passage of the pending bill are as follows:

First. A bill of rights is established.

Second. Citizens of Porto Rico are made citizens of the United States.

Mr. BENNET. Will the gentleman yield for a question?

Mr. TOWNER. I yield to the gentleman from New York.

Mr. BENNET. What portion of the bill covers this sort of a case, which exists in my city of New York? Prior to 1898 there were many Porto Ricans living in New York City, and they are still living there, engaged in business. Under the decision of the Supreme Court they can not be naturalized, because they can not renounce allegiance to any foreign power. They are not citizens of the United States. Under the case of In re Williams they are not aliens. What part of this bill gives those people any status at all?

Mr. TOWNER. I think the act granting citizenship to the people of Porto Rico would grant them this right.

Mr. BENNET. I do not want to interrupt the gentleman unduly, but if the gentleman will read that part of it I think he will find that the people who are now in Porto Rico are taken care of, but the people who were absent from Porto Rico prior to a certain date and who do not wish to return by a certain date are not taken care of. These natives of Porto Rico who lost their Spanish nationality, and who are now residing in the United States, have no definite status at all.

Mr. TOWNER. I think there is no question that there is no provision in the bill that will give citizenship to those people. They have lost their citizenship in Porto Rico, and we would have no authority to give them citizenship now.

Mr. BENNET. I disagree with the gentleman. We have not done it; and yet, why have we not done something to give these people some sort of a status?

Mr. TOWNER. I think there is no provision in the bill that would give them any status.

3. The control over harbors and navigable streams is transferred from the United States to Porto Rico.

4. The offices of the commissioner of agriculture and labor and commissioner of health are created, and members of the Executive Council are made heads of executive departments.

5. The powers of the auditor are increased.

6. An elective senate is created and the Executive Council deprived of legislative powers.

7. The budget system is established, and power is given the governor to veto items in appropriation bills.

8. A public-service commission is established, with extensive powers of control over franchises and public-service corporations.

Other changes are effected which will be referred to during the consideration of the bill.

It will not be possible adequately to discuss even the principal provisions of the bill, but it is confidently believed they will justify themselves in administration and prove satisfactory to at least a large majority of the people of the island. Great care and patient consideration extending over a period of years has been given to the formation of the bill, with a desire on the part of all those engaged in formulating it to give the people of Porto Rico the guaranty of every right and the protection of every personal and property possession which free men and liberty-loving nations possess and value. [Applause.]

Mr. JONES. Mr. Chairman, I yield 20 minutes to the Commissioner from Porto Rico [Mr. RIVERA].

Mr. RIVERA. Mr. Speaker, I want to state, in the first place, that I have taken great pleasure in the declaration of the gentleman from Virginia [Mr. JONES] the other day, and also in the declaration of the gentleman from Iowa [Mr. TOWNER] this morning. Both gentlemen are doing justice to my country. Both have endeavored to make this bill, which I consider a general proposition, a democratic measure, acceptable to all of my countrymen in Porto Rico.

On the 18th day of October, 1898, when the flag of this great Republic was unfurled over the fortresses of San Juan, if anyone had said to my countrymen that the United States, the land of liberty, was going to deny their right to form a government of the people, by the people, and for the people of Porto Rico, my countrymen would have refused to believe such a prophecy, considering it sheer madness. The Porto Ricans were living at that time under a régime of ample self-government, discussed and voted by the Spanish Cortes, on the basis of the parliamentary system in use among all the nations of Europe. Spain sent to the islands a governor, whose power, strictly limited by law, made him the equivalent of those constitutional sovereigns who reign but do not govern. The members of the cabinet, without whose signature no executive order was valid, were natives of the island; the representatives in the senate and in the house were natives of the island; and the administration in its entirety was in the hands of natives of the island. The Spanish Cortes, it is true, retained the power to make statutory laws for Porto Rico, but in the Cortes were 16 Porto Rican representatives and 3 Porto Rican senators having voice and vote. And all the insular laws were made by the insular parliament.

Two years later, in 1900, after a long period of military rule, the Congress of the United States approved the Foraker Act. Under this act all of the 11 members of the executive council were appointed by the President of the United States; 6 of them

were the heads of departments; 5 exercised legislative functions only. And this executive council, or, in practice, the beaurocratic majority of the council, was, and is in reality, with the governor, the supreme arbiter of the island and of its interests. It represents the most absolute contradiction of republican principles.

For 16 years we have endured this system of government, protesting and struggling against it, with energy and without result. We did not lose hope, because if one national party, the Republican, was forcibly enforcing this system upon us, the other national party, the Democratic, was encouraging us by its declarations in the platforms of Kansas City, St. Louis, and Denver. Porto Rico waited, election after election, for the Democratic Party to triumph at the polls and fulfill its promises. At last the Democratic Party did triumph. It is here. It has a controlling majority at this end of the Capitol and at the other end; it is in possession of the White House. On the Democratic Party rests the sole and undivided responsibility for the progress of events at this juncture. It can, by a legislative act, keep alive the hopes of the people of Porto Rico or it can deal these hopes their death blow.

The Republican Party decreed independence for Cuba and thereby covered itself with glory; the Democratic Party is bound by the principles written into its platforms and by the recorded speeches of its leaders to decree liberty for Porto Rico. The legislation you are about to enact will prove whether the platforms of the Democratic Party are more than useless paper, whether the words of its leaders are more than soap bubbles, dissolved by the breath of triumph. Here is the dilemma with its two unescapable horns: You must proceed in accordance with the fundamental principles of your party or you must be untrue to them. The monarchies of the Old World, envious of American success and the republics of the New World, anxious to see clearly the direction in which the American initiative is tending, are watching and studying the Democratic administration. Something more is at stake than the fate of Porto Rico—poor, isolated, and defenseless as she is—the prestige and the good name of the United States are at stake. England learned the hard lessons of Saratoga and Yorktown in the eighteenth century. And in the nineteenth century she established self-government, complete, sincere, and honorable, in Canada, Australia, and New Zealand. Then in the twentieth century, immediately after the Anglo-Boer War, she established self-government, complete, sincere, and honorable, for the Orange Free State and the Transvaal, her enemies of the day before. She turned over the reins of power to insurgents who were still wearing uniforms stained with British blood.

In Porto Rico no blood will be shed. Such a thing is impossible in an island of 3,600 square miles. Its narrow confines never permitted and never will permit armed resistance. For this very reason Porto Rico is a field of experiment unique on the globe. And if Spain, the reactionary monarchy, gave Porto Rico the home rule which she was enjoying in 1898, what should the United States, the progressive Republic, grant her? This is the mute question which Europe and America are writing today in the solitudes of the Atlantic and on the waters of the Panama Canal. The reply is the bill which is now under discussion. This bill can not meet the earnest aspirations of my country. It is not a measure of self-government ample enough to solve definitely our political problem or to match your national reputation, established by a successful championship for liberty and justice throughout the world since the very beginning of your national life. But, meager and conservative as the bill appears when we look at its provisions from our own point of view, we sincerely recognize its noble purposes and willingly accept it as a step in the right direction and as a reform paving the way for other more acceptable and satisfactory which shall come a little later, provided that my countrymen will be able to demonstrate their capacity, the capacity they possess, to govern themselves. In regard to such capacity it is my duty, no doubt, a pleasant duty, to assure Congress that the Porto Ricans will endeavor to prove their intelligence, their patriotism, and their full preparation to enjoy and to exercise a democratic regimé. [Applause.]

Our behavior during the past is a sufficient guaranty for our behavior in the future. Never a revolution there, in spite of our Latin blood; never an attempt to commercialize our political influence; never an attack against the majesty of law. The ever-reigning peace was not at any time disturbed by the illiterate masses, which bear their suffering with such stoic fortitude and only seek comfort in their bitter servitude, confiding in the supreme protection of God. [Applause.]

There is no reason which justifies American statesmen in denying self-government to my country and erasing from their programs the principles of popular sovereignty. Is illiteracy the reason? Because if in Porto Rico 60 per cent of the electorate can not read, in the United States in the early days of the Republic 80 per cent of the population were unable to read; and even to-day there are 20 Republics and twenty monarchies which acknowledge a higher percentage of illiteracy than Porto Rico. It is not the coexistence of two races on the island, because here in North America more than 10 States show a higher proportion of negro population than Porto Rico, and the District of Columbia has precisely the same proportion, 67 white to 33 per cent colored. It is not our small territorial extent, because two States have a smaller area than Porto Rico. It is not a question of population, for by the last census there were 18 States with a smaller population than Porto Rico. Nor is it a matter of real and personal property, for the taxable property in New Mexico is only one-third that of Porto Rico. There is a reason and only one reason—the same sad reason of war and conquest which let loose over the South after the fall of Richmond thousands and thousands of office seekers, hungry for power and authority, and determined to report to their superiors that the rebels of the South were unprepared for self-government. [Laughter.] We are the southerners of the twentieth century.

The House of Representatives has never been influenced by this class of motives. The House of Representatives has very high motives, and, if they are studied thoroughly, very grave reasons for redeeming my country from bureaucratic greed and confiding to it at once the responsibility for its own destinies and the power to fix and determine them. They are reasons of an international character which affect the policy of the United States in the rest of America. Porto Rico, the only one of the former colonies of Spain in this hemisphere which does not fly its own flag or figure in the family of nations, is being closely observed with assiduous vigilance by the Republics of the Caribbean Sea and the Gulf of Mexico. Cuba, Santo Domingo, Venezuela, Colombia, Costa Rica, Honduras, Nicaragua, Salvador, Guatemala maintain with us a constant interchange of ideas and never lose sight of the experiment in the colonial government which is being carried on in Porto Rico. If they see that the Porto Ricans are living happily, that they are not treated with disdain, that their aspirations are being fulfilled, that their character is respected, that they are not being subjected to an imperialistic tutelage, and that the right to govern their own country is not being usurped, these nations will recognize the superiority of American methods and will feel the influence of the American Government. This will smooth the way to the moral hegemony which you are called by your greatness, by your wealth, by your traditions, and your institutions to exercise in the New World. [Applause.] On the other hand, if these communities, Latin like Porto Rico, speaking the same language as Porto Rico, branches of the same ancestral trunk that produced Porto Rico, bound to Porto Rico by so many roots striking deep in a common past, if these communities observe that your insular experiment is a failure and that you have not been able to keep the affections of a people who awaited from you their redemption and their happiness, they will be convinced that they must look, not to Washington but to London, Paris, or Berlin when they seek markets for their products, sympathy in their misfortunes, and guarantees for their liberty.

What do you gain along with the discontent of my countrymen? You as Members of Congress? Nothing. And the Nation loses a part of its prestige, difficulties are created in the path of its policies, its democratic ideals are violated, and it must abdicate its position as leader in every progressive movement on the planet. Therefore if you undertake a reform do it sincerely. A policy of subterfuge and shadows might be expected in the Italy of the Medicis, in the France of the Valois, in the England of the Stuarts, or the Spain of the Bourbons, but it is hard to explain in the United States of Cleveland, McKinley, Roosevelt, and Wilson. [Applause.]

The bill I am commenting on provides for a full elective legislature. Well, that is a splendid concession you will make to your own principles and to our own rights. But now, after such a magnificent advance, do not permit, gentlemen, do not permit the local powers of the legislature to be diminished in matters so important for us as the education of the children. We are citizens jealous of this dignity; we are fathers anxious to foster our sons toward the future, teaching them how to struggle for life and how to reach the highest standard of honesty, intelligence, and energy. We accept one of your compatriots, a capable American, as head of the department of education, though we have in the island many men capable of filling this high office with distinction. We welcomed his appointment by the President of the United States. In this way the island will have the guaranty to find such a man as Dr. Brumbaugh, the first commissioner of education who went to Porto Rico, or as Dr. Miller, the present commissioner, who deserves all our confidence. But

let the legislature regulate the courses of study, cooperating in that manner with the general development of educational work throughout our native country.

I come now to treat of a problem which is really not a problem for Porto Rico, as my constituents look at it, because it has been solved already in the Foraker Act. The Foraker Act recognizes the Porto Rican citizenship of the inhabitants of Porto Rico. We are satisfied with this citizenship and desire to prolong and maintain it—our natural citizenship, founded not on the conventionalism of law but on the fact that we were born on an island and love that island above all else, and would not exchange our country for any other country, though it were one as great and as free as the United States. If Porto Rico were to disappear in a geological catastrophe and there survived a thousand or ten thousand or a hundred thousand Porto Ricans, and they were given their choice of all the citizenships of the world, they would choose without a moment's hesitation that of the United States. But so long as Porto Rico exists on the surface of the ocean, poor and small as she is, and even if she were poorer and smaller, Porto Ricans will always choose Porto Rican citizenship. And the Congress of the United States will have performed an indefensible act if it tries to destroy so legitimate a sentiment and to annul through a law of its own making a law of the oldest and wisest legislators of all time—a law of nature.

It is true that my countrymen have asked many times, unanimously, for American citizenship. They asked for it when through the promise of Gen. Miles on his disembarkation in Ponce, and through the promises of the Democratic Party when it adopted the Kansas City platform—they believed it not only possible but probable, not only probable but certain, that American citizenship was the door by which to enter, not after a period of 100 years nor of 10, but immediately into the fellowship of the American people as a State of the Union. To-day they no longer believe it. From this floor the most eminent statesmen have made it clear to them that they must not believe it. And my countrymen, who, precisely the same as yours, have their dignity and self-respect to maintain, refuse to accept a citizenship of an inferior order, a citizenship of the second class, which does not permit them to dispose of their own resources nor to live their own lives nor to send to this Capitol their proportional representation. To obtain benefits of such magnitude they were disposed to sacrifice their sentiments of filial love for the motherland. These advantages have vanished, and the people of Porto Rico have decided to continue to be Porto Ricans; to be so each day with increasing enthusiasm, to retain their own name, claiming for it the same consideration, the same respect, which they accord to the names of other countries, above all to the name of the United States. Give us statehood and your glorious citizenship will be welcome to us and to our children. If you deny us statehood, we decline your citizenship, frankly, proudly, as befits a people who can be deprived of their civil liberties but who, although deprived of their civil liberties, will preserve their conception of honor, which none can take from them, because they bear it in their souls, a moral heritage from their forefathers.

This bill which I am speaking of grants American citizenship to all my compatriots on page 5. On page 6 it authorizes those who do not accept American citizenship to so declare before a court of justice, and thus retain their Porto Rican citizenship. On page 28 is provides that—

No person shall be allowed to register as a voter in Porto Rico who is not a citizen of the United States.

My compatriots are generously permitted to be citizens of the only country they possess, but they are eliminated from the body politic; the exercise of political rights is forbidden them and by a single stroke of the pen they are converted into pariahs and there is established in America, on American soil, protected by the Monroe doctrine, a division into casts like the Brahmans and Sudras of India. The Democratic platform of Kansas City declared 14 years ago, "A nation can not long endure half empire and half republic," and "Imperialism abroad will lead rapidly and irreparably to despotism at home." These are not Porto Rican phrases reflecting our Latin impressionability; they are American phrases, reflecting the Anglo-Saxon spirit, calm in its attitude and jealous—very jealous—of its privileges.

We have a profound consideration for your national ideas; you must treat our local ideas with a similar consideration. As the representative of Porto Rico I propose that you convoke the people of the island to express themselves in full plebiscite on the question of citizenship and that you permit the people of Porto Rico to decide by their votes whether they wish the citizenship of the United States or whether they prefer their own natural citizenship. It would be strange if, having refused it so long as the majority of people asked for it, you should decide to impose it by force now that the majority of the people decline it.

Some one recently stated that we desire the benefits but shirk the responsibilities and burdens of citizenship. I affirm in reply that we were never consulted as to our status, and that in the treaty of Paris the people of Porto Rico were disposed of as were the serfs of ancient times, fixtures of the land, who were transferred by force to the service of new masters and subject to new servitudes. The fault is not ours, though ours are the grief and the humiliation; the fault lies with our bitter destiny which made us weak and left us an easy prey between the warring interests of mighty powers. If we had our choice, we would be a free and isolated people in the liberty and the solitude of the seas, without other advantages than those won by our exertions in industry and in peace, without other responsibilities and burdens than those of our own conduct and our duty toward one another and toward the civilization which surrounds us.

The bill under consideration, liberal and generous in some of its sections, as those creating an elective insular senate; a cabinet, the majority of whose members shall be confirmed by the senate; and a public-service commission, two members of which shall be elected by the people, is exceedingly conservative in other sections, most of all in that which restricts the popular vote, enjoining that the right of registering as electors be limited to those who are able to read and write or who pay taxes to the Porto Rican treasury. By means of this restriction 165,000 citizens who vote at present and who have been voting since the Spanish days would be barred from the polls.

Here are the facts: There exist at present 250,000 registered electors. Seventy per cent of the electoral population is illiterate. There will remain, then, 75,000 registered electors. Adding 10,000 illiterate taxpayers, there will be a total of 85,000 citizens within the electoral register and 165,000 outside of it. I can not figure out, hard as I have tried, how those 165,000 Porto Ricans are considered incapable of participating in the elections of their representatives in the legislature and municipalities, while on the other hand they are judged perfectly capable of possessing with dignity American citizenship. This is an inconsistency which I can not explain, unless the principle is upheld that he who incurs the greatest misfortune—not by his own fault—of living in the shadow of ignorance is not worthy of the honor of being an American citizen. In the case of this being the principle on which the clause is based, it would seem necessary to uphold such principle, by depriving 3,000,000 Americans of their citizenship, for this is the number of illiterates in the United States according to the census of 1910. There is no reason that justifies this measure, anyway. Since civil government was established in Porto Rico, supseding military government—that is, 16 years ago—eight general elections have been staged. Eight times the people, with a most ample suffrage law, have elected their legislative bodies, their municipal councils, their municipal courts, and school boards. These various bodies have cooperated to the betterment and progress of the country, which gives evidence that they were prudently chosen.

Perhaps one or a hundred or a thousand electors tried to commercialize their votes, selling them to the highest bidders.

For the sake of argument I will accept that hypothesis, though it was never proved. But even supposing that we had not to do with a presumption, but with an accomplished fact, I ask, Were there not and are there not in the rest of this Nation worthless persons who negotiate their constitutional rights? Did not the courts of a great State—the State of Massachusetts—convict four or five thousand men of that offense? Was there not a case in which the majority of a legislature promised to elect and did elect a high Federal officer for a few dollars? I do not think that these infractions of the law and breaches of honor reflect the least discredit on the clean name of the American people. I do not think that such isolated crimes can lead in any State to the restriction of the vote. They are exceptional cases, which can not be helped. The courts of justice punish the guilty ones and the social organization continues its march. In Porto Rico, if such cases occur, they should have and do have the same consequences. But it would be a sad and unjust condition of affairs if, through the fault of one, 1,000 men were to be deprived of their privileges; or, to speak in proportion, if, through the fault of 160 electors, 160,000 were to be deprived of their privileges.

The aforesaid motives are fundamental ones that require careful attention from the House. But there are deeper motives yet, those that refer to the history of the United States and of the American Congress. Never was there a single law passed under the dome of the Capitol restrictive of the individual

rights, of the rights of humanity. Quite the contrary, Congress even going to the extreme of amending the Constitution, restrained the initiative of the States for the purpose of making them respect the exercise of those rights without marring it with the least drawback. There is the fourteenth amendment. Congress could not hinder States from making their electoral laws, but it could decree and did decree that in the event of any State decreasing its number of electors it would, ipso facto, decrease its number of Representatives in this House. The United States always gave to the world examples of a profound respect for the ideal of a sincere democracy.

I feel at ease when I think of the future of my country. I read a solemn declaration of the five American commissioners that signed, in 1898, the treaty of Paris. When the five Spanish delegates, no less distinguished than the Americans, asked for a guaranty as to the future of Porto Rico, your compatriots answered thus:

The Congress of a country which never enacted laws to oppress or abridge the rights of residents within its domains, and whose laws permit the largest liberty consistent with the preservation of order and the protection of property, may safely be trusted not to depart from its well-settled practice in dealing with the inhabitants of these islands.

Congress needs not be reminded of its sacred obligations, the obligations which those words impose upon it. Porto Rico had nothing to do with the declaration of war. The Cubans were assured of their national independence. The Porto Ricans were acquired for $20,000,000, and my country, innocent and blameless, paid with its territory the expenses of the campaign.

The treaty of Paris says:

As compensation for the losses and expenses occasioned the United States by the war and for the claims of its citizens by reason of the injuries and damages they may have suffered in their persons and property during the last insurrection in Cuba, Her Catholic Majesty, in the name and representation of Spain, and thereunto constitutionally authorized by the Cortes of the Kingdom, cedes to the United States of America, and the latter accept for themselves, the island of Porto Rico and the other islands now under Spanish sovereignty in the West Indies, as also the island of Guam, in the Marianas or Ladrones Archipelago, which island was selected by the United States of America in virtue of the provisions of article 11 of the protocol signed in Washington on August 12 last.

You, citizens of a free fatherland, with its own laws, its own institutions, and its own flag, can appreciate the unhappiness of the small and solitary people that must await its laws from your authority, that lacks institutions created by their will, and who does not feel the pride of having the colors of a national emblem to cover the homes of its families and the tombs of its ancestors.

Give us now the field of experiment which we ask of you, that we may show that it is easy for us to constitute a stable republican government with all possible guaranties for all possible interests. And afterwards, when you acquire the certainty that you can found in Porto Rico a republic like that founded in Cuba and Panama, like the one that you will found at some future day in the Philippines, give us our independence and you will stand before humanity as the greatest of the great; that which neither Greece nor Rome nor England ever were, a great creator of new nationalities and a great liberator of oppressed peoples. [Applause.]

Mr. FESS. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. MILLER].

Mr. MILLER of Minnesota. Mr. Chairman, this is an occasion of rather more than passing significance to my mind. At last a bill to reorganize the government in Porto Rico is actually before Congress for consideration and, I trust, passage. The ways of mankind it is difficult even for saints or the powers of heaven, I suppose, always to understand. Two years ago the Committee on Insular Affairs practically agreed upon this same bill. It was reported to this House a year and a half or more ago, but was allowed to rest and sleep in peace without any effort having been made to bring it up and pass it. This bill has been on the calendar now in this Congress for quite a long time. There has even been an agreement under which the bill could be brought up under a privileged condition, and yet effort to bring it up has been delayed until the present moment.

I have heard it suggested in some quarters that it is not the intention of the majority in Congress to pass this bill so that it shall become a law. I do not share in that opinion. I certainly hope that it is not well founded. I certainly trust that at last the wishes of Porto Rico are to receive some consideration at the hands of this Congress. I shall watch the procedure relative to this bill in the future with a great deal of interest.

Some one naturally might arise to inquire what is the present urgency making it necessary to bring in this bill in place of appropriation bills. I do not know; I leave that for some one else to answer. After all the years of delay the spirit has moved somewhere to bring this in, leaving the many bills providing for the carrying on the Government of the United States, which are on the calendar waiting for action. No one for a moment imagines that the revenue bills and appropriation bills will all become a law by the 30th of June, when they ought. Nobody can foresee how long we shall be held in the House, probably all summer; but let me indulge in the hope that this bill is brought in at this time ahead of the appropriation bills for the express purpose of its passing the House and then passing the Senate and becoming a law. If it is to become a law, it marks an epoch in the affairs of the United States as well as in the affairs of Porto Rico.

I know that we have all listened with great pleasure to the distinguished gentleman who has just addressed the House, Señor LUIS MUÑOZ RIVERA. He is the leading statesman of Porto Rico, and has ably represented that insular possession in the House of Representatives of the Congress of the United States for two or three years. [Applause.] He has not been on the floor of the House making a great many speeches, because he did not have a chance. Congress did not see fit to give consideration to measures for Porto Rico in which he and his people are interested, but he has been active nevertheless. He has been persistent and solicitous with the Committee on Insular Affairs to bring forth this bill and pass it. I do not know of anyone who could have been more insistent that he has been during all these years.

Yet we are now listening or have recently listened to him and realize he is not exactly pleased with the bill that is here, but that is not a matter of extreme surprise. The bill that passes and becomes a law is going to put permanently at rest the unrest in Porto Rico relative to the political status of that island. If this bill is enacted into law, and I think it will be, it means that the Congress of the United States says to the people of Porto Rico, once and for all, that they are a part of the United States domain and will always remain there; that the agitation for independence in Porto Rico must come to a decided and a permanent end. I do not suppose it is particularly congenial to those interested in political propaganda to put to one side such a splendid topic to talk upon as the independence of any place, but if there is anything that you and I must be agreed upon, it is this: That Porto Rico will never go out from under the shadow of the Stars and Strips. [Applause.]

The integrity of the United States requires that no sovereignty other than that of the United States shall exercise power over that domain, and it is not a new conception at all. Back 65 years ago leading Democratic statesmen of that time announced to the world that not only was it desirable that the United States should protect itself, but that the United States should also exercise control or sovereignty over—they did not use the words "Porto Rico," though they had it also in mind, but they did use the word "Cuba," saying that Cuba should be acquired in some form, in order that the integrity of the United States might be protected against foreign aggression. That time has long passed away, and the men who were engaged in that received a lot of opprobrium at the time, and I guess they deserved it. But now that we have dug the Panama Canal, and facilities for transportation and communication from here by land down to the canal are so dubious, doubtful, and difficult, beset with difficulties for man and beast, there must be a clean, straight avenue on the sea from here to Panama, and Porto Rico is in a very strategic position relative thereto. Furthermore Porto Rico is necessary to the United States as a key to the defense of the whole American continent against aggression from Europe.

That is not really what I had in mind to say, however, when I took the floor. There has been a peculiar agitation going on in Porto Rico, as there has been in other insular possessions, asking for independence. Two years ago, when the gentlemen interested in the passage of this bill appeared before our committee they said they did not want to be made citizens of the United States, would not take citizenship if we gave it to them—declined, as they said, any such status as citizenship under the American flag. They wanted to be independent, wanted to be free, wanted to have a government of their own. There has been some change in sentiment in the past two years, but not an entire change. This time the same gentlemen appeared before the committee, as well as some others, and they said that they were willing to take citizenship now, but that they still hoped some time to have independence. I said to them then and I say to them now, "If you accept and receive citizenship under the American flag, you will take it for yourselves and your children's children for all time." It is for their own benefit and welfare that they become citizens of the United States, that the independence propaganda be discontinued, and that our sovereignty remain there permanently. When we took over the island the people there had never had an election but once. They had never had the right to exercise the duties of citizenship but once. That was immediately after a small rebellion

against Spain, and they were permitted to elect certain officials in the early months of 1898.

Mr. RIVERA. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Minnesota. In a moment, if I have the time. I think I am going to answer the gentleman's inquiry. They did hold an election, and they did elect some officials, but before the officials ever could act, before the machinery of government thereby set in motion could more than start, the Spanish-American War came on, and, of course, that ended everything. Now, however, since then they have learned to know that liberty does not necessarily mean independence, they have learned that personal liberty and freedom require an interdependence of individuals in order that they may be mutually protected, that citizenship under the sovereignty of the United States means full and complete liberty and freedom. They really realize that. I say that to their credit. They even realize that when they ask for independence now. They realize also that the schoolhouse is to be the savior of their people. A system of public schools 16 or 17 years ago was only on paper in Porto Rico, as it was everywhere else under the Spanish flag, while now there are something like 2,000 schools in Porto Rico, and every boy and girl born on the island has a chance for education and industrial opportunity.

Materially speaking, the external commerce of Porto Rico about the time of the American occupation amounted to about fifteen or sixteen millions of dollars, and that has increased until now it is $83,000,000, and the difference between those two spells the measure of prosperity that has come to the people of that island, and augurs wonderfully well for the future that lies before them. But in that increase there is something that Americans should note. Somebody has said, and said rightly, that commerce follows the flag, and it does. The total exports of the United States to Porto Rico in 1901 were about $5,000,000. This last year we sold the 1,200,000 people there over $30,000,000 worth of products. Sixteen years ago the relative proportion of trade, external, in Porto Rico, was about equally divided between the United States and Europe, while to-day 88 per cent of the Porto Rican trade is with the United States, and we have been a wonderful purchaser of the things they have raised.

There has been a tremendous stimulus to the sugar industry and there has been a tremendous stimulus to the coffee industry, the two great industries in the island, and as we are the greatest consumers in the world of both sugar and coffee this relationship between Porto Rico and the United States guarantees an ever-increasing prosperity for the people of the island. One gentleman appeared before the committee, and I liked his appearance and conduct very much, but his logic was peculiar. He said one reason why Porto Rico should not be permanently a part of the United States or permanently under the sovereignty of the United States was because Porto Rico was so miserably poor and the United States so tremendously rich that it would not be proper to hitch together a poor spot and a rich one. I called his attention to the fact that had not the great American Desert, as it was known in our boyhood days, been a part of the great American Nation, so many spots would not have been made to blossom like the rose and become the home and habitation of so many millions of people. I called his attention to the fact that the people of Porto Rico now have free access to our markets, a privilege no doubt every other people in the world would well-nigh lay down their lives to obtain. To have that relationship continued means that Porto Rico will cease to be poor and eventually will become rich; that separated, a lonely, isolated spot on the sea, a prey to insurrection and everything else, her poverty, that we have talked too much about in my opinion, will not only be continued, but will be made greater. We have altruistic ideas toward people, and no nation ever lived that had greater, but there are enough Santo Domingos and Haitis in the world; and there are enough Nicaraguas, enough Guatemalas, enough Costa Ricas, enough Hondurases.

It is not every group of people that can have an independent and isolated sovereignty. Why, I remember that the spot where I was born and where I now live and have lived all my life has been under three great sovereignties—the sovereignty of France, for the lilies of France were once raised above the plains, rivers, and lakes of Minnesota; later under the sovereignty of Spain; her saffron-colored flag was there flung to the breeze; but, thank God, by reason of a Democratic President, in the year 1803 that land came under the sovereignty of the United States, without the consent of anybody living there, but with the eternal approbation and gratitude of every man who has lived there since. We would be a miserable, pitiful spectacle in Minnesota and Iowa and other States out yonder if we were an isolated interior State with a sovereignty of our own. How infinitely superior and grander is our condition, not only respecting material well-being, but respecting freedom and liberty and opportunities of life, that we are a part of the great citizenship of the United States! So I trust my good friend Señor MUÑOZ RIVERA, who is the real leader and statesman of his people, will take this truth to his people, that they will best be serving their own interests if they remain comfortably under the shadow of Uncle Sam's strong right arm [applause]; that their prosperity and their freedom and their liberties that they think dear, and rightfully, will be equally dear to us, and if ever they shall be assailed by a foreign foe they will have the fleet and the Army and the last drop of American blood to protect them. [Applause.]

There are some things we might call attention to specially in reference to this bill. I am afraid somebody will not call attention to them, so I am going to do it. We are going to give them citizenship. Ten years from now they are all going to rise up and call us blessed for so doing. But we are not going to give everyone the right to vote; and they are all going to rise up and bless us for doing that, too. At the present time there is universal suffrage in Porto Rico——

Mr. RIVERA. Yes; there is.

Mr. MILLER of Minnesota. But I am afraid that universal suffrage does not mean the proper exercise of the responsibilities of self-government. The good Governor of Porto Rico, in his testimony before the committee, stated that the motive which moved most of the people to go to the poles was a monetary consideration. Now, that is not peculiar alone to Porto Rico, so I do not want anyone to take any offense at that. There are some spots in the United States where I understand that is the case, but it is not anywhere around where I live. [Laughter.] This bill is going to disfranchise 70 per cent of the citizens of voting age in Porto Rico. In other words, about 30 per cent of the men over 21 years of age in Porto Rico will now be able to vote. I say that not out of a spirit of trying to rub any sore spots, I say that not out of any spirit of trying to make our Democratic brethren uneasy, but I do say that for once the Democrats and Republicans of the House unite in looking facts in the face and acting intelligently in reference to them.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CANNON. May I just ask one question by unanimous consent?

Mr. TOWNER. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. CANNON. I had hoped that somebody, as we are all busy about many matters of legislation, would tell us about this bill. It seems to me there ought to be time in general debate in which some one would tell us about what this bill does.

Mr. MILLER of Minnesota. The details of the propositions as contained in the bill?

Mr. CANNON. Precisely.

Mr. MILLER of Minnesota. I can do so in a moment. The bill provides for a reorganization of the government of Porto Rico. That government since 1900 has been in essence this: The lower legislative branch has been elected by the people. The upper legislative branch has been appointed by the President of the United States, consisting of 11 men. Prior to the last three years 6 of these were Americans and 5 Porto Ricans. During the last two years 7 of those have been Porto Ricans and 4 Americans. These men, called "the commission," constitute not only the upper legislative branch but serve also as the heads of the executive departments.

This bill reorganizes the government to the extent of creating a full legislature that shall be elected by the citizens of Porto Rico who are qualified to vote; that is, by about 30 per cent of the people. There is a lower house and an upper house; a house of representatives, if you wish to call it that, and a senate. In addition there are six executive officers—heads of departments—that are to be appointed by the President of the United States or by the governor. The auditor of the island is to be appointed by the President and the others by the governor. There is given to the people of Porto Rico a bill of rights, which is the first part of the bill. It is practically a copy of the bill of rights contained in the United States Constitution. Personally I am of the opinion that they have that bill of rights down there now, but anyhow it will do no harm to reenact it here. The chief executive of Porto Rico is to be, as he has been in the past, a governor appointed by the President of the United States. There is continued the Federal court of the island out of deference to the foreign and American business interests, who desire this court to remain, with one Federal judge and one Federal attorney. There is no reorganization made of the other courts, they re-

maining about the same as they have been heretofore, and on the whole they have been satisfactory.

Now, if there is any other question——

Mr. CANNON. Has the governor the veto power?

Mr. MILLER of Minnesota. The governor has the veto power. However, a two-thirds vote on the part of both houses can override the veto, in which event it will go to the President of the United States, who has the absolute veto.

Mr. CANNON. Now, how are the taxes gathered?

Mr. MILLER of Minnesota. There are customs duties which are covered into the treasury of Porto Rico. In addition to that there are taxes from internal-revenue sources, part of which have gone into the United States Treasury and some into the local treasury. There are spent about $7,000,000 a year, and the total receipts are about the same.

Mr. CANNON. Are the internal taxes of the same character as we have in the United States?

Mr. MILLER of Minnesota. I think so.

Mr. CANNON. Excise tax on tobacco, and so forth?

Mr. MILLER of Minnesota. They have some excise taxes. Some of them have gone into the Treasury of the United States, and that is one of the changes made in the bill. Heretofore all the tobacco, mainly cigars that have been consumed in the United States, having been imported from Porto Rico, has paid an internal revenue in the United States, because consumed here. It is proposed in this bill that that sum of money shall go into the treasury of Porto Rico.

Mr. CANNON. There is complete free trade between the United States and the island?

Mr. MILLER of Minnesota. Absolutely.

Mr. CANNON. What is the qualification of a voter? Is it a property qualification?

Mr. MILLER of Minnesota. At the present time; if the bill becomes a law, it will be property or educational.

Mr. CANNON. Property or educational—one or the other. Suppose that this legislative body declines, as it did once before, to agree to appropriations to carry on the government of Porto Rico, what would happen then?

Mr. MILLER of Minnesota. There is a provision in the bill that if the Legislature of Porto Rico refuses to make appropriations for the conduct of the government, the appropriations made in the last preceding year will be reenacted.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. ANTHONY. I would like to ask the gentleman a question.

Mr. CANNON. How much time is there for general debate?

Mr. TOWNER. An hour and a half on a side. I grant two minutes more to the gentleman from Minnesota.

Mr. ANTHONY. I believe the gentleman stated that under this present bill about 70 per cent of the voters would be disfranchised in Porto Rico?

Mr. MILLER of Minnesota. Yes.

Mr. ANTHONY. Is that correct, in view of this paragraph in the report, which says:

No one who had acquired the right to vote before the passage of this bill shall be disturbed in the enjoyment of that right.

Mr. MILLER of Minnesota. I am not responsible for what is in the report. I am simply stating the fact and that it was the statement of Gov. Yager, who said that 70 per cent of the people now in the islands would be disfranchised by the terms of this bill.

Mr. ANTHONY. I am calling the gentleman's attention to the way the report is written. It carries the belief that men who are present voters will not be disturbed in their franchise.

Mr. JONES. What report is that?

Mr. ANTHONY. It is the report handed to me at the Clerk's desk. It is by Mr. JONES, and is dated January 25, 1916.

Mr. JONES. The fact is, as stated by the gentleman from Minnesota [Mr. MILLER], that they have what is called manhood suffrage there now, and the purpose of this bill is to restrict it. That is the fact, anyhow.

Mr. ANTHONY. It is intended to restrict the franchise?

Mr. JONES. Yes.

Mr. HARDY. I would like to ask the gentleman from Virginia what the restrictions are, please?

Mr. JONES. I will say to the gentleman the educational qualification is that they must be able to read or write.

Mr. HARDY. Is there any other qualification?

Mr. JONES. I should have said read and write, and the property qualification is that they must pay some taxes.

Mr. CANNON. Either? Or does it require both?

Mr. JONES. Either.

Mr. JONES. I yield 15 minutes to the gentleman from New York [Mr. LONDON].

Mr. CLARK of Florida. Before doing that, the gentleman has just stated as one of the qualifications for the right to vote that the party must pay some taxes. Are those taxes on realty, or can voters pay taxes on personal property alone?

Mr. JONES. My recollection is that it is on realty, but it has been some time since I had occasion to look it up. I think it is on realty, though. I will look that up.

The CHAIRMAN. The gentleman from New York [Mr. LONDON] is recognized for 15 minutes.

Mr. LONDON. Mr. Chairman and gentlemen, it was a tragedy that we witnessed here a few minutes ago when the Commissioner from Porto Rico addressed this House. I believe that there is no citizenship in the world that is so valuable as the citizenship of the United States. But the idea of a compulsory citizenship is the most absurd thing that has ever been advocated. You can not compel people to love you. You can not compel people who, by their elective representatives, say that they prefer to be citizens of their own island, of their own little country, to accept your citizenship. You can not substitute your attachments and your loves, your affections, your habits, and your mode of thought upon people of another race and of other traditions.

I do not question that American citizenship is the most valuable citizenship. I wish the Porto Ricans were a part of the people of the United States. I hope that some day they will be a part of the United States, an integral part of this Republic; but it should be a matter of choice. It should be accomplished by a vote of the people of Porto Rico, and it should not be forced upon them by a decree of this Congress. There is another thing to which I want to direct your attention, gentlemen, and that is a very serious matter. It is the attempt to disqualify and disfranchise 165,000 voters out of a total of 200,000 voters in Porto Rico.

By what right do you lay your hand on the citizenship or the residents of Porto Rico? It is not a question of conferring the right of franchise. No; it is a question of taking away the right of franchise from three out of every four men in the island of Porto Rico. One hundred and sixty-five thousand people out of two hundred and three thousand voters of Porto Rico will be deprived by your bill of the right to vote.

Is that democracy? It seems that the Democratic Party tries to do everything that is bad in the Republican platform. Whenever the Democrats attempt to do something good they will just find enough bad Democrats to help beat it. You attempted to do something good in the Philippines, and sure enough, there were found enough bad Democrats in their own ranks to make the emancipation of the Filipino impossible. Your Porto Rico bill shows that you are incompetent to govern another nation. For that matter, no nation is competent to govern another nation.

I was amused by the thought expressed by the gentleman from Minnesota [Mr. MILLER] about the right of people to be independent. He tells the Porto Rican people that they have no right to be independent. He is going to decide for them whether liberty is synonymous with independence. He is going to tell what their rights and aspirations are. What sort of democracy is that? What sort of republicanism is that? You talk about $80,000,000 of imports and exports. You talk about $17,000,000 worth of imports and exports having increased to $80,000,000. Who is benefited by it? The people of Porto Rico? Not a bit. The Tobacco Trust has benefited by it. The coffee planters have benefited by it. The external commerce of Porto Rico has increased fourfold. Have wages increased? Do not the workers of Porto Rico rebel to-day against the system of wages that compels them to work 12 hours a day for 45 cents? Why has not the 45 cents wage been quadrupled? Why has not the wage been increased? Not a word has been said about wages here. The commerce is $80,000,000, and Republicans and Democrats seem ready to wipe off the Declaration of Independence and forget every noble word of every statesman of the past when you mention the dollar mark. Eighty million dollars, no more independence, no more rights of nations, but $80,000,000.

I say you assassinate the rights of the Porto Ricans by depriving three-fourths of them of the franchise, and I will tell you what you are accomplishing. You deny to a man the right to express his views through civilized methods, through the medium of the ballot.

[Mr. LONDON here uttered certain words which were subsequently withdrawn.]

Mr. AUSTIN. Mr. Chairman, will the gentleman yield?

Mr. LONDON. One moment.

Mr. AUSTIN. Oh, Mr. Chairman, I call the gentleman to order.

Mr. LONDON. I repeat what I say.

Mr. AUSTIN. Mr. Chairman, I ask that his words be taken down. They are a disgrace to the American Congress.

The CHAIRMAN. The gentleman from New York will suspend speaking.

Mr. AUSTIN. I ask that his words be taken down.

The CHAIRMAN. The stenographer will take his words down.

Mr. AUSTIN. I wish I could make a motion to expel him from this House.

The committee rose; and the Speaker having resumed the chair, Mr. TAYLOR of Colorado, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes, during the course of the debate, in the remarks of the gentleman from New York [Mr. LONDON], the gentleman from Tennessee [Mr. AUSTIN] demanded that the words of the gentleman from New York [Mr. LONDON] be taken down.

The SPEAKER. The Chair will state to the gentleman from New York [Mr. LONDON] that the rule of the House is that in a situation like this the Member who is called to order is required to take his seat. The Clerk will report the words complained of.

The Clerk read the words.

The SPEAKER. It is for the House to determine what to do about this. If any gentleman has a motion to make——

Mr. GARRETT. I move that the gentleman from New York be allowed to proceed in order.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. I do not remember exactly the precedents. Is it in order——

The SPEAKER. The Chair will read the rule for the benefit of the House.

Mr. MANN. Is it in order now to move to postpone consideration of what should be done in this matter?

Mr. TOWNER. May we not have the rule read?

The SPEAKER. The Chair will read the rule:

> If any Member, in speaking or otherwise, transgress the rules of the House, the Speaker shall, or any Member may, call him to order, in which case he shall immediately sit down, unless permitted, on motion of another Member, to explain; and the House shall, if appealed to, decide on the case without debate; if the decision is in favor of the Member called to order, he shall be at liberty to proceed, but not otherwise; and if the case require, he shall be liable to censure or such punishment as the House may deem proper.

The only difference between that and what happens when the supposed offense is in Committee of the Whole is that the decisions provide that the Committee of the Whole shall immediately rise and report to the House what took place. Now, that has been done. The rule that applies to the conduct of the House for its procedure is stated in that rule. The gentleman from Tennessee [Mr. GARRETT] moves that the gentleman from New York [Mr. LONDON] be allowed to proceed in order. In the meantime the gentleman from Illinois [Mr. MANN] asks if this question might not go over for a while.

Mr. MANN. What I asked was whether the right of the House to take action in reference to expressions of that sort may go over under the rule.

The SPEAKER. The Chair thinks that the gentleman could ask unanimous consent that the matter be postponed until a day or an hour certain.

Mr. MANN. I find this in the Manual:

> Or when he has uttered words alleged to be treasonable, the House has proceeded to censure, or other action, although business may have intervened.

Giving a citation to Hinds' Precedents.

The SPEAKER. The Chair does not think there can be any two opinions about that.

Mr. CLARK of Florida. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CLARK of Florida. Will it be in order to move to strike the language from the RECORD?

The SPEAKER. There is one motion pending. If that is defeated, anybody may move to strike the language from the RECORD, or censure the gentleman, or do anything the House pleases.

Mr. CLARK of Florida. I would move to amend the motion of the gentleman from Tennessee by moving that the language be stricken from the RECORD. The motion of the gentleman from Tennessee is that the gentleman from New York be allowed to proceed in order.

The SPEAKER. I know, but it seems to the Chair that the motion the gentleman suggests is not germane to the motion that the gentleman from Tennessee [Mr. GARRETT] makes.

Mr. CLARK of Florida. That could be made later, Mr. Speaker.

The SPEAKER. Why, of course, if the motion of the gentleman from Tennessee [Mr. GARRETT] prevails that is the end of it. If it is defeated, then the other motion is in order.

Mr. SHERLEY. Prior to the vote coming upon the motion of the gentleman from Tennessee, is it not in order to move that the gentleman from New York [Mr. LONDON] be given an opportunity to explain his remarks?

The SPEAKER. It seems to the Chair that if the motion of the gentleman from Tennessee [Mr. GARRETT] prevails, that ends the whole matter.

Mr. SHERLEY. The point is this: In the interest of orderly procedure it might be very desirable, and such a motion as I suggest would afford the opportunity to the person charged with an offense against the rules of the House to explain before the House is required to vote upon the motion as to whether he be permitted to proceed or not.

The SPEAKER. The Chair is inclined to think the gentleman from Kentucky is correct.

Mr. AUSTIN. Mr. Speaker, I wish to move to lay the motion of my colleague from Tennessee [Mr. GARRETT] on the table, in order that I may offer a resolution of censure and to strike from the RECORD the language of the speech.

Mr. MANN. Mr. Speaker, I do not know whether the gentleman from Kentucky [Mr. SHERLEY] had the Manual before him when he made his inquiry of the Chair.

Mr. SHERLEY. I have just found it.

Mr. MANN. But if the Chair will look at the third paragraph of section 444 he will find that the motion to explain takes precedence of the other motion.

Mr. SHERLEY. I have just found it. It occurred to me that that ought to be the rule, and I have found a precedent which holds that it is. I therefore make that motion, that the gentleman from New York [Mr. LONDON] be permitted to explain his remarks.

Mr. GARRETT. I think that is in order, Mr. Speaker.

The SPEAKER. The gentleman from Kentucky [Mr. SHERLEY] moves that the gentleman from New York be permitted to explain his remarks.

Mr. MILLER of Minnesota. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Minnesota. Is that motion debatable?

The SPEAKER. It is not. None of these motions is debatable.

Mr. MADDEN. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MADDEN. What has become of the motion of the gentleman from Tennessee [Mr. AUSTIN] to lay on the table?

The SPEAKER. He did make that motion to lay on the table.

Mr. SHERLEY. I make the point of order, Mr. Speaker, that my motion is a preferential motion, and the motion of the gentleman from Tennessee [Mr. AUSTIN] to lay upon the table the motion of the gentleman from Tennessee [Mr. GARRETT] can not come up until after the House has acted upon the motion which I have made.

Mr. GARRETT. The motion to permit the gentleman to explain is a preferential motion.

Mr. MADDEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MADDEN. The question is whether the motion of the gentleman from Tennessee [Mr. GARRETT] that the gentleman from New York be allowed to proceed in order being followed by a motion of the gentleman from Tennessee [Mr. AUSTIN] to lay the motion on the table, whether another motion can intervene.

Mr. BENNET. If the motion of the gentleman from Tennessee should be entertained and carried it would be futile, because then the motion of the gentleman from Kentucky, being a preferential motion, would be entertained before any motion that the gentleman from Tennessee could make.

The SPEAKER. It seems to the Chair that fair dealing and common sense both would indicate that the motion of the gentleman from Kentucky ought to be voted on first, and the motion of the gentleman from Kentucky is that the gentleman from New York be allowed to explain his remarks.

Mr. AUSTIN. Is the motion debatable?

The SPEAKER. None of these motions is debatable; the rule provides for a summary proceeding.

Mr. DYER. Mr. Speaker, is there any limit to the time of the gentleman from New York if the motion is agreed to?

The SPEAKER. The Chair has heard nothing about any time limit.

Mr. AUSTIN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. AUSTIN. Will a substitute motion be in order?

The SPEAKER. Not on this proposition.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the words in question may be again reported as a number of Members were not present.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming? [After a pause.] The Chair hears none, and the Clerk will report the words again.

The Clerk again read the words taken down.

The SPEAKER. The question is on the motion of the gentleman from Kentucky [Mr. SHERLEY].

The question was taken, and the motion was agreed to.

Mr. LONDON. Mr. Speaker and gentlemen, I will be very brief. I am extremely sorry that anything I said is the cause of displeasure on the part of the membership of this House. It is evident that if the remarks as reported contained two or three additional connecting words, that would have removed the objectionable feature of these remarks. As they stand it would seem that I advocated or suggested that when the voters of Porto Rico were deprived of the franchise they would have a right to use violence. The substance of my remarks, the idea that I intended to convey to the House, was this, that in all democratic countries men are given an opportunity to express their ideas, their views, their political convictions by means of the ballot; that in those countries where men are deprived of the opportunity to give expression to their views through the use of the ballot they have to use other means, and they do use other means.

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. LONDON. I ask the forgiveness of the gentleman, but I do not want to yield at this moment.

Mr. MILLER of Minnesota. I simply wanted to ask, Does the gentleman approve of that course?

Mr. LONDON. One moment, I will yield a little later. Stenographers are my enemies. I talk very fast, I walk up and down so that a stenographer has to be on wheels to follow me so as to understand everything I say. I am not finding fault with the stenographer; for instance, you have an expression here that I am confident I did not use, because it has no meaning at all—the expression, "the right to press his clues through civilized methods." I do not recall, and I am confident I did not use that expression. I probably used the words "express his views." However, the long and short of it is this: I do not advocate the use of violence. I am a Socialist. I believe in political activity. The greater part of my life has been spent in fighting the advocates of the use of violence. You have heard me again and again on the floor denounce the use of violence. I am a great believer in intelligence and love. Love, intelligence, and education are the great powers—the great forces for the improvement of mankind.

Mr. AUSTIN. If that is the gentleman's view, why should he used the words "pistol" and "the knife of the assassin?"

Mr. LONDON. You told—they will be told that they have a right to use it, there will be men who will tell them, and the whole thing will be very clear. I do not want the House to understand for one moment that I advocated the use of violence. I intended to impress on the House the importance of retaining democratic principles.

Mr. HARDY. Will the gentleman yield? Why does not the gentleman ask to cut the thing short—that if anything in his remarks bears that interpretation he desires to withdraw it?

Mr. LONDON. I not only ask for it, but I express my deep sorrow that any Member of the House should have understood me as advocating the use of violence.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. GARNER. Mr. Speaker, will the gentleman yield?

The SPEAKER. To whom does the gentleman from New York yield?

Mr. LONDON. To the gentleman from Illinois.

Mr. MANN. What the gentleman said was perfectly patent to every one. He said what the stenographer reports him to have said, and if he wants to withdraw it, why does he not withdraw the statement and take that to himself instead of putting it upon the stenographer?

Mr. LONDON. I am not putting any blame upon the stenographer. I say that stenographers find it extremely difficult to follow me.

Mr. MANN. But in this case, if the gentleman will permit, we do not have to rely upon the stenographer. Plenty of Members of the House heard the gentleman, and that is the reason his words were taken down. Why does he not disavow the intent?

Mr. LONDON. I said very clearly that if this language conveys that thought, I am extremely sorry that it is a part of the RECORD.

Mr. GARNER. Mr. Speaker, will the gentleman yield now?

Mr. LONDON. In the absence of the words "they will be told."

The SPEAKER. Does the gentleman yield?

Mr. LONDON. I yield to the gentleman from Texas.

Mr. GARNER. I did not happen to be in the Hall and did not hear the gentleman's statement, but the gentleman says now that the basis of his statement as read from the desk was to the effect that people who can not vote in Porto Rico will be told so and so. If he made that statement——

Mr. AUSTIN. But he never made it.

Mr. MANN. That is not what he said.

The SPEAKER. The Chair would like to ask the gentleman from New York a question. Does he desire to withdraw from the CONGRESSIONAL RECORD the words complained of?

Mr. LONDON. I do.

Mr. GARNER. That settles it, then, Mr. Speaker.

The SPEAKER. It would seem so to the Chair.

Mr. AUSTIN. I think the gentleman ought to apologize.

The SPEAKER. He has already apologized.

Mr. LONDON. I think I have apologized.

Mr. AUSTIN. But he has tried to put it off on the official stenographer. He has been attempting to put the responsibility on the stenographer.

Mr. LONDON. Not at all.

The SPEAKER. The truth is that a great many of us put responsibilities on stenographers and newspaper reporters when we have no business to do it. The remarks that the gentleman from Tennessee [Mr. AUSTIN] objected to will be stricken from the CONGRESSIONAL RECORD, and that being the case, the Chair will put the motion of the gentleman from Tennessee [Mr. GARRETT] that the gentleman from New York be permitted to proceed in order. Does the gentleman from Tennessee [Mr. AUSTIN] withdraw his motion to table the motion of the gentleman from Tennessee [Mr. GARRETT]?

Mr. AUSTIN. Mr. Speaker, if the gentleman from New York will sin no more, I am willing to do it. [Laughter.]

The SPEAKER. The Chair can not guarantee that. The gentleman from Tennessee [Mr. AUSTIN] withdraws his motion to table the motion of his colleague, and the question is on the motion of the gentleman from Tennessee [Mr. GARRETT] to permit the gentleman from New York to proceed in order.

Mr. MILLER of Minnesota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Minnesota. Have the words complained of been stricken from the RECORD?

The SPEAKER. They have.

Mr. MILLER of Minnesota. Does it not require unanimous consent?

The SPEAKER. It does not.

Mr. CANNON. Does the apology that the gentleman makes to the House for the use of the words stand in the RECORD?

The SPEAKER. Yes; that stands. What the gentleman said when he was on the floor the last time stands, and what he said when he was up the other time goes out of the RECORD. The question is on the motion of the gentleman from Tennessee [Mr. GARRETT], that the gentleman from New York be permitted to proceed in order.

The question was taken; and on a division (demanded by Mr. MOORES of Indiana) there were—ayes 76, noes 18.

So the motion was agreed to.

The SPEAKER. The committee will resume its session.

The committee resumed its session.

The CHAIRMAN (Mr. TAYLOR of Colorado). The gentleman from New York has six minutes remaining.

Mr. LONDON. Mr. Chairman, by establishing the principle that only one-fourth of the people of Porto Rico shall be entitled to the franchise you reestablish the principle that property is entitled to a vote and not the human being. Instead of each man being entitled to a vote, you will have property recognized as the legal entity, as the political unit of Porto Rico. You know that after the adoption of the Constitution in 1787 many American States were for 50 years struggling with the reactionary elements to remove the property qualifications, and that as late as 1842, in the American State of Rhode Island, there was a rebellion known as the Dorr's rebellion. Do not be terrified by the word "revolution" again, please. In 1848 it was found that in the State of Rhode Island, owing to an old primogeniture law, only landlords and their first-born sons had a right to vote, so that the greater part of the population of the State of Rhode Island did not enjoy the franchise, and a rebellion had to take place before the franchise was conferred upon every citizen of the State of Rhode Island. You are

making a mistake by forcing upon the Porto Ricans citizenship which they do not want. Let us say they are not ripe for it; let us say they are not intelligent enough for it; let us say that they have not learned to love you as much as you deserve. The fact is that all political parties in Porto Rico object to compulsory citizenship. It is a serious error that you are now attempting. Next, you are sowing the seeds of discontent by depriving three-fourths of the population of Porto Rico of the right to give expression to their discontent through the legitimate method of the ballot.

What other methods will they find to translate their views into? What other means will they possess of giving expression to their desires, to their wishes and political convictions? Why force upon Porto Rico reactionary laws against which your own fathers contended for 50 years after the establishment of this Republic? It is a very serious mistake that you are committing, and it is to be regretted that this earnest appeal of mine on behalf of the people of Porto Rico should have been interrupted by an unpleasant incident.

Mr. AUSTIN. Will the gentleman yield for a question?

Mr. LONDON. Yes.

Mr. TRIBBLE. Does the gentleman mean to say by that statement that the House has made a mistake in stopping the gentleman and having those words stricken out?

Mr. LONDON. On the contrary, the House has expressed what was in my own heart.

Mr. AUSTIN. The gentleman favors giving universal franchise to everybody in Porto Rico, whether educated or property holders or not?

Mr. LONDON. I do.

Mr. AUSTIN. Does the gentleman believe in that same thing in Mississippi, Louisiana, and South Carolina?

Mr. LONDON. I believe every human being——

Mr. AUSTIN. Has the gentleman a different rule now——

Mr. LONDON. One moment. This is a problem which I can not go into in the one minute I have. The problem was made clear by the gentleman who represents Porto Rico when he said that in Porto Rico the colored vote is comparatively insignificant and that the relations between the races are more liberal there than in other sections of the country.

Mr. AUSTIN. Does the gentleman believe in that principle?

Mr. LONDON. I believe in the principle that every human being——

Mr. AUSTIN. Should have the right to vote?

Mr. LONDON. Has the right that any other human being has under the same circumstances and under the same conditions.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. FESS]. [Applause.]

Mr. JONES. Mr. Chairman, I will ask the gentleman from Ohio if he will yield just for a moment in order to enable me to make a statement?

Mr. FESS. Certainly.

Mr. JONES. Mr. Chairman, I merely desire to make a statement. The gentleman from Kansas [Mr. ANTHONY] a few moments ago asked the gentleman from Minnesota [Mr. MILLER] as to this language, which he said was to be found in the report of the committee:

*No one who had acquired the right to vote before the passage of this bill will be disturbed in the enjoyment of that right.*

He asked the gentleman from Minnesota if that statement was in cognizance with the provisions of the bill, and the gentleman from Minnesota replied that he was not responsible for what was in the report. I asked the gentleman from Kansas to what report he referred, and he replied it was in the report accompanying this bill. Now, I was very much surprised at that statement, because I had written the report, and upon examination I find that the language he quoted is to be found in a report made two years ago. It is true that a part of that report is incorporated in the report on this bill. The bill of two years ago contained educational and property qualifications, and provided also that those who had exercised the right of suffrage should be permitted to continue to do so. That language of the bill of two years ago is not to be found in this bill.

Mr. MANN. Will the gentleman yield?

Mr. JONES. I will.

Mr. MANN. In the absence of the gentleman from Kansas—because I have a note made of this same matter—I find this language in large type in this report:

*The other changes made in the bill reported by this committee in the Sixty-third Congress are of such minor importance that it is not deemed necessary to specifically call attention to them. The report upon that bill, hereinbefore referred to and which is made a part of this report, taken in connection with the foregoing, sufficiently fully sets forth the changes which this bill, if enacted into law, will effect in the present organic law of Porto Rico.*

Then occurs this language, to which reference has been made:

*No one who had acquired the right to vote before the passage of this bill will be disturbed in the enjoyment of that right.*

Was not the gentleman from Kansas justified in thinking that that was a part of the report on this bill when it stated so and when it stated that there were only minor changes, and now the gentleman says 70 per cent are to be disfranchised? Is that a minor change?

Mr. JONES. Mr. Chairman, I think the gentleman from Kansas was justified in drawing that conclusion, but I wanted to explain to the committee that the reference did not apply to this bill. Possibly if this report had been a little more carefully drawn attention would have been called to that fact, but it is a fact that the language in question was in the report of two years ago which is incorporated in this report, and that the provision of the bill of 1914 to which it referred is not contained in this bill. I think the gentleman is mistaken in saying that under the educational qualifications of this bill 70 per cent of the present voters in Porto Rico will be disfranchised.

Mr. MANN. I did not make the statement. That was the statement which the gentleman from Minnesota [Mr. MILLER] made, and in which I understood the gentleman from Virginia to acquiesce. I do not know.

Mr. JONES. The Delegate from Porto Rico [Mr. RIVERA], I think, said some 30 per cent. I think that is more nearly correct.

Mr. MANN. I spoke of it because I noticed it in the report.

Mr. JONES. I simply wish to add that the gentleman from Florida [Mr. CLARK] asked me what the property qualification was. The property qualification is that the voter must pay at least $3 of taxes. It may be upon personal property, real property, or any other sort of property, but it must amount to $3.

I thank the gentleman from Ohio for permitting me to make this statement in his time.

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized for 20 minutes.

Mr. FESS. Mr. Chairman, I want to address the committee upon the principles involved in this bill in the light of the history of our own country in this sort of legislation. I was greatly interested in reading a statement years ago of the great English historian Macaulay, in which he stated there was not a single virtue of the American system of government that we had not borrowed from the English House of Commons. Of course, I do not agree with that statement, and any student of our system of government must see its faulty meaning. A separation of the three departments of our Government is one of the things that we did not follow Great Britain upon. And our government of Territories is another one of the things that we did not follow the mother country upon. The truth about the matter is Great Britain has outlined her more recent colonial policies from our plan that is announced in the ordinance of 1787. That ordinance was adopted by the Second Continental Congress before the Federal Constitution was adopted, and is the plan of government that we have universally followed, with one exception, in the government of territory. In the Federal Constitution—I think it is the third section of Article IV—there is specific authority given for the making of needful rules for the disposition and the government of a Territory. Of course, we contemplated the territory that is now known as the Northwest Territory and the Southwest Territory. Out of the former we carved five States. Out of the latter we carved four. In other words, there were nine States carved originally out of the territories specifically in mind of the Federal Constitution makers when they said we had authority to make all needful rules governing Territories.

But in 1803 we added to our territory in the purchase of Louisiana. This is a new phase of government. President Jefferson at that time was really the responsible head for the purchase of that territory. You know he said that he stretched the Constitution until it almost cracked, in order to secure the territory, and the Government was of his order. The first was the appointment of governor and 13 legislators, or councilmen, all appointed by the President, and they governed without any reference whatever to the will of those who were governed. And, secondly, it was substituted for another form of appointment of a governor and three judges—called judges, but who acted as the legislature. And then in 1810, seven years after the purchase, we had the first modern form of Territorial gov-

ernment. And in 1812 the State of Louisiana was admitted. But here was the first trial of the government in our country of a territory purchased or acquired after the Federal Constitution was adopted, and the form of government was not like the government that Great Britain had exercised over us and other colonies prior to our independence.

Then the next move was in 1819, when Florida came. We first gave her a Territorial form of government, very largely modeled over the plan of the ordinance of 1787, and in 1845 admitted her into the Union. In the same year Texas came into the Union. It was the first time in our history where by an act of Congress we made citizens of our country by wholesale, without requiring individuals to meet the conditions that are required by our specific naturalization laws. But Texas was not given by this Nation a Territorial form of government, but at once a State form of government, when she was admitted. We did not say "admitted," but "annexed." This was the second instance of giving statehood without an enabling act. In 1846, the year after the annexation of Texas, we occupied the Oregon Territory and provided a government in which we followed the plan of the ordinance of 1787, which had served us as our model for all Territorial government up to that time. We did exactly the same thing with the Mexican cessions of 1848, out of which we carved California, Nevada, Utah, New Mexico, and parts of Colorado. We followed in the same order our government of Alaska, that came to us in 1867, first the unorganized territory, and the next natural step was the organized Territory.

Now, my friends, when Lord Macaulay stated that there was not an item in our system that we had not borrowed from Great Britain that statement surely is far afield of the fact, because the one thing in which we are more distinguished and differentiated from the mother country is the manner of the government of these outlying possessions. Up to the time I have been speaking—the purchase of Alaska—we had not anything beyond our immediate contiguous territory, except Alaska. The dominant population in all save parts of the Mexican cessions was Anglo-Saxon. In 1878, William E. Gladstone wrote an article which was published in the North American Review under the caption "Our kin beyond the sea," in which he said that the daughter had passed the mother in a canter, referring to the United States and Great Britain. He also declared as the British constitution was the most subtle instrument ever adopted by a people, so the American Constitution was the most wonderful instrument stricken off by the brain or purpose of man at any one time.

That was in 1878, soon after the Civil War closed. And if you read the article you will notice that he favorably comments upon our plan of the government of a Territory as outlined by the ordinance of 1787. It was in 1832, and finally in 1835, I think, Lord Durham recommended and England adopted the form of colonial government for Great Britain as applied in modern years. It was first applied to Canada. In the Lord Durham Act the principles of the ordinance of 1787 are very largely respected with the exception, of course, of delegate representation in vogue in our Territorial plan. And to-day the self-government elements in Canada and Australia and New Zealand and South Africa are very largely copied after the form adopted in our country in 1787. That is, the all-but-complete participation of the people in their own government in the British colonies is the dominant note of the famous ordinance.

Now, what is the Porto Rican act, the one that we are now discussing? It is an attempt to do for Porto Rico, the first people that are not our own in that they are not Anglo-Saxon—and Anglo-Saxon seems to be the people who have distinguished themselves in local government and in some sort of a solution of colonial government—the first time our country has been called upon to do for a people not speaking our language—and are trying to give to the people of that island not only the best form of local self-government that we can outline, but at the same time give them United States citizenship, a thing that I would suppose they would very keenly want, because it carries with it all the dignity and honor and power that go with an American citizen. That ought to amount to a great deal. Our insular possessions, the fruits of the Spanish-American War, involved new questions of territorial government. They brought to us new peoples, unused to the principles and practices of local self-government. The problem was how to apply our constitutional authority over Territories to distant possessions, not similar to our former territorial problems. This problem, so far as Porto Rico is concerned, is not producing a partisan division of our people as does the Philippine problem. We are here attempting to bring the people of this island into the closest possible relation with our own people and Government.

Every step of this bill, so far as I know, building upon the same plan as the Olmsted bill, is an enlargement of the freedom of these people and the participation in their local government of these people who were made free in 1898, when we drove out of the western world the country that had them under subjection.

There have been some questions as to whether we are going too far—an elective house; an elective senate;—true, an appointive governor; true, legislation that might be vetoed by the governor, but overcome by a two-thirds vote of the legislature; and when that is done it finally reverts back to the President of the United States, because we must be responsible for the legislation in a certain degree. The same thing might be said of the manner of revenue and finance. We keep our hands on that. The President appoints the auditor for the islands.

Mr. REAVIS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Nebraska?

Mr. FESS. Yes.

Mr. REAVIS. As I understand the provisions of the bill, the President retained the right of ultimate veto.

Mr. FESS. Yes.

Mr. REAVIS. Does that obtain in the absence of a veto by the local governor?

Mr. FESS. No; it does not.

Mr. REAVIS. So that if the governor approves the legislation, the President has no right of ultimate veto?

Mr. FESS. All laws are reported to Congress, but the proposed act of legislation first comes to the governor, and if the governor signs it that ends it. It becomes a law. If the governor vetoes it and it is overridden in his veto, then it comes to the President, who has an absolute veto. But under no other circumstances does it come to the President.

Mr. REAVIS. What is the power of Congress upon the reference of legislation to the Congress?

Mr. FESS. The legislation by an autonomous government must be reported to Congress for approval or disapproval, if Congress cares to take action upon it. Of course it goes without saying that Congress will not take action unless something is brought up to be acted upon.

I look into the steps of this legislation with a great deal of pleasure from this standpoint, that it is an attempt to extend local self-government, such as we believe here is the ultimate form, to these people in the islands, with no restriction upon them whatever, except the ones that I have named.

As to the details of the bill, I prefer to leave them to be considered under the five-minute rule when they will be fully considered by the committee. As to the possibilities of perfect satisfaction ultimately on the part of the people of the islands, I think that that is very easily within the possibility, and I may say probability. The proposal to extend citizenship to these people is the one significant feature of this bill. I have tried to find whether there has been any serious opposition to extending it to the people of Porto Rico. There is not any serious opposition that I know of, save this one objection that has been offered, that you are trying to force citizenship upon the Porto Ricans. I am sure that is not serious when once understood. This bill does not require the Porto Rican to take an oath of allegiance to make him a citizen. We citizenize him precisely as we citizenize the man from Texas, but if he frets under it and does not want to be a citizen, then it is his privelege to take the step provided in this bill, to say that he does not want to be a citizen; and when he does not, he is not a citizen, not because we forbid it but because it is his option and he chooses to step out of it.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Wisconsin?

Mr. FESS. Yes.

Mr. REILLY. What would be his status as to citizenship if he should follow out the step and refuse to be a citizen?

Mr. FESS. It would be a question whether he would be a citizen of Porto Rico or "a man without a country." My opinion would be—although I find that it is not the opinion of those who were heard in the hearing—that you do not destroy the citizenship of the place where he lives any more than you destroy my citizenship of Ohio. I have a double citizenship. I am a citizen of the United States and I am a citizen of Ohio. The man who is in Alaska in a sense has a double citizenship. He is a citizen of the United States and a citizen of Alaska.

Now, they say that technically that is true, because citizenship is a matter defined by the Constitution, and it says:

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens.

Now, these people were not born in the United States. They are, however, subject to the jurisdiction of the United States. They to-day are not citizens of the United States because they are not born in the United States; but they will be made citizens by this law unless they decline to be citizens, and if they decline I do not know whether you could say they are citizens of a country that is a part of the United States or not. At any rate, the resident of Porto Rico who is now a citizen of a foreign country would not by this law be denied that citizenship.

Mr. REILLY. Was any parallel case called to the attention of the committee?

Mr. FESS. No; there is no parallel in our history to this particular case.

Mr. REILLY. One more question.

Mr. FESS. Very well.

Mr. REILLY. Does the Porto Rican want this sort of citizenship?

Mr. FESS. I would rather have the Commissioner indicate that.

Mr. REILLY. What has been presented to the committee that would indicate that?

Mr. FESS. It has been indicated to the committee that citizenship is desirable, but it is a question whether they want it in this way. This is wholesale legislation of citizen making, covering the whole people of the island, as we did the people of Texas, making them citizens by an act. If they do not want to be, there is a way open; but some of them most naturally seem to feel that that is not the proper way to proceed, just as has been suggested on the question of voting, that if they have the ballot once we are not justified in taking the ballot away from them by the adoption of new requirements. This question was quite fully gone into by the committee after hearing statements covering the local situation from those now in the island and responsible for good order.

I think that when we realize the responsibility which we are assuming to make that island self-governing we will realize that intelligence in the electorate is one of the essential things, and for that reason that has been required.

Mr. HELGESEN. Does the gentleman think that a man can be a citizen of Porto Rico without being a citizen of the United States?

Mr. FESS. I can be a citizen of the United States and not a citizen of Porto Rico. I do not know that I caught the gentleman's question.

Mr. HELGESEN. Can you be a citizen of Ohio and not be a citizen of the United States?

Mr. FESS. I think not.

Mr. HILL. Not since the fourteenth amendment you can not.

Mr. HELGESEN. Does not the gentleman think that will apply to Porto Rico just as well?

Mr. FESS. What was the question of the gentleman from North Dakota?

Mr. HELGESEN. I asked the gentleman if he contended that a man could be a citizen of Porto Rico without being a citizen of the United States?

Mr. CANNON. If the gentleman will allow me——

Mr. FESS. Just a moment. The gentleman from North Dakota wanted to know whether under this law a man could be a citizen of Porto Rico and not be a citizen of the United States.

Mr. HELGESEN. After the passage of this law.

Mr. FESS. I think he can, although the statement has been made before the committee that he can not. They are now citizens of Porto Rico and not of the United States.

Mr. MANN. Oh, there is no doubt about that. They are not citizens of the United States.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JONES. I yield to the gentleman from Illinois [Mr. CANNON] 10 minutes.

[Mr. CANNON addressed the committee. See Appendix.]

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, further insists upon its amendments, asks a further conference with the House on the disagreeing votes thereon, and had appointed Mr. ASHURST, Mr. MYERS, and Mr. CLAPP as the conferees on the part of the Senate at the further conference.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 2986. An act to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes.

CIVIL GOVERNMENT FOR PORTO RICO.

The committee resumed its session.

Mr. TOWNER. Mr. Chairman, I yield six minutes to the gentleman from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. Chairman, legislation for Porto Rico or the Philippines can not be intelligently considered without reading the treaty of Paris. A few days ago the gentleman from Tennessee [Mr. GARRETT] made the statement that there were no specific guaranties made to Spain or to the citizens of Spain in the treaty of Paris, excepting the article respecting copyrights and some other provisions limited to 10 years. That was a most surprising statement. In Article IX there are specific guaranties made to the citizens of Spain, but in a larger sense every guaranty in this treaty is made to the citizens of Spain, because Spain was a party to the treaty, and for that reason every guaranty found in it is a guaranty made specifically to the citizens of Spain. The treaty, as you know, was concluded in Paris on December 10, 1898, and its ratification was advised by the Senate February 6, 1899. It will be remembered, too, that it was necessary to have Democratic votes in the Senate in order to ratify it, and that Hon. W. J. Bryan came to the Capitol to urge its ratification. The treaty was proclaimed by the President on April 11, 1899. Five distinguished citizens represented the United States—Judge William R. Day, Senator Cushman K. Davis, Senator William P. Frye, Judge George Gray, and Ambassador Whitelaw Reid, and there were also five distinguished gentlemen who represented the Kingdom of Spain.

Article I contained this provision:

Spain relinquishes all claim of sovereignty over and title to Cuba. And as the island is, upon its evacuation by Spain, to be occupied by the United States, the United States will, so long as such occupation shall last, assume and discharge the obligations that may under international law result from the fact of its occupation—

I call particular attention to the fact that our guaranties in respect to Cuba were limited to the time of our occupation, and every other guaranty found in the treaty has no limit of time whatsoever.

Article II provides for the ceding of Porto Rico and Guam. Article III provides for the cession of the Philippine Islands. Article IV provides that the United States will for a term of 10 years admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States. Article V relates to the return of Spanish soldiers.

Mr. MILLER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of North Dakota. Certainly.

Mr. MILLER of Minnesota. Suppose we had listened to the demand of the candidate for President in 1900, Mr. Bryan, had he been elected, and given independence to the Philippine Islands, could we have carried out that guaranty that Spanish ships for 10 years should have free access to the ports of the Philippine Islands?

Mr. YOUNG of North Dakota. Absolutely not. Article VI provides for the exchange of prisoners. Article VII provides for the mutual relinquishment of all claims for indemnity against citizens between our country and their country. Article VIII relates to the relinquishment of public buildings and property in the ceded territory; and here is Article IX, which contains the bill of rights. This is the most important article in the treaty and contains, as will be observed, specific guaranties to the citizens of Spain not only if they become citizens of this country, but if they retain their Spanish citizenship. It reads:

Spanish subjects, natives of the peninsula, residing in the territory over which Spain by the present treaty relinquishes or cedes her sovereignty, may remain in such territory or may remove therefrom, retaining in either event all their rights of property, including the right to sell or dispose of such property or of its proceeds; and they shall have the right to carry on their industry, commerce, and professions, being subject in respect thereof to such laws as are applicable to other foreigners. In case they remain in the territory they may preserve their allegiance to the Crown of Spain by making, before a court of record, within a year from the date of the exchange of rati-

fications of this treaty, a declaration of their decision to preserve such allegiance; in default of which declaration they shall be held to have renounced it and to have adopted the nationality of the territory in which they may reside.

In that connection I wish to say, in addition to the very clear statement made by the gentleman from Ohio, Dr. FESS, that the inhabitants of Porto Rico are not having citizenship forced upon them, that they had the opportunity for one year after the signing of this treaty to retain their Spanish citizenship. I think it is quite important to keep that in mind. They may now renounce their citizenship to the United States if they wish to do so, and there was at least one year within which they might have retained their citizenship in Spain.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of North Dakota. Certainly.

Mr. HUDDLESTON. That applies to the Spanish-born persons alone, does it not, and not to Porto Rican born?

Mr. YOUNG of North Dakota. I am not prepared to say that it does.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. YOUNG of North Dakota. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing the entire treaty of Paris and also the protocol which preceded it and the subsequent treaty by which the island of Cagayan Sulu and other small islands were purchased from Spain.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to extend his remarks in the RECORD by printing certain documents. Is there objection?

There was no objection.

Mr. MILLER of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman may have the first five minutes he otherwise would have after the bill is taken up for amendment.

The CHAIRMAN. The Chair thinks that that would be establishing a bad precedent.

Mr. STAFFORD. The Chair can not entertain such a motion.

Mr. MILLER of Minnesota. But the Chair did entertain such a motion.

Mr. MURRAY. Oh, that was for Uncle JOE, and anything goes as to him.

Mr. MILLER of Minnesota. I ask unanimous consent that time for general debate be extended so that the gentleman from North Dakota may have five more minutes.

The CHAIRMAN. The time was fixed by the House, and the committee has no power to extend it.

The treaties referred to are as follows:

1898.

PROTOCOL OF AGREEMENT EMBODYING THE TERMS OF A BASIS FOR THE ESTABLISHMENT OF PEACE BETWEEN THE UNITED STATES AND SPAIN.

*Signed August 12, 1898.*

ARTICLES.

I. Relinquishment of title to Cuba.
II. Cession of Porto Rico, etc.
III. Occupation of Manila.
IV. Evacuation by Spain.
V. Appointment of commissioners.
VI. Hostilities to cease.

PROTOCOL.

William R. Day, Secretary of State of the United States, and His Excellency Jules Cambon, ambassador extraordinary and plenipotentiary of the Republic of France at Washington, respectively possessing for this purpose full authority from the Government of the United States and the Government of Spain, have concluded and signed the following articles, embodying the terms on which the two Governments have agreed in respect to the matters hereinafter set forth, having in view the establishment of peace between the two countries; that is to say:

ARTICLE I.

Spain will relinquish all claim of sovereignty over and title to Cuba.

ARTICLE II.

Spain will cede to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies, and also an island in the Ladrones to be selected by the United States.

ARTICLE III.

The United States will occupy and hold the city, bay, and harbor of Manila, pending the conclusion of a treaty of peace which shall determine the control, disposition, and government of the Philippines.

ARTICLE IV.

Spain will immediately evacuate Cuba, Porto Rico, and other islands now under Spanish sovereignty in the West Indies; and to this end each Government will, within 10 days after the signing of this protocol, appoint commissioners, and the commissioners so appointed shall, within 30 days after the signing of this protocol, meet at Havana for the purpose of arranging and carrying out the details of the aforesaid evacuation of Cuba and the adjacent Spanish islands; and each Government will, within 10 days after the signing of this protocol, also appoint other commissioners, who shall, within 30 days after the signing of this protocol, meet at San Juan, in Porto Rico, for the purpose of arranging and carrying out the details of the aforesaid evacuation of Porto Rico and other islands now under Spanish sovereignty in the West Indies.

ARTICLE V.

The United States and Spain will each appoint not more than five commissioners to treat of peace, and the commissioners so appointed shall meet at Paris not later than October 1, 1898, and proceed to the negotiation and conclusion of a treaty of peace, which treaty shall be subject to ratification according to the respective constitutional forms of the two countries.

ARTICLE VI.

Upon the conclusion and signing of this protocol, hostilities between the two countries shall be suspended, and notice to that effect shall be given as soon as possible by each Government to the commanders of its military and naval forces.

Done at Washington in duplicate, in English and in French, by the undersigned, who have hereunto set their hands and seals, the 12th day of August, 1898.

[SEAL.] WILLIAM R. DAY.
[SEAL.] JULES CAMBON.

1898.

TREATY OF PEACE.

(Federal cases: Oteiza *v.* Jacobus (136 U. S., 330), Duly *v.* U. S. (182 U. S., 222; 183 U. S., 151), Delima *v.* Bidwell (182 U. S., 1), Goetze *v.* U. S. (182 U. S., 221; 103 Fed. Rep., 72), Armstrong *v.* U. S. (182 U. S., 243), Downes *v.* Bidwell (182 U. S., 244), Hauns *v.* New York and Porto Rico Company (182 U. S., 392), Crossman *v.* U. S. (182 U. S., 221), Pepke *v.* U. S. (183 U. S., 176), J. Ribas Hijo *v.* U. S. (194 U. S., 315), Derr *v.* U. S. (195 U. S., 138), Bosque *v.* U. S. (209 U. S., 91), Ponce *v.* Roman Catholic Church (210 U. S., 296), Valdes *v.* Munich (212 U. S., 568), Caballos *v.* U. S. (214 U. S., 47), Castro *v.* Uriarte (12 Fed. Rep., 250; 16 Fed Rep., 93), In re Cortes (42 Fed. Rep., 47), Ex parte Ortiz (100 Fed. Rep., 955), Armstrong *v.* Bidwell (124 Fed. Rep., 690), De Pass *v.* Bidwell (124 Fed. Rep., 618), Sugar Company *v.* Bidwell (124 Fed. Rep., 677 [683]), Howell *v.* Bidwell (124 Fed. Rep., 688), De Canevara *v.* Brooke (135 Fed. Rep., 144).)

*Concluded at Paris December 10, 1898; ratification advised by the Senate February 6, 1899; ratified by the President February 6, 1899; ratifications exchanged April 11, 1899; proclaimed April 11, 1899.*

ARTICLES.

I. Relinquishment of Cuba.
II. Cession of Porto Rico, Guam, etc.
III. Cession of Philippine Islands.
IV. Spanish trade with the Philippines.
V. Return of Spanish soldiers from Manila; evacuation of Philippines and Guam.
VI. Release of prisoners.
VII. Relinquishment of claims.
VIII. Property relinquished and ceded.
IX. Property and civil rights of persons in ceded territory.
X. Religious freedom.
XI. Legal rights in ceded or relinquished territory.
XII. Determination of pending judicial proceedings.
XIII. Privileges of copyrights and patents preserved in ceded territories.
XIV. Consular privileges.
XV. Mutual privileges of shipping charges.
XVI. Obligations of Cuba.
XVII. Ratification.

The United States of America and Her Majesty the Queen Regent of Spain, in the name of her august son Don Alfonso XIII, desiring to end the state of war now existing between the two countries, have for that purpose appointed as plenipotentiaries:

The President of the United States,

William R. Day, Cushman K. Davis, William P. Frye, George Gray, and Whitelaw Reid, citizens of the United States;

And Her Majesty the Queen Regent of Spain,

Don Eugenio Montero Rios, president of the senate, Don Buenaventura de Abarzuza, senator of the Kingdom and ex minister of the Crown; Don José de Garnica, deputy to the Cortes and associate justice of the supreme court; Don Wenceslao Ramirez de Villa-Urrutia, envoy extraordinary and minister plenipotentiary at Brussels; and Don Rafael Cerero, general of division;

Who, having assembled in Paris, and having exchanged their full powers, which were found to be in due and proper form, have, after discussion of the matters before them, agreed upon the following articles:

ARTICLE I.

Spain relinquishes all claim of sovereignty over and title to Cuba.

And as the island is, upon its evacuation by Spain, to be occupied by the United States, the United States will, so long as such occupation shall last, assume and discharge the obligations that may under international law result from the fact of its occupation, for the protection of life and property.

ARTICLE II.

Spain cedes to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies, and the island of Guam (in the Marianas or Ladrones).

ARTICLE III.

Spain cedes to the United States the archipelago known as the Philippine Islands, and comprehending the islands lying within the following lines:

A line running from west to east along or near the twentieth parallel of north latitude, and through the middle of the navigable channel of Bachi, from the one hundred and eighteenth (118th) to the one hundred and twenty-seventh (127th) degree meridian of longitude east of Greenwich, thence along the one hundred and twenty-seventh (127th) degree meridian of longitude east of Greenwich to the parallel of four degrees and forty-five minutes (4° 45′) north latitude, thence along the parallel of four degrees and forty-five minutes (4° 45′) north latitude to its intersection with the meridian of longitude one hundred and nineteen degrees and thirty-five minutes (119° 35′) east of Greenwich, thence along the meridian of longitude one hundred and nineteen degrees and thirty-five minutes (119° 35′) east of Greenwich to the parallel of latitude seven degrees and forty minutes (7° 40′) north, thence along the parallel of latitude of seven degrees and forty minutes (7° 40′) north to its intersection with the one hundred and sixteenth (116th) degree meridian of longitude east of Greenwich, thence by a direct line to the intersection of the tenth (10th) degree parallel of north latitude with the one hundred and eighteenth (118th) degree meridian of longitude east of Greenwich, and thence along the one hundred and eighteenth (118th) degree meridian of longitude east of Greenwich to the point of beginning.

The United States will pay to Spain the sum of twenty million dollars ($20,000 000) within three months after the exchange of the ratifications of the present treaty.

ARTICLE IV.

The United States will, for the term of 10 years from the date of the exchange of the ratifications of the present treaty, admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States.

ARTICLE V.

The United States will, upon the signature of the present treaty, send back to Spain, at its own cost, the Spanish soldiers taken as prisoners of war on the capture of Manila by the American forces. The arms of the soldiers in question shall be restored to them.

Spain will, upon the exchange of the ratifications of the present treaty, proceed to evacuate the Philippines, as well as the island of Guam, on terms similar to those agreed upon by the commissioners appointed to arrange for the evacuation of Porto Rico and other islands in the West Indies, under the protocol of August 12, 1898, which is to continue in force till its provisions are completely executed.

The time within which the evacuation of the Philippine Islands and Guam shall be completed shall be fixed by the two Governments. Stands of colors, uncaptured war vessels, small arms, guns of all calibers, with their carriages and accessories, powder, ammunition, live stock, and materials and supplies of all kinds, belonging to the land and naval forces of Spain in the Philippines and Guam, remain the property of Spain. Pieces of heavy ordnance, exclusive of field artillery, in the fortifications and coast defenses, shall remain in their emplacements for the term of six months, to be reckoned from the exchange of ratifications of the treaty; and the United States may, in the meantime, purchase such material from Spain, if a satisfactory agreement between the two Governments on the subject shall be reached.

ARTICLE VI.

Spain will, upon the signature of the present treaty, release all prisoners of war, and all persons detained or imprisoned for political offenses, in connection with the insurrections in Cuba and the Philippines and the war with the United States.

Reciprocally the United States will release all persons made prisoners of war by the American forces, and will undertake to obtain the release of all Spanish prisoners in the hands of the insurgents in Cuba and the Philippines.

The Government of the United States will at its own cost return to Spain and the Government of Spain will at its own cost return to the United States, Cuba, Porto Rico, and the Philippines, according to the situation of their respective homes, prisoners released or caused to be released by them, respectively, under this article.

ARTICLE VII.

The United States and Spain mutually relinquish all claims for indemnity, national and individual, of every kind, of either Government, or of its citizens or subjects, against the other Government that may have arisen since the beginning of the late insurrection in Cuba and prior to the exchange of ratifications of the present treaty, including all claims for indemnity for the cost of the war.

The United States will adjudicate and settle the claims of its citizens against Spain relinquished in this article.

ARTICLE VIII.

In conformity with the provisions of Articles I, II, and III of this treaty, Spain relinquishes in Cuba, and cedes in Porto Rico and other islands of the West Indies, in the island of Guam, and in the Philippine Archipelago, all the buildings, wharves, barracks, forts, structures, public highways, and other immovable property which, in conformity with law, belong to the public domain, and as such belong to the Crown of Spain.

And it is hereby declared that the relinquishment or cession, as the case may be, to which the preceding paragraph refers, can not in any respect impair the property rights which by law belong to the peaceful possession of property of all kinds, of provinces, municipalities, public or private establishments, ecclesiastical or civic bodies, or any other associations having legal capacity to acquire and possess property in the aforesaid territories renounced or ceded, or of private individuals, of whatsoever nationality such individuals may be.

The aforesaid relinquishment or cession, as the case may be, includes all documents exclusively referring to the sovereignty relinquished or ceded that may exist in the archives of the Peninsula. Where any document in such archives only in part relates to said sovereignty, a copy of such part will be furnished whenever it shall be requested. Like rules shall be reciprocally observed in favor of Spain in respect of documents in the archives of the islands above referred to.

In the aforesaid relinquishment or cession, as the case may be, are also included such rights as the Crown of Spain and its authorities possess in respect of the official archives and records, executive as well as judicial, in the islands above referred to, which relate to said islands or the rights and property of their inhabitants. Such archives and records shall be carefully preserved, and private persons shall without distinction have the right to require, in accordance with law, authenticated copies of the contracts, wills, and other instruments forming part of notarial protocols or files, or which may be contained in the executive or judicial archives, be the latter in Spain or in the islands aforesaid.

ARTICLE IX.

Spanish subjects, natives of the Peninsula, residing in the territory over which Spain by the present treaty relinquishes or cedes her sovereignty, may remain in such territory or may remove therefrom, retaining in either event all their rights of property, including the right to sell or dispose of such property or of its proceeds; and they shall also have the right to carry on their industry, commerce, and professions, being subject in respect thereof to such laws as are applicable to other foreigners. In case they remain in the territory they may preserve their allegiance to the Crown of Spain by making, before a court of record, within a year from the date of the exchange of ratifications of this treaty, a declaration of their decision to preserve such allegiance; in default of which declaration they shall be held to have renounced it and to have adopted the nationality of the territory in which they may reside.

The civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by the Congress.

ARTICLE X.

The inhabitants of the territories over which Spain relinquishes or cedes her sovereignty shall be secured in the free exercise of their religion.

ARTICLE XI.

The Spaniards residing in the territories over which Spain by this treaty cedes or relinquishes her sovereignty shall be subject in matters civil as well as criminal to the jurisdiction of the courts of the country wherein they reside, pursuant to the ordinary laws governing the same; and they shall have the right to appear before such courts, and to pursue the same course as citizens of the country to which the courts belong.

ARTICLE XII.

Judicial proceedings pending at the time of the exchange of ratifications of this treaty in the territories over which Spain relinquishes or cedes her sovereignty shall be determined according to the following rules:

1. Judgments rendered either in civil suits between private individuals, or in criminal matters, before the date mentioned, and with respect to which there is no recourse or right of review under the Spanish law, shall be deemed to be final, and shall be executed in due form by competent authority in the territory within which such judgments should be carried out.

2. Civil suits between private individuals which may on the date mentioned be undetermined shall be prosecuted to judgment before the court in which they may then be pending or in the court that may be substituted therefor.

3. Criminal actions pending on the date mentioned before the Supreme Court of Spain against citizens of the territory which by this treaty ceases to be Spanish shall continue under its jurisdiction until final judgment; but, such judgment having been rendered, the execution thereof shall be committed to the competent authority of the place in which the case arose.

ARTICLE XIII.

The rights of property secured by copyrights and patents acquired by Spaniards in the Island of Cuba and in Porto Rico, the Philippines, and other ceded territories, at the time of the exchange of the ratifications of this treaty, shall continue to be respected. Spanish scientific, literary, and artistic works, not subversive of public order in the territories in question, shall continue to be admitted free of duty into such territories, for the period of 10 years, to be reckoned from the date of the exchange of the ratifications of this treaty.

ARTICLE XIV.

Spain shall have the power to establish consular officers in the ports and places of the territories, the sovereignty over which has been either relinquished or ceded by the present treaty.

ARTICLE XV.

The Government of each country will, for the term of 10 years, accord to the merchant vessels of the other country the same treatment in respect of all port charges, including entrance and clearance dues, light dues, and tonnage duties, as it accords to its own merchant vessels, not engaged in the coastwise trade.

This article may at any time be terminated on six months' notice given by either Government to the other.

ARTICLE XVI.

It is understood that any obligations assumed in this treaty by the United States with respect to Cuba are limited to the time of its occupancy thereof; but it will upon the termination of such occupancy, advise any Government established in the island to assume the same obligations.

ARTICLE XVII.

The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Majesty the Queen Regent of Spain; and the ratifications shall be exchanged at Washington within six months from the date hereof, or earlier if possible.

In faith whereof, we, the respective plenipotentiaries, have signed this treaty and have hereunto affixed our seals.

Done in duplicate at Paris, the 10th day of December, A. D. 1898.

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|---|---|
| [SEAL.] | WILLIAM R. DAY. |
| [SEAL.] | CUSHMAN K. DAVIS. |
| [SEAL.] | WILLIAM P. FRYE. |
| [SEAL.] | GEO. GRAY. |
| [SEAL.] | WHITELAW REID. |
| [SEAL.] | EUGENIO MONTERO RIOS. |
| [SEAL.] | B. DE ABARZUZA. |
| [SEAL.] | J. DE GARNICA. |
| [SEAL.] | W. R. DE VILLA URRUTIA. |
| [SEAL.] | RAFAEL CERERO. |

1900.

PROTOCOL WITH SPAIN EXTENDING THE PERIOD DURING WHICH SPANISH SUBJECTS, NATIVES OF THE PHILIPPINE ISLANDS, MAY DECLARE THEIR INTENTION TO RETAIN THEIR SPANISH NATIONALITY.

*Concluded March 29, 1900; advice and consent of the Senate April 27, 1900; proclaimed April 28, 1900.*

ARTICLE.

Extension.

Whereas by the ninth article of the treaty of peace between the United States of America and the Kingdom of Spain, signed at Paris on December 10, 1898, it was stipulated and agreed that Spanish subjects, natives of the Peninsula, remaining in the territory over which Spain by articles 1 and 2 of the said treaty relinquished or ceded her sovereignty could preserve their allegiance to the Crown of Spain by making before a court of record within a year from the date of the exchange of ratifications of said treaty, a declaration of their decision to preserve such allegiance;

And whereas the two high contracting parties are desirous of extending the time within which such declaration may be made by Spanish subjects, natives of the Peninsula, remaining in the Philippine Islands;

The undersigned plenipotentiaries, in virtue of their full powers, have agreed upon and concluded the following article:

SOLE ARTICLE.

The period fixed in article 9 of the treaty of peace between the United States and Spain, signed at Paris on the 10th day of December, 1898, during which Spanish subjects, natives of the Peninsula, may declare before a court of record their intention to retain their Spanish nationality, is extended as to the Philippine Islands for six months beginning April 11, 1900.

In witness whereof, the respective plenipotentiaries have signed the same and have thereunto affixed their seals.

Done in duplicate at Washington the 29th day of March, A. D. 1900.

JOHN HAY.
ARCOS.

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1900.

TREATY FOR CESSION OF OUTLYING ISLANDS OF THE PHILIPPINES.

*Concluded November 7, 1900; ratification advised by Senate January 22, 1901; ratified by the President January 30, 1901; ratifications exchanged March 23, 1901; proclaimed March 23, 1901.*

ARTICLE.

Relinquishment of islands to the United States.

The United States of America and Her Majesty the Queen Regent of Spain, in the name of Her August Son, Don Alfonso XIII, desiring to remove any ground of misunderstanding growing out of the interpretation of article 3 of the treaty of peace concluded between them at Paris the 10th day of December, 1898, whereby Spain cedes to the United States the archipelago known as the Philippine Islands and comprehending the islands lying within certain described lines, and having resolved to conclude a treaty to accomplish that end, have for that purpose appointed as their respective plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States;

And Her Majesty the Queen Regent of Spain, the Duke de Arcos, envoy extraordinary and minister plenipotentiary of Spain to the United States;

Who, having met in the city of Washington and having exchanged their full powers, which were found to be in due and proper form, have agreed upon the following sole article:

SOLE ARTICLE.

Spain relinquishes to the United States all title and claim of title, which she may have had at the time of the conclusion of the treaty of peace of Paris, to any and all islands belonging to the Philippine Archipelago, lying outside the lines described in article 3 of that treaty, and particularly to the islands of Cagayan Sulu and Sibutu and their dependencies, and agrees that all such islands shall be comprehended in the cession of the Archipelago as fully as if they had been expressly included within those lines.

The United States, in consideration of this relinquishment, will pay to Spain the sum of $100,000 within six months after the exchange of the ratifications of the present treaty.

The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Majesty the Queen Regent of Spain, after approval by the Cortes of the Kingdom, and the ratifications shall be exchanged at Washington as soon as possible.

In faith whereof we, the respective plenipotentiaries, have signed this treaty and have hereunto affixed our seals.

Done in duplicate at the city of Washington the 7th day of November, in the year of our Lord 1900.

JOHN HAY. [SEAL.]
ARCOS. [SEAL.]

Mr. TOWNER. Mr. Chairman, I yield six minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Chairman, I am very glad to have an opportunity to support this bill. I congratulate the American people upon finally doing tardy justice to the people of Porto Rico. The people of Porto Rico have been without citizenship since they were denied the right of citizenship in Spain. They owe no allegiance except to Porto Rico, and that island is not a sovereign government. This bill gives them American citizenship. I am glad this bill provides for an elective legislature in both branches. I have seen the Legislature of Porto Rico in session. I have seen the kind of men who with unlimited male enfranchisement the people of Porto Rico elect to their lower house. They are as fine a body of men as you will see anywhere, well educated, well equipped for the business of legislators. I have examined the laws introduced in the lower house of the Porto Rican Legislature and the laws passed by the lower house. Two things challenged my attention to those laws. First, they are willing to tax themselves at a high rate for educational purposes. Second, they are willing to tax themselves to the limit of their ability to pay for the purpose of internal improvements and good roads, two evidences that they are very well qualified to take part in their own government. I am glad they have become citizens of the United States. They are entitled to it and the people of the United States are entitled to have them brought in as members of the American family. They have been in the anomalous position they now occupy ever since the War with Spain. This will give them an opportunity to become American citizens, with the right of electing their own legislature in both branches. My judgment is that within two years after the enactment of this law and after their participation in the government under it there will be little or nothing said about the severance of relations with the United States. They will become satisfied with their relations to this country, having become citizens of the country.

Mr. MEEKER. Will the gentleman yield?

Mr. CAMPBELL. No; I have not the time. It is doubtful if any people ever made improvement in every way in which a people can improve such as the people of Porto Rico have made in the last 16 years. They have improved physically; their health is better; they have improved materially to a marvelous extent. They have improved their education. Facilities are now furnished in every part of the island and the children are expected to attend the public schools. They have improved the general standard of their citizenship. I would be very glad to see Porto Rico a Territory of the United States under the Constitution of the United States. I do not agree with the idea that simply because they are not exactly like us in Kansas or Illinois or Iowa or Alabama that they should be denied a constitutional status under the Constitution of the United States. I have said to Porto Ricans in Porto Rico that, though enjoying a Territorial form of Government, they might have to wait years and years before they could expect statehood. The Territories of Arizona and New Mexico remained Territories for 60 years. Other Territories have waited long for statehood, but a Territory is a constitutional government in the United States, and I should be glad sometime to see the island of Porto Rico come in as a Territory of the United States.

Mr. SLAYDEN. Will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from Porto Rico [Mr. RIVERA].

Mr. RIVERA. Mr. Chairman, I will not enter into an argument with the gentleman from Illinois [Mr. CANNON]. It would be a very difficult position for me, owing to the high standing of the gentleman from Illinois in this House and throughout the country, and, besides, I have not sufficient time to discuss these matters, because the time allowed for debate on the bill is almost exhausted. However, I want to say that the question appears to some gentlemen here to be only a geographical question, a climatic question. I suppose that, in the judgment of the House of Representatives, the question should be considered as a political question. The House wants and the Congress wants to constitute Porto Rico as a free people, a people under a republican form of government. As regards the Porto Ricans, this is a question of patriotism. They want to be free. They want to be dignified. They do not want to be enslaved by the United States or by any other nation in the world. It is my custom to respect the love of every man for his country and to exact the same respect for my own sentiments of patriotism. I believe that under the dome of this Capitol the Representatives of a great people, undoubtedly the greatest of all, must be just to other people on the earth. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. RIVERA. Can the gentleman from Virginia give me one minute more?

Mr. JONES. I am sorry I can not. The gentleman desired only two minutes, and I did not reserve any more time than that.

Mr. RUSSELL of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more, if he wants the time, not to affect the order already made.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that the gentleman from Porto Rico have five minutes——

Mr. MILLER of Minnesota. Mr. Chairman, I am perfectly willing the gentleman should have that if there is coupled with it the request that the gentleman from North Dakota [Mr. YOUNG] have five minutes. A similar request was made on his behalf a moment ago.

Mr. SLAYDEN. Mr. Chairman, regular order.

Mr. MANN. The request can not be granted—but I believe it can be.

Mr. RUSSELL of Missouri. Mr. Chairman, if there is no objection——

Mr. RIVERA. I only want one minute.

Mr. JONES. Mr. Chairman, I yield the gentleman one minute.

Mr. CLARK of Florida. Mr. Chairman, the House has made an order limiting the time for debate; can the committee change that order?

The CHAIRMAN. Without objection, under the circumstances the gentleman will be recognized for five minutes.

Mr. JONES. I yield one minute to the gentleman.

Mr. SLAYDEN. Mr. Chairman, what is the status?

The CHAIRMAN. That the gentleman shall have five minutes.

Mr. SLAYDEN. Can you do that in the Committee of the Whole after an order of the House, Mr. Chairman?

Mr. MANN. Do not raise the question.

Mr. SLAYDEN. The gentlemen can have it later in the debate. I insist upon the rule.

Mr. JONES. Mr. Chairman, the gentleman asks for only one minute, and I yield that to him.

Mr. RIVERA. Mr. Chairman, Porto Rico, deprived of its national sovereignty, depends upon the generosity and chivalry of the American lawmakers. I consider it very unfortunate that a Porto Rican is obliged to hear on this floor remarks offensive to the dignity of his native land. I do not wish to answer such remarks, except to state that it is not our fault that we are compelled to come here and ask for the enactment of legislation, of a constitution, which should be our undeniable right to make, according to American principles, ourselves. I must conclude, declaring emphatically that I am as proud to be a Porto Rican as the gentleman from Illinois [Mr. CANNON] is proud of being an Illinoisan, and as every gentleman on this floor is proud to be an American. [Applause.]

Mr. JONES. How does the time stand, Mr. Chairman?

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] has two minutes remaining.

Mr. JONES. And the gentleman from Iowa?

The CHAIRMAN. And the gentleman from Iowa has none.

Mr. JONES. Mr. Chairman, the gentleman from Illinois [Mr. CANNON] is the only gentleman on this floor who has opposed the citizenship provision of this bill. It is my opinion that should this bill be passed without the section conferring American citizenship upon the Porto Ricans they would nevertheless become citizens of the United States.

Section 1891 of the Revised Statutes of 1878 provides that the Constitution and the laws of the United States not locally inapplicable shall have the same force and effect in the organized Territories of the United States that they have in every other section of the United States; and Porto Rico will certainly become an organized Territory under the provisions of this bill, if it is not now one. I desire to say, further, that both the great political parties of this country have declared in favor of American citizenship for the people of Porto Rico. The Republican platform of 1908 declared:

> We believe that the native inhabitants of Porto Rico should be at once made collectively citizens of the United States, and that all others properly qualified under existing law residing in said island should have the privilege of becoming naturalized.

That is exactly what this bill does.

The CHAIRMAN. The time of the gentleman from Virginia has expired, and the Clerk will read:

The Clerk read as follows:

> *Be it enacted, etc.*, That the provisions of this act shall apply to the island of Porto Rico and to the adjacent islands belonging to the United States and waters of those islands; and the name Porto Rico as used in this act shall be held to include not only the island of that name but all the adjacent islands as aforesaid.

Mr. YOUNG of North Dakota. Mr. Chairman, I move to strike out the last word for the purpose of getting the five minutes additional which I believe the House was willing to grant a few minutes ago if the rules had permitted.

I was making a brief analysis of the treaty of Paris and had reached Article IX. Articles IX, X, and XI furnish what might be called a bill of rights in this treaty. I call your attention again particularly to these words found in Article IX, referring to the Spanish subjects:

> Retaining in either event all their rights of property, including the right to sell or dispose of such property or of its proceeds; and they shall also have the right to carry on their industry, commerce, and professions.

This is a specific guaranty which we gave to the Spanish subjects.

I call your attention to the fact that a speaker during the recent debate a few days ago stated that we made no specific guaranties to Spain. Now, to give this treaty a fair interpretation, every article ought to have read into it or supplied the words that it applies particularly to Spain, because Spain is a contracting party.

Article X says:

> The inhabitants of the territories over which Spain relinquishes or cedes her sovereignty shall be secured in the free exercise of their religion.

Here is used the word "inhabitants." Now, does anyone question that this word does not include the citizens of Spain when Spain was a party to this treaty? Spain would not and did not sign a treaty that did not take care of her citizens, and, I think, in that respect is rather distinguished from the action that was proposed here a few days ago when the majority leaders did not take any pains to protect our own American-born citizens who were residing in and engaged in business in the Philippine Islands.

Article XI provides:

> The Spaniards residing in the territories over which Spain by this treaty cedes or relinquishes her sovereignty shall be subject in matters civil as well as criminal to the jurisdiction of the courts of the country wherein they reside, pursuant to the ordinary laws governing the same; and they shall have the right to appear before such court and to pursue the same course as citizens of the country to which the courts belong.

By this article they are guaranteed a fair trial in the courts. Article XII has to do with judicial proceedings pending at the time of the exchange of ratifications of the treaty. Article XIII provides that the copyrights and patents acquired by Spaniards shall continue to be respected.

Article XIV provides that—

> Spain shall have the power to establish consular officers in the ports or territories, the sovereignty over which has been either relinquished or ceded by the present treaty.

Article XV provides for a mutual agreement as to port charges for 10 years.

Notice particularly the reading of Article XVI as to what time limit in respect to guaranties there is covering Porto Rico, which we are legislating for now, and also the Philippines. It reads:

> It is understood that any obligations assumed in this treaty by the United States with respect to Cuba are limited to the time of its occupancy thereof.

There is absolutely no such limitation, no such language, used in this treaty as regards Porto Rico or the Philippines.

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. YOUNG of North Dakota. Certainly.

Mr. MILLER of Minnesota. By every principle of statutory construction the restriction made there expresses the intention that the obligation assumed by the United States in regard to Porto Rico and the Philippines are forever.

Mr. YOUNG of North Dakota. Certainly. There is no time limit on the guaranties made between this Government and Spain expressed in the treaty. When no limit was expressed it would, according to the accepted rules of construction, apply for all time; but the intention of those who drew this treaty was clearly indicated and emphasized by the fact that they went out of their way in two different places in the treaty to call attention to the fact that guaranties would not apply to Cuba excepting during the period of our occupation.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

[By unanimous consent Mr. YOUNG of North Dakota was granted five minutes additional.]

Mr. YOUNG of North Dakota. Those who drafted this treaty took pains in at least two different portions of the treaty to call attention to the fact that in respect to the island of Cuba our guarantee should be limited to the period of our occupancy. Article I reads as follows——

Mr. BORLAND. Mr. Chairman, will the gentleman yield there?

Mr. YOUNG of North Dakota. Certainly.

Mr. BORLAND. The gentleman is not contending that the sovereignty of the United States over the Philippine Islands is in any degree limited or conditional in such a way as would prevent us from making any disposition of the islands that we saw fit?

Mr. YOUNG of North Dakota. No; perhaps not, so far as our power is concerned, but what I am contending is that when we acquired title, or when these islands or possessions were ceded to us, we assumed certain obligations; we obligated ourselves in this treaty of Paris to do certain things. We extended here certain guarantees to the citizens of Spain, and we can not honorably do anything now which will violate these guarantees, these covenants, that were placed in this treaty in favor of Spain as well as other countries. We can not in honor treat this treaty as "a scrap of paper."

Mr. BORLAND. I am asking the gentleman about the legal right. Is our legal right limited to dispose of the islands as our Government desires?

Mr. YOUNG of North Dakota. Perhaps not, but I should suppose that both sides of the House would want to go further than what our merely legal rights call for. Some day the Supreme Court may pass upon the right of Congress to cede to others the Philippines or Porto Rico. The citizens of these islands may ask the courts to determine what their rights are, and protect them.

Mr. KENT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from North Dakota yield to the gentleman from California?

Mr. YOUNG of North Dakota. Yes.

Mr. KENT. Is it the gentleman's position that we can not afford to let go the bear's tail?

Mr. YOUNG of North Dakota. That is not my position. This discussion was provoked by the statement of the gentleman from Tennessee [Mr. GARRETT], that there were no specific guaranties in the treaty of Paris made to the citizens of Spain excepting certain minor ones mentioned by him. That is the only excuse I have for discussing this question at this time. It seems to me I have demonstrated that the contrary is true, and unless some one questions this I am ready to yield the floor.

Mr. BORLAND rose.

Mr. YOUNG of North Dakota. I yield to the gentleman from Missouri.

Mr. BORLAND. Mr. Chairman, if the gentleman yields the floor I want to move to strike out the last word.

Mr. PARKER of New Jersey. I want to take the floor.

Mr. SLAYDEN. Mr. Chairman, I have been interested in every effort that has been made to advance the political status of the people of Porto Rico since the series of events that occurred in 1898, by which we acquired authority over the island. I have likewise, Mr. Chairman, been equally interested in efforts to exercise control over and possibly advance the political interests of the Philippine Islands. This effort at legislation is an illustration of the embarrassments that come to us and will abide with us until we, as I see it, decide to do the right thing, inasmuch as we did the wrong and un-American thing in 1898.

Now, I have only the kindliest feelings for the people of Porto Rico, as I have for those of the Philippine Islands. I have not qualified myself, as some Members think they have, to speak as an expert by brief visits to either of those possessions; but, Mr. Speaker, a comprehension of the fundamental American principles can be achieved by an individual of ordinary common sense without having studied the people and the territories on the spot. I believe as firmly, sir, as I do that I am speaking to you now, that if we persist in the retention of the Philippine Islands the time will come, and should come, when there will be a proportionate representation in this House and in the other body from those islands. I believe that the time will come, if we continue to exercise control over them, unless we frankly abandon American fundamental principles, when Porto Rico will have her Representatives and her Senators in the Congress of the United States.

And I want to say to some gentlemen, many of whom I have heard advance the idea since I have been acquainted with public life and public men—that we ought to have and exercise control over Mexico—that, if it is ever done, in all human probability we will have in a few years, and should have, 52 Senators from that country—Yaquis, perhaps, or from some other tribe of Indians down there—contributing to the legislation of this great Republic, helping to direct the destinies of an Anglo-Saxon people. For these profound reasons, Mr. Chairman, I have always been in favor of conceding to the people of the Philippine Islands the same privileges that I claim for myself—the right to absolute independence.

I read in the New York Sun yesterday an exceedingly interesting article, said to have been the last one written by Mr. Pearse, who was president of the "Irish Republic," which had such a troubled existence for a week or so and then went out in tragedy. Mr. Pearse, speaking of a pronunciamento of Wolfe Tone, who figured as an Irish patriot in the last part of the eighteenth century, stated that the declaration of principles of Wolfe Tone expressed those in which the Irish people believed. It was the manifesto of the Irish people, he said, and the best possible statement of their demand for recognition as a self-governing people; and he based it on the human right to be independent. Mr. Chairman, I believe in that doctrine, and I have the courage of my convictions, and I am willing to apply it to this case. I believe in the human right of all people to be free and independent. I claim it for myself; I cheerfully concede it to others.

Mr. GARNER. Mr. Chairman, will my colleague yield?

Mr. SLAYDEN. Yes.

Mr. GARNER. Does the gentleman apply the same rule to Porto Rico as to the Philippines?

Mr. SLAYDEN. No. As I said, that is one of the embarrassments connected with this question. But, I may say to my colleague, when the Porto Ricans with substantial unanimity ask for it, I will be glad to do my part to secure freedom for them. It will be more satisfactory to them and immeasurably better for us.

Mr. BORLAND. Mr. Chairman, I belong to a political party which believes in the largest measure of local self-government that is consistent with national safety. I am very glad to be able to favor this bill, somewhat belated, to do justice to the people of Porto Rico. I believe that they are entitled now to a larger measure of self-government and participation in their own affairs.

Three years ago last March I had the pleasure of visiting that island, soon after the inauguration of the present administration, and I doubt not that the conditions have improved even since that time. But at that time I was thoroughly convinced that the great mass of citizens of that island was entitled to American citizenship and entitled to a large measure of home rule.

I have always believed that it was a mistake for our country to hold any dependencies upon a lower level of political rights than those of our own country. I believe it is a mistake for any republic to undertake to do so. I believe that a country which can be incorporated into a republic and which can look forward to an equality of political rights and a unity of interests is a distinct strengthening of the prosperity and unity of the Republic, but a dependency which looks forward to no unity of political rights and no equality with the dominant country is a source of weakness and danger.

I look forward to the time when the island of Porto Rico will not only be an organized Territory of the Union but will be well on the way toward being one of the sovereign States of the American Nation. It is sufficietly contiguous to our shores, sufficiently like us in most respects, and sufficiently able to bring itself up to the political standard of the average State of the American Union to be entitled to look forward to such recognition.

I do not believe there ought ever to have been, except in the temporary law, which was to have been only temporary for the government of Porto Rico, a distinction between citizenship of Porto Rico and citizenship of the United States. I can not quite conceive of such a thing as a citizenship of Porto Rico or any other country which is denied complete sovereignty. It simply means a denial of citizenship; and it puts those people in the position, if they have any local patriotism and political ambition or aspirations at all, of looking toward a division of political powers and a separation from the United States. I believe that if we will invite them in and make them citizens of this country, and let them see that our industrial problems are their industrial problems and that our political problems are their political problems, we shall have the politics of Porto Rico not founded upon local issues distinct and separate there, but a participation, and a loyal participation, by the Porto Ricans in the great problems of the American Republic itself. I am satisfied that they have both the capacity and the desire to enter as a loyal and integral part of the great American Republic. I think the time has come when they should have the right to choose not only the lower house of their legislature, which they have done so wisely, and the right to choose a Commissioner in Congress, which they have done so wisely, but the right to choose the upper branch of their legislature and to have full charge of the legislative branch of their government, subject, of course, to the veto that we exercise over a Territory, for their own good. So I am glad to support this measure of justice to the people of Porto Rico. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, the distinguished gentleman from Texas [Mr. SLAYDEN] who spoke a few moments ago called to mind that in the debate concerning the Philippine bill we upon this side of the House were charged with being inconsistent with the principles upon which the Government of this country was established, and we were accused of being unwilling to grant freedom to a people who desired it. And yet in some way we have now a unanimous report of the committee, supported, I suppose, by a majority of the other side of the House, a bill which denies the right of separation to another portion of our territory, in which there are a considerable number of people at least who wish to be separated entirely from this country—a people whose educational qualifications are, I believe, far in excess of those possessed by the people of the Philippines, certainly a people whose culture and attainments in every way are at least equal. This bill does not give the people of Porto Rico as great a degree of self-government as the Philippine bill provides. It ought to give more. Gentlemen upon the other side accused us of inconsistency when we were unwilling to vote for the Philippine bill, but I suppose they consider themselves entirely consistent in voting for the bill which is now before the House.

Mr. SLAYDEN. Will the gentleman permit me?

Mr. GREEN of Iowa. With pleasure.

Mr. SLAYDEN. Mr. Chairman, I want to say to the gentleman that I think our position is perfectly consistent. If the people of Porto Rico as unanimously desired separation and independence as the people of the Philippines appear to desire it, I would be perfectly willing that they should have an opportunity

to exercise it. I believe in the right of small governments and small peoples to live and in their right to be independent.

Mr. GREEN of Iowa. Let me say to the gentleman from Texas——

Mr. MILLER of Minnesota. Will the gentleman permit me to ask him a question?

Mr. GREEN of Iowa. Yes.

Mr. MILLER of Minnesota. Upon what does the gentleman base his assumption that the people of the Philippine Islands desire independence?

Mr. SLAYDEN. I base it upon evidence which is entirely satisfactory to my mind.

Mr. MILLER of Minnesota. Will the gentleman inform the House what that evidence is?

Mr. GREEN of Iowa. I would prefer that the gentleman did not undertake to make that disclosure in my time. I fear it would take him too long to find the evidence. [Laughter.]

Mr. MILLER of Minnesota. I think he can state in half a minute all the evidence that he has on that subject.

Mr. SLAYDEN. I am not controlled either by political ambitions or commercial interests.

Mr. GREEN of Iowa. Ncr am I. In one respect I agree with the gentleman from Texas, and that is in his purpose with reference to Porto Rico. And let me say to the distinguished gentleman from Porto Rico [Mr. RIVERA], as I would have liked to have said to the distinguished gentleman from the Philippines [Mr. QUEZON] if I could have had the opportunity, that I do not believe a solitary Member of this House wants to deny to the people either of Porto Rico or of the Philippine Islands the right of self-government when they shall have fully shown their qualifications for it.

Mr. SLAYDEN. But you want to reserve the privilege of determining that yourself.

Mr. GREEN of Iowa. We necessarily have that duty cast upon us. We undertook it when we acquired those islands from Spain; and I want to see the time come when the people of Porto Rico shall exercise the full right to self-government, either as a State or in some form like that in which Canada now has the right of self-government. I believe that the day will come when Porto Rico and the Philippines alike will be so attached to the Government that they will not desire to be entirely separated and cut off from this Nation.

Mr. Chairman, in the debate on the Philippine bill some comparisons were made between the situation prevailing with reference to the Philippines—and I suppose also with reference to Porto Rico—with the days when this country was demanding separation from England. Those gentlemen who will examine the grounds upon which independence from England was asked by the American Colonies will find that there is no parallel in the situation. Gentlemen who make that assertion should read the Declaration of Independence and see upon what grounds that important document based the reasons for separation from England. What right or privilege has been denied either to the people of the Philippines or to the people of Porto Rico? What do they wish to do, what might they do in the pursuit of comfort, of happiness, of prosperity which they may not do now?

Mr. RIVERA. Will the gentleman yield?

Mr. GREEN of Iowa. I know what the gentleman would say. He would say they have not now the right to select their own governor. We expect to give that to you some day.

Mr. RIVERA. We have been denied the high privilege of governing ourselves.

Mr. GREEN of Iowa. The gentleman does not answer my question. I ask the gentleman in what way he has been denied anything in the way of comfort, happiness, and prosperity, what wrong has been committed on any person who resides in the Philippines or Porto Rico?

Mr. RIVERA. Does the gentleman think it is possible for people to be happy without freedom?

Mr. GREEN of Iowa. In what does freedom consist? Is it the mere exercise of universal franchise? It is not possessed everywhere in the United States. It is limited here. In what does freedom consist? In electing a governor? Quite a large portion of our communities do not select governors. In this city we have them appointed for its citizens. Freedom consists in the possession of certain inalienable rights created before government was established. Let me say also to the gentleman from Porto Rico, in all kindness and sincerity, that the capacity for self-government does not consist alone in education nor even in refinement nor culture. It is something that must be acquired by years of experience.

Mr. Chairman, neither education nor culture, wealth or refinement are such evidence. If they had been, the ancient governments of Greece and Rome would not have perished from the earth. Five centuries have elapsed since the undying words of the Magna Charta were spoken at Runnymede and a reluctant tyrant was compelled to affix his signature to its principles; but principles will not be enforced until ingrained in the hearts of men. The bitter experience of century after century was necessary before our forefathers learned the true doctrine of self-government. What does it require for self-government? I answer, a capacity for self-control and self-restraint, a spirit of right thinking that recognizes and concedes the rights of others and so influences the majority in numbers or in power as to prevent tyranny over the minority, together with a patriotism that puts country above self, and, most of all, a ready and willing obedience to law and rightfully established authority. If either the Porto Ricans or the Philippine people have learned all this in the brief years of our occupation they are marvels indeed.

Mr. Chairman, I dislike to say it, but it has often seemed to me that the people of the islands which we took over from Spain were raised by us so quickly from a depth of oppression and from the ignorance and poverty which prevailed among the masses to a height of freedom enjoyed by few nations upon the globe that they are unable to appreciate the splendid bounty which had been conferred upon them. In all kindness I would say that the speech which the distinguished gentleman from Porto Rico [Mr. RIVERA] has made to-day bears out this thought, and I am surprised at the ingratitude which seems to prevail among the leaders in the Philippines.

Mr. Chairman, I have often listened on this floor to the gentleman from the Philippines [Mr. QUEZON]. From his speeches one would believe that he and those whom he represents had forgotten the tyranny under which they groaned before Dewey's guns shook Manila Bay with their thunder and shattered the Spanish fleet. They seem to have forgotten the days when those who lifted a hand or voice for freedom in their island were executed wholesale, with as little compunction as when animals are sent to a slaughter pen. They have forgotten that we paid the vast sum of $20,000,000 to keep them from again passing under the Spanish yoke or being sold to Germany. They have forgotten that the islands have been transformed by the restless energy of the American people from a region scourged by pestilence to one almost as healthful as our own; how free schools have been opened where the darkness of ignorance prevailed; how the door of opportunity has been opened for the poor and needy; how thousands of evils which prostrated a helpless people have been removed; how the whole country has been regenerated under the sheltering folds of that flag which never came to any land without bringing a new life, a new hope, and new freedom for the oppressed.

They tell us that the inhabitants of the Philippine Islands are a nation, and that this nation wants its independence. This collection of what is variously estimated from 20 to more than 200 tribes, that speak 20 different languages, that have different customs, that never lived together in peace until our coming, is this a nation? It is not and may never be. We are told that we are not acting in accordance with the Declaration of Independence in governing others without their consent; but when or how have the majority of the people of these islands expressed their dissent? Only a small portion have the right to vote. Does the gentleman from the Philippines claim that he represents the Macabebes, whom his own race could never subdue or conquer? How many of the Igorots even know he is here; and how many of them would have a voice in the new Philippine government which he fondly hopes to create, with himself at the head, and which would be misnamed if it is to be called a republic? Is the bitter hatred that exists between the Tagalogs and the Igorots to be extinguished by making the Tagalogs rulers over the Igorots? And what is to be done with those fierce fighters, the Moros, who have so often declared that they would submit to no control but ours?

To put the Philippines in the control and power of a small group selected from two or three tribes or races, as would be done by this bill, would violate every principle for which this Government has stood.

If the gentlemen upon the other side are really interested in applying the principles of that immortal document of which they have so much to say, a splendid opportunity can be found close at home without straining their eyes to look 3,000 miles across the sea.

Mr. Chairman, some of these races have fought with and for us, relying on the pledge so well understood that it was unnecessary to make it, that as long as they were true to the great Republic across the sea it would be true to them, and shall we now put it beyond our power to protect them from their hereditary enemies? To do so would be to invite the just condemnation of mankind.

Mr. Chairman, while the American people may have assumed the position of tutors and educators, they desire to be no man's master. I have never known an American who did not want the time to come when both Porto Rico and the Philippines would be self-governing and self-sustaining. With this purpose in mind, each year has seen a larger measure of self-government granted as fast, and, as it has seemed to me in the case of the Philippines, faster than they could best exercise it. If the day comes, as it will come in time to the Philippines, when the capacity for self-government had become manifest, when the various tribes were amalgamated into one nation, who would then deny they would have the right to expect to direct for themselves the affairs of these islands, so far as they concern the islands alone? But it is to be hoped that the people would not only be willing but desirous of remaining under the sheltering arm of our Government, with such a degree of control as would be necessary in order that we might protect them from disorder within and invasion from without, as we now protect Cuba. But the people of the Philippines should fully understand that the United States will never be guilty of the gigantic folly of becoming responsible for the acts of a country over which it has no control; that it will commit such an unparalleled blunder in statecraft as to assume the burden of protecting a people whose course and action it can in no way influence. If either the Philippine people or any Members of this House indulge in such idle dreams they will receive a rude awakening when the sensible, practical farmers and workingmen of this country express themselves at the polls.

I am surprised that any thinking man in Porto Rico would suppose that in this day and age that island could remain independent. It must come under the protection of some strong power, and such being the case, can the people of that island think of any Government under which they would have more freedom and more opportunity? When that question is presented to them there is no doubt about the answer. It must be said also that we can not for a moment think of permitting any of the great powers to obtain possession or control over this island. While we hold it it is an outpost for defense of the Panama Canal; held by any other nation it becomes a point of attack in war and danger in peace. For their own good and our good we must retain some kind of control over Porto Rico.

The situation with reference to the Philippines is very similar. Is it possible that the Philippine people can not see what will be the result of a separation in the manner provided by the Senate bill? When a nation such as our own, whose available strength in men and means surpasses that of any other on the globe, feels that it is not safe from aggression unless it maintains a powerful navy, strong fortifications, and half a million of disciplined men ready to call, what chance for self-preservation would any government created by this bill possess? If Australia before the present war had so much reason to provide a powerful military organization and to construct battle cruisers in order to protect itself against Japan, how hopeless would be the situation of the Philippines when cast off to shift for themselves? Protected and sheltered from the howling storm of war that rages over the greater part of the civilized world, the Filipinos seem to have no conception of the real situation. Apparently only a few realize independence now means the ruin of their country in the future, but they have only to look around them to learn what will be their fate.

Taking advantage of the conditions brought about by the present war, Japan issued its ultimatum to China, a country which had given no offense and which sought only to be left alone. Now, Japan is slowly but surely assuming dominion over its helpless neighbor, and soon China will be but its vassal. The Philippines, if not under our protection, will quickly follow.

The problem before us is not easy. We do not know how large a portion of the Philippine people desire a separation on the terms of this bill. We do know that they have been led to believe that some general agreement between nations would be made for their protection when complete independence had been established. That any considerable portion of the inhabitants of the island desire to be cast loose upon the terms of this bill is a supposition that does little credit to their knowledge or understanding.

Mr. Chairman, if the Philippine bill should ever pass in the form agreed to by the Senate, the time is not far distant, as I believe, when the peril to us of the innumerable hordes of the Orient will be changed from an expectancy into a reality, and the Philippine Islands will have passed as a result of the enactment of such a bill into the control and under the dominion of a foreign power where a spirit hostile to this Nation has long prevailed. Then when at length that power has so grown in strength that it is ready to carry out its long-premeditated desires; and when in the midst of war our citizens realize that the strength of their adversary, its wealth, and its power had been increased by the action of this Congress, the historian of that day will read with astonishment of its proceedings and search the record in vain for a justification of its proceedings. [Applause.]

Mr. PARKER of New Jersey. Mr. Chairman, I speak on this bill as an intensely practical question. It seems to me that freedom, happiness, allegiance, loyalty, and Americanism will depend in this country of Porto Rico, as well as in all other countries, in its people being able to make their own living and having money to run their own government. It is, I say, an intensely practical question that confronts us to-day in Porto Rican affairs. The principal revenue of Porto Rico has been and is in duties collected from goods coming there from all parts of the world other than ourselves. There is free trade between Porto Rico and the United States. These imports have fallen to less than a third of what they were, so that there is almost no revenue, and the government does not know how to get along. The same thing is taking place in the Philippines. The question is intensely practical so far as the support of the government is concerned.

It is rather difficult for them to collect taxes in islands like these. In olden times they put an export duty on coffee at the wharves, and so they did not send their tax collectors all over the land but collected the tax at once against the farmer without oppression where the price was paid.

Now export taxes are forbidden, and instead of having export duties that could be paid where the goods were sold after the money was received from the exporter, these taxes have to be placed, as proposed in section 3 of this bill, upon land. As a practical result in Porto Rico, I am informed, that as the poor people there did not understand the payment of taxes on the value of land, which sometimes amounts to more than what it brings in every year, they have been sold out by a large number of tax sales. Is that not right?

Mr. RIVERA. The gentleman is not right; his information is completely erroneous.

Mr. PARKER of New Jersey. Very well; I am glad to hear it. I was afraid that they were being oppressed by tax sales. I do know, however, from reading over the bills of the Porto Rico Legislature that they have been forced to put upon each trade and profession and business a license tax to be paid every year, so that if a man wants to plane or saw and get something from his neighbor for it, that little energy is taxed and he can not do it until he takes out a license as a carpenter. Such taxes are not only imposed by general law for the general government, but by the law municipalities also can tax wholesale stores, dry goods stores, grocery stores, furniture stores, pharmacies, and a long list that I will not read. Thus a man is taxed because he is active and doing business. He is taxed also if he follows a trade. This "cedula," as it is called, is abhorrent; it is repressive of energy.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. PARKER of New Jersey. Not at present. These taxes are unnecessary. Soon after we took over Porto Rico in the year 1900, under the leadership of the former leader of this House, Mr. Payne, we passed a law that all goods going into Porto Rico should pay United States duties except those that came from or to the United States, which should pay one-quarter of those duties, and that the one-quarter of the duties collected, both in the United States on goods from Porto Rico and in Porto Rico on our goods, should be paid into the Porto Rican treasury. That law had two good results. It gave them money to run their government, and plenty of it. It encouraged commerce between the United States and Porto Rico, but still it gave the small producer in Porto Rico some protection—not very much, compared to our own, because it gave a preference to United States imports, but some protection to their small trades. It is a difficult and terrible thing for an island of this sort, filled with people of a different race and a different language, to be put into immediate competition with our mills. Our shoe factories have driven our own shoemaker out of business and he has become the owner of a shoe factory or works in the factory; but if our factories drive the Porto Rican shoemaker out of business he can not come into a factory here.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. PARKER of New Jersey. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PARKER of New Jersey. Mr. Chairman, the result is that where you make laws for a different community from your own you must not treat them as part of your own State, as Ireland was treated by England, so that Irish manufactures

were destroyed by the greatness of English power, energy, and organization, but you must give them a chance to develop for themselves, by allowing them some small amount of protection against the great mother country. That protection is what has made the strength of Canada, Australia, and New Zealand. They have been given real independence, an independence which allows them to have their own business managed in their own way [applause], subject, it is true, to revision by the home Government. This is the constitutional way. It is provided in the Constitution of the United States that any State, with the consent of Congress, may put import duties on goods that are brought into that State from other States, provided that the scheme is always under the control of Congress and the money collected goes into the General Treasury. So far as the State is concerned, such duties would be merely for protection.

This law that was passed in 1900—the 25 per cent law—worked well. There is no doubt of that. It was repealed by the influence of American manufacturers who wanted a monopoly of the Porto Rican market. Porto Rico would be far better off now with the revenue and protection that they received from this law. We might go further. We might give the Porto Rico Legislature the right to establish what duties they pleased against all of the world, with the understanding that only one-quarter of those duties should be charged against United States goods and only one-quarter of our duties against Porto Rican goods coming into the United States, and that those funds should go into the Treasury. They need the money and they need the protection.

This is a matter on which I spoke on the 22d of February, 1900, 16 years ago. I then urged the establishment of that 25 per cent tariff rule. I urged it earnestly, because I thought it essential that Porto Rico should have revenue and protection such as we have, as an independent entity, not ready to become part of this Union, because the power of our business and industry would be oppressive, but ready to accept the protection of this Union, and yet to exercise a real independence, just as Canada possesses a business independence from England. I ask unanimous consent to extend my remarks in the RECORD by printing that speech.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD in the manner stated. Is there objection?

There was no objection.

Mr. PARKER of New Jersey. Mr. Chairman, I have been consistent in this view. When the present Philippine law was proposed in 1906, which abolished the 25 per cent rule between the Philippines and the United States, I opposed its enactment and urged that it would destroy their revenue, as it has done. The Committee on Insular Affairs will bear me out in the statement that when it was attempted to put a land tax in the Philippines they were unable to enforce it. They had to go without it and to adopt the cedula system of licensing business, a system which is a tax upon energy and a destruction to trade, an injury to the freedom of the individual, which ought not to prevail if it can be avoided in any part of the possessions of the United States. [Applause.]

I urge that before we get through with this bill we should insert a provision such as we had before, that the United States tariff should apply to Porto Rico, but that goods between the United States and Porto Rico should pay only one-fourth of that tariff and pay that into the Porto Rican treasury, or else that we should give the Porto Rican Legislature the right to fix what duties they please on goods from all parts of the world, with the same understanding that only one-quarter of each tariff should be paid on trade between us and them. This provision of a preferential tariff has become the great question of the world between England and her colonies. If she shall adopt a rule that only a certain proportion of all duties shall be paid where the goods go between different parts of the English possessions, and that that proportion when paid shall go into a common fund for a common defense, she will only have adopted the same provision that is contained in Article I, section 10, paragraph 2, of the American Constitution, which provides that no State shall impose any duty upon imports or exports except with the consent of Congress, that the net proceeds of such duty shall be for the use of the Treasury of the United States, and that such laws always be subject to the revision and control of Congress. That provision is not usually brought to our attention, and I point out that it is essentially protective so far as the State is concerned, because the State gets no money whatever and the revenue goes to the United States. It is a section intended for the protection of individual States, with the thought then that they might be as far separated from us as Porto Rico now is. Modern transportation has changed that as to the States, but a preferential tariff for Porto Rico will be for the common benefit of the whole country. [Applause.]

The speech I delivered February 22, 1900, upon the Porto Rico tariff is as follows:

"REMARKS OF HON. RICHARD WAYNE PARKER, OF NEW JERSEY.

"The House being in Committee of the Whole House on the state of the Union, and having under consideration the bill (H. R. 8245) to regulate the trade of Porto Rico, and for other purposes, as follows:

"'*Be it enacted, etc.*, That the provisions of this act shall apply to the island of Porto Rico and to the adjacent islands and waters of the islands lying east of the seventy-fourth meridian of longitude west of Greenwich, which was ceded to the United States by the Government of Spain by treaty concluded April 11, 1899; and the name Porto Rico, as used in this act, shall be held to include not only the island of that name, but all the adjacent islands as aforesaid.

"'SEC. 2. That on and after the passage of this act the same tariffs, customs, and duties shall be levied, collected, and paid upon all articles imported into Porto Rico from ports other than those of the United States which are required by law to be collected upon articles imported into the United States from foreign countries.

"'SEC. 3. That on and after the passage of this act all merchandise coming into the United States from Porto Rico and coming into Porto Rico from the United States shall be entered at the several ports of entry upon payment of 25 per cent of the duties which are required to be levied, collected, and paid upon like articles of merchandise imported from foreign countries; and, in addition thereto, upon articles of merchandise of Porto Rican manufacture coming into the United States, customs duties equal in rate and amount to the internal-revenue tax which may be imposed in the United States upon the same articles of merchandise of domestic manufacture; and upon articles of United States manufacture coming into Porto Rico customs duties equal in rate and amount to the internal-revenue tax which may be imposed in Porto Rico upon the same articles of Porto Rican manufacture.

"'SEC. 4. That the customs duties collected in Porto Rico in pursuance of this act, less the cost of collecting the same, and the gross amount of all collections of customs in the United States upon articles of merchandise coming from Porto Rico, shall not be covered into the general fund of the Treasury, but shall be held as a separate fund, and shall be placed at the disposal of the President to be used for the government and benefit of Porto Rico until otherwise provided by law'—

"Mr. PARKER of New Jersey said:

"Mr. Chairman, I feel difficulty in addressing this committee after the speech that has been made by the gentleman from Massachusetts [Mr. Moody], a speech that ought to be written in our hearts. It is not to the law of this matter that I should address myself, for wiser lawyers have spoken on that subject. But I want to say to this House that there is no calamity that they could impose upon Porto Rico or upon those people equal to the failure of this bill.

"Porto Rico is our ward; it is for its people we are legislating. It is to give them such financial conditions as will allow them to have peace and prosperity, and to wish to be within the limits of the United States; and to my mind the alternative proposed of giving free trade to Porto Rico would be an unspeakable wrong to them. I say this without the least hesitation because my first impressions were in that very direction of free trade. The extension, through annexation of Porto Rico as a part of the United States, to it of the Dingley tariff means necessarily that we also extend to them our internal revenue. No man can deny that. Otherwise they could distill liquor or make cigars, and make the things which are under our internal revenue, and could send their products free of duty into the United States.

"But to extend the excise law to them means that all small manufactories should be closed and that hundreds of people should be put out of business. It means that these poor people, for they are poor, could no longer smoke cigars, because the price would be so much increased. There is not a witness who does not say that the imposition of these excise taxes would be absolutely impossible in Porto Rico, and for that reason this bill does not impose them. Free trade means more to this island. Its people have lived without machinery, without organized manufactories.

"Small trades, like those of the shoemaker, the tailor, and the furniture maker, such as used to prevail with us, are there still supplying the wants of the people. All at once they would be subjected to the competition of great manufacturing industries which have almost driven these trades from without our midst and would drive them out from their island. We have welcomed the development of manufacturing in spite of that result. Our tradesmen have done better; the shoemaker became the shoe manufacturer, the tailor becomes a merchant tailor or engages in large manufactories. Our eastern farmer, who finds that the railroads have made his farm unprofitable, moves to the West, where farming pays.

"Our eastern manufacturer, if his materials become too expensive, goes where those materials are cheaper. The American can move everywhere, but the Porto Rican is not an American. He speaks Spanish; he is partly of Indian blood. He can not or will not come to this country, and any measure which would put that little island immediately under the unrestricted competition of our great manufactories and drive out its small tradesmen would be an injury that we have no right to inflict.

"There is only one parallel case, and that was cited by the gentleman from Massachusetts [Mr. McCall], who spoke against the bill. It is Ireland. Let me ask what free trade has done for Ireland? Free trade for Ireland meant that England, the country which had the coal, the brains, and the organization, took the profits of an island that was turned into a poor farming country, on which its sister island held the title or the mortgage and from which it drew the rents. We do not mean to create this result in Porto Rico.

"With free trade between Porto Rico and this country, whence is revenue to be got? Revenue is needed for roads and schools, such revenue as we always need for good government, for courts, and the administration of the laws. We can appropriate from the United States Treasury, but no one thinks that is a proper measure; or we can tax property there as we do here. Are we to increase the land taxes there upon a people whose plantations have been ruined by tornadoes? Or are we to increase a tax which they have already—the tax upon production? There every farm pays a certain proportion of its production to the Government. But this produce tax is the worst kind of tax in the world, because it makes an army of assessors all over the country; because it is the most susceptible to fraud; because it is the most susceptible to oppression; because it seeks for money when there is nothing but the crop upon the ground. If that crop be taken away, the expense of its being taken away is to come out, as well as the expense of the tax collector.

"We will adopt no such measure. This bill says that Porto Rico shall have what no State in this Union has ever had. It says first, that these poor people shall have absolute freedom from the excise taxes of the United States, and from the tariff of the United States, so far as paying a single dollar into our Treasury. It says that they shall be treated as our friends. We do not ask them to contribute to our support or even to the repayment of what we have spent in the war which gave them good government. We reduce the Dingley tariff as against them by three-quarters.

"We ask them only to do the same to us, and then we declare that the payments under the tariff shall not go into the Treasury of the United States, but go to the President for the benefit of the people of that island. Was ever so much generosity shown to any people? We give them just enough protection to maintain their own industries during the period of change, and we relieve them as far as we can from land tax or produce tax. [Applause on the Republican side.]

"If the tariff that we lay on their goods is a tariff on their production, it is only when the goods have come here and are able to pay the tariff because at the market and the money is ready to pay for them.

"And then we enact that the duties not only on goods that go to them but on goods that come here shall all go to the benefit of the island. This is what we have been told is tyranny!

"What are we going to give the islands if we do not pass this bill? What are we to do for those people? How is the expense of their government to be paid?

"Gentlemen come to me and others on this side of the House and talk of this measure of kindness as if it were tyranny. And they talk about the Philippines and ask, Will you do the same there? Still more, they ask whether the rights of personal liberty guaranteed by the Constitution shall not go to all the Territories held by the United States? How are these questions incident to a measure providing simply for the raising of revenue for this country and for that island? There is a constitutional provision that 'all duties, imposts, and excises shall be uniform throughout the United States.'

"The provisions as to personal rights are not limited as to place. One says that the writ of habeas corpus shall not be suspended except in certain cases, and says nothing about territory. It may well be argued that the rights of a citizen of the United States go everywhere where the power of the United States may extend. But how has that to do with the question as to whether these people should be given relief to the extent of three-fourths from the tariff bar that now stands between us and them; that they shall be afforded at the same time a revenue for schools and for roads, and that they shall be absolutely relieved from all contributions toward the support of this Government?

"Let us have no sympathy with mere verbal arguments on the subject of our control in the territories that we have received by the treaty with Spain. They are not beyond the pale of the great rights of liberty guaranteed by the Constitution. As soon as peace is established an inhabitant of those islands is entitled to the protection of his life and his liberty. But so far as the territory is concerned, this Government, through its Congress, has the power to acquire territory, and when it has been acquired it is the right of Congress, under the Constitution, even to dispose of or sell such territory.

"Our control over the territory is absolute. If Congress can sell, it can control. It can tax. It can exercise the power of taxation as may be found right, and has the power to make all rules and regulations with reference to such property. There is no limitation on this power, except that taxes must be uniform throughout the States which are united and which contribute by uniform laws to the support of the United States Government while managing their own affairs. This territory is not contributing to the expenses of maintaining the United States Government. The United States is imposing taxes there for the purpose of maintaining the local government there; and it must have all the powers of a State in so doing.

"Mr. FINLEY. Will the gentleman yield for a question?

"Mr. PARKER of New Jersey. Yes, sir.

"Mr. FINLEY. In ordinary legal parlance, is not the term 'rules and regulations' used as meaning provisions for carrying out some enactment of law? In other words, is there not a distinction between a law and what may be termed 'rules and regulations'?

"Mr. PARKER of New Jersey. In this particular article 'rules and regulations' are spoken of as instruments of government, and therefore they are law.

"Mr. FINLEY. Then I understand the gentleman to say that 'rules and regulations' in the sense implied in this article mean law?

"Mr. PARKER of New Jersey. I can not see how it can mean anything else, and I believe the courts have so held.

"Mr. FINLEY. Has the gentleman any authority in support of that statement?

"Mr. PARKER of New Jersey. I have plenty of authorities, but I have not the books at hand. The Supreme Court of the United States has often held that in the Territories under this authority to make rules and regulations Congress must make law.

"Mr. FINLEY. Then, as I understand, the gentleman has no authorities.

"Mr. PARKER of New Jersey. I have plenty of authorities, but I can not on the instant refer to the exact case. I have no books here.

"Mr. GILBERT. Will the gentleman allow me to ask him a question?

"The CHAIRMAN. Does the gentleman from New Jersey yield?

"Mr. PARKER of New Jersey. Certainly.

"Mr. GILBERT. Do you contend that Congress could incorporate a railroad company or a bank in Porto Rico?

"Mr. PARKER of New Jersey. Certainly.

"Mr. GILBERT. Would that corporation become a citizen in the sense of the fourteenth amendment to the Constitution?

"Mr. GROSVENOR. Not necessarily.

"Mr. PARKER of New Jersey. I should say not.

"Mr. GILBERT. Would it become a person in the sense of the fourteenth amendment?

"Mr. PARKER of New Jersey. I should say not necessarily.

"Mr. GILBERT. Does not the gentleman know that the Supreme Court has repeatedly held that corporations are persons within the sense of the fourteenth amendment?

"Mr. PARKER of New Jersey. I believe so.

"Mr. GILBERT. Would not that corporation be entitled to equal protection of the laws in Porto Rico?

"Mr. GROSVENOR. What decision of the Supreme Court is there on that subject since the adoption of the fourteenth amendment?

"Mr. GILBERT. The case of St. Clair County against somebody. There are three or four cases in which the Supreme Court has held that a corporation is a person in the sense of the fourteenth amendment.

"Mr. PARKER of New Jersey. I want to make one or two more propositions, and I do not think the gentleman's question is very pertinent to my argument. It is very easy to ask questions when a man is standing here without books, and it is not easy to answer them without the authorities at hand.

"Mr. GILBERT. If this Congress——

"Mr. PARKER of New Jersey. The gentleman is making an argument, and he is not on the point that I am referring to.

"The CHAIRMAN. The gentleman from New Jersey [Mr. PARKER] is entitled to the floor.

"Mr. PARKER of New Jersey. Something has been said about export duties. It was always supposed that export duties were duties levied upon goods because they were exported—that is to say, if a law should be enacted that in a certain State all of a certain class of goods leaving that State should pay a duty, that would be an export duty. On the other hand, if a State, by

consent of Congress, were allowed to impose a duty on all goods coming into that State, that would be an import duty. Some of those goods would come from other States, but that would not make this an export duty on the goods coming from those States.

"The provision of the Constitution was intended to prevent the imposition of duties on goods, on the classification and because they were exported. Here by this bill duties are levied on goods going into Porto Rico, not because they are exported from anywhere, but because they are imported into that island. They are import duties, pure and simple.

"The bill provides full Dingley tariff rates for goods coming from the rest of the world and one-quarter of those rates for goods from the United States. That is not the imposition of an export duty on goods coming from the United States. That is a reduction by three-quarters of the import duties in Porto Rico because the goods come from the United States. The bill might just as well have said that full tariff rates under the United States laws shall be charged on all goods from wheresoever they shall come, with a rebate of three-quarters to be allowed to goods coming from the United States. The bill substantially orders an import duty with a rebate on goods coming from the United States.

"Now, on that construction of the law we are not without a case exactly analogous. It is the case of Pace against Burgess. Pace made tobacco and Burgess was collector. The law provides that there shall be a stamp tax on all tobacco of so much per pound, but that if the tobacco was to be exported, it was to pay a much less rate per pound, and that a different stamp, marking the tobacco for export, should be put upon the tobacco. The manufacturer went before the Supreme Court claiming that the tobacco was for export, that it was taxed so many cents a pound, and that therefore an export duty was being levied.

"The court denied this claim, holding that while the statute imposed a tax on tobacco that was exported, it was really a rebate on a much larger tax on all manufactured tobacco, and therefore not an export tax, but a rebate of an excise tax. Now, just so in this case, when this bill says that there shall be a tariff imposed upon all goods coming into Porto Rico, and then provides that import duty shall be much less if the goods come from the United States, it is not an export duty from the United States, but a rebate of an import duty into Porto Rico.

"It is idle longer to delay the House with questions of law.

"Mr. BARTLETT. Will the gentleman permit me to ask him one question?

"Mr. PARKER of New Jersey. Certainly.

"Mr. BARTLETT. Do I understand the gentleman to claim that the Dingley law is now in force in Porto Rico?

"Mr. PARKER of New Jersey. By this bill the Dingley law is put into force in Porto Rico, except that practically a rebate from the Dingley law of three-quarters is given on all goods that come from the United States.

"In conclusion, only one word. It is idle to talk of law only. This is an intensely practical question. We must give some relief to these people. We must give them revenue; we must give them a reduction of the tariff; we must give them the means of getting a chance in the progress among nations. Unless that happens we might have revolution, and we shall certainly have poverty and discontent. This bill gives that relief, and we can not help appealing to every member of this House to support it. [Applause on the Republican side.]"

[By unanimous consent, Mr. GREEN of Iowa was granted leave to extend his remarks in the RECORD.]

Mr. BENNET. Mr. Chairman, I move to strike out the last two words for the purpose of asking the gentleman from Virginia [Mr. JONES] a question. During the course of the remarks of the gentleman from Iowa [Mr. TOWNER] I asked him if there was anything in this bill that covered the case of the several hundred former residents of Porto Rico who live in New York City, who were born in Porto Rico, Spanish subjects at that time, left Porto Rico prior to 1898 or since, and now reside in the State of New York, and, doubtless, in other States.

Those men did not desire to take advantage of the treaty and did not renew their allegiance to the Crown of Spain prior to April 11, 1900. Therefore they ceased to be Spanish subjects. They were in the United States at the time of the war, and they had no opportunity to continue their adherence to the Crown of Spain. Now they can not be naturalized in the United States because they can not renounce allegiance to any king or State. As a matter of fact their allegiance is to the United States, but they are not citizens of the United States. This bill does not help them out, because this bill only applies to persons who are either now in Porto Rico or who shall return, and what I want to ask the gentleman was whether—I will ask a two-branch question—whether the omission to do anything for these people was intentional, or if it was not intentional whether the gentleman would have any objection to an amendment which would appeal to his sense of what is right and fair, conferring American citizenship upon these former Porto Ricans, or former subjects of Spain, who have resided for these many years in the United States?

Mr. JONES. Well, I would say to the gentleman in response to the last part of his question that if these Porto Ricans are in the United States and propose to continue to reside in the United States there is no reason why they can not become citizens of the United States——

Mr. BENNET. Oh, yes.

Mr. JONES. Why?

Mr. BENNET. How can they? They can not be naturalized because the law of June 28, 1906, says that no one can be naturalized except a subject or citizen of some foreign power. Now those people lost or rather ceased to become the subjects of Spain——

Mr. JONES. Yes.

Mr. BENNET. By that war, and we may gloss it over as much as we please, but the fact remains that those people are subjects of the United States.

Mr. JONES. The gentleman may be right about that. I had in my mind when I said what I did of a number of Porto Ricans who heretofore have come to New York and have become naturalized citizens of the United States; but I will say to the gentleman that it was not brought to the attention of the committee that there were any Porto Ricans residing in New York who had no intention of going back to the island, and therefore we did not consider that subject at all. We felt that we were going far enough when we extended American citizenship to those Porto Ricans who live in the island and those who are temporarily away and intended to go back. I would not be willing, I think, to extend American citizenship to Porto Ricans who have resided and almost expatriated themselves, and who have no idea of ever going back there.

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. BENNET. I will yield first to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Upon what does the gentleman base his statement that those people lost their citizenship in regard to Spain?

Mr. BENNET. Upon the fact that in section 7 of the act of 1902—I will take that back; those people have lost their rights as subjects of Spain through the fact of the conquest of the land of which they were citizens.

Mr. MILLER of Minnesota. And did not avail themselves of the privilege contained in the treaty with Spain of asserting their intention.

Mr. GREEN of Iowa. If the gentleman will allow me a moment, I will say I can not agree with the gentleman at all. I know of no principle of international law, and I doubt whether the gentleman knows, although he may have looked it up more carefully than I have, that the conquest of the island would cause these people residing in New York to lose their citizenship in Spain.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. I would ask that I may have five minutes more.

Mr. MANN. Will the gentleman yield?

Mr. BENNET. If I can get the time.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Of course it would not affect the citizenship of Porto Ricans residing in New York at the time of the conquest. That is the point referred to, but those who came from Porto Rico to New York since can not become naturalized, and under this bill they still remain citizens of Porto Rico, which is nothing to them, and they can not become citizens of the United States, which is everything to them.

Mr. BENNET. And if they came shortly after the conquest, I will call the attention of the gentleman from Minnesota to the fact that section 7 of the act of 1900 only applies to Spanish subjects residing on the island of Porto Rico.

Mr. MILLER of Minnesota. I can see no reason why this present bill should not be amended so as to confer citizenship upon the inhabitants of Porto Rico or upon Porto Rican citizens who are now residing in the United States. That would cover the ground.

Mr. TOWNER. Will the gentleman yield?

Mr. BENNET. In a moment. I drafted this, I will say to the gentleman from Minnesota: "That all former Spanish subjects born in Porto Rico, who at the time of the passage of this act reside in any State or Territory of the United States

or in the District of Columbia, except such as shall have elected to preserve their allegiance to the Crown of Spain on or before the 11th day of April, 1900, are hereby declared and deemed to be citizens of the United States."

I think possibly that would cover it.

Mr. STAFFORD. Will the gentleman permit——

Mr. BENNET. I now yield to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. The language of the section in the bill by which we give the right to become citizens of the United States says, referring to these citizens of Porto Rico——

Mr. BENNET. What page?

Mr. TOWNER. Page 6—

And have since returned and are permanently residing in that island, and are not citizens of any foreign country.

So that the people to whom the gentleman refers in the United States could not come under the provision of this section.

Mr. BENNET. Certainly not.

Mr. TOWNER. Therefore, not being allowed to become citizens of the United States, because they are not citizens, and who have been citizens of a foreign power, having had their allegiance transferred by the treaty, they can not become citizens of the United States here and can not become citizens of the United States under the provisions of this act unless it is amended.

Mr. BENNET. Certainly; I agree thoroughly with the gentleman.

Mr. FESS. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. FESS. This question is purely for information. The first step in naturalization is to renounce allegiance to the country——

Mr. BENNET. To the country of which the person is a subject or a citizen.

Mr. FESS. And second, to declare an intention to become a citizen of our country.

Mr. BENNET. That is in the declaration of intention.

Mr. FESS. Now, what I want to know is, if the fact of the loss of citizenship in Spain would not satisfy the law of the renunciation of the citizenship for the sake of being naturalized?

Mr. BENNET. It would not. The gentleman from Indiana [Mr. MOORES] is very well informed on legal matters, and tells me that there is a district court decision on this. That was my own impression. He has gone to look up the decision. The reason I brought the matter up so early is just exactly what has occurred, that we might by discussion rather clear our minds as to the best way of covering what I think all of us want to cover, because I am frank to say the fewer subjects the United States has the better I will be pleased.

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. MILLER of Minnesota. I am informed that the Federal court in the Hawaiian Islands has just decided that a Filipino man who was then in Hawaii had a right to become naturalized as a citizen of the United States. That case, of course, will be appealed, and, I understand, the Government attorney has taken steps for the appeal, and it ultimately will be decided by our Supreme Court. If our court should hold that that Filipino had a right to citizenship in the United States for naturalization, of course the same reasons would apply to citizens of Porto Rico, and the gentleman in whom the gentleman from New York is interested.

Mr. BENNET. The Supreme Court of the United States in the case of In re Williams had a chance to declare something like that, and did not do it.

Mr. MILLER of Minnesota. I know they did not.

Mr. BENNET. They simply contented themselves by deciding that a resident of the island of Porto Rico was not an alien, and stopped right there.

Mr. STAFFORD. Will the gentleman yield?

Mr. BENNET. I will.

Mr. STAFFORD. Is not citizenship, so far as naturalization goes, predicated upon the act of the individual, and would not your amendment force citizenship upon them regardless of their own desires?

Mr. BENNET. The gentleman is correct up to a certain point. We have done that in a great many instances. We did it in the case of the whole Territory of Louisiana when it was taken over from France. The gentleman from Ohio [Mr. FESS] this afternoon called attention to the fact that we forced, if you want to use that word, citizenship on everybody in Texas that we took with Texas.

Mr. MANN. And we do it when anybody is born.

Mr. BENNET. Yes.

Mr. STAFFORD. The very fact that they lost their nationality as to Spain does not signify that we should necessarily confer citizenship upon them unless they wish it?

Mr. BENNET. I will say to the gentleman from Wisconsin that after we have conferred that citizenship upon them, and we have the right to do it, of course, by right of conquest, if they want to turn around and deliberately expatriate themselves and become Russians or Hindus or anything else, they have that right?

Mr. STAFFORD. Will the gentleman permit further?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BENNET. Mr. Chairman, I ask unanimous consent to proceed for four minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for four minutes. Is there objection?

There was no objection.

Mr. STAFFORD. There may be, as a result of this European war, certain countries effaced from the governmental maps which have a large number of subjects living in this country, but that would be no reason why we should by legislative act confer jurisdiction upon those people without their full assent and will?

Mr. BENNET. Oh, that is entirely different.

Mr. STAFFORD. I think that is a parallel case.

Mr. BENNET. These are people that we have taken over, and to whom we owe a duty to start them off with some sort of citizenship.

Mr. TILSON. Will the gentleman yield?

Mr. BENNET. I will.

Mr. TILSON. Is it not provided in this very bill that if they wish to continue as citizens of Spain or become citizens or subjects of Spain, they can do so under the terms of this bill by signing a certificate within six months after this law goes into effect?

Mr. BENNET. They could go back to Porto Rico, and when they got there they could sign a declaration, and, after they had signed that declaration, I am a little bit doubtful as to what their status would then be. Would they be citizens of Porto Rico or would they be subjects of Spain? I do not know precisely what that language means.

Mr. TILSON. It seems that they may become subjects of Spain if they wish to do so.

Mr. BENNET. The language says:

I, ———, being duly sworn, hereby declare my intention not to become a citizen of the United States as provided in the act of Congress conferring United States citizenship upon citizens of Porto Rico and certain natives permanently residing in said island.

Well, I do not know that that would get them any further than making them men without a country. I suppose we have the right to do that. But it seems to me we owe it to them to start them off right as American citizens.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. BENNET. Yes; I yield to the chairman of the committee.

Mr. JONES. I agree with the gentleman from New York as to what he says about the language quoted on page 6 of the bill. That would not help at all. It was intended for just an opposite purpose.

But the gentleman assumes that these Porto Ricans who have, I may say, expatriated themselves, desire to become citizens of the United States. I have no reason for knowing that. The committee has no evidence on the subject. Nobody ever made such statements to us, and this law was framed for the purpose of making the Porto Ricans residing in Porto Rico collectively citizens of the United States, but permitting those who did not want to become citizens to go into the court and make this declaration.

Now, this proposition which the gentleman makes is to make these people who are not residing there, and who have expatriated themselves, collectively citizens of the United States whether they want to become so or not; and they may not all want to become citizens of the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAVENPORT. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. BENNET] may proceed for two minutes more.

Mr. JONES. I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. JONES. That is the difficulty in my mind, I will say to the gentleman from New York. I think we ought to make those who reside in Porto Rico collectively citizens, and to let

the persons who are contemplated in this section who do not desire citizenship to make the declaration that they do not want to be citizens. But does the gentleman think we ought to undertake to say that Porto Ricans who have lived there and who do not want to go back should be made citizens without knowing whether they want to be citizens or not?

Mr. BENNET. Answering the very pertinent question of the chairman of the committee, I happen to know something about these people. They do desire to become citizens of the United States, and in many instances they have gone to the naturalization courts and tried to become citizens of the United States. The gentleman says some of these people have expatriated themselves. The gentleman is as good an American as there is in the United States, and I do not think he would put a term of opprobrium upon any person who left any part of the United States and came to the mainland of the United States to cast in his fortunes with us. So far as they could they have become Americans.

Mr. JONES. But the gentleman realizes that when they came here they were not coming to the mainland of the United States, with reference to Porto Rico. Then Porto Rico was a colony of Spain.

Mr. BENNET. I mean those who have come since then. Take the case of a man who was in the island at the time of the conquest. Take the case of the employees of the Bull Line of steamers, to be specific. I do not happen to know anybody connected with that line, but I know that there is such a line. They have brought people from Porto Rico to New York City to work in their offices, and those people have become permanent residents of New York, and regard themselves as Americans, but they are not and can not become citizens of the United States, and must remain subjects.

Mr. JONES. Subjects of what country?

Mr. BENNET. Subjects of the United States.

Mr. JONES. Is the gentleman certain that they are not citizens of Spain?

Mr. BENNET. Certainly; because prior to the 11th day of April, 1900, they did not exercise their right of retaining their allegiance to the Crown of Spain, as provided by section 7 of the act of August, 1900.

Mr. JONES. They were not in Porto Rico at that time?

Mr. BENNET. Yes; they were. They were in Porto Rico at the time. But when Port Rico became a part of America, and American business commenced to go back and forth, they came to America and engaged in these various lines of occupation as Americans. They had no desire to remain Spaniards. If they had, they could have filed their declaration.

Now, here is the situation: Two men from the same family, both equally desirous of being Americans, one remaining in Porto Rico and one coming to the United States. The man who remains in Porto Rico can become an American citizen, though he is not on the mainland of the United States, but his brother who comes to the United States can not become an American citizen.

Mr. MEEKER. Mr. Chairman, will the gentleman yield for a question?

Mr. BENNET. I yield to the gentleman from Missouri.

Mr. MEEKER. Would it not meet the practical difficulty to offer an amendment similar to the provision in the bill, that those who desire not to become citizens can up to a certain time go into court and make that statement; or, on the other side, make a proviso whereby all those who are already in the United States will be given the opportunity to become citizens of the United States?

Mr. BENNET. I think the suggestion of the gentleman from Missouri is a very practical one, and that it would be possible to couple with the provision that I suggest a provision that if they do not desire to become citizens, then they may file in the United States district court a declaration to that effect.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I should like to oppose the motion to mutilate the first section of the bill.

Just a moment on this point: The language of section 5 of the bill provides among other things for the making of American citizens of natives of Porto Rico who were temporarily absent from that island on April 11, 1899, and have since returned, and who are permanently residing in that island, and are not citizens of any foreign country.

Under the language of the bill the man who was absent from the island on April 11, 1899, and who has since returned to Porto Rico, becomes a citizen. If he came to the United States in 1898 and has gone back to the island, he becomes an American citizen; but if he came to the United States in 1898, and has elected to remain here, he pays the penalty because he stays here of forfeiting his American citizenship. If he has shown his love of America by staying here, then he is not to be an American citizen. It seems to me that that was not the intent of the committee, and that it might very easily be corrected——

Mr. JONES. I will say to the gentleman that that point was never presented to us.

Mr. MANN. I would like to finish my sentence without having it interlarded. Then I will be very glad to yield to the gentleman. If you strike out the provision—

> And have since returned and are permanently residing in that island—

So that it will read—

> All natives of Porto Rico who were temporarily absent from that island on April 11, 1899, and are not citizens of any foreign country are hereby declared, and shall be deemed and held to be, citizens of the United States—

That will cover the case. I gladly yield now to the gentleman from Virginia.

Mr. JONES. What I was saying to the gentleman was that it was never stated to the committee that there were any Porto Ricans who would come within this category, and we did not undertake to make any provision of this kind. I will say to the gentleman that we have not reached this section in the reading of the bill, and that if we do reach it this evening I will ask that this section be passed over, to be returned to; and in the meantime I will take up the matter with the ranking minority member of the committee [Mr. TOWNER], and will see if we can not frame some amendment that will meet the situation.

Mr. MANN. I have no doubt at all that it was a pure inadvertence on the part of the committee.

Mr. BENNET. I will say that that course is entirely satisfactory to me, and the reason I brought it up under the first section was in the hope that what has resulted would result; that is, that the chairman of the committee would commence to think about the best amendment to meet the situation. I have no doubt he will have a better amendment when we get to it than the one that I have suggested.

Mr. MILLER of Minnesota. Mr. Chairman, I would like to be recognized in opposition to the formal amendment. Now that we are on this question of citizenship, I suppose we might as well thrash out some of the details that might more properly come up later. In that connection I want to invite the attention of the committee to the fact that the injustice which it is apparent would have been inflicted upon certain individuals who were born in or who are citizens of Porto Rico may exist in respect to certain natives of the Philippine Islands, all of which was called to the attention of the committee recently, but which the committee did not seem inclined to act upon. I am very glad to find that they are willing to listen to suggestions of this kind, although they turned a deaf ear to my beseeching appeal in committee. When I say "beseeching appeal" I speak advisedly, because I had tears in my voice, if not in my eyes, when I was talking to them. The treaty in regard to citizenship provides that a man must have been in the Philippine Islands at the time the treaty was passed in order to become a citizen. In other words, if a man was born in the Philippine Islands and was temporarily away at the time the treaty passed and was signed and has gone back to the islands he is strictly a man without a country. Now, that seems an anomaly, and it may be that to some people it seems a rarity, as far as any practical application is concerned, and not worthy of consideration. That is not so. As a matter of fact, some of the most learned Philippine people were in Europe and some of the most cultured and wealthy people were in Spain at the time this treaty was signed and some were in the Spanish army in Cuba.

I think I will be pardoned if I mention one gentleman, a somewhat notorious gentleman. He was educated at the University of Spain at Madrid. He was one of the leading physicians of the islands. At the time of the Spanish-American war he was a physician in the Spanish Army in Cuba. He afterwards returned to the Philippine Islands, and while I am not qualified to speak, I am informed he is a most eloquent speaker among the Filipino people. I rather think he is eloquent because he has been elected to the Philippine Legislature, I think, three times by an overwhelming majority in the city of Manila. Each time he has been ruled out on the ground that he is not a citizen of the Philippine Islands. As a matter of fact, he was born of a Philippine father and a Philippine mother within the walled city. It is not for me to say whether or not that position was well taken; but anyhow, the Philippine Legislature, which has the right to judge of the qualifications and election of its own members, the same as we have, finally said that Dominibar Gomez should not have a seat in the Philippine Assembly because he was not a citizen of the islands. I am not defending Dominibar Gomez for his record; I will leave

that to my genial friend from Virginia, the chairman of the committee. I mention this to strengthen the fact that we have overlooked some facts, both in Porto Rico and the Philippines.

Let me emphasize again the case of Dominibar Gomez is not one entirely by itself, there are a large number of others, and in legislating like we are doing in this bill, let us correct, as far as possible, the injustice that has been done. [Applause.]

The Clerk read as follows:

SEC. 2. That no law shall be enacted in Porto Rico which shall deprive any person of life, liberty, or property without due process of law, or deny to any person therein the equal protection of the laws.

That in all criminal prosecutions the accused shall enjoy the right to be heard by himself and counsel; to demand the nature and cause of the accusation against him; to have a copy thereof; to have a speedy and public trial; to meet the witnesses face to face; and to have compulsory process to compel the attendance of witnesses in his behalf.

That no person shall be held to answer for a criminal offense without due process of law; and no person for the same offense shall be twice put in jeopardy of punishment, nor shall be compelled in any criminal case to be a witness against himself.

That all persons shall before conviction be bailable by sufficient sureties, except for capital offenses when the proof is evident or the presumption great.

That no law impairing the obligation of contracts shall be enacted.

That no person shall be imprisoned for debt.

That the privilege of the writ of habeas corpus shall not be suspended, unless when in case of rebellion, insurrection, or invasion the public safety may require it, in either of which events the same may be suspended by the President, or by the governor, whenever during such period the necessity for such suspension shall exist.

That no ex post facto law or bill of attainder shall be enacted.

That no law granting a title of nobility shall be enacted, and no person holding any office of profit or trust in Porto Rico shall, without the consent of the Congress of the United States, accept any present, emolument, office, or title of any kind whatever from any king, queen, prince, or foreign State.

That excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

That the right to be secure against unreasonable searches and seizures shall not be violated.

That neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in Porto Rico.

That no law shall be passed abridging the freedom of speech or of the press, or the right of the people peaceably to assemble and petition the Government for redress of grievances.

That no law shall be made respecting an establishment of religion or prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed, and that no political or religious test other than an oath to support the Constitution of the United States and the laws of Porto Rico shall be required as a qualification to any office or public trust under Porto Rico.

That no money shall be paid out of the treasury except in pursuance of an appropriation by law.

That no warrant shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

That eight hours shall constitute a day's work in all cases of employment of laborers and mechanics by and on behalf of the government of the island on public works, except in cases of emergency.

That the employment of children under the age of 14 years in any occupation injurious to health or morals or hazardous to life or limb is hereby prohibited.

That the right of action to recover damages for injuries resulting in death shall never be abrogated.

Mr. MURRAY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 3, line 24, after the word "allowed," insert "and that no political or religious test shall ever be required for the exercise of civil or political rights."

Mr. MURRAY. Mr. Chairman, the usual clause in State constitutions carries this provision, but does not include the remaining part of the paragraph. The committee has provided that "no political or religious test other than an oath to support the Constitution of the United States and the laws of Porto Rico shall be required as a qualification to any office or public trust." Certainly it is more important that no political or religious test shall become necessary for the exercise of civil or political rights.

Mr. MANN. Mr. Chairman, let us have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will report the amendment.

There was no objection, and the Clerk again read the amendment.

Mr. JONES. After the word "allowed," it provides that "no political or religious test," and so forth. Does the gentleman want to repeat that?

Mr. MURRAY. No; I would strike that out.

Mr. JONES. How will it read with the gentleman's amendment in it?

Mr. MURRAY. I will ask the Clerk to read it as it would read if amended.

The Clerk read as follows:

That no law shall be made respecting an establishment of religion or prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed, and that no political or religious test shall ever be required for the exercise of civil or political rights, and that no political or religious test other than an oath to support the Constitution of the United States and the laws of Porto Rico shall be required as a qualification to any office or public trust under Porto Rico.

Mr. MURRAY. I thought of putting it after the word "required," but here is the trouble. You are referring here now to civil rights. You do not want to say that nothing except an oath to the Constitution of the United States shall be required. If you follow the general trend of the Constitution of the United States you strike out everything after the word "allowed," because when you allow civil and political office, that involves the right of holding office without repetition of these words. If you would strike out everything after the word "allowed" and insert my amendment, you would get everything put in here, unless the gentleman wants to retain the expression about taking an oath to obey the Constitution of the United States, and I thought perhaps he had some purpose in that.

Mr. MANN. Mr. Chairman, the provision of the bill is:

And that no political or religious test other than an oath to support the Constitution of the United States and the laws of Porto Rico shall be required as a qualification to any office or public trust under Porto Rico.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. MANN. Not until I have made a statement of some kind. That is an admission, to start with, that an oath to support the Constitution of the United States is a political test, and I think the bill is right in reference to that—it is a political test. The gentleman from Oklahoma [Mr. MURRAY] offers an amendment to the effect that no political test shall be required for the exercise of any civil rights. In other words, a man goes to vote; under our law, in every place that I know of, he might be challenged. He could not make an oath under this provision, because that is a political test, if the amendment of the gentleman should prevail. You have to make a great many affidavits at times in connection with exercising your right to vote, but under the provision offered by the gentleman you could not enact any political test, you could not require a man to make any statement under oath as to his residence when he came to be registered, because taking an oath is a political test.

Mr. MURRAY. The gentleman is using that word differently from its general acceptation.

Mr. MANN. I am using it in the legal acceptation that I understand and which the bill conveys. That was the acceptation of the committee and whoever drafted the bill, because the provision in the bill is:

No political or religious test—

And a religious test has nothing to do with supporting the Constitution—

other than an oath to support the Constitution of the United States and the laws of Porto Rico shall be required as a qualification to any office or public trust under Porto Rico.

That is a statement of the bill itself, that an oath to support the Constitution is a political test, and the bill is correct—it is a political test. What the gentleman has in mind is that one shall not be required to state his partisan politics.

Mr. MURRAY. Certainly.

Mr. MANN. But that has nothing to do with the question of a political test.

Mr. MURRAY. But that is the use in every State in the American Union.

Mr. MANN. I do not believe it is used that way anywhere, and if it is, it is used by people who do not understand the English language.

Mr. MURRAY. It is the use in the gentleman's own State constitution, and if that is so then the people in the gentleman's State do not know anything about the English language.

Mr. MANN. Oh, no.

Mr. MURRAY. It is in the early days.

Mr. MANN. Never in the early days. Even in the earliest immigrant days, those who came to our State understood the English language better than that.

Mr. MURRAY. I will ask the gentleman this question——

Mr. MANN. I am not under cross-examination.

Mr. MURRAY. Does the gentleman from Illinois insist that this clause ought not to go in?

Mr. MANN. I insist that the gentleman's amendment ought not to prevail.

Mr. MURRAY. At all in this provision, either here or over further?

Mr. MANN. The amendment offered by the gentleman from Oklahoma is not drawn with his usual ability. It would eliminate the right to exact any kind of a political test, the

gentleman having in his mind partisan politics, but that is not the use of the term "political" in law.

Mr. MURRAY. Does this agree to the gentleman's view, if it is put over on the other page, at the top of page 4, after the word "required"?

Mr. MANN. Why, no; it would still forbid a man taking an oath that he was going to tell the truth when he went to register to vote.

Mr. MURRAY. To make it clear to the gentleman from Illinois, I will ask unanimous consent to change the word "political" to "partisan."

Mr. MILLER of Minnesota. Does that help it any?

Mr. MURRAY. "Any religious or partisan."

Mr. MILLER of Minnesota. Does that help it any?

Mr. MEEKER. Is that in the Constitution?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent for five minutes just to answer this.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to speak for five minutes. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, there are two other matters of some importance to come up in the House to-night, and I think, possibly, if the gentleman will let this go over it will be wise.

Mr. JONES. Mr. Chairman, I am going to suggest that the amendment go over until to-morrow, and move that the committee do now rise.

Mr. COOPER of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER of Wisconsin. Will that leave opportunity when the bill next comes up for further amendment to this section?

The CHAIRMAN. Certainly; the first thing will be the amendment offered by the gentleman from Oklahoma.

Mr. BENNET. The entire section is still open to amendment.

The CHAIRMAN. Certainly.

The motion was agreed to.

Accordingly the committee rose, and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes, and had come to no resolution thereon.

### INDIAN APPROPRIATION BILL.

Mr. CARTER of Oklahoma. Mr. Speaker, I call up the conference report on the Indian appropriation bill, H. R. 10385, and ask that the House further insist upon its disagreement to the Senate amendments and agree to the further conference requested by the Senate.

Mr. MANN. What is the request?

Mr. CARTER of Oklahoma. To take up the conference report on the Indian appropriation bill, to insist upon disagreement to the Senate amendments, and agree to the conference requested.

Mr. MANN. The gentleman, I think, does not want to take up the conference report. As I understand, the Senate has already rejected the conference report——

Mr. CARTER of Oklahoma. Yes.

Mr. MANN. Is the gentleman going to move to concur?

Mr. CARTER of Oklahoma. No; my request is that the House further insist on its disagreement and agree to the conference asked.

Mr. MANN. I thought the gentleman was going to move to concur.

Mr. CARTER of Oklahoma. After consulting the gentleman from Kansas [Mr. CAMPBELL], we have decided upon this.

The SPEAKER. Does the gentleman wish to agree to the conference or ask for one?

Mr. CARTER of Oklahoma. The motion is to further insist upon the disagreement of the House to the Senate amendments and agree to a conference.

The SPEAKER. The gentleman from Oklahoma moves to further insist on a further disagreement to the Senate amendments and agree to a conference. Is there objection?

There was no objection; and the Speaker announced as the conferees on the part of the House Mr. CARTER of Oklahoma, Mr. HAYDEN, and Mr. CAMPBELL.

### EXTENSION OF REMARKS.

Mr. RIVERA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the economic capacity of Porto Rico to maintain her own expenses.

The SPEAKER. The Resident Commissioner from Porto Rico asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

### THE MILITARY ESTABLISHMENT.

Mr. HAY. Mr. Speaker, I present a conference report for printing under the rule on the bill (H. R. 12766) to increase the efficiency of the Military Establishment of the United States.

The SPEAKER. The gentleman from Virginia presents a conference report on the Army reorganization bill, to be printed under the rule.

The conference report and statement are as follows:

### CONFERENCE REPORT (NO. 644).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 12766, entitled "An act to increase the efficiency of the Military Establishment of the United States," having met, after full and free conference have been unable to agree.

JAMES HAY,
S. H. DENT, Jr.,
JULIUS KAHN,
*Managers on the part of the House.*

GEO. A. CHAMBERLAIN,
J. C. W. BECKHAM,
F. E. WARREN,
*Managers on the part of the Senate.*

### STATEMENT.

The managers on the part of the House on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 12766, entitled "An act to increase the efficiency of the Military Establishment of the United States," make the following statement:

The conferees have been unable to agree and have not been able to adjust the differences between the two Houses.

JAMES HAY.
S. H. DENT, Jr.
JULIUS KAHN.

Mr. HAY. Mr. Speaker, in this connection I ask unanimous consent that the following agreement may be agreed to.

The SPEAKER. The Clerk will report the order.

The Clerk read as follows:

It is ordered that on Monday next the bill H. R. 12766, with the Senate amendments, shall be considered in the House, with a motion considered as pending that the House further insists upon its disagreement to the Senate amendments; that during the pendency of said motion it shall be in order to move that it is the sense of the House that sections 2 and 56 of the Senate amendment to the text of the bill ought to be agreed to, which motion shall be put separately to a vote upon each of said sections; that it shall further be in order to move that it is the sense of the House that section 122 of the Senate amendment to the text of the bill ought to be agreed to, and, pending that motion, it shall be in order to offer amendments to said section to be voted upon for the purpose of expressing the sense of the House; that upon each of said two main motions to express the sense of the House, one as to sections 2 and 56 and one as to section 122 in the Senate amendment, there shall be not more than 80 minutes' debate, one-half to be controlled by Mr. HAY and one-half by Mr. KAHN.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, will the gentleman kindly inform the House what items are covered by these three respective sections referred to in the order now pending?

Mr. HAY. Section 2 is the section in the Senate bill providing for an Army in time of peace of 250,000 men. Section 56 is what is known as the "volunteer section." Section 122 is the section providing for a nitrate plant.

Mr. STAFFORD. Do I understand, under the scope of this order, we will have but one vote on section 2 and section 56?

Mr. HAY. You will have a vote on each.

Mr. STAFFORD. And right of amendment on the nitrate proposition?

Mr. HAY. Yes, sir.

Mr. MILLER of Minnesota. Does that mean there will be 80 minutes on the three propositions.

Mr. HAY. Eighty minutes on sections 2 and 56 and 80 minutes on section 122.

Mr. MILLER of Minnesota. It seems to me that is not a very equitable distribution of the time. I should think they should have a great deal more time on sections 2 and 56, and we could get through with much less time on the other one.

Mr. HAY. There are a great many people interested in this proposition for a nitrate plant, and the other propositions have been debated ad nausema, anyway.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. KAHN. Mr. Speaker, I would like to suggest that this Army matter be taken up immediately after the reading of the Journal on Monday. The order does not so state.

Mr. HAY. I take it the Speaker will control that.

The SPEAKER. The Chair will recognize the gentleman from Virginia [Mr. HAY] the first thing after we clear up the Speaker's table on Monday morning.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title:

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3986. An act granting certain coal lands to the town of Kaycee, Wyo.; to the Committee on the Public Lands.

S. 2986. An act to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes; to the Committee on Banking and Currency.

HOUR OF MEETING MONDAY.

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that when the House adjourns to-morrow it adjourn to meet at 11 o'clock a. m. on Monday next.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that when the House adjourn to-morrow it adjourn to meet at 11 o'clock a. m. on Monday. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

Mr. CONRY, by unanimous consent, was granted leave of absence, indefinitely, on account of illness.

MORNING BUSINESS TO-MORROW.

Mr. MANN. Mr. Speaker, I wish to say that owing to some speeches which are to be made in the House to-morrow I hope as many Members will be present as possible when the House convenes, because if there is not a quorum here at that time I intend to have a call of the House in order to have the Members come in.

Mr. STAFFORD. The gentleman refers to the testimonial to the eightieth birthday of Mr. CANNON?

Mr. MANN. Yes.

SUPPLIES TO AMERICAN RED CROSS.

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution 119, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Nebraska asks unanimous consent for the present consideration of the Senate joint resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution (S. J. Res. 119) to permit the issuance of medical and other supplies to the American National Red Cross for a temporary period.

*Resolved, etc.*, That the provisions of section 1 of the joint resolution approved May 8, 1914, authorizing the issue of military and naval equipment to the American National Red Cross be, and they are hereby, so extended as to permit the issue of the same to the American National Red Cross for the instruction of persons who may volunteer to receive training by that association from May 1 to June 1, 1916.

The SPEAKER. Is there objection to the present consideration of this resolution?

Mr. BENNET. Reserving the right to object, could the gentleman in a sentence or two tell us what it is?

Mr. SHALLENBERGER. The bill provides for the issuance of medical and other supplies of the Army and Navy for the use of the service training school that the Red Cross is now conducting in Washington. It has already passed the Senate and is recommended unanimously by the committee.

Mr. STAFFORD. As I understand it, this resolution is to provide surgical supplies in case the fair ladies in camp at Chevy Chase become ill.

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The resolution was ordered to be read a third time, was read the third time, and passed.

MARY L. CUSHMAN.

Mr. LLOYD. Mr. Speaker, I offer a privileged resolution.

The SPEAKER. The gentleman from Missouri offers a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 167 (H. Rept. 647).

*Resolved*, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Mary L. Cushman, widow of John E. Cushman, late a messenger on the soldiers' roll of the House, an amount equal to six months of his compensation as such employee and an additional amount, not exceeding $250, to defray the funeral expenses of said John E. Cushman.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

H. B. HARE.

Mr. LLOYD. I also desire to offer the following resolution.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 205 (H. Rept. 646).

*Resolved*, That there shall be paid out of the contingent fund of the House the sum of $500 to H. B. Hare for clerical services rendered as clerk of the Committee on Mileage.

Mr. LLOYD. Mr. Speaker, the Committee on Mileage has no clerk. This is the usual amount allowed to the Committee on Mileage once in two years.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

FOSTER ZEIGLER.

Mr. LLOYD. Mr. Speaker, I present another resolution.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 189 (H. Rept. 645).

*Resolved*, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Foster Zeigler, clerk to William G. Brown, jr., late a Representative from the State of West Virginia, at the time of his death, March 9, 1916, the sum of $125, being an amount equal to one month's salary of a clerk of a Member of the House.

Mr. LLOYD. Mr. Speaker, this is the usual resolution in such cases.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT.

Mr. GARRETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned, pursuant to the order previously made, until to-morrow, Saturday, May 6, 1916, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the chairman of the Federal Trade Commission, transmitting brief summary of facts and recommendations embodied in the detailed report of the Federal Trade Commission's investigation into trade conditions in and with foreign countries, where associations, combinations, or other conditions may affect the foreign trade of the United States (S. Doc. No. 426), was taken from the Speaker's table, referred to the Committee on the Judiciary, and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. DILLON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 14534) permitting the Missouri River Transportation Co. to construct, maintain, and operate a bridge across the Missouri River in the State of Montana, reported the same with amendment, accompanied by a report (No. 637), which said bill and report were referred to the House Calendar.

Mr. OGLESBY, from the Committee on Patents, to which was referred the bill (H. R. 13981) to amend the copyright law, reported the same with amendment, accompanied by a report (No. 640), which said bill and report were referred to the House Calendar.

Mr. CULLOP, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 15006) to authorize the Board of Commissioners of Lake County, Ind., to construct a bridge across the Grand Calumet River, in the State of Indiana, reported the same with amendment, accompanied by a report (No. 638), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 15007) to authorize the Board of Commissioners of Lake County, Ind., to construct a bridge across the Grand Calumet River, in the State of Indiana, reported the same with amendment, accompanied by a report (No. 639), which said bill and report were referred to the House Calendar.

Mr. GRAHAM, from the Committee on the Judiciary, to which was referred the bill (H. R. 6450) to amend section 260 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, reported the same with amendment, accompanied by a report (No. 648), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SLAYDEN, from the Committee on the Library, to which was referred the bill (H. R. 15313) to provide for the removal of the Botanic Garden to Rock Creek Park, and for its transfer to the control of the Department of Agriculture, reported the same with amendment, accompanied by a report (No. 641), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MAYS, from the Committee on the Public Lands, to which was referred the bill (S. 43) in relation to the location, entry, and patenting of lands within the former Uncompahgre Indian Reservation, in the State of Utah, containing gilsonite or other like substances, and for other purposes, reported the same with amendment, accompanied by a report (No. 642), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. GLASS, from the Committee on Banking and Currency, to which was referred the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal-savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes, reported the same with amendment, accompanied by a report (No. 643), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 15331) granting an increase of pension to Margaret Westcott, and the same was referred to the Committee on Invalid Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and a memorial were introduced and severally referred as follows:

By Mr. TAVENNER: A bill (H. R. 15385) to authorize the Director of the Bureau of the Census under certain conditions to prepare and distribute blank ballots, and to receive and count marked ballots and report to Congress the result of an advisory vote; to the Committee on the Census.

By Mr. HULBERT: A bill (H. R. 15386) to appropriate $300,000 for the improvement of New York Harbor, N. Y., with a view to securing additional width in Bay Ridge and Red Hook Channels; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 15387) to appropriate $700,000 for the improvement of New York Harbor, N. Y., with a view to securing a suitable depth of channel to the navy yard; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 15388) to appropriate $30,000 for the improvement of New York Harbor, N. Y., with a view to the removal of Craven Shoal; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 15389) to appropriate $250,000 for the improvement of New York Harbor, New York Upper Bay, with a view to improving channel opposite anchorage grounds; to the Committee on Rivers and Harbors.

By Mr. GALLIVAN (by request): A bill (H. R. 15390) to regulate the thickness of walls in buildings in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FERRIS: A bill (H. R. 15391) to punish persons who make false representations to settlers and others pertaining to the public lands of the United States; to the Committee on the Public Lands.

By Mr. COSTELLO: A bill (H. R. 15392) providing for the creation and administration of a Government fund for the insurance of compensation for injuries to civil employees of the Government of the United States; to the Committee on Reform in the Civil Service.

Also, a bill (H. R. 15393) to provide for the administration of the civil employees' compensation act of 1916 by creating the Bureau of Civil Employees' Compensation of the Department of Labor; providing for the establishment of a civil employees' compensation board to have charge of such bureau; authorizing the division of the country into civil employees' compensation districts and the appointment of civil employees' compensation referees; defining the powers and duties of the Secretary of Labor, the Bureau of Civil Employees' Compensation, the civil employees' compensation board, the civil employees' compensation referees, and the inspectors of the Department of Labor in enforcing the said act; and fixing the salaries of the members of the civil employees' compensation board, the civil employees' compensation referees, and certain of their employees and assistants; to the Committee on Reform in the Civil Service.

Also, a bill (H. R. 15394) defining the liability of the Government of the United States to pay damages for injuries received by an employee in the course of employment; establishing a schedule of compensation; and providing procedure for the determination of liability and compensation thereunder; to the Committee on Reform in the Civil Service.

By Mr. SMITH of New York: A bill (H. R. 15395) for the employment of an attorney for the Indians in the State of New York; to the Committee on Indian Affairs.

By Mr. HILL: A bill (H. R. 15396) providing for investment of deposits in savings bank departments of national banks; to the Committee on Banking and Currency.

By Mr. STOUT: A bill (H. R. 15397) to amend section 11 of the act of May 30, 1908 (35 Stat. L., p. 558); to the Committee on Indian Affairs.

By Mr. MATTHEWS: A bill (H. R. 15398) authorizing the Secretary of War to donate condemned cannon and cannon balls to the village of Antwerp, Ohio; to the Committee on Military Affairs.

By Mr. ADAMSON: A bill (H. R. 15399) to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYES: A bill (H. R. 15400) authorizing the Secretary of Commerce to lease certain property; to the Committee on the Public Lands.

By Mr. KITCHIN: Resolution (H. Res. 225) providing for consideration of the bill (S. 2986); to the Committee on Rules.

By Mr. DYER: Resolution (H. Res. 226) authorizing and instructing the Committee on the Judiciary to make an investigation relative to the rise in the price of horseshoes; to the Committee on Rules.

By Mr. EMERSON: Joint resolution (H. J. Res. 219) against removal of United States forces from Mexico; to the Committee on Foreign Affairs.

By Mr. COOPER of Wisconsin: Memorial of the Legislature of the State of Wisconsin, to provide separate and comprehensive plan for the prevention of floods in the Mississippi Valley; to the Committee on Flood Control.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CAMPBELL: A bill (H. R. 15401) granting a pension to Lou Shoat; to the Committee on Pensions.

By Mr. COOPER of Wisconsin: A bill (H. R. 15402) granting an increase of pension to Isaac L. Ferris; to the Committee on Invalid Pensions.

By Mr. COX: A bill (H. R. 15403) granting a pension to Azupah J. Batman, helpless and dependent child of Andrew J. Batman; to the Committee on Invalid Pensions.

By Mr. CRAGO: A bill (H. R. 15404) granting a pension to Frank J. Mitchell; to the Committee on Pensions.

By Mr. DOOLITTLE: A bill (H. R. 15405) granting an increase of pension to Elbridge Diltz; to the Committee on Invalid Pensions.

By Mr. EDWARDS: A bill (H. R. 15406) to permanently renew patent No. 630352; to the Committee on Patents.

By Mr. FESS: A bill (H. R. 15407) to pay Charles L. Gallaher the sum of $215; to the Committee on War Claims.

By Mr. HAMLIN: A bill (H. R. 15408) granting an increase of pension to John E. Opdyke; to the Committee on Invalid Pensions.

By Mr. HELGESEN (by request): A bill (H. R. 15409) granting an increase of pension to Charles F. Walter; to the Committee on Invalid Pensions.

Also (by request), a bill (H. R. 15410) granting an increase of pension to Catharine A. Mell; to the Committee on Invalid Pensions.

By Mr. HILLIARD: A bill (H. R. 15411) for the relief of James W. Fickle; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 15412) granting a pension to John T. Densmore; to the Committee on Pensions.

Also, a bill (H. R. 15413) granting a pension to Samuel A. Holt; to the Committee on Pensions.

By Mr. HULL of Iowa: A bill (H. R. 15414) granting an increase of pension to Henry D. Sumner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15415) granting an increase of pension to William H. Mix; to the Committee on Invalid Pensions.

By Mr. LAFEAN: A bill (H. R. 15416) granting an increase of pension to Samuel Platts; to the Committee on Invalid Pensions.

By Mr. LITTLEPAGE: A bill (H. R. 15417) granting an increase of pension to Andrew J. Escue; to the Committee on Invalid Pensions.

By Mr. McDERMOTT: A bill (H. R. 15418) granting a pension to Mary Butler; to the Committee on Invalid Pensions.

By Mr. MADDEN: A bill (H. R. 15419) granting an increase of pension to Mathew Hewlett; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 15420) granting a pension to Margaret L. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15421) granting an increase of pension to Edward S. Atkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15422) granting an increase of pension to Louis F. Ursenbach; to the Committee on Pensions.

By Mr. RAMSEYER: A bill (H. R. 15423) granting an increase of pension to Jefferson R. McKaig; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 15424) granting an increase of pension to James Dunn; to the Committee on Invalid Pensions.

By Mr. ROWE: A bill (H. R. 15425) granting an increase of pension to Sophia J. Bartlett; to the Committee on Invalid Pensions.

By Mr. SHACKLEFORD: A bill (H. R. 15426) granting an increase of pension to Patrick Mahoney; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 15427) granting a pension to Henrietta Schmidt; to the Committee on Invalid Pensions.

By Mr. STINESS: A bill (H. R. 15428) granting an increase of pension to Angie O. Allen; to the Committee on Invalid Pensions.

By Mr. SWEET: A bill (H. R. 15429) granting an increase of pension to Elliott F. Wise; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15430) granting a pension to Ephraim James Hopkins; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 15431) for the relief of the heirs at law of the late Duncan H. Campbell; to the Committee on Patents.

By Mr. WOOD of Indiana: A bill (H. R. 15432) to correct the military record of William B. Young; to the Committee on Military Affairs.

By Mr. DILL: A bill (H. R. 15433) granting an increase of pension to Mrs. Amanda McHenry, wife of John N. McHenry; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BARCHFELD: Petition of 138 citizens of Pittsburgh, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BURKE: Petition of E. J. Seifert and 21 other citizens of Watertown, Wis., asking for the passage of House bill 8665, to prohibit the stop watch or other time study and the premium or bonus system of payment in Government workshops; to the Committee on Labor.

Also, petitions of citizens of Rolling Prairie, Dodge County; 82 citizens of Barton, Washington County; members of Evangelical Lutheran St. Peter's Church, of Lebanon; members of Evangelical Lutheran St. Stephen's Church, of Concord, Jefferson County, numbering 470 souls; and Immanuel Lutheran Church, of Sheboygan, numbering 1,100 souls, all in the State of Wisconsin, protesting against war with Germany; to the Committee on Foreign Affairs.

By Mr. CALDWELL: Petition of sundry citizens of New York City, relative to preparedness; to the Committee on Military Affairs.

Also, memorial of Jamaica Bay Improvement Assocation, in re river and harbor legislation; to the Committee on Rivers and Harbors.

By Mr. COOPER of Wisconsin: Petition of residents of Milton Junction, Wis., protesting against enactment of House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also, petition of members of American Federation of Labor at Beloit, Wis., urging the enactment of House bill 8665; to the Committee on Labor.

Also, petition of residents of Whitewater, Wis., protesting against enactment of House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also, petition of residents of Milton Junction, Wis., protesting against enactment of House bill 652; to the Committee on the District of Columbia.

Also, memorial of annual Wisconsin Conference of the Evangelical Association, urging passage of proposed prohibition amendment to the Constitution; to the Committee on the Judiciary.

By Mr. DALE of New York: Petition of men and women voters of Reno and Carson City, Nev., favoring report on suffrage amendment; to the Committee on the Judiciary.

By Mr. DECKER: Petition of business men of the State of Missouri, favoring tax on mail-order houses; to the Committee on Ways and Means.

By Mr. DILLON: Petition of sundry citizens of Freeman, S. Dak., against war with Germany; to the Committee on Foreign Affairs.

Also, memorial of Black Hills Augustoria Irrigation Association, urging action on the proposed Augustoria irrigation project, in Custer, Fall River County, S. Dak.; to the Committee on the Public Lands.

Also, petition of sundry citizens of South Dakota, in re foreign relations; to the Committee on Foreign Affairs.

Also, memorial of Southwestern Evangelical Lutheran Church, of Beaver Valley, in re foreign relations; to the Committee on Foreign Affairs.

By Mr. FOCHT: Evidence in support of House bill 10797, for the relief of Jacob F. Schild; to the Committee on Military Affairs.

Also, evidence in support of House bill 10338, for the relief of William S. Nail; to the Committee on Invalid Pensions.

Also, evidence in support of House bill 6583, for the relief of Henry H. Schrawder; to the Committee on Invalid Pensions.

By Mr. FULLER: Petition of American Hardware Manufacturers' Association relative to prevention of floods of the Mississippi River; to the Committee on Rivers and Harbors.

Also petition of the Chamber of Commerce of Montgomery, Ala., favoring the Shields general dam bill; to the Committee on Rivers and Harbors.

By Mr. GALLIVAN: Petition of sundry citizens of the United States in re shipment of Red Cross supplies; to the Committee on Foreign Affairs.

Also, memorial of Massachusetts State Board of Trade against Clarke amendment to the Philippine bill; to the Committee on Insular Affairs.

By Mr. GARNER: Petitions of sundry citizens of Texas, opposing break in diplomatic relations with Germany; to the Committee on Foreign Affairs.

By Mr. GRAY of Indiana: Petition of Samuel J. Donley and 50 other citizens of Shelbyville, Ind., protesting against the enactment of House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. HAMILTON of New York: Petition of sundry citizens of Jamestown, N. Y., against passage of bills for Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HILL: Petitions of Rippowam Lodge, No. 24, Independent Order of Odd Fellows, of Stamford, Conn., and Local Union No. 193, Brotherhood of Painters, Decorators, and Paper Hangers of America, favoring House bill 6915 for retirement of aged employees of the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. HILLIARD: Petitions of Thomas S. Walsh, A. P. Lane, and 49 others of Denver, Colo., against the Taylor system in Government shops; to the Committee on Labor.

By Mr. LOUD: Petition of Trinity Evangelical Lutheran Church, of Merritt, Bay County, Mich., against war with Germany; to the Committee on Foreign Affairs.

By Mr. McCRACKEN: Petition of sundry citizens of Idaho, favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of members of the Rigby (Idaho) Study Circle, favoring bill providing for the creation of the Sawtooth National Park; to the Committee on the Public Lands.

My Mr. McDERMOTT: Memorial of the Traders' Live Stock Exchange, of Chicago, Ill., favoring the passage of the Lobeck classification bill; to the Committee on Agriculture.

By Mr. MADDEN: Petition of sundry citizens of Illinois, opposing passage of House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

By Mr. MOTT: Memorial of New York Milk Committee, against bills relative to prohibiting officials of Public Health Service in medical organizations; to the Committee on Agriculture.

Also, memorial of Board of Aldermen of New York, favoring preparedness; to the Committee on Military Affairs.

By Mr. O'SHAUNESSY: Petition of Joseph J. Landall, of Peace Dale, R. I., favoring the Smith-Hughes bill; to the Committee on Education.

Also, memorial of Chamber of Commerce of Milwaukee, Wis., and Akron Chamber of Commerce, of Akron, Ohio, favoring the Pomerene bill-of-lading bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of Cranston, R. I., favoring peace with Germany; to the Committee on Foreign Affairs.

Also, petition of N. L. Berry & Co., of Providence, R. I., favoring the Stevens-Ashurst bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of A. S. Ogassian, of Providence, R. I., and Peter S. Kaloostian, of Providence, R. I., favoring Senate resolution providing for Armenian relief day; to the Committee on the Judiciary.

Also, memorial of New England Southern Conference of the Methodist Church, on temperance; to the Committee on the Judiciary.

Also, memorial of Indianapolis Board of Trade, favoring the Pomerene bill-of-lading bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Electrotype Molders and Finishers' Union, No. 17, of Washington, favoring the Barnhart bill; to the Committee on Printing.

By Mr. ROWE: Memorial of American Manufacturers' Association, in re flood control; to the Committee on Flood Control.

Also, memorial of Cotton Goods Export Association of New York, favoring the United States retaining the Philippines; to the Committee on Insular Affairs.

Also, memorial of Schlobohm & Co., of Brooklyn, N. Y., favoring the Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of District Council of Greater New York, in re labor conditions in Canal Zone; to the Committee on Insular Affairs.

Also, memorial of Kings County Retirement Association, favoring the Hamill pension bill; to the Committee on Pensions.

By Mr. SMITH of Michigan: Additional papers in the pension case of Lydia M. McGowan, House bill 15086; to the Committee on Invalid Pensions.

Also, petition of William S. Forbes and members of Orcutt Camp, No. 10, Sons of Veterans, United States of America, favoring adequate preparedness for defense of our country; to the Committee on Military Affairs.

By Mr. STEPHENS of California: Petition signed by J. N. Russell and 20 others, of Los Angeles, Cal., protesting against House bill 13048, for juvenile court in the District of Columbia; to the Committee on the District of Columbia.

Also, resolutions of Chamber of Commerce of San Francisco, Cal., and Chamber of Commerce of Los Angeles, Cal., favoring system of wagon roads in Alaska; to the Committee on Roads.

Also, resolutions of California Metal Producers' Association, San Francisco, Cal., favoring revision of the mining laws; to the Committee on Mines and Mining.

Also, petition signed by M. A. Remick and 30 other citizens of Los Angeles, Cal., favoring freedom of speech and of the press; to the Committee on the Post Office and Post Roads.

Also, communication from Daughters of the American Revolution, Hollywood, Cal., favoring defense and protection of the Pacific coast; to the Committee on Military Affairs.

Also, communications from General Contractors' Association, San Francisco, Cal., and Realty Board of Los Angeles, Cal., protesting against the building of power plant on the Potomac near the Mall; to the Committee on the District of Columbia.

Also, communication from Chamber of Commerce of Pomona, Cal., indorsing tariff commission bill (H. R. 4726); to the Committee on Ways and Means.

Also, communication from Chamber of Commerce of Sacramento, Cal., favoring 1-cent drop-letter postage; to the Committee on the Post Office and Post Roads.

Also, communication from Chamber of Commerce of Coalinga, Cal., protesting against revenue stamps on checks; to the Committee on Ways and Means.

Also, telegram from Judge M. W. O'Donnell and Capt. P. C. Mulqueeney, protesting against the violating of principles of international law, humanity, and civilization by Great Britain of the Irish prisoners of war; to the Committee on Foreign Relations.

Also, petition signed by K. F. McBride and 85 other citizens of Los Angeles, Cal., protesting against war with Germany; to the Committee on Foreign Relations.

By Mr. TEMPLE: Petition of membership council of the Washington Board of Trade, indorsing the Pomerene uniform bill of lading measure; to the Committee on Interstate and Foreign Commerce.

Also, papers to accompany House bill 15345, granting an increase of pension to Eli Hovis; to the Committee on Invalid Pensions.

By Mr. VAN DYKE: Petition of Minnesota State Sunday School convention, against appropriation for sectarian purposes; to the Committee on Indian Affairs.

## SENATE.

### SATURDAY, *May 6, 1916.*

*(Legislative day of Friday, May 5, 1916.)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

ADDRESS BY EX-SENATOR JOSEPH W. BAILEY (S. DOC. NO. 428).

Mr. SUTHERLAND. Mr. President, at the last meeting of the American Bar Association, held at Salt Lake City, Hon. Joseph W. Bailey, a former Member of this body, delivered an address on the subject of the American judiciary. It is a scholarly and timely contribution to that subject, and I ask unanimous consent that it may be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

RIVER AND HARBOR APPROPRIATIONS.

Mr. CLARKE of Arkansas. I ask unanimous consent to present a report from the Committee on Commerce on the river and harbor appropriation bill.

The VICE PRESIDENT. Without objection, the report will be received.

Mr. CLARKE of Arkansas. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and I submit a report (No. 420) to accompany the bill. I hope to have the permission of the Senate to call up the bill for consideration on Tuesday next.

The VICE PRESIDENT. The bill will be placed on the calendar.

ARTICLES BY DR. ARTHUR MACDONALD.

Mr. GRONNA. I have here some articles written by Dr. Arthur MacDonald on War and Humanity, giving general attitude of many American citizens. I ask that it be printed as a Senate document.

Mr. SMOOT. I ask that it may go to the Committee on Printing.

Mr. GRONNA. I will say that I understand it will cost less than the $500 limit to print this matter.

Mr. SMOOT. I think it should go to the Committee on Printing.

Mr. GRONNA. Very well; let it go to that committee.

The VICE PRESIDENT. The matter will be referred to the Committee on Printing.

THE FOREIGN TRADE (S. DOC. NO. 426).

Mr. BANKHEAD. I ask for the regular order.

Mr. SIMMONS. Will the Senator from Alabama permit me a moment to make a request?

Mr. BANKHEAD. I yield to the Senator from North Carolina.

Mr. SIMMONS. On May 3 the Vice President laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, a summary of the facts and recommendations embodied in the detailed report of the commission's investigation into trade conditions in and with foreign countries where associations, combinations, or

other conditions may affect the foreign trade of the United States, which, with the accompanying paper, was referred to the Committee on Finance and ordered to be printed.

That report, Mr. President, deals with matters that probably will suggest some amendments to the antitrust laws of the country, and I would suggest that probably the report ought to be referred to the Committee on the Judiciary, and I ask that the Committee on Finance be discharged from its further consideration and that it be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered. House bill 7617 is before the Senate as in Committee of the Whole.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Hughes | Norris | Smoot |
| Bankhead | James | O'Gorman | Sterling |
| Brady | Johnson, Me. | Overman | Stone |
| Chamberlain | Johnson, S. Dak. | Page | Sutherland |
| Clapp | Kenyon | Pittman | Taggart |
| Clarke, Ark. | Kern | Poindexter | Thomas |
| Culberson | La Follette | Ransdell | Tillman |
| Curtis | Lane | Reed | Vardaman |
| Dillingham | Lodge | Shafroth | Wadsworth |
| Fall | Martin, Va. | Sheppard | Williams |
| Fletcher | Martine, N. J. | Sherman | Works |
| Gallinger | Myers | Simmons | |
| Gronna | Nelson | Smith, Ga. | |
| Hardwick | Newlands | Smith, S. C. | |

Mr. KERN. I desire to announce the unavoidable absence of the junior Senator from Illinois [Mr. LEWIS] on account of illness. This announcement may stand for the day.

Mr. MARTINE of New Jersey. I rise to announce the unavoidable absence of the Senator from Ohio [Mr. POMERENE] on public business, and also the absence on public business of the Senator from West Virginia [Mr. CHILTON].

Mr. JOHNSON of South Dakota. I wish to announce that the Senator from Wisconsin [Mr. HUSTING] is unavoidably absent. I desire this announcement to stand for the day.

Mr. GALLINGER. I desire to announce the unavoidable absence of the Senator from Maine [Mr. BURLEIGH] on account of serious illness in his family.

The VICE PRESIDENT. Fifty-three Senators have answered to the roll call. There is a quorum present.

HOMESTEADS IN ALASKA.

Mr. MYERS. Mr. President, on the 3d day of this month, on behalf of the Senate Committee on Public Lands, I made a favorable report upon the bill (H. R. 228) to amend the United States homestead law in its application to Alaska, and for other purposes. The report is erroneous in that it fails to incorporate an amendment that the committee ordered incorporated. I ask unanimous consent that the bill may be recommitted to the Committee on Public Lands in order that a corrected report may be submitted.

The VICE PRESIDENT. Is there objection? The Chair hears none.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 10668. An act to repeal section 4 of the act of Congress approved June 11, 1906, known as the forest-homestead act, and for other purposes; and

H. R. 15005. An act to appropriate $200,000 for training the Organized Militia of any State, Territory, or of the District of Columbia.

The message also announced that the House further insists upon its disagreement to the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917; agrees to the further conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. CARTER of Oklahoma, Mr. HAYDEN, and Mr. CAMPBELL managers at the conference on the part of the House.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 759. An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof; and

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes.

GOOD ROADS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.

Mr. WORKS. I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to amend by adding after section 3 of the committee amendment the following:

SEC. —. That the Secretary of the Treasury is hereby authorized and directed to acquire title for the Government, by purchase or condemnation, of all property fronting on Pennsylvania Avenue, in the city of Washington, between the Capitol and the Treasury Building, not already owned by the Government, on the north and south sides thereof, for the erection thereon of such public buildings as are now and may hereafter be needed by the Government for governmental purposes and for the parking and beautification of said avenue.

SEC. —. That hereafter all public buildings of the Government shall be constructed on said avenue so long as there is space sufficient for that purpose, and not elsewhere.

SEC. —. That the sum of $100,000,000, or so much thereof as may be necessary for the purpose of acquiring such property, is hereby appropriated and made presently available therefor.

Mr. WORKS. Mr. President, I have proposed three amendments to the pending bill, the principal object of which is that the District of Columbia may share to some extent in the money that we are proposing to take out of the National Treasury. One of them is the amendment which has just been read. Another is an amendment proposing to appropriate $600,000 for the purpose of condemning and acquiring title to the land in what is known as Snow Court, one of the most notorious slums in the city of Washington. Another is an amendment proposing to appropriate $10,000,000 for the purpose of clearing out all the slums in the city of Washington and constructing therein sanitary buildings to be rented to the poor of the city.

My genial friend, the Senator from Alabama [Mr. BANKHEAD], because of my introduction of these amendments, has referred to me as a practical joker. Mr. President, it may be a joke to present to the Senate of the United States a plain, practical business proposition without money in it to the States and without votes to the politicians. It may be a joke to endeavor to rehabilitate the great national thoroughfare in the Capital of the Nation and at the same time provide for the construction of a building that the Government needs as a pure matter of economy. It may be a joke to endeavor to make the city of Washington, the Capital of this Nation, clean and decent and respectable by the appropriation of a small sum of money compared with the amount that is proposed to be given here to the States. It may not be a practical joke to extract from the Treasury of the United States under false pretenses $75,000,000 to be distributed to the States, which are no more entitled to that money under the Constitution than I am.

The District of Columbia has no representation in either House of Congress. There is no one here to speak especially for the interests of the District. We say, of course, that all of us represent the District of Columbia because it belongs to the United States and is under the exclusive jurisdiction of Congress; but if any Member of this body could go out into this city and see the things that I have seen, he would come to the conclusion that the District of Columbia is being very poorly represented in Congress.

I am not now going to discuss the two amendments that have not yet been offered, but I shall address myself solely to the proposition of appropriating money for the purpose of acquiring the lands on Pennsylvania Avenue to be used for the construction of buildings of the Government that are now actually needed. I think any Member of this body who goes down and takes a look at Pennsylvania Avenue will be ashamed of the conditions that exist there. It is the one great avenue that is intended to connect the Capitol and the White House. It has fallen into neglect. What buildings have been constructed by the Government have not been constructed along the line of this thoroughfare where I think they should have been erected, and a great many of them that are needed have not been constructed at all.

We are to-day paying something like $700,000 a year rent for buildings in which to house the different departments and bureaus of the Government. We are adding to the number of such bureaus constantly, requiring more and more room. Leaving out all sentimental questions and looking at it from a purely business point of view, it would be a matter of economy to acquire these properties along the line of Pennsylvania Avenue on which to construct our own buildings. It is not only a question of the saving of rent. The buildings that are now being occupied are so inadequate that the renting system obstructs materially the efficient working of the force of the Government; and we are losing money every day in that way, to say nothing about the rent.

I know it will be said that this is not the place to legislate about Pennsylvania Avenue; but why not? It is just as appropriate to apply some of the money of the Government to the improvement of this street as it is to apply the money to the building of a road in California. Pennsylvania Avenue falls under the definition of a post road, as set out in this bill, except that it is not rural; but if you go down and look at it, you will think it comes very near filling the latter requirement.

Mr. President, I had the honor to be a member of the joint committee of the two Houses to investigate the financial difficulties between the District of Columbia and the National Government. While it was not strictly within the province of that committee, in connection with it I took upon myself to make a personal examination and investigation of some of the conditions existing in the city of Washington and in the District of Columbia. Taking a broad view of it, it was entirely legitimate that that should be taken into account by the committee, because one of the questions involved was the efficiency of the service that is being rendered here in the District of Columbia under the half-and-half system that was then under investigation. Amongst other things, I took into account the condition of Pennsylvania Avenue, what was due to the Government and the District of Columbia in dealing with that great street, and I want to read to the Senate very briefly what I said on that subject in the separate report that I filed at that time. After referring in a general way to the condition of the streets, I said this about Pennsylvania Avenue:

I take up Pennsylvania Avenue separately, because it is unique and deserves especial attention and more heroic treatment. If one who had read about the magnificent thoroughfare of the National Capital could see it for the first time from the steps of the Capitol Building looking down toward the White House his illusions about it would be rudely dispelled. Aside from its extreme width, and, in that respect, imposing appearance, there is nothing in the Avenue to excite the pride of an American citizen. It was laid out and intended as an imposing and superb thoroughfare between the Capitol Building and the White House, something like a mile apart. But, unfortunately, the Government neglected to preserve in itself the title to the lands bordering on the street, and it went into the hands of private owners, and the street is lined wih cheap and unsightly frame buildings, many of which have fallen into decay and become nothing less than disreputable. They are occupied as small stores, many of them second-hand and most unattractive, with here and there, at frequent intervals, a liquor saloon, often none too respectable. And now the finishing touch is added by making the center of the Avenue a parking place for automobiles. This is the national thoroughfare which the country reads about.

Are we to leave it in that condition indefinitely? Perish the thought. But what is to be done about it? Do with it just what was intended, undoubtedly, in the beginning. Make it a national thoroughfare by condemning every foot of the land bordering on the Avenue between the Capitol and the Treasury Building for a depth sufficient for the purpose and construct upon it the public buildings so much needed for the housing of the several departments of the Government. There would be plenty of room for them all, I have no doubt, and leave room for parks between them for the length of the street. In this way payments of large rents in the city for Government purposes would be avoided, the efficiency of the service would be greatly increased, and the employees of the Government now working uncomfortably in small, overcrowded, insanitary rooms would be properly housed and able to render the best possible service, and Pennsylvania Avenue be made the most beautiful as well as the most imposing municipal thoroughfare in the world.

This could not, of course, be done out of the current revenues. It should be done by issuing long-time bonds for the improvement of the Capital. It should include an amount sufficient to banish the slums and erect model sanitary houses on the ground they now occupy and in all other ways put the city in good sanitary condition. This would not only enhance the beauty of the city and remove the plague spots that now breed crime and vice and disease, but in the long run it would be an economy.

At the present time the department buildings are scattered about the city in many places, many of them rented and poorly fitted for the purpose, difficult of access and communication by people doing business with the Government, and inconvenient in the transaction of business by the officers and employees themselves. It has been suggested that the Government acquire the south side of the street for its buildings. If this should be done and the buildings constructed, the street with magnificent and imposing buildings on one side and the one and two story frame shacks ready to collapse with age on the other, it would be an amazing spectacle.

Unfortunately, the Government buildings have not been located together but have been scattered about the city. This was a great mistake and should be corrected as soon as possible by bringing them together on this one avenue, thus making the buildings a continuous grouping from the Capitol to the White House. The Book of Estimates for last year showed that we were then paying nearly $600,000 a year for rented buildings The amount, I understand, will increase this year, and continue to grow in amount for the years to come unless we construct our own buildings. This is exceedingly poor economy and bad business policy.

The amount of rent that we are paying, Mr. President, has already increased very largely, even in this short time, and, as I said a while ago, the rents are bound to continue to increase.

Now, I want to say that I have not offered this amendment with any great hope that it will be adopted and made a part of this measure. It will be said, as I suggested a while ago, that it does not properly belong in this bill. Some Senator may conceive the idea that, if it is attached to the bill, it will endanger the bill itself. I am not offering the amendment with any purpose of that kind, though I should not regret it if the bill should be defeated; but, Mr. President, I have taken this opportunity to call the attention of the Senate of the United States to one of the conditions that exist that we ought to take into serious account.

The Senator from Vermont [Mr. DILLINGHAM] asks to what extent we have acquired property on Pennsylvania Avenue. I am not able to answer that question. There has been a part of that property up near the Treasury Building that has already been acquired for the purpose of constructing some of the public buildings.

Mr. BANKHEAD. Mr. President, if the Senator from California will permit me, I think I can answer the question asked by the Senator from Vermont.

Mr. WORKS. I shall be very glad if the Senator from Alabama will do so.

Mr. BANKHEAD. The Government has purchased certain land, beginning on Fifteenth Street, I believe, on the east of the White House Grounds, including three squares on the south side of Pennsylvania Avenue.

Mr. WORKS. But for some unaccountable reason—I do not know why—the Government is now constructing one of its important buildings elsewhere. I have always felt, and felt very strongly, that the Government buildings should be congregated upon this one Avenue, as a matter of convenience, to say nothing else, of communication between the different departments of the Government. It would be an excellent thing.

Mr. NELSON. Mr. President, if the Senator will permit me, perhaps he is not aware of the course of old Tiber Creek, a stream which ran across the foot of the Capitol Grounds and through the area on the south side of Pennsylvania Avenue. If we constructed buildings along there, we would find difficulty, as was found in the case of the Post Office Department Building, for they would be erected in what was formerly swamp. If you examine the old plats of the city of Washington, you will find that there was a canal which ran down there right through the Center Market. If you utilized that area wisely, you should set out rows of Lombardy poplars there instead of erecting public buildings along that canal.

Mr. WORKS. Mr. President, that is a very small consideration, and those things are very easily overcome. Some large buildings have already been erected on that street.

Mr. OVERMAN. Mr. President, I want to say to the Senator that the Senate has, two or three times at least, expressed itself in favor of buying all the property on the south side of Pennsylvania Avenue and putting up public buildings there.

Mr. WORKS. That was before I came to the Senate.

Mr. OVERMAN. That was a hobby, if I may use the expression, of the late Senator Heyburn, of Idaho; and I think he secured the passage through the Senate of such a bill two or three times.

Mr. WORKS. The Senate talking about doing something and actually doing it are two quite different things. We talk about a good many matters here which are never accomplished.

Mr. SHAFROTH. Mr. President, if the Senator will yield to me, I should like to make an observation at this point.

Mr. WORKS. I yield to the Senator.

Mr. SHAFROTH. In purchasing the ground between the Union Station and the Capitol several blocks which are beyond Delaware Avenue, upon which the Senate Office Building is located, have been acquired, and I have understood that on three of those blocks it was intended that fine public buildings should be erected. I understand that was the ultimate desire of many when it was concluded to purchase that ground, and it seems to me that we ought to occupy some of the ground we already own instead of acquiring more ground.

Mr. WORKS. Well, Mr. President, I do not know how that may be. I am going to speak of that after a while, but I supposed all of the ground that was acquired between here and

the Union Station was intended for park purposes, and I myself should think it would be a great mistake to locate any of the Government buildings away off there by themselves, involving difficulty of communication with other departments of the Government. I am very strongly impressed with the belief that the proper thing to do, as a matter of economy, to say nothing about anything else, leaving out of the question the desirability of building up this great street, that the Government buildings ought to be brought together in that one place on that street.

Mr. BANKHEAD. Mr. President, I simply desire to call the attention of the Senate to the provisions of this proposed amendment. It proposes to pay $100,000,000 for the purpose of acquiring both sides of Pennsylvania Avenue from the Peace Monument to the Treasury Department, including, of course, many of the best and most costly hotels in the city, amongst others the New Willard Hotel, and all that. I am not going to argue this question. I am ready for a vote, and I hope the Senate will vote down the amendment.

Mr. VARDAMAN. Mr. President, I suggest that if we are going to pass this amendment in order to clean up the Capital we should move the Capitol, rather than spend a hundred million dollars in this way; and I join the Senator from Alabama in the suggestion that we vote on this question right now.

Mr. SHEPPARD. Mr. President, the Senator from California [Mr. WORKS] adverted to the fact that the District of Columbia was given no representation in Congress. I want to call his attention to the fact that the indifference on the part of Congress ceased the moment that the liquor traffic in the District of Columbia became involved. When the bill was introduced for prohibition in the District of Columbia gentlemen immediately showed great anxiety to have that particular question referred to the people of the District.

Mr. WORKS. Mr. President, I should prefer not to go into the question of the liquor traffic in connection with this matter. I know how earnestly the Senator from Texas is interested in that subject.

Mr. SHEPPARD. I merely wanted to emphasize the point the Senator was making.

Mr. WORKS. I think the Senator is perfectly right about that.

Mr. President, with respect to the amount that is mentioned in this amendment, it is a purely arbitrary amount. I have no means of knowing what amount of money would be necessary for the purpose; and the provision is that such part of it only shall be appropriated as is necessary for the purpose.

Mr. GALLINGER. Mr. President, I rise to ask the Senator from California a question concerning that feature of the matter. Has there been any estimate made as to what the probable cost will be under your amendment?

Mr. WORKS. No.

Mr. GALLINGER. Will the Senator permit me to call attention to some things that occurred in the Senate in relation to this subject before the Senator came here?

Mr. WORKS. I will be very glad to have the Senator do so.

Mr. GALLINGER. The late Senator from Idaho, Mr. Heyburn, who was my neighbor on the right in the Senate for a good many years, took a very active interest in pushing legislation to acquire the property on the south side of the Avenue. To me it has always seemed that the north side of Pennsylvania Avenue was rather more disreputable than the south side. I refer particularly to that portion from the Peace Monument extending to Sixth Street. I thought, if anything was to be done to clean up the Avenue and make it what it ought to be, that the property on the north side ought to be acquired, and the Senator includes that, I notice, in his amendment.

Mr. President, I will give chronologically what has happened on this subject prior to the present time.

On December 4, 1907, Senator Heyburn introduced a bill (S. 122, 60th Cong., 1st sess.) authorizing the purchase of grounds for the accommodation of public buildings for the use of the Government, which included all the south side of the Avenue from the Peace Monument to Fifteenth Street and certain other small tracts. The same Senator made a report from the Committee on Public Buildings and Grounds (Rept. No. 9) on the bill which he had introduced.

Senator Heyburn also made a supplemental report (Rept. 9, pt. 2). In that report he printed a letter from the Commissioners of the District of Columbia, giving a statement concerning the value of the property square by square, the value being $11,923,000 for the land and $6,460,000 for the improvements, making a total of $18,383,000. This amount not only included the value of the property on the south side of the Avenue, not then owned by the Government, but also detached pieces which were included in the bill. The value of the property, as submitted by the commissioners, was as follows:

| | Land. | Improvements. | Total. |
|---|---|---|---|
| Square 226 | $773,000 | $450,000 | $1,223,000 |
| Square 227 | 508,000 | 160,000 | 668,000 |
| Square 228 | 193,000 | 85,000 | 278,000 |
| Square 229 | 180,000 | 50,000 | 230,000 |
| Square 230 | 461,000 | 125,000 | 586,000 |
| Square 256 | 400,000 | 500,000 | 900,000 |
| Square 257 | 300,000 | 150,000 | 450,000 |
| Square 258 | 400,000 | 120,000 | 520,000 |
| Square 259 | 410,000 | 625,000 | 1,035,000 |
| Square 260 | 280,000 | 45,000 | 325,000 |
| Square 292 | 417,000 | 130,000 | 547,000 |
| Square 293 | 600,000 | 250,000 | 850,000 |
| Square 294 | 250,000 | 90,000 | 340,000 |
| Square 295 | 220,000 | 60,000 | 280,000 |
| Square 349 | 520,000 | 250,000 | 770,000 |
| Square 350 | 440,000 | 70,000 | 510,000 |
| Square 380 | 578,000 | 360,000 | 938,000 |
| Square 381 | 740,000 | 180,000 | 920,000 |
| Square 382 | 1,270,000 | 260,000 | 1,530,000 |
| Square 461 | 750,000 | 440,000 | 1,190,000 |
| Square 575 | 260,000 | 270,000 | 530,000 |
| Square 576 | 175,000 | 200,000 | 375,000 |
| Reservation A | 403,000 | 425,000 | 828,000 |
| Reservation B | 600,000 | 600,000 | 1,200,000 |
| Reservation C | 300,000 | 175,000 | 475,000 |
| Reservation D | 275,000 | 240,000 | 515,000 |
| Reservation 12 | 220,000 | 150,000 | 370,000 |
| Total | 11,923,000 | 6,460,000 | 18,383,000 |

Mr. SUTHERLAND. Mr. President, did that include only one tier of blocks, or did it take the property running back to the Mall?

Mr. GALLINGER. It took the property back to the Mall, as I understand. That was Senator Heyburn's scheme. That bill passed the Senate April 15, 1908, but failed of action in the House.

In the Sixty-first Congress, first session—March 22, 1909—Senator Heyburn introduced another bill of a similar nature, which was favorably reported from the Committee on Public Buildings and Grounds—Report No. 285, with map—and which passed the Senate, again failing in the House.

In the Sixty-second Congress, first session, Senator Heyburn introduced the same bill, which was approved by the Commissioners of the District of Columbia, and was favorably reported and passed the Senate May 23, 1912, but it met the same fate as the previous bills had when it reached the House of Representatives.

In this bill the sum of $15,000,000 was named, the amount in former bills being $10,000,000, which the commissioners represented would necessarily be inadequate.

On April 24, 1913, the Senator from Washington [Mr. JONES] introduced a joint resolution (S. J. Res. 28) authorizing the appointment by the President of a board to ascertain and report to Congress the probable cost of acquiring land on both sides of the Avenue from Eleventh Street east to the Capitol Grounds, as sites for buildings, but no action was taken on the resolution.

Nothing has been heard of the matter until the Senator from Calafornia presented it in the form of the amendment which is now under consideration. I will venture to say that whatever the fate of the pending amendment may be, the amount named in the amendment offered by the Senator from California—$100,000,000—for the acquisition of the property on both sides of the street, is very much in excess of what it would actually cost. The commissioners made a very careful estimate in 1908 (S. Doc. 421, 60th Cong., 1st sess.) and I assume that they made personal inquiry of the owners of the several properties at that time, the amount being, as above stated, $18,383,000.

Mr. President, that is all I care to say. I was impressed with the feeling that probably the Senator had made only an approximate estimate as to the value, which I feel sure is far above the real value of the property.

Mr. SUTHERLAND. Mr. President, the late Senator from Idaho, Mr. Heyburn, as the Senator from New Hampshire has just said, introduced a bill, as I recall, on three different occasions——

Mr. GALLINGER. Three occasions; yes.

Mr. SUTHERLAND. By which he sought to have the Government acquire the south side of Pennsylvania Avenue. It was a subject which that Senator had very much at heart, and a project which he prosecuted with his usual zeal. I became a convert to his position with reference to it, and I believe today that we could not do a wiser thing than to obtain the title

to all of the land on the south side of Pennsylvania Avenue. I am not, as at present advised, quite in favor of going as far as this amendment proposes, and acquiring in addition the lands upon the north side of the Avenue.

The thought about it has been this: The Government of the United States already owns quite a proportion—I am not sure of the exact proportion, but perhaps a third in area—of the lands upon the south side of the Avenue between the Peace Monument and the Treasury Building. The Government owns, I think, nothing on the north side of the Avenue. On the north side of the Avenue there are some very valuable buildings, including the Willard Hotel and the Raleigh Hotel and other buildings that have been very expensive, so that the cost of acquiring the lands on the north side of the Avenue would be many times the cost of the lands on the south side.

Mr. GALLINGER. Mr. President, if the Senator will permit me——

Mr. SUTHERLAND. Yes.

Mr. GALLINGER. Having taken a good deal of interest in this matter in former years, my thought was that if we wanted to make Pennsylvania Avenue a decent thoroughfare, which it is not now, it might be well for the Government to acquire the land on the north side of the Avenue from First to Sixth Streets, and that would not include the expensive buildings. It would take in the shacks and the rum shops and buildings of that kind.

Mr. SUTHERLAND. How deep would the Senator propose to go?

Mr. GALLINGER. I think it ought to run back to the next street.

Mr. SUTHERLAND. That is, a single tier of blocks?

Mr. GALLINGER. A single tier of blocks; yes.

Mr. WORKS. I think the Senator is correct in his view that we probably ought not to go beyond Sixth Street; and I shall be quite willing to modify my amendment to that extent, although if in the future it should become necessary, in order to furnish room for the public buildings, I should then prefer to go farther, in order to bring them together at that point and on that street.

Mr. SUTHERLAND. My judgment about it has been that if we would acquire the south side of Pennsylvania Avenue for it full length, from the Peace Monument to the Treasury Building, and the depth back to the Mall, the south side of the street could be built up in the course of some years—it would require probably 15 or 20 years before it would be finally completed—but that side would be occupied by magnificent buildings, with sufficient ground about them to add to their beauty and dignity and nothing back of them in the way of poor buildings to detract from the beauty; and that if we did that, very naturally, in the course of time the north side of the Avenue would be taken over by people who would put up handsome business houses.

If the Senator has ever been in Edinburgh and seen Princes Street, he will understand, in a way, the picture that is in my own mind with reference to what Pennsylvania Avenue might be made. Princes Street, in Edinburgh, I think is one of the most beautiful streets in the world. I am not clear about the points of the compass there, but, as I recall, the east side of Princes Street is open, except that between the two stations—the Caledonian and the North British—there are occasionally handsome monuments. That side of the street gives upon that great depression along which the railroads run, which are so concealed by shrubbery and banks that one standing in the street does not observe them. But because Princes Street has been made such a handsome avenue the west side of the street is occupied by the handsomest business houses in Edinburgh. I think the same result would follow here, and that if we occupy the south side of the street for public buildings the north side of the street would very naturally build up in that way.

I agree with the Senator from California that it is simply outrageous that a great Government like this should be housing its offices in rented buildings, inconvenient, liable to be burned down at any time—because few of those that are occupied are fireproof or anywhere near approximately fireproof. We are paying, as the Senator says, something over $600,000 a year in rentals for those buildings; and it is not in keeping with the dignity of a great Government like this, which represents a hundred million people, here in the Capital of the Nation, that it should be peddling out its offices all over the city in inconvenient structures that are likely to be burned down at any time.

We made provision, as I remember, for three buildings some years ago, and yet apparently nothing has been done by the Treasury Department to put them up. We made provision more than three years ago for joining these two parks, the park along the Potomac River and Rock Creek Park. We authorized it to be done, and directed it to be done; and yet, so far as I know, no steps have been taken to do it. I do not know how long it would be, if we should provide for this, that, with the present administration in power, before anything would be done to carry it out, but I should like to see an attempt made. I, for one, would like to support the amendment of the Senator, if he would modify it so as to provide that the Government should acquire the south side of Pennsylvania Avenue, and that the sum appropriated should be $15,000,000, or so much thereof as may be necessary.

Mr. NELSON. Mr. President, it may seem a little foolish to take up the time of the Senate on this question, but the remarks made are of such a peculiar character that I can not help but make some comments on them.

It is one thing to acquire the land on the south side of the Avenue and add it to the Mall. That is one thing; but, when you talk about putting all our public buildings in a row there, you are simply asking us to put our buildings in the lowest and swampiest ground in the whole city of Washington. If you will look at the old maps of the city you will find that a stream came in from the north down at the foot of Capitol Hill. It is said that in old times there was a bridge across here, and that sometimes, when Senators had been in session a long time, they found it difficult to cross that bridge. [Laughter.]

Mr. SUTHERLAND. Why?

Mr. NELSON. That stream was known as the Tiber. It was deflected at the foot of Capitol Hill, and a canal ran clear down from there—you will find the end of it somewhere down near the Peace Monument—through where the Center Market is, through the back end of the site of the Post Office Department building; and it was all a swamp and a canal down there. Then, as you went down, there were two streams that came across the hill and joined it, one near Seventh Street and another up this way, and the whole territory was nothing but a swamp.

Look at the Post Office Department building? Why, it puts you in mind of a monastery building in the Middle Ages, away down there; and if you go and look at the flood records in Washington before they improved the Potomac you will find that the Potomac waters were away back, so that they would get into the basement of the Post Office Department building. I have heard it rumored that it was the influence of the Star and the Post that got that big building erected down there. I had always supposed that if you wanted buildings of architectural beauty and buildings that embodied the Grecian style of architecture, like the Corinthian and other columns, you would like to have the buildings on elevated ground and not built in a mudhole or a swamp. If you buy up the ground on the south side of the Avenue, I would suggest to Senators that it would be a good plan to plant a row of Lombardy poplars there, instead of putting all our public buildings down in that swamp.

Why should we go to work and buy up buildings and then tear them down? I want to call the Senator's attention to the south side of the Capitol. Did you ever, as you came up Capitol Hill near what is called the Butler Building, look over that territory? There is a lot of rough ground, hard-looking ground, that needs care. That is what we ought to look after—improving the south side of the Capitol; but, unfortunately, there are not so many buildings on that to be sold to the Government as there are in these other localities.

Here we have been buying blocks and tearing down buildings to make a beautiful place between the Capitol and the Union Station. Why do we not do something on the south side of the Capitol as you come up that hill, where there are only a few scattering buildings, and where, if anywhere, an improvement is needed to make the Capitol look well?

Senators talk about renting public buildings. Well, there is something in the wind. I never could get at it. We used to own a building on the west side of the Riggs Bank, between that and Lafayette Square. The Department of Justice occupied it. It was bought for the purpose of putting a department building on it. They bought it, and the department occupied it for a little while, and then by and by they tore it down, and the Department of Justice found quarters in a residence away below here somewhere, farther in the northwest part of the city, and the piece of ground from which the building was removed lies there unused and vacant.

If you want a place for the Department of Justice, where you will have the Supreme Court and the Law Library accessible to Congress, the place to put it is here on Capitol Hill, right across from the Library of Congress, on the north side of East Capitol Street. If you would build up that square, and locate the Department of Justice there, so that the Supreme Court and the department and the Law Library could all be

there together, you would have one of the finest places in the city of Washington, and, more than that, you would have the Law Library accessible here to Congress.

Mr. CLAPP. Mr. President, if my colleague will pardon me, in addition to that you would then have the Capitol, the House Office Building, the Senate Office Building, the Library, and the building the Senator refers to grouped as the basis of a system—something that is absolutely lacking to-day in the location of the public buildings.

Mr. NELSON. There is a good site on which to put a building, instead of going down into a swamp on Pennsylvania Avenue.

Mr. WORKS. Mr. President, my good friend the Senator from Minnesota is evidently living in the dim past. He is talking about Washington as it was 50 or 100 years ago. I suppose he was here 50 years ago, but not 100. Those conditions do not exist on Pennsylvania Avenue at the present time. The objection he makes as to the location may have some force, but not what he says about the swamps, because, I am glad to say, the swamps no longer exist. It cost the Government a good deal of money to rid itself of that condition; but there is no reason founded on any such statement as that why these buildings should not be located on Pennsylvania Avenue.

The VICE PRESIDENT. The question is on the amendment of the Senator from California to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. WORKS. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. It is proposed to amend by adding, after section 3 of the committee amendment, the following:

SEC. —. That square 28 of the city of Washington, D. C., because of its insanitary condition, the character and quality of its buildings, and their dilapidated and insanitary condition, is hereby declared to be dangerous to the public health, detrimental to public morals and the public safety, and a public nuisance.

SEC. —. That the Commissioners of the District of Columbia are hereby authorized and directed to acquire for the Government of the United States, by purchase or condemnation, the title to said square for the purpose of razing the buildings situate thereon and constructing and maintaining thereon, as hereinafter provided, sanitary dwelling houses for the use of tenants.

SEC. —. That upon acquiring title to said property the said commissioners shall cause the buildings thereon to be removed, the said square replatted with ample streets and passageways and means of ingress and egress, and construct thereon model sanitary houses of moderate size to be rented by the Government to the poor and the laboring classes at reasonable and moderate rentals.

SEC. — That the Government shall hold and retain title to said square for the purposes above mentioned, and the improvement of the sanitary condition of the said city of Washington, and the said commissioners shall provide such supervision, control, and inspection of said property as to make and continuously maintain it in a sanitary and healthful condition, free as far as possible from immorality and crime.

SEC. —. That there is hereby appropriated, of the moneys in the Treasury not otherwise appropriated, the sum of $600,000, or so much thereof as may be necessary, to carry into effect the provisions of this act.

Mr. WORKS. Mr. President, slum conditions such as we have in Washington have presented one of the greatest problems that has to be dealt with in city life. Whether the Government in this instance should take hold of a matter of this kind and furnish the relief that is so much needed is a question about which people will greatly differ. It has been handled that way by other countries, and handled successfully. We have endeavored here in Washington to deal with it in an entirely different and in an ineffective and inefficient way.

I suppose there are very few Members of this body who have any realization of what the actual conditions are right here in the Capital of the Nation, where they spend most of each year. While I was investigating the other matters to which I have referred, I visited a number of these so-called courts, better named slums. I spent most of the day in going about and witnessing the conditions, and I went home heartsick at what I saw that day.

I do not know, Mr. President, how much attention Senators have given to this subject. It seems to me to be an exceedingly important one. It affects not only the poor people who are compelled to live in these places, but it affects the whole city of Washington; yes, it affects the good name and credit of this whole Nation, that such conditions as I have witnessed here should exist for a day in the Capital of the Nation.

The District of Columbia is under the absolute control and jurisdiction of the Congress of the United States. It may deal directly with this question. There is no reason why it should not take hold of it in an effective way and rid the District of Columbia of the conditions that exist.

It is not a question of the want of money. It is not going to be a very expensive process. It is going to be an economical one because it will save us much of the expense in the prosecution and care for criminals and the insane, and will relieve the city of much of the disease that now exists coming out of these cesspools of vice and crime.

That we ought not to hesitate about the expenditure of the small amount of money that is called for by this amendment, let me call your attention in a very brief way to some of the expenditures that we are proposing to make and some that we have already made, not for the benefit of the District of Columbia but for the outside. Take, for example, the bill providing for a vocational school, a very excellent thing to be brought about if it can be done properly by the Government. We propose to expend $14,250,000 at the beginning and $3,000,000 a year thereafter perpetually for that purpose.

For the Mississippi floods, by a bill that has already passed the House of Representatives, to expend $45,000,000.

We are proposing to expend in two or three of the States $4,000,000 for the purpose of relieving the citrus fruit growers of those States from the effect of the disease of the tree.

We have just passed a bill through both Houses of Congress appropriating $1,000,000 for the purpose of constructing a bridge across the Potomac. We are proposing to build what is called a memorial bridge across the Potomac to cost something like $4,000,000, and that bridge will undoubtedly be very shortly built.

The Public Health Service is making surveys, as they call it, of the counties in the States at an expense of $6,000 a county. They have already made the survey of 9 of them, I believe, and expect at least to expend money enough to make the survey of 40 counties in different parts of the States, making up a cost of $24,000 for that purpose.

Mr. President, we have spent for this so-called Capitol Park to buy those lands between the Capitol and the Union Station and for the removal of those buildings more than $4,300,000.

It does seem to me that we might spend the small sum this amendment calls for—only $600,000 of expenditure—for the purpose of relieving the city from the conditions that I have mentioned.

In dealing with this question I took it up in the report I made and to which I have called attention, and which, I presume, has been read by very few Senators. Therefore I am now going to impose upon as many of them as will remain here long enough by reading some portions of that report, because I think it is something that Senators ought to know about, if they do not. I am not going to read it all, but I ask leave to insert, after reading extracts from it, that portion of it relating to this particular subject.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WORKS. I am reading it, Mr. President, partly for the reason that I can present my views upon it more logically and in less time this way than to undertake it orally.

"THE SLUMS.

"The American people want their Capital to be clean, decent, respectable, and healthful as well as beautiful on the outside. It has fallen far below this standard under a system of government where Congress can shift its responsibility onto the District of Columbia, a spineless and irresponsible municipal body. Under this system the slums, the red-light district, the saloons and unwholesome and insanitary conditions have been allowed to flourish. Crime, vice, corruption, and death have devastated portions of the city that could, and should, have been protected from such conditions. From time to time feeble and ineffectual efforts have been made through inadequate laws to remedy these evils. The better class of people in the District have done the best they could with the insufficient weapons provided them by Congress to ameliorate the conditions and protect the poor people who suffer from them the most, but to a discouraging degree it has been a hopeless task. It is not wholly the fault of the people of the District that these conditions continue down to the present day. Neither is it the fault of the District officers. The chief reason for it is that Congress has failed to enact the laws and appropriate the money necessary to abate these crying evils, though often urged to do so.

"In his message to the Fifty-ninth Congress President Roosevelt said:

"The National Government has control of the District of Columbia and should see to it that the city of Washington is made a model city in all respects, both as regards parks, public playgrounds, proper regulation of the system of housing so as to do away with the evils of alley tenements, a proper system of education, a proper system of dealing with truancy and juvenile offenders, a proper handling of the charitable work of the District. Moreover, there should be proper factory laws to prevent all abuses in the employment of women and children in the District.

"Pursuant to this recommendation the President appointed James Bronson Reynolds, of New York, to investigate conditions in the District and report to him with such recommendations as

suggested themselves to him. In his letter asking Mr. Reynolds to act as adviser in the matter, he said:

"I wish your investigation to terminate in definite, practical recommendations to me with reference to the city's present needs and most notable defects, measured by the highest standards of good administration in this country and elsewhere.

"I shall call attention to Mr. Reynolds's report and recommendations a little later. President Taft, dealing with this subject in his message to Congress of December 6, 1910, has this to say:

"Fair as Washington seems, with her beautiful streets and shade trees, and free, as the expanse of territory which she occupies would seem to make her, from slums and insanitary congestion of population, there are centers in the interior of squares where the very poor, and the criminal classes as well, huddle together in filth and noisome surroundings, and it is of primary importance that these nuclei of disease and suffering and vice should be removed and that there should be substituted for them small parks as breathing spaces and model tenements, having sufficient air space and meeting other hygienic requirements. The estimate for the reform of Willow Tree Alley, the worst of these places in the city, is the beginning of a movement that ought to attract the earnest attention and support of Congress, for Congress can not escape its responsibility for the existence of these human pestholes.

"In pursuance of recommendations made by Mr. Reynolds, President Roosevelt appointed a commission of 15 of the leading citizens of Washington to deal with the subject.

"That commission made a full and exhaustive report of conditions with its recommendations. This report first quoted from Mr. Reynolds's report as follows."

Then follows a report made by the commission that was appointed by President Roosevelt to investigate these conditions, which I hope Senators will read.

Mr. KENYON. May I ask the Senator a question? Where is square 28 which is designated in the Senator's amendment?

Mr. WORKS. It is about 5 minutes' walk or less from the White House in a northwesterly direction.

"The report of Mr. James Bronson Reynolds, referred to in the President's letter as the basis of his action, is as follows:

"REPORT OF THE HOUSING OF THE POOR IN THE DISTRICT OF COLUMBIA, ESPECIALLY IN RELATION TO INSIDE TENEMENTS.

"As you directed me to give particular attention to the housing problem, I visited and examined between 350 and 400 tenements, shacks, and small houses in various sections of Washington and Georgetown and inspected numerous alleys. I talked with their occupants and conferred with many citizens of the District, both white and colored, including representatives of trade-unions, to obtain their views regarding housing conditions.

"In my investigation I found three distinct problems—that of small houses, that of alley shacks and alley houses, and that of inside alleys. * * *

"I found nearly all the alley wooden shacks and small brick houses that I visited in a wretched condition. The wooden shacks, as a rule, might properly be condemned on structural grounds. Their yards were apparently storage places for refuse and filth; their water supply inadequate and badly placed, and the privies frequently only open boxes and in many instances without covers, although the latter are required by the health ordinance. I am glad to state that during the past year many of these box privies have been removed.

"I had conversation with the dwellers in these inside shacks, and the comments of many may be fairly summarized in the pathetic remark of an old colored woman who exclaimed, with reference to her neglected, filthy yard and privy: 'Why, my old marsa wouldn't ha' kep' his horses stabled in such a place.'

"No argument is needed to show that such ill-conditioned hovels are culture beds of disease, the germs of which may be carried far and wide by the flies which feed on the rotting garbage and excreta. Their number should be promptly ascertained and immediate steps taken for their complete elimination, and buildings constructed in their places should have proper sanitary appurtenances and should open either upon a highway or small street. * * *

"A particularly undesirable and menacing feature of the poor quarters of Washington is the inside alleys. These alleys are centers of disorder and crime, and they make possible the continuance of small communities uncontrolled by ordinary police inspection and unaffected by public observation and criticism. In my opinion all inside alleys, with the exception of service alleys, should be abolished, and a definite scheme for the accomplishment of this object should be adopted. * * *

"A law passed by the Congress in 1906 appropriated $50,000 for the expense of condemnation proceedings in the substitution of minor streets for alleys, but a recent decision of the Supreme Court of the District of Columbia has interposed fresh difficulties by declaring unconstitutional the assumption of the law that the entire cost of opening small streets as substitutes for alleys should be assessed upon the adjacent property owners. I am not prepared to make any specific recommendations to meet this new difficulty, but to urge that it be not allowed to prevent the abolition of inside alleys.

"The commission then proceeded to report the result of its own investigations, make recommendations, and point out the obstacles that prevented effective work, including reports of its subcommittees. From this long and exhaustive report I extract the following:

"A SERIOUS OBSTACLE TO THE CONVERSION OF ALLEYS INTO STREETS.

"The law passed July 22, 1892, and amended on August 24, 1894, prohibited the erection of dwellings in alleys less than 30 feet wide, and imposed restrictions which hindered the building of any more alley houses. It also provided for the conversion of alleys into minor streets, but nothing of importance seems to have been done under this law until the committee on improvement of housing conditions took the matter up a year or more ago with a demand that the change be made in certain typical alleys. This led the commissioners to appoint a committee of District officials to advise them as to the opening of minor streets, and cases were taken up as rapidly as they could be properly handled until, up to the present time, the opening of 12 such streets has been recommended. Two of these have been confirmed by the courts and three other cases are pending in court. The commissioners are proceeding as rapidly as possible in the other cases, but the conflict with private interests led to litigation and a decision by the Supreme Court of the United States on March 11 last, which declared it illegal to assess all the damages on certain property, as the law provides, unless it is found to be benefited to that extent. Although the commissioners are continuing to prepare and present cases they can not, under the law, approve the verdict in any case unless the benefits as assessed equal the damages and expenses. * * *

"Mr. Thompson, in his Housing Handbook, says of private enterprise:

"It has been assumed by thousands who ought to have known better that private enterprise, unstimulated, unregulated, unassisted, undirected, has hopelessly failed. It has left us face to face with a very deficient supply; it has given us the old slums; it often has given us only acres and acres of new slums in the suburbs, jerry-built 'brick boxes with slate lids' dumped down on dust heaps and put up mainly with the object of getting a quick profit in the few years which will elapse before they degenerate into slum dwellings almost as bad as the old ones in our midst. Where the new houses are well built and on good sites they are of an unsuitable type, and the rents are so unreasonably high as to be beyond the means of one family, so they have to be sublet to other families, and thus by overcrowding, with the increased wear and tear following in its train, they rapidly deteriorate and leave the housing of the mass of the people as bad in many respects as it was before. The product of private enterprise, then, is insufficient in quantity and inferior in quality. * * *

"In the report of the health officer for 1875 it was noted that during the year 699 houses were reported as unfit for human habitation and 198 condemned by the board. In 1876, 424 houses were reported and 371 condemned, and in the report of the board of health for 1877, page 46, we finds:

"'No meaner cabins for temporary or permanent shelter can be found than some our wretched poor are born and exist and die in, here at the Capital of the United States. And, strange as it may seem, none so mean that they have not an owner mean enough to charge rent for them. Down in the alleys, below grade, with combination roof of tar, felt, shingles, rags, tin, gravel, boards, and holes; floors damp and broken, walls begrimed by smoke and age, so domiciled are families, with all the dignity of tenants having rent to pay. The board has condemned 153 such during the past year and 958 during the past four years, of which probably 300 have been entirely demolished. But many owners still cling to the wrecks.

"'Our experience in dealing with filth, crowd poison, and disease among these people during the past four years has taught us that the great public economy, viz, the preservation of public health, is defeated by allowing these filthy, worthless, dependent classes of humanity to congregate in the alleys and byways out of sight, and therefore out of mind, until direful epidemic, incubated and nourished among them, spreads its black wings over the homes of the whole city. Better far to provide for the aged and sick in public institutions of charity, the vagrant in the chain gangs, let the cost be what it may, than to allow them to remain propagators of public disease, an incalculable expense to the District.'

"This report was made at the close of the year 1908."

Let me read what was said in an editorial in the Washington Post as coming from an English gentleman who was here in Washington at the time:

"WE HAVE SLUMS OF OUR OWN.

"An English gentleman, who is also a philanthropist and a student of sociology, has been looking into the slums of Washington. Ten years ago he visited the Capital, but on that occasion saw only our splendid public parks and beautiful private residences, just like a very large majority of Washingtonians and visitors. He returned to England convinced that Washington was the long-looked-for model city. Now he pays a second visit, and this time he goes behind the scenes. The result of the investigation is an amendment to the gentleman's original estimate. He finds that while our areas of squalor and degradation are not as numerous or so extensive as those of London they are in many instances much more appalling. On this point he says:

"'This time I came to see the worst that was to be seen, and it has been a revelation to me. I have seen rooms with half a dozen or more people living in them. I have seen buildings that would be condemned and torn down in London if they were inhabited only by a coster's donkey. Walls tumbling down, floors rotten, ceiling and walls falling in, little yards and outbuildings filled with rubbish and dirt, and absence of all sanitary arrangements. Within a stone's throw of the British Embassy, in an alley, there are hovels that are not fit for pigs to live in. Within the shadow of the Capitol there are others. On Factory Hill and in the holes around the canal in Georgetown there are frightful places full of filth and the direst poverty, where disease and crime must breed rapidly.'

"In December of that year Jacob Riis, in an address delivered at the First Congregational Church of Washington City, had this to say on the subject:

"I am not easily discouraged. But I confess I was surprised by the sights I have seen in the National Capital. You people of Washington have alley after alley filled with people you know nothing about. There are 298 such alleys. They tell me the death rate among the negro babies born in these alleys is 457 out of 1,000, and before they grow up to be 1 year old. Nearly one-half. Nowhere I have ever been in the civilized world have I heard of a death rate like that. Why, I have never seen places like those you have here. * * *

"To fight your slums you ought first of all to acquire the right to deal with the evil man who insists on murdering your babies. But you are sure to run against the old cry of 'property rights.' One-half your children die in hovels before they reach the age of 1 year, because the owners would rather have 25 per cent profit than save their souls. For such a condition there's no defense. Where does the blame lie? With the owners of the slums, you will probably say. But it lies equally with the community which permits such a shameful and sinful condition of affairs to exist within its borders.

"In commenting on this address, the Washington Times said:

"This indictment of a community which has no slums, this astounding disclosure of a condition not paralleled by the squalor of New York

or London or Paris, was the key last night to one of the most remarkable meetings held in Washington in many years. It was the judgment of a trained mind delivered after a trip through the Capital, and expressed with manly courage and plain speech to an assembly of representative Washingtonians.

"Under a more recent date the Times, in an extended editorial on slum conditions, said:

"* * * The thing needed here is such an education of the commercial instinct that owners of houses in the poorer neighborhoods will cease to expect extraordinary percentages on their investments. * * * It has been proved by investigation that the poor can be comfortably housed in clean, sanitary dwellings which will pay from 7 to 10 per cent on the investment if well managed. It has also been ascertained that the profits on much of the old-fashioned tenement and shanty property ran from 10 to 20 per cent, and even higher. This means that a few property owners are content to make money at the cost of the poor and at the risk of endangering the whole community through the disease and filth bred in their property. The way in which this kind of piracy can be avoided lies, first, in strictly enforced laws which will prevent overcrowding and insanitary buildings absolutely. * * *

"Now, let us see how far the conditions have improved since that time. During the year 1910 strenuous efforts were made to secure needed legislation and thus improve conditions which were fully disclosed at that time. Let me quote some of the things that were said of conditions as they then existed.

"In an article in the Washington Times we find the following, quoted in part from remarks of Mr. E. W. Oyster, one of the good citizens here, who has labored incessantly for better conditions in the District:

"Washington is honeycombed with filthy alleys, spreading disease in even the most beautiful parts of the city. Scattered through every residence section are slums more objectionable than the congested districts of New York or London. The health department is fighting a desperate losing battle against conditions too deep rooted to be repaired without public aid.

"This was the warning that E. W. Oyster, of the Petworth Citizens' Association, hurled from the pulpit of the People's Church, East Capitol Street, yesterday morning: * * *

"'The people who own property in these slums,' said Mr. Oyster, 'are selling their souls for cash. And the tragedy of it is they are selling the lives of their own carefully guarded children for cash.'

"'I shall not criticize the health department, because I believe Dr. Woodward is an efficient officer, alive to the situation, but terribly handicapped.

"'The public is strangely indifferent. As a special examiner of the Pension Bureau I have had occasion to visit these places, and if the public could see them as I have seen them and as Dr. Woodward and his assistants have seen them there would be a clamor for reform.

"'We are spending millions making Washington beautiful, and it is beautiful; but what is beauty when it is rotten to the core? * * *

"'As it is, the Capital of the Nation is a disgrace, with a death rate higher than even such cities as Denver, where we send our sick people too late to get them well.

"'Behind the great mansions lay hovels that are natural disease breeders. In every part of this city, in the northwest as well as the southeast, citizens are being murdered through their own lack of interest and their own ignorance of what is going on behind their backs.'"

I wish to read also the statement made by the senior Senator from Washington [Mr. JONES]. This statement was made on the 21st of September, 1914, in which he says:

"To those familiar with the alley conditions in the city of Washington no action in relation to the city's needs has been more imperatively needed than their elimination. If the good men and women knew of the actual conditions that exist within the shadow of the Nation's Capitol and realized the dangers to health and good morals that go out from them to all parts of the city, the demand for their eradication would be universal, except from those who profit from conditions that are a disgrace to civilization and Christianity. There would be no grumbling about how to do it, nor would the rights of humanity be sacrificed for the rights of property.

"When the situation is understood there is not much basis except greed for opposition to what has been done. No substantial injury will be suffered by anyone. Any dwelling house lawfully on these alleys now has been there more than 20 years. The real annual profits from this property have been from 10 to 14 per cent, and so the owners have been paid for it more than twice over during that time. No property is confiscated. All these owners have to do is to change the use of their property or the conditions of use.

"If they make the alleys conform to the conditions of the law, they can use their property for homes or business as they do to-day. They may be put to some expense; their excessive profits may be reduced; but their property will still be useful and profitable."

The Senator in that connection was referring to a law that was in existence in the District at that time but which has proved ineffectual, except in a slight degree. He says, further:

"Nothing more strikingly illustrates the power and influence of wealth and greed than the situation in regard to this alley problem. The public has been apathetic, business organizations composed of men of high standing have opposed this legislation unless the so-called rights of property owners are given the last farthing of protection, and the public health and safety and the pleadings of humanity have been subordinated to the financial interests of a few rapacious individuals.

"A few noble women interested themselves in the subject. They did splendid work, but it took the pleadings of a tender-hearted woman in an exalted place as she passed into the Valley of Death to bring action. Action has come, swift, sure, direct, complete, and the city of Washington without its slums and unspeakable alley conditions will be a fitting tribute and monument to the sweet nobility of Mrs. Wilson, who, from her exalted place as the first lady of the land, gave her time, strength, influence, and love for the happiness and comfort of the poor, lowly, and unfortunate, and whose last thoughts were not of her position, but of poor, suffering humanity.

"In a circular published by the Monday Evening Club of Washington, in October, 1912, Thomas Jesse Jones, chairman of the housing committee of that club, has this to say:

"After 40 years of agitation and search for ways and means to eliminate the blind alleys of Washington, they still remain to spread crime and disease throughout the beautiful city and its inhabitants. Two startling facts should have swept these alleys out of existence years ago. One out of every three children born in these byways dies within the first year of life. To make matters worse, these houses, with their diseases and crime, fill the center of many blocks rimmed with splendid houses and hotels.

"A glance at the map of Washington shows the dangerous proximity of these disease centers to the best residential blocks of the city.

"Some alleys have been eliminated to meet the demands of commercial enterprises. One disreputable place was converted into a minor street by assessments upon neighboring property equal to the cost involved in the change. Further application of this method was stopped by a Supreme Court decision in 1907 which cast doubt upon the legality of this form of assessment. At the last session of Congress $78,000 were voted for the change of the most notorious alley in the city into an inner park. This year the commissioners are planning to attack four more alleys.

"But in spite of all these accomplishments and plans there is no plan to attack the problem as a whole. A careful study of the whole situation leads to the conclusion that the final solution of the alley problem awaits the aroused public interest of the Nation. Let us add to our plans for a city beautiful, a demand for a city pure. Let the woman's clubs of the land, the civic associations of the Nation, and political organizations of every State and city unite in the call for a National Capital that shall be both beautiful without and clean within.

"In the same circular Mr. Wilbur Vincent Mallalieu says:

"The moral conditions in such a secluded inclosure as this court can scarcely be imagined. The police who have to do with it agree in speaking of its disreputable character. One officer has remarked that it is the worst place in the United States and that there is no crime unknown to it. The police blotter of the precinct shows that from March 1, 1911, to March 1, 1912, there were 114 arrests among the 204 men, women, and children living in Snow's Court. The charges were drunkenness, disorderly conduct, assault, unlawful assembly, larceny, cruelty to animals, and accusations relating to sexual crimes. Nor does this number of cases represent all the evil, because it does not take into account residents of Snow's Court arrested in other precincts, nor does it include the mischief done in Snow's Court by inhabitants of the neighboring alleys and residents of other parts of the city. * * *

"Snow's Court is a peril to our Capital's life. Only an awakened public conscience that shall demand the abolition of this and other pest centers will rid the city of very grave dangers.

"I might go on almost without limit quoting from the sayings of newspapers and others as of that date condemning conditions and suggesting remedies, but I desist.

"This showing should appeal strongly to Congress for relief.

"In a directory of the inhabited alleys, issued as late as 1912, it is said by way of introduction:

"There are 275 of these interior courts in the city. They contain 3,337 houses used for dwellings and approximately 16,000 persons. They are so widely distributed throughout the city that even the best residential sections are not free from their evil influences. The northwest, the largest of the four general sections of the city, has 161, or nearly three-fifths of all the alleys.

"The statement which follows shows the number of alleys and alley houses for each section of the city:

"Total, alleys, 275; houses, 3,337.
"Northwest, alleys, 161; houses, 1,940.
"Southwest, alleys, 58; houses, 705.
"Northeast, alleys, 30; houses, 336.
"Southeast, alleys, 26; houses, 356.

"The average for each alley is 12.1 houses and 58.1 persons. Each alley house has an average of 4.8 persons.

"Now let us see what Congress has done to remedy or ameliorate these fearful conditions. In a pamphlet published by the committee on housing of the woman's welfare department of the National Civic Federation in November, 1912, it was recited:

"This first health board, which had begun its work of alley reclamation so nobly, was abolished and the office of health officer created by an act of Congress, June 11, 1878. Right here the good work stopped, for in the legalization of the health ordinances in 1880, the section under which the health department acted in the condemnation of insanitary buildings was omitted. Whether this omission was an oversight or was secured by the influence of men whose money interests were at stake is not known, but it was 12 long years before any further remedial legislation was enacted and during those years no houses were condemned and new houses were constantly erected. Alley property had proved a paying investment and brick had succeeded wood as building material.

"In 1892 an act was passed by Congress authorizing the commissioners to 'condemn, open, extend, widen, or straighten alleys on the petition of the owners of more than one-half of the real estate in the square in which such alley is sought to be opened, and so forth.'

"Congress very magnaminously provided in this act that the whole of the expenses of such improvements should be assessed against the property owners in the square to be affected. By an act passed in 1894 the provisions of the act were extended to minor streets of a width of not less than 40 or more than 60 feet in width.

"It goes without saying that these statutes amounted to practically nothing as a means of ridding the city of the evils I am considering.

"By an act passed in 1906 a board for the condemnation of insanitary buildings was created and authorized to investigate and destroy or repair such buildings. This has resulted in the destruction of some of the buildings in these alleys, but it has wholly failed to reach the heart of the evil and has accomplished very little of good in respect of the slum evil.

"In 1914 an act was passed making it unlawful 'to erect, place, or construct any dwelling on any lot or parcel of ground fronting on an alley where such alley is less than 30 feet wide throughout its entire length and which does not run straight to and open on two of the streets bordering on the square and is not supplied with sewer, water mains, and gas and electric light.'

"The intention of this act was good and it is good, as far as it goes, but that is a very short distance. It only prevents the construction of additional buildings in some of the alleys, which amounts to but little as a means of putting an end to evils that have existed for many years.

"On March 3, 1915, another well-intentioned act was passed 'to incorporate the Ellen Wilson Memorial Homes.' This was a fitting memorial to a good woman whose generous and sympathetic heart went out in sympathy to the unfortunates who were denied the comforts of sanitary homes. But as a practical means of rendering the help she so much desired them to have, it will amount to nothing of permanent good. The work of correcting this great evil can not be delegated to private individuals. If it is ever done and done effectually it must be done by the Government and with its money, as I shall endeavor to point out further along.

"There was one other act that was effective to destroy one of the worst of these slum alleys. It was the act to condemn Willow Tree Alley. In this instance the Government generously put up half of the money necessary to accomplish this commendable result. But even this beneficent effort has largely failed of its object because instead of opening out the alley to the sunlight and the public gaze it has been turned into an inside or inclosed park that has become the rendezvous of criminals, vagabonds, and the immoral and viciously disposed of the poorer classes that calls for police and sanitary inspection and control which is not always supplied.

"In a report of the committee on improvement of existing houses and elimination of insanitary and alley houses of the President's Homes Commission, above mentioned, made December 8, 1908, some of the existing conditions are described and the difficulties of dealing with them effectually are pointed out.

"For example, in speaking of one of the objectionable alleys it is said:

> "One of these cases is Blagden's Alley, square 368, concerning which the chief of police and his associates on the board states in the recommendation for its conversion into a minor street that—
>
> "'Blagden's Alley, located between Ninth and Tenth and M and N Streets, contains 54 houses inhabited by a negro element who live in poverty and are a source of constant trouble. The dwellings are insanitary and dilapidated and afford shelter to 10 or 12 persons each.'
>
> "Another is square 620, as to which the board reported:
>
> "'Logan Place contains 35 insanitary dwellings, which are very much overcrowded and the inhabitants, being of a vicious character, give the police more or less trouble.'
>
> "Everyone familiar with these and other such labyrinths realizes the security from police supervision which they afford, to say nothing of other disadvantages which fully justified the recommendation of the board.

"Then it was said:

> "The principal difficulty with the present law seemed to be that it required that an amount equal to the damages found should be assessed as benefits, and that this should be assessed within a limited area. It was found that the law of 1906 in relation to the opening, extension, widening, or straightening of streets provided that the jury should assess benefits not only upon adjoining and abutting property but upon any and all other lots, pieces, or parcels of land which the jury might find to be benefited by the improvement. This apparently indicated a plan by which the amounts required could be raised in a more equitable manner, but as it seemed probable that in many cases the damages awarded would even then exceed the benefits which the jury might find, it seemed desirable to include also a provision by which a certain proportion of the awards could, if necessary, be paid out of some general fund.
>
> "One of the commissioners has suggested, when the Engineer Commissioner recommended that the work be stopped on account of the expense, that legislation might be urged providing that the alleys be opened and a certain proportion of the expense be paid by the United States Government, another proportion by the District government, and the remainder be assessed upon the property owners in the neighborhood of the improvement. Inasmuch as the deplorable conditions of the alleys have grown up under the administration of the District government, it seems proper that a considerable portion of the expense of removing them should be borne in this way by those responsible for them; but, as any payment for District purposes by the Federal Government would be contrary to the definite policy adopted by Congress, it did not seem advisable to the committee to advocate such a provision."

Mr. President, after quoting what I have read, and a number of other sayings in print and in speech, I make the following comment upon conditions in this report:

"The picture presented by the quotations I have made is not overdrawn. They do not disclose the whole truth. I have not depended on such information in reaching conclusions. I have examined enough of these slums and inspected enough of the dwellings located in them to speak of my own knowledge. The conditions are unspeakably bad. One who witnesses them for the first time is filled with a profound sense of pity and commiseration for the inmates, not unmixed with a feeling of shame and resentment that a great Nation like this, one of the richest and most powerful in the world, and possessed of almost unlimited resources, should allow such conditions to exist in its Capital City.

"Washington is a city of striking and abrupt contrasts. One may ride along a wide, well-paved, and attractive street lined with beautiful, almost palatial, homes and turn from it upon an old, worn-out, cobblestone or brick paved street lined with old, broken-down houses, many of them dilapidated and apparently unfit for human habitation. From that one can turn into what are politely called 'inhabited alleys,' 'courts,' 'places,' and find an appalling condition of poverty, destitution, and degradation. All this within a distance of two or three squares. Some of these alleys are blind alleys—that is to say, there is but one means of ingress and egress—and within is a labyrinth of alleys covering the entire inside of a square with a fringe of houses around the outside, some of them little better than those within except that they are easier of access.

"Within such a square you find the most degrading conditions. It is almost beyond belief that human beings can live under such conditions. They have very justly been called pestholes of crime and disease. And yet the owners of the shacks and tumbled-down and insanitary houses are making more money out of the rent of them than is being made by the owners of first-class houses and business blocks. The rents are exorbitantly high. As an example, I visited one little old brick shanty with two small rooms up and two down stairs, without running water in the house, out of repair, plaster off the walls, ill-lighted, and poorly ventilated. This house was occupied by two families, each with two rooms, for which they paid $7 a month each, or $14 for this little, dilapidated, insanitary house, that should have been condemned and destroyed under existing laws long since.

"There is but one effective remedy for this dreadful condition. The Government should condemn the whole square as a sanitary measure and police regulation, tear everything out of it, root and branch, replat the ground, construct upon it model sanitary houses, rent them to the poorer classes of people who now inhabit the slums, and then supervise and inspect them, thus compelling the tenants to keep them in a sanitary condition inside as well as out. It will be said that all this will cost a lot of money. Yes, it will; but it will be money much better spent than are millions and millions of dollars that we are now throwing away for useless and illegal purposes. The Agricultural Department is spending and wasting millions and millions of dollars on useless experiments and in work that should be done by the States and can not legitimately be done by the National Government. The Public Health Service is spending millions more in the States in violation of the spirit of the Constitution. We are spending hundreds of thousands of dollars for the cure of hogs and cattle in the States often where the Federal authorities have no lawful right or business to enter. We spend millions for agricultural colleges and vocational schools in the States, a work that belongs to and should be left to the States. We are spending money lavishly, extravagantly, and paternally in the States. The dividing lines between the States and the Federal Government are fast disappearing by the raid of the States on the National Treasury.

"The States are selling their jurisdiction and their sovereignty for money. We are centralizing our Government at an alarming rate and to a degree that I am afraid few appreciate, and for purely mercenary and selfish reasons. The pork barrel is kept well filled. We are spending millions of dollars for public buildings in the States that are not needed and for the improvement of so-called rivers and creeks that are of no public use. No wonder the National Treasury is bankrupt and the people are being taxed to keep up these many illegitimate and useless expenditures. But when an effort is made to clean up the National capital, which is within the jurisdiction of the Government and for which it is directly responsible, the purse strings are tightly drawn and the cheeseparing begins. The half-and-half system is appealed to as a reason and excuse for economy. And if the half-and-half system is adhered to it may just as well be conceded now, once for all, that this necessary improvement can not be accomplished. The one-half of the money necessary for the initial work can not be raised by taxation. It would be ruinous. And so long as the Government hides

itself behind the half-and-half system and contents itself by meeting one-half of the expenses, the conditions in the Capital will continue as they are now, a disgrace and a reproach to the Nation.

"These are conditions that should not be allowed to exist for a day in any city in a civilized country, much less in the Capital of a great Nation like ours. But, it will be asked, what is the remedy? The remedy is simple and easy, but expensive. The Government should take the matter vigorously in hand. As I have said, it should condemn and clean out these alleys at whatever cost. But it should not stop when it has turned these poor people out of their homes, however poor and insanitary they are. It should provide other homes for them at reasonable rents, to be under the inspection and control of the Government. This could be done as a matter of public safety and as a sanitary measure. This duty of providing homes for the poor and incompetent within the Capital should not be left to private enterprises seeking profits. Neither the cost nor the responsibility should be divided with anybody. To assess the damages resulting from such sanitary improvements to private owners of property is entirely unreasonable and wholly unjust. Our civic pride as well as our sense of justice should impel us to act in this matter promptly and effectively. It has been done in other countries. It can and should be done in this country within its Capital, over which it has exclusive control.

"Of the means resorted to in London, England, and its results, the report of the housing committee above referred to has this to say:

"The housing of the working-classes act, which was passed in 1890 and which superseded and improved previous attempts in this connection, provided not only that individual houses might be condemned as insanitary, as is done under the law of 1906 here, but also that an area containing streets and many houses might be declared 'unhealthy' and taken over by the local authority; and that the buildings might be removed, the streets rearranged, and other dwellings erected, either by agencies to which money would be furnished by the local authority, or if necessary by the local authorities themselves. In fact, the law made it obligatory upon the local authority in London to provide housing accommodations for at least 50 per cent of the people displaced, which has since been raised by an amendment making the required provision equal to all, and in other districts to such an amount as might be determined by the local authority to be adequate under all the circumstances.

"Under this housing of the working-classes act numerous wretched districts have been cleared up and comfortable and healthy dwellings provided, and although the cost to the community has been considerable in certain cases where the evils to be remedied were of long standing and very great, the law has done great good and the attention of those interested in the subject is being given to improving its operation rather than to changing it in any radical way. It aims, so far as possible, to protect the interest of the community in acquiring any property which has become detrimental to the well-being of the district, while at the same time dealing justly with the owners. The method of procedure requires the local authority to take the initiative and where a loan is necessary, as it often is where an area is acquired, the plans for this and for the improvement of the area must be approved by the central authority in London.

"And comparing the conditions there with ours it is said further:

"It will be noticed that the situation in the District of Columbia is similar to that in England in that the District government resembles the local authority, which can take the initiative in regard to any alleys which require attention, but which can not act without the consent of an authority not local, which in the case of the District is Congress.

"The ordinary danger in giving to public officials who are in entire control considerable discretion in the disbursement of public funds is therefore removed, and it ought to be possible for Congress to give such a plan a fair trial without incurring any very great risk.

"The following, published in the Trades Unionist, is worthy of careful consideration:

"That the United States Government should make Washington the model for all cities of the country was the opinion of the delegates to the National City Planning Conference, which met in this city on May 22, 1909. It was the consensus of opinion of the delegates to this conference that the working out of the plans for the beautification along practical lines rather than for mere adornment should be the ideal worked for by all American cities in order that all classes of people shall be benefited.

"One of the speakers at the opening session of the conference was Robert A. Pope, landscape architect, of New York City. He said:

"'Of prime importance to the growth of the city-planning movement in America is the realization of its true nature, its proper aim, its vast social and economic import. Because of ignorance of the true scope of city planning, work in this country has not and can not, as at present understood, accomplish its primary function.

"'For example,' he said, 'we have assumed without question that the first object of city planning is to beautify. We have made the esthetic an objective in itself. We have rushed to plan showy civic centers of gigantic cost, the carrying out of which too often has been brought about by civic vanity, when pressing hard by we see the almost unbelievable congestion, with its hideous brood of evil, filth, disease, degeneracy, and crime. What external adornment can make truly beautiful such a city? Is it genuine foresight to neglect the present-day serious and fast-growing evils of congestion and bad housing, which is so directly a menace to future generations?

"'To forestall the disastrous and otherwise inevitable consequences of these conditions will be the richest service that city planning can accomplish for the future. This this is its true and primary function can be abundantly established. The example of European countries, especially that of Germany, demonstrates that wise city planning, with proper regulations, can alleviate and ultimately eradicate undue congestion, the festering scurce of most of our disease, crime, and degeneracy. To remedy congestion, then, is to help solve some of our most threatening social and economic problems.'

"The foregoing statement in regard to city planning and city management are probably true of all cities and are certainly true of Washington.

"'What external adornment can make truly beautiful such a city?' The Washington Times appears to have anticipated Mr. Pope's question when it said editorially:

"'No part of the greater Washington can be safely built upon a rotten foundation. There is no room in the city for such contrasts as foul alleyways and a parking system embracing the beauties of a paradise. The spirit that labors for the realization of the beautification project should at the same time strive for the elemination of the slum quarters.'

"The Washington Post says our alleys are 'pest holes'; Rev. J. M. Waldron, president of the Alley Improvement Association, brands them as 'plague spots'; President Roosevelt declared them 'a reproach to the Capital City'; and Senator McMillan 'a disgrace to our civilization.'

"'What external adornment can make truly beautiful such a city?'—a city honeycombed with disease-breeding, death-dealing, and crime-producing slums! Jacob Riis says they are worse than any he ever saw in New York City or in London, and Washington's death rate, when compared with that of the cities named and nearly all the other cities of its class in the United States and Europe, seems to prove the truth of his statement.

"If Congress will abolish the 'local authority' here known as the District of Columbia, which is a mere incumbrance, and the half-and-half system and deal with this awful condition directly and with a free hand the conditions can be eliminated from the life of the Capital as they should be.

"There can be no possible excuse for them to remain. It is a shame to every American citizen that they have been allowed to exist at all."

Mr. President, I might read further from the evidences of the condition that exists here, and the necessity of some action on the part of the Government. I see with some degree of regret that very few Senators seem to be interested in this important humanitarian effort to better the conditions of this city. In the beginning of the session I introduced a bill covering just what I have included in this amendment. That bill is still resting in one of the subcommittees of a committee of the Senate. It calls for the expenditure of only $600,000. It is intended to remove one of the worst of these slum places or courts, known as Snow Court, that has become notorious, and which ought not to be allowed to exist in any civilized community.

When I talk about the Government taking hold of this matter and remedying these conditions, Senators say to me that the Government ought not to go into the matter of building and renting houses; but why not? When this city was threatened from the swamps that were affecting the health of the community the Government spent millions of dollars in filling up those places with dirt. Why not condemn a place of this kind and cover it with sanitary houses for the benefit of the poor? Why should the Government of the United States not spend some of its surplus money, so much of which is being thrown away, by doing this sanitary and humanitarian work itself, and not leaving it to private enterprise, through which profits are attempted to be made?

Perhaps some people are content to leave these conditions as they are. I suppose comparatively few of the people who live right here in Washington have any conception of what those conditions are.

Mr. LANE. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from California yield to the Senator from Oregon?

Mr. WORKS. I do.

Mr. LANE. I wish to ask the Senator from California if he does not believe that, as a matter of self-protection, these evil spots in the city, the center and souree of infection, which must necessarily affect the health of the community as a whole, as well as the health and welfare of other communities, should be eradicated? Do they not also even affect the morals of future generations, and, if they are allowed to continue as disease breeders, will they not also fasten disease upon people who are to come after us?

Mr. WORKS. There is not any question about that. They are breeders of disease; and the diseases that are bred are not kept within the bounds of these objectionable squares, but they go out into different parts of the city. The moral diseases are precisely the same.

Mr. LANE. Then, Mr. President, if the Senator from California will allow me to interrupt him further, would it not be an excellent measure of economy, and would it not be profitable to expend the money to clean up such places?

Mr. WORKS. So I have contended, Mr. President. We have down here a few miles below the city a penal institution at a

place called Occoquan. There are hundreds of prisoners down there. Many of them have been imprisoned for petty crimes, and most of them come out of these slums. They are there in prison for a month, perhaps, or two months or six months. Then, when they are released, they go back into the slums. They are people of that kind, men and women.

Senators, this is one of the most important problems in dealing with the conditions in the city of Washington that we have to meet, if we only had the courage to meet it. The people who know nothing about the conditions may be excused on that account; but I can point my finger at any Member of this body and say, "You are responsible for these conditions. If you do not know what the conditions are, it is your duty to know." When you do know, it is the duty of every Member of this body to see that those conditions are corrected; and there is no escape from that responsibility.

Now, sir, I have said all that I am going to say about this amendment. I have very much at heart the effort to take hold in an effective way of these conditions and eradicate them from this city, the Capital of the Nation. We can do it if we will.

I am only asking in this amendment that the small sum of $600,000 shall be devoted to that purpose. You may take it as an experiment if you like; you may say that we will try what we can do. In this instance, if we are successful, we will extend it to other parts of the city, and eventually rid this city of that condition so horrible in its effects.

There is no use in saying, Mr. President, that this amendment has no place in this bill. If it were some measure that the friends of the bill desired to have passed, they would not exclude it from the bill on any such ground as that. It is useless to say that it will endanger the passage of the bill. I hope there is no Member of this body who would vote against the bill on the ground that this humanitarian and beneficent provision was included in it.

As I said a while ago, Mr. President, I do not know how far Senators have inquired into either the conditions or the proper means of ridding ourselves of the conditions. If I can do nothing more by presenting this amendment and by what I have said about it than to attract the attention of Senators to these conditions, and to get them thinking about them, I shall have accomplished my purpose, because I think it is largely a matter of indifference to the conditions that has kept us from doing what we should have done long ago in dealing with this problem.

Mr. KENYON. Mr. President, I hope the amendment of the Senator from California may receive some attention, although I do not suppose it will receive very much. I feel like congratulating the Senator from California that he is attempting at this session to do a little something for humanity. The testimony of Jacob Riis, which the Senator has read, ought to be considered by everyone. Of course, Jacob Riis belonged to that class of men who were willing to give their life work and even life itself for the benefit of humanity. He belonged to the dreamers, to the uplifters and the reformers, just as the Senator from California does—the men who are so frequently sneered at to-day when they try to accomplish anything; but Jacob Riis has done a work in the world that will live on in the hearts of the poor people of this country as much as the work of any other man we have every had in our history.

Mr. President, the Senator from California is a statesman ahead of his time. He is a man with a vision, and that vision is shown in the amendment which he has suggested. It does not involve a large expenditure of money. It proposes to undertake a great experiment for the working people and for the poor people, and it is not going to hurt the good-roads bill at all. The question of homes for the poor people of this city, the question of helping to get rid of poverty, if it is possible to do so by legislation—and probably it is not—but to help make it easier for men and women to live and for the average, everyday person in this world to have a little better opportunity is one of the things which, if we can help it any by legislation, we ought to be willing to undertake.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. KENYON. I do.

Mr. CLAPP. It is the basic principle upon which the pending bill rests, is it not, that we may benefit humanity and make it easier for people to get along?

Mr. KENYON. Exactly; and the amendment of the Senator from California is to meet a troublesome condition, a hard condition of the poor people in this community, and to help to make it a little easier for them to get along.

Mr. President, we have been helping the farmers at this session, and that is a good thing to do. They are the backbone of our country. We have just passed a top-heavy rural-credits bill for their benefit. They do not need help half so much as do the poor people of this country. I wish we could devise some system of personal credit whereby the man with a little home, or the one who is trying to acquire a little home, could secure cheap money from the Government in order to help him get the home. That is vastly more essential than it is to help the farmers, however commendable that may be.

Now, here is a chance to help in a humanitarian work. Why cast it aside? Why will not people pay attention to it? Why will not the Senate give it any consideration? We talk about making Washington a model city, and we are all in favor of that. We have beautiful parks, fine playgrounds, and splendid buildings. Why not get rid of the slums of Washington and help make it a beautiful city morally, a city of opportunity for the poor, as well as a beautiful city physically. Make it a city where the slums shall be banished? That is what the Senator from California is trying to do; that is a good work, and I hope the amendment will be adopted.

Mr. MARTINE of New Jersey. Mr. President, I am heartily in favor of both amendments proposed by the Senator from California [Mr. WORKS]. I was heartily in favor of the amendment that was defeated. I believe the south side of Pennsylvania Avenue should be improved, and I can see very clearly that it would be a very fitting place for the great public buildings of our country. The argument advanced by the Senator from Minnesota [Mr. NELSON], that there was once a swamp there, counts for nothing with me. Millions of dollars have been spent; the Potomac River has been very much changed in character; the swamp exists no more, and in every reasonable probability never will there be a like condition again.

I should like to see the south side of Pennsylvania Avenue purchased by the Government and the great public buildings, as nearly as may be, located along that line. I believe the Senator from Virginia [Mr. SWANSON] introduced a little while ago a bill anticipating the construction of a judiciary building on the south side of Pennsylvania Avenue, beginning at Fifteenth Street. I am in hearty accord and in favor of all that, and I am in favor of this last proposition of the Senator from California. But while I am in favor of both of these, I am also in favor of the good-roads bill. I believe that to be of infinite value to the people, and I am fearful that these propositions may load down or weight the good-roads bill so as to defeat it.

I am not a lawyer, so I ask, Why is it not possible that the Senator, with his sympathetic feelings and his genius and his splendid ability, may prepare a bill that shall encompass these two propositions, if you choose, and let that be presented to the Senate? If that is done, with all heartiness and with all accord I will vote for it.

I have thought many, many times for many years past that the Government of the United States ought to do something toward the making of homes for the people. I am a believer in the theory that in the degree that you make homes for men, just in that degree do you make better citizens. I have been an advocate in my small way, long before I came to the Senate, of having something done by municipalities and by States along that line, and I now here heartily indorse the effort by the Government to build homes for the people, to be rented at a minimum of cost. But I have been confronted with the objection that, "Oh, that is socialistic," and that the Constitution would not permit us to do it.

Now, I should like to know how the Senator from California gets around the Constitution. I revere and respect the Constitution of the land; but, as I said the other day, when the Constitution stands between mankind and bread and butter or shelter, then, I say, let the Constitution yield aside.

Mr. WORKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from California?

Mr. MARTINE of New Jersey. I do.

Mr. WORKS. I suggest to the Senator from New Jersey that the conditions here constitutionally are quite different from the effort of the United States to go out into the States and do this thing. We are legislating here respecting territory over which the Government has absolute jurisdiction.

Mr. MARTINE of New Jersey. Yes; that is just one of the nice distinctions without a difference that I would expect a lawyer to make; but I think, while he may make it here, he might also make it in Maryland.

Now, what as to the fair name of Washington? Washington, D. C., is one of the most splendid cities in our land, and, I have been told, in the world. At the same time I believe it is an orderly and well-governed city. It has many beauties. Doubtless it has some evils. I have heard it reviled as being filled with slums, and all that sort of thing. I have not found so many of these slums. Other cities of a population equal to this have infinitely more slums, and yet they think they have fairly good government.

As to the alley proposition, there doubtless are some ill-kept and unfortunate alleys; but there are also some splendid alleys. I should like the Senator from California to listen to this. There are some splendidly maintained and kept alleys here. Only this morning my sympathetic and good wife, knowing of an unfortunate family, put up a little package and said to me, "Will you take this to Mrs."—I will not mention the name. I said, "Yes." I found out how I was to go. I left Vermont Avenue—I live on Vermont Avenue—and turned down the first alley I came to, and I was astonished to find, not a condition of slum and filth but a well-paved brick alley, the joints filled full with cement, the sides chinked in. I found one or two factories or little shops. Then I found a cluster of three or four or five brick homes, two stories high, seemingly as clean as wax outside, and several little children playing around the alley. I walked on through that alley across into another street, and then came to a cross-section of an alley. I wandered up that. One was back of the Russian legation. I walked up that, first on one side and then on the other. I found there was a stable there, but it was infinitely well kept for a stable. I looked then on the other side, and I found the condition nearly the same. I walked down through until I came to Sixteenth Street, and, as I say, the alley was a model alley; and that is not the only instance of the kind in Washington, where there are very, very many alleys.

The splendid alley system of Washington geographically reflects credit upon the planners of the city. I have been a large house builder and a platter of land, and I said to myself, "What a splendid thought this alley idea is." It affords opportunities to put in our coal and remove our ashes and carry out the garbage and the frequent necessary accumulations of the ordinary householder. I said, "It is a splendid system, and how well it seems to be maintained."

I will agree with the Senator that some time ago I came across some alleys that seemed to be not so good, generally; but I think it is unfair to the good name of Washington that the Senator should mention only the ill-kept alleys, without even a reference to those which are well kept.

When in Baltimore, within an hour of this city, I had occasion to look over the whole system there; and I say without qualification that the way in which the alleys are allowed to be kept there is an absolute disgrace to that great southern metropolis. Doubtless there are some good alleys there, too; and I say the same thing with reference to the great city of Philadelphia. I say that both those cities are cursed with that; but that is not so much the fault of the municipality as it is the fault of the gregarious habit of mankind. If you put a family out in the middle of a 10-acre lot, they seem to gravitate instinctively to a great cluster of a metropolis, and would rather live there than live outside.

So I feel that in justice to the municipality and government of the city of Washington these few words I must say; but I am with you in any proposition that shall lift the burden of poverty from mankind, that shall make happier homes, easier bread and butter, and I care little how it may come. I do not believe that the Divine Providence, in His wisdom, ever meant that man should struggle, struggle, from the cradle of his birth to the day of his grave, against that hateful, horrid situation of dire conditions—sad, unfortunate homes and almost impossible bread and butter. Something is wrong. I believe it has been largely the legislation of the world that has cursed us; and I hope to live to a better day and to a brighter thought and to a happier result for humanity. But while, as I say, I will join with the Senator from California or any other Senator who shall propose to better these conditions, horrid as they are, I feel that this great physical condition, this great prime necessity of better roads throughout the length and breadth of our land, is needed beyond parallel, and I feel that the Senator's measure would tend to burden it unduly, and mayhap defeat it. So, when I vote "nay" on the Senator's proposition, it is not with the thought that I dislike or am opposed to his proposition, but that I want to aid this great project; and then, in turn, I will be his co-worker and ardent supporter in the passage of his proposition.

Mr. LANE. Mr. President, I should like to call the attention of the Senate to the practical features, from a physician's viewpoint, of the danger arising from these centers of infection. If such a condition as the Senator represents exists in a square in the southern or the southeastern portion of the city, other persons living in the northwest who know not of the condition are in peril of their lives from its existence.

Take the little colored child dying of tuberculosis a mile, say, southeast from here, and, on the other hand, the little baby living, we will say, in the Highlands Apartments. There is no connection, apparently, between them, but the germ of tuberculosis escapes from the dwelling where the colored baby is coughing and spraying the germs into the air and, caught up on a vagrant breeze a thousand times lighter than the thistledown, this germ floats through the open winodw, we will say, for illustration, of an apartment of the Highlands, where the Senator's grandchild may be playing upon the floor with its toys. In stirring up the dust from the carpet that baby inhales the germ of this or some other disease. It inhales it. The germ of tuberculosis makes no class distinctions between the lungs or the throat or the flesh of the highest-born baby in the land and that of the humblest and most poverty-stricken negro child; and we have tuberculosis coming, with death resulting eventually to that other child, or maybe, after a long fight, he partially recovers his health, yet crippled for life; and there lies the invisible connecting link between "the hovel of the poor and the palace of the mighty," nature's tie between them. If it were visible, if that tubercular germ were a spark and could be seen by the naked eye of man and traced from its origin on its travels through the air and into that other home, and then the effect of it watched, why, the Senate to-morrow, to-day, this afternoon, would lay aside the good-roads bill, the emergency would be so great, and pass a measure to relieve the city of Washington from the dangers which lurk in such infected and neglected spots.

Mr. STONE. Mr. President. I should like to ask, if it is pertinent to inquire, what bill is under consideration?

The PRESIDING OFFICER. It is the amendment of the Senator from California [Mr. WORKS] to the amendment of the committee.

Mr. STONE. No; what bill are we considering?

The PRESIDING OFFICER. The good-roads bill.

Mr. STONE. The good-roads bill?

The PRESIDING OFFICER. Yes.

Mr. STONE. Oh! I thought we had left that to consider some measure about beautifying Washington or establishing sanitariums or hospitals. We are still on the good-roads bill, presumably?

The PRESIDING OFFICER. We are. The question is on the amendment of the Senator from California to the amendment of the committee.

Mr. BANKHEAD. Mr. President, I rise simply for the purpose of expressing the hope that we may now have a vote on this amendment.

Mr. WORKS. I suggest the absence of a quorum.

Mr. LEE of Maryland. Mr. President, will the Senator withhold that suggestion for a moment? I wish to say one word on this amendment.

Mr. WORKS. Certainly.

Mr. LEE of Maryland. Mr. President, I thought when the Senator from New Jersey [Mr. MARTINE] was talking about conditions in Baltimore just now that it must have been some time since he had made any examination of our great Maryland city; and upon inquiry from him I find that it has been some years since he was there, at or about the time of the Democratic convention. Since that time great changes have taken place in Baltimore. Under the authority of Mayor Preston, the best executive who has ever acted as the mayor of that city, the surface drainage, which the Senator undoubtedly saw, and which impressed him unfavorably, has been done away with and a sewer system has been introduced, and other great improvements, such as paving streets and alleys, and introducing filtered water in the place of the ordinary water supply, and purifying the harbor, and other striking changes of that type have been accomplished in the last year or two under the present municipal administration.

I deem it only proper at this time to correct the impression that otherwise might have gotten into the RECORD as to the existing conditions in the city of Baltimore.

Mr. MARTINE of New Jersey. Mr. President, just one moment in answer to the Senator from Maryland. It is true that the visit to which I referred was about four years ago, and I am very happy to know that that splendid and wealthy city has made strides, as the Senator says, toward the improvement of the conditions that prevailed at the time I was there; but still I do not qualify that which I say. When I went there it was noxious to the eyes, to the sense of smell, and to humanity.

The PRESIDING OFFICER. The Senator from California suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Bankhead | Clapp | Fletcher | Johnson, Me. |
| Broussard | Clarke, Ark. | Hardwick | Kenyon |
| Chamberlain | Curtis | Hitchcock | Lane |

| | | | |
|---|---|---|---|
| Lee, Md. | Shafroth | Sutherland | Vardaman |
| Martin, Va. | Sheppard | Swanson | Warren |
| Martine, N. J. | Simmons | Taggart | Works |
| Myers | Smith, Ariz. | Thompson | |
| Norris | Smoot | Tillman | |
| Page | Stone | Underwood | |

The PRESIDING OFFICER. Only 33 Senators are present in the Chamber. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. ASHURST, Mr. BRANDEGEE, Mr. COLT, Mr. GRONNA, Mr. POINDEXTER, Mr. RANSDELL, Mr. SMITH of South Carolina, Mr. STERLING, Mr. THOMAS, Mr. TOWNSEND, and Mr. WADSWORTH answered to their names when called.

Mr. DILLINGHAM, Mr. LA FOLLETTE, Mr. FALL, Mr. GALLINGER, Mr. PITTMAN, and Mr. JOHNSON of South Dakota entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators have answered to their names. There is a quorum present. The question is on the amendment of the Senator from California [Mr. WORKS] to the amendment of the committee.

Mr. BANKHEAD. Mr. President, inasmuch as there are so many Senators who came into the Chamber a moment ago, who perhaps do not understand the character of this amendment, as they have heard none of the discussion, I wish briefly to state that it is the object of this amendment to appropriate $600,000 on this bill for the purpose of purchasing a square somewhere down here in Washington, I do not know exactly where, tearing down all the houses on it and laying it out systematically, and then the Government is to build houses on that square, sanitary, and so forth, and rent them to people who may desire to live in them, and to operate it under governmental supervision for all time to come.

That is the provision of the amendment, and if the Senate cares to add that to the bill I can not help it.

Mr. WORKS. Mr. President, I am very sorry that Senators were not here to hear the discussion. I should not want them to be misled by the very meager statement made by the Senator from Alabama. This square that is mentioned by the Senator is one of the worst slums in the city of Washington. It has been condemned time and again. It is something that ought to be wiped out of existence by the Government. This is simply an appropriation for the purpose of opening up that cesspool of crime and disease by taking it over by the Government and building upon it sanitary homes to be occupied by the poor. There is no reason I can see why it should not be attached to this bill, that is intended for the public benefit out in the States. Why should not the District of Columbia have some of the benefits of the money we are going to appropriate in this way? It can not by any possibility endanger the passage of the bill.

I call for the yeas and nays on agreeing to my amendment to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I have a general pair with the Senator from Delaware [Mr. SAULSBURY]. He is absent and I withhold my vote.

Mr. FLETCHER (when his name was called). I have a pair with the junior Senator from Idaho [Mr. BRADY] which I transfer to the Senator from Ohio [Mr. POMERENE] and vote "nay."

Mr. HITCHCOCK (when his name was called). I have a general pair with the Senator from Maine [Mr. BURLEIGH]. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. MCLEAN]. In his absence I transfer that pair to the Senator from New Jersey [Mr. HUGHES] and vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the senior Senator from Indiana [Mr. KERN] and vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. I transfer that pair to the junior Senator from Wisconsin [Mr. HUSTING] and vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Arkansas [Mr. ROBINSON] and vote "nay."

Mr. UNDERWOOD (when his name was called). I have a pair with the junior Senator from Ohio [Mr. HARDING]. I transfer that pair to the junior Senator from California [Mr. PHELAN] and vote "nay."

Mr. WADSWORTH (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. HOLLIS]. I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and vote "yea."

The roll call was concluded.

Mr. GALLINGER. Has the senior Senator from New York [Mr. O'GORMAN] voted?

The PRESIDING OFFICER. He has not.

Mr. GALLINGER. I have a pair with that Senator, and in his absence I withhold my vote.

Mr. SWANSON. I am paired with the senior Senator from Washington [Mr. JONES]. I transfer that pair to the senior Senator from Maryland [Mr. SMITH], so that the Senator from Vermont [Mr. DILLINGHAM] and myself can vote, if that is agreeable to him.

Mr. DILLINGHAM. Very well.

Mr. SWANSON. I vote "nay."

Mr. DILLINGHAM. Under the arrangement of pairs suggested by the Senator from Virginia [Mr. SWANSON], I am at liberty to vote, and I vote "nay."

Mr. REED. I have a pair with the Senator from Michigan [Mr. SMITH]. Under the word that he left with me before he was obliged to leave the Chamber I feel at liberty to vote, as I understand I am voting as he would vote. I therefore vote "nay."

Mr. BECKHAM. I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the Senator from Tennessee [Mr. LEA] and vote "nay."

Mr. CHAMBERLAIN. I have a general pair with the Senator from Pennsylvania [Mr. OLIVER]. In his absence I transfer that pair to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. PITTMAN. I wish to announce that the Senator from Ohio [Mr. POMERENE] is unavoidably absent and also that the Senator from West Virginia [Mr. CHILTON] is also unavoidably absent. The Senator from West Virginia [Mr. CHILTON] is paired with the Senator from New Mexico [Mr. FALL].

Mr. CURTIS. I wish to announce that the Senator from New Mexico [Mr. CATRON] is paired with the Senator from Oklahoma [Mr. OWEN]; that the Senator from Rhode Island [Mr. LIPPITT] is paired with the Senator from Montana [Mr. WALSH]; that the Senator from Pennsylvania [Mr. PENROSE] is paired with the Senator from Mississippi [Mr. WILLIAMS]; and that the Senator from Massachusetts [Mr. WEEKS] is paired with the Senator from Kentucky [Mr. JAMES].

The result was announced—yeas 14, nays 38, as follows:

YEAS—14.

| | | | |
|---|---|---|---|
| Brandegee | La Follette | Norris | Wadsworth |
| Clapp | Lane | Sheppard | Works |
| Curtis | Lee, Md. | Sherman | |
| Kenyon | Lodge | Sutherland | |

NAYS—38.

| | | | |
|---|---|---|---|
| Ashurst | Hardwick | Reed | Taggart |
| Bankhead | Hitchcock | Shafroth | Thomas |
| Beckham | Johnson, Me. | Shields | Thompson |
| Borah | Martin, Va. | Simmons | Tillman |
| Chamberlain | Martine, N. J. | Smith, Ariz. | Townsend |
| Clarke, Ark. | Myers | Smith, Ga. | Underwood |
| Dillingham | Page | Smith, S. C. | Vardaman |
| Fletcher | Pittman | Sterling | Warren |
| Gore | Poindexter | Stone | |
| Gronna | Ransdell | Swanson | |

NOT VOTING—44.

| | | | |
|---|---|---|---|
| Brady | Fall | Lea, Tenn. | Penrose |
| Broussard | Gallinger | Lewis | Phelan |
| Bryan | Goff | Lippitt | Pomerene |
| Burleigh | Harding | McCumber | Robinson |
| Catron | Hollis | McLean | Saulsbury |
| Chilton | Hughes | Nelson | Smith, Md. |
| Clark, Wyo. | Husting | Newlands | Smith, Mich. |
| Colt | James | O'Gorman | Smoot |
| Culberson | Johnson, S. Dak. | Oliver | Walsh |
| Cummins | Jones | Overman | Weeks |
| du Pont | Kern | Owen | Williams |

So Mr. WORKS's amendment to the amendment was rejected.

Mr. WORKS. Mr. President, I have proposed another amendment, to provide for the condemnation of all the slums in Washington. Having taken the sense of the Senate upon the amendment that has just been voted on, I shall not take up the time of the Senate by offering the amendment, hoping that I may reach it in another way. I sincerely hope that the vote which was given by the Senate to-day is not an indication of the feelings of Senators upon this important question.

Mr. LEE of Maryland. On the 22d of April I sent an amendment to the desk and asked that it might be printed and lie upon the table. I should like to call it up now. I ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. Add an additional section, to come after section 9, page 14, as follows:

SEC. 10. That the Secretary of War is authorized to have prepared, in cooperation with the Secretary of Agriculture and the Postmaster General, maps and general estimates for such military highways as in

the judgment of the Secretary of War should be constructed and maintained, in part or in whole, in the several States for the purpose of the mobilization and concentration of troops and for postal purposes, and further maps and estimates for such military highways as in his judgment should be constructed and maintained, in part or in whole, in the several States adjacent to international boundaries and to the coast lines for the movement and supply of troops and artillery for defensive purposes and for postal purposes; and that the Secretary of War report to Congress on the general subject of military highways for the United States as soon as practicable; and, further, that the sum of $96,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1917, or so much thereof as may be necessary, to be expended by the Secretary of War for the foregoing purposes.

Mr. LEE of Maryland. Mr. President, this amendment provides for a general report by the Secretary of War on the subject of a system of military highways. It also provides for some further reports by him, in cooperation with the Secretary of Agriculture and the Postmaster General, with reference to roads that will be available not only for military purposes but for postal and agricultural purposes.

We will never have anything like an adequate military defense in this country until we have an annual mobilization of whatever troops may exist. Whether they are a citizen soldiery or whether they are a regular army or whatever they may be, until this country mobilizes them annually there will be practically no genuine preparedness.

This proposition of mobilization will imply the concentration and movement of troops from several zones, some on foot, some by automobile, some by rail. The greater movement of course will be by rail. Thus, with reference to mobilization, some consideration of the road question is essential, and that would seem to apply as much to the interior as to the exterior States. With reference to defense proper, defense now is mostly a question of many men and of large guns. The movement and location of great guns can only be made after war has been declared, spies have been ejected from the country, and the great guns can be concealed in places where they will defeat an invading enemy. The roads for this latter purpose have to be made in advance.

There is no fortification such as were made under former military conditions that will be as effective as the preparation of great macadam highways for defense in the border and coast States by which heavy guns and bodies of men can be located at the proper time for repelling an invading enemy.

The location of great guns is the great essential feature of modern military defense. That is one phase upon which the Secretary of War would naturally report on under this amendment. Another will be wherever the great rail highways of the country pass through the mountains, especially in the West. The macadam road would be the alternative line of transportation and repair in case of the destruction of bridges or tunnels by the enemy agents and spies, especially at the beginning of hostilities.

Such an argument as was presented here yesterday by Senators from certain Western States, showing great stretches of mountains as impassable for military purposes, illustrate how important it is that the Secretary of War should make a report on this question. Those States are interested in this matter as well as other States.

When you come to the coast States and the States bordering upon the northern and southern boundaries of this country, the necessity of such roads for the military safety of the country is too obvious to need elaboration.

But especially, Mr. President, should we consider in connection with any genuine preparation or system of defense that it should be self-sustaining, if possible. There is no method of defense that will be more of a self-sustaining system than a system based upon the movement of troops and the movement of great guns by roads which would have a commercial value; and such a defense system will be of much greater benefit to the country and to the States where the roads are located than the loss represented by cost of the entire road system. We would have in this way a defense system, cooperating with development in a way that would make the whole proposition economical as well as effective in the highest degree.

I do not think it is necessary to elaborate this matter any further, Mr. President, than simply to say that the appropriation in this amendment is a small one. It is simply a rough estimate of $2,000 for each State. Some States may have already sufficient data; in other States there will perhaps be more investigation necessary.

It has been stated by the chairman of the committee that he did not wish to load down the bill with anything that would tend to be a weight upon it at the other end of the Capitol. I wish to suggest, in this connection, that if he has any doubt as to the popularity of this bill, which has so radically reduced the amount that the House intended to apply to this purpose, there is no way I can think of by which he may popularize the bill more completely than by making this amendment a part of it, providing for a report upon this important feature of preparedness, namely, military roads or a road system that is absolutely essential to any form of military preparedness which this country may provide. In this connection it must be borne in mind that the existing road systems of the States are laid off on commercial lines and not from a military standpoint and are almost as much of a facility for an invading force as for a defensive force. Very essential additions and changes can be wisely made in every State for defensive purposes and upon such questions of military strategy the Secretary of War should report.

Mr. THOMPSON. Mr. President, good roads and rural credits are naturally kindred subjects, and it was therefore only proper that they should be considered practically together by the Senate. We have passed the rural-credit bill; now let us pass the good-roads bill and clear the calendar of this important legislation.

Good roads are conceded by all to be one of the first requirements for a successful business and farming community. The building of an adequate system of public highways can not properly be regarded as merely necessary for the handling of traffic, but it is also essential for the development of our country and the prosperity of the people. Our present-day civilization seems to follow good roads, just the same as our early settlers followed the streams which in those days carried the traffic. The manufacturer seeking a location for his plant gives first consideration to the means of transportation. The farmer, because his product must also be transported, considers the same thing. The highway is his means of transportation, just as a line of boats or a railroad is the means of transportation for the manufacturer. Good roads are the arteries of the life of a community, through which the current of traffic flows, and on their condition often depends the profit or loss to the manufacturer, business man, and farmer.

It is estimated that there are 1,000,000,000 acres of good, productive, uncultivated land in the United States waiting development, while nearly one-half of our population is crowded together in the cities, and the constant growth of the city population is far outstripping the growth of the country population. This is conceded to be one of the causes of our present unsatisfactory economic condition, resulting in the high cost of living. It is therefore highly important that the unsettled country be opened up and made more accessible, attractive, and profitable by the extension of good roads, so that this drift of population may be turned from the city to the country.

Investigations show that good roads result in increased land values averaging $9 per acre. There are instances in my State where the expenditure of from $1 to $4 per acre for improved roads has increased the land values from $10 to $50 per acre. The extension of good highways has the same effect upon the value of lands as the extension of a railroad into an unsettled community.

The reports of the Interstate Commerce Commission show that the annual freight and express bill of the people of the United States is about $2,500,000,000. This is an average of about $125 for each family. Therefore practically 20 per cent of the total cost of living to the average family goes to pay freight and express charges, which shows clearly the greatest waste and loss to every family in the country. Good roads will reduce this unreasonable cost of transportation. It is estimated that the cost of transportation by water is only about one-fourth of a cent, and by rail four-fifths of a cent per ton per mile. On an improved public highway the cost of hauling is from 5 to 12 cents per ton per mile and on an ordinary road from 20 to 50 cents per ton per mile. The average cost of hauling farm products in the United States is 23 cents per ton per mile. This is over twenty-eight times as much as by rail.

There are about 2,300,000 miles of public roads in the United States, of which only about 10 per cent have been surfaced with any material other than natural earth, and not more than one-half of these can be classed as good roads, comparable to those in European countries. This failure is not because of a lack of money and work, for it is estimated that in 1904, $80,000,000 in money and labor was expended on good roads, and that this figure gradually increased each year for 10 years, until in 1914 it amounted to the enormous sum of $260,000,000; yet the public roads of this country during that period were in an extremely poor and unsatisfactory condition. This was caused principally by the lack of skilled supervision, coordinate and correlate efforts, and the making of poorly designed temporary roads instead of reasonably permanent improvements. The great trouble seems to have been that in each of the 48 States there has been a different system of laws under which road building was attempted. Kansas is one of the States

which has suffered from an old constitutional provision providing that—

The State shall never be a party to carrying on any works of internal improvement.

This has been held by our courts to apply to the State in its sovereign corporate capacity and not to the subordinate political subdivisions thereof. So that these improvements have been carried on by the counties and townships without State aid.

There are about 108,500 miles of public highways in Kansas, and the counties and townships of the State expend about $5,000,000 annually for county roads. This amount exceeds the total cost of running the State government. It is estimated that at least $35,000,000 has already meen expended in the last 10 years on roads, bridges, and culverts; yet with all this expenditure less than 1 per cent of the roads have been surfaced with clay, oil, macadam, gravel, or concrete. At least 75 per cent of this money has been practically wasted by being expended in temporary construction, without figuring on permanent and lasting benefits for the future.

While in the Nation we have been backward in the building of public roads, yet the development of traffic has increased enormously. Within the last 10 years the motor vehicle has been brought into service, until there are now over 2,300,000 motor vehicles in use, averaging about one for every mile of public road in the United States. Estimating these vehicles to average 25 horsepower, it would mean a total of over 57,000,000 horsepower now in use on our public roads, which necessarily requires a most substantial surface.

Ordinary horse-drawn traffic has also increased to such an extent that we now speak of tonnage by the hundreds of millions and of the ton-mileage in billions. It has been estimated that to move the wheat crop alone in 1915 it required the hauling of more than 30,000,000 tons over the public roads of the country, at a cost of over $50,000,000. The Department of Agriculture estimates that the production of corn, wheat, oats, potatoes, cotton, and hay in 1915 aggregated 270,807,000 tons, which means that practically all of this great weight had to be transported over the country roads from the farm to the market. It is therefore seen that the good-roads problem is not a local matter by any means. They benefit more people than any other public enterprise. There is not a single person of the community who does not receive some pleasure or advantage from them. Any person living anywhere in the world has the same right with every other person to use the public highway, and the introduction of the automobile has extended its use more than ever before. Nearly half of our population live in the cities, which must be fed by the products from the farm. Therefore the people of the cities are as much interested in the condition of the roads as the people in the country. A good road is therefore a universal public benefaction.

The Federal Government has a direct and increasing interest in the public roads by reason of the extension of the Rural Mail Delivery and the Parcel Post Services, which shows the necessity of its cooperation in this great enterprise. The Government makes an annual appropriation of $53,000,000 for the maintenance of a Rural Mail Service conducted by nearly 44,000 rural mail carriers. The mail carriers travel about 1,100,000 miles of rural-delivery roads nearly every day, of which only 61,495 miles are surfaced with crushed stone or its equivalent, leaving about 94 per cent of this great mileage to be traveled by the mail carriers, with great expense and loss of time. During 1913 more than 52,000,000 parcels were handled on the rural routes; and since that time the weight limit has been raised to 50 pounds, and it is estimated that the volume of parcel-post matter over the rural star routes in 1915 exceeded 113,000,000 packages. The Government is also pecuniarily interested in public roads from a military standpoint, good roads being one of the most essential things to successfully conduct military operations. This has been most forcibly demonstrated by recent operations in the European war. In short, good roads are so important to the financial, social, and educational welfare of the people that in no general enumeration of their advantages is it possible to include all the benefits.

Our school system is intimately related to the road development. It has been shown that the percentage of pupils attending schools located on bad roads is far lower than the percentage of those attending schools located on good roads. In fact it has been demonstrated that the falling off in school attendance in bad-road sections is as high as 18 out of each 100 pupils enrolled, and that in States with improved roads the average daily attendance is 78 per cent, while in the States with unimproved roads it is only 59 per cent. So the whole system of common-school education may be transformed through the medium of good roads. For efficiency and economy of consolidated schools properly managed are now regarded as the best, but the success of the consolidated school depends almost entirely upon the condition of the public roads. The American Magazine recently published the following statement, showing the effect of no roads upon the mountaineers of the South:

Since the days of Daniel Boone they have not changed. We heard of these mountaineers in the Civil War—and then forgot them. Half a million splendid Spartans in the worst of bondage for more than a century.

There are no schools because there are no roads; no roads because there are no taxes; no taxes because there is no money; and no possible interchange of commodities because there are no roads.

The city schools are well equipped, but the rural schools, where about 12,000,000 of our future citizens are studying and where many of the farmers and farmers' wives of to-morrow will receive all the education they ever get, are on the whole less efficient to-day than they were 25 years ago.

The imperfect and incongruous separate systems of the several States have needed Federal aid to give uniformity and permanence to the road-building system throughout the country. This bill gives what is needed in the most practical and simple manner yet devised. It simply contributes to the States according to their population, area, and number of miles of rural delivery and star-route systems, money from the Public Treasury to those States, or road-building agencies of a State, which will contribute an equal amount, commencing the first year by distributing $5,000,000 and increasing at the rate of $5,000,000 annually each year for a period of five years, making a total of $75,000,000 to be distributed. It is simply left with the State, or the road-building authorities in States like Kansas where the State can not contribute by reason of constitutional inhibition, whether they shall take advantage of the system. While the Federal Government offers this contribution for the building of good roads in all the States, yet direct supervision of the work of construction and distribution of the money is left with the States themselves, to be handled according to the best judgment of the local authorities. Every reasonable safeguard is made for the protection of the funds of the Government and to secure its proper use by the local communities. It is expected that through this financial cooperation by the Federal Government with the States that those things which have heretofore been needed, to wit, sufficient funds, uniformity and permanency will be supplied, so that in the near future we will have good public roads crossing the country in every direction from the Atlantic to the Pacific and from the Canadian line to Mexico and the Gulf.

Mr. TAGGART. Mr. President, I desire to say that I am very heartily in favor of the passage of the pending post or good roads bill. Under its provisions, as I understand, plans, specifications, and so forth, in regard to the construction of the roads in the various States are to come under the supervision of the Department of Agriculture. I wish to say as to our State of Indiana, that I doubt if there is another State in the Union which has spent more money or which has constructed more miles of good roads than has that State. It has to-day over 60,000 miles of improved roadways. It spent last year $16,000,000 on the improvement of its public highways. Only recently a commission was created to provide for the construction of what is to be known as the Dixie Highway, which is to run from Miami, Fla., to Chicago, via Indianapolis, with a branch from Indianapolis to South Bend, and around the peninsula of Michigan to Toledo, and from there to Dayton and Cincinnati, Ohio, covering a distance of about 2,500 miles.

I do not know of any project which brings more benefit to the farmers and to the community generally than do good roads. In Indiana the amount of money that has been expended for the maintenance of good roads should have given us much better roads than we possess.

What I desire, however, particularly to call attention to here, is the necessity for the Department of Agriculture to see that the specifications which come before it for acceptance are proper and correct, and by a close and thorough inspection to see that the plans are fully complied with.

If there had been a proper supervision of the money which has been expended in Indiana—probably honestly, but not always judiciously—in providing for grading, for culverts, and for improving the waterways of our roads, the overflow of which washes away the roads immediately after they are built, we should have had far better results from our expenditure.

I wish to call attention to the fact that the Agricultural Department, in conjunction with the States, with the highway commissions, and with the engineers who have charge of the matter, can not be too particular before those roads are accepted to ascertain that the specifications for their construction have been implicitly complied with.

Mr. VARDAMAN. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. THOMAS in the chair). The question is on the amendment offered by the Senator from Maryland [Mr. LEE].

Mr. STERLING. Mr. President, can we not have the amendment reported?

The PRESIDING OFFICER. The amendment will be again stated.

The SECRETARY. It is proposed to add as an additional section, to come in after section 9, on page 14, the following:

SEC. 10. That the Secretary of War is authorized to have prepared, in cooperation with the Secretary of Agriculture and the Postmaster General, maps and general estimates for such military highways as in the judgment of the Secretary of War should be constructed and maintained in part or in whole in the several States for the purpose of the mobilization and concentration of troops and for postal purposes and further maps and estimates for such military highways as in his judgment should be constructed and maintained in part or in whole in the several States adjacent to international boundaries and to the coast lines for the movement and supply of troops and artillery for defensive purposes and for postal purposes; and that the Secretary of War report to Congress on the general subject of military highways for the United States as soon as practicable; and, further, that the sum of $96,000 is hereby appropriated out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1917, or so much thereof as may be necessary, to be expended by the Secretary of War for the foregoing purposes.

Mr. BANKHEAD. Mr. President, I certainly shall not consent to a vote on an amendment so far-reaching as is this amendment, unless more Senators are in the Chamber to vote upon it. I think it is an amendment that ought not to be seriously considered in connection with this bill. It seems to me as though, Mr. President, the entire effort on the part of some of our distinguished friends is to make this bill impossible of passage somewhere else if they can do so.

Here is a plain proposition which we have had before the Senate for weeks, simply providing for the construction of post roads, roads over which the mails are to be carried, and incidentally, of course, the construction of roads by which the products of the farm may be brought to market more cheaply and expeditiously. It seems to me that the Senate ought to be satisfied with the provisions of this bill without adding to it all kinds of amendments.

Mr. LEE of Maryland. Will the Senator yield for a question?

Mr. BANKHEAD. I yield.

Mr. LEE of Maryland. Is there any objection in connection with postal and commercial considerations to consider also the military questions, and to have the Secretary of War report on that subject?

Mr. BANKHEAD. Of course there is no objection to considering military questions at the proper time and in the proper way; but I do not think that such an amendment ought to be added to this bill, and I hope it will not be done.

Mr. LEE of Maryland. I should like to ask the Senator another question. Is not this a proper time to consider the military questions?

Mr. BANKHEAD. Why did not the Senator offer the amendment to the military reorganization bill when we had that bill under consideration?

Mr. LEE of Maryland. But the bill of which the Senator from Alabama is in charge provides for the building of roads, and before the roads are built I suggest that the military aspect of the question should be considered.

Mr. BANKHEAD. But we do not provide in this bill a great scheme for surveying boulevards, military roads, and matters of that sort all over the country, from one end of it to the other. That is not the purpose of this bill; it does not contemplate anything like that. This bill simply seeks, Mr. President, as I have said, to inaugurate a system of building post roads for the purposes I have indicated. If we are going to load it down with all kinds of amendments, if we are going to incorporate in this bill provisions for surveys for magnificent boulevards and military highways all over the country, and appoint a commission to do that kind of work, I do not know where it will end. I hope the amendment will not be adopted.

Mr. SMITH of South Carolina. Mr. President, I should like to ask the Senator from Alabama this question: In his opinion, would not the carrying out of the purposes of this bill go largely toward subserving the purpose sought to be accomplished by the amendment proposed by the Senator from Maryland?

Mr. BANKHEAD. That is true.

Mr. SMITH of South Carolina. The amendment of the Senator from Maryland relates to roads for use in the mobilization of troops. If the roads are properly constructed under the provisions of this bill, there will be very little to add in case of an emergency for military roads. So I think the subject is already covered in the pending bill.

Mr. FALL. Mr. President, I should like to ask the Senator from Maryland if he does not think that an amendment to his amendment would be acceptable? If so, I should like to offer such an amendment to build, as a defensive measure, on the southern boundary of New Mexico, which forms one of our borders, a stone wall 10 feet high and 2 feet wide, with broken glass on top of it. We would rather have that than a road.

Mr. LEE of Maryland. Mr. President, if the Senator asks that as a question, which I can answer without being ruled off the floor if I should want to speak again, I simply say that it is better to have good men, good roads, good discipline, and have an efficient citizen soldiery than it is to try to build a wall, as the Chinese did, to keep out an invading enemy. Such a wall might be very useful to prevent a surprise of sleepy Regular soldiers, who can not protect a town, though they may be camped right next to it; it might be of some use in a case of that kind; but I do not believe that it is in the true spirit of American civilization. We want the "open door," and we ought to be men enough, both by vigilance and preparation, to meet anybody who comes through it to invade our country.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Maryland [Mr. LEE] to the amendment reported by the committee.

The amendment to the amendment was rejected.

Mr. SMOOT. Now, Mr. President, if the committee amendment has been perfected, I desire to offer the amendment which I send to the desk by way of a substitute for it.

The PRESIDING OFFICER. The amendment will be stated.

Mr. VARDAMAN. Mr. President, I rise to a parliamentary question.

The PRESIDING OFFICER. The Senator from Mississippi will state his parliamentary question.

Mr. VARDAMAN. Have all the amendments on the desk been disposed of?

Mr. SMOOT. I understand all the amendments offered have been disposed of.

The PRESIDING OFFICER. Every amendment offered up to this time has been acted upon.

Mr. VARDAMAN. That is what I desire to know.

The PRESIDING OFFICER. The Secretary will read the amendment offered by the Senator from Utah to the amendment reported by the committee.

The SECRETARY. It is proposed to strike out all after the enacting clause, and to insert:

That in order to establish, construct, improve, and maintain public roads that are now or may hereafter be needed for use as post roads, military roads, or for interstate commerce, there be, and hereby is, created a fund to be known as the United States highway fund. Said fund shall be raised in the manner herein provided, but the Treasurer of the United States is hereby authorized to receive and place to the credit of said fund any money that may be contributed from other sources and to expend the same upon the order of the United States Highway Commission or in accordance with the conditions of the contribution.

SEC. 2. That for the purpose of providing money for the United States highway fund the Secretary of the Treasury is hereby authorized and directed to issue and sell, on and after July 1, 1918, at par with accrued interest, coupon or registered bonds of the United States in such form as he may prescribe and in denominations of $20 or multiples of that sum, said bonds to be payable in coin 50 years from date of issue, and to bear interest, payable in coin semiannually, at the rate of 3 per cent per annum, the total amount of said bonds not to exceed $500,000,000, and the issue and sale of same not to exceed such amounts as may be necessary from time to time to enable the Treasurer of the United States to make payments from the United States highway fund to the several States in accordance with the provisions of this act. Bonds issued under authority of this act, or the income therefrom, shall not be subject to taxation of any kind for any purpose. Bonds authorized by this section shall be first offered at par as a popular loan under such regulations prescribed by the Secretary of the Treasury as will give opportunity to the citizens of the United States to participate in the subscriptions to such loan, and in allotting said bonds the several subscriptions of individuals shall be first accepted, and the subscriptions for the lowest amounts shall be first allotted. Any portion of any issue of said bonds not subscribed for as above provided may be disposed of by the Secretary of the Treasury, at not less than par, under such regulations as he may prescribe, but no commissions shall be allowed or paid thereon; and a sum not exceeding one twenty-fifth of 1 per cent of the amount of the bonds herein authorized is hereby appropriated out of any money in the Treasury not otherwise appropriated to pay the expense of preparing, advertising, and issuing the same.

SEC. 3. That before any State shall be entitled to take advantage of the provisions of this act it shall establish by law a State highway commission, which said commission shall have general supervision of road construction and improvement in that State and of the expenditure of money received from the United States highway fund, subject only to the provisions of this act and of State laws not inconsistent herewith. It shall be the duty of each State highway commission annually, on or before the 1st day of January, to make to the governor of the State in which it is located a full and detailed report of its operations, including a statement of receipts and expenditures, copies of which said report shall be sent to the Treasurer of the United States and to the United States Highway Commission.

SEC. 4. That the United States highway fund shall be apportioned and credited to the several States in the following manner: The United States highway commission, hereinafter created, shall ascertain in the most practicable manner from the best information available the total land area, the population according to the last Federal census, the total assessed valuation of all taxable property, and the total mileage of public roads in each of the several States, and shall compute the percentage of the total of each of these four items possessed by each

State. They shall then compute the average of the four percentages for each State, and this average shall be the per cent of the $500,000,000 United States highway fund that shall be apportioned and credited to each State. Said commission shall notify the Treasurer of the United States of the result of their ascertainment and computation, which shall be made as of a date to be fixed by the commission. Such fund so apportioned shall be paid to the States only in accordance with the provisions of this act.

SEC. 5. That whenever any State, through its duly authorized agents, shall apply for any part of its share of the United States highway fund, but not exceeding 20 per cent thereof in any year, and shall deposit with the Treasurer of the United States its bonds for such amount payable in 50 years and bearing interest, payable semiannually, at the rate of 4 per cent per annum, the Secretary of the Treasury shall issue and sell, at par and accrued interest, in the manner prescribed in section 2, United States highway bonds to the amount that may be necessary to pay to said State the amount of money applied for, and upon the sale of said bonds shall pay over the proceeds to the custodian of the public funds of the State: *Provided*, That the bonds of any State shall not be accepted if the total amount of bonds of such State, including the bonds issued to take advantage of the provisions of this act, shall exceed 10 per cent of the amount of the assessed valuation of all taxable property in such State: *Provided further*, That any State desiring to do so may deposit with the Treasurer of the United States its 4 per cent bonds maturing in not less than 20 years, or may redeem its 50-year bonds at any time after 20 years from date of issue, but upon redemption of such bonds, whatever the period for which issued, such State shall pay to the Treasurer of the United States, in addition to the balance due on the principal after deducting the accumulated sinking fund, a premium of 2 per cent on such balance due on bonds redeemed, together with accrued interest. When the Treasurer of the United States shall receive any payment of interest on State bonds deposited in the manner above provided he shall devote three-fourths thereof to the payment of the interest due on the corresponding United States highway bonds, and one-fourth, herein designated as a sinking fund, he shall deposit in the Treasury of the United States to be used from time to time for the redemption of United States highway bonds as provided herein. The Treasurer of the United States shall keep an account with each State that shall deposit bonds and receive funds under the provisions of this act, and shall credit said State with interest compounded annually at the rate of 3 per cent per annum on the sinking funds paid in. Money received upon the principal of State bonds shall also be credited to the sinking fund, but no interest credit shall be allowed the State thereon. At the time of the maturity of the bonds deposited by any State, if all payments have been made when due, the Treasurer of the United States shall cancel said bonds and return them to the State issuing the same. Whenever and each time the sinking fund accumulation shall amount to $1,000,000, then the Secretary of the Treasury shall, and he is hereby, directed to go into the open market and purchase, at par if possible, $1,000,000 par value of the United States highway bonds. If unable to purchase all or any at par then he is authorized and directed to pay such premium as necessary determined by competition after public notice of not less than 30 days, but not exceeding a premium of 2 per cent and accrued interest. If he be unable thus to secure the full amount of bonds necessary to comply with this provision, then he is authorized and directed to call at par, plus premium of 2 per cent and accrued interest, such bonds, determined by drawing of bond numbers from among the largest denominations outstanding, as will make up the $1,000,000 purchase. These bonds thus purchased out of the sinking fund accumulation shall be retained in the United States Treasury, being stamped by the United States Treasurer "Non-negotiable," but "kept alive," in order that the United States Government may receive for the sinking fund the benefit of the interest payments on the bonds thus purchased.

SEC. 6. That on the 1st day of February of each year, after the year 1918, the Treasurer of the United States shall pay to the custodian of the public funds of each State, from any funds in the Treasury not otherwise appropriated, an amount of money equal to one-half the amount such State has expended out of its own funds for the maintenance of public roads during the preceding calendar year, but in no case to exceed 2½ per cent of the amount of State bonds said State has deposited with the Treasurer of the United States under the provisions of this act. The money so paid shall be expended by said State only in the maintenance of public roads. The Treasurer of the United States shall withhold the payment of moneys to any State under the provisions of this section in the event that such State shall default in payment of any interest or principal due.

Whenever the United States highway commission shall certify to the Treasurer of the United States that any portion of the amount expended by any State for the maintenance of public roads, during the preceding calendar year, has not been expended with reasonable effectiveness, one-half of such amount shall be deducted from the next succeeding annual appropriation to such State: *Provided*, That if any State shall fail to issue bonds as provided in section 5 hereof, it shall nevertheless be entitled, during the period such failure to issue bonds shall continue, subject to all the conditions and limitations set forth in this section, to receive the maintenance fund provided for in this section; but in no case shall such maintenance fund exceed the amount which such State would have been entitled to receive if it had issued the bonds authorized by section 5 hereof.

SEC. 7. That there is hereby created a United States highway commission, to be composed of the chairman and ranking minority member of the Senate Committee on Post Offices and Post Roads, the chairman and ranking minority member of the House Committee on Roads, the Director of the Office of Public Roads, and a United States Army Engineer to be detailed from time to time by the Secretary of War. Such commission shall have only an advisory voice in the expenditure of the United States highway fund in the several States. It shall have its head office in the District of Columbia, but may create highway divisions, never exceeding in number one for each State, and may maintain a division office in charge of a United States highway engineer in each division. Said commission shall have power to employ such clerical and expert assistance as may be provided for by appropriation made by Congress from time to time, and may require the assistance and cooperation of the officers and employees of any department in its work.

Mr. SMOOT. Mr. President, I should have preferred to speak upon this measure at some other time than late Saturday afternoon. I recognize the fact that there are only a very few Senators in the Chamber. I also recognize the fact that it will not be long until it will be impossible to secure a quorum.

Mr. President, we are about to enter upon a policy of road building in the United States in which the Government of the United States is asked to participate. It is my belief that whenever that policy is entered upon by the Government, the very best plan that can be devised by mortal man ought to be put in force at the beginning; and it is for that reason that I have submitted the amendment as a substitute for the committee amendment.

I do not want to take any credit whatever for the preparation or the working out of this great plan of road building. It is not due me; but in passing I want to say that above all and foremost in the drafting of this legislation stands the ex-Senator from Oregon, Jonathan Bourne, jr. It is commonly known as the Bourne good-roads bill. If the Senate does not adopt my amendment to-day, and the amendment offered by the committee should become a law, I expect to live to see the day when that law will be amended and the principle of the Bourne plan put in operation. What I am fearful of is that under the committee plan there will be an undue waste of public money. It is incomplete in its provisions. It is a makeshift, at best. It is more cumbersome and more expensive than the so-called Bourne plan, and the results that will come from it will be infinitesimal compared with the Bourne system, if it is put in operation in this country. The Bourne plan does not ask to take money out of the Treasury of the United States. All it asks for is that the State be extended the credit of the United States. It is so simple, and so easily accomplished in cooperation with the different States, that there could be no complaint offered by one State against another if this plan were put in operation.

I want to say that ex-Senator Bourne did not spend merely days, but he spent months, and, I believe, nearly two years, in working out this plan. He held conference after conference with the leaders of finance, the greatest road builders, not only in this country but in foreign countries. He had conferences with many of the leading manufacturers of this country. In fact, there was not a captain of industry, so called, with whom he did not get in touch and to whom he did not submit his ideas and those of the committee for criticism and suggestions. He not only worked in the daytime but he worked nights as well. He not only worked with the committee that was appointed to labor with him to bring this about, but there was scarcely a night of the week while Congress was in session that he did not have three or four Congressmen or Senators at his home discussing this proposed great system of road building.

I know as well as any Member of this body that road building is the most popular question before the American people to-day. I know that it is in the hearts of the people to see that in this country there is a system of good roads equal to the system of any other nation on earth, and I do not believe we ought to adopt a makeshift and temporary measure. I believe that nearly every Senator will admit that the plan submitted by the committee can be but temporary. It will not accomplish what the American people want. I believe the proper thing to do is to meet the situation squarely and fairly and pass a bill that we all know will be satisfactory to the people of the United States.

The act creating the Joint Committee on Federal Aid in the Construction of Post Roads became effective August 24, 1912, and a joint committee of five Members of the House and five Members of the Senate was appointed, consisting of the following: From the Senate, Jonathan Bourne, jr., chairman, Senators PENROSE, GRONNA, SWANSON, and OVERMAN. Appointed by the Speaker of the House were the following: Congressman SHACKLEFORD as vice chairman of the joint committee, with Congressmen LEE, MCGILLICUDDY, MADDEN, and AUSTIN.

Shortly after organization the work began, and for 21 months they continued their labors before submitting their report to Congress. The data that were collected was presented in 17 chapters. I do not care how long the question of good roads may be before the people for consideration, the information collected, tabulated, and printed by this committee can always be referred to as the very best that it was possible to obtain in the world up to that time.

Mr. President, the first section of my amendment provides for the creation——

Mr. VARDAMAN. Mr. President, may I ask the Senator a question right there?

Mr. SMOOT. Certainly.

Mr. VARDAMAN. Did the committee on the part of the House report that bill to the House or recommend its passage?

Mr. SMOOT. I do not believe it did. I will state, however, that the Senate committee reported it to the Senate.

Mr. VARDAMAN. I am familiar with that fact. The vice chairman of the joint committee, Mr. SHACKLEFORD, prepared and introduced another bill?

Mr. SMOOT. Yes.

Mr. SMITH of South Carolina. Which is very similar to the one now pending.

Mr. SMOOT. No; the one that is now pending is a very much better bill than the bill which Mr. SHACKLEFORD submitted to the House.

Mr. SMITH of South Carolina. Oh, I admit that; but it was somewhat along the same lines.

Mr. SMOOT. Since the question has been asked me, perhaps I had better refer to the position of the members of the joint committee, so that the Senate will really know how they stood.

On November 25, 1914, ex-Senator Bourne, chairman of the joint committee, addressed a letter to the members of the Joint Committee on Federal Aid in the Construction of Post Roads, and asked them to examine the report, and, if it met with their approval, kindly to indicate the fact; or, if it did not, to state the reasons why it did not. The members replying to that letter were Senator GRONNA, Senator PENROSE, Congressman AUSTIN, Congressman MADDEN, Senator SWANSON, and Senator OVERMAN. There was no reply from Representatives SHACKLEFORD, LEE, or MCGILLICUDDY. The favorable replies from the Congressmen and Senators I have just named spoke in the highest terms of the measure, although the reply from Senators SWANSON and OVERMAN made one exception, and that was some parts of chapter 2. Chapter 2 referred to the desirability of congressional control. That was the subdivision to some parts of which Senator SWANSON and Senator OVERMAN did not agree; but, with that single exception, all of the members of the joint committee from the Senate, and two members of the joint committee from the House, approved the plan most heartily.

Referring to what I was about to say when interrupted, I will state that section 1 creates a fund, to be known as the United States highway fund, which is to be expended upon the order of the United States Highway Commission, or in accordance with the conditions of the contribution. The reason for the latter part of the paragraph I have just read, which is, "in accordance with the conditions of the contribution," is that the fund can be added to by contributions from other sources than the sale of bonds; and I understand that there were a number of sources from which contributions to this fund would have been made.

The State highway commission is provided for in section 7, and is to be composed of the chairman and ranking minority member of the Senate Committee on Post Offices and Post Roads, the chairman and ranking minority member of the House Committee on the Post Office and Post Roads, the Director of the Office of Public Roads, and a United States Army Engineer, to be detailed from time to time by the Secretary of War.

Mr. President, this commission would have only an advisory voice in the expenditure of the United States highway fund in the several States. The States, or the road commissions within the States, had the handling of the fund; but the highway commission was to be in a position to counsel, to advise, to instruct, if you please, the State road commissions whenever asked for information.

Section 2 of the bill provides for the raising of the money by the sale of bonds authorizing not to exceed $500,000,000, but in no one year shall there be issued more than 20 per cent of the amount. Even if the State demanded or had passed by its legislature an authorization of the issuing of bonds for the building of roads, in no one year could the Treasury Department be called upon for more than 20 per cent of the total amount. Of course, I do not believe that there ever would be a year when there would be that much called for. I am quite sure there would not be; and, as I told ex-Senator Bourne, chairman of the joint committee, I would just as soon have had the amount reduced to 10 per cent, because 10 per cent of the amount would have accomplished, I believe, at least for years to come, all that would have been asked for by the different States. But in order to be perfectly safe, and in order to satisfy any particular State that had the credit at its command and desired to issue its bonds and desired to get roads just as quickly as money could build them, I was perfectly willing that it should be 20 per cent of the amount.

The plan, Mr. President, is this: Whenever the road commission of a State decides, by authority of the State, that that State shall build a certain number of miles of road, and the plans are made for it, the specifications are drawn, and the whole system approved, then the State can issue bonds drawing interest at the rate of 4 per cent and can deposit those bonds with the Treasury of the United States, and upon the depositing of the bonds of the State as security the Secretary of the Treasury is authorized to sell 3 per cent Government bonds and advance the money to the amount of the State bonds to the State issuing them for the building of roads. The interest period upon the State bonds will be the same as the interest period upon the Government bonds, and the State in paying 4 per cent per annum upon the amount of bonds it issues to the Government, and the Government of the United States being able to sell its bonds bearing a rate of interest of 3 per cent—and under the bill they can not be sold for less than par—the 1 per cent difference between the rate of interest on the State bonds and the rate of interest on the Government bonds compounded annually in 50 years will pay off the whole debt. In this way, with the credit of the United States extended to the States, the States can spend $500,000,000 in road building in the different States by simply paying the interest upon the State bonds deposited with the Treasury of the United States as security for the amount of Government bonds sold and the proceeds given to the State.

Mr. WILLIAMS. Mr. President, if I may ask a question purely for information, perhaps the Senator did not express himself accurately or I did not clearly understand him. The 3 per cent which the State would pay to the Government would, of course, extinguish the 3 per cent which the Government owed upon its bonds.

Mr. SMOOT. The State pays 4 per cent.

Mr. WILLIAMS. I understand that; but 3 per cent of the amount which the State would pay would extinguish the 3 per cent which the Government would owe upon its bonds. Now, how could 1 per cent for only 50 years extinguish the entire principal? It would amount to only 50 per cent in that time.

Mr. SMOOT. No; I will say to the Senator this is the plan and the acknowledged result: The 1 per cent, compounded annually, will pay not only the 50 per cent in 50 years but a little over 100 per cent.

Mr. WILLIAMS. What arrangement was made for the Government so to invest it as that it will get compound interest?

Mr. SMOOT. The bill provides for it.

Mr. WILLIAMS. It does?

Mr. SMOOT. The bill provides that it shall be done; and I will say the difference between the 50 per cent spoken of by the Senator and the 100 per cent is amply provided for in this way.

Mr. WILLIAMS. The interest alone would pay only 50 per cent.

Mr. SMOOT. Yes. The bill also provides that the difference between the 4 per cent and the 3 per cent shall be invested by the Government and draw the interest that the original bond does, and that makes up the difference between the 50 per cent spoken of by the Senator and the full 100 per cent.

Mr. President, if a State does not want to build a foot of road, she does not have to do so, and she does not lose a cent in not doing so. The State not building roads under this plan is not called upon to help pay for roads built in other States. The State not taking advantage of the provisions of my amendment loses, in my opinion, the benefits that come from good roads; and, Mr. President, it is fast becoming in the minds of the people of this country a settled conviction that they must have good roads. It is necessary; and the States have not the credit, nor can they by issuing bonds, drawing interest at 4 per cent, with the full amount of the principal to be repaid, secure money enough to do the necessary road building. But under my amendment the Government of the United States, upon the State depositing its bond as security, extends its credit to the State, thus enabling the State to secure money at 3 per cent in reality, but by paying 4 per cent, at the end of 50 years the principal depositing its bonds as security, extends its credit to the State, issuing them. Could there be a more ideal way for the Government and the State to build the roads of the country?

Mr. VARDAMAN. The Senator from Utah is doubtless aware that there are a great many State in the Union which could not take advantage of this bill on account of their constitutional limitation.

Mr. SMOOT. I am coming to that, or I can discuss it now. I understand that there are a few States in the Union that could not take advantage of the provision of the bill, because they are bonded now to the amount of 10 per cent of their assessed valuation. I have not a list of the States, but I personally believe that if a State is bonded to the amount of 10 per cent on its assessed valuation, that State should not go further into debt. That is enough indebtedness for the people of the State to carry.

Mr. OVERMAN. I do not think that is the only question. I think the question also is that in some of the States they can provide for no bond issue at all without submitting it to the people.

Mr. SMOOT. Of course that does not prevent them from submitting the question to the people.

Mr. OVERMAN. They can always amend their constitutions if they want.

Mr. SMOOT. I had reference to the question asked me by the Senator from Mississippi. I understand there are a few States that are bonded to the amount of 10 per cent of their assessed valuation, and the amendment prohibits the issuing of money upon State bonds where the State is assessed up to 10 per cent of its assessed valuation, and I believe that that is a very wise provision.

Mr. BANKHEAD. In connection with what the Senator from Utah has said, I will state the additional fact that it not only provides that no State having a bond issue to 10 per cent of the taxable value shall be entitled to any of this money, but it further provides that no money proposed to be given under it shall be added to that. When you take the States that are now up to or near the limit of taxation and then add whatever they are going to get under this provision, you will have a few States in the Union that can not get any of it.

Mr. SMOOT. Oh, no; I want to disavow any such statement as that. The amount the State can get under the bill depends upon what the State itself applies. I doubt very much whether there are many States, if any, that would be barred from the bill by adding the amount of money that they would receive under the amendment where, with that added, it would be more than 10 per cent of the assessed valuation. There are very few States that carry that amount of indebtedness. In fact, in some States they are restricted to 5 per cent, and in my opinion the restriction is a wise one.

Mr. VARDAMAN. If the Senator will pardon me for just a moment, the discussion of this question developed that there are several States represented by Senators on the committee, if I remember accurately, that would be barred from participating in this fund. I wish to say to the Senator that I think the amendment is in many respects almost ideal in its provisions; but this road building by Federal aid is a new thing, and I became convinced early in the discussion that it would be absolutely impossible at this time to enact the bill proposed by former Senator Bourne. We discussed it at some length and, while it commends itself to me very strongly, I feel as though the adoption of that bill as an amendment would defeat legislation of this character at this session. I am particularly anxious that we should begin and that as time moves on, in the evolution of things, we may come to some plan as nearly perfect as possible; but I do not think it is a good plan to adopt it now.

Mr. SMOOT. In answer to the Senator, of course he knows, as I suppose we all do, that there are some States in which the constitution of the State would not allow them to take advantage of this bill; and he also knows as well as I do that the States can amend their constitutions, and without a question, if they so desire. It is true there are a few of the States that have no State road commission, but that could be provided for even before the operation of this bill could possibly take effect.

Mr. VARDAMAN. I wish to say to the Senator before he leaves that point that there are States in the Union the constitutions of which are so written that the change could not be made in four or five years. The amendment would have to be submitted to the people and it would have to be voted on at a general election. It would mean, in order to get this matter into operation, a postponement in some of the States of five or six years, with a very expensive campaign.

Mr. SMOOT. I think it is very much better, even if that were true, that a few States should have to take that course rather than embark upon a system of road building in this country that is not ideal in its provisions. The Senator from Mississippi expresses my opinion of this amendment when he says that it is almost ideal. I have studied it most carefully. I might say that I studied it with Mr. Bourne section by section. I do not believe there is a system which can be devised by man that is more perfect than this system for the beginning and completion of road building in this country.

Mr. VARDAMAN. Does not the Senator realize that if the pending bill as it came from the committee and is at this moment before the Senate should be adopted it will be opening the way for such legislation as he is now proposing? There can not be any waste of funds or expenditure of money upon makeshifts under the terms of the bill reported by the Senator from Alabama. It is so safeguarded that there will not possibly be any misappropriation or misuse or improper use of the fund. When we shall have started this matter it will be very easy to move on toward the perfect measure that the Senator is so eloquently speaking for now.

Mr. SMOOT. When I begin to build a house, I have in mind exactly what I want to construct. I think it would be very unwise to lay the foundation of any structure with weak materials of any kind. You want the foundation or beginning as perfect as possible, as the structure must rest upon it. We are beginning to-day to construct a great good-roads system, or house, if you please, for the people of the United States, and I want to begin right. I want every dollar that is expended of the people's money, for they will have ultimately to pay every cent of it, to be spent in a way that not one dollar of it will be wasted, nor one step taken that will have to be retraced, nor one effort made that will not be for the ultimate success of a perfect system.

Mr. VARDAMAN. If the Senator were building a house in connection with 40 or 50 other men, the majority of those men are equally interested in the house, and if they differed with him as to material of which the foundation was to be laid the Senator would not decline to build any house at all because he could not have his way absolutely about it?

Mr. SMOOT. No; of course not.

Mr. VARDAMAN. Now, I confess if I had my way about it I would take the Bourne plan, but I am convinced that we can not start with it, and the next best thing is the bill as it came from the committee, which I am sure will pass the Senate and finally be passed by the House.

Mr. SMOOT. No; the Senator would not stop building the house if there was a majority of the men building the house who wanted to construct it in a different way; but I am just as positive as I live that there is a majority of the Senate of the United States who would prefer my amendment to any that has been offered to the pending bill. Of course, if the Senate rejects it, that settles it; but I am quite sure there are other Senators in the same position as that expressed by the Senator from Mississippi. He is convinced that my amendment is the better plan; he is convinced that it is better than the plan proposed by the committee; but he is fearful that if it is adopted by the Senate the House will not approve of it. I wish that the Senate would do its duty to-day and accept the plan that it believes is for the best interests of the people; and I do know that there is not a question but that this is the system that ought to be put in force in the United States.

Mr. KENYON. Mr. President——

Mr. SMOOT. I yield to the Senator.

Mr. KENYON. I agree with the Senator that a majority of the Senate are in favor of this plan. I have talked with many Senators on the subject. That being so, as the Senator says, why can we not adopt the bill? This is a real road bill and one that would be satisfactory to the people and it would work out well. Why can we not adopt it?

Mr. THOMAS. If the Senator will allow me to answer that question, I think it was pretty well answered by the Senator from Massachusetts [Mr. LODGE] the other day. It is because the bill that is pending was made to be passed.

Mr. KENYON. I suppose the Senator from Utah knows more about it than the rest of us.

Mr. SMOOT. The Senator from Utah has already stated that he is fearful there are other Senators in exactly the same position as the Senator from Mississippi; that they are in favor of this measure, but they believe its passage would defeat any good-roads legislation, because the House would not pass it. I do not believe that that ought to be taken into consideration by the Senate. I think that the Senate ought to express its opinion and pass what it believes is the best measure for the country.

Mr. KENYON. If that is so, then we never can get a bill carrying out the Bourne plan.

Mr. SMOOT. That seems to be self-evident.

Mr. KENYON. And we never can get a real measure that will make for perfect road improvement.

Mr. SMOOT. Until the plan to be adopted proves to the people beyond a question or a doubt that there is a great waste of money. Right in this connection I wish to say that the Senate substitute provides for $75,000,000 appropriation. That is only a beginning.

Mr. THOMAS. The first drop in the bucket.

Mr. SMOOT. Many Senators who are in this Chamber now will live to see the day when the statement I have made will be absolutely verified. It is only a beginning. I hope no Senator will vote for the committee amendment thinking that at the end of five years there will be no more appropriations for good roads in this country. I believe that the expenditure of the money provided for the first year and the second year will convince the people that this is not the proper way of building

roads, because, I tell Senators, now the money appropriated in this bill can be used in refitting or rebuilding present roads, and that is what the most of it will be used for, at least for this and the building of dirt roads.

Section 3 creates a State highway commission. I shall not spend any time in the discussion of that section, because I think it is unnecessary at this time. I referred to it in my opening remarks.

Section 4 provides for the apportionment of the money. It is apportioned, first, upon the total land area; second, on the population according to the last Federal census; third, on the total assessed valuation of all taxable property; and, fourth, on the total mileage of public roads in each of the several States. I think that that apportionment could not be improved upon. I do not think there is any State in the Union that can find fault with it.

Taking all four of these requirements into consideration, it seems to me that it is almost perfect as to the apportionment of the money to the States under the bill.

Section 5 provides for the application of the money. I have already referred to the question of the elimination of a State the indebtedness of which amounts to more than 10 per cent of its assessed valuation, and I shall not take any more of the Senate's time to discuss that question.

Section 6 provides for the maintenance of the roads. It is ideal in its provisions. It is perfect, it seems to me. Every power is left in the State. The good people of the State know as to the amount of money that they wish to spend upon the roads of their State and also the amount of money to be expended upon maintaining them up to the maximum provided for in the amendment. I say without fear of contradiction that if it is complied with by the State roads will be maintained in good order, and it will prevent the deterioration of them and keep the roads as they ought to be kept.

That is the only way good roads in a State can be maintained. I do not care how good a road may be when built; I do not care where located; allow it to go without constant repair, and particularly if the first breaks in it are not attended to, and the neglect will be most costly to the State.

I was over in the Hawaiian Islands not long ago. The people of the islands are beginning to build good roads. They have a few stretches of very good roads, but most of them upon the islands are very poor, particularly outside of the island of Oahu, and I might limit it in and around the city of Honolulu. The first time I went over the roads, and they have not been built long, I noticed breaks in them. I said to the man who was with me, "Why do you not keep this splendid road in repair? Every day that you let it go without it will cost you more and more money, and before long you will have no road and will be compelled to rebuild. Good roads ought to be repaired just as soon as a break is shown in them."

Mr. GALLINGER. Mr. President, at that point——

Mr. SMOOT. I yield to the Senator.

Mr. GALLINGER. It is a pretty well established fact in the States where they have built good roads and where they are intending to build more that the only successful system is to have section hands, as they have on railroads, and have material at hand to repair the roads as they become worn. Until that is done there is a great waste on roads at the present time, and there will continue to be a great waste.

Mr. SMOOT. The States that are building good roads to-day and are successful in maintaining them are following exactly that plan. It is the only plan, Mr. President, whereby roads can be prevented from rapidly deteriorating.

Now, Mr. President, under the apportionment of the bill——

Mr. NORRIS. I was called out of the Chamber and the Senator may have touched upon the question concerning which I am about to ask him, and if so, I will not ask the Senator to repeat it. There are two points in the amendment that I want to inquire about. The first is in regard to maintenance. I understand it does not properly provide that the roads shall be maintained after they are built. The other question is in regard to the 1 per cent extra interest that is used as a sinking fund, and that the Senator says will pay off the State bonds at maturity. As I read the amendment, it provides that the State shall be credited with this 1 per cent and it is given a credit of interest compounded at 3 per cent, but there is not any provision in the amendment under which the sinking fund shall be invested by the United States except it provides that the fund may be used for the redemption of bonds. If they are unable to get bonds, as provided in the amendment, without paying a premium, the State would be relieved from the payment of the State bonds, because the Federal Government is obligated to give the State credit at the rate of 3 per cent per annum on that 1 per cent deposited, compounded semiannually. The Government itself might not be able to get that money, and it would have to be paid out of the ordinary resources raised by taxation by the Federal Government.

Mr. SMOOT. On page 6 it is provided that—

> The Treasurer of the United States shall keep an account with each State that shall deposit bonds and receive funds under the provisions of this act, and shall credit said State with interest compounded annually at the rate of 3 per cent per annum on the sinking funds paid in. Money received upon the principal of State bonds shall also be credited to the sinking fund, but no interest credit shall be allowed the State thereon.

I do not think there is any chance whatever of the Government at any time finding it impossible to invest in these bonds. I do not think a contingency of that kind would arise.

Mr. NORRIS. Still it really prohibits the Government from using this sinking fund for the purpose of investing it in some way that will bring a return, because it provides that when the sinking fund amounts to the sum of $1,000,000, then the Secretary of the Treasury is directed to go into the open market and purchase $1,000,000 par value of the United States highway bonds. If he can not purchase them at par, then he is authorized to pay such premium as is necessary.

Mr. SMOOT. Not exceeding 2 per cent.

Mr. NORRIS. To be determined by competition, not exceeding 2 per cent per annum and accrued interest. There is not any way by which the Government could invest its sinking fund. It would have to use it for the purpose provided for in the amendment, which would be for the purchase of these bonds, and it is paying the State all the time 3 per cent interest on the money, compounded semiannually, as it is bound to do, no matter what it does with the fund or what becomes of it.

Mr. SMOOT. The interest of one year will always amount to more than $1,000,000 as soon as the measure is in operation. Therefore, they will have that amount of money just as soon as the first year's interest is paid. So there is no likelihood that the Government will ever be in a position where it can not invest the interest collected.

Mr. NORRIS. Yes; that would be true; but suppose when the Government has the $1,000,000 it would be unable to buy bonds. The men who invest, especially at the beginning of it when the bonds are just starting to run, getting a Government bond, would not want to sell it again at par. The people or the institutions that buy these bonds would do it for the purpose of making a permanent investment. I do not believe you could go out and buy these bonds, and if you did not, the Government would pay interest on money and be getting no interest.

Mr. SMOOT. I think with 3 per cent bonds and the authority of giving 2 per cent premium in order that they may be redeemed in advance the Government could secure them. That is the opinion of the leading bankers of this country.

Mr. NORRIS. If that be true, then the Government would always be out the premium that it would pay.

Mr. SMOOT. Of course, if it sold the bonds at a premium. I hardly think it would. It has been discussed, I will say to the Senator, with the best bankers in the United States. It was the original plan to provide a 4 per cent Government bond with 5 per cent interest to be paid by the State, but I think ninety-nine out of one hundred of the bankers who were consulted decided that on this plan a 3 per cent bond would sell at par with the credit of the Government of the United States back of it, the best in the world.

Mr. NORRIS. The Senator must remember that all the time the Government of the United States is by law obligated to pay to the State 3 per cent interest on the sinking fund, and that interest must be compounded semiannually. There is not any way to escape that.

Mr. SMOOT. No; but there is a margin.

Mr. NORRIS. A little margin.

Mr. SMOOT. There is a margin.

Mr. NORRIS. Yes; there would be a little margin.

Mr. SMOOT. And that margin will provide for whatever may be lost in the idleness of a part of the money.

Mr. NORRIS. If the Government could get the interest immediately in the sinking fund deposited, and if immediately it could use that money and buy bonds at par, so that it would never have anything on hand in the sinking fund there would be a little margin. I have not figured it out, but it would not be very great. There would be a little margin, because the sinking fund to double in 50 years would have to draw interest, and the interest on that would have to be compounded semiannually, continually compounded. The Government's obligation would keep growing all the time. But there never would be a time when the Government could immediately, on the very day, invest all the money in these bonds that came in from the States. There would necessarily be some time lost, and it would more than make up for this margin. I think, too, if the Gov-

ernment was unable to buy the bonds then, it would lose the interest, and it would be paying for 50 years 3½ per cent interest on the bonds, compounded semiannually, which interest itself, after 25 or 30 years, would amount to an enormous sum. That is the weakness, or one of the two weaknesses of the bill.

Mr. SMOOT. Mr. President, I can only say that I have no apprehension but that the margin will take care of the loss of interest during the time that the interest money is idle. I will also state to the Senator that that is the opinion of the very best bankers in the United States.

The amount which each State would be entitled to issue bonds for and to receive is approximately as follows: Alabama, $8,600,000; Arizona, $5,650,000; Arkansas, $7,200,000; California, $17,950,000; Colorado, $7,950,000; Connecticut, $4,350,000—I am not going to take the time to read the figures for all the States, but ask that this table be printed in the RECORD as part of my remarks. It gives the names of the States, the land area in square miles, the population in 1910, the assessed valuation for the fiscal year 1912, the total mileage of roads within the State, the percentage, and the amount of the apportionment to each State.

The VICE PRESIDENT. Without objection, the matter referred to will be printed in the RECORD.

The table referred to is as follows:

The amount each State would be entitled to issue bonds for and receive is approximately as follows:

| State. | Land area in square miles. | Population, 1910. | Assessed valuation, fiscal year 1912. | Total mileage of roads. | Apportionment to each State. | |
|---|---|---|---|---|---|---|
| | | | | | Per cent. | Amount. |
| Alabama | 51,279 | 2,138,093 | $484,851,212.00 | 49,639 | 1.72 | $8,600,000 |
| Arizona | 113,840 | 204,354 | 140,338,191.00 | 5,987 | 1.13 | 5,650,000 |
| Arkansas | 52,525 | 1,574,449 | [1] 425,478,614.00 | 36,445 | 1.44 | 7,200,000 |
| California | 156,092 | 2,377,549 | 2,919,342,889.00 | 48,069 | 3.59 | 17,950,000 |
| Colorado | 103,658 | 799,024 | 430,000,000.00 | 29,693 | 1.59 | 7,950,000 |
| Connecticut | 4,820 | 1,114,756 | [1] 1,041,334,019.00 | 12,583 | .87 | 4,350,000 |
| Delaware | 1,965 | 202,322 | 92,575,760.00 | 3,000 | .14 | 700,000 |
| Florida | 54,861 | 752,619 | 218,887,518.00 | 17,579 | .95 | 4,750,000 |
| Georgia | 58,725 | 2,609,121 | 842,000,000.00 | 82,230 | 2.45 | 12,250,000 |
| Idaho | 83,779 | 325,594 | 418,780,394.00 | 18,403 | 1.16 | 5,800,000 |
| Illinois | 56,002 | 5,638,591 | 2,343,673,232.00 | 94,141 | 3.94 | 19,700,000 |
| Indiana | 35,885 | 2,700,876 | 1,891,602,077.00 | 67,996 | 2.51 | 12,550,000 |
| Iowa | 55,586 | 2,224,771 | 713,318,825.00 | 102,427 | 2.50 | 12,500,000 |
| Kansas | 81,774 | 1,690,949 | 2,746,900,291.00 | 98,302 | 3.28 | 16,400,000 |
| Kentucky | 40,181 | 2,289,905 | 1,089,265,143.00 | 53,744 | 1.98 | 9,900,000 |
| Louisiana | 45,409 | 1,656,388 | 546,650,157.00 | 24,962 | 1.32 | 6,600,000 |
| Maine | 29,895 | 742,371 | 478,192,054.00 | 25,528 | .92 | 4,600,000 |
| Maryland | 9,941 | 1,295,346 | 979,309,970.00 | 16,773 | .99 | 4,950,000 |
| Massachusetts | 8,039 | 3,366,416 | 4,249,699,855.00 | 17,272 | 2.73 | 13,650,000 |
| Michigan | 57,480 | 2,810,173 | [1] 2,288,000,000.00 | 68,906 | 2.88 | 14,400,000 |
| Minnesota | 80,858 | 2,075,708 | 1,212,567,794.00 | 79,323 | 2.59 | 12,950,000 |
| Mississippi | 46,362 | 1,797,114 | [1] 399,029,000.00 | 39,619 | 1.48 | 7,400,000 |
| Missouri | 68,727 | 3,293,335 | 1,736,371,588.00 | 107,923 | 3.35 | 16,750,000 |
| Montana | 145,776 | 376,053 | 346,550,585.00 | 23,319 | 1.72 | 8,600,000 |
| Nebraska | 76,808 | 1,192,214 | 463,371,889.00 | 80,338 | 2.05 | 10,250,000 |
| Nevada | 109,821 | 81,875 | [1] 85,347,058.44 | 12,751 | 1.12 | 5,600,000 |
| New Hampshire | 9,031 | 430,572 | 397,647,530.00 | 15,116 | .51 | 2,550,000 |
| New Jersey | 7,514 | 2,537,167 | 2,289,770,280.78 | 14,842 | 1.77 | 8,850,000 |
| New Mexico | 122,503 | 327,301 | [2] 72,000,000.00 | 16,920 | 1.35 | 6,750,000 |
| New York | 47,654 | 9,113,614 | 11,022,985,914.00 | 79,279 | 7.86 | 39,300,000 |
| North Carolina | 48,740 | 2,206,287 | [1] 494,708,570.00 | 48,285 | 1.74 | 8,700,000 |
| North Dakota | 70,183 | 577,056 | 294,770,325.00 | 61,593 | 1.56 | 7,800,000 |
| Ohio | 40,740 | 4,767,121 | 6,400,000,000.00 | 88,861 | 5.02 | 25,100,000 |
| Oklahoma | 69,414 | 1,657,155 | 1,326,840,833.00 | 71,325 | 2.33 | 11,650,000 |
| Oregon | 95,607 | 970,765 | [3] 905,011,679.00 | 29,475 | 1.66 | 8,300,000 |
| Pennsylvania | 44,832 | 7,665,111 | 5,917,119,205.25 | 87,387 | 5.65 | 28,250,000 |
| Rhode Island | 1,067 | 542,610 | 552,991,854.00 | 2,121 | .39 | 1,950,000 |
| South Carolina | 30,495 | 1,515,400 | 291,531,003.00 | 32,075 | 1.15 | 5,750,000 |
| South Dakota | 76,868 | 583,888 | 354,278,413.00 | 56,354 | 1.58 | 7,900,000 |
| Tennessee | 41,687 | 2,184,789 | 625,010,886.00 | 45,913 | 1.70 | 8,500,000 |
| Texas | 262,398 | 3,896,542 | 2,515,594,636.00 | 128,971 | 5.66 | 28,300,000 |
| Utah | 82,184 | 373,351 | 200,299,207.00 | 8,320 | .96 | 4,800,000 |
| Vermont | 9,124 | 355,956 | 221,447,887.00 | 14,405 | .42 | 2,100,000 |
| Virginia | 40,262 | 2,061,612 | 907,273,651.00 | 43,399 | 1.73 | 8,650,000 |
| Washington | 66,836 | 1,141,990 | 1,005,086,251.00 | 34,284 | 1.64 | 8,200,000 |
| West Virginia | 24,022 | 1,221,119 | 1,119,828,173.00 | 32,109 | 1.32 | 6,600,000 |
| Wisconsin | 55,256 | 2,333,860 | 2,077,925,166.00 | 61,090 | 2.56 | 12,800,000 |
| Wyoming | 97,594 | 145,965 | 182,028,280.00 | 10,569 | 1.05 | 5,200,000 |
| Total and average | 2,974,090 | 91,972,266 | 67,763,587,864.45 | 2,199,646 | ..... | 500,000,000 |

[1] 1911. [2] Rough estimate. [3] 1910.

Mr. SMOOT. Mr. President, Senators will notice that the apportionment to every State is such an amount as will enable the State to do perhaps more in road building than it would ordinarily do in the next 10 years.

If we adopt the substitute recommended by the committee, we will be creating another bureau in the department; and, as I have said, the appropriations for that bureau will grow. If we adopt the amendment which I have offered, the States will be more careful in the expenditure of the money, because the States will pay the money, or at least they will pay the interest upon the bonds. If you pass either the House bill or the substitute reported by the committee, I am quite sure there will be in some cases a reckless expenditure of the money, and I do not believe that very much of it will be put in permanently good roads. Most of it will be spent in repairing present roads, in maintaining present roads, and at the end of the five years, when we have spent $75,000,000, the roads of the country will be in but little better condition than they are to-day.

For these reasons, Mr. President, I ask the Senate to adopt the amendment which I have offered to the bill.

Mr. GALLINGER. Mr. President, I will inquire of the Senator from Alabama if he expects a vote on the bill to-day?

Mr. BANKHEAD. Mr. President, I had very much hoped, of course, that we would get a vote on the bill to-day, but I fear that it will not be possible, and I am going to ask that the bill be laid aside temporarily, with a view to making a motion that the Senate proceed to the consideration of executive business.

## PETITIONS AND MEMORIALS.

Mr. TAGGART. I present a telegram in the nature of a petition from Daniel Foley and other citizens of Indianapolis, Ind., which I ask may be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the telegram was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

[Telegram.]

INDIANAPOLIS, IND., *May 5, 1916.*

Hon. THOMAS TAGGART,
*Washington, D. C.:*

At a mass meeting of citizens of Irish blood held here to-night the following resolution was passed and ordered sent to you for presentation to the Congress, that in view of the dreadful reign of terror which we know has existed for months in Ireland under British rule and the awful sufferings of her people, we ask the Government of the United States, through our representatives in the Senate and in Congress, to make immediate inquiry through our consuls in Ireland for a complete report as to actual conditions in Ireland prior to and during the recent revolt of the Irish patriots and to ascertain the fate of the many American citizens, both students and business men, known to have been in Ireland at the time of the outbreak, and that a request to this effect be immediately telegraphed to our Senators and Congressmen.

DANIEL FOLEY, *Chairman.*
MICHAEL E. HOWARD, *Vice Chairman.*
W. H. FOLEY, *Secretary.*
MAURICE DONNELLY.
P. J. KELLEHER.
J. J. LIDDY.

Mr. TAGGART presented a petition of sundry citizens of Franklin, Ind., praying for the enactment of legislation to recognize the services of certain employees of the Government in the Canal Zone, which was referred to the Committee on Interoceanic Canals.

Mr. CHAMBERLAIN presented petitions of sundry citizens of Oregon, praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Beaverton, Oreg., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Portland, Oreg., remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

Mr. NELSON presented a petition of Norman L. Sandberg Camp, No. 18, United Spanish War Veterans, of Albert Lea, Minn., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

Mr. NORRIS presented a memorial of sundry citizens of College View, Nebr., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. PAGE presented petitions of Industrial Grange, No. 127, Patrons of Husbandry, of Andover; of Lamoille Grange, No. 233, Patrons of Husbandry, of Morrisville; and of Mount Philo Grange, No. 329, Patrons of Husbandry, of North Ferrisburg, all in the State of Vermont, praying for Government ownership of telegraph and telephone systems, which were referred to the Committee on Post Offices and Post Roads.

Mr. WORKS presented a memorial of sundry citizens of Ontario, Cal., remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of Los Angeles, Santa Barbara, and San Luis Obispo, all in the State of California, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women and remonstrating against the failure of the Committee on the Judiciary

of the House of Representatives to report the proposed amendment, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Ontario, Cal., remonstrating against the proposed creation of a juvenile court in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. POINDEXTER presented the memorial of H. H. Hayes and sundry other citizens of Tacoma, Wash., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of Crosby Grange, Patrons of Husbandry, of Nellita, Wash., praying for Government ownership of telegraph and telephone systems, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of the Commercial Club of Seattle, Wash., remonstrating against the adoption of the so-called Clarke amendment to the Philippine bill, to grant independence to the Philippine Islands in four years, which was ordered to lie on the table.

Mr. THOMAS presented a petition of sundry citizens of El Paso County, Colo., praying for the enactment of legislation to found the Government on Christianity, which was referred to the Committee on the Judiciary.

Mr. WADSWORTH presented petitions of sundry citizens of Delevan and Sullivan Counties, in the State of New York, praying for the enactment of legislation to found the Government on Christianity, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Rochester, N. Y., remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAGGART:

A bill (S. 5892) granting an increase of pension to Sarah E. Aldridge;

A bill (S. 5893) granting an increase of pension to Hamilton B. Pate; and

A bill (S. 5894) granting an increase of pension to Frank Lintz; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 5895) granting a pension to Lorenzo J. McEvoy (with accompanying papers); to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 5896) granting an increase of pension to Sybilie Grossart; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 5897) for addition and repairs to post-office building at Galveston, Tex.; and

A bill (S. 5898) for a site and building for customs and other Government offices at Galveston, Tex.; to the Committee on Public Buildings and Grounds.

### HARBOR IMPROVEMENTS.

Mr. BRANDEGEE submitted the following resolution (S. Res. 182), which was referred to the Committee on Naval Affairs;

*Resolved*, That the Secretary of War be, and he hereby is, authorized and directed to report to Congress, at the earliest practicable date, not later than December 4, 1916:

First. Specific plans for improvement of the harbors and connecting channels which, in his judgment, after consultation had with the Secretary of the Navy, will best provide adequate facilities for operations of the fleet for defense of the harbors of Portland, Me.; Boston, Mass.; Providence, R. I.; New London, New Haven, and Bridgeport, Conn.; New York, N. Y.; Norfolk, Va.; Savannah and Brunswick, Ga.; Charleston, S. C.; New Orleans, La.; Galveston, Tex.; San Diego and San Francisco, Cal.; and Seattle, Wash.

Second. The feasible extensions requisite to make existing approved projects for improvement of the aforementioned harbors available for the purposes stated in the foregoing paragraph.

Third. The cost of each such several improvements calculated upon the basis of completion thereof under contract within five years.

Fourth. The percentage, not exceeding 30 per cent of the cost of each such improvement, which, in the judgment of the Secretary of War, should be contributed by the several cities or State governments in consideration of the completion within five years of the improvement recommended by the Secretary of War.

Fifth. The replies of the local authorities and State governments to the propositions to them submitted by the Secretary of War to contribute to the carrying out and the cost of such several improvements.

### INDIAN APPROPRIATIONS—CONFERENCE REPORT (S. DOC. NO. 427).

Mr. ASHURST. I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917. I ask that it be printed as a document, and also that it lie on the table and be printed in the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the Senate recede from its amendments numbered 3, 4, 6, 8, 11, 12, 15, 23, 30, 31, 32, 38, 40, 43, 44, 45, 49, 69, 73, 77, 88, 91, 92, 100, 108, 117, 118, 119, 120, 123, 133, 135, 147, and 149.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 9, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 28, 29, 33, 39, 46, 48, 50, 51, 52, 53, 54, 56, 58, 60, 61, 62, 63, 64, 66, 67, 68, 70, 71, 76, 80, 81, 85, 86, 89, 90, 93, 94, 96, 98, 99, 101, 103, 104, 106, 107, 109, 111, 112, 114, 115, 121, 122, 125 126, 128, 130, 131, 134, 136, 138, 139, 140, 141, 143, 144, 145, 148, 150, 151, 152, 153, 154, and 155, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In line 7 of said amendment strike out the word "the" and insert in lieu thereof the word "Indian," and, in line 8, of said amendment, strike out the word "the" and insert in lieu thereof the word "such"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In line 1, of said amendment, strike out the word "to" and insert in lieu thereof the following: "$5,000 of which shall"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following: "*Provided further*, That not more than $200,000 of the amount herein appropriated may be expended for the tuition of Indian children enrolled in the public schools"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "two permanent warehouses"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the words "which has been," and in line 2 of said amendment strike out the words "heretofore or"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For beginning the construction by the Indian Service of a dam with a bridge superstructure and the necessary controlling works for diverting water from the Gila River for the irrigation of Indian land and Indian allotments on the Gila River Indian Reservation, Ariz., as recommended by the Board of Engineers of the United States Army in paragraph 217 of its report to the Secretary of War February 14, 1914 (H. Doc. No. 791), $75,000, to be immediately available and to remain available until expended, reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522), the total cost not to exceed $200,000."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For beginning the construction by the Indian Service of a diversion dam and necessary controlling works for diverting water from the Gila River at a site above Florence, Ariz., as estimated by the Board of Engineer Officers of the United States Army in paragraph 138 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), $75,000, to remain available until expended, the total cost not to exceed $175,000: *Provided*, That said dam shall be constructed as a part of a

project for the irrigation from the natural flow of the Gila River of Indian lands on the Gila River Indian Reservation and private and public lands in Pinal County, Ariz.: *And provided further*, That the water diverted from the Gila River by said diversion dam shall be distributed by the Secretary of the Interior to the Indian lands of said reservation and to the private and public lands in said county in accordance with the respective rights and priorities of such lands to the beneficial use of said water as may be determined by agreement of the owners thereof with the Secretary of the Interior or by a court of competent jurisdiction: *And provided further*, That the construction charge for the actual cost of said diversion dam and other works and rights shall be divided equitably by the Secretary of the Interior between the Indian lands and the private and public lands in said county; and said cost as fixed for said Indian lands shall be reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., 522); but the construction charge as fixed for the private and public lands in said county shall be paid by the owner or entryman in accordance with the terms of an act extending the period of payment under reclamation projects, approved August 13, 1914 (38 Stat. L., 686): *And provided further*, That said project shall only be undertaken if the Secretary of the Interior shall be able to make or provide for what he shall deem to be satisfactory adjustments of the rights to the water to be diverted by said diversion dam or carried in canals, and satisfactory arrangements for the inclusion of lands within said project and the purchase of property rights which he shall deem necessary to be acquired, and shall determine and declare said project to be feasible."

And the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For extension of the Ganado irrigation project on the Navajo Indian Reservation in Arizona for the irrigation of approximately 600 acres of land in addition to the area to be irrigated by said project, as authorized in section 2 of the act of August 24, 1912, $20,000; and for maintenance and operation of the project, $3,000; in all, $23,000, reimbursable and to remain available until expended."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In line 16 of said amendment strike out the figures "$15,000" and insert in lieu thereof the following: "$10,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 100 Indian pupils at the Greenville Indian School, California, including pay of superintendent, $18,400; for general repairs and improvements, including purchase of additional land for school farm, $8,000; in all, $26,400."

And the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For the improvement and construction of roads and bridges on the Yuma Indian Reservation in California, $10,000, to be immediately available, reimbursable to the United States by the Indians having tribal rights on said reservation."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $10,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Potawatomi Indians in the State of Kansas, and to be expended under his direction for the construction of bridges across the Big Soldier Creek and Little Soldier Creek, within the Potawatomi Indian Reservation, Jackson County, Kans.: *Provided*, That no part of the money herein appropriated shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the county of Jackson satisfactory guaranties of the payment by the said county of Jackson of at least one-half of the cost of said bridges, and that the said proper authorities of the said county of Jackson shall assume full responsibility for and will at all times maintain and repair said bridges: *And provided further*, That any and all expenses above the amount herein named in connection with the building and maintaining of said bridges shall be borne by the said county of Jackson: *And provided further*, That this appropriation shall not become effective until approved by an Indian council to be called for that purpose."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: Strike out the following language of the amendment: "Hereafter on ceded lands in the State of Minnesota embraced within the provisions of the law entitled 'An act for the relief and civilization of the Chippewa Indians in the State of Minnesota,' approved January 14, 1889, the minerals in and mineral rights pertaining to any of the lands, the cession of which was provided for in said act, and for which the United States has not conveyed title, shall be and remain in and are reserved for the use and benefit of the Chippewa Indians in the State of Minnesota"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In line 6 of said amendment strike out the following: "at Keewaton, Wis." and the comma; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In line 1 of said amendment, after the word "balance," insert the following: "of $3,436.03"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In line 2 of said amendment strike out the word "section" and in line 3 strike out the word "one" and insert in lieu thereof the words "this act"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the figures "$50,000" and insert in lieu thereof "$25,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The work to be done with the amounts herein appropriated for the completion of the Blackfeet, Flathead, and Fort Peck projects may be done by the Reclamation Service on plans and estimates furnished by that service and approved by the Commissioner of Indian Affairs: *Provided*, That not to exceed $15,000 of applicable appropriations made for the Flathead, Blackfeet, and Fort Peck irrigation projects shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for official use upon the aforesaid irrigation projects: *Provided further*, That not to exceed $7,500 may be used for the purchase of horse-drawn passenger-carrying vehicles and that not to exceed $1,500 may be used for the purchase of motor-propelled passenger-carrying vehicles."

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed, insert the following:

"That the Secretary of the Interior be, and he is hereby, authorized and directed to announce, at such time as in his opinion seems proper, the charge for construction of irrigation systems on the Blackfeet, Flathead, and Fort Peck Indian Reservations in Montana, which shall be made against each acre of land irrigable by the systems on each of said reservations. Such charges shall be assessed against the land irrigable by the systems on each said reservation in the proportion of the total construction cost which each acre of such land bears to the whole area of irrigable land thereunder.

"On the 1st day of December after the announcement by the Secretary of the Interior of the construction charge the allottee, entryman, purchaser, or owner of such irrigable land which might have been furnished water for irrigation during the whole of the preceding irrigation season, from ditches actually constructed, shall pay to the superintendent of the reservation where the land is located, for deposit to the credit of the United States as a reimbursement of the appropriations made or to be made for construction of said irrigation systems, 5 per cent of the construction charge fixed for his land, as an initial installment, and shall pay the balance of the charge in 15 annual

installments, the first 5 of which shall each be 5 per cent of the construction charge and the remainder shall each be 7 per cent of the construction charge. The first of the annual installments shall become due and payable on December 1 of the fifth calendar year after the initial installment: *Provided*, That any allottee, entryman, purchaser, or owner may, if he so elects, pay the whole or any part of the construction charges within any shorter period: *Provided further*, That the Secretary of the Interior may, in his discretion, grant such extension of the time for payments herein required from Indian allottees or their heirs as he may determine proper and necessary, so long as such land remains in Indian title.

"That the tribal funds heretofore covered into the Treasury of the United States in partial reimbursement of appropriations made for constructing irrigation systems on said reservations shall be placed to the credit of the tribe and be available for such expenditure for the benefit of the tribe as Congress may hereafter direct.

"The cost of constructing the irrigation systems to irrigate allotted lands of the Indians on these reservations shall be reimbursed to the United States as hereinbefore provided, and no further reimbursements from the tribal funds shall be made on account of said irrigation works except that all charges against Indian allottees or their heirs herein authorized, unless otherwise paid, may be paid from the individual shares in the tribal funds, when the same is available for distribution, in the discretion of the Secretary of the Interior.

"That in addition to the construction charges every allottee, entryman, purchaser, or owner shall pay to the superintendent of the reservation a maintenance and operation charge based upon the total cost of maintenance and operation of the systems on the several reservations, and the Secretary of the Interior is hereby authorized to fix such maintenance and operation charge upon such basis as shall be equitable to the owners of the irrigable land. Such charges when collected shall be available for expenditure in the maintenance and operation of the systems on the reservation where collected: *Provided*, That delivery of water to any tract of land may be refused on account of nonpayment of any charges herein authorized, and the same may, in the discretion of the Secretary of the Interior, be collected by a suit for money owed: *Provided further*, That the rights of the United States heretofore acquired, to water for Indian lands referred to in the foregoing provision, namely, the Blackfeet, Fort Peck, and Flathead Reservation land, shall be continued in full force and effect until the Indian title to such land is extinguished.

"That the Secretary of the Interior be, and he is hereby, authorized to prescribe such rules and regulations and issue such notices as may be necessary to carry into effect the provisions of this act, and he is hereby authorized and directed to determine the area of land on each reservation which may be irrigated from constructed ditches and to determine what allowance, if any, shall be made for ditches constructed by individuals for the diversion and distribution of a partial or total water supply for allotted or surplus unallotted land: *Provided*, That if water be available prior to the announcement of the charge herein authorized, the Secretary of the Interior may furnish water to land under the systems on the said reservations, making a reasonable charge therefor, and such charges when collected may be used for construction or maintenance of the systems through which such water shall have been furnished."

And the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "for the purpose of making necessary repairs on the Government bridge across the Niobrara River near Niobrara, Nebr.; also to reconstruct one span of 90 feet over the back channel of the Niobrara River at the same point, the sum of $6,500; said sum to be expended under the direction of the Secretary of the Interior"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$91,100"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 290 Indian pupils at the Indian school at Carson City, Nev., including pay of superintendent, $50,430; for general repairs and improvements, $8,000; for irrigating school farm, $4,000; in all, $62,430."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In line 4 of the amendment, after the figures "$15,000," strike out the period and insert a colon and the following: "*Provided*, That no part of this appropriation shall be expended for mileage, salaries, or expenses of employees"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In line 2 of the amendment strike out the following: "and to remain available until expended"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 350 Indian pupils at the Indian school at Santa Fe, N. Mex., and for pay of superintendent, $59,550; for general repairs and improvements, $6,000; for water supply, $1,600; for the construction of an assembly hall and gymnasium, $25,000; in all, $92,150."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 220 Indian pupils at the Indian school, Wahpeton, N. Dak., and pay of superintendent, $38,540; for general repairs and improvements, $5,000; for new school building, $20,000; in all, $63,540."

And the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: Strike out all of said amendment and insert the following:

"To enable the Secretary of the Interior to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian, described as the northwest quarter of section 34, township 164 north, range 70 west of the fifth principal meridian, North Dakota, $1,500, or so much thereof as may be necessary."

And the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the unexpended balance of $9,533.38 is hereby reappropriated and made available for continuing the relief and settlement of the Apache Indians formerly confined as prisoners of war on the Fort Sill Military Reservation, Okla., for the purchase of allotments in Oklahoma, as provided for in the act of June 30, 1913 (38 Stat. L., p. 77), for the three adult heads of families who have not heretofore received allotments."

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "except that the Secretary of the Interior is hereby authorized within 30 days after the passage of this act, to investigate claims not to exceed $1,950 growing out of contracts alleged to be in existence between John Calvin Gray, William T. Lancaster, Arthur Jennings, and Clyde Jennings, as enrolled members of the Choctaw or Chickasaw Nations, and Henry W. Blair, Kappler & Merillat, James K. Jones, Charles M. Fechheimer, and Eugene Hamilton, as attorneys, and in case such claims are found to be valid and the contracts approved in accordance with existing law, the said Secretary of the Interior may, in his discretion, apply any amounts that may be found due under this paragraph to the aforesaid enrolled members of the Choctaw or Chickasaw Nations to the payment of such fee, but the amounts due hereunder to other enrolled members of the Choctaw and Chickasaw Nations shall not be held in abeyance to this claim but shall be paid promptly without reference to same"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$15,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu

of the matter proposed insert the following: "$12,000; for remodeling sewer system, $5,000; for three high-pressure steam boilers, $7,200: *Provided*, That the unused balance of $9,830 of the amount appropriated by the act of August 1, 1914 (38 Stat. L., 602), and an additional amount of $2,500 may be expended for an addition to the assembly hall; in all, $128,700"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $3,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Klamath Indians of the State of Oregon, and use the same for the construction of a bridge across the Williamson River, on the Klamath Indian Reservation, Oreg., under such rules and regulations as he may prescribe."

And the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "$67,500: *Provided*, That the unexpended balance of $1,607.44 appropriated by the act approved August 1, 1914, for repairing buildings and replacing equipment destroyed or damaged by the tornado of June 10, 1914, at Flandreau Indian School, S. Dak., is hereby reappropriated and made immediately available for the purchase and installation of a water tank and the purchase of dairy cattle for said school"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized and directed to cause investigation to be made as to the probable cost of providing on the various Sioux Indian reservations adequate school facilities for the children of the Sioux tribes who are now without Government or public-school facilities on the respective reservations, and to make a report thereof to Congress on or before the first Monday in January, 1917, together with a complete and detailed statement of the per capita cost per annum, including mileage paid, now expended for the education of the Sioux Indian children in all the schools, whether on or off the respective reservations, and there is hereby appropriated for the expense of such investigation and report the sum of $1,000, or so much thereof as may be necessary, to be immediately available."

And the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In line 7 of said amendment, after the word "highway," insert a comma and the following: "reimbursable out of any funds now or hereafter placed to the credit of said Indians in the Treasury of the United States"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $1,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Uintah Tribe of Indians, in the State of Utah, and to use the same to protect the north abutment of the Government bridge at Myton, Utah, under such rules and regulations as he may prescribe, said sum to be immediately available."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he hereby is, authorized to sell and dispose of not to exceed 20 acres of that portion of the lands situated on the north side of and within the limits of the abandoned Fort Spokane Military Reservation, State of Washington, not necessary for hospital purposes, as provided for in the act approved August 1, 1914 (38 Stat. L., 584), at not less than the appraised value thereof, and to place the proceeds thereof in the Treasury of the United States to the credit of the Spokane Indians in said State."

And the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That without bias or prejudice to the rights or interests of any party to the litigation now pending, the Secretary of the Interior be, and he hereby is, authorized to sell the timber on the so-called "school lands" and "swamp lands" within the boundaries of the Bad River and Lac du Flambeau Indian Reservations in Wisconsin, and to which the State of Wisconsin has asserted a claim; to keep a separate account of the proceeds of such sale with each legal subdivision of such land and to deposit the said proceeds at interest in a national bank, bonded for the safe-keeping of individual Indian moneys, to be paid over, together with the interest thereon, to the party or parties who shall finally be adjudged to be entitled to such fund: *Provided*, That the consent of the State or parties claiming title therefrom be obtained before any such sale shall be made."

And the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"SEC. 27. On the first Monday in December, 1917, and annually thereafter, the Secretary of the Treasury shall transmit to the Speaker of the House of Representatives estimates of the amounts of the receipts to, and expenditures which the Secretary of the Interior recommends to be made for the benefit of the Indians from, all tribal funds of Indians for the ensuing fiscal year; and such statement shall show (first) the total amounts estimated to be received from any and all sources whatsoever, which will be placed to the credit of each tribe of Indians, in trust or otherwise, at the close of the ensuing fiscal year, (second) an analysis showing the amounts which the Federal Government is directed and required by treaty stipulations and agreements to expend from each of said funds or from the Federal Treasury, giving references to the existing treaty or agreement or statute, (third) the amounts which the Secretary of the Interior recommends to be spent from each of the tribal funds held in trust or otherwise, and the purpose for which said amounts are to be expended, and said statement shall show the amounts which he recommends to be disbursed (a) for per capita payments in money to the Indians, (b) for salaries or compensation of officers and employees, (c) for compensation of counsel and attorney fees, and (d) for support and civilization: *Provided*, That hereafter no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: Equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: *Provided further*, That this shall not change existing law with reference to the Five Civilized Tribes."

And the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"SEC. 28. On or before the 31st day of December, 1916, the Bureau of Efficiency shall prepare and submit to the Secretary of the Interior a system of bookkeeping and accounting for the Bureau of Indian Affairs that will enable the said Secretary, on or before July 1, 1917, to meet the requirements of section 26 of the Indian appropriation act approved June 30, 1913 (38 Stat. L., p. 103)."

And the Senate agree to the same.

HENRY F. ASHURST,
H. L. MYERS,
MOSES E. CLAPP,
*Managers on the part of the Senate.*

C. D. CARTER,
CARL HAYDEN,
P. P. CAMPBELL,
*Managers on the part of the House.*

HOUSE BILLS REFERRED.

H. R. 10668. An act to repeal section 4 of the act of Congress approved June 11, 1906, known as the forest-homestead act, and for other purposes, was read twice by its title and referred to the Committee on Public Lands.

H. R. 15005. An act to appropriate $200,000 for training the Organized Militia of any State, Territory, or of the District of Columbia, was read twice by its title and referred to the Committee on Military Affairs.

EXECUTIVE SESSION.

Mr. BANKHEAD. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 25 minutes spent in executive session the Senate, in executive session (at 4 o'clock and 30 minutes p. m.), took a recess until Monday, May 8, 1916, at 11 o'clock a. m.

## NOMINATIONS.

*Executive nominations received by the Senate May 6 (legislative day of May 5), 1916.*

UNITED STATES DISTRICT JUDGE.

J. Warren Davis, of Trenton, N. J., to be United States district judge for the district of New Jersey. (Additional position, created by the act approved April 11, 1916.)

UNITED STATES DISTRICT ATTORNEY.

Charles F. Lynch, of Paterson, N. J., to be United States attorney for the district of New Jersey, vice J. Warren Davis, nominated to be United States district judge for the district of New Jersey.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate May 6 (legislative day of May 5), 1916.*

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

*To be first lieutenants with rank from April 12, 1916.*

Howard James Knott.
Edwin Roy Tenney.
Edmund McCollam Connely.
Marion Cherigny Palmer.
Alonzo Bolen Middleton.
Warren David Calvin.
Edward Cochrane Gow.
John Kelso Ormond.
Frank Nicholls Dealy.
Frank Marion Barker.
Frank Lawrence Putman.
Harry Emerson Foster.
George Ross Winters.
John Charles Calhoun.
Henry Norton Torrey.
Charles Willard Selover.
Lucius Wales Hotchkiss.
Jesse Irving Sloat.
Joseph Leidy.
Charles Venable Carrington.
Paul Hudson Zinkhan.
Carrington Williams.
Edward Douglas Piper.
John Staige Davis.
Austen Fox Riggs.
Emil Altman.
Arthur Bradley Eisenbrey.
Frederick Tilney.
William Evans Bruner.
Gordon Niles Morrill.
Harry Roswell Wahl.
John Eugene Brooks.
Robert Leland Maynard.
Joseph Edgar Rowan.
George Alden Lewis.
Sydney Robotham Miller.
Henry Richmond Slack, jr.
Ralph R. Ryan.
Thomas Caldwell Savage.
William Robert Cubbins.
David Melvin Davis.
Peregrine Wroth, jr.
James Ely Talley.
Oliver Hazard Perry Pepper.
Mordecai Robert Bren.
George Nicholas Acker, 2d.
Samuel Swift.
George Roger Dempsey.
Harry Ezekiel Isaacs.
John William Sluss.
Elliott Carr Cutler.
Albert Alphonso Wood Ghoreyeb.
Frederic Augustus Washburn.
Jacob Jerome Steinfelder.
Edwin I. Bartlett.
Theodore Caldwell Janeway.
Daniel Webster Prentiss.
Howard Thomas Karsner.
Charles Walter Stone.
Albert Clifford Hirshfield.
Harold Colton Herrick.
Wilson George Smillie.
Charles Booth Spruit.
José Penteado Bill.
Harold Everett Eggers.
Eben Winslow Fiske.
Archibald McKay Fraser.
William Joseph McDonald.
Samuel Clark Harvey.
Mortimer Edwin Danforth.

PROMOTIONS IN THE ARMY.

COAST ARTILLERY CORPS.

First Lieut. Sidney H. Guthrie to be captain.
Second Lieut. Edward Roth, jr., to be first lieutenant.

INFANTRY ARM.

Second Lieut. Martin C. Shallenberger to be first lieutenant.

CORPS OF ENGINEERS.

Second Lieut. Oscar O. Kuentz to be first lieutenant.
Second Lieut. William E. R. Covell to be first lieutenant.
Second Lieut. Edwin R. Kimble to be first lieutenant.

POSTMASTERS.

INDIANA.

Alden H. Baker, Westfield.
George P. DeHoff, Winona Lake.
Simeon L. Frost, Orleans.
Daniel A. Riley, Greentown.
William F. Wake, Roanoke.

ILLINOIS.

Charles J. Paar, Warsaw.
Jessie J. Wesse, Dolton.

MICHIGAN.

Harold Murphy, Harbor Beach.
William P. Nisbett, Big Rapids.

MINNESOTA.

M. H. Baskfield, Zumbrota.
J. M. Benson, Lindstrom.
H. J. Essler, St. Peter.
O. J. Rea, Tracy.

NEW JERSEY.

John Y. Bellis, Clinton.
Oliver R. Kugler, Frenchtown.

NEW YORK.

John F. Gilmartin, East Hampton.
T. Benson Smith, Freeport.

NORTH DAKOTA.

H. S. Davies, Devils Lake.

PORTO RICO.

E. W. Keith, San Juan.

# HOUSE OF REPRESENTATIVES.

## SATURDAY, *May 6, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, our Father in heaven, for every life that has poured itself out for the betterment of mankind, whether in science, literature, art, statesmanship, or religious endeavor; for these are the human dynamos that move the wheels of progress toward the ideal civilization for which every true heart longs, and for the full appreciation accorded to such men in the hearts of their fellows. We thank Thee for the recognition of the long and faithful service of one who stands to-day on the threshold of his eightieth birthday, who, for half of his life, has been a conspicuous figure on the floor of this House; a leader, wise in his counsels, a strong advocate of every measure

for the betterment of popular government, known throughout the length and breadth of the land for his strong personality, independent thought and action, affectionately esteemed by all for faithful service to his country. May Heaven's richest blessing attend him and bring him at last to that immortal youth where a fuller service waits on the faithful. So may Thy blessing attend every Member and crown his efforts with successful service, and Thine be the praise forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present, and evidently there is not.

Mr. KITCHIN. I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

| | | | |
|---|---|---|---|
| Allen | Flynn | Langley | Ragsdale |
| Anthony | Focht | Lee | Rainey |
| Bacharach | Fordney | Lehlbach | Riordan |
| Barchfeld | Gardner | Lesher | Roberts, Mass. |
| Barkley | Garland | Lieb | Rowe |
| Beales | Godwin, N. C. | Liebel | Rowland |
| Bennet | Goodwin, Ark. | Lindbergh | Saunders |
| Browning | Gould | Linthicum | Schall |
| Bruckner | Graham | Littlepage | Scott, Pa. |
| Brumbaugh | Gray, N. J. | Lobeck | Scully |
| Burke | Green, Iowa | Loft | Sears |
| Burnett | Griest | Longworth | Sells |
| Byrnes, S. C. | Griffin | McDermott | Shouse |
| Caldwell | Guernsey | McFadden | Sinnott |
| Candler, Miss. | Hamill | Maher | Sloan |
| Carew | Hamilton, N. Y. | Martin | Smith, Mich. |
| Carter, Okla. | Harrison | Miller, Minn. | Snell |
| Casey | Hart | Miller, Pa. | Snyder |
| Chandler, N. Y. | Haskell | Mooney | Sparkman |
| Church | Haugen | Moore, Pa. | Stafford |
| Coady | Heaton | Morin | Stout |
| Coleman | Helm | Moss, Ind. | Sutherland |
| Conry | Helvering | Moss, W. Va. | Swift |
| Costello | Henry | Mudd | Switzer |
| Cox | Hinds | Neely | Tague |
| Cullop | Hulbert | Nichols, Mich. | Talbott |
| Dale, N. Y. | Humphreys, Miss. | Nolan | Tinkham |
| Darrow | Husted | North | Treadway |
| Dooling | Hutchinson | Norton | Vare |
| Driscoll | James | O'Shaunessy | Ward |
| Drukker | Johnson, S. Dak. | Paige, Mass. | Watkins |
| Edmonds | Kelster | Parker, N. J. | Watson, Pa. |
| Fairchild | Kiess, Pa. | Parker, N. Y. | Williams, Ohio |
| Fields | Konop | Patten | Wilson, Fla. |
| Flood | Kreider | Pou | Wilson, Ill. |

During the calling of the roll Mr. CANNON entered the Hall and was greeted with prolonged applause.

The SPEAKER. Two hundred and ninety-two Members, a quorum, have answered to their names.

Mr. KITCHIN. I move to dispense with all further proceedings under the call.

The motion was agreed to.

JOSEPH GURNEY CANNON.

The SPEAKER. Under a special order of the House made some time ago, the gentleman from Illinois [Mr. RODENBERG] is to control one hour, and he is now recognized. [Applause.]

Mr. RODENBERG. Mr. Speaker, if all sentiment were taken out of life, to live would not be worth while. Sentiment rules the world and controls the action of all mankind. Love of country, devotion to home and family, friendship for our fellow man, all are based on sentiment. It is one of the divine attributes of every true and manly heart; without it the world would be dreary and desolate, forever lost to love and laughter. It fills the soul with hope and joy and lifts the clouds of doubt and gloom. It is humanity's greatest boon, for it brings to all the cheer that makes life worth the living. It is in response to a sentiment that has its foundation in genuine affection that we meet to-day to do honor to the best-beloved Member of this great legislative body. [Applause.]

Mr. Speaker, many stirring and exciting scenes have been staged in this Hall. Here in days gone by many of the Nation's greatest men have engaged in intellectual combat and the world has been enriched by their wit and their wisdom. To-day there rise before us again the towering forms of Garfield and Blaine, of Randall and Cox, of McKinley and Reed, of Crisp and Carlisle, and, as memory reverts to some of the great historic scenes enacted here, and in which they played their parts so well, our blood tingles and throbs, and we thank God that it has been our good fortune to have had service in this House. [Applause.]

I am now concluding my seventh term as a Member of Congress, and during my service here I have often been profoundly impressed by the fact that nowhere is the doctrine of the "survival of the fittest" better exemplified than in this Chamber. Here every man is measured at his real worth, and the measurement is always true and accurate. The House has no difficulty in separating the wheat from the chaff, and is as quick to applaud merit and industry as it is to condemn sham and pretense. The prestige of the man of intellectual integrity is as lasting as that of the demagogue is fleeting.

Leadership in this House is never accidental. On the contrary, it is always natural and entirely logical. Length of service may place a Member at the head of one of the great committees of the House, but the chairmanship of a committee, no matter how important, does not carry leadership with it. It requires something else to be a leader and a man of genuine influence. The real leaders in a legislative body such as this are the men who do not adjust their sails to catch every passing breeze, but who, when the storms of criticism beat and the waves of opposition roll, "stand foursquare to all the winds that blow," let come what may. [Applause.]

If there be one such man among us, if there be one man who has steadfastly pursued the path of public duty, and who, at all times and under all circumstances, in good and ill report, has had the superb courage to give expression to honest conviction, that man is he whom we delight to honor to-day, the grand old hero of a thousand legislative battles, JOSEPH G. CANNON, of Illinois. [Prolonged applause.]

For almost 40 years the calcium light of publicity has been turned full and fair upon him; and the stronger and the brighter the light, the more it has served to reveal to all the world those sterling qualities of head and heart that have given him an enduring place among the ablest and most courageous statesmen of his day and generation. He has made mistakes—of course he has. To err is human, and UNCLE JOE has at all times been intensely human; but no man, living or dead, ever saw him lower his colors or hoist the white flag of surrender. No matter how fast or furious the contest, he was never known to ask for quarter, but, throwing his warlike shield before him, he bade defiance to the enemy, shouting:

Lay on, Macduff,
And damn'd be him that first cries "Hold, enough!"

[Applause.]

Mr. Speaker, including the Continental Congresses, 7,865 men have served in the various Congresses of the United States, and of all this number our distinguished friend enjoys the unique distinction of having had the longest service in the House of Representatives. The record shows that in all the years of our national existence only three men have excelled him in length of legislative service. At the head of the list stands Justin Smith Morrill, of Vermont, whose service in House and Senate covers a period of 43 years, 9 months, and 24 days. Next comes William Boyd Allison, of Iowa, whose combined service in the two bodies totals 43 years and 5 months. The third on the list is William Pierce Frye, of Maine, who served in both Chambers for 40 years, 5 months, and 4 days. And then comes JOSEPH GURNEY CANNON, of Illinois, who, upon the completion of his present term, will have been a Member of the House of Representatives for 40 years; and I know that I voice the sentiments of every man in this Hall when I express the hope that he will continue as a Member of this body until he has established a record for length of service that will never be equaled in all the future history of the Republic. [Applause.]

UNCLE JOE, to-morrow will be the eightieth anniversary of your birth. Entertaining for you, as I do, the deep and abiding affection that a son feels for his father, I deem it an honor indeed to have been selected to extend to you on this happy occasion the felicitations and good wishes of the entire membership of this House. We wish you full measure of life's pleasure to the end of your days, and we unite in the fervent hope that it will be many, many years before the shades of night begin to fall; and when they do, we know their gloom will be mellowed and softened by the golden glow that radiates from the halo that crowns and glorifies the patriotic life of a great American. [Prolonged applause.]

The SPEAKER. The gentleman from Ohio [Mr. SHERWOOD] is recognized. [Applause.]

Mr. SHERWOOD. Mr. Speaker, 43 years ago, when I was on earth for the first time [laughter], I drifted into this Congress, that being the first term of the distinguished American whose birthday we celebrate to-day. It has already been said, better and more eloquently than I am capable of saying it, that he is the most remarkable man this country has ever produced, counting his service in public life. He has had a public service of 47 years—40 years in Congress—and has been four times

Speaker of the House of Representatives. I understand that UNCLE JOE and the modest Member who is now addressing you are the only surviving Members of the Forty-third Congress now in public life, and it has appeared to me to be fitting to refer to some of the incidents of that Congress, because we were called upon to deal with great questions growing out of the Civil War, questions that appealed to the hearts and the emotions of public men. Gen. Grant, the foremost man of all the world, was starting on his second term as President. I want to call your attention to some of the developments in science and social ethics that have occurred since that time. I remember that the appropriation for the President in that Congress, for salary and for upkeep of the White House, was $42,000. President Grant had no bodyguard, no military aide. We Members were serving at $5,000 a year. We had to furnish our own quarters. We were not allowed any secretaries. The Speaker had no parliamentary expert. We had no Hinds' Precedents. The country had no automobiles. We had no wireless; we had no flying machine; we had no canned music. Edison, the wizard of the scientific world to-day, had not yet appeared. We had no electric cars; we had no moving pictures; no typewriting machines. We had no preparedness talk on this floor [laughter]; we had no Calendar Wednesday [laughter]; we had no Army and Navy League.

We had no twilight tango. [Laughter.]

We are here to-day with a living and knock-down argument against the theory of Dr. Osler. [Applause and laughter.] It *is a mistake to* suppose that a man who has reached the age of 80 years has reached the acme of his intellectual development. [Applause and laughter.] Pope Leo XIII and John Adams were in the full possession of their intellectual powers at 90. John Wesley was at the height of his eloquence and at his best at 88. Michelangelo painted the greatest single picture that was ever painted since the world began at 80. He made the sky and sunshine glorious with his brush at 83. Gen. Von Moltke was still wearing the uniform at 88, and he commanded the victorious German Army that entered the gates of Paris at 70. George Bancroft was writing deathless history after 80. Thomas Jefferson, Herbert Spencer, Talleyrand, and Voltaire were giving out great ideas at 80. Tennyson wrote his greatest poem, "Crossing the Bar," at 83. Gladstone made his greatest campaign at 80, and was the master of Great Britain at 83. Humboldt, the naturalist, scientist—the greatest that Germany ever produced—issued his immortal Kosmos at 90.

I saw Joe Jefferson play Rip Van Winkle at his best at 75. Goethe wrote Faust, the greatest literary achievement in all literature—the masterpiece of literature—the last section—at 80. The Irish actor Macklin was still on the stage at 99. Robert Browning was as subtle and mysterious as ever at 77, and Victor Hugo was at his best from 75 to 80.

We will concede that UNCLE JOE has passed the period of adolescence [laughter] and that he has reached the age of discretion. You will all concede with me that the best effort of his life was undoubtedly his oration on Abraham Lincoln, which was delivered in this Congress. He has not reached the acme of his intellectual development; that will come later. [Laughter and applause.] When he delivers his masterpiece in this Chamber or in a larger forum, I hope I may be present with ears erect to hear or eyes alert to read. [Laughter and continued applause.]

The SPEAKER. The gentleman from Wisconsin [Mr. COOPER] will take the chair. [Applause.]

Mr. COOPER of Wisconsin took the chair as Speaker pro tempore.

The SPEAKER pro tempore. The Chair will recognize the gentleman from Massachusetts [Mr. GILLETT]. [Applause.]

Mr. GILLETT. Mr. Speaker, I am the only person in the House who ever served on the Appropriations Committee when Mr. CANNON was its chairman. To my mind that was the most glorious and useful part of his career. Perhaps my opinion is biased by the fact that as we grow older we are less impressionable, and that when I was younger I was more of a hero worshiper; but to me, even when he sat omnipotent in the Speaker's chair and tried to be dignified and judicial and nonpartisan, and to regulate this disorderly and sometimes turbulent assembly, he was not so imposing as when he was on the floor, sure to be in the center of any conflict, contributing in no small measure to the heat and violence and interest of the debate, ready always to "ride the tempest and direct the storm." [Applause.]

To see him in his glory you should have seen him as chairman of Appropriations, in the thick of the fray, without manuscript or notes, but all ablaze with energy, now entertaining the House with his quaint conceits and now convincing them with his powerful and ingenious arguments.

That, to my mind, was the sphere where his abilities shone to the best advantage. He is by nature a floor leader. He has the courage, the fearlessness, and that quickness of mind and of tongue accelerating under fire, which make a man effective on this floor.

Those of you who have come here this session can have little appreciation, it seems to me, of what the American Congress has sometimes been and what it may be again. Everything this year has run so smoothly and amiably—there has been so little bitterness and belligerency—that it is difficult to realize the contests of the past. Our Speaker is so genial and so popular with both sides [applause], the minority leader cooperates so heartily with his kindly spirit, and the issues which thus far have arisen have contained so little to excite passion that we seem to be sailing on an eternal summer sea. I hope it may always continue so serene. [Applause.]

But it was in a very different atmosphere that Mr. CANNON was trained. It was different when I first came here. I can remember when the air of this Chamber seemed surcharged with animosity, and there were occasions when it seemed as if the two sides of the House were so hostile and furious that they might at any moment rise against each other in forcible collision.

And yet I suppose during my service it has been calm compared with what preceded it. I suppose in the Fifty-first Congress party heat reached its extreme. It needed then dauntless courage and unfaltering poise to be a successful leader. And it was in that Congress I have always understood that Mr. CANNON really won his indisputable right to be at the front. In that historic contest over the rules it was on him that Speaker Reed, the most powerful and formidable figure I have ever seen within these walls, leaned for his most reliable and effective support.

I came here 23 years ago. I suppose many of you think, as I know some ambitious men in my district have long thought, that 12 terms are an unconscionable time for anyone to serve. [Laughter.] But when I arrived here Mr. CANNON could look back nearly as far as that to the commencement of his service. He was in his prime. In debate his directness, his shrewdness, his brightness of illustration, and his gymnastics always attracted universal attention. I remember being told that once when he was making a speech with his customary vigor, rising on his toes and prancing up and down the aisle, Mr. Reed called out to him, sotto voce, "JOE, are you making this speech on mileage?" [Laughter.]

But while his peculiarities of manner attracted attention, they were but the publicity agents for the real power and originality of his arguments. No one knew better than he how to appeal to both the judgment and the prejudices of the House. His quick and fertile mind not only grasped and developed all the intrinsic force of the argument but also took advantage of the foibles and self-interest of his audience. He did not simply argue the merits of the proposition but he fought strenuously to make his side prevail. He made speeches, not to circulate in his district or to win applause, but to win votes, and if he could not succeed the cause was hopeless.

The chairman of the Appropriations Committee generally has the unpopular side, for he is generally fighting for economy. I do not believe it is simply the natural prejudice of my own membership which makes me feel that a spirit of economy always permeates that committee far more than any other committee of the House. Now is not the time to discuss the reason for it, which would be interesting.

But ever since I have been here the chairman of that committee has been the watch dog of the Treasury and the champion of retrenchment. Mr. CANNON filled that rôle preeminently, but with a good nature, a practical common sense, a sagacious judgment of the temper of the House, and a prudent mitigation of abstract justice by personal necessities which won him extraordinary success. He was ready to compromise when he thought it wise and reasonable, but he never shunned a fight, and he never surrendered till every resource was exhausted. The adversary who anticipated an easy victory just because he had the popular side had little appreciation of the persistence, the knowledge, and the resourcefulness of Mr. CANNON. He was, of course, sometimes beaten, but he often won where another would not have dared to fight.

When I first came to Congress I had a strong prejudice against him. But, as I watched his leadership, the time came when if I suddenly had to vote on a question of which I knew

nothing, there was no man in the House whom I would follow so confidently as him.

In committee he was alert, wise, timesaving, and he had that charming quality so appreciated by ambitious younger men, of giving them plenty of opportunity to show their powers. He never tried to monopolize the chances of distinction, but shared them generously with his lieutenants.

I trust he will not think it disparaging if I say that he is a debater rather than an orator. You will recall that in the golden days of English eloquence Edmund Burke, who, in my opinion, wrote the finest orations ever produced, said of his rival, Charles James Fox, that he was "the most brilliant and accomplished debater the world ever saw."

Some of Fox's friends took umbrage at the phrase, and thought the word "debater" did not do him justice. But I am not sure it is not quite as complimentary as "orator." A debater like Mr. CANNON measures his strength squarely with his opponent, asks no time for preparation, but is always ready, and must rely on his native powers to repel assaults, grapple with his antagonist, and from a hand-to-hand contest win his laurels. The orator at leisure ponders and develops and elaborates his material. In the one case you see the engine at work and can measure its actual force; in the other you see only the result.

It always seemed to me Mr. CANNON had not the taste, if he had the capacity, for elaborate preparation. He seemed to need the stimulus of a fight to arouse his faculties. Then he could summon his resources with unfailing facility, and showed a readiness, an astuteness, a variety, and a vigor which were marvelous.

Of course he was prepared, in the sense that he knew all about his subject, for he was a most thorough and thoughtful student of the questions which came before him. But he never seemed to make any special preparation for his speeches, but to trust to the inspiration of the moment, which has brought the downfall of so many would-be orators, but which never failed him. Indeed, I think his example was a bad influence on young men by discouraging preparation. I, like other New England boys, was brought up to believe that the price of success was industry. I always had dinned into my ears the verse—

> The heights which great men reached and kept,
> Were not attained by sudden flight;
> But they, while their companions slept,
> Were toiling upward in the night.

Since I have known him Mr. CANNON's "toiling in the night" has not been exclusively over his congressional duties [laughter], and yet his mind always seems saturated with knowledge of the varied subjects which come before us.

As he moves among us now, kindly, sedate, respected, beloved—a sort of perpetual statesman emeritus, bearing his 80 years more lightly than anyone I ever saw—he is an honor and a blessing to the American Congress; but I shall always cherish most the memory of the dauntless, resourceful, militant head of the Appropriations Committee, defending the National Treasury against all comers, fearlessly, tenaciously, judiciously, and with a success I have never seen paralleled. [Applause.]

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. KITCHIN] is recognized. [Applause.]

Mr. KITCHIN. Mr. Speaker, I count it a real privilege and pleasure to participate in these ceremonies to-day. I believe the House honors itself more than it honors the distinguished gentleman from Illinois [Mr. CANNON] in taking, amid its busy labors, this hour to celebrate the eightieth birthday of a man who, in my judgment, is the most marked and unique character that has sat in either end of the Nation's Capitol for the last half century. [Applause.] I am going to say in public here now what I have a hundred times said in private, that of all the public men whom I have ever met the gentleman from Illinois is the most remarkable and possesses the strongest, most practical common-sense intellect.

I remember when I first came here 15 years ago he impressed me more particularly as being a big man than any other man in the House. I sat here in my seat for three years without ever opening my mouth on the floor of this House, and that is somewhat remarkable, it seems to me now [laughter], but I had an idea that it was wiser for me at first to hear and see rather than be heard and seen. During that time I was an intent observer, sizing up the men in this body. Outside of partisan politics the gentleman from Illinois impressed me as being the wisest legislator in the House. I have said that, too, a hundred times, and I have really not seen much since then to change my opinion. [Laughter and applause.] But when it came down to partisan questions and partisan politics, and especially when his blood was up—Good Lord, deliver us! [Laughter.] And, Mr. Speaker, his partisanship was not confined to men on the Democratic side of the House, either. One of the most interesting and remarkable debates I ever witnessed in this House was between the gentleman from Illinois [Mr. CANNON] and a gentleman on that side of the Chamber who is now deceased, Col. Pete Hepburn, which occurred some 12 or 13 years ago when the bill for the construction of the interoceanic canal was under consideration. The question then was whether we should build a canal across the Isthmus of Panama or along what was known as the Nicaraguan route. The committee had reported unanimously in favor of the Nicaraguan route. Mr. Hepburn was chairman of the committee, and, of course, strongly advocated the Nicaraguan route. Only a few, led by the gentleman from Illinois, favored the Panama route. I had seen many heated courthouse contests between lawyers, but I never witnessed anything more interesting and exciting than that debate between these two gentlemen. Mr. Hepburn was right-handed and Mr. CANNON was left-handed, both on their feet most of the time, within a step or two of each other, their arms waving about as if in a pugilistic contest. It was a fur-flying debate, but a great debate. I will never forget it. Two giants were wrestling with each other in intellectual combat. The House has had few men equal as a debater to Col. Hepburn. He was a strong, forceful, resourceful man.

Mr. Speaker, I have heard Mr. CANNON in several debates; I have seen him in action in the House for a number of years; I have seen him confront serious and critical situations often; but, in my opinion, the time when he loomed up bigger and stronger and braver than ever was during those two nights and two days' fight over what we called Cannonism—on the Norris resolution—in the Sixty-first Congress. I never saw a man in my life who stood forth such a complete master of the situation. He rode the very whirlwinds and directed the storms for his party. While many harsh things on this side and many on that side were spoken during those two days and nights of the hottest and most exciting contest the House has witnessed in a quarter of a century, I never saw the gentleman from Illinois lose his temper or his head for one moment. He was courteous, cool, courageous, and determined to the last to do what he started out to do the very first moment the fight began. He was going to hold the House here and not make a decision upon the question of order pending until the Republican whip had gathered in from all quarters of the United States every single Republican Member of this House, and he knew exactly how each would vote. Just as soon as he ascertained that every Republican who would vote on his side was here in the House, without sleep for two days and nights, he rapped the House to order and calmly said, "The Chair is ready to rule." [Applause.] And he ruled against us, of course. [Laughter and applause.] In all the conflicts in his long and eventful career as a Member of the House, some of them bitter and severe, he stood out always before the eyes of friend and foe the embodiment of courage, of directness, of integrity. [Applause.]

Mr. Speaker, I think this occasion illustrates the truth of what I heard the minority leader say some time ago, that while that aisle separated the Democrats from the Republicans it did not divide the hearts of the men in this House. [Applause.] It does not divide our respect, confidence, esteem, and affection for each other. There are men on that side of the House whom I regard with as much esteem, admiration, respect, and affection, as on this side, and no doubt that is the case with most of us on either side of the aisle. We differ on questions of policy for the country, on what we call political principles, but we do not differ in our loyalty and love and devotion to our country and our flag, and in our respect, esteem, and affection for one another. When I was a great deal younger than I am now, I used to think that the good folks were all in the Democratic Party and the bad folks all in the Republican Party. I used to think that the big Republicans in Washington had horns and that they were all reaching out with both hands toward somebody else's pocket. But, gentlemen, since I have served in this House I have found so many good and splendid fellows in the Republican Party that, individually, I am willing to admit that it is a pretty good party. Collectively—well, I am not profane and will not be unparliamentary, but anyway, since my association with these splendid Republicans here I have come to the conclusion that a Republican is never dangerous to a good Democrat—except in an election [laughter and applause], and never harmful to the public—except in office. [Laughter.]

In the Sixty-first Congress we had a lot of talk about "Cannonism." I believe the best speech I ever made in the House was on "Cannonism." That was not a fight against Mr. CANNON; it was a fight against a system which the rules created and which he inherited from former Congresses, and, perhaps,

from Democratic Congresses, too, as well as Republican Congresses. I said at the time that we were making a fight against the rules and the power which the rules gave the Speaker, called then "Cannonism," not against Mr. Cannon; that the rules then in force had been in force in both Republican and Democratic Congresses, and only a weak man, without courage, would have done less than the distinguished gentleman from Illinois if exigencies demanded. When the rules of the House put into the hands of one man the life and death of all legislation and all procedure and made him more powerful than even the President of the United States, any strong, intellectual, courageous man would have exercised that power, whether he was a Democrat or a Republican, under the conditions that then confronted the party in control. Since then, as the gentleman from Massachusetts [Mr. GILLETT] says, we have come to smooth and better-tempered times, when most of us vote alike and think alike on many questions. When the people made a change in the House, why, we, with the approval of many gentlemen on that side changed the rules, and we never hear of "Cannonism" now, but we are proud and glad to hear to-day of "Cannon." [Applause.] We are glad to know, too, that every heart that beats within these walls is hoping and praying that we shall have the happiness on many and many another birthday of the gentleman from Illinois to meet here in his presence and do him honor. [Loud applause.]

The SPEAKER pro tempore. The Chair recognizes the Speaker of the House of Representatives. [Loud applause.]

Mr. CLARK of Missouri. Mr. Speaker and gentlemen of the House, this performance here to-day reminds me of one in which Mr. Speaker CANNON and myself participated five or six years ago in the city of New York. About six months after Mark Twain died they memorialized him in Carnegie Hall before an immense audience. The chairman was Dr. William Dean Howells. The Speakers were Joseph H. Choate, Henry Van Dyke, "Marse" Henry Watterson, Mr. Speaker CANNON, George W. Cable, and myself. I believe if Mark Twain knew what was happening that that was exactly the kind of a crowd he would have elected to have participated in his funeral exercises. We did not do anything for four mortal hours except crack jokes and tell anecdotes. I think this hour and a half is well spent [Applause.] It shows the House in its most pleasing phase.

Mr. Speaker, this Government has existed 127 years under the Constitution—a brief, fleeting period in the existence of a nation, but longer than the span of life vouchsafed to any of the latter-day sons of Adam. We are engaged in celebrating the birthday of the only man in our history who has been elected to the House of Representatives 20 times—a unique achievement, which may be duplicated in the next 127 years, but probably will not. Such a record can be made only under a rare and peculiar set of circumstances: First. The constituency must remain in the same political faith during two score years. Second. The man himself must be as constant as the northern star and be possessed of unusual endowments, mentally and physically. Third. His constituency must have such faith in him as would remove mountains.

Mr. Speaker CANNON is now well into his fortieth year in the House, and is in fine fettle in both body and mind—at which we all rejoice. [Loud applause.]

Only three men have exceeded him in length of service in Congress, and they only by adding their House and Senate service together. Justin Smith Morrill, of Vermont, sat 12 years in the House and 31 years, 9 months, and 24 days in the Senate—a total of 43 years, 9 months, and 24 days—while William Boyd Allison, of Iowa, served 8 years in the House and 35 years and 5 months in the Senate—a total of 43 years and 5 months, and William P. Frye, of Maine, who served 10 years and 13 days in the House and 30 years, 4 months, and 20 days in the Senate—a total of 40 years, 5 months, and 3 days. Thus it will be seen that Morrill tops them all by 4 months and 24 days.

William Ewart Gladstone served 53 years in the British House of Commons. I am by no means certain that his service was the longest in that body. Over there, however, they begin younger than we do. Charles James Fox, perhaps the greatest parliamentary orator that ever lived, entered the House of Commons at 19, and the younger William Pitt at about the same age. Another thing that tended for length of service there was the old and condemned borough system, whereby a duke or earl or viscount would take a fancy to some bright youngster and practically appoint him to a seat in the Commons—an agreeable custom, but not promotive of the public welfare, and now happily fallen into "innocuous desuetude."

Henry Clay, the most renowned of all Speakers, served the longest time in the Speaker's chair, being elected for six full terms, resigning twice, with a total actual service of 10 years and 245 days, although the Capitol guides will have it that he served 12 years—a historic fable.

Mr. Speaker CANNON comes next with four full terms—eight years—and if the political complexion of the House had not changed he would in all probability be in his fourteenth year in the chair, thereby exceeding the record of "The Great Kentuckian." [Applause.]

Mr. Speaker Stevenson of Virginia was elected for four full terms, but in the middle of his fourth term he resigned both as Speaker and as Member of the House, having been nominated as envoy extraordinary and minister plenipotentiary to the Court of St. James by President Jackson; but alack! and also alas! a refractory Senate refused to confirm his nomination for more than a year, during which time he was, like Mohammed's coffin, suspended betwixt heaven and earth. At last the Jackson men became strong enough in the Senate to confirm him and he went on his way rejoicing, having learned a lesson about premature resignations which he probably never forgot and which added somewhat to his stock of wisdom.

Mr. Speaker CANNON and Gen. SHERWOOD were both first elected to Congress at the November election in 1872, when under the lead of Horace Greeley the Democrats met with a crushing disaster, from which they recovered in 1874, only two years later, and swept the country from sea to sea. Speaker CANNON has served under 10 Presidents—Grant, Hayes, Garfield, Arthur, Cleveland, the younger Harrison, McKinley, Roosevelt, Taft, and Wilson. Presidents come and Presidents go, but he, like Tennyson's brook, goes on forever.

James Gillespie Blaine, one of the most brilliant of all the Speakers [applause] administered the oath to him upon his entrance here. While the Speaker's term is two years and the presidential term is four, he has seen the same number of Presidents in the White House and Speakers in the chair, 10—Blaine, Kerr, Randall, Kiefer, Carlisle, Reed, Crisp, Henderson, CANNON, and CLARK.

When he was first elected only about a dozen of the present Members could vote. Many were in their swaddling clothes, trying to achieve the first acrobatic feat any of us and all of us ever essayed to get our big toe into our mouth. [Laughter.] A majority of the Members were then unborn. What an astounding amount of history has been made in this country in the 44 intervening years, all of which he saw and part of which he was!

I am glad that Mr. Speaker CANNON made his great speech on the immigration bill recently—for it was a great speech—glad on his account, glad on my own account; glad most especially on account of you newer Members who have come into the House in the last 13 years; glad that you had the opportunity of not only hearing but seeing him as James Steerforth wished to be remembered, "at his best." We are all James Steerforths in that regard. J. B. McCullough, long-time editor of the St. Louis Globe-Democrat, once said that he had often thought that had there been present a man who could see but could not hear and one who could hear but could not see when Roscoe Conkling delivered his superb speech, nominating Gen. Grant in the famous Chicago convention of 1880, he believed that the deaf man who could see would have derived as much pleasure from Conkling's performance as the blind man who could hear. I confess that seeing Mr. Speaker CANNON in action has always interested me quite as much as what he said. [Laughter and applause.] He has always appeared to me to be made up chiefly of spiral springs. [Laughter.] I saw him once do, while speaking, a thing that I doubt if any other speaker ever duplicated since the confusion of tongues at Babel. In the heat of debate I saw him make a complete circle on his heel. [Laughter.]

He is one of the strongest rough-and-tumble debaters I ever heard or tackled. He belongs to the topnotcher class of mental pugilists. He hits and hits hard, but never below the belt. I remember with pleasure now—though not so pleasant then—that in the first real debate in which I ever participated in the House he catechized me in extenso. It was a red-hot political debate—a cut and thrust affair—on the repeal of the Federal election law. I had not been here more than two months, and was ambitious to break into the limelight, or, as the Kaiser would say, to achieve "a place in the sun." [Laughter.] I did it on that occasion, largely by aid of Mr. Speaker CANNON, though I entertain serious doubt whether he intended assisting a rampant, greenhorn Democratic Congressman, for the billows of politics ran mountain high at that time.

Fight in those brave days of old? Of course we did—many of us, tooth and nail, hammer and tongs. Scars? All who participated in those fierce conflicts bear them—honorable scars, all in front; none of us escaped unscathed. Sometimes we fought over political principles, sometimes about governmental business, and sometimes by reason of what Cæsar denominates cer-

taminis gaudium—the sheer joy of combat. Once Speaker CANNON was in the full tide of speech when I interrupted him, and he waved or shoved me off by saying, "Oh! Not now. I will attend to the Missouri Cyclone presently"—which he did, and I came near having fastened onto me the sobriquet borne now and for many years by the gentleman from Texas [Mr. DAVIS]. [Laughter and applause.].

Mr. DAVIS of Texas. Amen! [Laughter.]

Mr. CLARK of Missouri. On another occasion I had the floor, and when Speaker CANNON interrupted me I conferred upon him the alliterative title of "The Dancing Dervish of Danville"; but out of it all we came forth good, warm personal friends, and will, in the language of the wedding ceremony, so remain "'till death do us two part."

Fame is the scentless sunflower with gaudy crown of gold,
But friendship is the treasure rose, with sweets in every fold.

In 1894 there was the worst slaughter of the innocents since the reign of King Herod. I was one of the victims of that awful landslide. I remember with gratitude that Speaker CANNON was the first person who suggested to me that I might come back. He spoke and predicted from experience.

On the day a few weeks ago when the bill authorizing the Government to take over the title deeds to the land in Kentucky on which stands the splendid memorial building covering and protecting the humble log cabin in which Abraham Lincoln was born, we witnessed a pleasing and amazing spectacle—Mr. Speaker CANNON, 80 to-morrow, and Gen. SHERWOOD, some months his senior, straight as arrows, lithe as men of 50, delivering speeches which thrilled our hearts; and the strangest feature of that remarkable scene was that these two well-beloved octogenarians read whatever they wanted to read without glasses! Verily, like Moses, the master law giver of all the centuries, their eyes are not dimmed nor their natural force abated. [Applause.]

For a long time people poked fun at the Scotch theory of "second sight"; but on the occasion to which I refer we had the best sort of evidence that these two veterans have received their "second sight"—"the ocular proof" which Othello demanded.

In passing, it may be apropos to state that one of the finest couplets in our vernacular grew out of the Scotch theory of "second sight" conferring the gift of prophecy:

"'Tis the sunset of life gives me mystical lore,
And coming events cast their shadow before."

When I first read those splendid lines as a college student they appeared to me so fine that I wanted to read the context. Somehow I got it into my head that Alexander Pope was the author and read all his works to find them, which I did not do for the all-sufficient reason that he never wrote them. They are in Thomas Campbell's poem "Lochiel"; but my time spent in reading Pope was profitably spent. He polished his poems till they glitter as a gem, and he excelled all poets in making couplets or quatrains, each conveying an idea complete within itself. I committed hundreds of them to memory, greatly to my advantage.

While Speaker CANNON was delivering his Lincoln speech, I noted what a remarkable profile resemblance there is in his face and Lincoln's, just as there is a striking resemblance in the face of my good, dear friend, Maj. STEDMAN of North Carolina and the face of Gen. Robert E. Lee.

Mr. Speaker CANNON owes it to himself and to his countrymen to write a book of reminiscences, Job's vengeful declaration, "Oh! that mine adversary had written a book," to the contrary notwithstanding. Evidently the Man of Uz did not have in his mind's eye Theodore Roosevelt and Woodrow Wilson when he gave voice to that far-resounding and malicious desire.

There are two other distinguished Americans who owe it to themselves and the country to write books of reminiscences—Senator Chauncey Mitchell Depew, the incorrigible optimist, and "Marse" Henry Watterson, the last of that marvelous school of editors of whom Horace Greeley, George D. Prentice, James Gordon Bennett the elder, Henry J. Raymond, Shadrack Penn, Thurlow Weed, and Samuel Bowles were the founders. What books these three men could write for our instruction and delight! They would be eagerly read by untold and unborn thousands so long as this Republic endures, which we all fondly pray will be—

"Forever and forever,
As long as the River flows,
As long as the heart hath passions,
As long as life hath woes."

[Applause.]

We, one and all, most cordially and affectionately congratulate Mr. Speaker CANNON on attaining the psalmist's extreme allotment of four-score years and upon having that which should accompany old age, "As honor, love, obedience, troops of friends"; and we hope from the bottom of our hearts that he will live many years full of usefulness, happiness, and prosperity. [Prolonged applause.]

Mr. MANN. Mr. Speaker, I ask unanimous consent that the Speaker may recognize my colleague Mr. CANNON. [Applause].

The SPEAKER pro tempore (Mr. COOPER of Wisconsin). The Chair feels, as he was about to say when the gentleman from Illinois [Mr. MANN] arose, that he voices the earnest wish of every Member—Republican, Democrat, Progressive, Socialist, Catholic, Protestant, Jew, and Gentile—in expressing the hope that the distinguished gentleman from Illinois [Mr. CANNON] will now address the House. [Applause.]

Mr. CANNON. Mr. Speaker and gentlemen of the House of Representatives, it is pleasant for an old man to meet his fellows in the public service, to look in their faces, and feel that they accord to him the same honesty of purpose that they claim for themselves.

And yet upon this occasion, if you will bear with me for a few moments, I recollect a story that John O'Neill told me many years ago. He was an Irishman who represented a St. Louis district, and he had all the brightness, wit, and humor that Irishmen generally have. One day, sitting in the cloakroom, when the conversation was running, he said, "When I was at home last week, having leave of absence for a few days, an Irish client of mine was about to die. He had no relatives in this country and all his relatives in Ireland had crossed over, and he sent for me to write his will. I had been his attorney. He gave so much for the repose of his soul, so much to this hospital, and so much to that hospital, and so much for various charities. He knew exactly what he had, and I wrote the will and read it over to him, and he discovered when he came to make the addition that there was $10 left over that had not been disposed of."

O'Neill said the dying Irishman realized that his time was short and asked if there was time to write the will over. O'Neill said to him, "Oh, I can fix it all right. I will just put in what we call a 'codicil.' What do you want to do with the $10?" He thought a minute and said, "I'll not be knowin' what I want to do with the $10 exactly—but, yes; it can be invested in whisky, to be drank at my funeral." "Going or returning?" asked O'Neill. "Going, of course. I'll be wid 'em then." [Laughter.]

Brother SHERWOOD, you and I came into this House together, elected in 1872. I have been here more of the time than you have, but I think you have been doing as good service, and probably better than I have. You are my senior in years; and, looking in your eye, I appreciate your friendship. We were political friends when we served in the Forty-third Congress. We are political opponents now, but really I think I respect and love you as much as it is lawful for one man to love another. [Applause and laughter.]

These doctors have made great progress in medicine and surgery. Why, with the bloodletting that there was, with the thrust of a lancet that obtained in the West, while the West was being settled, and the 10 grains of calomel, and 10 grains of jalap, you know it would kill people if it was administered now, and the great doses of quinine, and so on. That was heroic treatment. [Laughter.] In medicine and surgery the world has progressed more in your time and mine than it did in the whole history of the race, from Eden down to your time and mine. They talk now about being on the eve of discovering a medicine or elixir, or something, that will make us all live to be at least 150 years old. I want them to hurry up, Brother SHERWOOD. [Laughter.]

Always there have been during my service here, Mr. Speaker, and I believe there always will be in the House of Representatives, fierce contests touching policies, and no truer thing was said by those who have preceded me than when they said, quoting the minority leader [Mr. MANN], that while this side of the aisle contested with that side of the aisle, after the partisanship passed, and even while it was on, we had as many friends on your side, and you as many friends on our side that would go as far outside of the partisanship or the policies to serve one another, as we have upon our respective sides. [Applause.]

The scene here to-day is a sample of the partisanship of the House. I can say with the psalmist, "The lines have fallen unto me in pleasant places;" and as I look into the faces of friends on both sides of the House I am more inclined to accept the plain evidence of fact than the popular and picturesque fiction which divides this body into partisan groups on all questions, shuts out personal relations and the cooperation of Representatives, regardless of party, to work out in legislation the greatest good to the greatest number.

We should not be human if we did not disagree at many points, and there would be no work for Congress if there were not many men of many minds in the country. We are sent here as the Representatives of those people who have different ideas as to Government activities, and we must here thrash out these differences, whether pleasant or unpleasant, for harmony can not always be produced out of the conflicts of the people, even by the best of friends. My own experience here inclines me to the view expressed by Charles Lamb, that he could not hate the man he knew, rather than to the old proverb that "Biting and scratching is the Scots' wooing."

One of my earliest friends on this floor was Alexander H. Stephens, who returned to the House when I came as a new Member. I had heard of the man who, as vice president of the Confederacy was the ablest adversary of Lincoln, and I had opinions; but here on the floor and in the hotel where we both lived I came to know him as a man as different from my opinions, formed by reading the war news, as are my opinions of the archangel and the archdemon of the universe.

So it has been through the years; and to me partisanship means the necessary contests over policies by which the Republic must be governed. There are no personalties in partisanship, and men who meet face to face and discuss different political views are less arbitrary in their views than are those who read headlines and fear that the House has fallen to a low estate, where party advantage is the one aim and effort.

I have seen some changes in partisan policies. When I came here, believing in nationalism, I was impressed with the State *rights doctrines* of some of the men on that side, and I remember a speech by Randolph Tucker of Virginia, in opposition to Randall's bill to loan fifteen hundred thousand dollars to the Philadelphia Centennial Exposition.

Mr. Tucker warned the House against stretching the welfare clause of the Constitution. He said it would be an advertisement, inviting any clever man who had an idea about spending Government money for the general welfare to come to Congress, and it would not be long before we were crowded off our stools by the lobbyists who wanted to get their hands into the Treasury. Mr. Tucker, then, turning to Randall, shouted a final warning that should that appropriation be made Chicago and even Yorktown would some day come for aid to an exposition. Well, they both came, and many others, and Mr. Tucker's son was president of the Jamestown Exposition. That is only an example of some of the changes that have come about the use of Government money to promote the general welfare. We have had quite a spell of it in the consideration of the Agriculture appropriation bill.

In our partisanship we have not been as keen for party advantage as is often represented. There was Gen. Benjamin F. Butler, who was a stormy petrel of American politics, if we have had one, and he is remembered as the author of the civil-rights bill, which caused such a storm of indignation throughout the South. But Gen. Butler was also the chairman of the Judiciary Committee which reported and put through the House the amnesty bill, which removed the political disabilities from many thousands of southern men.

And this leads me to suggest that it was not party advantage which inspired this side of the House when in control to pass amnesty bills which in a large measure gave control to that side; nor was it party advantage which led that side when in the majority to propose an electoral commission to find a judicial method for settling the great controversy over the Presidency. You lost by that machinery; but it was your own creation, and its creation was inspired by patriotic motives to save the country from another civil strife.

May I here cast a doubt on another popular fiction in which a former Member was the hero? I refer to the story which has even got into some political histories, that Col. Watterson organized an army of 100,000 stalwart Democrats to march on Washington and by force place Mr. Tilden in the White House. I have always doubted the correctness of that story, because Col. Watterson was a Member of the House at that time and was here using his influence and his diplomacy to work out a peaceful solution of that controversy. He was one of the best losers I ever saw. When the report of the commission on the Oregon vote was adopted Col. Watterson made a short speech in which he expressed his disappointment over the impending decision and described the blue-grass region in springtime, where the flowers were the signals of God's love and bounty, giving assurance that the heavens should not be robbed of their sunshine, the earth of its fruition, nor the future of hope.

That was at the end of February and the beginning of March, 1877. The Democrats thought Tilden was elected and we Republicans thought Hayes was elected. There was a real contest at the polls and a real contest as to which was elected. You were in good faith and we were in good faith. You carried the country and had a Democratic House, which you elected in 1874—strongly Democratic. It was a Republican Senate. The 4th of March was approaching, and in that Democratic House, presided over by Samuel J. Randall, with such Democrats as Ben Hill and Randolph Tucker—noted men, both North and South—there originated on that side the legislation which was agreed to by the Senate for the electoral commission—five judges of the Supreme Court, five Members of the Senate, and five Members of the House.

You supposed you would have a majority of one. You supposed that David Davis, one of the five judges, would be on your side. That would have given you a majority of one. But two days before that commission was appointed Gen. Logan, contesting for reelection to the Senate, was defeated by Justice Davis, and that put Justice Davis out. So Justice Bradley was selected, and he threw the casting vote. It was settled, but it did not turn out as you expected it would turn out. But it was patriotically acquiesced in.

I recollect very well what Col. Watterson said when they commenced to filibuster on that side of the aisle with a motion to adjourn, and a motion to adjourn to a day certain, alternating one motion with the other, as they could do under the rules of the House as they then existed, as long as a man could stand and make the motion. Watterson said:

> I shall join in no movement to obstruct the progress of the presidential count. We have had enough of anarchy.

[Applause.]

I never shall forget the scene before the electoral count was completed, when Speaker Randall rose in his place, when it was necessary that action should be had to a point of order being made on the motion under the rule, and declared that it was a filibuster and dilatory, and that the Constitution provided for the count of the electoral vote. He sustained the point of order, and then in the House we did have pandemonium for some time. [Laughter.] But the count was made.

So I have found the partisanship of this House throughout these 40 years sometimes warm and vigorous, but largely mixed with patriotism and much common sense; no barriers in the center aisle to prevent men from crossing that partisan line, and no prohibition against meeting in the lobby or the cloakroom and talking it over in private. It has been to me a pleasant and, I hope, a profitable experience.

There are, so far as I know, only four of my colleagues in the Forty-third Congress, which assembled here 43 years ago, still living. They are my friend and colleague, Gen. SHERWOOD, on this floor; ex-Senator Eugene Hale, of Maine; ex-Secretary of Agriculture James Wilson, of Iowa; and John R. Lynch, of Mississippi. All others who sat in that Congress have crossed over to the beyond.

If I sometimes see the faces and hear the voices of others not now here to answer the roll call, I may not be charged with dreaming, for among these 3,000 men with whom I have been associated in legislative efforts and over partisan contests there were hosts of personal friends of whom I never thought as Republicans or Democrats, except as we discussed different policies. These men had their hour on this stage, did their work in their time, as you are doing it now, following in the line of precedent; here amending where changes in conditions make it necessary, but not attempting to uproot and reconstruct the whole fabric of the people's law. And when I see ghosts in this Chamber I am not frightened, for they typify the spirit of a representative democracy as truly as do the words and works of those who laid the foundation of this Government in the beginning.

Who could fear the ghosts of Blaine and Randall? Of old Alexander H. Stephens and Henry L. Dawes, of Ben Butler and George F. Hoar, of Sunset Cox and Tom Platt, of Fernando Wood and William A. Wheeler, of Charles O'Neill and Pig-Iron Kelley, of Holman and Tyner, of Beck and Blount, of Bland and Mills, of Jerry Rusk and Philetus Sawyer, of Stephen B. Elkins and George Q. Cannon, of Ben Hill and Gen. Banks, of Proctor Knott and David B. Culberson, of John H. Reagan and Randolph Tucker, of Tom Reed and John G. Carlisle, of McKinley and Frank Hurd, of Nelson Dingley and William L. Wilson, of Crisp and Henderson, and the hosts of others whose names are familiar to you or to any who know the history of our country?

There are now more great men and more great women in the United States than there ever have been in the past history of the Republic. Some one asks, "Where are they?" And I answer, They are everywhere, following their vocations; but when necessary, whether it be in Congress or in civil life, or upon the bench, in the State legislature; whether it be in diversifying the industry of the country and carrying on the business of the country, whether it be following the plow or working in the

machine shop, there will be found more people capable for self-government and ready to defend the flag than there ever have been since the discovery of America. [Applause.]

Is there humor in the House of Representatives? Yes. The first notoriety I ever obtained in this House and in the country was by the aid of Sunset Cox, who came into Congress from Ohio and then from New York. A great man was Cox. He had a versatile mind. He was full of humor. One day he was "running amuck," attacking the Republican side, as only he could. We were cheering him at times on both sides, and sometimes there was gnashing of teeth on this side. [Laughter.] Finally he made a remark about a constituent of mine who had just been nominated for Commissioner of Internal Revenue, Gen. Green B. Raum, a good, strong man, a former Member of Congress. Just at that time Alice Oates was here in opera bouffe. She was inimitable. One of the characters in her opera, as I recollect it, was "General Boom." Sunset Cox in his remarks said: "Why, here at last they have turned out a good, honest Commissioner of Internal Revenue and appointed somebody—I think he is from Illinois—General Boom." Well, that aroused me, and I jumped up and said, "Will the gentleman yield?" "Oh, no," said Cox, "I can not yield. The gentleman shakes his finger, and he scares me." Then a smile came over his face and he said, "Yes; I will yield." "For what time?" inquired Mr. Speaker Blaine. "As long as the gentleman will keep his left hand in his pocket," answered Cox. [Laughter.] I accepted the yielding and stood in that aisle, and I began vigorously to defend Gen. Raum; but I had not talked 60 seconds until I forgot all about the left hand, and out it came. "Time's up," said Cox. And it was up. [Laughter.]

That was my first notoriety. In the campaign of 1874 that finger was cartooned all over the country. The joke was good, and that cartoon abounded on handbills on every tree in my district, with the left hand out, and sometimes one finger and sometimes all the fingers, and they had the fingers sprouting out of the forehead, you know. [Laughter.]

I have had two terms, four years, of absence that I did not ask for; otherwise my service in Congress would measure 44 years. [Laughter.] During that time, with the exception of that great struggle—the Civil War—there has been more of history written, not only upon this continent but I believe more than was ever written anywhere else on earth in the same length of time. Think of it! It was the winding up of that great struggle, when valiant, courageous men of the same race and the same blood fought for four long years. You of the South thought you were right. We knew you were wrong, or thought we did, but it took four years to determine. I see before me a few men who were in that struggle in the Southern Army, and I see the sons of many who were in that great struggle. It was fierce. The world up to that time had never seen such a contest. When it began the navies of the world were wooden walls. Then came the *Merrimac* and the *Monitor*, and when that war closed all the navies of the world were obsolete.

Then came reconstruction, but I will not go into it. None of us remember the many things that happened with pleasure; but as I think about it sometimes I realize it necessarily could not have been otherwise than it was. But how marvelously it has been forgotten, because we sit here upon each side of this aisle friends, Americans, all marching under the Stars and Stripes, each with an equal love for the great Republic. [Applause.]

There was no such contest with any such result in the lifetime of a generation and a half in the history of the world. Why, bless my soul, the Battle of the Boyne was fought 200 years ago, if I remember aright, and on each anniversary it is fought over again now. [Laughter.]

A man said to me the other day, "What would you give, Mr. CANNON, for an insurance policy that you would live to be 100 years old?" I said, "A real policy that would make me live—and would I have to die then?" "Yes," he said; "just a policy of that kind." I said, "Give? I would rather pay something not to have it." "Why?" he said. "Well, there is probably one man in half a million in the United States now living that will live to be 100 years old, and I am going to take my chances." [Laughter and applause.] He said, "That is a slim chance." I said, "Yes; but I would not have the policy anyway, because every day that would pass it would occur to me that it was one day less." The Great Father has arranged it properly; no man can foresee when he will die.

Now, I do not desire to keep you longer. I thank you, Mr. Speaker and gentlemen, with all the sincerity in my power for this compliment. I never had such a compliment before. It would be impossible to have another such, and I appreciate it. [Prolonged applause.]

### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 4603) to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tom Beckby, commonly called Tombigbee, River at Princes Lower Landing, near Jackson, Ala.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 4432) to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

### RURAL CREDITS.

Mr. GARRETT. Mr. Speaker, I offer the following privileged report from the Committee on Rules.

The Clerk read as follows:

House resolution 225 (H. Rept. 649).

*Resolved*, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2986; that the first reading of the bill shall be dispensed with; that there shall be not exceeding six hours of general debate, the time to be controlled one-half by the gentleman from Virginia [Mr. GLASS] and one-half by the gentleman from California [Mr. HAYES]; that all debate shall be confined to the subject matter of the bill; that while the bill is under consideration the House shall meet at 11 o'clock a. m., and that the bill shall be in order on all legislative days, except Wednesdays. At the expiration of general debate the bill shall be considered under the five-minute rule and the Committee of the Whole House on the state of the Union shall perfect and report the bill to the House; whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto to final passage without intervening motions except one motion to recommit.

The amendments recommended to the rule are as follows:

On line 1, page 12, after the word "except," insert the word "calendar."

Line 12, page 1, after the word "Wednesdays," strike out the period and insert a semicolon and insert:

*Provided*, That nothing herein shall interfere with the special order made by the House on May 5, 1916, for the consideration of H. R. 12766.

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that the amendments may be agreed to without interfering with the regular order.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the amendments be agreed to. Is there objection?

There was no objection.

Mr. GARRETT. Mr. Speaker, I will ask the gentleman from Kansas whether we can agree on time for debate?

Mr. CAMPBELL. I think we can. I have requests for 15 or 20 minutes on this side.

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that debate may proceed for not longer than 40 minutes, 20 minutes to be controlled by the gentleman from Kansas and 20 minutes by myself, and that at the end of that time the previous question shall be considered as ordered on the rule.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that debate on the rule be limited to 40 minutes, one-half to be controlled by himself and one-half by the gentleman from Kansas [Mr. CAMPBELL], and that at the end of that time the previous question shall be considered as ordered. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, I suggest to the gentleman that he omit from his request the ordering of the previous question for this reason. The understanding was that the bill reported by the House committee as a substitute is one amendment and that it will be considered as an original proposition. The rule, I find on examination within the last few minutes, does not provide for that, and I suggest he leave off the request for the ordering of the previous question on the rule. Of course he can move the previous question at any time. I desire to take the matter up with him and the gentleman from Virginia, Mr. GLASS.

Mr. GARRETT. The gentleman means that he objects to the previous question on the rule?

Mr. WINGO. Yes; because we want to amend the rule. I think the gentleman from Tennessee and myself and Mr. GLASS can agree upon the amendment.

Mr. GARRETT. Then I withhold that request.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that time be limited to 40 minutes—20 minutes to be controlled by himself and 20 minutes by the gentleman from Kansas [Mr. CAMPBELL]. Is there objection?

Mr. LINTHICUM. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if it is the intention to proceed with debate on the bill to-day after the adoption of the rule?

Mr. GARRETT. It is.

Mr. LINTHICUM. What about Monday?

Mr. GARRETT. There is a special order for Monday which was made yesterday afternoon; and this rule provides, by an amendment which has just been agreed to, that the consideration of the rural-credits bill shall not interfere with the special order which was made yesterday.

The SPEAKER. Is there objection?

Mr. FITZGERALD. Mr. Speaker, reserving the right to object, do I understand that after debate on the rule some amendments to it are to be proposed?

Mr. GARRETT. The gentleman from Arkansas [Mr. WINGO] asked me to withhold the request for ordering the previous question on the rule for the time being.

Mr. FITZGERALD. The gentleman controls the time himself.

Mr. GARRETT. Certainly; and I intend to move the previous question.

Mr. FITZGERALD. I suggest that the gentleman not have debate closed by unanimous consent until some one knows what the proposed amendment is to be. The gentleman controls the time anyway.

Mr. GARRETT. Yes.

Mr. MANN. The gentleman can move the previous question at the end of 40 minutes.

Mr. GARRETT. Certainly. I desire that gentlemen on the Republican side may have 20 minutes.

Mr. MANN. If the House should determine not to order the previous question, the gentleman might want to debate the amendment.

Mr. GARRETT. I will change the request. I will yield 20 minutes to the gentleman from Kansas [Mr. CAMPBELL], and will ask unanimous consent that he may be permitted to yield out of that 20 minutes as he may choose.

Mr. MANN. He would have that right anyway.

Mr. GARRETT. Then I yield to the gentleman from Kansas 20 minutes.

The SPEAKER. Is the gentleman going to proceed upon the theory that he has an hour?

Mr. GARRETT. Yes.

Mr. CAMPBELL. Mr. Speaker, I should like to have the gentleman from Tennessee or some one favoring the bill or the rule make an opening statement.

Mr. GARRETT. Mr. Speaker, I will take pleasure in doing so. This rule is to provide for the consideration of what is commonly known as the rural-credits bill. It provides that the first reading of the bill shall be dispensed with; that there shall be not more than six hours general debate, the time to be controlled by the gentleman from Virginia [Mr. GLASS] and the gentleman from California [Mr. HAYES], to be equally divided between them; that all debate shall be confined to the subject matter of the bill; that while the bill is under consideration the House shall meet at 11 o'clock; and that the bill shall be in order on all legislative days except Calendar Wednesday with the provision that the special order which was made on Saturday for next Monday shall not be interfered with. It then provides that the bill shall be read under the five-minute rule for amendments. There is no limitation placed upon the power to amend. On the completion of the bill under the five-minute rule it is to be reported to the House, the previous question shall be considered as ordered on the bill and amendments to final passage except one motion to recommit. That is the entire proposition.

Is the gentleman ready to use some time? If so, I will yield 20 minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Speaker, I have no objection to this rule. I do not know of any on this side of the House. It makes a bill in order that is not, in my judgment, such a bill as meets the expectations of the country on the question of rural credits. I regret, therefore, that the rule does not make in order a bill that does not justify the House of Representatives in laying aside the consideration of other important legislation. The rule is worthy of a better rural-credit law than it makes in order. The farmers of the country and those interested in rural-credits legislation have expected that when a rural-credits law was enacted that it would provide easy facilities for securing loans at lower rates of interest than borrowers can now secure them. This bill will not, in my judgment, reduce interest rates to borrowers, especially throughout the mid continent, the Northwest, nor in the Northeast. I am not sure as to what the effect will be in the cotton States, but I am very certain that the provisions of this bill will not benefit borrowers in the mid-continent country. I have received a great many letters relative to rural-credits legislation. Recently I have been in receipt of letters from farmers with reference to this bill, and every letter I have received has been in criticism and opposition to it. The criticism of the bill is that it creates a great bureau, provides for a large number of high-salaried officials, that will entail an expense estimated by the proponents of the bill at 1 per cent of expense in operating the law. This is an enormous charge for securing loans. The farmers of Kansas and of Missouri, Nebraska, and, I take it, of Arkansas and Oklahoma and of the great Northwest are now securing money cheaper, in my judgment, than they can secure it under the provisions of this bill and in any quantities they desire, and——

Mr. TILSON. Will the gentleman yield for a question?

Mr. CAMPBELL. Yes.

Mr. TILSON. Who pays these expenses, the borrowers, or are the members of this large force to be paid out of the Federal Treasury?

Mr. CAMPBELL. The bill provides that the force is to be paid out of the Federal Treasury, of course. It creates a system very similar to that of the Federal reserve act. It follows the lines of that act. My judgment is that it is wholly unnecessary to create a highly organized and high-salaried corps of officers and officials, as are provided for by this bill, in order to secure real rural-credits legislation and provide easier facilities for securing farm loans. Now, it is stated by many that they can support this bill in the hope that it can be made better later on. My judgment is that when you have once established this bureau, when you have once started these officials with their $10,000 salaries, with the corps of officers provided here and there, that you will never be able to reduce the number or the salary of any one of these officials while the law remains upon the statute books, and the law will remain if it is enacted. I would rather see a more simple and direct method of supplying the country with money for farm loans than to provide this expensive machinery that I fear will always be fastened upon the country. I would like to give my support to a rural-credits bill that would bring cheaper money upon longer time to the farmers of the country. I would rather support a proposition to amend the Federal reserve act taking off all the limitation upon national banks, permitting them to loan money upon real estate security, on farms and urban properties for long periods than to see this bill enacted into law, giving us two great expensive systems where one would do.

And I have been unable to understand why the Committee on Banking and Currency and why those in charge of our financial legislation have not suggested that the national banking law be so amended that the national banks that are now in existence throughout the country, many of them having farmers as their directors, as their presidents; many of them having farmers as the majority of their stockholders—why those banks are not permitted to take the best security in the communities in which they exist for as long periods as they see fit.

Mr. RUSSELL of Missouri. Will the gentleman yield?

Mr. CAMPBELL. Yes.

Mr. RUSSELL of Missouri. My understanding is that the Glass bill, passed last Congress, provided that national banks may loan upon real estate. Is not that the fact?

Mr. CAMPBELL. It does not provide for farm loans for longer periods than five years.

Mr. RUSSELL of Missouri. I understood the gentleman to say they could not loan upon real estate.

Mr. CAMPBELL. They can upon limited conditions, and there is no reason why the national banks should not be given all the privileges as to farm loans given by this bill, and State banks could do the same under proper State law. Mr. Speaker, I reserve the remainder of my time.

The SPEAKER pro tempore. The gentleman has used nine minutes.

Mr. GARRETT. Mr. Speaker, I would like to prefer a unanimous-consent request if I may before there is further debate. My attention has just been directed to the fact that there was an agreement in the Committee on Banking and Currency that this House bill which has been substituted for the Senate bill should be read section by section in lieu of the Senate bill.

The gentleman from Kansas understands the situation. The Senate bill has been stricken out entirely and the House bill has been substituted.

Mr. CAMPBELL. The House bill has been substituted.

Mr. GARRETT. Of course, that is only one amendment, and when they reach it under the five-minute rule under this rule we have here it would be in the power to shut off debate at any time, because that is only one amendment. And what I desire to ask is unanimous consent that the rule may be modified by striking out, in line 13, the words "the bill" after the word

"debate" and inserting "the committee amendment shall be read in lieu of the Senate bill and considered section by section," so that it will read:

At the expiration of general debate the committee amendment shall be read in lieu of Senate bill and considered section by section under the five-minute rule, and the Committee of the Whole House on the state of the Union shall perfect—

And so forth.

Mr. LENROOT. It is not the gentleman's understanding that it shall be so considered and deprive the House, if it so desires, of treating the Senate bill separately?

Mr. GARRETT. No.

Mr. LENROOT. It is merely to get a section-by-section amendment to the substitute?

Mr. GARRETT. It provides that it shall be read in lieu of the Senate bill. I ask unanimous consent that that amendment be agreed to.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that the amendment suggested by him be agreed to. Is there objection? [After a pause.] The Chair hears none.

Mr. CAMPBELL. Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore. The gentleman has 11 minutes remaining.

Mr. CAMPBELL. Does the gentleman from Tennessee wish to use some of his time now?

Mr. GARRETT. No; I do not.

Mr. HILL. Will the gentleman yield to me for five minutes?

Mr. GARRETT. Yes; I will yield to the gentleman from Connecticut five minutes.

Mr. HILL. Mr. Speaker, I do not know whether I favor this bill or not. During the past two years, while I was not with you, at the request of the gentleman from Texas [Mr. EAGLE], I read every word of the testimony taken by the joint committee with reference to this matter carefully. I have not had time—I see that it was reported on May 3—to review and study this bill. I had formed a clear and distinct impression as to the testimony in fifteen hundred or more pages, which I carefully read and studied during my vacation, and was not strongly impressed with the character of the bill that then seemed to be pending.

But I have the most profound confidence in the chairman of the Committee on Banking and Currency and in his judgment with reference to these matters, and therefore I look at this measure, prejudiced in favor of it, believing that probably many of the unfortunate tendencies which prevailed a year or two ago with regard to proposed legislation of this character have not found a place in this bill. The thing that I regret now, gentlemen, is that the matter is brought forward at all at this time. I do not think that the Federal reserve system as yet has had such a trial as to justify repeating the process of its organization in this measure. I introduced yesterday—and I state it with reference to the remark made a moment or two ago by the gentleman from Kansas [Mr. CAMPBELL]—I introduced yesterday a very brief amendment to the Federal reserve act, which in my judgment will do more and do it more promptly than it is possible to get done under this law in the next five years.

There is now in the hands of the national banks, carried in what is known as savings bank departments, in this country about a thousand millions of dollars loaned to national banks as savings bank deposits. I introduced a bill yesterday providing that national banks having savings bank departments and keeping segregated savings accounts against which a 5 per cent reserve was carried, in accordance with the requirements of the Federal reserve act for time deposits, should have the right to invest those loans under the laws of the respective States in which they were doing business, provided those laws first received the approval of the Federal Reserve Board and regulations were made providing for their supervision and examination.

Now, there are $1,000,000,000 of savings funds already accumulated by national banks. Part of this can be loaned in Texas by the national banks under the laws of Texas and part in Connecticut under the laws of Connecticut, and so in every State which permits savings investments in real estate on either farm or urban property.

Mr. GARNER. Will the gentleman yield?

Mr. HILL. Certainly.

Mr. GARNER. That would not relieve the situation to the extent that it is proposed in this bill, because the rate of interest in Texas is too great, and you can not expect a bank to loan at a lower rate of interest than the usual money loaner did.

Mr. HILL. It depends entirely upon the rate of interest which the banks themselves pay for those deposits as to the amount of the loan. We have in Connecticut a system of mutual savings banks. My impression is there is a very large amount so invested. The savings banks as a rule pay 4 per cent on those deposits, and as a rule the loans are made at 5 per cent. It is true not only in every New England State, but it is true in New York, and I think the same system obtains in California. That system and the system of trust companies which has like privileges is gradually driving the national banking system to the wall, strange as it may seem. But now I propose by the bill which I introduced yesterday to allow national banks to invest under the laws of their respective States savings banks deposits in savings departments of national banks on first-mortgage real estate loans at lower rates than discount loans of current deposits are now made.

Mr. LINTHICUM. Will the gentleman yield?

Mr. HILL. Yes.

Mr. LINTHICUM. I find in my State the savings banks do not want to loan much on real estate.

Mr. HILL. That is undoubtedly true in New York City and other large cities, where the loans can be made on the moment and collected on the moment on stock-exchange collateral. It is not so true in country communities.

Mr. LINTHICUM. I feel that if the savings banks of my city, Baltimore, in particular, would loan more on real estate than on bonds, as they are doing, it would be a great help; but they will not do it.

Mr. RAGSDALE. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Connecticut yield?

Mr. HILL. Certainly.

Mr. RAGSDALE. Does not the gentleman know that one of the great troubles that the banks of the South have in taking this sort of paper is that they experience so much difficulty in rediscounting it in the North? Now, the banks of the gentleman's State do not have that trouble, but in our country many of the banks are dependent on the North at certain seasons of the year for rediscounts. The gentleman should know that in New York and many of the other money centers they are absolutely averse to rediscounting paper of this kind.

Mr. HILL. That is where this thing is going to fall down. You can not fix an interest rate by legislation. You can, it is true, fix a limit above which the rate shall not go; but you can not fix the limit down to which it shall go. It is a matter of supply and demand, and it is impossible for you to legislate arbitrarily in this matter or expect to maintain the same low rate of interest in a new State, in a new country, and under new conditions that you can in the old-settled localities of this country. It can not be done.

The SPEAKER pro tempore. The time of the gentleman from Connecticut has expired.

Mr. CAMPBELL. Mr. Speaker, I yield six minutes to the gentleman from Wisconsin [Mr. LENROOT].

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for six minutes.

Mr. LENROOT. Mr. Speaker, it is not very often that the minority members of the Committee on Rules are able to congratulate the majority members on bringing in a rule that is absolutely fair and just. I am glad that they do that occasionally, and I am glad to be able to say that they have done so upon this occasion.

Mr. GARNER. And in behalf of a worthy cause.

Mr. LENROOT. This rule that is now pending does provide for full and fair consideration upon a very important bill—a bill that ought to be considered and acted upon before the adjournment of the present session of Congress.

The only criticism that could be made of this rule and of the Democratic majority is that they are bringing in a rule for the consideration of this bill at this time, when great and important appropriation bills are pending, which should have been considered before this bill is brought up for consideration, because this bill has already passed the Senate, and there is no question but that this bill could be brought up two or three weeks later, go into conference, and be enacted into law before the adjournment of the present session.

However, I realize that it is the province of the Democratic majority to determine the order of their program, and inasmuch as they have seen fit to go ahead in this very unbusinesslike fashion, it is not for us of the minority to complain. They have that privilege, and they also take the responsibility for doing it.

Mr. Speaker, while I am upon this subject, it might be well to call attention to the absolute incompetency of the Democratic majority in this House to do business in a businesslike way. It is now the 6th day of May. We have been in session since the 7th day of December, and not a single regular appropriation

bill, outside of three urgent deficiency bills, has been signed by the President. Only one regular appropriation bill has been agreed to by both Houses, and that is the legislative, executive, and judicial appropriation bill. Four of the great bills have not even been reported to this House at the present time, namely, the District of Columbia bill, the sundry civil bill, the Naval bill, and the Army bill. There are two appropriation bills now on the calendar awaiting action, the Diplomatic and Consular bill and the fortifications bill. If the Democratic majority had any business sense, if they had any idea of doing business in a businesslike way, they would pass these appropriation bills that are pending; they would report and pass appropriation bills that should have been reported and passed long ago, send them over to the Senate, there to be considered by the Senate; and while the Senate was considering those bills the House could take up the rural-credits bill and other legislation that has been passed by the Senate and consider them in the House and pass them.

But it is only an illustration, Mr. Speaker, of the fact that the Democratic majority does not know how to do business in a businesslike way. They ought to have some interest in knowing what the appropriations are going to be, some time before the 1st of July, because they will have at some time to bring in a revenue bill raising a very large additional amount of revenue. They ought to be interested in getting these appropriation bills enacted promptly, so as to know something about how much revenue they may need. But that is something that they seem to regard as absolutely immaterial and of not the slightest importance; and, as things are going, Mr. Speaker, we will undoubtedly reach the 1st day of July, when the next fiscal year begins, before the appropriation bills have been enacted, and they will be compelled to do as the Democratic majority have been compelled to do ever since they came into power in this House—pass resolutions continuing the appropriations of the previous year because they have not been able, have not been competent, to enact the general appropriation bills by the time they should be enacted into law.

Why, to-day, Mr. Speaker, two of the great departments of the Government, namely, the Post Office Department and the Indian Department, are running not upon appropriations made last year in any appropriation bill, but upon appropriations made the year before. The Democratic majority is so incompetent with reference to legislation that they were not able to pass the appropriation bills for either of those great and important departments last year, but they were compelled to continue by resolution the appropriations of the year before and extend them over the present year. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. FOSTER. Mr. Speaker, I just wanted to suggest to the gentleman, if he will permit, following the suggestion of the gentleman from Wisconsin [Mr. LENROOT], that if we stop indulging in the kind of talk he has been indulging in now and get down to business we would probably pass these bills. But the great difficulty on that side of the House is that they are continually talking about something that does not concern anything in the House or the country.

Mr. LENROOT. Mr. Speaker, will the gentleman yield?

Mr. FOSTER. Yes.

Mr. LENROOT. In reply to the gentleman from Illinois, I am very glad to state to him publicly, as I have privately to him and other Democratic Members heretofore, that if the Democratic majority would keep as many men on that side of the House during the consideration of appropriation bills as the Republicans keep on this side they would have a quorum all the time and we would be able to do business. The reason why they can not do business is that they can not keep enough Democrats on that side of the aisle in attendance to constitute a quorum of 100 Members.

Mr. HOWARD. Mr. Speaker, I make the point of order that there is no quorum present. It is a travesty on legislation, Mr. Speaker, that there are only 38 Members in this House when such important legislation is pending.

Mr. GARNER. Mr. Speaker, may I have the attention of the gentleman from Georgia?

Mr. GARRETT. I will ask the gentleman from Georgia to let us get to the previous question.

Mr. GARNER. Let me ask the gentleman from Georgia this question: This is a rule passed unanimously by the Committee on Rules, both the majority and the minority; and, being in that condition, the discussion is academic, more or less, and the membership are not here for this discussion.

Mr. GARRETT. Will the gentleman from Georgia at least permit me to move the previous question?

Mr. HOWARD. Mr. Speaker, I do not want to be captious about this proposition at all; but we are voting on a rule, and I think there ought to be somebody on the floor of the House while it is being considered. This is one of the most important pieces of legislation that has been before this Congress in 50 years. I will withdraw the point on this rule, but I am going to serve notice now that the minute this bill comes under consideration if the Members do not stay here I am going to make the point of no quorum and keep enough Members here to learn something about rural credits that they have not yet learned.

Mr. CAMPBELL. Mr. Speaker, I yield five minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Speaker, I am very glad that this bill is to be brought before the House at this time. A few weeks ago I made some remarks in this House in which I called attention to the apparent delay there has been in bringing rural-credits legislation before the House. If I remember correctly, the chairman of the Banking and Currency Committee informed the House that as soon as the bill could be considered before the House the report of the committee would be ready. At that time I called attention to the fact that that was one difficulty—that the Committee on Banking and Currency would not report the bill, according to the statement of the chairman, until about the time it was ready to be considered—and that that did not give sufficient time for the study of the proposition.

On the 3d of May the bill was reported into the House, a bill of about 75 pages of printed matter; a bill which, in my judgment, is as important as any bill that has been before this House for many years last past. Yet we have only had the real proposition before us since the 3d of May, three days ago. If I remember right, the able chairman of the Banking and Currency Committee told the House at that time that there would be ample time for debate. The objection that I have to this rule is that it provides for only six hours' general debate upon this great measure, a new proposition involving constructive legislation of the greatest importance, a proposition that ought to be discussed in the most thorough manner. In my judgment, if the time for general debate was limited at all, there ought to be at least several days. We all understand the common practice—that the members of the committee are supposed to have the preference right to engage in the general debate. Here is a large committee, composed of about 20 members. This gives six hours for the entire 20 members of the committee to speak. But what are those outside of the committee to do for time? I have indicated to the gentleman on this side of the House who controls our time that I would like to have an hour in which to discuss this bill in general debate. It may be presumption on my part to take that much time, but I ask it simply because I feel that it is my duty to contribute my utmost to make this bill what it should be. I do not know how much time I can have. The gentleman who controls the time on this side of the House has indicated that he would do the best he could. You know, gentlemen, that no man can take up a bill involving this great, important subject, involving so many important points, about which there is bound to be a difference of opinion, and discuss that bill within 10 or 20 minutes.

Then we will go on to the five-minute rule. Of course, there we have unlimited time, but we know how difficult it is to discuss any proposition in five minutes. We know by experience here that it is seldom, if ever, that you can present an amendment to a committee bill and by discussing it for five minutes secure the attention of the House and secure its adoption. It is true that in general debate usually there is not the attendance here that there should be, and yet I feel that if we had three or four days in which to discuss this bill under general debate, there are so many men in this House whose constituents are largely farmers that they would be interested to come into this House and listen to the debate. So, I believe, we are not going to have sufficient time for general debate.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GARRETT. Mr. Speaker, this resolution proposes to bring up for consideration legislation which looms larger in the public thought than any domestic question of which I have knowledge. Gentlemen have said that we should pass the appropriation bills before we take up these matters of legislation. There is no danger about the appropriation bills, and in order to make them up intelligently it is necessary that we should have such legislation as we can pass in advance, in order that we may know what appropriations will be required.

This is a matter of intense public interest. It is a matter for which there is a universal demand—that is, a universal demand for legislation in some form. The effort of the Committee on

Rules has been to provide a fair method for the consideration of this legislation. It seems to me it has provided a fair method. There can be no objection to it, as it seems to me, and I move the previous question on the adoption of the resolution.

The SPEAKER pro tempore (Mr. HARRISON). The gentleman from Tennessee moves the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. GARRETT. Mr. Speaker, one moment before the Chair declares the House in Committee of the Whole. I ask unanimous consent that all gentlemen may have the privilege for 10 legislative days following the conclusion of the consideration of this bill in the House to extend their remarks upon this bill in the RECORD.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent that all gentlemen may have 10 legislative days, after the conclusion of the consideration of this bill, in which to extend their remarks on the bill in the RECORD. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under the rule, the House automatically goes into the Committee of the Whole.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. GARNER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

An act (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes.

The CHAIRMAN. Under the rule, the first reading of the bill is dispensed with.

Mr. GLASS. Mr. Chairman, by reason of the fact that I was chairman of the Joint Committee on Rural Credits created by the Sixty-third Congress, and by virtue of the fact that I am chairman of the Banking and Currency Committee of the House, which reported this bill, I have nominally taken charge of it. That, however, should not imply that I am the chief proponent or the architect of the bill presented here to-day for consideration. Quite the contrary is the fact. I had a very modest part in the deliberations and work of the joint committee, and quite as inconsequential a part in the deliberations of the Banking and Currency Committee of the House on the bill.

I want to say to the House that it is a source of infinite gratification to me that the problem, both in the Joint Committee on Rural Credits and the Banking and Currency Committee of the House, was considered in an absolutely nonpartisan way. The utmost frankness prevailed between the members of the joint committee and in the Committee on Banking and Currency, and all members of both committees took an earnest interest in the work submitted to them, and all of them, in a degree, had a part in the construction of this measure in the effort to present to the Congress a rural-credits bill that will prove efficient in its operation and afford just such relief as the proponents may hope for it to the farming community of the United States.

The problem as submitted to the joint committee was very earnestly considered over a period of many months, and that committee, as you know, submitted a measure to Congress last January. That bill was referred to the Banking and Currency Committee, and the latter committee, since last January, has been giving its most diligent and earnest attention to the solution of the problem. As a result of its labors, it to-day presents to the House the bill S. 2986, with all after the enacting clause stricken out, and the House bill, known as the Moss bill, submitted as an amendment in the nature of a substitute.

Mr. Chairman, unlike many people, I have never been willing to concede that nothing in the direction of rural credits has been accomplished by Congress in recent years. On the contrary, my belief and firm conviction is that we have embodied millions of dollars of rural-credits facilities in the Federal reserve act. We have by one provision in the Federal reserve act alone, by a computation of one of the most efficient actuaries and financial experts this country has ever had, afforded land-mortgage facilities in the aggregate of nearly $400,000,000. In other words, for the first time in the history of the country the Federal reserve act has enabled national banks, if they will, to put at the disposal of the farming community in excess of $369,000,000 of their funds, to be loaned on land mortgages for a period of not exceeding five years.

It has been said that the national banks will not loan these funds, but that does not affect the proposition that the Federal reserve act has made these funds, so far as a statutory authorization may do it, available to be loaned on farm mortgages for a period not exceeding five years. No law can compel a bank to loan its funds to anybody, for any purpose, on any character of security, or for any length of time. But we have made it possible for the farming community of this country, through organization, to bring such influence and pressure and self-interest to bear on the banking communities as to insure them use of these funds.

Mr. KINKAID. Will the gentleman yield?

Mr. GLASS. No, I do not care to yield; I have only taken 10 minutes to make a preliminary statement. In another provision of the Federal reserve act, that is to say, the rediscounting provision of the act, we have especially favored the farming community of the United States. We have made the period of maturity for farm paper, for paper used in stock transactions and in all commercial transactions relating to farm products, 100 per cent longer than that of commercial paper. We have not only done these things, but in another provision of the bill we have made it possible for the farmers engaged in exportation of the great staple crops of this country, such as cotton and grain crops, to realize instantly on their commercial transactions through the medium of bank acceptances on the exportation and importation of goods. So I say that Congress has already supplied the farming community of the United States with a wonderful amount of farm credits.

Nevertheless, I realize that the requirements of the farming community are distinctly different from those of the commercial interests of this country. I realize that never has there been any provision for long-time farm loans, and never has there been established this system of amortization payments which the farmers in Europe enjoy and which the farmers in this country ought to have and which we propose in this measure speedily to give them.

Therefore I join with great earnestness my colleagues on the Banking and Currency Committee in the effort to supply those requirements to the farmers. We think we have done it in this bill.

I shall not undertake to outline the general principles of the bill, although I hoped to do so; but the Committee on Rules, contrary to my request, has so restricted the time for general debate that I did not feel like consuming a large part of it. I am rather disposed to yield it to those gentlemen on the committee who deserve vastly more credit than I should like to take to myself for the work accomplished. Therefore, Mr. Chairman, with this preliminary recital of the incidents leading up to the presentation of this bill, I yield 30 minutes to my colleague on the committee, Mr. Moss of Indiana.

Mr. MOSS of Indiana. Mr. Chairman and gentlemen, we are beginning an action to-day that will make this Congress an historic body, and I would rather have my name entered on a roll call in favor of this bill than in favor of any bill devoted to agricultural development that has passed Congress since the homestead law was placed on the statute books. We are to-day creating a system of banks that shall be dedicated exclusively to the interest and to the service of American agriculture. I am aware of the fact that the present banking system was enacted into law about the day that I was born and that we have a great national banking system, but the very best evidence that we need a new banking system is the fact that so far as land-mortgage credit is concerned there is a separate and different rate in every State in the Union, beginning with Vermont, with the lowest average rate of 5 per cent, and running over to Montana, with the highest average rate of 10 per cent, making in the United States a general average of 7½ per cent on farm mortgages. We have 48 different rates, and everyone of them too high. If the variation in individual rates be considered, you will find that the rates on individual loans vary very much more widely. Therefore I submit it as absolute proof of the necessity for the enactment of this bill, that farmers of the Nation, each one having precisely the same class of security, are charged 48 different average rates of interest in the different sections of the United States. This new system is to be composed of organizations chartered and supervised by the National Government; and the very best defense of a national charter is the fact that I have instanced, that every State has a different prevailing interest rate. If it were possible under the present system to bring about anything like uniformity of interest rates, we would have attained it before 50 years.

Mr. Chairman, agriculture is national in its scope, and to secure a more uniform development farmers must be given a more nearly uniform rate of interest and more nearly uniform terms of loaning than is possible under our present system. Therefore, we propose to invoke national authority because it is only through the exercise of national power that these results can be secured.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MOSS of Indiana. I have only 30 minutes, and I can not yield. Not only do we propose to invoke national authority, but we propose to make this system a separate and distinct system, having no connection whatever with existing commercial banks. We commence in the organization of this proposed system by the creation of a farm-loan board, composed of three members, to be appointed by the President of the United States and confirmed by the Senate. Not more than two members of this board shall be of one political party. General supervisory powers is given to the farm-loan board. I shall not go into details of the board's duties They are given the power to supervise the rates under which bonds shall be sold and loans to farmers made. I heard a very distinguished Senator at the other end of the Capitol make an argument that the great favors in this bill would never reach the farmer, because the capitalists would be the ones to name the terms under which the loans should be made. This very condition was anticipated by the committee, and we have given the farm-loan board the same degree of power to control and supervise the rates of interest under this bill as are given by law to the Interstate Commerce Commission over the railroad rates of the country. Everyone knows that the Interstate Commerce Commission has no power to make a confiscatory rate, but everyone recognizes that the power of supervision over rates by that commission has given us more nearly uniform and lower rates and much better service. The public interests have been safeguarded by the commission. So the Federal farm-loan board is given similar broad powers, and we anticipate equally good results.

The members are appointed for full terms of nine years, removable only for cause. We have provided a generous salary, as we hope to have the board composed of the three best qualified men in the United States. We feel that it will be safe to vest such a board with the general supervisory powers granted in this bill. In addition, the board also has the power to appoint the appraisers who will make the appraisement under which the loans are to be made. I desire to call attention also to the fact that not only is the board appointed by the President, but the salaries are paid out of the Treasury of the United States. I have no desire to criticize the Federal reserve banking system. It has rendered invaluable service to the industries of our Nation and has given us the financial leadership of the world; but one weakness is the fact that the salaries of the Reserve Board are paid by the member banks. We have given the Reserve Board general supervisory power over commercial banks, and every dollar of their salaries and expenses is paid by those who have subscribed to the system and whose activities are to be regulated by the Reserve Board. I am proud that it is proposed in this bill to pay the salaries and expenses of supervision out of the Treasury of the United States. We will have a governing board appointed by the President of the United States with salaries paid by the people of the United States, making them absolutely independent in every sense. One of the difficult features of mortgage credit is the system of appraisement. An honest, conservative appraisement of every tract of land accepted as security will prevent favoritism and will insure perfect safety to the system. Losses are practically impossible under a safe system of appraisement. Under this bill, appraisers are to be public officials. They are appointed by the farm-loan board and are removed from every possible influence, either by borrower or lender. The appraisers have no connection whatsoever with the banks nor any other agency controlling the loan. We give the farmers of the country an impartial official appraisement on their lands.

Having spoken of the general powers of the farm-loan board, we come to the organization of the land banks. The territory of the United States is to be divided into 12 land districts by the Federal farm-loan board. We have here the same problem that has come up on every question of banking in the United States—Shall you have a great central bank or several district organizations? I think it is admitted by ever person that the plan of the Federal reserve system is better than one central bank; but if that were not true of a commercial banking system, I should still contend that the district plan is a better one for land-mortgage credit. One of the problems is to bring the loan agency into immediate contact with the borrowers. The district plan more nearly accomplishes this than the central plan. But there is another important reason. If it shall happen that there is any difficulty in maintaining a uniform rate in the United States, which I do not believe there is, if you had a great central bank, the minimum rate would be fixed at the point of greatest difficulty of getting the money rather than upon the average difficulty of obtaining it. That is to say, the lowest rate for the whole system would be the highest rate which will prevail under the district plan. Therefore I feel that the proposed plan of dividing the United States into districts will commend itself to the judgment of Congress. In each one of these districts a land bank is organized with a minimum capital of $750,000. There will thus be organized 12 land banks, having a combined minimum capital of $9,000,000. Your committee believes this sum to be ample to inaugurate the new system and to give it that sense of security, stability, and importance which will enable it to command the confidence of the farmers on the one hand and the investing public on the other.

The temporary organization is controlled by the Government of the United States. Some weeks ago my friend from Georgia [Mr. HOWARD] inserted in the RECORD an elaborate criticism of the House bill by Charles Hull Davis, of Virginia—and took occasion to say that Mr. Davis is—the most expert authority on rural credits in the United States. The very first item in his criticism on the House bill was that in the temporary organization of these land banks the great banking interests of this country would secure control through the ownership of the temporary stock. This absurd statement proved conclusively that Mr. Davis had never read the House bill or that he is unable to comprehend its plain terms and provisions. Now, how is the bank organized and how is it controlled? As indicated, there is a temporary organization after the minimum capital stock is subscribed. The first step is to secure subscriptions to capital stock; and for a period of 90 days after the books are opened any citizen, corporation, company, or any State in the Union is given permission to subscribe to the captial stock in the amount of $750,000, and if at the end of 90 days this stock has not been fully subscribed then the Treasurer of the United States completes the subscription, precisely as in the organization of the Federel Reserve System.

No voting power goes with any of the stock except that held by the Government of the United States, so that the sole power to organize these banks is vested in the Government of the United States, and it is impossible for any private interests to secure control, as was asserted by Mr. Davis. The Federal farm-loan board organizes the banks by appointing three directors. These directors complete the organization and operates the bank during the period that full control is vested in the Government. I repeat, the land bank is instituted, organized by the Government of the United States, controlled absolutely by the United States Government until the borrowers in that land district shall become strong enough to take over the permanent control under the terms of the bill. The permanent organization is perfected by the borrowers themselves.

Now, when the land bank organizes, how are the loans made? There are two methods in the bill under which loans can be made by the land bank in the federated system. The bill permits the organization of joint-stock land banks. I will speak of that provision of the bill later if I have the time. I am now speaking of the general or cooperative banking system embodied in the bill. There are two methods of making loans under the federated system. One is through the national farm-loan association to be organized by farm borrowers, and the other is through the existing banks of the country. The first method is preferred by the committee and is given first opportunity to control all territory. If, however, such associations are not organized in any part of the United States after fair opportunity for such organizations shall have been given, then loans in such territory may be made through State banks. We are asked, Why organize farm-loan associations? Why not loan direct to the farmer? The first and strongest reason for the national farm-loan association is the question of organization. In union there is strength. We want to have an organization through which the farmers of the United States may act in a business capacity. We hope these associations will form the nucleus which will ultimately extend cooperative methods among farmers to include marketing of standard farm crops and the purchase for cash of standard farm supplies. Better credit facilities is but one phase of better farm organization. There are three great movements among farmers to be organized, fostered, and wisely directed. Farmers need a larger volume of credit at lower rates and upon more favorable terms of repayment. We desire to purchase standard farm supplies for cash at the closest approach to the cost of manufacture, and we desire to sell our farm crops at the smallest possible margin below the price paid by the actual consumer. These desirable results are attainable only through the growth of cooperative organi-

zation, and your committee believes that a greater ultimate benefit will inure to American farmers from these farm-loan associations than from any other one feature of the bill.

The second reason is that if the farmers have an organization they will secure equality as to rates and service in that territory better than any individual farmer can do. Here is a Nation of 48 States, with wide diversity of industrial conditions, over which we seek to extend the farm-land banking system, and I can readily apprehend that without local organization among farm borrowers some section of the country might be greatly neglected. But wherever 10 farm borrowers come together there is an organization and a selection of officers. These borrowers create an instrumentality, and a necessary result is that particular section will secure all the benefits that should come to it under this bill. These associations are favored in order to make the system cheaper in its operation. Now, manifestly the central land bank ought to be under obligation to make loans under certain conditions, and under other conditions the central bank ought not to make loans. The question of reliability of the borrower and the value of his land are vital questions to be determined. It will require an expensive organization if the land bank is compelled to make these preliminary investigations at the instance of every applicant for a loan. It is this difficulty which effectually precludes small borrowers in sparsely settled country districts from securing mortgage loans. The loan agency can only investigate the more profitable deals. We propose in this bill to serve the small borrower. We propose to make loans as small as $100. Such a system is impossible without cooperation on the part of borrowers in making this preliminary investigation of land and character.

The first step in securing a loan under the provisions of this bill is to make application for membership in a farm-loan association or organize one in the community. Any 10 persons who desire to become borrowers can organize one. But it has been alleged in reference to this bill it will be difficult to secure membership in the farmers' loan association. Permit me to say that as far as my experience goes as a member of different fraternal organizations, I have found it is easy enough to secure membership. It is more difficult to debar people who ought not to have membership in such organizations than it is to accept only those who are worthy. I have no reason to believe that any man of good character and credit and good standing in his community can not obtain membership in such an organization.

This association passes upon the character of the borrower and admits or refuses membership. It takes this action through its board of directors. Then this loan association, through its loan committee, makes its estimate upon the land that is offered as security for the proposed loan. We thus impose the duty of making an investigation of a man's character and submitting an estimate on the value of the land that he offers for security, on the membership of the local association without any expense whatsoever to the central bank. If the membership is accepted and the loan committee has passed favorably upon the value of the land offered for security, the bill makes it obligatory upon the land bank to send an appraiser to appraise the land officially; and if the loan for any reason shall be refused there is no expense to be paid by the applicant. It would be exceedingly unjust to compel the central bank, without the payment of earnest money, to investigate every application for loan until there had been a preliminary examination made. Under this bill that preliminary examination is made at the point where the application for loan originates by the local association; then we compel the loaning bank to make a final official investigation by an appraiser appointed by the National Farm Loan Board.

But now then, upon what terms is the loan made to the borrower? First a borrower subscribes 5 per cent of the amount of his loan to the capital of the loan association and takes out shares of stock at par. The loan association at once subscribes an equal amount at par to the capital of the land bank. But some one tells me the farmers will not subscribe this capital. One fact is worth more than all the theories in the world. I am proud of the fact that in the great State of Indiana we now have four farm-loan associations in each one of which the borrower is compelled to subscribe 10 per cent of his loan in cash to the capital of the association. Each of these four associations have a capital stock of a million dollars, and are doing a successful business in the State of Indiana to-day. The same thing is true in the State of Kansas. It is true in the State of Kentucky. It is true in the State of Louisiana, and I believe also it is true in the State of New York.

If Congress were to sit here idle five years longer, under the very plan that the committee is presenting to you and under which these great land banks have been organized since this agitation was begun in America, you will find this business being organized under private initiative in every State of the Union in substantial compliance of the very plan laid down by the committee here in this great bill. We come before you not with a theoretical plan, but with the facts of successful American experience behind us. We can point to at least five States in America where the plan is already in successful operation. We do not impose a 10 per cent subscription under this bill—the farmer pays 5 per cent cash and assumes a credit liability of 5 per cent more. Under this bill we give the borrower the advantage of half the subscription he takes under the private loan association in the different States, and he will be given better credits under the operation of this bill. You will notice, then, that the capital of the land bank grows automatically as the loan grows, remaining always 1 to 20. Each farmer subscribes 5 per cent of his loan to the capital of the loan association, the loan association making a like subscription to the land stock of the bank. Thus the capital of the latter will remain at least 1 to 20.

Now, then, we have the question of making the loan. Perhaps I had better take up the question of how the Government, if it subscribes its stock, recovers its money and how the dividends are passed out of the bank to the borrower. No one can get a membership in a loan association except one who makes an application for a loan, and no one can make an application for a loan except he be a farmer or some one who wishes to purchase land for agricultural uses. After the first capital of the bank is subscribed no stock can be acquired except by some one who takes out a loan. The system goes exclusively into the hands of the borrowers. My friend Mr. Herrick has recently uttered a criticism of this system by saying that it is not cooperative. I shall pause to remark that either Mr. Herrick, when he made that statement, had never read the bill or he most certainly is guilty of making a misstatement of fact.

The system of federated banks is as truly cooperative and mutual as the German Landschaft associations. Every dollar of dividends go to the borrowers in exact ratio to the loans made and every vote is cast, either by the Government in the public interest, or by the borrowers in their own interest.

Under the operation of this bill, so far as its cooperative features are concerned, no man can exercise any control over it whatsoever except he be a borrower. No man can get a dollar of stock after the minimum capital is subscribed except by taking a loan, and then only 5 per cent of his loan. No man can gain membership in the association except he be a landowner, or a purchaser of land for agricultural uses, and makes an application of a loan of between $100 and $10,000.

Then the whole earnings of the system are divided as follows: First, 25 per cent of the net earnings is set aside as reserve, and the other 75 per cent is paid out as dividends on the stock held by the National Farm Loan Association; these associations pass these dividends to their stockholders who are the borrowers in the system. Thus every dollar of surplus earnings is paid out to the borrowers who own the stock, and thus the service of this great system is given at actual and absolute cost to its membership, less only 25 per cent set aside for reserve. The system is purely cooperative. As soon as the borrower pays off the loan the land bank must cancel the shares of stock held by the farm-loan association which were issued when that particular loan was made by paying it off at par. The borrower thus goes automatically out of the system, leaving it at all times absolutely in control of those who hold loans in the system.

The land bank can not begin to make loans until 10 of these farm-loan associations are organized. Its capital may be subscribed and it may be fully organized, pending the organization of these associations, as soon as there shall be $100,000 of subscriptions made by the National Farm Loan Association in any one land-bank district to the capital stock of the land bank, then the Government surrenders absolute control over the system. These farm-loan associations elect six directors, and the Government appoints three, making a new board of nine directors, six of whom are appointed by the borrowers, and they thereby take absolute and final control of the bank.

It is possible under the terms of this bill that the United States Treasury may purchase $9,000,000 stock. This is the full amount of Government funds which may be invested in the system. No guaranty is given by the Government to any bonds issued by the bank. And whenever the subscriptions by farm-loan associations shall aggregate $750,000, making the total capital of any land bank $1,500,000, thereafter one-fourth of all of the subscriptions made by farm-loan associations to the capital of the land bank is turned back to the Government by

the land bank to retire the shares of stock held by it. If any such stock is held by any other subscriber than the Government, payment is likewise made by the bank in the same manner until all the original stock of $750,000 is retired from the system.

Now, having briefly sketched the operation of making the loans, what is the method of securing the money to be loaned by the bank to the borrowers? Here is the real test of any mortgage banking system. If you want to ask me which is the best mortgage banking system in the world, I will answer that it is the system which can get its money in the largest volume at the lowest rate of interest. The question of whether this system shall be a success or a failure will depend largely on the question of price at which they can sell their bonds. And I want to emphasize the fact that any mortgage credit system depends on the sale of its bonds. Mortgage banks do not depend upon deposits nor subscription to capital stock for funds to make loans. They sell bonds. Now, what price do the various systems of mortgage credit which are well established have to pay for money?

I had the reference librarian go over the quotations of land bonds issued by the mortgage associations of the principal nations of the world to secure the actual market quotations of these securities and how such rates compare with the price of bonds issued by the public authority in each particular country. We selected the 1st day of April, 1914, which was before the war, as being a fair date. Germany is one of the countries where land-mortgage credit is best organized. On the 1st day of April, 1914, 4 per cent bonds of the German National Government sold at 100.1; bonds of the State of Bavaria, one of the most prosperous States of the German Empire, sold at 96.5. Land bonds issued by the Frankfort Joint Stock Land Bank sold at 95.10, and the bonds of the Central Landschaft Association of Germany sold at 94.25. These bonds all bore 4 per cent interest. France is one of the wealthy countries of the world and one where interest rates are generally low, when compared with adjoining countries. French national bonds, 4 per cent, sold the same day at 98.70; bonds of the Haute-Marne division were quoted at 96.20; and the 4 per cent bonds of the Credit Foncier, the great joint-stock land bank of France, sold for 97.70. There is no question more vital to the consideration of mortgage credit than the price of land bonds. Here we have valuable data. In these two great European countries, where land credit has reached, perhaps, its most perfect development, though along widely different lines and by means of radically different organizations, we find the land bonds selling at a practical parity—German bonds issued by a private corporation selling at 95.10, while bonds of a like French corporation sell on the same day in that market at 97.70. German Landschaft bonds of same interest rates sold at 94.25. In comparison the national Governments were able to borrow money on slightly more favorable rates. The smaller States, both in France and Germany, paid practically the same price for money as the land banks and associations of their respective countries. That means that under their systems of credit the farmers of Germany and the farmers of France are borrowing money as cheaply as their State Governments, and we believe we have a system here under which we will secure money at a price which will compare favorably with the market quotations of the Government bonds as the banks do either in France or in Germany.

If that be true, it will mean a uniform rate of interest to the farmers of this country below what even any advocate has demanded.

How are the bonds to be issued? Let us take one of these Federal land banks with $750,000 of capital. It starts out by making its first loan. You ask me at what rate of interest it shall be fixed. I answer at once that the Federal farm-loan board appointed by the President of the United States will fix that rate. They will fix the rate until the first issue of land bonds is made in the United States. So we start out the system with 12 great banks endowed with $9,000,000 of capital subscribed—it may be either by altruistic citizens of the United States or by the Federal Treasury—and the first rate of interest to borrowers under this system is fixed at whatever rate the farm-loan board says it ought to be made at the time the loan is negotiated. As soon as a substantial volume of this money is loaned land bonds can be issued. When $50,000 is loaned to farmers these mortgages are deposited by the banks with an official of the United States Government called a registrar under the terms of this bill. Having deposited $50,000 or more of mortgages, and after such securities have been examined by the farm-loan board, permission is given to that bank to issue $50,000 of bonds and offer them on sale in the markets of the United States. What rate of interest will that first issue of bonds bear? Again that is controlled, under the terms of the bill, by the Federal farm-loan board. After the first issue of bonds, then the matter of rates becomes more nearly automatic, but the first bonds will be sold at whatever rate the Federal farm-loan board may authorize.

Under what condition are the bonds to be offered for sale? Federal land bonds will be issued, based on an equal volume of first mortgages, taken after an official appraisement at not exceeding 60 per cent of the value of the land mortgaged. If improvements are estimated, such improvements must be permanent in their character, be fully insured, and provision made in the mortgage contract for the payment of all insurance premiums. The loans will be amortizable, which means that the principal must be reduced at every interest due date, so that the margin of security is constantly widening in favor of the bondholder. The capital and reserves of the land bank issuing the bonds is primarily responsible for the payment of interest and principal at par, and under the terms of the bill each of the other 11 land banks are made to indorse the issue. The assets and credit liability of one loan association is behind every mortgage held by the land bank; and, finally, the borrower is liable under the law of the State for his obligation to the land bank to the full extent of his property subject to execution under the laws of that State. We have here all the elements of financial strength and safety. No critic of the bill has dared to criticize the security of the land bond. It is to be borne in mind that the price of the bond determines the interest rate to the borrower; and these various elements of financial security are granted in the interest of the borrower, because it is only by a credit instrument of undoubted strength that a low interest rate can be granted to the borrower. For the same basic reason land bonds are freed from all forms of taxation—State, municipal, and National—including income taxes. They are given every exemption in this regard which is granted to Government bonds. We expect then to sell at approximately the price of Government bonds, and we are giving them all the attractive elements of such a security.

Mr. MADDEN. Will the gentleman yield for a question there?

Mr. MOSS of Indiana. Will the gentleman pardon me? I am afraid I will not have time. I would like to finish this matter, and then I will try to approach other features of the bill. Some gentlemen say, "Why are you exempting these bonds from taxation?" I am going to tell you why, and I want to make it very plain. There is just one of two systems that is going to prevail in this country. Either the farmers of this country are going to be given the privilege of assembling their securities and selling their bonds on the market under as favorable terms as public bonds, or the Government of the United States will be compelled to borrow this money and loan it direct to the farmers. I do not care who the man is, if any Member shall stand before this Congress in the face of public opinion and in the face of the history of this movement and attempts to defeat the issue of these bonds tax free, the moment that motion prevails you may just as well prepare to vote for a motion directing this Government to issue its own bonds and loaning the proceeds to the farmer.

The Government bonds will be issued tax free and the farmers of the United States will get essentially tax-free money. I want to leave no question about that in the mind of anybody. Let there be no doubt in any man's mind as to the alternative. That is the history of this system in every country where it has been organized. There is no Government in the world that would dare to tax bonds issued on farm mortgages by a land-mortgage bank. I challenge any man to go to any country in the world and find where the farmers of that country have organized land-mortgage credit and have been compelled to pay a tax on the bonds they issue in order to get money.

Mr. GLASS. As a matter of fact, is it not true that many of the States of the United States exempt these mortgages from taxation?

Mr. MOSS of Indiana. That is correct; and by proposing this feature of tax exemption we are enforcing uniform conditions as to taxation of mortgages throughout the United States. If you propose to adopt a system which taxes the land that a man owns and then propose to tax his mortgages, representing his debt, and then propose to tax land bonds, which represent his mortgage, you are placing triple taxation on the farmers of this country who are in debt and who may seek relief through this system. I hope I will live long enough to see the time when debts which are made in order to stimulate the production of food, clothing, and shelter in this country shall everywhere be exempt from taxation. I believe that bonds issued for the purpose of promoting productive operations on the farm should be free from taxation, and that is the answer I am sure gentlemen would want me to make to the question why these bonds are to be issued tax free. We believe under this system we will en-

courage the farmers of the country to come together in a co-operative capacity——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GLASS. I yield to the gentleman from Indiana five minutes more.

The CHAIRMAN. The gentleman from Indiana is recognized for five minutes.

Mr. CLINE. Will the gentleman yield for a question?

Mr. MOSS of Indiana. I yield to my colleague.

Mr. CLINE. Will the farmer have the privilege of taking an exemption against these loans the same as he does with any other loan?

Mr. MOSS of Indiana. That is a question for State legislatures to settle. We are not bothering ourselves with State systems of taxation and have no control over it. This is a national system.

Mr. CLINE. Suppose he takes out a mortgage on Indiana real estate. Will the farmer be permitted to schedule that against his taxable property?

Mr. MOSS of Indiana. That is a question for the Legislature of Indiana to determine by its statutes.

Mr. CLINE. I am asking whether this will be included in that, being exempt from taxation?

Mr. MOSS of Indiana. I trust that the gentleman will accept my answer to his question and permit me to proceed.

The next question that comes up is that of amortization payments.

One of the greatest disadvantages of the present system not only is the small volume of credit offered to the farmer at a high rate of interest, but the fact that such accommodation is granted for a short time. It is not possible for him to convert his loan into a saving investment. In order that I might bring the advantages of amortization before the House in an adequate way I will print in my remarks a computation made for every section in the Union as to the length of time it will require to amortize the loans at a 5 per cent interest rate if payments be continued annually at the present rate for interest alone; but I will here repeat the one made in the report on this bill. The farm loans at the present time aggregate more than $4,000,000,000, and the average rate of interest is 7.5 per cent. That means that the farmers throughout the country are paying interest charges of $300,000,000 a year. If it were possible to refund this debt under an amortization system at the rate of 5 per cent interest, and the farmers of the United States would continue to pay the same rate of 7.5 per cent as at the present—that is to say, if the farmers could borrow $4,000,000,000 at 5 per cent and amortize it by agreeing to pay 7.5 per cent annually—they would pay every cent of their indebtedness, principal and interest, in 22 years and 6 months. That would save them $175,000,000 a year.

Standing here and making this speech and remembering the fact that it is to be taken down on the RECORD, I want to make the prediction that just as certainly as this bill is enacted into law, without substantial or unfriendly modification within five years from the day of its enactment, loans will be made all over the United States at an interest rate lower than 4½ per cent. [Applause.]

Now, Mr. Chairman, having given the main outlines, I think I ought to take the rest of the few minutes allotted to me to let any gentleman ask me any question he cares to ask. I will yield to anyone.

Mr. BAILEY. Mr. Chairman, do I understand from the gentleman's statement that interest is an arbitrary matter?

Mr. MOSS of Indiana. No, sir; you did not understand me to assert that at all.

Mr. BAILEY. Then we are going to control the rate of interest by legislation?

Mr. MOSS of Indiana. No, sir; we are not going to do that. What we are going to do is this: We are going to present a credit instrument based on the security of the farms of this country that will be as attractive to the investors of this country as the security issued by any State or by the Government of the United States, and we confidently expect to get as low a rate of interest as is secured by the Government on its securities.

Mr. BAILEY. A mobilization of credit?

Mr. MOSS of Indiana. Yes; a mobilization of credit and freeing the credit transaction of the burdens imposed in many sections by law at the present time.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. MOSS of Indiana. Yes.

Mr. CRISP. The gentleman's idea is that the borrower would get the money at the same rate of interest that the bonds are sold at?

Mr. MOSS of Indiana. Yes. I am glad the gentleman spoke of that. Under the provisions of this bill, after the first issue of farm-loan bonds the land banks must loan to the farmers thereafter at the same rate of interest that is stated in the bonds plus the rate of amortization, depending on the length of time of maturity, plus not exceeding 1 per cent on the unpaid principal for profits and expenses.

I want to call the attention of the House to the language of this bill: "One per cent on the unpaid principal." The rate of interest is precisely the same to the farmer as that at which land bonds may be circulated. To this rate will be added the amount in the authorized tables of amortization which will pay the principal agreed upon for the life of the loan, which must be between 5 and 35 years. To this the bank may charge not exceeding 1 per cent on the unpaid principal.

Now, 1 per cent on the unpaid principal is a constantly diminishing sum, and if you average it for the entire life of any loan you will find that it is about three-fifths of 1 per cent on the sum originally borrowed. You who are familiar with the European tables will say: "Moss, some banks loan for 0.35 per cent for an administration charge." That is true; but they are estimating this upon the full principal and not upon the unpaid principal. The Bank of France is allowed by law to charge sixty one-hundredths on the full principal, and that is precisely the same charge that the banks in this bill are permitted to make by charging 1 per cent on the unpaid part of the principal. The board, however, has the right to reduce the administration charge at any time whenever they feel that it is in the interest of the borrowers to do so. It may be observed that all surplus net earnings are prorated to the borrowers.

Mr. TILSON. I was interested in what the gentleman was saying about the mortgage loan associations in Indiana. What would be the effect upon a State or private association?

Mr. MOSS of Indiana. The effect would be that they would incorporate under the provisions of this bill and grant loans on more favorable terms than they are now granting, provided the bill is retained in its present form. In all of these States where these associations are formed this law will be broad enough to permit them to continue their beneficent work and to permit them to make their terms more favorable to the borrowers.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. MOSS of Indiana. Yes.

Mr. KINCHELOE. As a prerequisite under this bill a man must subscribe 5 per cent of the bonds and take that in stock?

Mr. MOSS of Indiana. That is true.

Mr. KINCHELOE. Suppose, as an example, a farmer wanted to borrow $4,000 from the bank. Then he would have to subscribe $200 worth of stock, as I understand?

Mr. MOSS of Indiana. Yes; that is correct.

Mr. KINCHELOE. In case he did not have that $200 in money, is there any way he can get credit at the bank for that stock?

Mr. MOSS of Indiana. Yes. It will be made a part of his loan. He makes the application and subscribes for the stock, but does not pay for it. Now, when the loan is granted the land bank deducts from the loan the amount of 5 per cent and pays the residue over; the borrower begins to pay for his stock subscription as part of his loan. He can pay it in cash in advance or permit the land bank to deduct it, as he prefers.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. MOSS of Indiana. Yes.

Mr. FESS. Early in your discussion you spoke of the interest rate in Vermont being 5 per cent and the rate in Montana as being 10 per cent, or an average of 7½ per cent. Do we understand you are attempting to secure a uniform rate by this legislation throughout the United States?

Mr. MOSS of Indiana. We know the rate will be uniform in each one of the 12 districts. There can not be more than 12 interest rates in the United States under this bill. Now, as the assets of the different banks are all merged together, and each land bank insures the bonds issued by every other land bank, it follows that every land bond will have the same security back of it, and we believe these conditions will secure very close to a uniform rate. I will not predict that there will be an absolute uniform rate any more than there is a uniform rate under the present Federal Reserve System, but it will approach more and more nearly to a uniform rate.

Mr. TRIBBLE. Will the gentleman yield?

Mr. MOSS of Indiana. Yes.

Mr. TRIBBLE. Suppose A, B, C, D—in all, 10 farmers—go and establish a loan association, and each are borrowers. Suppose D, who borrowed $4,000, failed to pay it back and there is a loss. Do the other nine who compose that institution sustain the loss, or who sustains it?

Mr. MOSS of Indiana. The land bank will ultimately sustain the loss. The borrowers, who own the land bank, will pro rate the loss by receiving lower dividends on their stock.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. HAYES. Mr. Chairman, the chairman of the Banking and Currency Committee has correctly stated that this bill is in no sense a partisan measure. It has been a source of great satisfaction to me to serve upon the Joint Committee on Rural Credits appointed by the last Congress and upon the Banking and Currency Committee during the consideration of this measure. The members of the joint committee, as well as the members of the Banking and Currency Committee, have given no indication that they have thought of politics in connection with its consideration. The members of both committees have sat around the board and have brought to the consideration of this measure the best that they had, without reference to which side of the House they served upon. This measure is, therefore, strictly and purely a nonpartisan measure. I believe that, being nonpartisan, it is vastly better than it could possibly have been if it had been framed as a party measure by either party.

This bill probably does not fully satisfy any member of the committee. Like all such measures, many things in it have been the result of compromise. Representing, as we do, all sections of the country, with different laws and different existing conditions, it is impossible that a measure could be made exactly to suit all, and indeed it is impossible that it can be made to fit exactly the conditions of any one of us. I believe that the measure reported to this House is the best measure it is possible to frame at this time under present conditions. This question has been under consideration by some of us for years. I think it is three years since I began the study of it, and during the last year some of the members of the committee have had almost constant study and consideration of it.

In the matter of rural credits this country is farther behind than almost any civilized country in the world. In almost every other civilized country provision is made by the government in some way for long-term loans by agricultural communities, and opportunity given for amortization payments, so that a man can buy or improve land, or buy stock for stocking his farm, or do any other useful thing in connection with agriculture, and have all the time that he needs to pay for it without being obliged to pay big commissions, expenses of renewal, and excessive interest rates, such as farmers in most parts of the United States now have to pay.

In considering this measure the members of the committee found, as all students of the subject find, that one of two systems have geen generally employed in the world in providing credit for farmers. First, a subvention by the Government, notably in the case of France, where $2,000,000 was appropriated by the Government and given to the Credit Foncier of France, that had authority to make loans on long time to farmers. As a matter of fact, most of the loans of this bank have been made to owners of urban property rather than to owners of agricultural land; but the principal purpose of the subvention was to assist the owners of farm lands in securing long-time loans.

The other system is the cooperative system, of which the landschaft of Germany is the most notable. This system would probably never have been in existence, but for the fact that Frederick the Great after his great wars, finding his country greatly impoverished and the owners of land in debt, practically bankrupt, by a decree forced the owners of land in certain sections to combine together in the landschaft. The members of this landschaft were required each to become responsible for the debts of all the others. So that the members of the landschaft in Silesia, for instance, were all liable for the debts of all the other members of the landschaft, and every owner of land was obliged by law to assume this liability. This joint liability made the bonds issued by the landschaft so safe that soon they sold at a very low rate of interest. In a very few years the landowners of Prussia were raised from this condition of practical bankruptcy to a condition of great prosperity. As the result, this landschaft system spread over the whole of Germany and some of its features have been copied in many other countries.

When I began the study of this subject, I was prejudiced in favor of the landschaft system. Having done such wonderful things for the German farmer, I tried to find some way to apply its principles to our conditions. I finally came reluctantly to the conclusion that this system in its purity is not adapted to our farmers, our people being more independent and more migratory in their habits than the Germans. The committee also came unanimously to this conclusion, and so we have been obliged to formulate a cooperative system that we believe will be adapted to this country. We believe that no system would be acceptable to our farmers that requires them to become liable for the debts of one another without limit. In order to incorporate the cooperative principle in this measure, we have therefore permitted the would be borrowing farmers to incorporate themselves into a corporation, a national farm-loan association, subscribing for the stock of the association 5 per cent of the amount of their loan. Only those who desire loans can become members of this association. The bill makes each liable in double the amount of his subscription; that is, liable for the subscription of 5 per cent of the amount of the loan and liable for a like amount, as stockholders in national banks and nearly all subscribers to stocks and corporations in this country are liable. In this way we secure a cooperative system, but with only a limited liability of the members, all the members of the association being borrowers and all of them subscribers to the stock of the association in proportion to the amount of their loans.

When the local association in turn makes application to the land bank, which the bill creates, for a loan for one of its members, it must subscribe to the stock of the land bank to the amount of 5 per cent of the loan applied for.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

Mr. HAYES. Yes.

Mr. McKELLAR. When these land associations make applications for mortgages, does it mean that every member who makes an application for a loan is bound for every other member's loan?

Mr. HAYES. It means that he is bound as a member of that corporation, the loan association.

Mr. McKELLAR. Is his land obligated for the debts of his comember?

Mr. HAYES. No; we eliminated that principle of the landschaft, because, as I have said, we were satisfied that our people would not take advantage of any such system. He is liable, however, to the extent of his stock which he subscribed, and for as much more money as his stock represents.

Mr. McKELLAR. How is that liability secured? Is it secured by the mortgage upon his land to that extent?

Mr. HAYES. No; it is secured in this way. He gives a mortgage or a trust deed upon his land for the amount of his loan to the association, and the association indorses or guarantees, as it were, his loan to the land bank, and the land bank makes the loan and supplies the money. Suppose there were a default upon any loan and a loss, that loss would be assessed, first, against the land of the man who made the loan, and if he had any other assets that could be reached, then his assets would next be liable for that loan, and lastly, the association would be called upon to make good the loss.

Mr. McKELLAR. Where would the association get the money to make it good?

Mr. HAYES. Out of its profits; or, if there were no profits to be reached, then the members of the association would have to be assessed in proportion to the amount of their loans or to the amount of their stock in the loan association to make good the loss.

Mr. McKELLAR. Does not that practically mean that the property of each member of the association is really mortgaged to secure the debt of his coborrower?

Mr. HAYES. No. His property would be liable to respond, of course, to the extent of the subscription that he has made to the stock of the association and as much more. That is all. It is a limited liability, and limited in the most extreme case to 10 per cent of the amount of his loan.

Mr. McKELLAR. I believe, as a prerequisite for the farmer's making the loan, he must subscribe for 5 per cent of stock in the land association?

Mr. HAYES. He must.

Mr. McKELLAR. Is not that very nearly what the ordinary commission is when the farmer undertakes to make a loan now? Does not the agent charge him a commission, and is not that practically in lieu of the commission, and will it not be so regarded by the farmer?

Mr. HAYES. It may be so; but the difference is this, that the farmer gets stock worth 100 cents on the dollar for his 5 per cent, and upon that stock he will draw in dividends whatever the land bank may make in profits, and it will go to reduce the amount of his payments of interest and principal.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. HAYES. Yes.

Mr. WINGO. Possibly the gentleman from Tennessee [Mr. McKELLAR] may have in mind a provision that was in the House bill when it originally was framed, and which is still in the Senate bill, and that is the "unlimited-liability" feature, which, the gentleman will recall, was stricken out of the House bill in the committee upon my motion?

Mr. McKELLAR. Yes.

Mr. WINGO. Possibly that is what the gentleman from Tennessee is speaking of?

Mr. McKELLAR. That is what I had in mind.

Mr. WINGO. That has been cut out of the House bill, but it is in the Senate bill.

Mr. HAYES. Yes; that is in the Senate bill, and was originally in the House bill as reported by the joint committee, but the Committee on Banking and Currency has stricken that out, believing that the farmers of the country would not take advantage of that provision, and that it might serve to confuse them and prejudice them against the system which will be created by this bill.

Mr. McKELLAR. I will say to the gentleman, I think it was wise to take that out, as I think it would prejudice the farmers very much against this.

Mr. HAYES. It is not in the bill as reported to the House.

Mr. WINGO. In the House bill, as it now stands, the only liability of a borrower is that of a stockholder in the local association?

Mr. HAYES. Yes.

Mr. WINGO. In other words, he is simply liable as a stockholder in the association, as a stockholder in a national bank now is liable for the losses that the bank may suffer?

Mr. HAYES. Just exactly the same.

Mr. WINGO. And so far as his 5 per cent subscription to the stock is concerned, the only loss that he can suffer will be by reason of loss as a member of the association?

Mr. HAYES. That is all.

Mr. WINGO. An assessment to the amount of this subscription being made upon him to meet the loss, if any, of the association?

Mr. HAYES. That is it, exactly.

Mr. TILSON. What becomes of a man's stock after he pays his indebtedness?

Mr. HAYES. His stock is paid for by the land bank, or the association, rather, the land bank paying for the stock the association subscribed in the land bank, and the association in turn paying for the stock which the member subscribed at the time of the loan, and then he ceases to be a member of the association.

Mr. TILSON. He must cease to be a member?

Mr. HAYES. Yes.

Mr. TILSON. He can not continue to hold stock?

Mr. HAYES. He can not. The stock is confined entirely to the borrowers. They are the stockholders of both the local corporation and the general corporation or the land bank. The borrowers are the only stockholders.

Mr. HELGESEN. In other words, he can pay the last 5 per cent of his loan with his stock?

Mr. HAYES. He can. That will liquidate the last 5 per cent of his obligation.

Mr. GLASS. And in the meantime he may draw dividends on his stock.

Mr. HAYES. Yes; he will.

Mr. FESS. How many kinds of associations do you provide?

Mr. HAYES. We provide for one kind only, the national farm-loan association, which is the local association.

Mr. FESS. Nothing like the national bond or mortgage association?

Mr. HAYES. Not at all. A national farm-loan association is a local association. Ten or more individuals desiring to borrow money upon farm lands may form such an association, and they must certify or show by their application that they desire loans to the extent of at least $20,000 before they can become an association. These loans with their applications are put up to the national farm-land bank of their district. After the lands are examined and found to be all right for the loan for which they apply and the amount sufficient under the law, then the farm-land bank recommends a charter be granted, and a charter is granted by the Federal farm-loan board to that association and the loans are made and they become stockholders in the local association, which in turn becomes a stockholder in the land bank to the extent of 5 per cent of whatever loans are taken out by that association. That is the system.

Mr. STEENERSON. Will the gentleman yield?

Mr. HAYES. I will.

Mr. STEENERSON. Is there any limitation upon the amount of interest to be paid?

Mr. HAYES. Yes; there is a limitation that not to exceed 5 per cent shall be paid upon the bonds, and not to exceed 1 per cent above that paid upon the bonds shall be charged the farmer by the land bank. Now, it is not provided in this bill that not less than that shall be exacted for interest, profits, and operation expenses, administration expenses, but not more than that. In my judgment, half of 1 per cent would cover these charges after this system gets into operation—and I believe it will in a year or two—half of 1 per cent will probably be sufficient to cover profits and expenses.

Mr. STEENERSON. What is the rate of interest the gentleman anticipates that the farmer will be able to get money for under this bill?

Mr. HAYES. My expectation is that they will get money anywhere in the United States for 5 per cent.

Mr. RUSSELL of Missouri. Will the gentleman yield?

Mr. HAYES. I will.

Mr. RUSSELL of Missouri. I am asking purely for information. What is the lowest amount of money, or is there a minimum amount that can be borrowed?

Mr. HAYES. One hundred dollars is the lowest amount any land bank can loan to the farmer.

Mr. RUSSELL of Missouri. Is there a limit beyond which they can not go?

Mr. HAYES. Yes; $100 is the lowest and $10,000 is the maximum that they can loan to any one party.

Mr. RUSSELL of Missouri. I understand this must be loaned upon farms?

Mr. HAYES. Yes.

Mr. RUSSELL of Missouri. That no money can be loaned upon city property?

Mr. HAYES. It can not.

Mr. RUSSELL of Missouri. How about a farmer who owns land not in cultivation, but he wants to make a farm out of it? Can he borrow the money?

Mr. HAYES. He can borrow the money to buy it.

Mr. RUSSELL of Missouri. On unimproved land?

Mr. HAYES. He can.

Mr. HUGHES. Will the gentleman yield for a question to see if I understand his statement?

Mr. HAYES. I will.

Mr. HUGHES. For instance, a man wishes to borrow $10,000. In that event he must subscribe for $500 of stock?

Mr. HAYES. He must.

Mr. HUGHES. That is 5 per cent. Now, in the event of a defalcation or for nonpayment of interest he is liable to the amount of that sum, to the amount of $500?

Mr. HAYES. Yes; and $500 in addition.

Mr. HUGHES. He borrows $10,000 and therefore he is liable only in the amount of $1,000?

Mr. HAYES. That is all he can ever be liable for.

Mr. HUGHES. That is the extent of his liability?

Mr. HAYES. That is the limit of it.

Mr. MADDEN. Will the gentleman yield?

Mr. HAYES. I will.

Mr. MADDEN. This bill proposes to establish 12 regional banks.

Mr. HAYES. Yes.

Mr. MADDEN. Do I understand under the provisions of the bill any man who wants to borrow money on a farm would be obliged to visit the regional bank in order to make application for the loan?

Mr. HAYES. Not at all. He makes the application to his local association. He joins an association in his neighborhood, or if there is not one he unites with nine other men and they form a local assocation and elect a secretary-treasurer and a loan committee, and they get a charter from the Federal farm-loan board and then he can send his application to the bank as soon as the charter is issued. The bank sends its appraiser to appraise the land and if the land is found to be sufficient, the loan is made. He does not have to go there at all but the money is sent to the association, to the secretary-treasurer of the local association for payment to him upon the loan.

Mr. MADDEN. Does the gentleman think under any possibility of the provisions of this bill it would be necessary for a man who wanted to make a loan to go any considerable distance in order to make application for a loan? If he had to do that would not the expense of the application more than offset the low rate of interest?

Mr. HAYES. If that were true it might, but that is not the situation. There is no need for him to go any great distance.

Mr. VENABLE. Will the gentleman yield?

Mr. HAYES. I do.

Mr. VENABLE. As I understand the bill there are three processes of loaning machinery, one the Federal land bank and then the loan association——

Mr. HAYES. That is subsidiary to the land bank; that is part of the same system.

Mr. VENABLE. And a joint-stock land bank?

Mr. HAYES. That is an entirely different system, and I have not spoken of that at all.

Mr. VENABLE. Possibly this question is not at the proper time, and I do not want to interrupt the gentleman in the continuity of his discussion.

Mr. HAYES. That is all right.

Mr. VENABLE. Is there any difference in the liability of the borrower from one of these banks or associations and another? Is the liability any different?

Mr. HAYES. The gentleman means to ask whether there is a different liability to a joint-stock bank and a Federal land bank?

Mr. VENABLE. Yes, sir.

Mr. HAYES. Oh, yes; the liability is quite different. The joint-stock bank is a private institution and not cooperative at all.

Mr. VENABLE. That is the point I am getting at. In other words, these banks can be competing

Mr. HAYES. Yes; they can be.

Mr. VENABLE. And what do you think will be the probable effect, for instance, on the Federal land bank of a joint-stock association wherein, say, the borrower does not assume the same amount of liability that he does if he borrows from the Federal land bank?

Mr. HAYES. If you want to know my opinion—and it is purely a matter of judgment—it is that very few joint-stock banks will be organized, because they never can compete with the cooperative organizations. It will be impossible for them to make the same rate of interest that the cooperative organizations can make, because they must make profits for their stockholders, and in case of the cooperative organization no profits need to be made, or, if they are made, they go to reduce the payments of the borrowers. The rate of interest on the bonds issued by the Federal land banks should be much lower than on the bonds issued by the joint-stock banks, and therefore the rate of interest to the borrower should be much less.

Mr. VENABLE. Now, if they can not compete, they eventually will be driven out of the business?

Mr. HAYES. In some places they may thrive—where there is no cooperative effort. That is the reason I have agreed to permit them to be organized. I do not think they will be largely organized in the United States; but I think they will do no harm.

Mr. VENABLE. You think that the competition of the Federal land bank will drive these joint-stock organizations out of the business?

Mr. HAYES. I do. In Germany the joint bank and the landschaft exist side by side. The landschaft makes the long term and the joint-stock bank makes the short-term loan. The borrowers are not circumscribed in the purposes of the loan by the joint-stock bank as they are by the landschaft. So it may be possible that I am mistaken. A joint-stock bank may be organized and thrive side by side with the cooperative institution, because they can grant loans that the cooperative institutions would not care to grant, for a shorter time, for instance, and can grant them for other purposes than they will be granted by the cooperative institutions. These cooperative institutions, by the law, and properly so, in my judgment, are restricted in their loans to those things that are going to increase the agricultural efficiency of the country; for the purchase of land for farms, for the improvement of farms, by erecting buildings, and for the stocking of the farms, for buying machinery, or something of that kind, that will make the farmer able the more perfectly and fully to meet the demands of the country for agricultural products. Whereas the joint-stock bank has no such limitation.

Mr. CRISP. I would like to ask the gentleman where the application is made for the loan, what provision is made for inspecting or examining the title to the land? Who is to pay the expense of this examination, and if there is any limitation as to the amount of expense that may be incurred for making the legal investigation?

Mr. HAYES. The provisions of the bill are that a charge limited to the real, exact cost of making the examination may be made against the borrower, and that is all. The land bank, of course, will make that examination, and will have its agents, its attorneys, and examiners for that purpose, and may make a charge limited to the exact cost of the examination.

Mr. PHELAN. And I may suggest in addition, that that is subject to the rules and regulations of the farm-loan board, so that there will be no excessive charges by lawyers.

Mr. POWERS. Will the gentleman yield?

Mr. HAYES. Yes.

Mr. POWERS. Before loaning any money, do I understand that money has got to be invested in the farm in some sort of way, either in stocking or buying?

Mr. HAYES. The provision of the bill is this: That the applicant must be an owner or about to become an owner of farm land which he is trying to cultivate or proposing to cultivate.

Mr. FESS. When this is complete, what will be the legal relation to the Federal reserve bank—that is, what will be the relation of the Federal land bank and the Federal reserve bank?

Mr. HAYES. No relation whatever.

Mr. FESS. Two entirely different systems?

Mr. HAYES. Entirely independent systems.

Mr. FESS. Can one invest in the other?

Mr. HAYES. Yes. There is a provision of the bill that the members of the Federal Reserve System may purchase the bonds and they may be used as security for deposits, and things of that kind, but other than that there is no connection.

Mr. WINGO. Referring again to the question of competition between the joint-stock banks and the Federal land banks, the gentleman stated a few moments ago that he doubted if the joint-stock banks would be able to compete successfully with the land banks, for the reason that they could not make a profit. Now, is not this true, that the joint-stock banks will have a greater opportunity to make a profit than the Federal land banks? Is it not true that the joint-stock banks can issue bonds to the extent of fifteen times their capital stock? That would give them a gross earning on the 1 per cent margin out of which they would pay expenses and dividends of 15 per cent on their capital stock?

Now, the experience of other countries, and the experience of concerns of that kind that are already operating in this country, shows that the administrative expenses would be less than 1 per cent. Then, if they went to the maximum of their capacity, is it not probable that they will be very profitable institutions, because they have that margin, and, in addition, there are no limitations upon them to the extent that there are on the land banks?

Mr. HAYES. Yes; they may in some places become profitable if they do a large business; but they will not be as profitable as the other associations, which are authorized to loan twenty times the amount of their stock, and which may have less overhead charges to pay.

Mr. WINGO. What difference will there be in the overhead charges between a joint-stock bank and a land bank?

Mr. HAYES. None occurs to me just now.

Mr. WINGO. I take it that this is the real question involved: Would it not be impossible for the Federal land bank to compete with the joint-stock bank in the same territory for this reason? Here is a farmer who wishes to take out a loan. If he wishes to patronize the Federal land bank, he must assume a stock liability amounting to 5 per cent of the amount of the loan. If he wishes to take a loan from the joint-stock bank, he does not assume that liability and does not have to go into the organization.

Mr. HAYES. That is true.

Mr. WINGO. Will not that make it possible for the joint-stock bank to crowd out the Federal land bank in that territory?

Mr. HAYES. No. There are other advantages that will offset that.

Mr. MOSS of Indiana. I think in this matter actual experience is worth more than theory. I would like to call attention to the fact that in Germany the landschaft has something like $750,000,000 of loans on the farm lands of Germany, and the joint-stock banks, without restrictions of any kind, have $170,000,000 of loans on the lands of Germany.

Mr. WINGO. But there is no comparison between that and the conditions that will operate here.

Mr. PHELAN. There is some difference in the expenses. For example, the stock of the joint-stock bank is taxable, and the stock of the cooperative banks or the Federal land banks is not taxable.

Mr. HAYES. That is true, and the security behind the bonds of the cooperative bank is much more perfect than that behind the joint-stock bank, making it certain the interest rate of the former will be lower.

Mr. SUMNERS. Mr. Chairman, will the gentleman yield?

Mr. HAYES. Yes.

Mr. SUMNERS. As to the 5 per cent margin in stock which is provided for in this bill, if that should be absorbed, what authority is there in the bill to prevent the general system from going into bankruptcy?

Mr. HAYES. Of course, there is no power conferred upon anyone by the bill, and there could not be any power conferred—you can not prevent by law any system of financial institutions

from becoming bankrupt. The only thing that can be done is to provide by law for every possible emergency and to make it as safe as it can be made. That is the attempt here. That is the reason for stock subscription by the borrower and for his liability for as much more as his stock, in order to make the institution absolutely safe. It has another purpose also. That stock liability and the liability for 5 per cent in addition makes the loan committee, who are all members of the local association who make the loans and who would be liable for poor loans and for any default on the part of the borrower—it makes them cautious to see to it that they do not make loans that will not be paid back in full by the borrower.

Mr. SUMNERS. In these cooperative associations you permit loans of 20 to 1, and 15 to 1 of the other sort?

Mr. HAYES. Yes.

Mr. SUMNERS. What is the reason for that?

Mr. HAYES. Because we did not want to give the joint-stock bank any advantage over the cooperative. The joint-stock bank stands by itself. It is not bolstered up by all the borrowers, as the cooperative system is. It has to look out for itself and not depend upon anyone or anything else. The cooperative banks have all the rest of the banks to lean upon. The security behind their bonds is therefore much better and the rate of interest should be much lower.

Mr. MADDEN. In the case of the national banks, loans are made in the proportion of 1 to 8.

Mr. HAYES. It depends on whether they are in a reserve or a central reserve city or otherwise.

Mr. MADDEN. That is the average.

Mr. HAYES. Yes; I think it is. I have not figured it out, but I will say to the gentleman from Illinois that the savings banks loan 20 to 1; that is the provision of the Federal reserve act, that the national banks may loan on farm lands on a 5 per cent reserve.

Mr. PHELAN. Mr. Chairman, May I make another suggestion to the gentleman in that connection?

Mr. HAYES. Yes.

Mr. PHELAN. It is practically impossible ever to reach that proportion of 20 to 1. Also in connection with the question that the gentleman from Texas [Mr. SUMNERS] asked; in the case of a joint-stock bank, the proportion is 15 to 1 of the capital and surplus in the joint-stock banks and 20 to 1 in the others?

Mr. HAYES. Yes. The same thing is true of the joint-stock bank. Practically the joint-stock bank could not loan 15 to 1 any more than the land bank could loan 20 to 1.

Mr. McKELLAR. Mr. Chairman, will the gentleman permit a question?

Mr. HAYES. Yes.

Mr. McKELLAR. Suppose I am a farmer and I want to loan $10,000 on a piece of property that is capable of borrowing that much. Do I have to pay $500 in cash to begin with?

Mr. HAYES. You do not.

Mr. McKELLAR. How is that arranged?

Mr. HAYES. If you have not the money so as to pay it in cash, you can have it added to the loan.

Mr. McKELLAR. Or deduct it out of the loan?

Mr. HAYES. Yes. Suppose you borrow $10,000. Your 5 per cent subscription to the loan is added to the $10,000, and the $500 as well as the $10,000 is apportioned in the amortization payments and paid off with the loan.

Mr. SIMS. What per cent of the value of the mortgaged land has the loan?

Mr. HAYES. Sixty per cent.

Mr. SIMS. Is not that the basis of the appraisement?

Mr. HAYES. It should be, if the appraisement is properly made. It is 60 per cent of the value of the land, and 20 per cent of the value of the permanent insured improvements.

Mr. SIMS. What is the limit of the loan as to time?

Mr. HAYES. Not less than 5 nor more than 36 years.

Mr. FERRIS. I want to ask the gentleman a little bit about this cooperative-borrowing association. Of course, the committee considered the proposition of getting rid of that agency, and I want the gentleman to give us his information on that proposition. For instance, I can see why it is necessary for the borrower to be held liable for a certain per cent of his loans, and I can see why he should be held for a limited liability; but it seems to me it will be cumbersome and ponderous to force a local community of unschooled farmers to form an organization, and it seems to me that the committee would have made a more workable proposition if they had designated some national bank in each county or in each county seat, and let the applicant go direct to that bank, subject himself to the same liability as you provide for, and eliminate this cumbersome organization. I do not believe that part of it will pan out.

Mr. HAYES. A national bank would not be under any obligation to act as agent for the borrower unless it chose to do so, and the committee having in mind the fact that the national banks are commercial banks, which should not be engaged in loaning money on farm lands or any other real estate on long time or making any other long-time loans, the committee did not desire to mix up the national banks in this sort of business. They did not think it would be sound.

Mr. FERRIS. But if the gentleman will pardon me, national banks are subjected to national inspection.

Mr. HAYES. That does not matter.

Mr. FERRIS. And they are subjected to national control.

Mr. HAYES. Yes.

Mr. FERRIS. And the National Government could more easily make an arrangement with them, I assume.

Mr. HAYES. But the Federal Government should not do so, in my judgment. I should be absolutely against any such proposition. The national banks are commercial banks, and they should be confined to that business, and should not engage in making long-time loans to farmers.

Mr. FERRIS. I think you will find difficulty getting a group of farmers to organize into a loan association.

Mr. HAYES. Only experience can determine. The gentleman might think so, and I might think differently.

Mr. GLASS. They do form themselves into associations, and they can borrow through an agent who is willing to indorse their paper, and they can borrow through the joint-stock banks.

Mr. HAYES. Yes; and the agent can be paid for his services.

Mr. HASTINGS. I was going to suggest to the gentleman that he explain section 15, which provides for the appointment of agents.

Mr. HAYES. I have not spoken of that. I should like to ask how much time I have consumed, Mr. Chairman?

The CHAIRMAN. The gentleman has consumed 40 minutes.

Mr. HILL. The gentleman comes from a State, as I do, where there are a very large number of savings banks, and a large amount of mortgage loans held by them.

Mr. HAYES. Yes.

Mr. HILL. Has the gentleman investigated at all the effect of this nontaxable bond, or practically nontaxable mortgage loan, upon the savings-banks system of his State and mine?

Mr. HAYES. I can only say that so far I have not received a single protest——

Mr. HILL. I would value the gentleman's opinion more than that of most of the people who might protest.

Mr. HAYES. My opinion is that many of the savings banks will buy these bonds, and it will save them largely the expense and trouble of making the loans individually. I have an idea that they will invest largely in these bonds.

Mr. HILL. What becomes of their existing loans?

Mr. HAYES. Of course they will mature.

Mr. MADDEN. Is there any provision made for an examination of the abstracts, and the survey of improvements, and so forth?

Mr. HAYES. Yes; certainly.

Mr. MADDEN. How do they do that?

Mr. HAYES. The land bank does it, and charges the actual cost only, under regulations of the Federal farm-loan board, to the borrower.

Mr. GLASS. Might it not be explained there that it is under a system that will insure the very least possible cost to the borrower?

Mr. HAYES. Yes; certainly.

Mr. MOSS of Indiana. In regard to what the gentleman from Connecticut [Mr. HILL] has said, I should like to call attention to the fact that notwithstanding the marvelous development of this organized land credit in Germany, the savings banks of the German Empire hold $850,000,000 of mortgages on rural real estate in Germany, or more than any other one class of banks that there is.

Mr. HAYES. And they do it in all countries where they have the landschaft, but, of course, those are mortgages that are on shorter time and for other purposes than those that the landschaft would grant loans for.

Mr. RAGSDALE. In addition to the economy that would necessarily follow the purchase of these bonds by reason of a system of looking into the titles, this would also be a matter of satisfaction and economy in the future purchase of lands in that it would definitely fix the title after it had been once examined.

Mr. HAYES. That is all true.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. HAYES. I yield to the gentleman from Idaho.

Mr. SMITH of Idaho. What provision is made for requiring the borrower to expend the amount borrowed upon his farm in the way of improvements?

Mr. HAYES. He applies to the local association, and it is made the duty of the secretary-treasurer of that association to see to it that the money is spent for the purposes provided in the application for the loan. It is his duty to report to the land bank any breach of that agreement on the part of any borrower.

Mr. RAGSDALE. Just as where money is borrowed from a loan building association the association sees to it that the money is used on that lot?

Mr. HAYES. Yes.

Mr. POWERS. What is the remedy if he does violate the agreement?

Mr. HAYES. The loan is declared due and payable and he may be called upon to pay it at once.

Mr. EMERSON. I listened with much interest to the question of the gentleman from Oklahoma as to why this loan matter could not be carried on through the national banks and save the expense.

Mr. HAYES. I do not see that it would save expense. The national banks could not afford to do it without being paid for it. The other banks are paid for it by the people who are the borrowers, and if any profit comes out of it they get it back, and besides that, the national banks ought not to be mixed up in making long-time loans to farmers.

Mr. RAGSDALE. Would it not impair the credit of the national banks on the part of the depositors by feeling that the money was not liquid, as it would be if the bank dealt in ordinary securities?

Mr. HAYES. Yes; it would impair the safety of the bank.

Mr. SNYDER. Is it not a fact that the national banks are handling the loans of all the farm paper to-day?

Mr. HAYES. It is not a fact.

Mr. SNYDER. They are in many communities.

Mr. HAYES. Well, small banks in the country that are national banks, it is true, may handle long-time farmers' paper.

Mr. SNYDER. These are not small banks, but thousands and thousands of dollars are carried for farmers from year to year, and at a very low rate of interest.

Mr. HAYES. Not very.

Mr. SNYDER. I am of the belief that arrangements could be made where this banking business for farmers would be better carried on than in the way proposed.

Mr. HAYES. I can not yield to the gentleman for a speech, but I can not agree with him.

Mr. BAILEY. I want to ask the gentleman if he has considered the possibility of the effect of this measure in the way of stimulating an increase in farm-land values.

Mr. HAYES. Yes; we considered that very carefully. It may have some such effect, and I fear that it will.

Mr. BAILEY. There have been increases in recent years——

Mr. HAYES. In Iowa, which has the greatest facility in the way of cheap loans—I believe they have the cheapest rate of any Western State—the result has been a large increase in the value of farm land.

Mr. BAILEY. And an actual decrease in population.

Mr. HAYES. Not serious—many of the younger men, of course, have gone from farms to the cities, and Iowa has no large cities.

Mr. MORGAN of Oklahoma. Referring to the question of the national banks issuing loans for this land bank, I want to know why it would not be proper to use the national bank, and likewise the State banks, as agents for the Federal land bank without indorsement, but simply receive the applications and transmit them.

Mr. HAYES. Oh, no; I could not agree to that proposition at all, for the reason that the bank making the loan and passing upon it and acting as agent would have no pecuniary interest in the matter at all, and therefore their agency could not possibly have any value.

Mr. MORGAN of Oklahoma. I do not intend that——

Mr. HAYES. I can not yield to the gentleman for a speech; he will have time to make his own speech.

Mr. FESS. The gentleman provides for the principle of amortization in this bill. What is the limit of time?

Mr. HAYES. Thirty-six years.

Mr. SMITH of Minnesota. Is not one of the chief features of this plan to reduce the initial cost of making the loan?

Mr. HAYES. Certainly.

Mr. SMITH of Minnesota. If we use the national banks or any other outside agency, there will be some expense attached to it.

Mr. HAYES. Necessarily.

Mr. SMITH of Minnesota. But under the local associations all of the initial expense is donated by the members of that association.

Mr. HAYES. Absolutely.

Mr. SMITH of Minnesota. No man connected with the local association gets any pay except the secretary-treasurer.

Mr. HAYES. That is true.

Mr. SMITH of Minnesota. He is the only one that does not have to be a member of the association.

Mr. HAYES. Yes.

Mr. GLASS. In connection with the question asked by the gentleman from Oklahoma, is not the basic principle of the bill the sale of the land-bank bonds, and if we should eliminate the indorsement of the land banks, would it not impair the security of the bonds?

Mr. HAYES. I doubt if they would be saleable at all.

Mr. MORGAN of Oklahoma. How does the indorsement of the local association affect the bonds?

Mr. HAYES. Just as the indorsement of the landschaft in Germany makes the bonds saleable. It would be impossible to sell the bonds in the general market without it.

Mr. MORGAN of Oklahoma. A loan association takes it for the Federal land bank and that is all they have.

Mr. HAYES. They have the security from the individual borrower and in addition 10 per cent of the amount of his loan. Besides this each loan has behind it the responsibility of all the members of the local association to the extent of 10 per cent of the amount of their loans; second, the stock and surplus of the Federal land bank; and third, the responsibility of all the other land banks in the system, making it absolutely certain that every bond issued by this system will be paid, principal and interest. Now, I must in justice to my colleague close.

Mr. EMERSON. Mr. Chairman, before the gentleman concludes, will he yield?

Mr. HAYES. Yes.

Mr. EMERSON. As I understand the point, in having these national banks and local banks act as agents it is to save expense?

Mr. HAYES. Not at all.

Mr. EMERSON. Why could not the expense be saved?

Mr. HAYES. It would not save any expense. I can not go into that matter for I have not the time, but the purpose in having the agencies provided for in this bill is to provide opportunities to farmers to get loans from this system before local associations are organized. There may be places in the country where farmers will be very slow to organize into local associations and assume this 10 per cent liability, and in that case we permit the local banks or farm-mortgage associations, or other like instrumentalities, to act as agents for the farm-land bank to make these loans; but in order to do so they must indorse the loan and become liable as indorsers on it.

Mr. SMITH of Michigan. Mr. Chairman, I want to be clear on one point, and that is the expense preceding the making of the loan. I understood the gentleman to say that the expense of the examiners and attorneys in looking up the title, and the clerks and agents, and so on, is paid by these associations?

Mr. HAYES. No. I said that the expense of the appraisement is paid by the land banks and that the expense of examining the title may be paid by the land banks, and the cost of that examination only is chargeable to the borrower. The initial expense is cut down to the very lowest limit by the bill.

Mr. SMITH of Michigan. The appraisement of the land is charged to the association?

Mr. HAYES. I believe not, if I remember right.

Mr. SMITH of Michigan. To whom is it charged?

Mr. HAYES. The land bank. That is a part of its operation expenses.

Mr. SMITH of Michigan. Then that expense is paid by the Government?

Mr. HAYES. Not at all. It comes out of the profits of the system.

Mr. SMITH of Michigan. What does this mean: "The national farm-loan board"——

Mr. HAYES. Its salary is paid by the Government.

Mr. SMITH of Michigan. I wish to read this from page 76:

The Federal farm-loan board—

And it is admitted that their salaries are paid by the Government—

shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said board * * * and shall be paid in the same manner as the salaries of the Federal farm-loan board—

Which is out of the Treasury of the United States.

Mr. HAYES. These attorneys, clerks, agents, and laborers are to be employed in the office of the farm-loan board here in Washington and paid, like any other employees in a bureau, out of the Federal Treasury, not to be charged up to the borrower at all.

Mr. CARAWAY. Mr. Chairman, will the gentleman yield?

Mr. HAYES. Yes.

Mr. CARAWAY. At page 18 it is provided that the secretary-treasurer of the local association enters into a bond conditioned, among other things, upon the prompt collection and payment of interest and principal. I take it that under the language of the bill he and his bond will be responsible for any payment due and unpaid by any member.

Mr. HAYES. For negligence—lack of faithfulness in the discharge of his duties only.

Mr. SNYDER. In a section of the country where farmers are borrowing money now on a basis of 6 per cent for a period of from 1 year to 36 years, how much better off does the gentleman think the farmer of the country would be under this act?

Mr. HAYES. Just as much better off as the interest rate is lower.

Mr. SNYDER. That is what I would like to have the gentleman's judgment upon.

Mr. HAYES. Of course, nobody can tell what interest rate can be obtained on the bonds. They may be before long as they are in Germany. There the landschaft bonds sell at as low a rate of interest as the Government bonds, and there is no reason that I can see why these bonds should not sell as low as 4 per cent. In that case the farmer would get his money, as the gentleman from Indiana [Mr. Moss] has said, probably at 4½ per cent. That is my expectation. If this system works out—and we hope it will—the ultimate result will be that in a few years the farmers of the country will get their money at 4½ per cent.

Mr. SNYDER. I sincerely hope that will come true.

Mr. FERRIS. Mr. Chairman, I hope the gentleman will deal with section 15 before he concludes. In reply to a question of the gentleman from Ohio [Mr. FESS], the gentleman from California admitted that there were times when it would not be feasible to make up these local cooperative associations for the purpose of borrowing, and I think that will be true all of the time. I do not think that will be feasible at any time, myself, but, inasmuch as the gentleman has conceded that in certain cases it would be, I want to know whom, under section 15, you could get to indorse this paper?

Mr. HAYES. If the gentleman is asking my opinion, I will say frankly to him that I do not think there is much in that provision.

Mr. FERRIS. I do not either. What is it in there for?

Mr. HAYES. Because some gentlemen wanted it there, and the rest of us could see no harm in it, and we let it remain.

Mr. GLASS. May I not say it was in there not because the committee believed there were any farming communities that would not organize any of these associations, but that one member of the joint committee did believe that there might be some communities who would not, and asked to safeguard us against the possibility.

Mr. FERRIS. But what benefit can you get under a provision which everybody admits will not accomplish anything?

Mr. GLASS. That is not the case; everybody does not admit it. It was put in——

Mr. FERRIS. I have never found any banking institution or any other institution that had that affection and generosity so that they would be willing to indorse other people's paper——

Mr. HAYES. They get paid for it.

Mr. FERRIS. Even so, there is no use putting it in when——

Mr. HAYES. But I am not sure that it would not be valuable in some parts of the country.

Mr. MOSS of Indiana. Will the gentleman permit?

Mr. HAYES. I will.

Mr. MOSS of Indiana. There were several statements that I wanted to correct, but I should now like to make this statement: That there are now 11,000 cooperative business organizations among the farmers of the United States, and last year they did a business exceeding $1,400,000,000, and that statement was made before the Committee on Agriculture of the House, and people generally do not seem to understand the extent of this cooperative business.

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. HAYES. I am sorry I can not. Mr. Chairman, in conclusion I want to say that this bill is not all that I would have it. There are many things lacking in it that I should like to see in it. There are some things in it that I should like to see out of it; but its imperfections can be corrected by amendment after they have been fully disclosed by actual operation. I believe it is the best bill that can be presented at this time, and I firmly believe that if the farmers will accept it and act upon its provisions and organize these local associations, it will come to be the greatest blessing that ever was conferred by the Federal Government upon the agricultural communities of this country. [Applause.] For that reason I am going to support the bill, although, as I say, it is not all that I could wish for.

Mr. HASTINGS. Mr. Chairman, the gentleman has made such a very comprehensive statement that I wish the gentleman would tell the members of the committee how a member could join a local loan association after one has been formed.

Mr. HAYES. He simply makes application to his local association for a loan and his application for membership goes with that application for the loan. The loan committee immediately takes it up and the association passes upon the loan. If they accept his loan, then he is accepted as a member of that association, subject to be eliminated if the land bank afterwards refuses to make the loan.

Mr. HILL. Will the gentleman yield?

Mr. HAYES. I will.

Mr. HILL. Will the gentleman inform me—I do not seem to find it—whether the bonds issued by the joint-stock bank are exempt from taxation?

Mr. HAYES. Yes.

Mr. HILL. The simple fact is that this farm mortgage is construed to be an instrument of the United States?

Mr. HAYES. Absolutely.

Mr. HILL. Then I would like to ask this question: Would the gentleman believe this Congress had the right to declare that the mortgage bonds of the railroads of the country were instruments of public utility and that they should be exempt from all taxation?

Mr. HAYES. I would say to the gentleman that I am not a great constitutional lawyer, and he will have to propound that proposition to somebody who knows more about constitutional law than I do. The committee has taken the advice of men in whom they had confidence as lawyers, and they tell us it is proper and constitutional for us to exempt the bonds or the mortgages under this system from taxation.

Mr. HILL. Take a State where the land is taxed and mortgage bonds are issued under this banking system; do you think the Federal Government has the right to make them free from taxation in Connecticut when my State taxes them?

Mr. HAYES. I think there is an equity in it. It would be inequitable to the farmer to permit his mortgage instrument, representing a percentage of the value of his land, to be taxed in some other locality when his land has already been taxed at its full value in the State where located.

Mr. HILL. Then this bill practically renders invalid taxation in every State where the tax is now imposed.

Mr. SIMS. In every State where they tax these bonds they certainly will not be sold, because there is a market where they are untaxed; so they would not go there.

Mr. HAYES. I think so.

Mr. GLASS. Will my colleague use some more of his time?

Mr. HAYES. Mr. Chairman, I yield 30 minutes to the gentleman from Oklahoma [Mr. MORGAN]. How much time have I consumed?

The CHAIRMAN. Sixty-two minutes.

Mr. MORGAN of Oklahoma. Mr. Chairman and gentlemen of the committee, I can not in a 30-minute talk discuss the important propositions in this bill. I have some very positive views on the questions involved. I do not agree with other gentlemen who I know have given great study to this question and who I know are equally as sincere and honest in their views as I am in mine. There are quite a number of changes that I would like to make in this bill, but I can only discuss a few of them. I may be able to discuss really only one. So I will begin my talk by stating what I think should be the first thing eliminated from this bill, namely, section 16, which authorizes the creation of joint-stock banks. I believe that we should create but one system of banks in starting out with our system of land credits in this Nation. If the joint-stock bank shall be created and organized and have begun the business of issuing bonds, running for 36 years, they will always remain a part of our system. It is a matter of conjecture, of course, as to how many of these banks will be organized and what amount of business they will do, but once organized and doing business they will remain a part of our land-credit system for centuries to come.

I wish to present some arguments against the creation of joint-stock banks as instruments to provide the farmers of the United States with land credit. As introductory to the discussion I present the following propositions:

First. Private banking corporations organized for gain, conducted for profit, managed in the interest of shareholders, whose chief concern must be in the receipt of dividends and clothed with power to levy unjust tribute upon both borrowers and lenders, should not be made Government instrumentalities to act as middlemen between farmers and investors and, by national authority, clothed with power to levy unjust tribute on both borrowers and lenders.

Second. The joint-stock banks will neither enlarge land-credit facilities for the farmers of the United States nor augment the amount of credit at their command.

Third. The creation of joint-stock banks to do business in conjunction with the 12 Federal land banks will increase the average rate of interest paid on farm mortgages by the farmers of the United States.

Fourth. The joint-stock banks will largely increase the total amount paid by the farmers of the United States as administration expenses of the land-credit institutions.

Fifth. The creation of joint-stock banks will largely increase the amount of money expended by the United States in the supervision of our land-credit institutions.

Sixth. The creation of joint-stock banks will make our land-credit institutions less secure and increase the danger of loss to investors.

Seventh. With joint-stock banks operating in conjunction with the 12 Federal land banks there can not be standardization in business methods, in appraisement, or along any other lines of activity.

Eighth. With joint-stock banks and 12 Federal land banks all issuing farm-mortgage bonds, we will fail to attain one of the objects of land-credit legislation, namely, the creation of a standard form of investment.

Ninth. The creation of joint-stock banks will compel farmers to compete against farmers in securing their credit.

Tenth. The creation of joint-stock banks will make uniformity in interest rates an impossibility.

Eleventh. The creation of joint-stock banks will make it impossible to provide equal credit facilities for the farmers of the United States.

Twelfth. In type, in purpose, and in business methods the joint-stock banks are modeled after existing national and State banks. The demand for their creation comes not from farmers, but from men with capital who wish to enlarge and perpetuate their control over the credit power of the people.

I can not discuss all of these proposition at this time, but I will consider some of the main objections to the joint-stock banks.

In discussing the question of the wisdom of creating two kinds of land banks as the instruments of our land-credit system it will be useful to get clearly in our minds how the joint-stock banks and the 12 Federal land banks differ. The committee bill authorizes the creation of 12 Federal land banks operating in connection with local farm-loan associations. It authorizes the organization of any number of joint-stock land banks, each one to be entirely separate and independent of all others, and also all of them entirely distinct and independent of the 12 district banks. The Federal land banks are public institutions; the joint-stock banks are private institutions. The directors of the district banks will be selected by the Government and by the borrowers. The directors of the joint-stock bank will be selected by the stockholders thereof. Temporarily the Government may furnish a part of the capital for the Federal land banks, but ultimately all the capital of these banks will be furnished by the borrowers. The capital of joint-stock banks will all be provided by private individuals. The district banks—that is, the 12 Federal land banks—will be nonprofit sharing. The profits or dividends thereof will go to the borrowers. The joint-stock banks are strictly profit sharing. All the profits of these banks will go to the individuals owning the capital stock thereof. The 12 Federal land banks will be altruistic in their aim. The joint-stock banks will have no altruistic purpose. They will be organized as money-making institutions. Under the joint-committee bill the 12 Federal land banks are made responsible for each other's obligations. The bonds of one bank would thus be guaranteed by all other Federal land banks. The joint-stock banks, whether many or few, are in no way made responsible for each other's contracts or debts. One bank would be under no obligation to pay the bonds issued by another. Being bound for each other's contracts the 12 Federal land banks would in reality be one institution, operated through 12 divisions or departments. The joint-stock banks would constitute many institutions.

Under the provisions of the joint committee bill the 12 Federal land banks, in a large measure, would be controlled by the Federal Government. The Federal Government would not, however, in any manner control the joint-stock banks, but would merely supervise them. The Federal land banks are given no choice in the selection of territory in which they shall do business. The owners of joint-stock banks are free to select the State as well as the county in which they shall do business. Under the provisions of the joint committee bill the 12 Federal land banks are restricted in the purposes for which they may make loans. The money loaned by them must be used for certain purposes only. Joint-stock banks may make loans wholly without regard to the use or uses which borrowers shall make of the proceeds of the loan. Persons borrowing of the 12 Federal land banks must reside upon the land mortgaged to secure the loan. No such requirement is made of borrowers from joint-stock banks.

After the most careful study that I could give this question, I have concluded that in organizing our system of land credits for the farmers of this Nation we should not create private, profit-sharing, surplus-creating, dividend-paying, land-credit banks. It is true, as the gentleman says, that Germany has joint-stock banks. There are 37 of them in Germany. But the joint-stock banks of Germany were not intended primarily as farm-mortgage banks. They were designed mainly for loans on urban property, and have been largely so used. Only 6 per cent of the business of these banks consists of loans on farm lands.

Mr. MOSS of Indiana. Will the gentleman yield for a moment?

Mr. MORGAN of Oklahoma. I will be glad to yield to my friend from Indiana.

Mr. MOSS of Indiana. Is not the Credit Foncier of France a joint-stock bank, with stock owned by citizens of all classes in France?

Mr. MORGAN of Oklahoma. That is a very appropriate question. The gentleman knows as much, and probably more, about that great institution as I do. He knows that the Credit Foncier is a public institution. He knows that France contributed $2,000,000 to its capital to start with. He knows the president and vice president and three of the directors are appointed by the President of France. He knows that the institution is given the benefit of public officers in collecting interest and other dues, and he knows it is a public and not a private institution. I concede that with the exception of this $2,000,000, private persons have subscribed the remaining part of the stock of the bank and that it is also a profit-sharing institution.

Mr. MOSS of Indiana. If the gentleman will yield again, the only assistance the Credit Foncier got from the Bank of France was the $2,000,000 subscribed to the capital stock. What other favors does it get from the treasury of France than that?

Mr. MORGAN of Oklahoma. That is not the question. That institution, as you know, is one of the greatest land-credit institutions in the world. It is an institution, however, that loans upon the city property; that loans to corporations, and does not restrict its business to farm-mortgage loans. The greater part of its loans are not loans upon farm lands.

Mr. HELVERING. Is it not a matter of fact that the Credit Foncier of France offers a premium of a certain number of bonds in order to facilitate the sale? It is a sort of lottery?

Mr. MORGAN of Oklahoma. That is true. But the Credit Foncier is just one institution covering all France with its business. It has a capital of $50,000,000 and commands the best credit of any institution of its kind, perhaps, in the world. You propose to create any number of little joint-stock banks, scattered all over this country, with varying capital stock ranging from $250,000 up to $1,000,000 or $10,000,000 or more, with authority to issue bonds running 36 years. By so doing you destroy the credit of the other system, composed of the 12 Federal land banks.

Mr. MOSS of Indiana. Will the gentleman yield again?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. Now, in Chile are there not joint banks in successful operation against associations where the country of Chile itself guarantees the bonds of the associations?

Mr. MORGAN of Oklahoma. It is true, but that great land-credit bank of Chile, as the gentleman knows, dominates the farm-loan business of Chile, a great public institution conducted by that Republic, and the other institutions are comparatively small concerns.

Mr. MOSS of Indiana. There is one bank of $6,000,000 capital that is absolutely a private bank. There are 10 joint-stock banks in Chile.

Mr. MORGAN of Oklahoma. Now, I believe when the National Government undertakes to create a system of land credit for the farmers of this country that we ought, so far as we can, provide equal credit facilities throughout the Nation, to the farmers of the different States. I believe if we create the joint-stock banks that we will not have equal credit facilities in the different States of the Union. Under this bill joint-stock banks

can do business only in the State where they are organized. There is no certainty that they will be organized in any State. We might have one, two, or ten in Indiana, and they might have none in Kansas, Nebraska, or the Dakotas.

Now, then, in this bill you have placed restrictions upon the loans made by the Federal land banks. Loans can be made for only four purposes. The money borrowed must be used to purchase land for agricultural purposes, or to purchase live stock or equipment, or to erect buildings, or to pay debts contracted prior to a certain time. There are other legitimate purposes for which farmers will want to borrow money. If a farmer in a State where there are no joint-stock banks wants to borrow money for a purpose for which the Federal land bank loans, he will not be able to make a loan through any national land-credit institution.

This bill will, then, give the farmers of one State facilities not enjoyed by those of another State. Again, in States which have joint-stock banks farmers may make loans on the amortization plan without contributing to the capital stock of these banks and without assuming in any way financial responsibility for others. But in States which have not joint-stock banks the only way to secure a long-time loan on the amortization plan will be to take stock in the Federal land banks and assume a 10 per cent liability on the amount of the loan for others. This would be rank discrimination. If joint-stock banks shall be created at all, they should be placed within the reach of all.

I believe in equal land-credit facilities. Those joint-stock banks may be popular in Indiana. They may be popular in Illinois. They may be popular in some other States, but they may not be popular in still other States. If you create them, you must understand that you are giving to one State what you are not giving to another. I am in favor of equal land-credit facilities to the South and the North and to the East and West. If a State creates its own institution for its own farmers, it can take into consideration its own farmers only; but when the National Government acts, we should, as far as possible, act for all and give equal credit facilities to all.

Now, second, I believe that when you create these joint-stock banks you place farmers in competition with each other. All of this talk about one bank competing against another is all imagination. Do you think that the banks of this Nation compete with each other in matters of interest rates? Certainly not. There will be no competition of that kind.

Now, what is a land-credit institution? It is simply a corporation instituted between the farmers and the investors, between the farmers who furnish the security and the investors who buy the bonds issued on that security. That is a very simple proposition.

I say, first, that the middleman ought not to be a profit-sharing institution. If there are any profits in this institution, they ought to revert back to the borrowers, as they will under the 12 Federal land banks. If the farmers have the right to complain of anything in the past, if they have the right to complain of anything to-day, so far as the existing order of things goes, it is of the profit that goes to the selfish middleman, existing between the farmer and the consumer. If there is some statesman in this country who can draw the consumer and the producer closer together, he would certainly confer a great blessing upon his country. The $250,000 capital is not what gives the bank credit. It is the farms of the farmers that will give these banks credit. But the stockholders or these private stockholders will be just like stockholders in all private corporations—they will use these banking corporations to make money out of both the farmers and the investors in farm-mortgage bonds.

I am opposed to that. It is unnecessary. When we are creating 12 public Federal land banks that will cover every foot and every inch of our territory, giving equal credit facilities to every farmer in the United States, so far as he has the security, under the control of the Federal Government, with local associations to do every kind and character of business done, why should you deface, weaken, and endanger this great system by introducing these private profit-sharing institutions?

Mr. LA FOLLETTE. Mr. Chairman, will the gentleman yield there?

Mr. MORGAN of Oklahoma. Yes.

Mr. LA FOLLETTE. Would not the formation of those profit-sharing banks really defeat the system in many localities because some would go to the profit-sharing bank and you would not get enough to join the association?

Mr. MORGAN of Oklahoma. Yes. Now, incorporators of these banks will select the State in which they will do business. They will go where the most money is to be made. They will not only go to the best State, but they will go to the best part of that State. It is not only a discrimination by giving unequal credit facilities throughout the country generally, but there will be discrimination as between different counties in the same State.

Now, addressing myself particularly to the gentleman from Indiana [Mr. Moss], I will say that I was reared in Indiana, and I know something about conditions there. There are some splendid agricultural counties; others are inferior. These banks will do business in some of the choice counties, while in some other counties, where the land is poor, they will not do business. Here will be unequal credit facilities in the same State.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. How will they do business in these poorer counties if they do not grant a lower rate than the cooperative banks grant?

Mr. MORGAN of Oklahoma. Oh, the gentleman need not worry about that. Those gentlemen will run those banks at less expense than they will run the other system. I believe that. They will have but one object, and that will be to make money. They will have every department fully equipped. They will organize and conduct it in a way to keep down expenses. They are there for business purposes, just as men are engaged in any other kind of business. They have the right to be there to make money.

Now, it is just as much expense to make a thousand-dollar loan and go to see the land and make the appraisement as it is to make a $10,000 loan. But the profit is only 1 per cent a year on the $1,000. If they make a $10,000 loan, they will have 1 per cent on the $10,000 loan at the same expense. They will do business where they will make the most money and not where it is most needed. If we think that 1 per cent annually upon every borrower, running through a period of 36 years, will not give a mortgage company ample funds to make money, you are mistaken.

Mr. PHELAN. Mr. Chairman, will the gentleman yield there?

Mr. MORGAN of Oklahoma. Yes.

Mr. PHELAN. If they give a cheaper credit to certain farmers, as the gentleman asserts, why should we not in the bill that we will frame give an opportunity to those farmers to get cheaper credit?

Mr. MORGAN of Oklahoma. I do not believe they will give cheaper credit.

Mr. PHELAN. How will you deal with the other banks?

Mr. MORGAN of Oklahoma. There are some farmers who will not deal with the other banks at all. They will have a monopoly of those farmers, will they not? There is a large number of farmers who can not do business with the other banks.

Mr. PHELAN. Why not?

Mr. MORGAN of Oklahoma. Because they can not comply with the restrictions.

Mr. PHELAN. We are not concerned in devising a credit system for the benefit of the farmer who wants to borrow money to go and buy automobiles. We are trying to give credit to the farmers who need money for other purposes.

Mr. MORGAN of Oklahoma. I can not yield to the gentleman for a speech. Of course, I believe the American farmer is capable of taking care of himself to a large extent. I believe the average American farmer is an intelligent business man, who understands his business. The average American farmer will not borrow money unless it is for good purposes, and I am opposed to making a ward out of him.

Mr. MOSS of Indiana. Will the gentleman yield for a question?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. What reason would the gentleman give to the House for wanting to strike out this section, if, as a matter of fact, there are farmers who you say can not borrow from the 12 land banks and would not have any facilities at all offered under this legislation?

Mr. MORGAN of Oklahoma. I am in favor of striking out the joint-stock bank provisions and I am in favor of striking out all the restrictions. I maintain that the landschaften and every other land-credit system in Europe, where they do a general business, make loans without restrictions.

Mr. KINCHELOE. I understand the gentleman is against this bill. I should like him to give us the benefit of his suggestions in an epitomized way of what he conceives would be a practical rural-credit bill.

Mr. MORGAN of Oklahoma. If I had an hour or two, of course, I might say a good many things; and, indeed, I would be glad to if I had the time.

Mr. GLASS. Will the gentleman yield to me for a question?

Mr. MORGAN of Oklahoma. I shall be glad to yield to the distinguished chairman of the committee.

Mr. GLASS. Can the gentleman cite any banking system in any civilized country of the earth that does not make restrictions on the uses to which its loans may be put?

Mr. MORGAN of Oklahoma. The landschaften of Germany do not.

Mr. GLASS. Do not make restrictions?

Mr. MORGAN of Oklahoma. No, sir.

Mr. GLASS. Do they not say for what purpose the man shall use his money?

Mr. MORGAN of Oklahoma. No.

Mr. GLASS. On the contrary, the landschaft advises itself very particularly about the habits, about the household expenditures, and about everything that affects the credit of the applicant for a loan.

Mr. MORGAN of Oklahoma. The gentleman is mistaken. It will be easy to settle that before we get through with the consideration of this bill. I will get my authorities, and I hope the gentleman will get his; and if the landschaften and the general loan institutions of Europe—the land-credit institutions—make these restrictions, I shall be glad to know it. Of course, there are certain banks that are created for certain specific, definite purposes, and they loan only for those purposes; but the landschaft, the credit foncier, and the principal land-credit institutions of Europe do not make restrictions in the use of their loans, and I can show it before I get through with this bill.

Mr. GLASS. Does the gentleman think there is a National or State bank in the United States that does not advise itself of the purposes for which borrowers seek their loans?

Mr. MORGAN of Oklahoma. When I go to a bank to borrow money on my personal credit, they have a right to know something about what I am going to do with the money; but when I say, "Here is a 160-acre farm worth $10,000, and I want $3,000 on it," there is the security, and it is the security that they are asking for——

Mr. MADDEN. Will the gentleman yield for a question?

Mr. MORGAN of Oklahoma. I yield to the gentleman from Illinois.

Mr. MADDEN. Does the gentleman contend that when he gives security to a bank that does not protect them in the making of the loan?

Mr. MORGAN of Oklahoma. I do not quite understand the gentleman.

Mr. MADDEN. I understood the gentleman a moment ago to make the statement that when he went to a bank with security they had a right to inquire what he was going to do with the money.

Mr. MORGAN of Oklahoma. I said on my personal security. If you go there with bonds, or some collateral that you propose to put up, they do not care what you are going to do with the money, because they have the collateral.

Mr. MADDEN. Does not the gentleman think they have the same right to inquire if you go there with a farm as security?

Mr. MORGAN of Oklahoma. I do not think so. Now, I want to touch upon another proposition. I believe that, in so far as we can, we ought to have not only equal credit facilities but uniform rates of interest throughout the country. Under this 12 federated banks system I believe you get practically a uniform rate of interest throughout this country, because these banks are tied together. They are responsible for each other's bonds, and that will give them equal credit and equal rates of interest. In other words, the South will get the same rate of interest as the North, and the West will get the same rate of credit as the East; but if you create joint-stock banks, you destroy to a large extent any possibility of uniform rates of interest.

Mr. PHELAN. Oh, no; not what they please. There is a limit. No bank can issue a bond with a higher rate of interest than 5 per cent, and the difference between the mortgage rate and the bond rate can not exceed 1 per cent.

Mr. MORGAN of Oklahoma. Well, one bank may make it 5 per cent and the other bank may make it 4 per cent. It destroys the uniform rate of interest.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. I would like to call the gentleman's attention to the provision that no joint-stock bank can issue a bond except with the consent of the farm-loan board. They have a control over it.

Mr. MORGAN of Oklahoma. But here are two systems. The joint-stock bank will be at liberty to make a loan as they please and at the rate they can, and will sell their bonds at a different rate from the other bank, so there will be a question between the two systems, and if one joint-stock bank does not have as good credit they must sell their bonds at a higher rate of interest. That destroys the credit of both institutions. There is still more than that. Here is one joint-stock bank perhaps with a capital of $250,000, and another with a possible capital of $10,000,000. A joint-stock bank in New Mexico with $250,000 capital will not have as good a credit as the joint-stock bank in Ohio with $10,000,000. But when you put banks in competition with each other in selling their bonds you are putting the farmers into competition with each other.

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. LA FOLLETTE. The gentleman from Massachusetts said that the joint-stock bank could not sell a mortgage for over 5 per cent.

Mr. PHELAN. Oh, no; I did not say that. I said that the joint-stock banks could not issue a bond with a higher rate than 5 per cent, and the difference between the bond and the mortgage rate could not be in excess of 1 per cent.

Mr. LA FOLLETTE. I can not find anything here that they can not issue a bond at a higher rate than 5 per cent.

Mr. PHELAN. I am not talking about what they charge; I am talking about the rate of the bond that is in the bill.

Mr. MORGAN of Oklahoma. I say that you are introducing a variety of conditions throughout every department of the two systems, but who is to get the benefit out of that? Certainly not the farmer. We must remember that the farmers will be the ones that will have to pay all the expenses. A little capital of $250,000 will be put in in these joint-stock banks, and it will not go in until assured of proper dividends. Who pays the dividends? The borrowers pay them, as they are the ones who pay for the business they are to transact. It is not costing the men who own the capital a cent, but this is all contributed by the farmers. They are the ones who are interested and should be considered when we come to security of land institutions for the farmers of the United States.

Mr. RAGSDALE. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. RAGSDALE. There was a question asked as to a restriction of the interest rate. On page 101, section 3, it states the rate of interest charged for such loan shall not exceed 6 per cent per annum.

Mr. MORGAN of Oklahoma. Now, I want to come to one other point, because I can not spend all of my time on joint-stock banks. I believe if every man in this House fully understood the interest of the farmers of the United States it would strike that provision out. You remember at the close of the last session of the Sixty-third Congress a bill was brought in providing for two systems of banks, as we have here to-day. The gentleman from Ohio, Mr. Buckley, not a Member of the House at the present time, moved to strike from the bill the joint-stock land provision. After full and complete discussion the House went on record against the provision for joint-stock banks by a large vote, and so it should on this. I know and I have great respect for my friend from Indiana [Mr. Moss]. He has given a great deal of study to this question. He is honest in his views, but I can not agree with him. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GLASS. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. HEFLIN].

[Mr. HEFLIN addressed the committee. See Appendix.]

Mr. PLATT. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I acknowledge the importance of this act. I do not know whether it will accomplish the purposes claimed for it or not. One gentleman said it was provided for in the Democratic platform. I think he will find that the Democrats and Republicans and Progressives all declared for rural credits in their last political national platforms.

Mr. MORGAN of Oklahoma. The Republicans first.

Mr. SMITH of Michigan. The Republicans first, my friend informs me, of course; and a good deal has been taken from the provisions of the Republican platform, and the Democrats are all right in pursuing them. They will find many other good things in the Republican platform.

I had not expected that this measure would come on this afternoon, and what I shall say possibly will come from practical experience more than from a study of the measure. I see the bill has been changed a good deal since it was first introduced in the House and Senate, and as reported by the joint committee on rural credits. The first bill provided that a farmer could get a loan up to 50 per cent of the value of the farm upon a

mortgage. This provision now which comes in here from the Senate provides for 60 per cent of the value of the farm to be loaned upon a mortgage, plus 20 per cent of the value of the buildings furnishing the improvements, which is a considerable advance over what was originally provided. Now, the bill provides for a system of banks in the United States. I do not know whether or not those banks are necessary for the purpose of putting in operation the loaning of money to the farmers on real-estate mortgages. Why, under the provisions of this bill you cut off more than half the farmers. There are only but very few farmers who can qualify for money under this bill. The farmer must be, as I understand it, an actual resident upon the farm before he can qualify under the provisions of this law. And the farmer must have his farm half paid for.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. SMITH of Michigan. I will.

Mr. MOSS of Indiana. I would like to inform the gentleman that his interpretation of the bill is entirely too narrow. The bill refers to a person who intends to qualify, but there is no provision in the bill which requires him to reside on the farm.

Mr. SMITH of Michigan. I will state to the gentleman that the bill states that he must be in actual cultivation of that farm, or is immediately to commence cultivation on that farm. In the discussion of the bill in the Senate of the United States it was considered upon the theory that a man must be an actual resident upon the farm. Now, the farm-loan board, I presume, afterwards could make certain provisions or changes, but we are considering this bill the way it is now. The benefit that the farmer is going to get from the bill is so slight that it is going to be disappointing to the farmer, because there is not any farmer who has a farm half paid for—that is, a farm that would appeal to a person to loan money upon it—who can not go down to the bank and get a temporary loan of such an amount that will temporarily bridge him over. Why, do you know, my friends——

Mr. QUIN (interrupting). But do not they charge him a big rate of interest?

Mr. SMITH of Michigan. Let me tell you something: You can pass laws here until you get black in the face and you can not control the rate of interest. You can not find a political economist who ever wrote a book that said you could control the rate of interest by process of law. That is all right.

Mr. DAVENPORT. Will the gentleman yield?

Mr. SMITH of Michigan. I do.

Mr. DAVENPORT. I want to ask the gentleman if the difficulty experienced in borrowing money from local banks is not in the length of time for which you can procure the loan?

Mr. SMITH of Michigan. Let me say to the gentleman from Oklahoma that ordinarily the lender of money is only too happy to extend the time.

Mr. QUIN. Where is that place? I want to locate that place where the farmer can get those long-time loans.

Mr. STEELE of Iowa. Come out to Iowa.

Mr. SMITH of Michigan. I also extend you an invitation to come to Michigan. Let me say to the gentleman who asked where is that bank, that more than three-fourths of the money loaned upon farms to-day is loaned by banks, insurance companies, and so on, and I want to say to my good friend who a little while ago said the rate of interest was 9½ per cent——

Mr. DAVENPORT (interrupting). That probably is true, and I think I agree with the gentleman, in a great many of the older States, but in the Central and Western States that is not true.

Mr. SMITH of Michigan. And the Southern States.

Mr. DAVENPORT. And probably some of the Southern States, that you can not secure long-time loans on your real estate nor can you secure a reasonable rate of interest. In my State I think the average farm loan is from 7 to 8 per cent.

Mr. SMITH of Michigan. That is all right. My friend, the benefit your State will get under this is in the Government of the United States furnishing the money, and they can furnish it at 2 per cent or they can furnish it for nothing.

A MEMBER. I wish they would do it.

Mr. SMITH of Michigan. They can exempt it from interest or exempt it from any other taxation. You dwell in a section which considers this upon the theory they would have this money furnished by the Government in order to loan out to these farmers. I am not complaining about the benefit you gentlemen are going to get in the States where they have that high rate of interest if you can qualify. My good friends from the Southern States, the day is dawning for you. Let me tell you that in coming here to Washington I went through Arkansas and stopped along in Mississippi County. It is as level as a barn floor and the soil is black as the proverbial black hat.

There were not only rods but miles of beautiful crops growing there. A field would look almost like a snow bank. The cotton was being picked, and there were miles of rows of the finest corn that I ever saw. And those people out there were splendid people. The day is coming when that land there will be eagerly sought. It is very productive and is growing into one of the garden spots of the country.

Let me tell you another thing about Texas. My friend the gentleman from Mississippi [Mr. QUIN] lives near that State. The German Empire is only four-fifths the size of Texas. There is more arable land in Texas than in the German Empire. Sixty per cent of Texas is capable of producing crops, while only 48 per cent of Germany is subject to being tilled. And a benefit will come from that. I hope the benefit will come from the fact that you are to have this money. Germany supports a population of 60,000,000; the population of Texas is 4,500,000. Germany has 290 people to the square mile; Texas has 17. I will submit a proposition here and see whether it will come out. The bill provides that as soon as you have loaned $50,000 on mortgages you can issue bonds for a like amount. You loan that $50,000 from some central farm-loan bank. When that $50,000 is loaned I will take those mortgages and convert them into bonds, then I will sell those bonds and get $50,000 more in cash. Then I will loan that $50,000 on mortgages and again convert them into bonds, sell these bonds and get $50,000 more mortgages, and go on in an indiscriminate, endless chain. In this way we can loan all the money we want on mortgages from any of the central land banks in any of the divisions with $50,000. And you can turn your money and sell your bonds, and you only need $50,000 to make the first loan on mortgages, and that will be all the money you want to loan on all the mortgages offered.

Mr. QUIN. If that process will work out, what is the use of having any more money at all?

Mr. SMITH of Michigan. If you think it will not work out, figure it out and see how it will work.

Mr. MORGAN of Oklahoma. Will the gentleman yield?

Mr. SMITH of Michigan. Certainly.

Mr. MORGAN of Oklahoma. Is it not a fact that the landschaft will do better than that? They do not have even $50,000. They go on without any money at all.

Mr. SMITH of Michigan. Yes. The Federal Reserve System is helping the farmer out. You can loan one-third of your time deposits upon real estate, and if this Government is going to exempt the mortgages——

Mr. HASTINGS. That is limited to loans for five years, is it not?

Mr. SMITH of Michigan. You will never find a farmer who will come in and want a loan for more than five years. You will not get a farmer to come down there and make an application that must be considered by the farm-loan association if the association must send people out to examine the land, if that association must send an abstract up to the attorney to be examined, if the farmer must wait until the land will have been appraised, then when you get through with that farm-loan association it will take the papers and run them up to the farm-loan bank; and when the farm-loan bank sends an appraiser out to examine the land and make his report, then the farm-loan bank will send it up to the national farm-loan board and that board will examine it, and so on.

Let me tell you what the farmers do. The farmer after dinner goes out and cranks up his Ford self-starter. He will get his wife and put her in the automobile, and he will go down town to some bank or money lender and say that he wants $1,000 or $2,500. He can not get back home quick enough. He is usually in a hurry. He wants it that afternoon, and he gets it if he has got the proposition that you present here. He gets his money that afternoon.

Mr. HASTINGS. If the gentleman will permit me, will that system hurt that man at all?

Mr. SMITH of Michigan. Not at all. I do not see that it will. Now, that is one of the things I say. I do not know that it is going to hurt anything by having a bank on every four corners. But when I come up through places in the South and I see a farmer farming on the side of a mountain, to which he can hardly get up, and where he has to plow the land with a pickax and plant the seed with a shotgun, he does not know how much money he is going to get out of a loan on his farm.

Mr. GLASS. If the farmer can do what the gentleman says that he can do and get an automobile as easily as he says that he can, I am going to resign my seat in Congress and go to farming.

Mr. SMITH of Michigan. Well, I will say to the gentleman from Virginia that I do not know what kind of a farmer he

would make. He makes a pretty good Congressman. [Applause.]

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Michigan. Yes.

Mr. WINGO. Of course there are some farmers that belong to the class that the gentleman describes.

Mr. SMITH of Michigan. Oh, I beg the gentleman's pardon. I say that all farmers who can qualify under this bill come under that class. Every such farmer that comes to the bank and applies for the money can get the money.

Mr. WINGO. Of course the gentleman is not familiar with the farmers all over the United States. There is not any question but there are some portions of this country that are undeveloped and——

Mr. SMITH of Michigan. Yes; and they will not come under this bill.

Mr. WINGO. And where the lands are just as rich as the lands in Iowa.

Mr. SMITH of Michigan. Yes; they will be when the time comes.

Mr. WINGO. Now, in some portions of the country that are as yet undeveloped the farmers have no adequate credit facilities. Would the gentleman deny to those who are out on the border or frontier of agriculture, so to speak, adequate credit facilities?

Mr. SMITH of Michigan. Oh, not at all.

Mr. WINGO. Simply because some of the farmers of Iowa and Michigan own automobiles and have ample credit facilities, do you want to deny the less prosperous farmer in Texas and other States the right to proper credit facilities?

Mr. SMITH of Michigan. No. I would not deny it to him. If he will qualify he will get it under this bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SMITH of Michigan. I ask unanimous consent, Mr. Chairman, to proceed for one minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SMITH of Michigan. Let me read what is stated in this report here:

DIFFICULTY OF SECURING CAPITAL.

The farmer applies to the nearest bank for a loan and offers his farm as security. The banker makes excuses. He doesn't know the farmer; he doesn't know the value of his farm; he doesn't like to tie his demand deposits up in long-term loans; his commercial customers, who carry a substantial line of deposits, have the first claim. These excuses are well founded.

There may be additional excuses not so genuine, such as the scarcity of money, the hard hearts of the directors, unusual demands for loans, and the like. If the farmer gets a loan at all, he pays a high rate or he must be subject to foreclosure on short notice. He usually pays some one a large commission; he is subject frequently to substantial renewal fees; he is sometimes compelled to pay taxes on the mortgage as well as on the land; and he finds himself in the power of some hard-headed banker. He can not complain of this; it is the business of the banker to be hard-headed.—(H. Doc. No. 494, 64th Cong., 1st sess.)

Anybody who has any experience with farmers knows that the banker does not make such excuses. What do you think, gentlemen, of a person writing a report like that, about a farmer coming into a bank to borrow money on his farm and the banker makes such excuses and does not know the farmer? [Laughter.] If the banker does not know the farmer ten chances to one the farmer knows the banker. But as a matter of fact, the banker knows the farmer.

Mr. HEFLIN. The gentleman knows that the banker he speaks of, when the farmer comes in now and says, "I want to borrow some money for five years," would not listen to him?

Mr. SMITH of Michigan. Oh, no. He would get it for 5 years, and for 10, if he wanted it. Men who have experience with men who loan money know that lenders want it loaned out all the time, if the security is good. If the security was not good he would not get it at all under this bill, while the private lender sometimes is willing to take a chance on his friend.

Mr. HAUGEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Michigan. No; I regret I can not yield to my friend. The writer of this report says the banker does not know the value of the farm. What do you think of that? [Laughter.]

Mr. GLASS. What is the gentleman reading from?

Mr. SMITH of Michigan. From the report made by the Senator from New Hampshire [Mr. HOLLIS], who reported this bill (S. 2986) to the Senate.

The CHAIRMAN. The time of the gentleman from Michigan has again expired. The time is controlled by the gentleman from Virginia [Mr. GLASS] and the gentleman from California [Mr. HAYES].

Mr. GLASS. I ask unanimous consent, Mr. Chairman, that the gentleman may continue for one minute.

Mr. MANN. The time has been fixed by the House.

Mr. SMITH of Michigan. This report says:

The banker does not like to tie his demand deposits up in long-term loans; his commercial customers, who carry a substantial line of deposits, have the first claim. These excuses are well founded.

[Laughter.]

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SMITH of Michigan. All I want to say is that the hearts of the directors of country banks are not hard. I wish I had time to tell you more about that report. I thank you. [Applause.]

Mr. GLASS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. FAIRCHILD, for one week, on account of illness.

To Mr. HUDDLESTON, for 10 days, beginning Monday, May 8, on account of important business.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 3575. An act to amend section 5234 of the Revised Statutes of the United States so as to permit the Comptroller of the Currency to deposit upon interest the assets of insolvent national banks in other national banks of the same or of an adjacent city or town.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 4726. An act to permit issue by the supply departments of the Army to certain military schools and colleges;

S. 4603. An act to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at Princes Lower Landing, near Jackson, Ala.; and

S. 4432. An act to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes; and

H. R. 759. An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof.

INDIAN APPROPRIATION BILL.

Mr. CARTER of Oklahoma, from the Committee on Indian Affairs, presented for printing under the rule the conference report and statement on the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, as follows:

CONFERENCE REPORT (NO. 651).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 6, 8, 11, 12, 15, 23, 30, 31, 32, 38, 40, 43, 44, 45, 49, 69, 73, 77, 88, 91, 92, 100, 108, 117, 118, 119, 120, 123, 133, 135, 147, and 149.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 9, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 28, 29, 33, 39, 46, 48, 50, 51, 52, 53, 54, 56, 58, 60, 61, 62, 63, 64, 66, 67, 68, 70, 71, 76, 80, 81, 85, 86, 89, 90, 93, 94, 96, 98, 99, 101, 103, 104, 106, 107, 109, 111, 112, 114, 115, 121, 122, 125, 126, 128, 130, 131, 134, 136, 138, 139, 140, 141, 143, 144, 145, 148, 150, 151, 152, 153, 154, and 155, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In line 7 of said amendment strike out the word "the" and insert in lieu thereof the word "Indian," and in line 8 of said amendment strike out the word "the" and insert in lieu thereof the word "such"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the word "to" and insert in lieu thereof the following: "$5,000 of which shall"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following: "*Provided further*, That not more than $200,000 of the amount herein appropriated may be expended for the tuition of Indian children enrolled in the public schools"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "Two permanent warehouses"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the words "which has been," and in line 2 of said amendment strike out the words "heretofore or"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For beginning the construction by the Indian Service of a dam with a bridge superstructure and the necessary controlling works for diverting water from the Gila River for the irrigation of Indian land and Indian allotments on the Gila River Indian Reservation, Ariz., as recommended by the Board of Engineers of the United States Army in paragraph 217 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), $75,000, to be immediately available and to remain available until expended, reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522), the total cost not to exceed $200,000."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For beginning the construction by the Indian Service of a diversion dam and necessary controlling works for diverting water from the Gila River at a site above Florence, Ariz., as estimated by the Board of Engineer Officers of the United States Army in paragraph 138 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), $75,000, to remain available until expended, the total cost not to exceed $175,000: *Provided*, That said dam shall be constructed as a part of a project for the irrigation from the natural flow of the Gila River of Indian lands on the Gila River Indian Reservation and private and public lands in Pinal County, Ariz.: *And provided further*, That the water diverted from the Gila River by said diversion dam shall be distributed by the Secretary of the Interior to the Indian lands of said reservation and to the private and public lands in said county in accordance with the respective rights and priorities of such lands to the beneficial use of said water as may be determined by agreement of the owners thereof with the Secretary of the Interior or by a court of competent jurisdiction: *And provided further*, That the construction charge for the actual cost of said diversion dam and other works and rights shall be divided equitably by the Secretary of the Interior between the Indian lands and the private and public lands in said county; and said cost as fixed for said Indian lands shall be reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522); but the construction charge as fixed for the private and public lands in said county shall be paid by the owner or entryman in accordance with the terms of an act extending the period of payment under reclamation projects, approved August 13, 1914 (38 Stat. L., p. 686): *And provided further*, That said project shall only be undertaken if the Secretary of the Interior shall be able to make or provide for what he shall deem to be satisfactory adjustments of the rights to the water to be diverted by said diversion dam or carried in canals, and satisfactory arrangements for the inclusion of lands within said project and the purchase of property rights which he shall deem necessary to be acquired, and shall determine and declare said project to be feasible."

And the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For extension of the Ganado irrigation project on the Navajo Indian Reservation in Arizona for the irrigation of approximately 600 acres of land in addition to the area to be irrigated by said project, as authorized in section 2 of the act of August 24, 1912, $20,000; and for maintenance and operation of the project, $3,000; in all, $23,000, reimbursable and to remain available until expended."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In line 16 of said amendment strike out the figures "$15,000" and insert in lieu thereof the following: "$10,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 100 Indian pupils at the Greenville Indian School, California, including pay of superintendent, $18,400; for general repairs and improvements, including purchase of additional land for school farm, $8,000; in all, $26,400."

And the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For the improvement and construction of roads and bridges on the Yuma Indian Reservation in California, $10,000, to be immediately available, reimbursable to the United States by the Indians having tribal rights on said reservation."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $10,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Potawatomi Indians in the State of Kansas, and to be expended under his direction for the construction of bridges across the Big Soldier Creek and Little Soldier Creek, within the Potawatomi Indian Reservation, Jackson County, Kans.: *Provided*, That no part of the money herein appropriated shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the county of Jackson satisfactory guaranties of the payment by the said county of Jackson of at least one-half of the cost of said bridges, and that the said proper authorities of the said county of Jackson shall assume full responsibility for and will at all times maintain and repair said bridges: *And provided further*, That any and all expenses above the amount herein named in connection with the building and maintaining of said bridges shall be borne by the said county of Jackson: *And provided further*, That this appropriation shall not become effective until approved by an Indian council to be called for that purpose."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: Strike out the following language of the amendment: "Hereafter on ceded lands in the State of Minnesota embraced within the provisions of the law entitled 'An act for the relief and civilization of the Chippewa Indians in the State of Minnesota,' approved January 14, 1889, the minerals in and mineral rights pertaining to any of the lands, the cession of which was provided for in said act, and for which the United States has not conveyed title, shall be and remain in and are reserved for the use and benefit of the

Chippewa Indians in the State of Minnesota"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In line 6 of said amendment strike out the following: "at Keewaton Academy, Wisconsin," and the comma; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In line 1 of said amendment, after the word "balance," insert the following: "of $3,436.03"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the word "section," and in line 3 strike out the word "one," and insert in lieu thereof the words "this act"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the figures "$50,000," and insert in lieu thereof "$25,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The work to be done with the amounts herein appropriated for the completion of the Blackfeet, Flathead, and Fort Peck projects may be done by the Reclamation Service on plans and estimates furnished by that service and approved by the Commissioner of Indian Affairs: *Provided*, That not to exceed $15,000 of applicable appropriations made for the Flathead, Blackfeet, and Fort Peck irrigation projects shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for official use upon the aforesaid irrigation projects: *Provided further*, That not to exceed $7,500 may be used for the purchase of horse-drawn passenger-carrying vehicles, and that not to exceed $1,500 may be used for the purchase of motor-propelled passenger-carrying vehicles."

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he is hereby, authorized and directed to announce, at such time as in his opinion seems proper, the charge for construction of irrigation systems on the Blackfeet, Flathead, and Fort Peck Indian Reservations in Montana, which shall be made against each acre of land irrigable by the systems on each of said reservations. Such charges shall be assessed against the land irrigable by the systems on each said reservation in the proportion of the total construction cost which each acre of such land bears to the whole area of irrigable land thereunder.

"On the 1st day of December after the announcement by the Secretary of the Interior of the construction charge the alottee, entryman, purchaser, or owner of such irrigable land which might have been furnished water for irrigation during the whole of the preceding irrigation season, from ditches actually constructed, shall pay to the superintendent of the reservation where the land is located, for deposit to the credit of the United States as a reimbursement of the appropriations made or to be made for construction of said irrigation systems, 5 per cent of the construction charged fixed for his land, as an initial installment, and shall pay the balance of the charge in 15 annual installments, the first 5 of which shall each be 5 per cent of the construction charge and the remainder shall each be 7 per cent of the construction charge. The first of the annual installments shall become due and payable on December 1 of the fifth calendar year after the initial installment: *Provided*, That any allottee, entryman, purchaser, or owner may, if he so elects, pay the whole or any part of the construction charges within any shorter period: *Provided further*, That the Secretary of the Interior may, in his discretion, grant such extension of the time for payments herein required from Indian allottees or their heirs as he may determine proper and necessary, so long as such land remains in Indian title.

"That the tribal funds heretofore covered into the Treasury of the United States in partial reimbursement of appropriations made for constructing irrigation systems on said reservations shall be placed to the credit of the tribe and be available for such expenditure for the benefit of the tribe as Congress may hereafter direct.

"The cost of constructing the irrigation systems to irrigate allotted lands of the Indians on these reservations shall be reimbursed to the United States as hereinbefore provided, and no further reimbursements from the tribal funds shall be made on account of said irrigation works except that all charges against Indian allottees or their heirs herein authorized, unless otherwise paid, may be paid from the individual shares in the tribal funds, when the same is available for distribution, in the discretion of the Secretary of the Interior.

"That in addition to the construction charges every allottee, entryman, purchaser, or owner shall pay to the superintendent of the reservation a maintenance and operation charge based upon the total cost of maintenance and operation of the systems on the several reservations, and the Secretary of the Interior is hereby authorized to fix such maintenance and operation charge upon such basis as shall be equitable to the owners of the irrigable land. Such charges when collected shall be available for expenditure in the maintenance and operation of the systems on the reservation where collected: *Provided*, That delivery of water to any tract of land may be refused on account of nonpayment of any charges herein authorized, and the same may, in the discretion of the Secretary of the Interior, be collected by a suit for money owed: *Provided further*, That the rights of the United States heretofore acquired to water for Indian lands referred to in the foregoing provision, namely, the Blackfeet, Fort Peck, and Flathead Reservation land, shall be continued in full force and effect until the Indian title to such land is extinguished.

"That the Secretary of the Interior be, and he is hereby, authorized to prescribe such rules and regulations and issue such notices as may be necessary to carry into effect the provisions of this act, and he is hereby authorized and directed to determine the area of land on each reservation which may be irrigated from constructed ditches and to determine what allowance, if any, shall be made for ditches constructed by individuals for the diversion and distribution of a partial or total water supply for allotted or surplus unallotted land: *Provided*, That if water be available prior to the announcement of the charge herein authorized, the Secretary of the Interior may furnish water to land under the systems on the said reservations, making a reasonable charge therefor, and such charges when collected may be used for construction or maintenance of the systems through which such water shall have been furnished."

And the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "for the purpose of making necessary repairs on the Government bridge across the Niobrara River near Niobrara, Nebr.; also to reconstruct one span of 90 feet over the back channel of the Niobrara River at the same point, the sum of $6,500; said sum to be expended under the direction of the Secretary of the Interior"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$91,100"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 290 Indian pupils at the Indian school at Carson City, Nev., including pay of superintendent, $50,430; for general repairs and improvements, $8,000; for irrigating school farm, $4,000; in all $62,430."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In line 4 of the amendment, after the figures "$15,000," strike out the period, insert a colon and the following: "*Provided*, That no part of this appropriation shall be expended for mileage, salaries, or expenses of employees"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In line 2 of the amendment strike out the following: "and to remain available until expended"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 350 Indian pupils at the Indian school at Santa Fe, N. Mex., and for pay of superintendent, $59,550; for general repairs and improvements, $6,000; for water supply, $1,600; for the construction of an assembly hall and gymnasium, $25,000; in all, $92,150."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 220 Indian pupils at the Indian school, Wahpeton, N. Dak., and pay of superintendent, $38,540; for general repairs and improvements, $5,000; for new school building, $20,000; in all, $63,540."

And the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: Strike out all of said amendment and insert the following:

"To enable the Secretary of the Interior to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian, described as the northwest quarter of section 34, township 164 north, range 70 west of the fifth principal meridian, North Dakota, $1,500, or so much thereof as may be necessary."

And the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the unexpended balance of $9,533.38 is hereby reappropriated and made available for continuing the relief and settlement of the Apache Indians formerly confined as prisoners of war on the Fort Sill Military Reservation, Okla., for the purchase of allotments in Oklahoma, as provided for in the act of June 30, 1913 (38 Stat. L., p. 77), for the three adult heads of families who have not heretofore received allotments."

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "except that the Secretary of the Interior is hereby authorized, within 30 days after the passage of this act, to investigate claims not to exceed $1,950 growing out of contracts alleged to be in existence between John Calvin Gray, William T. Lancaster, Arthur Jennings, and Clyde Jennings, as enrolled members of the Choctaw or Chickasaw Nations, and Henry W. Blair, Kappler & Merillat, James K. Jones, Charles M. Fechheimer, and Eugene Hamilton, as attorneys; and, in case such claims are found to be valid and the contracts approved in accordance with existing law, the said Secretary of the Interior may, in his discretion, apply any amounts that may be found due under this paragraph to the aforesaid enrolled members of the Choctaw or Chickasaw Nations to the payment of such fee, but the amounts due hereunder to other enrolled members of the Choctaw and Chickasaw Nations shall not be held in abeyance to this claim but shall be paid promptly without reference to same"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$15,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "$12,000; for remodeling sewer system, $5,000; for three high-pressure steam boilers, $7,200: *Provided*, That the unused balance of $9,830 of the amount appropriated by the act of August 1, 1914 (38 Stat. L., p. 602), and an additional amount of $2,500 may be expended for an addition to the assembly hall; in all, $128,700"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $3,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Klamath Indians of the State of Oregon, and use the same for the construction of a bridge across the Williamson River, on the Klamath Indian Reservation, Oregon, under such rules and regulations as he may prescribe."

And the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "$67,500: *Provided*, That the unexpended balance of $1,607.44 appropriated by the act approved August 1, 1914, for repairing buildings and replacing equipment destroyed or damaged by the tornado of June 10, 1914, at Flandreau Indian School, S. Dak., is hereby reappropriated and made immediately available for the purchase and installation of a water tank and the purchase of dairy cattle for said school"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized and directed to cause investigation to be made as to the probable cost of providing on the various Sioux Indian Reservations, adequate school facilities for the children of the Sioux Tribes who are now without Government or public facilities on the respective reservations, and to make a report thereof to Congress on or before the first Monday in January, 1917, together with a complete and detailed statement of the per capita cost per annum, including mileage paid, now expended for the education of the Sioux Indian children in all the schools, whether on or off the respective reservations, and there is hereby appropriated for the expense of such investigation and report the sum of $1,000, or so much thereof as may be necessary, to be immediately available."

And the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In line 7 of said amendment, after the word "highway," insert a comma and the following: "reimbursable out of any funds now or hereafter placed to the credit of said Indians in the Treasury of the United States"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $1,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Uintah Tribe of Indians, in the State of Utah, and to use the same to protect the north abutment of the Government bridge at Myton, Utah, under such rules and regulations as he may prescribe, said sum to be immediately available."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he hereby is, authorized to sell and dispose of not to exceed 20 acres of that portion of the lands situated on the north side of and within the limits of the abandoned Fort Spokane Military Reservation, State of Washington, not necessary for hospital purposes, as provided for in the act approved August 1, 1914 (38 Stat. L., p. 584), at not less than the appraised value thereof, and to place the proceeds thereof in the Treasury of the United States to the credit of the Spokane Indians in said State."

And the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That without bias or prejudice to the rights or interests of any party to the litigation now pending, the Secretary of the Interior be, and he hereby is, authorized to sell the timber on the so-called 'school lands' and 'swamp lands' within the boundaries of the Bad River and Lac du Flambeau Indian Reservations in Wisconsin, and to which the State of Wisconsin has asserted a claim; to keep a separate account of the proceeds of such sale with each legal subdivision of such land and to deposit the said proceeds at interest in a national bank, bonded for the

safe-keeping of individual Indian moneys, to be paid over, together with the interest thereon, to the party or parties who shall finally be adjudged to be entitled to such fund: *Provided*, That the consent of the State or parties claiming title therefrom be obtained before any such sale shall be made."

And the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"SEC. 27. On the first Monday in December, 1917, and annually thereafter, the Secretary of the Treasury shall transmit to the Speaker of the House of Representatives estimates of the amounts of the receipts to, and expenditures which the Secretary of the Interior recommends to be made for the benefit of the Indians from, all tribal funds of Indians for the ensuing fiscal year; and such statement shall show (first) the total amounts estimated to be received from any and all sources whatsoever, which will be placed to the credit of each tribe of Indians, in trust or otherwise, at the close of the ensuing fiscal year, (second) an analysis showing the amounts which the Federal Government is directed and required by treaty stipulations and agreements to expend from each of said funds or from the Federal Treasury, giving references to the existing treaty or agreement or statute, (third) the amounts which the Secretary of the Interior recommends to be spent from each of the tribal funds held in trust or otherwise, and the purpose for which said amounts are to be expended, and said statement shall show the amounts which he recommends to be disbursed (a) for per capita payments in money to the Indians, (b) for salaries or compensation of officers and employees, (c) for compensation of counsel and attorney fees, and (d) for support and civilization: *Provided*, That hereafter no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: Equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: *Provided further*, That this shall not change existing law with reference to the Five Civilized Tribes."

And the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"SEC. 28. That on or before the 31st day of December, 1916, the Bureau of Efficiency shall prepare and submit to the Secretary of the Interior a system of bookkeeping and accounting for the Bureau of Indian Affairs that will enable the said Secretary, on or before July 1, 1917, to meet the requirements of section 26 of the Indian appropriation act approved June 30, 1913 (38 Stat. L., p. 103)."

And the Senate agree to the same.

C. D. CARTER,
CARL HAYDEN,
P. P. CAMPBELL,
*Managers on the part of the House.*
HENRY F. ASHURST,
H. L. MYERS,
MOSES E. CLAPP,
*Managers on the part of the Senate.*

STATEMENT.

The effect of the recession of the House conferees on the amendments on which they have unqualifiedly receded is as follows:

No. 1. Makes the reimbursable appropriation for repairs and maintenance of irrigation ditches available until expended.

No. 5. Increases limit of cost of hospitals from $15,000 to $17,500, which are now under construction.

No. 9. Strikes out the word "and" and inserts the word "or" to include blind children so they can receive benefit of the fund to educate Indian children.

No. 13. Provides that hereafter Indian farmers must hold and file a certificate of competency from some college recognized before employment in the service.

No. 16. Increases the reimbursable appropriation for determining heirs of deceased Indian allottees $10,000.

No. 17. Permits the use of $25,000 of the reimbursable appropriation for determining heirs of deceased Indian allottees for employment of clerks in the Indian Office here.

No. 18. Corrects total in accordance with amendment 16.

No. 19. Strikes out the word "heir" and insert "heirs."

No. 20. Places a limit of value of $250 or more upon an heirship in order to charge the fee for determining the heirs.

No. 21. Permits the partition of an allotment of a deceased Indian regardless of competency of heirs.

No. 22. Permits extension of trust period specified in patent to incompetent heirs if necessary.

No. 24. When an Indian allottee by reason of old age or incapability can not personally occupy their allotment that is susceptible of irrigation, the Secretary of the Interior may, in his discretion, lease said allotment for a term not to exceed 10 years for benefit of said Indian.

No. 25. Any Indian who is mentally or physically incapable of managing his or her affairs may apply to Secretary of Interior, who may, in his discretion, withdraw from the Treasury any part of said Indian's pro rata share of funds to their credit and use for their benefit.

No. 27. An appropriation of $2,000 to pay Charles J. Kappler for compiling, annotating, and indexing the third volume of Indian Laws and Treaties.

No. 28. Provides that all bidders for supplies for goods furnished the Indian Service may deposit a certified check or approved bond to guarantee the fulfillment of contract instead of the money in amounts exceeding $5,000.

No. 29. Increases the appropriation $3,500 for the purchase of additional land adjacent to the Phoenix (Ariz.) Indian School.

No. 33. Strikes out the words "to remain available until expended."

No. 39. Makes an appropriation of $3,000 for preservation and repaid of prehistoric pueblo ruins and cliff dwellings in Arizona, under supervision of the Smithsonian Institution.

No. 46. Provides for an appropriation of $8,000 for erection of a barn at Haskell Institute, Lawrence, Kans.

No. 48. For traveling and incidental expenses amounting to $250, to Joseph Bradley, for appearing before Congress in behalf of Indians in Michigan.

No. 50. An appropriation of $3,000 to improve road and to blast out and deepen the ditch and creek leading to the Pipestone Indian School in Minnesota.

No. 51. Provides that not to exceed $60,000 of the $185,000 withdrawn from the trust funds of the Chippewas in Minnesota, and one-fourth of the interest on said tribal funds, may be used for school purposes and compensation of employees, and that $10,000 may be used for road improvements, and that $10,000 may be used for the installation of an electric-light plant at White Earth Agency, provided the residents pay a proportionate share.

No. 52. Provides for sale and conveyance at not less than appraised value of certain lands to independent school district 1 of Mahnomen County, Minn.

No. 53. Provides for the issuance of a fee patent to 40 acres of land on the Nett Lake Indian Reservation in Minnesota to the Methodist Episcopal Church.

No. 54. Appropriates not to exceed $25,000 from amounts derived from sale of timber of the Chippewa Indians in Minnesota, for payment of scalers and check scalers.

No. 56. Appropriates $6,000 out of tribal funds of the Chippewa Indians to pay expenses of general council of said tribe to meet in July, 1916.

No. 58. Amends the act of June 30, 1913 (38 Stat. L., p. 89), by appointing an Assistant Attorney General instead of a selection to be made by the Attorney General.

No. 60. Provides for the completion of the enrollment of allottees within the White Earth Reservation in Minnesota and appropriates $5,000 for that purpose.

No. 61. Provides for the establishment and administration of a forest reserve and for sale of timber within the Red Lake Indian Reservation in Minnesota.

No. 62. That lands within said Red Lake Indian Forest Reserve not covered with merchantable timber and suited for agricultural purposes and that front lake shores may be allotted to individual Red Lake Indians under certain conditions.

No. 63. Authorizes the Secretary of the Interior to issue permits or grant leases on such lands in said forest reserve covered in amendment 61, for a limited time.

No. 64. Authorizes the Secretary of the Interior to select not exceeding 200 acres in sections 20, 21, 28, and 29 for town-site purposes and to be held subject to future legislation of Congress.

No. 66. Authorizes investigation of condition of Indians living in Mississippi and approprates $1,000 for that purpose.

No. 67. Corrects secton number.

No. 68. Increases appropriation for civilization of Indians at Flathead Agency, Mont., from $14,000 to $20,000 and limits amount to expend in salaries to not exceeding $4,500.

No. 70. Appropriates $750,000 (reimbursable) for continuing construction of the irrigation system on the Flathead Indian Reservation, Mont.

No. 71. Appropriates $100,000 (reimbursable) for continuing construction of the irrigation systems on the Fort Peck Indian Reservation, Mont.

No. 76. Corrects section number.

No. 80. Is a reimbursable appropriation of $30,000 to pay drainage assessments and grant right of way for location of drainage ditches on lands belonging to Omaha and Winnebago Indians in Dixon, Wayne, and Thurston Counties, Nebr.

No. 81. Corrects section number.

No. 85. Corrects section number.

No. 86. Adds the words "in the vicinity of," so that additional land either adjoining or in the vicinity of may be purchased as a school farm for the Indian School at Albuquerque, N. Mex.

No. 89. Corrects section number.

No. 90. Corrects section number.

No. 93. Corrects section number.

No. 94. Makes the appropriation of $4,000 for sinking wells and improving the water system at the Fort Totten Indian School, North Dakota, immediately available.

No. 96. Authorizes the Secretary of the Interior from time to time within his discretion to withdraw from the Treasury money derived from sale of surplus lands and any interest thereon accrued belonging to the Fort Berthold Indians in North Dakota and distribute same per capita, or where any Indian is incompetent said share may be withheld and deposited in some bank and used for benefit of said incompetent Indian.

No. 98. Is an appropriation of $1,497.44 to reimburse Benson County, N. Dak., for caring for certain insane Indians.

No. 99. An appropriation of $100 for the erection of a headstone to mark the grave of Scarlet Crow, a Sioux Indian chief.

No. 101. Corrects section number.

No. 103. Corrects section number.

No. 104. An increase of $10,000 for expenses and administration of affairs of the Five Civilized Tribes and makes it immediately available.

No. 106. Authorizes the Secretary of the Interior to make a per capita payment of $300 to each Seminole Indian in Oklahoma, same to be paid out of their tribal or trust funds.

No. 107. An appropriation of $275,000 for the benefit and aid of the common schools in the Cherokee, Creek, Choctaw, Chickasaw, and Seminole Nations, and the Quapaw Agency in Oklahoma.

No. 109. Authorizes the Secretary of the Interior to use tribal funds of the Choctaws, Chickasaws, Creeks, and Seminoles, Oklahoma, for school purposes.

No. 111. Authorizes a settlement of a compromise of a suit between the United States and E. Dowden in regard to the Tuttle town site, Oklahoma.

No. 112. Corrects section number.

No. 114. Provides that the money derived from sale of lands belonging to Indians on the Siletz Indian Reservation, in Oregon, may be paid out to said Indians, share and share alike.

No. 115. Permits the withdrawal of not exceeding $1,000 from tribal funds of the Klamath Indians in Oregon, to pay the expenses of two delegates elected by their council to come to Washington.

No. 121. Corrects section number.

No. 122. Corrects section number.

No. 125. Strikes out the word "boiler" and inserts the word "boilers," to be installed at the Indian School, Pierre, S. Dak.

No. 126. Increases the appropriation $5,000 for the construction of a barn at the Indian School, Pierre, S. Dak., and corrects total.

No. 128. Corrects section number.

No. 130. An appropriation of $1,684 to reimburse the board of education of Box Elder County, State of Utah, for education of 23 Indian pupils during the years 1913 and 1914, and for the education of 21 pupils during the years 1914 and 1915.

No. 131. An appropriation of $832 for the education of 22 Indian pupils at Washakie, Box Elder County, Utah, for the years 1915 and 1916.

No. 134. Corrects section number.

No. 136. A reimbursable appropriation of $100,000 to pay the third installment for water supply of 40 acres of each Indian allotment on the Yakima Indian Reservation, in the State of Washington.

No. 138. Authorizes the Secretary of the Interior to lease for mining purposes the unallotted mineral lands on the diminished Spokane Reservation, in Washington.

No. 139. An appropriation, reimbursable, of $95,000 and authorizes the Secretary of the Interior to negotiate and pay for water rights for lands heretofore allotted to Indians situated within the boundaries of the West Okanogan Valley irrigation district, Okanogan County, Wash.

No. 140. Corrects section number.

No. 141. This amendment is intended to provide an appropriation to pay certain members of the Stockbridge and Munsee Tribe of Indians enrolled under the act of March 3, 1893 (37 Stat. L., 744), the amount of payments made prior to their respective enrollments. Section 6 of the act of February 6, 1871, provided for the determination of the persons who were members of the Stockbridge and Munsee Tribe and their future relations to the Government. Two rolls were prepared, one containing Indians who it was thought desired to separate their relations from the tribe and become citizens and the other those who desired to retain their tribal character and remain under the guardianship of the Government. It subsequently appeared that some of those Indians who were placed on the first roll did not desire to sever their relations with the tribe, and they were again enrolled under the provisions of the act of March 3, 1893 (37 Stat. L., 744–745).

No. 143. In order to train Indians in the use and handling of money, not exceeding $25,000 of the appropriation allowed may be paid them per capita or deposited in some bank for their use and benefit under such rules as the department may prescribe.

No. 144. That no lands of the Menominee Indians in Wisconsin shall be cleared for agricultural purposes, excepting such lands as have been heretofore completely cut over.

No. 145. Amends the act of March 28, 1908, by permitting the Secretary of the Interior to sell lumber, laths, shingles, crating, ties, piles, poles, posts, bolts, logs, bark, pulp, and other materials, under such rules as he may prescribe, and deposit the money in the Treasury for the benefit of the Menominee Indians in Wisconsin.

No. 148. Provides for the granting of flowage rights over unallotted Indian lands under rules and regulations prescribed by the Secretary of the Interior and consent of Indians, and the leasing of the allotted lands with consent of allottee for flowage and storage reservoir purposes, and allottee to determine, subject to approval of Secretary of the Interior, as to consideration therefor.

No. 150. A reimbursable appropriation of $6,500 for the completion of a road on the Red Cliff Reservation, in Wisconsin.

No. 151. Corrects section number.

No. 152. Reduces the appropriation 66 cents for repairs at the abandoned military post of Fort Washakie, Wyo.

No. 153. To enable the Secretary of the Interior to prepare and submit to Congress plans and estimates of cost for completing the irrigation of all irrigable lands in the Shoshone or Wind River Reservation, in Wyoming, to also include in the estimates for the ceded lands within said reservation.

No. 154. Provides an appropriation of $5,000 to carry the provisions of amendment No. 153 into effect.

No. 155. For payment of salary and expenses of Joseph H. Norris as supervisor of Indian schools from October 21 to November 11, 1912, $257.

On the following amendments the House conferees receded with modifying or substitute amendments, to wit:

No. 2. Makes the provisions of sections 2140 and 2141, Revised Statutes, apply to beer as an intoxicating liquor, and the possession of intoxicating liquor in an Indian country prima facie evidence of unlawful introduction.

No. 7. Makes $5,000 of the appropriation for maintenance of the sanatoria for the Choctaw and Chickasaw Indians immediately available.

No. 10. Provides that $200,000 of the appropriation for day and industrial schools may be expended for tuition of Indian pupils in public schools.

No. 14. Provides for two permanent warehouses for use of Indian Service.

No. 26. Is an appropriation of $100,000 to reimburse Indians for live stock that may be hereafter destroyed on account of dourine.

No. 34. For beginning the construction of a dam with bridge superstructure for diverting the water of the Gila River in Arizona for irrigating Indian lands on the Gila River Indian Reservation. Reduces appropriation from $200,000 to $75,000 and limits the cost of said work to $200,000.

No. 35. For beginning the construction of a diversion dam and necessary canals in Pinal County, Ariz., at or near Florence, for irrigation of Indian lands. Reduces amount appropriated from $175,000 to $75,000 and limits cost of work to $175,000.

No. 36. For extension of the Ganado irrigation project in Arizona and makes it reimbursable.

No. 37. An appropriation of $10,000 for the purpose of making investigation, survey, and cost of practicable means of holding the Gila River in its channel in Graham County, Ariz.

No. 41. Increases the number of pupils, also appropriation for care of said increase allowed, and permits the purchase of additional land for school farm at the Indian school in Greenville, Cal.

No. 42. Makes the appropriation for improvement and construction of roads on the Yuma Indian Reservation in California reimbursable.

No. 47. Authorizes the Secretary of the Interior to withdraw from the tribal funds on deposit in the Treasury to the credit of the Potawatomi Indians the sum of $10,000 for the construction of a bridge across the Big and Little Soldier Creeks on their said reservation.

No. 55. Strikes from the bill the entire paragraph.

No. 57. Strikes from the bill the words "Keewaton Academy, Wisconsin."

No. 59. Makes the unexpended balance of $3,436.03 available for payment of expenses incurred in preparing a roll of the Indians within the White Earth Reservation, Minn.

No. 65. Provides for sale of timber on lands of the Red Lake Indian Reservation outside of the forest reserve created by amendment No. 61.

No. 72. Decreases the reimbursable appropriation for continuing construction of the irrigation systems on the Blackfeet Indian Reservation, Mont., from $50,000 to $25,000.

No. 74. The work to be done on the irrigation projects on the Blackfeet, Flathead, and Fort Peck Indian Reservations, Mont., may be done by the Reclamation Service with plans approved by Indian Bureau, and authority is also given that a limited amount of said appropriations may be used for purchase of motor vehicles, horses, and horse-drawn vehicles.

No. 75. That the Secretary of the Interior shall assess the charge for cost of irrigation projects as mentioned in amendment No. 74 against the persons who own the land and are receiving benefit of said system.

No. 78. An appropriation of $6,500 for repairs on the Government bridge across the Niobrara River in Nebraska.

No. 79. Corrects total.

No. 82. Increases the number of pupils at the Indian School, Carson City, Nev., and provides for their care.

No. 83. An appropriation of $15,000 to purchase homes, farm sites, water rights, and aid to nonreservation Indians in Nevada, also provides that no part of said appropriation shall be used for payment of salaries, mileage, or expenses of employees.

No. 84. Strikes out the words "to remain available until expended," in the appropriation for support and civilization and purchase of land and water rights for the Washoe Indians in Nevada.

No. 87. Increases the amount for repairs and improvements, and for the construction of an assembly hall at the Indian school, Santa Fe, N. Mex.

No. 95. Increases the number of pupils and provides for their care at the Wahpeton Indian School, Wahpeton, N. Dak., decreases appropriation for repairs and improvements from $8,000 to $5,000, and provides for the construction of a new building to cost $20,000.

No. 97. Makes an appropriation of $1,500 to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian.

No. 102. Making the unexpended balance of $9,533.38 available for the purpose of continuing the relief of the Apache Indians, and for the purchase of lands in Oklahoma.

No. 105. Authorizes the Secretary of the Interior to adjudicate, and, if he deem it proper, to apply the per capita payment or any part of the same herein authorized to be made, to John Calvin Gray, Williams T. Lancaster, Arthur Jennings, and Clyde Jennings, enrolled members of the Choctaw and Chickasaw Nations, in the settlement of attorneys' fees for services rendered said Indians in being restored to the rolls.

No. 110. An appropriation of $15,000 for the salaries and the expenses of six oil-and-gas inspectors to supervise the oil, gas, and mining operations in the Five Civilized Tribes.

No. 113. Appropriates $7,200 for the purchase and the installation of boilers at the Indian school at Salem, Oreg., and makes available an unexpended balance of $9,830, and an additional amount of $2,500 for an addition to the assembly hall.

No. 116. Permits the Secretary of the Interior to withdraw from the Treasury $3,000 out of the tribal funds belonging to the Klamath Indians in Oregon to construct a bridge across the Williamson River.

No. 124. Corrects the total and also makes available an unexpended balance of $1,670 out of a $10,000 appropriation, approved August 1, 1914, for the installation of a water tank and the purchase of dairy cattle.

No. 127. Is an appropriation of $1,000, and authorizes the Secretary of the Interior to make an investigation as to the school facilities among the different Sioux Tribes of Indians and to report to Congress on or before January 1, 1917.

No. 129. Makes the appropriation of $9,000 to pay a proportionate share for the construction of a highway or wagon road through the Kaibab Indian Reservation, Utah, reimbursable.

No. 132. Authorizes the Secretary of the Interior to withdraw $1,000 from the tribal funds now in the Treasury to the credit of Indians in Utah and use the same to protect abutment of the bridge at Myton, Utah.

No. 137. Authorizes Secretary of the Interior to sell not to exceed 20 acres of land on the north side and within the limits of the abandoned Fort Spokane Military Reservation, Wash., that will not be needed for hospital purposes, and place the proceeds in the Treasury to the credit of the Spokane Indians.

No. 142. An appropriation of $5,000 to purchase dairy cattle for the Indian school at Oneida, Wis.

No. 146. Provides that the Secretary of the Interior may sell the timber on the so-called "school lands" and "swamp lands" within the Bad River and Lac du Flambeau Indian Reservations in Wisconsin, and to which there is a disputed claim, and to hold the money derived therefrom until it is ascertained to whom it belongs.

No. 156. Requires the Secretary of the Interior to submit annually to Congress a certain detailed statement as to appropriations and disbursements of tribal funds belonging to Indians.

No. 157. Provides that the Bureau of Efficiency shall submit a system of bookkeeping and accounting for the Indian Bureau in order that the Secretary of the Interior may meet the requirements of existing law.

The following table shows the amounts carried in the bill as it passed the House, the Senate, and as agreed to by your conferees, and is exclusive of amounts appropriated out of trust funds belonging to the Indians:

| Item. | Passed House. | Passed Senate. | Agreed in conference. |
|---|---|---|---|
| Surveying and allotting Indian reservations, reimbursable | $100,000.00 | $100,000.00 | $100,000.00 |
| Irrigation, Indian reservations, reimbursable | 244,700.00 | 244,700.00 | 244,700.00 |
| Suppressing liquor traffic among Indians, gratuity | 150,000.00 | 150,000.00 | 150,000.00 |
| Relieving distress and prevention of diseases, etc., gratuity | 350,000.00 | 400,000.00 | 350,000.00 |
| Indian school support, gratuity | 1,550,000.00 | 1,550,000.00 | 1,550,000.00 |
| Indian school and agency buildings, gratuity | 400,000.00 | 400,000.00 | 400,000.00 |
| Indian school transportation, gratuity | 72,000.00 | 72,000.00 | 72,000.00 |
| Industrial work and care of timber, gratuity | 425,000.00 | 500,000.00 | 425,000.00 |
| Purchase and transportation of Indian supplies, gratuity | 300,000.00 | 300,000.00 | 300,000.00 |
| Telegraphing and telephoning, Indian Service, gratuity | 10,000.00 | 10,000.00 | 10,000.00 |
| Court costs, etc., gratuity | 1,000.00 | 1,000.00 | 1,000.00 |
| Expenses, Board of Indian Commissioners, gratuity | 10,000.00 | 10,000.00 | 10,000.00 |
| Pay of Indian police, gratuity | 200,000.00 | 200,000.00 | 200,000.00 |
| Pay of judges, Indian courts, gratuity | 8,000.00 | 10,000.00 | 8,000.00 |
| General expenses, Indian Service, gratuity | 135,000.00 | 135,000.00 | 135,000.00 |
| Inspectors, Indian Service, gratuity | 30,000.00 | 30,000.00 | 30,000.00 |
| Determining heirs of deceased Indian allottees, gratuity | 90,000.00 | 100,000.00 | 100,000.00 |
| Industry among Indians, reimbursable | 300,000.00 | 400,000.00 | 300,000.00 |
| Payment to heirs of Farmer John, gratuity | 20.00 | 20.00 | 20.00 |
| Suppressing contagious diseases among live stock, gratuity | | 100,000.00 | 100,000.00 |
| Payment to Charles J. Kappler, gratuity | | 2,000.00 | 2,000.00 |
| ARIZONA AND NEW MEXICO. | | | |
| Support of Indians in Arizona and New Mexico, gratuity | 330,000.00 | 330,000.00 | 330,000.00 |
| Indian school, Fort Mohave, Ariz., gratuity | 42,900.00 | 42,900.00 | 42,900.00 |
| Indian school, Phoenix, Ariz., gratuity | 131,900.00 | 135,400.00 | 135,400.00 |
| Indian school, Truxton Canyon, Ariz., gratuity | 21,200.00 | 21,200.00 | 21,200.00 |
| Maintenance irrigation system, Pima Indian lands, reimbursable | 20,000.00 | 25,000.00 | 20,000.00 |
| Irrigation system, Colorado River Reservation, reimbursable | 15,000.00 | 15,000.00 | 15,000.00 |
| Water supply, Papago Indian villages, gratuity | 20,000.00 | 20,000.00 | 20,000.00 |
| Fulfilling treaties with Navajos, schools, treaty | 100,000.00 | 100,000.00 | 100,000.00 |
| Water supply, Navajo Indians, Arizona, reimbursable | 25,000.00 | 25,000.00 | 25,000.00 |
| Construction dam, Gila River Reservation, reimbursable | | 200,000.00 | 75,000.00 |
| Payment for water, Salt River allottees, reimbursable | 20,000.00 | 20,000.00 | 20,000.00 |
| Construction diversion dam, Gila River Reservation, above Florence, Ariz., reimbursable | | 175,000.00 | 75,000.00 |
| Ganado irrigation project, reimbursable | 3,000.00 | 23,000.00 | 23,000.00 |

| Item. | Passed House. | Passed Senate. | Agreed in conference. |
|---|---|---|---|
| (ARIZONA AND NEW MEXICO—Cont.) | | | |
| Investigation, Gila River, erosion, etc, gratuity | | $15,000.00 | $10,000.00 |
| Bridge across Little Colorado River, reimbursable | $15,000.00 | 15,000.00 | 15,000.00 |
| Construction additional spans, Gila River, gratuity | 17,000.00 | 17,000.00 | 17,000.00 |
| Preservation and repair, Pueblo ruins, gratuity | | 3,000.00 | 3,000.00 |
| CALIFORNIA. | | | |
| Support of Indians in California, gratuity | 42,000.00 | 42,000.00 | 42,000.00 |
| Purchase of lands for landless Indians, gratuity | 10,000.00 | 30,000.00 | 10,000.00 |
| Indian school, Riverside, Cal., gratuity | 129,500.00 | 129,500.00 | 129,500.00 |
| Irrigating allotments, Yuma Reservation, reimbursable | 10,000.00 | 10,000.00 | 10,000.00 |
| Indian school, Fort Bidwell, Cal., gratuity | 21,800.00 | 21,800.00 | 21,800.00 |
| Indian school, Greenville, Cal., gratuity | 21,630.00 | 34,400.00 | 26,400.00 |
| Roads and bridges, Yuma Reservation, Cal., reimbursable | | 10,000.00 | 10,000.00 |
| FLORIDA. | | | |
| Support of Seminoles in Florida, reimbursable | 8,000.00 | 5,000.00 | 8,000.00 |
| IDAHO. | | | |
| Support of Indians, Fort Hall Reservation, Idaho, gratuity | 30,000.00 | 30,000.00 | 30,000.00 |
| Maintenance, etc., Fort Hall irrigation system, reimbursable | 25,000.00 | 35,000.00 | 25,000.00 |
| Fulfilling treaties with Bannocks, Idaho, treaty | 5,000.00 | 5,000.00 | 5,000.00 |
| Fulfilling treaties with Cœur d'Alenes, treaty | 3,000.00 | 3,000.00 | 3,000.00 |
| KANSAS. | | | |
| Indian school, Lawrence, Kans., gratuity | 140,250.00 | 148,250.00 | 148,250.00 |
| Indian school, Kickapoo Reservation, Kans., gratuity | 16,860.00 | 16,860.00 | 16,860.00 |
| Bridges, Pottawatomi Reservation, Kans., gratuity | | 10,000.00 | (1) |
| LOUISIANA. | | | |
| Purchase of lands for Chettimanchi Indians, gratuity | 1,500.00 | 1,500.00 | 1,500.00 |
| MICHIGAN. | | | |
| Indian school, Mount Pleasant, Mich., gratuity | 73,450.00 | 73,450.00 | 73,450.00 |
| Reimbursement Joseph Bradley, gratuity | | 250.00 | 250.00 |
| MINNESOTA. | | | |
| Indian school, Pipestone, Minn., gratuity | 61,675.00 | 64,675.00 | 64,675.00 |
| Support of Chippewas of the Mississippi, Minn., treaty | 4,000.00 | 4,000.00 | 4,000.00 |
| Enrollment White Earth allottees, gratuity | | 5,000.00 | 5,000.00 |
| MISSISSIPPI. | | | |
| Investigation condition Mississippi Indians, gratuity | | 1,000.00 | 1,000.00 |
| MONTANA. | | | |
| Support of Indians of Fort Belknap Reservation, Mont., gratuity | 20,000.00 | 20,000.00 | 20,000.00 |
| Support of Indians of Flathead Agency, Mont., gratuity | 14,000.00 | 20,000.00 | 20,000.00 |
| Support of Indians of Fort Peck Agency, Mont., gratuity | 30,000.00 | 30,000.00 | 30,000.00 |
| Support of Indians of Blackfeet Agency, Mont., gratuity | 25,000.00 | 25,000.00 | 25,000.00 |
| Irrigation, Fort Belknap Reservation, reimbursable | 20,000.00 | 20,000.00 | 20,000.00 |
| Fulfilling treaties with Crows, Montana, treaty | 6,000.00 | 6,000.00 | 6,000.00 |
| Support of Northern Cheyennes and Arapahoes, treaty | 80,000.00 | 80,000.00 | 80,000.00 |
| Line riders, Northern Cheyenne Reservation, gratuity | 1,500.00 | 1,500.00 | 1,500.00 |
| Support Rocky Boys Band, gratuity | 5,000.00 | 10,000.00 | 5,000.00 |
| Purchase of land, Flathead Agency, reimbursable | 320.00 | 320.00 | 320.00 |
| Irrigation system, Flathead Agency, Mont., reimbursable | | 750,000.00 | 750,000.00 |
| Irrigation system, Fort Peck Agency, Mont., reimbursable | | 100,000.00 | 100,000.00 |
| Irrigation system, Blackfeet Agency, Mont., reimbursable | | 50,000.00 | 25,000.00 |
| NEBRASKA. | | | |
| Indian school, Genoa, Nebr., gratuity | 84,600.00 | 103,100.00 | 91,100.00 |
| Assessment Omaha and Winnebago allotments, reimbursable | | 30,000.00 | 30,000.00 |

[1] Paid out of tribal funds.

| Item. | Passed House. | Passed Senate. | Agreed in conference. |
|---|---|---|---|
| NEVADA. | | | |
| Support of Indians in Nevada, gratuity | $18,500.00 | $18,500.00 | $18,500.00 |
| Indian school, Carson City, Nev., gratuity | 60,760.00 | 89,100.00 | 62,430.00 |
| Home and farm sites, Nevada Indians, gratuity | | 15,000.00 | 15,000.00 |
| Irrigation, Pyramid Lake Reservation, reimbursable | 30,000.00 | 30,000.00 | 30,000.00 |
| Land and water rights, Washoe Indians, gratuity | 15,000.00 | 15,000.00 | 15,000.00 |
| NEW MEXICO. | | | |
| Indian school, Albuquerque, N. Mex., gratuity | 97,400.00 | 97,400.00 | 97,400.00 |
| Indian school, Santa Fe, N. Mex., gratuity | 67,150.00 | 103,650.00 | 92,150.00 |
| Counsel for Pueblo Indians of New Mexico, gratuity | 2,000.00 | 2,000.00 | 2,000.00 |
| Highway, Mesa Verde National Park to Gallup, N. Mex., gratuity | 15,000.00 | 54,000.00 | 15,000.00 |
| NEW YORK. | | | |
| Fulfilling treaties with Senecas, New York, treaty | 6,000.00 | 6,000.00 | 6,000.00 |
| Fulfilling treaties with Six Nations, New York, treaty | 4,500.00 | 4,500.00 | 4,500.00 |
| NORTH CAROLINA. | | | |
| Indian school, Cherokee, N. C., gratuity | 36,000.00 | 36,000.00 | 36,000.00 |
| Bridge, Ocona Lufty River, gratuity | | 15,000.00 | (1) |
| School for North Carolina Indians, gratuity | | 50,000.00 | (1) |
| Maintenance, school for North Carolina Indians, gratuity | | 10,000.00 | (1) |
| NORTH DAKOTA. | | | |
| Support of Sioux of Devils Lake, N. Dak., gratuity | 5,000.00 | 5,000.00 | 5,000.00 |
| Support of Indians, Fort Berthold Agency, N. Dak., gratuity | 15,000.00 | 15,000.00 | 15,000.00 |
| Support of Chippewas, Turtle Mountain Band, gratuity | 11,000.00 | 11,000.00 | 11,000.00 |
| Indian school, Bismarck, N. Dak., gratuity | 56,175.00 | 56,175.00 | 56,175.00 |
| Indian school, Fort Totten, N. Dak., gratuity | 82,500.00 | 82,500.00 | 82,500.00 |
| Indian school, Wahpeton, N. Dak., gratuity | 40,200.00 | 66,540.00 | 63,540.00 |
| Redemption mortgage, Starr McGillis, reimbursable | | 1,500.00 | 1,500.00 |
| Reimbursing Benson County (insane Indians), gratuity | | 1,497.44 | 1,497.44 |
| Headstone, Scarlet Crow, gratuity | | 100.00 | 100.00 |
| OKLAHOMA. | | | |
| Support of Wichitas and affiliated bands, gratuity | 5,000.00 | 5,000.00 | 5,000.00 |
| Support of Cheyennes and Arapahoes, Oklahoma, gratuity | 35,000.00 | 35,000.00 | 35,000.00 |
| Support of Kansas Indians, gratuity | 1,500.00 | 1,500.00 | 1,500.00 |
| Support of Kickapoo Indians, gratuity | 2,000.00 | 2,000.00 | 2,000.00 |
| Support of Poncas, gratuity | 8,000.00 | 8,000.00 | 8,000.00 |
| Indian school, Chilocco, Okla., gratuity | 93,250.00 | 93,250.00 | 93,250.00 |
| Fulfilling treaties with Pawnees, treaty | 47,100.00 | 47,100.00 | 47,100.00 |
| Support of Quapaws, treaty | 1,500.00 | 1,500.00 | 1,500.00 |
| Purchase land for Fort Sill Apaches, gratuity | | 40,000.00 | (2) |
| FIVE CIVILIZED TRIBES. | | | |
| Administration affairs of Five Civilized Tribes, gratuity | 175,000.00 | 185,000.00 | 185,000.00 |
| Probate attorneys, Five Civilized Tribes, gratuity | 85,000.00 | 85,000.00 | 85,000.00 |
| Cherokee Orphan Training School, gratuity | 40,000.00 | 40,000.00 | 40,000.00 |
| Indian schools, Five Civilized Tribes, gratuity | | 275,000.00 | 275,000.00 |
| Fulfilling treaties with Choctaws, treaty | 10,520.00 | 10,520.00 | 10,520.00 |
| Oil and gas inspectors, Five Civilized Tribes, gratuity | | 25,000.00 | 15,000.00 |
| Compromise suits, U. S. v. Dowden et al., reimbursable | | 57,500.00 | 57,500.00 |
| OREGON. | | | |
| Support of Indians, Klamath Agency, Oreg., gratuity | 6,000.00 | 6,000.00 | 6,000.00 |
| Support of Indians, Warm Springs Agency, gratuity | 4,000.00 | 4,000.00 | 4,000.00 |
| Support of Indians, Umatilla Agency, gratuity | 3,000.00 | 3,000.00 | 3,000.00 |
| Indian school, Salem, Oreg., gratuity | 119,000.00 | 135,500.00 | 128,700.00 |
| Support of Indians, Grande Ronde and Siletz Agencies, Oreg., gratuity | 4,000.00 | 4,000.00 | 4,000.00 |
| Maintenance and operation, Modoc Point irrigation system, reimbursable | 20,000.00 | 20,000.00 | 20,000.00 |
| Bridges, Umatilla Reservation, reimbursable | 18,666.00 | 14,000.00 | 18,666.00 |
| PENNSYLVANIA. | | | |
| Indian school, Carlisle, Pa., gratuity | 152,000.00 | 152,000.00 | 152,000.00 |

[1] Senate receded. [2] Unexpended balance made available.

| Item. | Passed House. | Passed Senate. | Agreed in conference. |
|---|---|---|---|
| SOUTH DAKOTA. | | | |
| Indian school, Flandreau, S. Dak., gratuity | $67,500.00 | $68,955.00 | $67,500.00 |
| Indian school, Pierre, S. Dak., gratuity | 55,750.00 | 60,750.00 | 60,750.00 |
| Indian school, Rapid City, S. Dak., gratuity | 83,500.00 | 83,500.00 | 83,500.00 |
| Support of Sioux of different tribes, etc., treaty | 307,000.00 | 307,000.00 | 307,000.00 |
| Education, Sioux Nation, treaty | 200,000.00 | 200,000.00 | 200,000.00 |
| School facilities, Sioux Indian country, gratuity | | 250,000.00 | 1,000.00 |
| Support of Sioux, Yankton Tribe, gratuity | 14,000.00 | 14,000.00 | 14,000.00 |
| Asylum for insane Indians, Canton, S. Dak., gratuity | 45,000.00 | 45,000.00 | 45,000.00 |
| Highway, Standing Rock Reservation, reimbursable | 5,000.00 | 5,000.00 | 5,000.00 |
| UTAH. | | | |
| Support of Confederated Bands of Utes, treaty | 53,740.00 | 53,740.00 | 53,740.00 |
| Support of Indians in Utah, gratuity | 10,000.00 | 10,000.00 | 10,000.00 |
| Support of Confederated Bands of Utes, seeds and implements, treaty | 10,000.00 | 10,000.00 | 10,000.00 |
| Highway, Kaibab Reservation, reimbursable | | 9,000.00 | 9,000.00 |
| Irrigation, Uintah Reservation, reimbursable | 40,000.00 | 40,000.00 | 40,000.00 |
| Reimbursement Box Elder County, Utah, gratuity | | 1,684.00 | 1,684.00 |
| Education, Indian pupils, Washakie School, gratuity | | 832.00 | 832.00 |
| Protection bridge, Myton, Utah, gratuity | | 1,000.00 | (1) |
| WASHINGTON. | | | |
| Support of D'Wamish and other allied tribes, gratuity | 7,000.00 | 7,000.00 | 7,000.00 |
| Support of Makahs, gratuity | 2,000.00 | 2,000.00 | 2,000.00 |
| Support of Quinnaielts and Quillehutes, gratuity | 1,000.00 | 1,000.00 | 1,000.00 |
| Support of Yakima Indians, gratuity | 3,000.00 | 3,000.00 | 3,000.00 |
| Support of Colville and certain other Indians, gratuity | 13,000.00 | 15,000.00 | 13,000.00 |
| Support of Spokanes, treaty | 1,000.00 | 1,000.00 | 1,000.00 |
| Irrigation system, Yakima Reservation, reimbursable | 15,000.00 | 15,000.00 | 15,000.00 |
| Indian school, Tacoma, Wash., gratuity | 50,000.00 | 50,000.00 | 50,000.00 |
| Dam across Yakima River, reimbursable | 200,000.00 | 200,000.00 | 200,000.00 |
| Payment third installment for water, Yakima, gratuity | | 100,000.00 | 100,000.00 |
| Acquisition water rights, Indians, Okanogan County, reimbursable | | 95,000.00 | 95,000.00 |
| WISCONSIN. | | | |
| Indian school, Hayward, Wis., gratuity | 51,550.00 | 51,550.00 | 51,550.00 |
| Indian school, Tomah, Wis., gratuity | 56,125.00 | 56,125.00 | 56,125.00 |
| Support of Chippewas of Lake Superior, Wis., gratuity | 7,000.00 | 7,000.00 | 7,000.00 |
| Support of Potawatomi in Wisconsin, gratuity | 7,000.00 | 7,000.00 | 7,000.00 |
| Payment to Stockbridge and Munsee Tribe, gratuity | | 95,000.00 | 95,000.00 |
| Purchase of cattle, Oneida School, gratuity | | 10,000.00 | 5,000.00 |
| Support of Wisconsin Band of Potawatomies, Wisconsin and Michigan, reimbursable | 100,000.00 | 100,000.00 | 100,000.00 |
| Sidewalks, village of Odanah, Band River Reservation, reimbursable | | 1,000.00 | (2) |
| Completion road, Red Cliff Reservation, reimbursable | | 6,500.00 | 6,500.00 |
| WYOMING. | | | |
| Support of Shoshones in Wyoming, gratuity | 15,000.00 | 15,000.00 | 15,000.00 |
| Indian school, Shoshone Reservation, Wyo., gratuity | 36,025.00 | 36,025.00 | 36,025.00 |
| Support of Shoshones in Wyoming, treaty | 6,000.00 | 6,000.00 | 6,000.00 |
| Repairs, Fort Washakie, gratuity | 1,721.66 | 1,721.00 | 1,721.00 |
| Irrigation system, Wind River Reservation, reimbursable | 50,000.00 | 50,000 00 | 50,000.00 |
| Plans and estimates for completing irrigation, Shoshone or Wind River Reservation, gratuity | 3,000.00 | 5,000.00 | 5,000.00 |
| Roads and bridges, diminished Shoshone Reservation, reimbursable | 25,000.00 | 25,000.00 | 25,000.00 |
| Payment to Joseph H. Norris, gratuity | | 257.00 | 257.00 |
| New bookkeeping system, Indian Bureau, gratuity | | 12,000.00 | (2) |
| Total | 8,961,437.66 | 11,993,796.44 | 10,966,037.44 |

[1] Drawn from tribal funds.

[2] Senate receded.

C. D. CARTER,
CARL HAYDEN,
P. P. CAMPBELL,
*Managers on the part of the House.*

EXTENSION OF REMARKS.

Mr. ADAMSON. Mr. Speaker, the gentleman from Virginia [Mr. MONTAGUE] requests unanimous consent to extend his remarks in the RECORD on the leprosarium bill that was passed the other day.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the gentleman from Virginia [Mr. MONTAGUE] may extend his remarks in the RECORD on the leprosarium bill. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. GLASS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned, pursuant to the order previously made, until Monday, May 8, 1916, at 11 o'clock a. m.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. REAVIS, from the Committee on War Claims, to which was referred the bill (H. R. 3690) repealing certain sections contained in the urgent deficiency act approved December 22, 1911, reported the same without amendment, accompanied by a report (No. 650), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills were introduced and severally referred as follows:

By Mr. GALLIVAN: A bill (H. R. 15434) for erecting a suitable memorial to John Patrick Holland; to the Committee on the Library.

By Mr. ADAMSON: A bill (H. R. 15435) for the establishment of Columbus, Ga., as a port of delivery, under the act of June 10, 1880, governing the immediate transportation without appraisement of dutiable merchandise; to the Committee on Ways and Means.

By Mr. GREGG: A bill (H. R. 15436) providing for an addition and repairs to the post-office building at Galveston, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. KENT: A bill (H. R. 15437) to establish a national park service, and for other purposes; to the Committee on the Public Lands.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CANTRILL: A bill (H. R. 15438) granting a pension to Joseph L. Martin; to the Committee on Pensions.

Also, a bill (H. R. 15439) for the relief of John Curtis; to the Committee on Military Affairs.

By Mr. CARAWAY: A bill (H. R. 15440) granting a pension to Leon C. Johnston; to the Committee on Pensions.

By Mr. EDWARDS: A bill (H. R. 15441) for the relief of R. L. Horne, executor estate of Hendley F. Horne; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 15442) granting an increase of pension to Washington E. Carothers; to the Committee on Invalid Pensions.

By Mr. LAFEAN: A bill (H. R. 15443) granting an increase of pension to Ernestine Shetrone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15444) granting an increase of pension to Sarah Wagner; to the Committee on Invalid Pensions.

By Mr. LITTLEPAGE: A bill (H. R. 15445) granting an increase of pension to Mary M. Samples; to the Commitee on Invalid Pensions.

By Mr. McLAUGHLIN: A bill (H. R. 15446) for the relief of Ira C. Hoover; to the Committee on Claims.

By Mr. O'SHAUNESSY: A bill (H. R. 15447) granting a pension to Teresa F. Farrell; to the Committee on Invalid Pensions.

By Mr. PARK: A bill (H. R. 15448) granting an increase of pension to John P. Phillips; to the Committee on Pensions.

By Mr. RAYBURN: A bill (H. R. 15449) for the relief of Nancy M. Cockerham, heir of Cirley Fairchilds, deceased; to the Committee on War Claims.

By Mr. SANFORD: A bill (H. R. 15450) granting an increase of pension to Emil B. Koenig, or King; to the Committee on Invalid Pensions.

By Mr. SHALLENBERGER: A bill (H. R. 15451) granting an increase of pension to Edward McVey; to the Committee on Invalid Pensions.

By Mr. STEELE of Iowa: A bill (H. R. 15452) granting an increase of pension to James P. Martin; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 15453) granting an increase of pension to William Alice Glenn; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Arkansas: A bill (H. R. 15454) for the relief of the estate of Robert C. Martin, deceased; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CURRY: Memorial of California Metal Producers' Association, against the passage of House bill 12275, to revise the mining laws; to the Committee on Mines and Mining.

By Mr. DAVIS of Minnesota: Memorial of Civic Club of Stillwater, Minn., favoring the passage of House bill 175; to the Committee on Mines and Mining.

By Mr. DILL: Petition of Mr. E. J. Crockett and other residents of Twisp, Wash., protesting against the passage of House bill 13048; to the Committee on the District of Columbia.

By Mr. DILLON: Petitions of sundry citizens of Lennox, Freeman, Tyndall, and Spencer, S. Dak., favoring the maintaining of friendly relations with Germany; to the Committee on Foreign Affairs.

By Mr. DYER: Memorial of the Protestant churches of Greater New York, against war with Germany; to the Committee on Foreign Affairs.

Also, memorial of Major E. M. Brown Camp, No. 22, United Spanish War Veterans, in re civil-service laws; to the Committee on Reform in the Civil Service.

By Mr. ESCH: Petition of Mr. Carl Hilke and 43 other residents of La Crosse County, Wis., in favor of embargo on munitions of war; to the Committee on Foreign Affairs.

Also, petition of Otto Meyer and 56 other residents of Unity, Wis., protesting against House bills 491 and 6468, authorizing the Postmaster General to exclude certain publications from the mails; to the Committee on the Post Office and Post Roads.

Also, petition of Mr. Carl Hilke and 43 other residents of La Crosse County, Wis., favoring the warning of American citizens not to take passage on armed merchantmen belonging to belligerents; to the Committee on Foreign Affairs.

Also, petition of Mr. Carl Hilke and 45 other citizens of La Crosse, Wis., protesting against any action which might involve the United States in war; to the Committee on Foreign Affairs.

Also, petition of Dr. H. A. Klever and 10 other citizens of Taylor, Wis., protesting against House bill 13048, to amend the juvenile court act for the District of Columbia; to the Committee on the District of Columbia.

Also, memorial of Protestant Churches Association of Greater New York City, favoring maintaining friendly relations with Germany; to the Committee on Foreign Affairs.

By Mr. FLYNN: Memorial of United Singers of Philadelphia, favoring maintaining peace; to the Committee on Foreign Affairs.

Also, memorial of Protestant Churches Association of Greater New York City, favoring maintenance of friendly relations with Germany; to the Committee on Foreign Affairs.

By Mr. FULLER: Petition of Rockford (Ill.) Chamber of Commerce, for the Shields water-power bill; to the Committee on Rivers and Harbors.

Also, petition of Protestant Churches Association of Greater New York, favoring the maintenance of friendly relations with Germany; to the Committee on Foreign Affairs.

By Mr. HILLIARD: Petition of Ellis Meredith Clement and 27 others, all of Denver, Colo., urging the passage of the Tinkham bill, providing a training school for mental defectives in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KELLEY: Petition of 54 citizens of Flint, Mich., against Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

Also, petition of 29 citizens of Flint, Mich., against bills amending the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. LAFEAN: Petition of citizens of New York, recommending retention of section 56 of the Chamberlain bill; to the Committee on Military Affairs.

By Mr. LOUD: Memorial of And. Reuther, president, and J. W. Putz, secretary, in behalf of Local No. 6, Bay City, Mich., composed of 118 members, protesting against war with Germany, and requesting strict neutrality; to the Committee on Foreign Affairs.

By Mr. McDERMOTT: Petition of Messrs. Michael P. Duggan, Charles F. Brown, Frank A. Mulholland, Charles E. Nouck, Walter Kull, Daniel F. Lane, William M. Konen, and others, all of Chicago, Ill., favoring the passage of the Lobeck classification bill; to the Committee on Agriculture.

By Mr. McLEMORE: Petition of citizens of Brenham, Tex., against war with Germany; to the Committee on Foreign Affairs.

By Mr. MOORES of Indiana: Petition of 30 members of the Association of Indiana Industrial Teachers, favoring House bill 11250, national vocational education bill; to the Committee on Education.

By Mr. RANDALL: Memorial of United Singers of Philadelphia, protesting any action which may involve this country in war; to the Committee on Foreign Affairs.

Also, memorial of people of Los Angeles, Cal., favoring woman suffrage; to the Committee on the Judiciary.

Also, memorial of Protestant Churches Association of Greater New York City, protesting against breaking relations with Germany; to the Committee on Foreign Affairs.

Also, memorial of people of San Luis Obispo, Cal., favoring woman suffrage; to the Committee on the Judiciary.

Also, petition of Vocational Guidance Society of California, favoring Smith-Hughes bill for vocational education; to the Committee on Education.

Also, memorial of 150 people of Santa Barbara, Cal., favoring woman suffrage; to the Committee on the Judiciary.

Also, petition of Ida Alexander and 33 other citizens of Beaverton, Oreg., protesting against bill to amend postal laws; to the Committee on the Post Office and Post Roads.

By Mr. STINESS: Memorial of New England Southern Conference of the Methodist Episcopal Church, favoring national prohibition; to the Committee on the Judiciary.

By Mr. WALSH: Petition of New England Southern Conference of the Methodist Episcopal Church, in session assembled at Norwich, Conn., by J. Francis Cooper, its secretary, advocating passage of Sheppard-Gallinger national prohibition resolution, Senate joint resolutions 55 and 64, and for passage of Webb-Smith resolutions, House joint resolutions 84 and 85; to the Committee on the Judiciary.

# SENATE.

## MONDAY, *May 8, 1916.*

*(Legislative day of Friday, May 5, 1916).*

The Senate reassembled in executive session at 11 o'clock a. m., on the expiration of the recess, and at 12 o'clock and 20 minutes p. m. the doors were reopened.

### GOVERNMENT OF THE PHILIPPINES.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, insisting upon its amendments and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HITCHCOCK. Mr. President, I move that the Senate concur in the amendments made by the House of Representatives.

Mr. CLARKE of Arkansas. Mr. President, I trust the motion to concur will be adopted. The amendment by the House relates to what I deem to be only a minor feature of one of the largest questions that have ever been presented to the American people. I, of course, refer to the effort to grant independence to the Filipino people, recently disposed of by the Congress in a way that I think will hereafter provoke further consideration of it not wholly dissociated from frank comment about the influences and groups which brought this about. The conceded circumstances attending this event involves the disclosure of a situation that ought not to be overlooked nor ignored. It goes to the vital interests of the Republic, and if it be found to exist as a permanent feature of our national life we must resist and expose it or take the consequences. This particular House substitute bill relates to merely administrative matters and is not at all related to the question as to whether or not we ought to get out of the Philippines nor when we should get out.

Mr. NORRIS. Mr. President——

Mr. CLARKE of Arkansas. I shall not occupy more than a few minutes. My views on the separation question are——

Mr. NORRIS. I want to ask the Senator from Arkansas a question. I do not understand what the amendment is.

Mr. CLARKE of Arkansas. It is what is called the Jones bill, offered by the House as a substitute for the Senate bill recently passed.

Mr. NORRIS. Is it the entire Jones bill?

Mr. CLARKE of Arkansas. It is substantially identical with the bill which passed the Senate with the proposed prohibition amendment and the so-called Clarke amendment left out of it, and probably several other things of minor character.

Mr. President, I do not intend to obstruct the passage of this Jones bill or any bill which deals with merely administrative questions. I think they are distinct from and subordinate to the great question of our getting out of the Philippine Islands. Indeed, I am glad that all questions of procedure and local administration have been separated, so that we may deal now with that one single proposition of withdrawing from the Philippines without having to gain or lose votes because certain other debatable provisions are annexed to a general bill in which the vital provision appears. In view of all that has occurred, I think that the question as to whether or not we ought to go out of the Philippines and when should be made the subject of a discussion and consideration when this is the only question presented. I do not know that an opportune occasion will present itself during the present session, but I hope it may. But I think as much of the general question of Philippine administration as is contained in the pending House amendment in the form of the so-called Jones bill ought to be disposed of now, whether we are to eventually get out of there or whether we are to retain the islands forever.

There are many very wholesome provisions contained in the pending Jones bill. I simply desire to say that I do not want the impression to arise that those of us who believe that we ought to get out of the Philippines now are at our row's end. We believe that that question ought to be still further and more seriously considered in the light of recent developments. I do not believe that we have as yet taken the judgment of the American people upon the main proposition, and certainly not on the difficulties to be encountered and overcome before the interests of the American and Filipino people involved can receive that intelligent, independent, and patriotic consideration which their transcendent importance demands.

For the present I think the wisest course will be taken if the motion of the Senator from Nebraska—to concur in the House amendment—shall be adopted.

The VICE PRESIDENT. The question is on concurring in the House amendment.

Mr. LIPPITT. Mr. President, I wish this matter could be laid over a day or two. I was not aware that the conferees had agreed upon a report.

Mr. BANKHEAD. This is not a conference report.

The VICE PRESIDENT. It is not a conference report.

Mr. LIPPITT. What is it?

Mr. HITCHCOCK. Mr. President, there seems to be some misapprehension here; and, if the Senator from Rhode Island will permit me, I will set it straight.

This is not a conference report. The bill as it passed the Senate went to the other House. A substitute was offered for it there and carried. The substitute is the original Jones bill with a minor change relating to the date of the election. The bill was then sent back to the Senate and has been upon the President's desk.

Mr. LIPPITT. When did the bill come to the Senate?

Mr. HITCHCOCK. Last week. My motion is to concur in the House amendment, the effect of the adoption of which will be to substitute the original Jones bill for the bill which was considered and passed by the Senate.

My reason for making that motion now is that the election provided for is to be held in June, and in order to allow adequate time for the holding of that election prompt action should now be taken.

Mr. LIPPITT. Mr. President, it would seem to me that in that situation this subject should go to a committee for consideration. This is not a conference report and it has no right of way here in any way. The very suggestion which the Senator from Nebraska has made in regard to the short time that would be allowed for an election provided for in this bill is itself an indication that the bill ought to be considered with regard to that point and others. As a matter of fact, here it is now the middle of May and that bill, the Jones bill, requires very elaborate machinery to be put in motion. I should think, considering the long distance of the Philippine Islands from here and the time it takes to communicate with them, that the time was already too short for an election to be held in June. I would therefore ask that the bill be referred to the Committee on the Philippines.

The VICE PRESIDENT. The status of the parliamentary situation is exactly this: The House passed an amendment, requested a conference, and instructed its conferees. It is not possible to refer the matter to a committee. There is just one of two things to do, either to agree to the original House bill, as moved by the Senator from Nebraska [Mr. HITCHCOCK], or to take up the question as to whether or not the Senate will go into a conference with the other House on the question.

Mr. HITCHCOCK. If the Senator from Rhode Island will permit me, I want to call the attention of the Senate to this fact: This question is not new. The Jones bill was carefully considered by the committee, of which the Senator from Rhode Island is an active member. The changes made by the Senate committee, while I think they were helpful, were not of very commanding importance. The substance of the bill as passed by the other House was the original Jones bill. This simply means the abandoning of the amendments which the Senate committee proposed.

Mr. BANKHEAD. Mr. President, I am compelled to call for the regular order.

Mr. HITCHCOCK. Let us finish this.

Mr. BANKHEAD. No; we shall not finish this, because it will run along all day, I fear.

Mr. LIPPITT. Mr. President, it seems to me that under the condition, as described by the Senator from Nebraska—and I now see exactly what it is—the bill should go to conference in the ordinary way in which such bills are managed, and that a conference report should be made upon the bill.

The VICE PRESIDENT. The Senator from Rhode Island has not been here. What good would it do to send this bill to conference? The House of Representatives instructed their conferees to agree to nothing except this bill. So what would the conference amount to in view of an instruction of that kind issued by the House of Representatives?

Mr. LIPPITT. Mr. President, the President may have knowledge beforehand of exactly what the conference committee may do, but I have not been aware that anybody was in position to say in advance just what a conference committee might do. I will state to the Chair, however——

The VICE PRESIDENT. The Senator from Rhode Island has not been here. It is not a conference, in the opinion of the Chair, that the House of Representatives are asking for. They have passed the bill and have instructed their conferees to stand by it. That is not a full and free conference.

Mr. LIPPITT. I think the Chair is in error, if he will allow me to say so.

The House has instructed its conferees to stand by one or two certain items in the bill. There are a great variety of changes which have been made in this bill by the Senate, on which the House did not vote at all, and on which they gave no instructions to their conferees. The Senate committee, as a matter of fact, spent nearly a year studying the bill; they held elaborate hearings, and they made a great variety of changes in it, which have not attracted the attention of the public as much as the one overshadowing item of what shall be done in regard to the freedom of the islands; but in the details of the bill for the purpose of perfecting the management of Philippine affairs there were a large number of changes made, and I think it is certainly very inadvisable to take the action proposed. I should not want to agree to the Senate voting to-day on the question put in the form in which it is put by the Senator from Nebraska. It seems to me it ought to take the ordinary course, which is to have a conference and allow the conferees to decide upon these minor changes in the bill.

Mr. WORKS. Mr. President——

Mr. BANKHEAD. Mr. President, I am compelled to demand the regular order.

The VICE PRESIDENT. The matter, then, will have to go over.

### INDIAN APPROPRIATION BILL—CONFERENCE REPORT.

Mr. ASHURST. Mr. President, I desire to make a motion with regard to a privileged matter. On last Saturday the conference report on the Indian appropriation bill (H. R. 10385) was filed. I ask the Senate now to consider that report. It will take but a few moments.

Mr. LANE. Mr. President, I wish to say for the information of the Senator from Arizona that it will take more than a few moments. I want to discuss that conference report at length, if I may be allowed to do so.

The VICE PRESIDENT. The motion of the Senator from Arizona is not privileged. The presentation of a conference re-

port is a privileged matter, but it is not a privileged matter as to when it shall be taken up for consideration.

Mr. BANKHEAD. Mr. President, I understand the conference report is privileged, but I further understand that if this report is brought before the Senate to-day for consideration it will consume perhaps the entire day, and I think the Senator from Arizona should not insist upon it. Let us get the good-roads bill out of the way, as it has been here for several weeks.

Mr. SMOOT. Mr. President, the conference report is not privileged any further than its presentation is concerned; its consideration is not privileged.

The VICE PRESIDENT. The presentation of the report is privileged, but the question of taking it up is not a privileged matter.

Mr. BANKHEAD. Then I demand the regular order.

Mr. ASHURST. I move that the Senate proceed to the consideration of the conference report on the Indian appropriation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Arizona that the Senate proceed to the consideration of the conference report on what is commonly known as the Indian appropriation bill. [Putting the question.] The Chair is unable to determine by the sound, and will again put the question. [Putting the question.] The ayes seem to have it.

Mr. BANKHEAD. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT]. In his absence I withhold my vote.

Mr. STONE (when his name was called). In the absence of the Senator from Wyoming [Mr. CLARK], with whom I have a standing pair, I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. In his absence I withhold my vote.

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Arkansas [Mr. ROBINSON] and vote "nay."

Mr. WADSWORTH (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. HOLLIS]. I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and vote "yea."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the Senator from Arizona [Mr. SMITH] I vote "nay."

The roll call was concluded.

Mr. BECKHAM (after having voted in the negative). I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the junior Senator from Nevada [Mr. PITTMAN] and will let my vote stand.

Mr. CHILTON. I have a pair with the Senator from New Mexico [Mr. FALL], and on that account I do not vote.

Mr. HITCHCOCK (after having voted in the negative). I transfer my pair with the Senator from Maine [Mr. BURLEIGH] to the Senator from Oklahoma [Mr. GORE] and allow my vote to stand.

Mr. DILLINGHAM. Observing that the senior Senator from Maryland [Mr. SMITH], with whom I have a general pair, has not voted I withhold my vote.

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent, but is paired with the junior Senator from Missouri [Mr. REED], who, I am informed, is at liberty to vote because, if my colleague were present, he would vote "nay." I desire the statement of the pair of the senior Senator from Michigan with the junior Senator from Missouri to stand for the day.

Mr. REED (after having voted in the negative). I voted, without announcing my pair or a transfer of it, inadvertently; but since that time I am advised by the colleague of the Senator from Michigan [Mr. SMITH] that I am released to vote as I did. I therefore allow my vote to stand.

Mr. HARDING (after having voted in the affirmative). I note the absence of the junior Senator from Alabama [Mr. UNDERWOOD], with whom I am paired, and I therefore withdraw my vote.

The result was announced—yeas 29, nays 39, as follows:

YEAS—29.

| | | | |
|---|---|---|---|
| Ashurst | Kenyon | Nelson | Sutherland |
| Brandegee | La Follette | Norris | Wadsworth |
| Broussard | Lee, Md. | Oliver | Walsh |
| Catron | Lippitt | Owen | Warren |
| Clapp | Lodge | Page | Works |
| Curtis | Martin, Va. | Phelan | |
| Gronna | Martine, N. J. | Poindexter | |
| Jones | Myers | Smoot | |

NAYS—39.

| | | | |
|---|---|---|---|
| Bankhead | Hughes | Overman | Sterling |
| Beckham | Husting | Pomerene | Swanson |
| Borah | James | Ransdell | Taggart |
| Brady | Johnson, Me. | Reed | Thompson |
| Clarke, Ark. | Johnson, S. Dak. | Shafroth | Tillman |
| Culberson | Kern | Sheppard | Townsend |
| Fletcher | Lane | Sherman | Vardaman |
| Gallinger | Lea, Tenn. | Shields | Weeks |
| Hardwick | Lewis | Simmons | Williams |
| Hitchcock | O'Gorman | Smith, Ga. | |

NOT VOTING—28.

| | | | |
|---|---|---|---|
| Bryan | Dillingham | McCumber | Smith, Ariz. |
| Burleigh | du Pont | McLean | Smith, Md. |
| Chamberlain | Fall | Newlands | Smith, Mich. |
| Chilton | Goff | Penrose | Smith, S. C. |
| Clark, Wyo. | Gore | Pittman | Stone |
| Colt | Harding | Robinson | Thomas |
| Cummins | Hollis | Saulsbury | Underwood |

So the Senate refused to proceed to the consideration of the conference report on the Indian appropriation bill.

GOOD ROADS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.

The VICE PRESIDENT. The pending question is the amendment offered by the Senator from Utah [Mr. SMOOT] in the nature of a substitute.

Mr. BANKHEAD obtained the floor.

WOMAN SUFFRAGE.

Mr. CURTIS. Mr. President, will the Senator from Alabama yield to me to enable me to submit a resolution?

Mr. BANKHEAD. I will if it does not lead to any discussion.

Mr. CURTIS. If the resolution leads to discussion, we can let it go to the table or dispose of it in some other way. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 183) was read, as follows:

Whereas there is now before the Senate of the United States a resolution, No. 1, favorably reported from the Senate Committee on Woman Suffrage, proposing to amend the Constitution of the United States by removing the qualification of sex as a bar to the exercise of the right of franchise; and

Whereas a large number of women voters have delegated to certain envoys the duty of conveying to this Congress an expression of the desire of said women voters that this Congress shall submit to the States for ratification the pending constitutional amendment, generally known as the Susan B. Anthony amendment; and

Whereas the question of woman suffrage is one of the foremost issues before the people of the United States: Therefore be it

*Resolved*, That on the calendar day of May 16, 1916, this body shall stand adjourned at 5 o'clock and 15 minutes p. m., and immediately thereafter, the envoys from the said women's convention shall be permitted to enter the Senate Chamber and present from the floor the message which they are to bring from the western women voters.

Mr. OVERMAN. Mr. President, I shall object to the present consideration of the resolution. It ought to go to the Committee on Rules, and I therefore move that it be referred to that committee.

The VICE PRESIDENT. The question is on the motion of the Senator from North Carolina. Without objection the motion is agreed to, and the resolution will be printed and referred to the Committee on Rules.

GOOD ROADS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7617) to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.

The VICE PRESIDENT. The question is on the amendment of the Senator from Utah.

Mr. SMOOT. Mr. President, on Saturday afternoon I discussed this amendment for nearly an hour. I do not want to go over the same ground that I covered on Saturday, nor do I intend to, at this time. I hope that when the amendment is voted upon the Members of the Senate will vote their true convictions, and, if they believe in the system of road building as provided for in the amendment, vote for it; if they do not be-

lieve in it, I hope they will vote against it. I am sure from what Senators have told me that if this course is followed the amendment will be adopted.

Under the committee amendment as reported to the Senate I am positive that there will be very little permanent road building in the United States. There are 2,270,000 miles of road in the United States, and the appropriation called for by the amendment of the committee can not possibly cover 10 per cent of the roads of the country; and if the amount of money appropriated is expended in the building of permanent roads, the amount that could be built under the apportionment of the Senate amendment would be so small that there would be but little good done to the roads of the country.

I do not believe it is the intention of the Senators favoring the committee amendment that the money shall be expended in the building of permanent roads in the United States. The most of it will be expended for the refitting and the rebuilding of present roads, and a part of it, no doubt, will be expended in the building of dirt roads; but very few permanent roads, and those only in a very few States, will ever be built under the provisions of the committee amendment.

There are some who have said that they are opposed to the amendment I have offered because the State does not get anything out of the Public Treasury; it does not give us anything. Under my amendment we are not asking appropriations out of the Public Treasury for building the roads. As I stated on Saturday, we are simply asking that the Government of the United States extend its credit to the States. If that is done, and the amendment is adopted, there can be $500,000,000 expended in building substantial roads in the country that will not cost the Government of the United States one cent; and the system as provided for in the amendment is as nearly perfect as it is possible for it to be.

Let us begin right. I doubt whether there is a Senator but who will acknowledge that the committee amendment is nothing but a makeshift, which, if adopted, must sooner or later be changed; but in the meantime there will be expended millions of dollars of the people's money that will be of little and temporary service to the people.

I take it for granted that the Members of the Senate have read the amendment. There has been so much publicity given to it in years past—it is known as the Bourne plan—that I am going to take it for granted that the Senators understand its provisions.

I shall not take the time of the Senate further in discussing this amendment; but I do express the hope, now that the United States Government is to be asked to assist in building roads in this country, that there shall be no false step taken and no plan adopted that could be designated as a "pork-barrel" measure. Let us adopt a plan that most people admit is as nearly perfect as it is possible to provide, and in doing so we shall be establishing a system of road building in the country that will make our roads the equal of the roads of any other country in the world.

Mr. WORKS. Mr. President, from time to time since this debate commenced I have entered some mild objections to the pending bill. I have had occasion to consult with ex-Senator Bourne, who is the real author of this amendment, on various occasions. I know that he spent a great deal of time in an earnest effort to bring out of the situation that we are in legislation that would result in a proper way for the construction of good roads throughout the States. I am in favor of this amendment for two reasons: Because I think it is a more legitimate means of arriving at results, and because I think it will be infinitely more effective in bringing about what is really desired.

Mr. BANKHEAD. Mr. President, I do not intend to consume the time of the Senate in any extensive review of the substitute offered by the Senator from Utah; but I think the Senate is entitled to understand what the parliamentary situation would be in case this substitute should be adopted.

It will be remembered that the Senate for weeks has been considering a bill reported from the Committee on Post Offices and Post Roads, which is a substitute for a House bill commonly known as the Shackleford good-roads bill. The Senate committee struck out the whole of the House bill and substituted the bill that we have been considering. So that, if this amendment should be adopted, the bill that has been before the Senate for weeks and weeks, and has been discussed from every angle, and has been in some particulars amended—some of them good amendments—would be absolutely eliminated. The bill that we have here now would not be before the conferees. They could simply consider the original House bill and the substitute proposed by the Senator from Utah, if it shall be adopted, to take the place of the Senate bill.

Mr. President, briefly, what are the provisions of the House bill? It deals with two factors upon which appropriation shall be made under it. One is population; the other is road mileage. The question of area is not considered in that bill, and therefore it could not go before the conferees. So the Senate would be confined to the provisions of that bill and the substitute here pending.

There are many provisions of the House bill that I do not believe the Senate would consider for a minute. It starts out with a flat proposition of $65,000 to each State. What that is based upon, how that calculation could have been reached I have never been able to understand. The House bill provides for maintenance. This money appropriated from the Government may be used in the maintenance of roads by the States. That has been so emphatically discussed here that it seems to me the Senate of the United States would not want to consider a proposition that appropriated money from the United States Treasury to maintain roads that are built under the provisions of the bill we are now considering.

There are many other provisions of the bill that seem to me to be unwise, but this substitute proposes to put that bill into conference and to eliminate the bill we have had before the Senate.

Now, a word with reference to the substitute. It is a beautiful dream, Mr. President, and sometime in the future, when normal conditions in this country are restored and when we have made the progress toward road building that we expect to see under the provisions of the Senate bill that we have been discussing, will be the time, and time enough, to talk about the Government of the United States issuing $500,000,000 of bonds to this purpose.

I know it is said that it will not cost the Government anything. But the Government must sell those bonds at some price; and when we come to consider it, and we must consider the conditions that confront us—that the Government is likely to be called upon in the near future to issue many millions of bonds for the national defense—how can we accept a measure like this, that commits the Government to the issuance of this vast amount of bonds for the purpose suggested in the substitute?

There is another provision in the substitute which reckons with four factors of this appropriation and division—mileage, area, population, and assessed valuation. It so happens that there are six States in the Union whose assessed values are 50 per cent of the entire valuation in the country. Mr. President, I am not complaining of that. Those States that have accumulated this vast wealth have been fortunate. But, as has been suggested on the floor of the Senate, this wealth has not been created within the State. It has been drawn from every section of the Union. It has been drawn from every State and every hamlet.

The great State of New York, Mr. President, is the gateway to all the commerce, ingoing and outgoing, in this country, and it has collected the tolls from every section of the United States. There are other States, and I am not complaining of them; I am proud of their wealth and their prosperity; but we can not fail to understand the source from which this great wealth has come. It has been gathered from every hamlet in the United States by reason of favoritism shown in the taxing laws of the Government.

Now, these two questions will go to conference if this substitute is adopted, and I am going to venture the assertion now, and I do it with the greatest respect, that every man in the Senate who votes for the adoption of this substitute is opposed to any road legislation of any character, and they can only vote for its adoption with the view that in the end there will be no legislation at all on this subject. As I said, and I say it with the greatest respect and the greatest admiration for the splendid Senators who represent these vastly enormously wealthy States, there is no objection to that, but I am stating what will show on the roll call to be a fact, in my judgment.

I wish to say further, Mr. President, that the legislation we are now considering carries with it and brings with it more sympathy from the people of this country than any other measure which has been discussed in the Senate for a long, long time. The people are for it. They believe that it is just and fair and that they are entitled to this consideration from the Government that they support so cheerfully and whose battles they fight so valiantly when an occasion arises.

Senators talk about building good roads; they talk about throwing away the money that is to be appropriated. Mr. President, I have confidence in the honesty and the capacity of the people and their integrity; I have some confidence left in the governors of the States and their legislatures and their highway commissions and everybody who, directly or indirectly, is interested in this legislation.

When we go to the extent of emphasizing the fact as to how these roads shall be constructed and how this money shall be appropriated and that the States themselves shall have control and direction of the operation of building the roads after an agreement has been reached with the Secretary of Agriculture as to their location and character and the estimate of the cost, it is then turned over to the States practically, and I can not understand how any Senator on the floor can find it in his heart to say that he has no confidence in the people and in the highway commissions and in the governors and legislatures and the other people who are going to have the say as to how this money shall be expended.

There are many things in the House bill that are objectionable. There are many things in this substitute that are objectionable. Under its provisions there are many States in this Union that could not receive a cent of this appropriation so far as values are concerned. Many of them are now bonded to the limit, and added to the existing bonded indebtedness the amount they are supposed to receive under the provisions of this substitute would put them without the pale of the provisions of the law.

There is another provision in the bill, Mr. President, that ought to be designated as a joker. That is what it is. It is the provision creating a highway commission to supervise and direct the operation of this substitute. Who are that commission proposed in this bill? The chairman of the Committee on Post Offices and Post Roads of the Senate and the ranking minority member, the chairman of the Post Office Committee of the House and the ranking minority member, and the Director of Public Roads in the Agricultural Department, and one engineer to be appointed by the Secretary of War. If that is not purely and simply a political committee I never heard of one. No man who is mentioned as a member of that commission has any scientific knowledge of road building. They know nothing of the materials out of which roads should be built, when you are building substantial roads as the provisions of the bill require. They are authorized to appoint I do not know how many people all over the country in every State. There is no limit upon the number whom they may appoint and no limit on the salaries that may be paid. I say that that is a joker, and I say it with all respect.

Mr. President, this is all I care to say about this bill. I want to repeat that if this substitute is adopted it eliminates the Senate bill, and if it reaches the conference nothing can be considered in that conference but the original Shackleford bill and this substitute. I imagine, Mr. President, that it would be difficult to work out of that situation a bill that would meet with the approval of the Senate.

Mr. TOWNSEND. Mr. President, I have heard it stated many times by Senators who oppose the Senate bill that there was no sincerity on the part of the advocates of the measure but who regard it simply as a makeshift. Mr. President, I deny the statement so far as I am concerned, and I believe I can do it with equal truthfulness so far as the other members of the subcommittee which had this matter in charge are concerned.

I was at one time, and am yet, of the opinion that the Bourne bill, if it could be adopted by Congress, would be a scientific and an equitable solution of the road problem. I felt that way some years ago when there was a chance to pass it; that is, when it was not embarrassed by the situations or conditions of the country which now maintain. At that time most of the Senators, and I exclude the Senator from Utah [Mr. SMOOT], but most of the Senators who now are going to vote for the substitute, would not give it even a pleasant word. They denounced it as impracticable and as being simply a theory which could not be made to work. There was a prospect of passing it then and they opposed it. There is no chance to pass it now; hence their hearty support of it.

Mr. President, I realize that there are conditions existing in the country to-day which would make it impractical to adopt this plan at the present time.

The Committee on Post Offices and Post Roads had this matter before it and it was then discovered, at least to my satisfaction, that the House under no circumstances would consider this substitute. I do not believe that the Senate would consider favorably the House bill. Therefore it is simply a question at this time whether State aid of any kind will be afforded by Congress. So the Senator from Alabama is absolutely correct when he states that if the substitute is adopted by the Senate it means the end of Federal-aid legislation to the building of roads at this session of Congress.

I realize that many Senators who oppose Federal aid want just that thing to happen; but I submit, Mr. President, it is not quite a fair way to meet the issue. The issue should be met squarely and not be disposed of by a subterfuge.

I can imagine something of the effect upon the securities of the country if at this time there is authorized an additional issue of $500,000,000 of Government bonds and an attempt to float them for the purpose of building roads in the several States.

Therefore, with me, Mr. President, it is a practical question, not a theoretical one. I did advocate the Bourne bill several years ago, and at that time believed if we could start it under normal conditions it might have been made to work. It would require a change of laws in many of the States and constitutional amendments in others before it could be put into operation. That, of course, would require considerable time; in some instances, years.

I have received many letters from road commissioners in various States; men who, I think, are very familiar with the road question, and they have stated to me in those letters that they are opposed to the so-called Bourne proposition at this time. They favor the measure now pending before the Senate.

We are proposing to spend the money belonging to the people of the various States. Their experts have passed upon this subject, and I think with quite as much intelligence as theorists in the Senate have done.

Therefore, being in favor of good-roads legislation and being convinced that the bill before us is practical and economical and means the building of good roads, I can not vote for a substitute which would mean the end of legislation and thus deprive the people who have given years of careful study to this subject the opportunity to have desired legislation——

Mr. SMOOT. Mr. President, I am a little surprised at the Senator from Alabama [Mr. BANKHEAD] designating the proposed substitute as a beautiful dream. I have always understood that the Senator from Alabama was rather inclined to this scientific system of road building, and I believe that he, as chairman of the Committee on Post Offices and Post Roads of the Senate, reported it favorably to the Senate.

Mr. BANKHEAD. I will say that when that bill was reported to the Senate I was decidedly opposed to it, and I did everything I could to keep it from being reported to the Senate, and I said that I would file a minority report.

Mr. SMOOT. I accept the Senator's word. I understood he had been in favor of it. But I do know there are many other Senators, and nearly every one of them who has spoken against the amendment now, who were in favor of the amendment, and most of them have said on the floor of the Senate that they were at one time in favor of it. The excuse that is given now that the substitute should not be adopted is that conditions have changed, and it is intimated that it would be impossible to sell the bonds.

The Senator from Alabama said that he did not know at what the bonds would sell. The amendment provides that the bonds can not be sold at less than par. It provides that they shall carry a rate of interest of 3 per cent, and I say without a question of doubt that a 3 per cent Government bond can be sold to-day at par or above.

In fact, Mr. President, there is a better market for bonds of all kinds to-day than there has been for the last quarter of a century. The untold millions of dollars in the way of profits, I might say excessive profits, that have been made by American industries through the unfortunate war in Europe are being invested in all kinds of securities, and I have no doubt that to-day the 3 per cent Government bonds would sell most readily. Really, Mr. President, the conditions to-day for the establishment of this scientific system of road building are very much better than they were two or three years ago.

In relation to the apportionment, which was criticized by the Senator from Alabama [Mr. BANKHEAD], I want to say that I can not conceive of any way that that apportionment could be made better than it is made. There was an intimation that, because of the fact that one of the conditions of the apportionment was based upon the assessed valuation of the property of the State, therefore the State of New York would get an undue proportion of the money.

Mr. President, I notice in the apportionment that the State of Texas would be the State that would receive the next largest amount under the form of apportionment provided for in the substitute. If the State of Texas desired to secure Government aid under the provisions of the substitute, it could do so to the amount of $28,300,000; the State of Ohio could secure $25,100,000; the State of Pennsylvania, $28,250,000; the State of Georgia, $12,250,000. So the intimation that this is unfair to the States in which the property assessment is small is uncalled for and, I believe, unjust, because in the Western States and

in many of the Southern States, but particularly in the Western States, the area of the State should be taken into consideration, and that balances in a degree the amount of the apportionment based upon assessed valuation.

Mr. TAGGART. Mr. President, may I ask the Senator from Utah a question?

Mr. SMOOT. Certainly.

Mr. TAGGART. Take a State that has already a bonded indebtedness for the construction of free gravel roads; for instance, the State of Indiana, which has a bonded indebtedness of $39,000,000. What effect would that have in the issuing of bonds under the provisions of this proposed substitute?

Mr. SMOOT. None whatever, unless the bonded indebtedness of the State of Indiana exceeds 10 per cent of the assessed valuation of the property within the State. I will say to the Senator from Indiana that the assessed valuation for the fiscal year 1912 of the property in Indiana was $1,891,602,077. Indiana under this apportionment would, therefore, be entitled to $12,550,000. That would only amount to 2.50 per cent of the assessed valuation of the property in the State of Indiana. So, if Indiana is not bonded to-day to the extent of 10 per cent of the assessed valuation of her property, including the 2.50 per cent spoken of, she could apply under this substitute, and would receive $12,250,000.

Mr. TAGGART. Indiana is spending now from twelve to fourteen or sixteen million dollars a year for road construction by assessments on property in the State.

Mr. SMOOT. Then the substitute will not interfere with that at all. It simply goes to assist the State of Indiana to that amount.

It was also intimated, Mr. President, that the placing upon the market of $500,000,000 of bonds would upset the money market of this country, and dire results might come from such action. The substitute does not provide for that. It specifically states that in no single year can there be more than 20 per cent drawn by the State of the apportionment allotted to the State. If every State in the Union should immediately upon the passage of the bill decide that it wanted to draw every dollar possible to be drawn under the provisions of the substitute, the sum total could not amount to more than $100,000,000 in the first year. That, however, is a thing that is impossible to happen; it could not be. I doubt very much, Mr. President, whether the half of this fund would be applied for during the first or the second or even the third year. It would take time for the States to get into working order to avail themselves of the money provided for under the substitute.

So far as the proposed highway commission is concerned, the provisions for it state very plainly its office and the reasons for its existence. Section 7 reads:

SEC. 7. That there is hereby created a United States highway commission, to be composed of the chairman and ranking minority member of the Senate Committee on Post Offices and Post Roads, the chairman and ranking minority member of the House Committee on Roads, the Director of the Office of Public Roads, and a United States Army Engineer to be detailed from time to time by the Secretary of War. Such commission shall have only an advisory voice in the expenditure of the United States highway fund in the several States. It shall have its head office in the District of Columbia, but may create highway divisions—

Now, note the limitation—

never exceeding in number one for each State, and may maintain a division office in charge of a United States highway engineer in each division.

That does not look as though there was no limit to it; that does not look as though there was going to be built up throughout the United States a great body of employees.

I believe, Mr. President, that the time will come when Congress would rather have the affairs that affect Congress in its own hands than it would to allow those affairs to be in the hands of a bureau of this Government. This is the first piece of legislation which has been proposed that places Congress before the people in its proper light; this is the first piece of legislation proposed that does not transfer the power of its execution to the head of some division of our Government or some bureau of the Government.

Mr. CLAPP. My attention was occupied for the moment, and I will ask the Senator to read again the provision creating the United States highway commission.

Mr. SMOOT. Very well. It is as follows:

SEC. 7. That there is hereby created a United States highway commission, to be composed of the chairman and ranking minority member of the Senate Committee on Post Offices and Post Roads, the chairman and ranking minority member of the House Committee on Roads, the Director of the Office of Public Roads, and a United States Army engineer, to be detailed from time to time by the Secretary of War.

Mr. BANKHEAD. I will ask the Senator to read the remainder of that provision.

Mr. SMOOT. Certainly. It is as follows:

Such commission shall have only an advisory voice in the expenditure of the United States highway fund in the several States. It shall have its head office in the District of Columbia, but may create highway divisions, never exceeding in number one for each State, and may maintain a division office in charge of a United States highway engineer in each division.

Mr. BANKHEAD. That is not all; read the whole of it.

Mr. SMOOT. The Senator from Minnesota [Mr. CLAPP] had reference to the highways commission, I presume; but I am perfectly willing to read it all if the Senator from Alabama [Mr. BANKHEAD] so desires.

Mr. BANKHEAD. There is another provision which I should like to have the Senator read.

Mr. SMOOT. Very well; I will read it.

Said commission shall have power to employ such clerical and expert assistance as may be provided for by appropriations made by Congress from time to time, and may require the assistance and cooperation of the officers and employees of any department in its work.

In effect that is simply authorizing the highway division, which may be created in a State, never to exceed one, to have clerical assistance.

Mr. BANKHEAD. That would mean 48 highway divisions, would it not?

Mr. SMOOT. If they were all created, it would.

Mr. CLAPP. Mr. President, I should like to ask another question. That commission, then, would be the administrative force under this bill, would it not?

Mr. SMOOT. It would be an advisory commission under the bill.

Mr. CLAPP. Where is the final administration vested?

Mr. SMOOT. In the State road commission.

Mr. CLAPP. Is there any other Federal administrative board or commission created by the bill other than the one to which the Senator has just referred?

Mr. SMOOT. None under the bill.

Mr. TAGGART. Mr. President——

Mr. SMOOT. I will yield to the Senator in a moment. There is created, however, a fund to be known as the "United States highway fund," which will be under the supervision of the Secretary of the Treasury. The reason that there is not created a commission with administrative power comes from the fact that the State itself pays the money for the road building; that is, whenever it draws $100,000 under this apportionment from the Treasurer of the United States it deposits its bonds for that amount, drawing 4 per cent, with the Treasurer of the United States as security. The Treasurer of the United States, under the provisions of the amendment, is then authorized to sell $100,000 worth of United States Government bonds at 3 per cent. The difference between 3 per cent per annum interest on the Government bonds and 4 per cent per annum interest on the State bonds will in 50 years, the interest being compounded annually, pay the principal, so that all the States will pay under the provisions of the amendment will be interest upon the amount of money which they secure under the apportionment provided in the amendment from the Treasurer of the United States during the 50-year period.

Mr. TAGGART. Mr. President——

The PRESIDING OFFICER (Mr. WALSH in the chair). Does the Senator from Utah yield to the Senator from Indiana?

Mr. SMOOT. I yield to the Senator from Indiana.

Mr. TAGGART. I should like to ask the Senator a question. What provision, if any, is there in the bill concerning the specifications and plans for the construction of the roads before they are accepted?

Mr. SMOOT. That is done by the United States Highway Commission. I will read the provision.

Mr. TAGGART. What section is it?

Mr. SMOOT. It is section 1, and it reads:

That in order to establish, construct, improve, and maintain public roads that are now or may hereafter be needed for use as post roads, military roads, or for interstate commerce, there be, and hereby is, created a fund to be known as the United States highway fund. Said fund shall be raised in the manner herein provided, but the Treasurer of the United States is hereby authorized to receive and place to the credit of said fund any money that may be contributed from other sources and to expend the same upon the order of the United States Highway Commission or in accordance with the conditions of the contribution.

Mr. TAGGART. Is there any restriction placed on the commission regarding the kind and character of roads that may be constructed?

Mr. SMOOT. I want to call the Senator's attention, in connection with what I have just read, to section 3, which provides:

That before any State shall be entitled to take advantage of the provisions of this act it shall establish by law a State highway commission, which said commission shall have general supervision of road construction and improvement in that State and of the ex-

penditure of money received from the United States highway fund, subject only to the provisions of this act and of State laws not inconsistent herewith. It shall be the duty of each State highway commission annually, on or before the 1st day of January, to make to the governor of the State in which it is located a full and detailed report of its operations, including a statement of receipts and expenditures, copies of which said report shall be sent to the Treasurer of the United States and to the United States Highway Commission.

Then section 4 provides:

SEC. 4. That the United States highway fund shall be apportioned and credited to the several States in the following manner: The United States Highway Commission, hereinafter created, shall ascertain in the most practicable manner from the best information available the total land area, the population according to the last Federal census, the total assessed valuation of all taxable property, and the total mileage of public roads in each of the several States, and shall compute the percentage of the total of each of these four items possessed by each State. They shall then compute the average of the four percentages for each State, and this average shall be the per cent of the $500,000,000 United States highway fund that shall be apportioned and credited to each State. Said commission shall notify the Treasurer of the United States of the result of their ascertainment and computation, which shall be made as of a date to be fixed by the commission. Such fund so apportioned shall be paid to the States only in accordance with the provisions of this act.

Mr. TAGGART. There is nothing in the bill, however, is there, directly covering the point in regard to the requirements concerning plans and specifications for the construction of the road before it is accepted as a project or concerning the maintenance of the road after it is constructed?

Mr. SMOOT. The State highway commission has that in hand, and maintenance is provided for also, I will say to the Senator, in section 6, which reads as follows:

SEC. 6. That on the 1st day of February of each year after the year 1918, the Treasurer of the United States shall pay to the custodian of the public funds of each State, from any funds in the Treasury not otherwise appropriated, an amount of money equal to one-half the amount such State has expended out of its own funds for the maintenance of public roads during the preceding calendar year, but in no case to exceed 2½ per cent of the amount of State bonds said State has deposited with the Treasurer of the United States under the provisions of this act. The money so paid shall be expended by said State only in the maintenance of public roads. The Treasurer of the United States shall withhold the payment of moneys to any State under the provisions of this section in the event that such State shall default in payment of any interest or prinicipal due.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield to the Senator.

Mr. GRONNA. I wish to say to the Senator from Utah that, as I understand, under the amendment the Federal Government will supervise the type of road. As I understood the question of the Senator from Indiana, he wanted to know who would decide as to what kind of road should be constructed. The State highway commission would deal with that altogether, and the Federal Government would only exercise supervision. The type of road and the construction of the road would both be under the control of the State highway commission.

Mr. SMOOT. If I did not say that to the Senator from Indiana, I intended to do so; that was exactly what I meant to say.

Now, Mr. President, I think that covers the points which have been raised.

Mr. CLAPP. Mr. President, if the Senator will pardon me, if that be true, then what force is given to the language of section 6, on page 8, which leaves it to the highway commission——

Mr. SMOOT. To certify to the Treasurer of the United States——

Mr. CLAPP. To certify to the Treasurer that the money "has not been expended with reasonable effectiveness," and if they do so certify, then the Secretary may withhold the apportionment?

Mr. SMOOT. I will say to the Senator that that has reference to the maintenance of the road. Section 6 has reference to the maintenance of the road, as I just read. I stopped, however, on page 8, line 5, and did not continue reading the balance of the section; but all of that section has reference to the maintenance of the road.

Mr. BANKHEAD. Mr. President, I will ask the Senator if he does not believe that under the provisions of the substitute the State highway commission would build any kind of a road they wanted to build—a dirt road, a surfaced road, or any other kind?

Mr. SMOOT. No; I do not.

Mr. BANKHEAD. Then I should like to know what would keep them, under the provisions of the bill, from building any sort of a road?

Mr. CLAPP. Of course I should have gone over this substitute with more care before inquiring of the Senator concerning it. What I want to know is, What is the method and the instrumentality to determine the amount which the State may receive from the Federal Government?

Mr. SMOOT. The bill itself provides exactly the amount that each State can receive under the provisions of the bill.

Mr. CLAPP. That is based upon what?

Mr. SMOOT. That is based upon the apportionment found in section 4, under these conditions: The total land area, the population according to the last Federal census, the total assessed valuation of all taxable property, and the total mileage of public roads in each of the several States; and then it provides further that in no single year can more than 20 per cent of the amount apportioned be drawn from the fund.

Mr. CLAPP. Then, no matter how willing a new State might be to assume its share of the burden of the development of highways, its right to participate under this bill is fixed arbitrarily by the terms of the bill?

Mr. SMOOT. It is, Mr. President; not only as to the amount it shall withdraw, but as to the apportionment that is allowed it.

Mr. CLAPP. It seems to me that that is an unfortunate feature, and that was my impression of the bill; but I wanted to be certain as a result of the analysis which the Senator has given.

Mr. SMOOT. I will say to the Senator that if it were otherwise, then one State could in justice complain, perhaps, of the Government extending more aid than it ought to extend to a sister State. Under the plan of the substitute all of the States are upon identically the same footing. The apportionments are made upon the basis of all four of these subdivisions, and I can not conceive of any more just way of apportioning the money than is provided in this substitute.

Mr. CLAPP. It may be just in one sense; but, while it is said that the Federal Government is going to aid the State, I do not see how there is very much aid in this, except in the use of bonds. The Senator says that in 50 years the bonds would pay themselves through the interest; but, of course, the State has to pay the interest.

Mr. SMOOT. But the State can not borrow money for less than 4 per cent, and therefore the State loses nothing, but it does gain the principal of the bond by accepting the credit of the Government of the United States.

Mr. CLAPP. Yes; I can see that, but what I was getting at was this: So long as a State is willing to assume its share, whatever the relative share may be, in proportion to the benefit to be derived from the Federal Government, why ought not the newer State, or the State that has to-day the least roads and the greatest need for increasing its roads, to have the opportunity so long as that State is willing to comply and assume whatever burden the law imposes upon the State as the price of its receiving the benefaction from the Federal Government?

Mr. SMOOT. Well, there has to be a limit somewhere, and the amendment provides that the limit shall be $500,000,000.

Mr. TAGGART. Mr. President——

Mr. SMOOT. I yield to the Senator from Indiana.

Mr. TAGGART. What is the manner of repaying this bonded indebtedness by the various States?

Mr. SMOOT. Amortization, of course, is the plan; but I will say that this is how the bill provides that it shall be done: The bill provides that the time of the annual payment of interest upon the State bonds shall be the same as the time of the annual payment of interest upon the Government bonds. The bonds of the State are deposited with the Government of the United States, and then the amount of money secured by the sale of the same amount of Government bonds is turned over to the State. All the State has to do is to pay the annual interest of 4 per cent upon the amount of money it has received, being the same as the amount of bonds it has deposited.

The Government of the United States takes 3 per cent of that 4 per cent and pays the interest upon the Government bonds that she sold for that State. The remaining 1 per cent is held by the Treasury of the United States. The bill authorizes the investment of that 1 per cent, to draw compound interest. At the end of the 50 years, when the State bonds are due and when the Government bonds are due that were sold to furnish the money to the State for the deposit of its bonds, the fund created by the 1 per cent of interest difference and the profits compounded upon that will pay the bonds, and the Government of the United States will return to the State the canceled bonds of the State.

Mr. TAGGART. By simply the payment of the 4 per cent each year?

Mr. SMOOT. Yes; and there is no question but that that can be done.

Mr. TAGGART. Let me ask the Senator one more question.

Mr. VARDAMAN. Mr. President, will the Senator from Utah permit me to ask him a question?

Mr. SMOOT. Just as soon as the Senator from Indiana has finished his questions.

Mr. TAGGART. I want to ask the Senator if it is not a fact that under the bill, where 20 per cent is permitted to be used

each year, the probabilities are that those States which would have the benefit of the 20 per cent would not use any of their own money for the betterment of the roads, but would use the 20 per cent? In other words, where the 20 per cent was paid from the sale of bonds for the improvement of roads, would there be any other improvements in the State until that 100 per cent in the five years had been expended?

Mr. SMOOT. I think some of the States, of course, would spend more money than the 20 per cent provided for.

Mr. TAGGART. I was just wondering whether it would not stop road building.

Mr. SMOOT. But I will say to the Senator that there is no question but that that 20 per cent would be used before any other road building would be undertaken by the State.

Mr. TAGGART. That is the point I am getting at.

Mr. SMOOT. Because the States, in order to build the roads, have to sell bonds, anyhow, for that purpose, and the States can not sell their bonds for less than 4 per cent; and, of course, when they do that, at the end of whatever period the bonds are issued for, they have to pay back the principal, and in the meantime they have to pay the 4 per cent.

Mr. TAGGART. In the case of a State, most of whose roads are completed, the taxation has been imposed directly on the immediate township or the county for the construction of those roads. Under the bill, as suggested, instead of making it local to the township or county that had already built its roads, part of the 4 per cent would be paid generally by the entire State, would it not?

Mr. SMOOT. By the entire State; and not only that——

Mr. TAGGART. In other words, the men who had not built their roads would be getting the benefit of the taxation of the others for the purpose of building their roads?

Mr. SMOOT. I was going to say to the Senator that there is not a question but that no State in this Union has her road system complete.

Mr. TAGGART. That is true.

Mr. SMOOT. No county in any State in the United States has her road system complete. That was taken under consideration in framing the substitute. All of those things will adjust themselves; and I do not believe it is possible, under the provisions of the substitute, that there will be partiality shown, either to the county or to any State in the Union.

The PRESIDING OFFICER. Does the Senator from Utah now yield to the Senator from Mississippi?

Mr. SMOOT. I yield to the Senator; yes.

Mr. VARDAMAN. Mr. President, I desired to ask the Senator a question some time ago, but I will not ask it at this time. The matter about which I desired to interrogate the Senator from Utah has been fully discussed heretofore; therefore I shall not consume the time of the Senate for a repetition. The thing I most desire just now is a vote on the passage of the bill.

Mr. BANKHEAD. Mr. President, before the Senator takes his seat I hope he will find time to answer the question I asked; and that is, if there is any provision in the substitute that directs in any manner the character of roads which shall be built, and whether they shall be substantial, or how they shall be built? Is there anything in the substitute that would prevent the highway commission, if they desired to do so, from building an ordinary dirt road? The substitute provides for maintenance. Is there anything to keep them from using a large part of this money in filling up mudholes along the roads, as has been so often suggested here? Is there any limitation on that?

Mr. SMOOT. Why, certainly, Mr. President; there is no provision in the substitute for the filling up of mudholes or the repairing of existing roads. The money must be expended for the construction of roads that may be approved by the State road commission; and, Mr. President, there is a section in the substitute providing for the maintenance of roads.

Mr. BANKHEAD. Yes; I know there is.

Mr. SMOOT. But not one dollar of the apportionment of money could go toward the maintenance of the roads. Not only that, but the substitute provides that wherever a State does not expend money for the maintenance of the roads she can not receive the benefits of this measure.

Mr. CURTIS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. Yes.

Mr. CURTIS. Is there any provision in the amendment offered by the Senator from Utah taking care of States where the constitution prohibits the State from engaging in internal improvements, and where that work is left to the counties, townships, and road districts?

Mr. SMOOT. No; Mr. President, there is not; but, of course, if there is any State that has such a provision in its constitution, it can change its constitution so as to fall under the provisions of this act.

Mr. SWANSON. Mr. President, if the Senator will permit me, 24 States in the Union, as found by the joint committee that examined this matter, would have to change their constitutions, and in some of them it would take five or six years. Here are the names of the 24 States, if the Senator wants them, on page 175 of the report of the joint committee that investigated this matter. It is stated there that 24 States would have to make changes in their constitutions before they could get the benefit of this provision, and that in a great many of them it would take long years to change them. I will name the States: Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Indiana, Kentucky, Louisiana, Minnesota, Michigan, Missouri, Nebraska, Nevada, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Texas, Virginia, West Virginia, and Wisconsin. All of those States would have to change their constitutions before they could avail themselves of the provisions of this substitute.

Mr. SMOOT. The most of the States referred to by the Senator have provisions in their constitutions in relation to the amount of indebtedness they can assume. It is based upon the assessed valuation of the property. The substitute provides that no State can receive a benefit under the apportionment made if the indebtedness exceeds 10 per cent of the assessed valuation of the property of the State. I discussed that question Saturday, and I frankly state now that I do not believe that any State in this Union ought to be allowed to assume an indebtedness greater than 10 per cent upon the assessed valuation of its property.

Mr. SWANSON. But the Senator does not catch the point. This does not prohibit the States appropriating money to aid in the construction of roads, which they may do under the committee bill; but these 24 States are prohibited from issuing bonds under the Senator's amendment, which would deprive them of all the privilege of road improvement. Under the bill, as reported by the committee, the States are authorized to appropriate money, but there are 24 States whose constitutions prohibit the issuance of bonds for road improvement.

Mr. SMOOT. Mr. President, I think the Senator is wide of the mark when he makes that statement. Most of the very States that he has referred to and named fall under the limitation of the amount of indebtedness that they can assume. It is true that under the constitution of Arkansas, in article 16, section 1, it is provided that—

> Neither the State nor any city, county, town, or other municipality in this State shall ever loan its credit for any purpose whatever, nor shall any county, city, town, or municipality ever issue any interest-bearing evidence of indebtedness except such bonds as may be authorized by law to provide for and secure the payment of the present existing indebtedness, and the State shall never issue any interest-bearing treasury warrants or scrip.

They are not barred from this bill except temporarily.

Mr. SWANSON. If the Senator will permit me, I was on the joint committee that examined this matter, and we looked into this feature of it. Every Senator can look on page 175 of the report of the joint committee and ascertain the provisions contained in the constitution of his State with reference to this matter. If there is to be any equality and justice in this scheme, it certainly should be delayed until all these 24 States have changed their constitutions so as to permit them to be treated on an equality with the other States.

Mr. SMOOT. That would simply be holding up a proper system of road building, because some State would not or did not change its constitution.

Mr. SWANSON. No; a proper system is a system that will permit the credit of the Government to be used equally for all sections. The Senator comes in here and proposes to start at once a plan of which 24 States can not avail themselves. If that plan is to be adopted, the right course to pursue is to pass the bill reported by the committee, and then, when these States have been given an opportunity to change their constitutions, to let them start on this matter with an equal opportunity of getting the advantages of it.

Mr. SMOOT. Mr. President, we will take Arizona, for instance. If Arizona desires to come under the provisions of the bill—and the provisions of the bill are applicable to all of the States of the Union, and any State in this Union could more than likely change its constitution in order that it might receive the benefits of the provisions of the bill within the time that the bill could get into operation——

Mr. CLAPP. Mr. President——

Mr. SMOOT. Let me finish my statement about this matter, and then I will yield to the Senator.

Mr. CLAPP. Certainly.

Mr. SMOOT. For instance, take Arizona. Article 9, section 5, of the constitution of Arizona reads:

> The State may contract debts to supply the casual deficits or failures in revenues, or to meet expenses not otherwise provided for; but the aggregate amount of such debts, direct and contingent, whether contracted by virtue of one or more laws, or at different periods of time, shall never exceed the sum of $350,000.

Now, if the State of Arizona can not go into debt more than $350,000, she never can build roads to any extent, because $350,000 is not going to build very many roads in the State of Arizona; and therefore, before she can ever begin to establish roads to any extent, she will have to change that provision of her constitution.

Mr. SWANSON. Mr. President, will the Senator yield to me?

Mr. SMOOT. Certainly.

Mr. SWANSON. There is no limitation in any State that I have seen in regard to raising revenue as the committee bill provides to expend in appropriations for roads. These limitations are upon issuing bonds and going in debt for it. Our bill, as reported by the committee, does not require the issuance of bonds; but we think if you are going into the business of issuing bonds, before you take up that measure these 24 States certainly ought to be permitted to change their constitutions and have an equal opportunity with the other 24 States to avail themselves of the provisions of the bill.

Mr. SMOOT. There is nothing in the bill which prevents them from changing their constitutions.

Mr. SWANSON. The legislatures may not be able to make the change for four or five years. In some States it will really take that long. The legislatures in some States meet only once in two years, and in other States only once in four years, and it will be an absolute injustice to them. As I said, at this time it would put 24 States ahead when these conditions exist. Our bill as reported by the committee treats every State with equal justice. If the Senator will come here in five or six years and if Congress will pass a bill so that it will be operative five or six years from now, when every State will have had an equal opportunity, then it would have an element of justice in it. I am not discussing the relative merits, but I say to start now, as this amendment provides, it discriminates against 24 States in the Union by a constitutional provision which they can not get rid of.

Mr. SMOOT. I do not think the Senator is justified in saying that. Take, for instance, the State of Arizona, just cited. She can not build many miles of roads until she changes her constitution anyhow. This bill does not take anything away from her.

Mr. CLAPP. If the Senator will pardon me, there is this distinction. The State of Arizona can build roads under her existing constitution in conjunction with the pending bill of the committee.

Mr. SMOOT. That is because the money is given to the State.

Mr. CLAPP. Yes. I am loath always to question the fairness of a measure that is advocated by the Senator from Utah because I know if there is any man on earth who wants to be fair he does, but now here is where this leads us. It takes in some States five years at least to amend their constitution. At the end of five years those States which can now come under this measure will have had an opportunity to participate in five annual distributions of the benefactions of this proposed amendment. Under that advantage they have built roads which gives them another increased advantage, because under this bill one of the elements which determines the amount of benefit which a State may derive from the bill is the amount of roads which have been built. So you are not only placing from three to five of these annual distributions beyond the reach of the participation of those States that have to amend their constitutions, but in the meantime the States which do not require an amendment to their constitutions have built an increased amount of roads under the bill, and are consequently entitled to a greater participation in the benefits of the bill.

It does seem to me before the Federal Government adopts that plan a reasonable suggestion ought to be made to the States so that they can, if they desire, place themselves in a position where they may simultaneously at the outset come in and avail themselves of the benefit of the bill. To that extent it does really seem to me, I say to the Senator from Utah with a good deal of deference, because I know there is no man in the Senate who has been actuated by a more earnest desire to be absolutely fair in everything, it is placing 24 of these States at a great disadvantage.

Mr. SMOOT. The only disadvantage that there possibly could be would be the length of time it would take to change the constitution. After they change the constitution they can have the full amount of the apportionment for three years. The 20 per cent of previous years is not taken from them. There is no time limit, I will say to the Senator.

Mr. CLAPP. But they could not go back and take their share of the apportionment for those years.

Mr. SMOOT. I will admit under the committee amendment Arizona can build roads to the amount of her apportionment because of the fact that the money is given to her. It is taken out of the Treasury of the United States and given to the State, and, Mr. President, I do not think that is a proper system.

Mr. SWANSON. If the Senator will permit me——

Mr. SMOOT. I ask the Senator to wait just a moment until I get through with this point and then I will yield to the Senator gladly. Under the committee amendment there is no doubt but what the Treasury of the United States will be called upon for $75,000,000, and I want to say to the Senator from Minnesota that that is just the beginning. I believe it will increase before the end of five years. We are commencing with the system of road building in which the Government of the United States takes the money of the people and gives it for road building in a State. We need not deceive ourselves in that regard. It is a donation out and out.

Mr. SWANSON. If the Senator will permit me, this money in the Federal Treasury is the people's money. They pay the taxes and they put it here. If it is a great success and the roads are improved, the country is benefited. I have no doubt they will increase it. If it is not a success, they will not do so. Those of us who advocate this bill believe that this money is the people's money and that it is the best expenditure which can be made of their money. We believe under this bill if it proves a success the donations will be increased and they ought to be increased. If the benefit does not exceed the expense, it ought to stop, and I for one would favor stopping it.

Mr. SMOOT. On that same line of argument I might say that the capitol building of each State ought to be built by the Government of the United States, and if we appropriate money out of the Treasury of the United States for that purpose we could claim in the same way that that is the people's money, and there ought to be appropriations that the capitol building should be built in every State in the Union. Mr. President, I do not believe that ought to be done.

Mr. SWANSON. If the Senator will permit me, there is this distinction: Here is the Government, which has its Rural Delivery System of 45,000 carriers; it has a star-route system. The expense of delivering the mail over the star routes and the rural-delivery routes is dependent on the condition of the roads. We say the Federal Government ought to put these roads in a good condition, so that the star route and the rural-delivery mails can be promptly and cheaply delivered. There is a vast difference in a case where the Government is a vast user of rural-delivery routes and start routes; and, being a user with the State, we say, "The Government will pay its part to put the roads in a good condition."

Mr. SMOOT. The Senator from Virginia should not say that, because there is an amendment now on the committee amendment that he voted against providing that there shall be money appropriated to build roads in the forest-reserves property owned by the Government. The Senator from Virginia voted against the amendment.

Mr. SWANSON. If the Senator will permit me again, I voted against that amendment because I think that the Western States have been generously treated under the provisions of distribution. For the area of Government lands within the State lines a certain amount of money is given. Let me ask the Senator this question——

Mr. SMOOT. Wait, and let me reply to that. The Senator can not say that truthfully, when he knows in some of the States land has been withdrawn to the amount of over 50 per cent of the area of the State, and more miles of road are required to be built through the various reservations to get from one county to another than there would be within the State. The Senator voted against the proposition that 10 per cent of the amount collected from the people of the States for grazing their sheep and their cattle could be used for building roads through the Government-owned property. He was opposed to that.

Mr. SWANSON. If the Senator will yield again, I have made an estimate, and I have an idea that the bill treats all the States with Government land very generously indeed. They get a large proportion.

Mr. SMOOT. All the States are treated alike under my amendment.

Mr. SWANSON. I am not going to be diverted from the discussion. I should like to ask this question. The Senator always advocates fairness. Twenty-four States would have to wait four or five years to get the benefits of the provisions of the Senator's amendment to any appreciable extent. It will require a constitutional amendment. If bonds were issued to the other 24 States, and we should get into a war or an emergency should arise and the Government did not desire to strain its credit further and would repeal this law, those States would have a chance of getting nothing. I insisted, both in committee and on the commission, that if this plan is ever to be devised, it ought to so apply to the future that every State could have an opportunity to start on equal terms. I should like to ask the Senator this question: If you were to sell a billion dollars' worth of United States bonds, and in time of peace strain your credit, and war or other emergency should arise, and you had to sell bonds for that purpose, do you not think that a billion dollars' worth of bonds, in addition to our present indebtedness, would impair the ability of the Government in its war or trouble in using its credit for that purpose?

Mr. SMOOT. No, Mr. President; but the indebtedness that the Government of the United States has of $500,000,000 in this form would not in any way, shape, or form endanger the credit of the United States. The argument is far-fetched.

Mr. SWANSON. My idea is that the Government in time of peace should be very loath to issue bonds. Its credit should be reserved for an emergency, a time of war, or other time of trouble. Consequently I thought the wiser course to pursue in connection with road construction was for the Government to appropriate the money so that it could pay as it went, and then permit the States to supplement that and pay their part of the burden. That is what the committee thought and that has been the conclusion reached in reference to the merits of these two bills.

Mr. SMOOT. Mr. President, if there was any danger of the United States straining its credit or if the $500,000,000 that was to be paid out at the utmost in five years would have a tendency even to bring about that condition, there might be something in the Senator's argument, but there is nothing in it. No $500,000,000 of bonds that will be issued to the States of the Union secured by the bonds of the State are ever going to affect the credit of the United States.

Mr. SWANSON. If the Senator will permit me, he is very apprehensive that an appropriation of $75,000,000, supplemented by at least an equal amount from each State, will go so far as to bankrupt the Government. Now, if we once get to issuing bonds and the State under this plan can issue its own bonds and in 50 years pay nothing, does not the Senator believe that before we get through ten billions of bonds will be issued?

Mr. SMOOT. Not at all.

Mr. SWANSON. If this works successfully and you get all your bonds for nothing, there will be a greater demand for the issue of bonds than there would be to raise the taxes in the State and have them pay an equal amount.

Mr. SMOOT. No; the State is paying interest all the time upon the amount of bonds on deposit with the Government of the United States, and the State is not going to pay any more interest than the people of the State will vote or the people of the State want to expend in the building of roads. So the argument of the Senator falls to the ground by the mere statement.

Mr. President, I do not want to see the Government of the United States go headlong into debt. I would not for one moment approve of any such thing. The sale of these bonds will not interfere with the credit of the United States in time of war, if war should come, the loyalty of the people is sufficient to see that the money necessary for the Government to carry on whatever war it might be called upon to face is furnished.

Mr. CLAPP. If the Senator will pardon me, of course it would not interfere with the people carrying on a war if war came, but it might interfere with Congress carrying on the road proposition if they had already issued a vast amount of bonds when that occasion arose.

The Senator says that $500,000,000 of bonds would in no sense weaken our credit. What the Senator thinks would be the financial effect is not the question. The question is, what might Congress at that time think of continuing this process, and if they did suspend this process, whether injustice will not have been done to 24 States in this Union that can be avoided by adopting the committee bill.

Mr. SMOOT. There is no need of Congress taking action, because the bill itself is guarded. The bonds have to be sold at 3 per cent. Government bonds, in order to raise the money, must be sold at par; and if the bonds can not be sold at par then the Government of the United States can not raise the money.

Mr. CLAPP. Mr. President, these bonds might be sold at par, but it might occur to Congress at that time that the other bonds necessary to use in an emergency could be sold for less if we did not continue to put these 3 per cent bonds on the market.

Mr. SMOOT. When the Government can sell bonds at 3 per cent interest per annum there will be no emergency.

Mr. SWANSON. Will the Senator give us an assurance that there will not be any emergency within four or five years with the bonds selling at 3 per cent?

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. The Senator from Virginia asks me if I can give him an assurance that there will not be an emergency in four or five years. Of course, no one can give that assurance, and that has not anything to do with the bill or the provisions of it—not in the least.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I yield.

Mr. TOWNSEND. May I ask the Senator if he has considered carefully what might possibly be the effect upon lower bonds we have already issued if we would authorize an issue of $500,000,000 at 3 per cent?

Mr. SMOOT. This does not say that the bonds shall be sold. They shall not be sold for less than par, and these bonds will be sold upon the same basis as to the rate of interest as the bonds that are in the market to-day. If there is a premium, they will sell at a premium. But the bill provides that in no case can they be sold for less than par. So that question regulates itself.

Mr. President, all I shall do further is to content myself now by asking for a vote upon the amendment.

Mr. BANKHEAD. We are ready to vote on it.

Mr. SMOOT. I ask for the yeas and nays.

Mr. NORRIS. Mr. President, I know that the substitute offered by the Senator from Utah is offered in the best of faith; that ex-Senator Jonathan Bourne devoted a great deal of time to the consideration of the subject, and that this substitute is the result, or partially the result, of his labors.

Mr. SMOOT. Mr. President, I take it for granted that the Senator was not in the Chamber when I spoke on Saturday. In my opening statement I gave Jonathan Bourne credit above all other men for the preparation of this substitute, and I want now, as I did then, to state that I claim no credit whatever for it. I think the Senator heard me say that last Saturday.

Mr. NORRIS. I was not only in the Chamber on Saturday, but I interrupted the Senator with some questions that I think he has not yet answered. I heard all he said. I do not understand why the Senator makes that statement now with regard to Jonathan Bourne.

Mr. SMOOT. For the reason——

Mr. NORRIS. Does the Senator object to my giving some credit to Jonathan Bourne?

Mr. SMOOT. No; that was not it. It has been referred to a number of times to-day as being the Bourne plan—as I myself said it was—that it was prepared virtually by him, and is the Bourne bill. I did not want the Senators present who were not here Saturday to think for a moment that I was trying to claim any credit for the preparation of the amendment, because I had none other than simply advising with Mr. Bourne at the time he prepared it, but Mr. Bourne gave 21 months of his time night and day to the preparation of it.

Mr. NORRIS. I do not yet understand why the Senator should interrupt me with this statement, unless he does not want me to give credit to Mr. Bourne, which I was about to do when I was interrupted. Nobody has intimated that the Senator from Utah was claiming any credit that was not honestly his.

I was going to say, when I was interrupted, that I have the greatest respect and admiration for ex-Senator Bourne. When he devoted his great ability and energy to any subject he went to the bottom of it. He was noted as being a man of a great deal of ability and a great deal of enthusiasm, and when he took up the study of a question he went into all the details, and he was entitled to a great deal of credit. I wanted to say that much before I proceeded to oppose the adoption of the amendment.

I propounded to the Senator from Utah one or two questions on Saturday in regard to this amendment that he has not yet explained. I am going to take them up. One of them is in

reference to maintenance, and that I will take up second. The other is in reference to the payment of the bonds that are issued for the purpose of building roads. Briefly stated, the proposed substitute bill offered by the Senator from Utah provides that the States shall issue bonds drawing 4 per cent interest; that those bonds shall be deposited with the Treasurer of the United States; that the United States Government shall then issue bonds to the same amount, bearing 3 per cent interest; that the Treasurer of the United States will keep the State bonds—they will not be sold, they will be held by the Federal Government; but that the Federal 3 per cent bonds will be sold on the market at not less than par and with the proceeds of these bonds roads shall be built by the States. Then the Federal Government will turn the money over to the States in a certain proportion and in certain amounts provided for in the substitute, not exceeding in the aggregate $500.000,000.

It is proposed in the substitute that the States shall pay interest on those bonds deposited with the United States Treasurer at the rate of 4 per cent, and that when that interest is paid the Treasurer shall pay 3 per cent, and with that money pay the interest that is due on the Federal 3 per cent bonds. That leaves 1 per cent in the hands of the Treasurer of the United States, and it is the intention out of that 1 per cent to pay the principal of the bonds.

The Senator from Utah said, and he repeated it several times, that the adoption of this proposed substitute bill will not cost the Federal Government one cent. I want to demonstrate that it will cost the Federal Government a great deal of money. The bill provides that on this extra 1 per cent paid to the Federal Treasurer the Federal Government shall allow each State 3 per cent interest compounded semiannually, and it is figured that compounding this semiannually for 50 years, the term of the bonds, it will more than pay the bonds, and thus save the Government harmless. But if the Federal Government is going to pay the States 3 per cent interest on that sinking fund composed of this 1 per cent paid in by the State above the amount expended to pay the interest on the Federal bonds, the Federal Government is going to allow the State interest on that at the rate of 3 per cent compounded semiannually. So, if the Federal Government does not have to pay something, it must put that out at interest or do something with it so that it will bring in the money that it is bound by the bill to pay to the State, namely, 3 per cent interest compounded semiannually. Under the bill the Federal Treasurer has no authority to loan that money out or to invest it in anything except as specifically stated in the bill. These particular bonds are then floating on the market, and if every time he got a million dollars in this sinking fund he could take it up and buy a million dollars' worth of bonds, if the Government had issued these 3 per cent bonds, then he would come out whole, because those bonds draw 3 per cent interest, and the Government is liable for that interest.

But, Mr. President, how do you expect the Treasurer of the United States to buy these bonds? In the first place, especially at the beginning of this great system, the men or the institutions who invest their money in these 3 per cent bonds invest them there because the bonds run a long time, they are 50-year bonds, and they are exempt from taxation. They make, in other words, a permanent investment in these bonds. Would they next year sell them at par? Would they turn them over to the Government under any ordinary conditions and times? These bonds would be selling in the open markets of the world at a premium. They would probably be sold in the first instance at a premium, and it would be unreasonable to expect that the Treasurer of the United States could ever buy those bonds at par. The bill realizes that it provides that he must pay a premium of 2 per cent in order to get the bonds and to get the accrued interest on them.

When that can be done you can readily see that the Federal Government is losing some money. It will pay the State 3 per cent interest compounded semiannually, and it will have to go into the market and pay a premium of 2 per cent in order to retire those bonds. So it is going to lose that 2 per cent. It is liable for 3 per cent. If it buys them at par, it will make itself whole, but whatever premium it has to pay it loses. So the Government is out 2 per cent at least. I do not see how it can be figured any other way.

Again, when the Government issues a million dollars, we will say, this year and buys bonds with it during the next year, perhaps every day in the year accumulations are coming in from the various States of the Union in the way of interest, and the Government must pay, from the day it receives that money, to the State 3 per cent interest on it. So while it is accumulating and getting two million it pays interest.

Mr. LIPPITT. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. LIPPITT. The Senator says that under certain circumstances the Government of the United States might have to pay a premium of 2 per cent for these bonds. It is also possible that under other circumstances it will get those bonds below par.

Mr. NORRIS. Yes; I suppose that would be possible.

Mr. LIPPITT. In that case the Government would make money.

Mr. NORRIS. Yes.

Mr. LIPPITT. So when the Senator says the Government would at least have to pay a premium of 2 per cent, I think while it is possible it is by no means a certainty, as the Senator seems to think.

Mr. NORRIS. It is not only possible but it is probable, and there could be no imaginable condition where it would buy, as the Senator from Rhode Island says, at less than par, unless the very life of the Government was at stake in some catastrophe, either in a civil war or an international war.

Mr. LIPPITT. I will say to the Senator there are a great many contingencies that might arise. There might be a scarcity of money just at a moment when there was a plethora of money in the world. Those conditions do not last always. There is an ebb and flow in those matters. It is not at all impossible, not at all improbable, that over a long period of 50 years there will be more than one occasion where the Government of the United States might be able to buy those bonds at less than par. I just make that suggestion in reply to the Senator's supposition that they would always be at a premium.

Mr. NORRIS. Well, Mr. President, the suggestion which the Senator from Rhode Island makes is possible, but it is altogether improbable, and, in my judgment, can never come about, except under the conditions I have named. Take the 3 per cent bonds, take them all the way back from the very beginning of their issue, during which time, except for a short period during the Civil War when the life of the Nation was at stake—and such a condition as that I concede would put these bonds down probably to less than par—but I think from the time of the issue of those bonds up to the present day there has never been an hour of which I know when 3 per cent bonds would not sell at least at par and for nearly all the time at a premium. So, Mr. President, it is safe to say that the Government would have to pay this premium of 2 per cent, and that it would lose that money, which would come out of the Treasury of the United States and the taxpayers would have to pay it. It is not, therefore, true, as has been said in defense of this substitute, that it would not cost the Government of the United States a penny.

Mr. President, let us take up the question of maintenance. The bill before the Senate provides, not so specifically as I should like to have it, but it provides that the State must maintain these roads, and that it must agree to maintain them before it can get any money from the Federal Treasury. Under this substitute no such agreement is required. In the pending bill there is a provision which requires the use of this money for the building of good, stable roads, a provision by which the Secretary of Agriculture must first pass on the kind of road which it is proposed to build before the Federal money can go into it. Under the substitute it makes no difference what kind of a road the State wants to build, the Federal Government has nothing to say about it. The State can get its proportionate share of this money and build any kind of road it pleases, without any Federal supervision and without any Federal control whatever.

Now, as to maintenance. That is another respect in which I think the substitute is not so good as is the pending bill, because, as I have said, the bill before the Senate provides that the State must agree to maintain these roads and to keep maintaining them, and after formal notice is given if the State does not maintain them, and if within that four months it does not proceed to maintain the roads which the Government has assisted in constructing, then it gets no further money from the Federal Treasury.

But what do we find about the maintenance of roads in the substitute? If you want to again find a refutation of the statement that this substitute will not cost the Government a cent, read section 6 in its entirety, with all these provisos, and you will find there where the Federal Government is called upon to contribute to the State, whether they get any of these bonds or not. The only thing they are required to do is to have done some work in maintaining roads in the State. It is provided—

That on the 1st day of February of each year after the year 1918 the Treasurer of the United States shall pay to the custodian of the public funds of each State—

Not from this road fund—nothing of the kind—but that he shall take the money out of the Treasury—

from any funds in the Treasury not otherwise appropriated an amount of money equal to one-half the amount such State has expended out of its own funds for the maintenance of public roads during the preceding calendar year, but in no case to exceed 2½ per cent of the amount of State bonds said State has deposited with the Treasurer of the United States under the provisions of this act.

Then there is a proviso near the end of the section which reads:

*Provided*, That if any State shall fail to issue bonds as provided in section 5 hereof it shall nevertheless be entitled during the period such failure to issue bonds shall continue, subject to all the conditions and limitations set forth in this section, to receive the maintenance fund provided for in this section; but in no case shall such maintenance fund exceed the amount which such State would have been entitled to receive if it had issued the bonds authorized by section 5 hereof.

Whether or not it takes advantage of this substitute, if it becomes a law, to get a part of the money from the sale of the bonds, there is not a State in the Union but spends millions of dollars in the maintenance of roads within its borders, and under this proposed substitute one-half of what the State would spend it could get from the Treasury of the United States, and it would come out of the taxpayers of the country.

Mr. President, it is fair to assume that all of these $500,000,000 of bonds will be issued. It may be several years before it will be done, but eventually they will all be issued. Then we would have to pay to the States of the Union yearly out of the Treasury of the United States a direct payment of 2½ per cent on those bonds, because it is the limitation of the amount that the States can get for maintenance. There is not any doubt but that each State would pay out of its own funds, as it would have to do under any ordinary circumstances, much more than would give it the right to get the maximum amount from the Federal Treasury for maintenance.

But, Mr. President, it does not end with one year; that does not end the time when these bonds are all issued; but it goes on during all eternity, unless this law should be repealed. There is no end to it.

What would it amount to each year? I have just computed it here. After the act came into full operation it would amount to $12,500,000 every year. That is not out of these bonds, Senators; that is not coming from the interest on these State bonds or anything of that kind, but it is coming out of the Federal Treasury. It would come out of the Federal Treasury if there never was a bond issued. Every State can get that, whether it issues bonds or whether it does not. All it has got to show is that it has spent money during the previous year for the maintenance of its roads. That would give it the 2½ per cent; would give it the amount that I have named.

Mr. President, there is another weakness of the substitute that would cost a great deal of money. That is another refutation of the charge that this would not cost the Government one cent. I have already shown that it would cost the Government many millions of dollars, and a permanent appropriation through all time of $12,500,000 annually. That would not end even when the 50 years were up and these bonds were all paid off, unless the law were repealed.

There is, however, still another provision. This substitute provides for a highway commission, rather an ornamental body. It is stated in the bill that it has only a supervisory capacity. About the only thing it does definitely is to take the statistics, than anybody can get from the census, and figure out what each State should get. That has already been figured out and is already in the RECORD several times, and it would be a very easy matter to figure just to a cent how much a State would get when you knew the area of the State, its population, its taxable property, and the miles of road that it has. Those are the four things that must be averaged and taken into consideration in order to determine what a State will get.

This highway commission that is to do the figuring is composed of two members of the Senate committee and two members of the House Committee on Post Offices and Post Roads. That makes four. They would constitute a majority. One of them belongs to the majority party and one of them to the minority party. The commissioner of good roads would be another one and the engineer from the War Department would be the sixth. So these four Members of Congress, who do not know any more about good roads than do we, would always constitute a majority of that commission. After they had performed the duty which I have described and figured out the data—they would probably employ a clerk to do that—after they had figured out how much each State would get each year, then this is what they might do. I want to read the section.

SEC. 7. That there is hereby created a United States highway commission, to be composed of the chairman and ranking minority member of the Senate Committee on Post Offices and Post Roads, the chairman and ranking minority member of the House Committee on Roads, the Director of the Office of Public Roads, and a United States Army engineer to be detailed from time to time by the Secretary of War. Such commission shall have only an advisory voice in the expenditure of the United States highway fund in the several States.

They could advise, but their advice might be followed or it might not be, as the proper parties saw fit, and probably in most instances it would not be followed.

It shall have its head office—

Now, listen to this—

It shall have its head office in the District of Columbia, but may create highway divisions, never exceeding in number one for each State, and may maintain a division office in charge of a United States highway engineer in each division. Said commission shall have power to employ such clerical and expert assistance as may be provided for by appropriations made by Congress from time to time, and may require the assistance and cooperation of the officers and employees of any department in its work.

Mr. President, that would be a haven of rest for all of the "lame ducks" that ever go out of Congress. There would be or could be under that provision a highway commission established in each State, and undoubtedly there would be also one in the District of Columbia, with a man in charge in each State, with as many clerks and other employees as the highway commission might designate, and with four Members of Congress, meeting the thousands and thousands of applications for positions, and no civil-service law to control the matter. It would be the greatest place in the world to dole out to the various political machines and political bosses over the country safe places for faithful servants to draw upon the Federal Treasury a salary not fixed by law, but fixed by the same men who select the officers to fill the offices.

Mr. President, it seems to me that all this ought to defeat any proposition. To let the bars down in that kind of way and to permit a commission controlled by four men from Congress to establish 49 offices in the various States of the Union, with unlimited salaries and with unlimited numbers of employees, ought to be enough, it seems to me, to defeat any proposition which contained that kind of a provision.

For that reason, as well as for the others which I have outlined, it seems to me that the substitute ought to be defeated.

The PRESIDING OFFICER. The question is on the amendment offered as a substitute by the Senator from Utah [Mr. SMOOT] for the committee amendment.

Mr. SMOOT. On that I call for the yeas and nays.

Mr. TOWNSEND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Gronna | Nelson | Smith, Md. |
| Bankhead | Hardwick | Norris | Smoot |
| Brady | Hitchcock | O'Gorman | Sterling |
| Broussard | Johnson, Me. | Overman | Sutherland |
| Catron | Jones | Owen | Swanson |
| Chilton | Kenyon | Page | Thomas |
| Clapp | La Follette | Phelan | Townsend |
| Clarke, Ark. | Lane | Poindexter | Underwood |
| Colt | Lea, Tenn. | Ransdell | Vardaman |
| Culberson | Lee, Md. | Saulsbury | Wadsworth |
| Curtis | Lewis | Shafroth | Walsh |
| Dillingham | Lippitt | Sheppard | Warren |
| Fletcher | Martin, Va. | Sherman | Williams |
| Gallinger | Martine, N. J. | Simmons | |
| Gore | Myers | Smith, Ga. | |

Mr. CHILTON. I desire to announce, for the day, that my colleague [Mr. GOFF] is absent on account of illness.

Mr. BROUSSARD. I have been requested to state that the Senator from Oregon [Mr. CHAMBERLAIN] is absent on official business.

The PRESIDING OFFICER. Fifty-eight Senators having answered to their names, a quorum is present. The question is on the amendment, in the nature of a substitute, offered by the Senator from Utah [Mr. SMOOT] to the amendment reported by the committee.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I again announce my pair with the Senator from New Mexico [Mr. FALL] and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. TILLMAN (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Arkansas [Mr. ROBINSON], I vote "nay."

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. In his absence I withhold my vote.

Mr. WADSWORTH (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. HOLLIS]. I transfer that pair to the Senator from Ohio [Mr. HARDING] and vote "yea."

Mr. WILLIAMS (when his name was called). Repeating my announcement made on the last roll call, I vote "nay."

The roll call was concluded.

Mr. TOWNSEND (after having voted in the negative). I transfer my pair with the junior Senator from Florida [Mr. BRYAN] to the senior Senator from Idaho [Mr. BORAH] and allow my vote to stand.

Mr. MYERS. I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the Senator from New Jersey [Mr. HUGHES] and vote "nay."

Mr. OVERMAN (after having voted in the negative). I inquire if the junior Senator from Wyoming [Mr. WARREN] has voted?

The PRESIDING OFFICER. He has not.

Mr. OVERMAN. I withdraw my vote, having a general pair with that Senator.

Mr. BECKHAM. I transfer my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Indiana [Mr. TAGGART] and vote "nay."

Mr. REED. I have a pair with the Senator from Michigan [Mr. SMITH], but I understand if he were present he would vote as I am about to vote, and I therefore feel at liberty to cast my vote. I vote "nay."

Mr. WEEKS. I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the senior Senator from Iowa [Mr. CUMMINS] and vote "yea."

Mr. WADSWORTH. In view of the return of the junior Senator from New Hampshire [Mr. HOLLIS], I withdraw the announcement of the transfer of my pair with him to the senior Senator from Iowa [Mr. CUMMINS] and will allow my vote to stand.

Mr. UNDERWOOD. I transfer my pair with the Senator from Ohio [Mr. HARDING] to the Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. BROUSSARD. I desire again to announce that the Senator from Oregon [Mr. CHAMBERLAIN] is detained from the Chamber on account of official business.

Mr. HITCHCOCK (after having voted in the negative). I transfer my pair with the Senator from Maine [Mr. BURLEIGH] to the Senator from Illinois [Mr. LEWIS] and allow my vote to stand.

Mr. CURTIS. I am requested to announce that the Senator from Wyoming [Mr. CLARK] is paired with the Senator from Missouri [Mr. STONE].

The result was announced—yeas 20, nays 47, as follows:

YEAS—20.

| | | | |
|---|---|---|---|
| Brady | Gallinger | Lippitt | Smoot |
| Brandegee | Gronna | Lodge | Sutherland |
| Colt | Jones | Oliver | Wadsworth |
| Curtis | Kenyon | Page | Weeks |
| Dillingham | Lane | Sherman | Works |

NAYS—47.

| | | | |
|---|---|---|---|
| Ashurst | Hollis | Owen | Smith, Ga. |
| Bankhead | Johnson, Me. | Phelan | Smith, Md. |
| Beckham | Kern | Pittman | Smith, S. C. |
| Broussard | La Follette | Poindexter | Sterling |
| Catron | Lea, Tenn. | Pomerene | Swanson |
| Clapp | Lee, Md. | Ransdell | Tillman |
| Clarke, Ark. | Martin, Va. | Reed | Townsend |
| Culberson | Martine, N. J. | Saulsbury | Underwood |
| Fletcher | Myers | Shafroth | Vardaman |
| Gore | Nelson | Sheppard | Walsh |
| Hardwick | Norris | Shields | Williams |
| Hitchcock | O'Gorman | Simmons | |

NOT VOTING—29.

| | | | |
|---|---|---|---|
| Borah | Fall | McCumber | Stone |
| Bryan | Goff | McLean | Taggart |
| Burleigh | Harding | Newlands | Thomas |
| Chamberlain | Hughes | Overman | Thompson |
| Chilton | Husting | Penrose | Warren |
| Clark, Wyo. | James | Robinson | |
| Cummins | Johnson, S. Dak. | Smith, Ariz. | |
| du Pont | Lewis | Smith, Mich. | |

So Mr. SMOOT's amendment to the amendment of the committee was rejected.

Mr. LIPPITT. Mr. President, I had hoped that the amendment offered by the Senator from Utah [Mr. SMOOT] might have prevailed. It seemed to me like a scientific and business-like method of distributing national aid for good roads to the States; and if it had prevailed, I should have been glad to vote for the bill. As the bill now stands I can not vote for it.

I have had prepared a table showing the amount of the $25,000,000 that each State would receive under the conditions of this bill, and also showing the amount that each State would pay if this money were collected under the provisions of the corporation and income taxes. This table shows that 36 States receive more than they would pay, and that 13 States pay more than they would receive. Of those 13 States that pay more than they receive, the States of Massachusetts, New York, and Pennsylvania will pay $12,948,750, or more than 50 per cent of the entire amount. Of the total amount of $75,000,000 that is proposed to be appropriated by this bill, those three States would pay a little over $38,000,000.

It seems to me that under the showing of that table this bill is a "pork-barrel" proposition that makes the most extravagant river and harbor bill look like an infant industry. I think if the conditions were reversed, and 36 States paid more than they received, and those 3 States received more than 50 per cent of the benefit, it would be as difficult to get this bill through this body as under the present conditions it is easy.

I ask to have this table printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The table referred to is as follows:

*Table showing the amounts each State would receive out of each $25,000,000 appropriated for good roads as proposed in House bill No. 7617, and the amount each State pays of $25,000,000 collected under the corporation and income taxes.*

| | States that pay less than they receive. | Amount each State would receive. | States that pay more than they receive. |
|---|---|---|---|
| Alabama | $81,500 | $536,000 | |
| Arizona | 39,250 | 358,750 | |
| Arkansas | 39,500 | 424,250 | |
| California | | 778,750 | $891,250 |
| Colorado | 175,000 | 434,000 | |
| Connecticut | | 159,500 | 400,000 |
| Delaware | | 41,500 | 88,000 |
| Florida | 71,500 | 280,250 | |
| Georgia | 137,500 | 693,250 | |
| Idaho | 29,750 | 313,750 | |
| Illinois | | 1,144,000 | 1,762,500 |
| Indiana | 308,500 | 703,000 | |
| Iowa | 228,500 | 753,500 | |
| Kansas | 173,000 | 743,750 | |
| Kentucky | 196,500 | 503,000 | |
| Louisiana | 164,000 | 339,750 | |
| Maine | 148,000 | 243,750 | |
| Maryland | | 220,750 | 318,500 |
| Massachusetts | | 380,000 | 1,413,750 |
| Michigan | | 753,250 | 908,250 |
| Minnesota | 556,000 | 730,250 | |
| Mississippi | 33,000 | 457,000 | |
| Missouri | 633,750 | 877,750 | |
| Montana | 57,750 | 504,250 | |
| Nebraska | 87,500 | 553,500 | |
| Nevada | 25,750 | 334,750 | |
| New Hampshire | 52,250 | 108,250 | |
| New Jersey | | 304,000 | 833,250 |
| New Mexico | 16,500 | 411,750 | |
| New York | | 1,292,500 | 8,615,000 |
| North Carolina | 118,750 | 582,000 | |
| North Dakota | 20,250 | 392,000 | |
| Ohio | | 968,500 | 1,255,250 |
| Oklahoma | 126,750 | 591,250 | |
| Oregon | 95,250 | 407,250 | |
| Pennsylvania | | 1,195,250 | 2,920,000 |
| Rhode Island | | 60,250 | 221,500 |
| South Carolina | 50,250 | 370,500 | |
| South Dakota | 23,000 | 418,750 | |
| Tennessee | 127,500 | 591,250 | |
| Texas | 326,750 | 1,505,250 | |
| Utah | 81,250 | 289,750 | |
| Vermont | 60,500 | 118,000 | |
| Virginia | 195,500 | 510,000 | |
| Washington | 160,500 | 366,250 | |
| West Virginia | 155,000 | 275,250 | |
| Wisconsin | 272,750 | 661,000 | |
| Wyoming | 20,500 | 318,750 | |
| Alaska, District of Columbia, and Hawaii | | | 238,750 |
| Total | 5,109,570 | 25,000,000 | 19,866,000 |

Mr. NELSON. Mr. President, time and again during this session I have heard it stated and reiterated that certain States pay a large share of the income tax. I have heard so much of it that I am getting tired of it.

What has enabled these States to pay these income taxes? Why, they have been drawing them from the whole country. If we penned up Massachusetts or New York or Rhode Island and shut them off from the rest of the country, they would not have any big incomes. What enables them to pile up money in these Eastern States and in the large cities but the fact that they have the whole country to draw upon? Yet they are parading before us the fact that they pay these big income taxes. What has enabled them to pay these taxes but the fact that they have been able to pile up these fortunes by drawing them from the rest of us? They ought to remember that.

When you speak about the great fortunes that you have piled up and the great income taxes you are paying you should remember that you have not gotten those from Europe. You have

gotten them from the American people by selling them your products. We consumers in the West have helped you to pile up those fortunes; and why should you parade them before us and say that you are paying more than your share? You are simply paying back, in the form of taxes, a part of that which we have enabled you to put in your pockets. That is all there is to it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes."

INDIAN APPROPRIATIONS.

Mr. ASHURST. I ask unanimous consent that the Senate proceed to the consideration of the conference report on the Indian appropriation bill.

The VICE PRESIDENT. Is there any objection?

Mr. SUTHERLAND. What was the request, Mr. President? I did not hear it.

The VICE PRESIDENT. To proceed with the consideration of the conference report on the Indian appropriation bill.

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917.

Mr. ASHURST. Mr. President, I know that there are two Senators who are opposed to the conference report, both of whom wish to speak against it. I do not want to have the report adopted in their absence. I do not think it would be good faith; so I think I ought to suggest the absence of a quorum, in order that they may have an opportunity to be heard against the report.

I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Gronna | Norris | Smoot |
| Bankhead | Hardwick | O'Gorman | Stone |
| Beckham | Hollis | Oliver | Sutherland |
| Brady | Husting | Overman | Swanson |
| Brandegee | Johnson, Me. | Owen | Thomas |
| Broussard | Jones | Page | Thompson |
| Catron | Kenyon | Phelan | Townsend |
| Chilton | Kern | Pittman | Underwood |
| Clapp | La Follette | Pomerene | Vardaman |
| Clarke, Ark. | Lane | Ransdell | Wadsworth |
| Colt | Lea, Tenn. | Reed | Walsh |
| Culberson | Lee, Md. | Saulsbury | Warren |
| Curtis | Lippitt | Sheppard | Weeks |
| Dillingham | Martin, Va. | Sherman | Williams |
| Fletcher | Martine, N. J. | Shields | Works |
| Gallinger | Myers | Simmons | |
| Gore | Nelson | Smith, Md. | |

The VICE PRESIDENT. Sixty-six Senators have answered to the roll call. There is a quorum present. The question is on agreeing to the conference report.

Mr. LANE. Mr. President, before the report is finally adopted or rejected I wish to make a correction in the statement which the Senator from Arizona [Mr. ASHURST] made a few days ago, when this report was first submitted. The Senator said that under the amendment offered by me, providing for the inauguration of a new system of bookkeeping in the Indian Bureau by the Bureau of Efficiency there would be considerable expense involved; that a considerable sum of money would have to be expended in placing the new set of books in operation. I am informed, and so stated when I submitted the amendment, that it would not cost anything; that this bureau was already provided for, and that there would be no expense except that of the ordinary work which they are engaged in doing, whether they are engaged upon that particular task or not.

I also understood at the time, or I was informed before the report was submitted here, that it did not meet with the approbation of the Indian Bureau, and that they would defeat the bill if necessary to keep the amendment out of it. I got that information reliably. I see no reason why there should be an objection made to inaugurating a better system of bookkeeping in the Indian Bureau, which handles some eight or nine hundred millions or perhaps a billion dollars' worth of property belonging to a people who are helpless wards. I do not see any reason why there should be any objection to having the accounts kept in such a manner that the Senate and the Congress may know what they are doing when they make appropriations for the support of that department.

As a matter of fact, as nearly as I can ascertain, there has been no experting of those books since they were installed 60 or 70 years ago, since the department first began its work. There has been no balance taken, nor, it seems, can there be one made at this time; and it seemed to me that that was a mere matter of justice to the Congress—who are responsible in part, and in fact held responsible ultimately, for the legislation which carries on the work of that bureau—to have this done.

I do not think that the Senate or the majority of the Members of Congress of either House understand the status of the Indian. The Indian is a ward. He is a "mute and inglorious" ward. He has no voice in regard to his personal liberty or the manner in which his property is handled. He can not buy property; he can not lease his property, nor dispose of it in any way. He is without liberty, for the reason that he is confined to the reservation. His property is handled for him by guardians who are maintained in large part at his expense. In the management of the affairs of the Indians Congress makes appropriations of ten, eleven, or twelve million dollars a year, and I understand that is but a tithe of the expenditure; that hundreds of thousands of dollars and millions of dollars worth of property are handled without any accounting at all, without ever being brought into Congress or within the reach of Congress.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Colorado?

Mr. LANE. I do.

Mr. THOMAS. I want to suggest to the Senator that we have a Committee on Expenditures in the Interior Department, at the head of which is one of the most capable accountants in the United States—a man who seems to have abundant leisure. I suggest that he be requested to take some active part in this question, and inquire into it and report to the Senate his conclusions after a full and careful and exhaustive examination of expenditures in the Interior Department. Of course, I refer to the Senator from Utah [Mr. SMOOT].

Mr. LANE. I have an idea that if the Senator from Utah set to work upon analyzing these accounts he would not quit until he arrived at some definite conclusion. I have that confidence in him from three years' observation of his work here, and I am sorry that some one like the Senator from Utah has not had hold of it before.

The actual condition which presents itself, in a general way, is this: Some tribes have a great deal of property but no available cash. Some even have cash, but it is not available to them personally, although to their credit in the Treasury of the United States. There are Indians in one such tribe whose tribal holdings are valued at $40,000 per capita for each Indian belonging to the tribe. The baby that was born yesterday is worth $40,000 in its tribal rights, and the old man who dies tomorrow is worth the same; and, in addition to that, they have allotments. Yet some of those Indians, the old and the crippled, go hungry; they actually go without enough to eat, for the reason that they are unable to procure it. It is an anomalous state of affairs. It is wrong. There must be something wrong in the management of the affairs of a ward worth $40,000 that he should go hungry, that he should go cold in winter for lack of shelter and for lack of clothing.

It is against that sort of management of the affairs of a people who are voiceless that I make a protest, and against the continuance of that method of handling their affairs. I do that without prejudice to anyone, and without any desire to find fault; yet, being a member of the committee and a Member of this body, I am in part responsible if I allow it to continue without attempting to stop it. That is all I wish to do—to stop it, or to direct it into a channel where the helpless ward, the unfortunate, the ignorant, the person who neither speaks, reads, nor writes our language, who is at the mercy of his guardian and the trustee of his person and his property, may have an opportunity at least to get enough to eat.

There is one reservation in one of the States where $750,000 is appropriated out of the tribal funds, or, at least, made a mortgage upon the lands, for putting in a reclamation project—and it is in the bill at this time—where many of the members of that tribe are eating out of swill barrels, are actually going around and hunting swill barrels and picking up crusts of bread and cast-away potatoes and getting such scraps as will keep them from dying of starvation. There is something wrong about that. Without reflecting upon anybody, that is no way in which to administer the estate of helpless people, of wards—

wards who are tied down onto a reservation and may not depart therefrom, but have to keep within circumscribed limits and are forced to live under those conditions.

If they were given their freedom, if they were given an education, if they were given means with which to take care of themselves, and then they frittered it away and came to poverty, it might be said that they had had a fair chance, and it was "up to them." But not being allowed these opportunities, the responsibility rests elsewhere, and it rests in part right upon the good gentlemen who constitute this body, if you please. The majority of the Members of this body are ignorant of conditions; yet, if the conditions do exist and have existed for years, and go on year after year without any remedy, there comes a time, or there ought to come a time, when the thing should be stopped, or at least when a change should be made, or at least when knowledge should be given to the Members of the Senate of the facts as they exist; and then, if they do not object to them, the responsibility rests rightfully upon them.

I have been told that there is an official report in the possession of the Indian Bureau which states that if the present condition of affairs upon one reservation continues to exist, if there are not radical changes made in the method of handling the affairs of a certain tribe of Indians—and I refer to the Blackfeet Indians of Montana—it is but a matter of time, and not a long time, at that, until the Indians on that reservation will become extinct. They will have been exterminated, through no fault of their own. Those Indians, in the days when I was a boy, were a hardy people who cared for themselves, and they were an able-bodied tribe, too, to whom you had to pay respect if you traveled through their country. They were fighters. But now they have become so pitifully poor that they go hungry. The children die of disease resulting from inanition, from lack of sufficient food to give them vitality to fight off the most ordinary sickness. They live in squalor that is unbelievable, herded in huts without bedding, lying upon rags on the ground, 60 per cent of them tubercular, and 80 per cent of them going blind from trachoma, forced into huts in close contact with one another to keep from dying of cold; and at the same time their property has been mortgaged and a million of dollars has been expended in building a reclamation system which, when it is finished, will probably not be worth one dollar to them. They are barehanded and in hunger and in rags.

Such a condition should not exist. It is worse elsewhere, I am told, and better in some instances; but no such condition should exist. They have no opportunity to improve themselves. Upon that reservation not half of the children have school facilities. Not half of the little children that are now growing up to manhood and womanhood have the opportunity to learn the English language or to do anything in the world. They live at times upon prairie dogs, and are glad to get a skunk for dinner. Now, how can they ever improve? How are we civilizing those people? We are not doing it. We are simply neglecting our duty.

This conference report which is before us to-day upon the bill will pass, perhaps, in lieu of any other measure. Although I offered one abolishing the whole bureau, getting them off of the backs of the Indians, it will not pass at this time, for the reason that the sentiment of the Senate and Congress is not worked up to that point. I think it will come later. But how are these little folks who are growing up ever to escape from that condition, in a climate where it frosts nearly every night in the summer, where the very oats frost down in summer?

We have bought them some cattle lately, and their condition will be somewhat ameliorated by the sale of certain of their irrigable lands at a price, it was estimated in the beginning, of from $2.50 to $10 an acre, while the land just over across the line, the dry and unirrigated land of the white man, sold for $10 an acre. They may after a while, in the cattle business, pull out, but they can not do it farming, for they know nothing of farming, and have no means of ever learning farming.

Those Indians, a number of years ago, were a fairly prosperous tribe. They had cattle upon the range; but, like all Indians, they were improvident, and they did not put up hay, and there came a hard winter. Now, I want you to note this statement as being rather indicative of the manner in which we have handled their affairs. It was stated before the committee that one hard winter they lost nearly all their cattle. They died of starvation or froze to death. Some of them froze to death right at the supply of hay. It was so cold that they chilled and died with food in them, and that is a rare thing to happen to range cattle. But as soon as the majority of the cattle were dead, the Government, which had been furnishing rations to some of those Indians, withdrew the rations, and stopped feeding them just at the time when they needed it most. That forced them to sell their few remaining cattle; and it was testified before the Indian Affairs Committee at one of our hearings a short time ago that some of those traders made 1,000 per cent on the purchase of the cattle from the unfortunate, starving people.

Right then, it seems to me, as a civilized nation, as a nation which sets itself up as one of the greatest in the world, we should have gone to their relief; we should have made them a loan; we should have loaned them rations until they got upon their feet again. The result was, however, disastrous, and they have remained in that unfortunate condition ever since, dying, dying.

This is no new matter. Twenty years ago there was an inspector who visited all of these reservations—more than I shall refer to—and reported the actual conditions as they existed, and he was "fired" by telegraphic message for doing it. You can take his reports made then, at a time when McKinley was President, and redate them down to this day of the month, 1916, and locate them on the same reservation, and 99 per cent of the statements will fit the conditions as they existed at that time. The statements will fit to-day the conditions as they existed at that time. There has not been improvement. That inspector was ex-Gov. McConnell, of Idaho. I know him personally, and he is an able business man, and it is interesting to read his reports and see how they fit conditions as they still exist.

A little Indian woman came in the other day from one of the Western States to our committee and stated that she wanted to buy some "dead allotments"—that is, allotments which had belonged to an Indian who had died. She had 40 acres of land which lay near an irrigating ditch. We asked her if she had no more land than that. She said she had no home, she was without means of operating the land, as I understood her, which she told us she had been allotted by the department. I do not know whether it was a joke or not—it seemed to be a bit sarcastic at any rate—but they gave her 160 acres of pasture lands 50 miles from the former allotment. Just imagine driving cows back and forth morning and night for milking 50 miles each way! But this case is not peculiar. There are other cases that are similar to be found on other reservations.

A short time ago there came a delegation of Indians to the Indian Affairs Committee in relation to the sale of oil and gas land on the Osage Reservation. The gas lands had been leased for 10 years prior to some time in March this year to certain gentlemen, who paid the Indians one-twentieth of a cent per cubic thousand feet for gas; that is, in order words, the lessee received 2,000,000 cubic feet of gas for a dollar. I was looking over my bills this morning and find that I pay $1 for 1,000 cubic feet. Here were certain men who received 2,000,000 cubic feet for $1. Under the new terms which were provided by the Bureau of Indian Affairs for the ensuing 10 years these certain individuals and they were to be assigned the lands—they were not to be sold at public auction or in open market or in competition.

They were to be assigned to the same gentleman for the munificent sum of a half cent per cubic thousand feet; that is, 200,000 cubic feet of gas for a dollar. The gas was worth about 18 cents at the mouth of the well. It is hard to believe yet it is true.

I had passed to me a letter the other day which was written to the chairman of the committee by the Hon. Joseph H. Choate relating to proposed legislation for the administration of Indian affairs. It seems he is the honorary president of the Indian Rights Association, and he criticized me and others for putting in bills before Congress to change the conditions or to abolish them—to get rid of them, if you please—to free the Indians from such conditions, and he criticized me for having put in such a bill.

It would seem to me that here was a very fair opportunity for him to exercise some of his legal ability in securing those rights to the Indians. These lands were to go out at half a cent, we will say, per thousand cubic feet; but about that time there came along a man who had a factory located near these gas wells, and he made an offer of 3 cents per thousand cubic feet. That raised the price to all the other assignees. The gentlemen who were to be assigned this one-half-a-cent gas had to pay 3 cents for it. In assigning these lands, however, this outsider who had intruded himself was like the Indian woman's pasture, assigned land so far away from his factory that he could not use it, and he became rather out of humor about it.

So he went back, I am informed, and made an offer of 3½ cents for the gas, and in addition $50,000 as a premium for the use of that land. He took the precaution to take an attorney with him and a stenographer took down his statements. A little later he was sent for and was assigned the land he applied for, not at 3½ cents and $50,000 bonus, but at 3 cents flat per cubic thousand feet.

They cut his bid. They called his bluff. They would not take any $50,000 bonus; they declined the bonus and spurned the extra half cent raise in the price for gas.

The oil-land leases are sold on a plan or system by which this land is leased to the person who will pay one-fifth or one-sixth royalty or percentage of the production of the property, and in addition to that pay the highest premium for the privilege of operating it. But it must be cash. That naturally eliminates any one who has not the cash. It also eliminates the man who is not thoroughly familiar with the amount of flow which comes from each well, and places the majority of the people of the country at a disadvantage if they desire to operate oil wells.

But this was insisted upon. I wanted to have a method adopted whereby the lands would be leased upon a percentage of production of the land in the way of oil and rating it along as the value of the wells rose and fell. A well which flows a certain number of barrels a day six months from now will depreciate, perhaps. The simple royalty plan would follow equitably; it would provide for the small well of 3 or 4 barrels per day, and the gusher, if you please, the well which produced a thousand barrels a day. I took that up with the department through the committee. They answered me very politely by saying I was not informed on the subject and that I spoke without authority, but the plan would take care equitably of the owners of the property and the lessees of the property as well. That was not, however, adopted. The old bonus plan was followed, and now I have before me a statement from a gentleman who bid 52½ per cent royalty on a property which was rated by the Indian Bureau as yielding 109 barrels a day, and which he stated he found afterwards really yielded 165 barrels a day. That well and that property sold for $50,000 bonus and one-fifth royalty.

The bonus will be repaid in less than a year if the land continues to yield as it now does. One well is now flowing 165 barrels a day, I am informed, and the $50,000 bonus covers all other wells to be drilled on that property.

The Indians will lose heavily, if that statement is true, by having had to accept a $50,000 bonus and a one-fifth royalty in place of the 52½ per cent tendered royalty on the flow of the entire tract. No man knows how many hundred thousands of dollars will come out of the Indians by that deal.

So the Indians' property is handled, and I do not see how anyone could oppose a measure to remedy it.

The council meetings where such sales were agreed upon were held in secret at the Indian Bureau. One-half the Indians who composed the council were ignorant Indians who did not read or write or speak or understand the English language, and were placed under oath not to impart to their fellow tribesmen whom they represented what kind of a bargain they were making in the sale of their lands on such terms, and it is not pleasant to contemplate such proceedings.

A short time ago, or within a couple of years, there came a complaint from the Indians in Wisconsin or Michigan—I have forgotten which State—that under the terms of their contract with a large lumber company the company was confined to a certain territory in logging off timber, but the lumber company went over the line and cut other of the Indians' timber. These men were accused by the bureau of having "trespassed" upon that land in the cutting of thousands and thousands of feet of timber belonging to the Indians. What did the department do? I am relating this to you to show you why I have protested in so many instances against this sort of management of Indian affairs. Out in our country, if you go over the line and cut another man's timber and haul it off and use it for your own use, he does not like it; he resents it. He does not call it a trespass. He calls it stealing, and it is brought to the attention of the sheriff and the grand jury. But in this case it was called a "trespass," and the bureau sent a man out to count the stumps from which the "trespasser" had cut off the trees and removed the timber.

As I said, in the West if a man steals your timber you do not go out and count the stumps and hold a conference with him to see whether he will pay for it or not, but here the Indian Bureau sent out an inspector into Wisconsin or Michigan to count the stumps, to see how many trees, how much timber this company had taken, and then settled with them—compromised it. Such a compromise in our country would be called compounding a felony. I have not much confidence in that kind of method of handling affairs of a people who are without voice and are helpless wards. It is without prejudice that I wish to put a stop to such work. If it did not result so disastrously and were not so pitiable in its results, if it did not lead to poverty and hunger, even to death and to the ruination of a race of people who under proper handling and with proper treatment and encouragement might become one of the strongest factors in the civilization of this country, I would not care so much about it.

There was presented to me a day or two ago a plea addressed to the Senate as a judicial body for justice to the Indians, setting forth some of the conditions as they relate to the affairs of the Osages. I wish to present it as a part of my remarks. It throws a side light upon the subject.

The Committee on Indian Affairs personally can not know all about the management of the affairs of the Indians without full data. It is impossible for them to do so. Pressed upon one hand and another by differing duties, with confusion in the committee in regard to facts which are not presented to it in full, it will never be possible, in my opinion, to secure good, honest, and wholesome management, or even an intelligent management of Indian affairs unless the present system is radically changed or abolished, and the sooner we change it or abolish it the better.

I present this communication to be printed, if there is no objection, as a part of my remarks.

The PRESIDING OFFICER (Mr. KERN in the chair). Without objection, it will be printed.

The communication referred to is as follows:

WILL THE COURT (THE CONGRESS OF THE UNITED STATES) APPROVE OF THE REPORT OF ITS GUARDIAN (THE DEPARTMENT OF THE INTERIOR) IN HANDLING THE PROPERTY OF ITS WARDS (THE OSAGE TRIBE)?

The Supreme Court of the United States has repeatedly held that the relation between the Government and the American Indian is that of guardian and ward. By analogy the Congress of the United States, which created the Department of the Interior, is the court, and the Secretary of the Interior is the guardian, while the Indian is the ward, being controlled and supervised by the Congress or court through its guardian, the Secretary of the Interior, and the Commissioner of Indian Affairs.

Considerable time was spent by the Senate Committee on Indian Affairs during the early part of January and all of February, 1916, in learning something of the oil and gas leases which terminated on March 16, 1916, and which leasing matter has been before the Department of the Interior for two or three years past. These hearings were printed and are entitled "Oil Lands in Osage Reservation. Hearings before the Committee on Indian Affairs, United States Senate, Sixty-fourth Congress, first session, on Senate concurrent resolution 4, relating to the disposition of units of lands of the Osage Reservation in the State of Oklahoma. Printed for the use of the Committee on Indian Affairs (second print)."

It is my object to take the printed record of said hearings, along with my knowledge of the facts, and abstract same with my own comments thereon, to the end that those Members of Congress who are interested in the American Indian and a fair deal may learn the truth concerning the vast oil and gas deal which is about to be consummated, and wherein the Standard Oil Co. is being greatly benefited and enriched at the expense of the tribe of Indians, and the relationship of the guardian to this transaction. (This may assist Members of Congress and the public in solving one phase of the high cost of gasoline.)

The Osage Reservation was purchased by the Osage Indians from the Cherokee Indians in 1872, and title taken in the name of the United States. The reservation comprises approximately 1,400,000 acres, the surface of which was allotted to the individual members of the tribe by act of June 28, 1906 (34 Stat., 539), but all the minerals are yet held in common by the tribe.

In 1896 the entire reservation was leased for oil and gas to Edwin Foster, and this lease was renewed in 1906 for a period of 10 years, but only on 680,000 acres. The lease was assigned and transferred to the Indian Territory Illuminating Oil & Gas Co., which has sublet the greater part of the lease for the development of oil only.

The act of June 28, 1906, supra, allotting the Osages, created the Osage Tribal Council, and in section 4 of said act gave the council the right to lease the oil and gas lands, subject to the approval of the Secretary of the Interior.

This council is elected by a vote of the Osages, as provided by law, and take an oath of office.

The present council is composed of a chief, who is a full-blood, blanket, non-English-speaking Indian; an assistant chief, who is a full-blood Indian, speaking English brokenly; eight members of the tribal council, five of whom are full bloods and three of whom are mixed-blood Osages. The chief presides at the council meetings, only the eight tribal councilmen being permitted to vote and participate in council proceedings, unless a tie vote is cast, when the chief, as presiding officer, casts his vote.

After departmental officials had the matter of re-leasing these Osage oil and gas lands under consideration for about two years the Osage Tribal Council were called to Washington in June, 1915, by the Secretary of the Interior for the purpose of devising plans for the re-leasing of these lands after March 16, 1916. At this time many offers and plans for leasing these lands were on file in the Department of the Interior, but had never been submitted to the Osage Tribal Council, nor had men or companies who wanted to negotiate for these lands been permitted by the department to in any way whatever negotiate with the tribal council, and up until June, 1915, none of these plans or proposals had been submitted or considered by the tribal council.

On Monday, June 7, 1915, the council was called to meet Franklin K. Lane, Secretary of the Interior, proceedings of which meeting are reported on page 96 of the hearings before the Senate committee, supra, which will be spoken of hereafter as the record. At the close of his speech, which had probably gained the confidence of the tribal council, the Secretary requested the members of the council, Commissioner Sells, Supt. Wright, and Mr. Williams to stand, raise their right hands, and take the following oath:

"I promise to be honest, to be loyal to my tribe, to do the right thing by all of my people, and to be a good sentinel for the tribe, and to talk to no one about this except those who are in this room now, and may God help us to come to a right decision." (Record, p. 97.)

The members of the Osage Tribal Council had taken an oath of office when they entered upon their duties as councilmen, and why it was that Commissioner Sells and Supt. Wright took this new oath along with the council I can not understand, unless it was for the purpose of impressing the members of the council, especially the full bloods, because of great formality. Certainly it would not be necessary for the Secretary to swear Commissioner Sells and Supt. Wright to secrecy had he desired that nothing be said as to the transactions of the council meetings yet to follow.

The council then spent several days with Commissioner Sells, Supt. Wright, and Mr. Williams, of the Bureau of Mines, in devising the plan of leasing which was afterwards adopted.

The members of the Osage Tribe had by subscription sent Mr. Edward Simpkins, an intermarried citizen, and Mr. Anthony Carlton, a member of the tribe, along with the Osage council to advise with the council, to the end that the Osages might secure the best results. These two gentlemen were not permitted to attend the council meetings, and, because of the oath of secrecy heretofore mentioned, the council were not permitted to advise with these gentlemen as to their best interests. (The record, pp. 88, 155.)

"Our negotiations were opened by a speech made by Commissioner Sells, which greatly impressed members of the Osage Tribal Council with the commissioner's great sincerity and desire to help the council in the re-leasing of these mineral lands. There was sent by the Osage people to advise and assist the Osage Tribal Council Mr. Anthony Carlton, a member of the tribe, and Mr. Edward Simpkins, a white man having a large Osage family. For some reason the Commissioner of Indian Affairs, or some one other than the Osage Tribal Council, would not permit these gentlemen to attend the meetings of the tribal council or advise with the members thereof" (p. 88).

Page 155:

"PAWHUSKA, OKLA., *January 22, 1916.*

"GEORGE ALBERTY,

"*Care National Hotel, Washington, D. C.:*

"If you think necessary an investigation, you can have George Pettit, Anthony Carlton, and myself subpœnaed as witnesses before the Senate committee, as we know how you were treated.

"E. H. SIMPKINS."

For some reason no stenographic notes were taken of the hearings where the real work was done, but only of the hearings before the Secretary.

The chief of the Osages at the first meeting of the council with Commissioner Sells, Supt. Wright, and Mr. Williams, at which meeting the active work of the council, which terminated in the June 17 resolution, commenced:

"Expressed the confidence of the council and himself in the Secretary and commissioner and desired their aid and counsel as to the best action to be taken, suggesting the advisability of the tribe's having an attorney to be present. The commissioner stated that he himself was an attorney, that the Secretary was one of the ablest attorneys in the country, and that both were their friends; and that as it was a business and not a legal proposition to consider, he did not believe the presence of an attorney necessary, to which the chief agreed." (Record, p. 107.)

During this session of the council and all other sessions of the council, in a room in the Bureau of Indian Affairs, an outer guard was kept at the door for the purpose of assisting the tribal council, Commissioner Sells, etc., in living up to their oath of secrecy.

Among the several offers or proposals that had been submitted for a lease was one from a committee appointed by the National Petroleum Association, representing independent refiners and independent oil producers. This offer was $500 per barrel for the production and one-sixth royalty to the tribe, or $400 per barrel for the production and a one-fifth royalty to the tribe. (Record, pp. 248, 249, 251, 252, 253, 297, 298, 299, 301, 302.)

When a member of the Osage Tribal Council called the attention of the Senate Committee on Indian Affairs to this offer of the National Petroleum Association and to the fact that if considered at all by the council it was not properly considered, the Secretary of the Interior by letter to the Senate committee called attention to the fact that—

"This proposal was known as that of the National Refiners' Association, and you will find on page 107 of the hearings before the Senate Committee on Indian Affairs, dated January 17, 1916, the memorandum of the meeting of the Government officials with the Osage Tribal Council, Mr. Alberty being present at that time. We sought no evidence of the responsibility of the bidder." (Record, 252.)

The memorandum mentioned by the Secretary, found on pages 106, 107, 108, 109, of the record and signed by A-she-gah-hre, principal chief, and G. R. Pettit, secretary Osage National Council, was not drawn by the secretary of the national council, as would be the usual practice, but these council minutes were made up by one of the Government officials and submitted to the chief and secretary at the close of their session in Washington for their signature, and were signed by them without the secretary of the council having read the same. A close reading of these minutes as to the National Refiners' Association proposal would lead one to believe that the compiler of the minutes had suspected that at some time in the future some question might be raised by the National Refiners' Association, or by some member of the Osage Tribal Council, and the minutes make frequent reference to this proposal and the fact that it had been duly considered by the council. (See statement of Councilman Alberty in the record, pp. 248, 249.)

The guardian says that his wards considered this offer, which on its face is several millions of dollars better than what they are to receive under the June 17 resolution, and that the wards of the Government in their great wisdom decided to take the lesser offer. Conceding that Councilman Alberty and several other members of the council are mistaken and that the offer of the National Refiners' Association was duly, sufficiently, and properly considered by the council—the wards—and that the Secretary of the Interior and Supt. Wright, or whoever compiled the minutes of the Osage Tribal Council, are correct, was it not the duty of the guardian to insist on the acceptance by the wards of that proposition which would bring to the Osage Tribe of Indians the greater return? And is the guardian justified in referring to a record made up by himself for the purpose of shifting all responsibility to the ward, and that the council shall make leases on these lands which will bring a less return to the Government's wards—the Osage Indians?

The resolution of June 17, 1915, on which the new leases are to be founded was not drawn by the Osage Tribal Council, but after the council and the Government officials had been in session for something like 10 days the resolution was drawn by some one other than the Osage council, about one day's time being consumed in the drafting of this resolution. The resolution was presented to the council at almost midday, was read once and interpreted to the non-English-speaking councilmen, and without any further consideration the council were taken from the commissioner's office to the office of the Secretary of the Interior, having been told by Government officials that it was necessary to hurry and get the resolution signed, to the end that they might accompany the Secretary of the Interior to meet the President of the United States. (See record, pp. 88 and 104.) Ordinarily, to consider a resolution of the length and character of the June 17th resolution, even if its terms had been discussed and agreed upon—then after said resolution was placed in writing the Osage Tribal Council would have taken from 10 days to two weeks in the consideration of the resolution before adopting same. It is absolutely impossible for a council of Osage Indians, partly composed of full-blood, non-English-speaking members, to get any appreciable understanding of the June 17 resolution in one reading and one interpretation.

The June 17 resolution provides in section 11 thereof that the present sublessees shall have oil leases made to them in the aggregate area of about 70,000 acres of producing territory and approximately 160,000 acres of nonproducing territory. The resolution makes 160 acres the unit for the purpose of leasing. Each 160-acre unit having thereon one oil well is considered a producing unit, and aside from the producing units given to the sublesses, "without competition and without compensation," it is provided that 165,000 acres in nonproducing or undeveloped units should be given the same sublessees "without competition and without compensation." (Record, pp. 105, 106.)

On January 1, 1915, there were 2,666 producing oil wells in the Foster lease, aside from the dry holes and producing gas wells. The producing units and the nonproducing units, which are to be leased under the June 17 resolution, are intermingled, much of the undeveloped territory being adjacent to the developed units. These 2,666 producing wells are so arranged and scattered throughout a large part of the territory, being leased under the June 17 resolution, that they practically prove the undeveloped units which will be received by the former sub-lessees. (Record, 305.)

Section 9 of the June 17 resolution (Record, p. 105), which deals with the gas, absolutely closed the doors to the world and gave this gas territory to the gas companies who had been for years getting this gas at $100 per well. The public was arbitrarily kept from making application for gas territory by this resolution after the date on which the resolution was adopted, to wit, June 17, 1915. On pages 76 and 77 of the record we find the following:

"Senator OWEN. What is the authority under the resolutions that were passed by the Osage council concerning the leasing of gas? I understand everyone was excluded except those who had previously made an application or something of that sort.

"Commissioner SELLS. The resolutions as passed by the tribal council June 17, 1915, paragraph 9, provides that—

"'Gas leases shall be made by the tribal council to the present gas lessees, covering all or part of their present holdings, and for such periods as the Secretary of the Interior may determine: *Provided*, That applications made prior to this date for leases of gas may be granted in the discretion of the Secretary of the Interior.'

"Senator OWEN. What is the purpose of excluding future bidders?

"Commissioner SELLS. I am not able to say. So far as I know, the bidders in sight at the time these resolutions were passed were the present lessees and two or three others.

"Senator OWEN. I understood that. Of course, you read that in section 9 that only those who were at present there holding gas leases would be permitted to have any gas in the Osage country, and I want to know the reason for that.

"Commissioner SELLS. I am unable to give you the reason. That had not been discussed at the time.

"Senator OWEN. Then it is the present policy of the Government to prohibit anybody except those at present holding?

"Commissioner SELLS. Those things are being considered by the department at this time and the probabilities are they will be determined soon." (See pp. 88 and 89.)

The maximum price paid for gas by the pipe-line companies to the developer at the time of the above questioning of Commissioner Sells by Senator OWEN was 3¼ cents per thousand cubic feet, and at the time of the above questioning, the Osage council being present in Washington, the Department of the Interior had been insisting to the Osage council for nearly two weeks that the June 17 resolution as to gas was binding and as sacred as the Bible, even though the council had been offered an increase of 400 per cent more for their gas than they were to receive under the departmental plan embodied in that June 17 resolution, and the departmental officials kept on with their insistence as to the binding effect of the June 17 resolution as to gas until a member of the Osage Tribal Council called the matter to the attention of the Senate Committee on Indian Affairs and, through the press of this country, to the public generally, after which the Secretary of the Interior sent out notices to the gas men throughout the country that he would hold a public gas hearing. Such hearing was held for two days, and the Osages are to receive 3 cents per thousand cubic feet for their gas instead of one-half cent per thousand cubic feet, as provided for in the departmental plan set forth in the June 17 resolution.

The so-called Foster lease on the 680,000 acres of Osage oil and gas lands, which terminated March 16, 1916, was unlike the ordinary oil and gas lease, which reads for a certain period and as long thereafter as oil and gas are found in paying quantities, in that the Foster lease read for a fixed period, with the right of renewal for 10 years, which renewal terminated March 16, 1916 (see record, pp. 3, 4, 5, and 6), and the above is the construction placed on this lease by the lessees and by the Secretary of the Interior. On page 22 of the record, in a letter from Secretary Lane to the Senate Committee on Indian Affairs, we find:

"The lease rights of the sublessees will expire March 16, 1916, and they do not base their requests for new leases on legal rights. They assert equitable rights by reason of the investments made and the development work performed. The resolution of the tribal council provided for a renewal of the lease in 1906, but no such provision is contained in either the resolution of the tribe or the act of Congress for a renewal of the present lease, which expires in 1916.

"They knew that their leases would expire on March 16, 1916, and it must be assumed that the investments were made with full knowledge of the possibility of not being able to obtain renewals or new leases. However, I realize that large sums of money have been invested in the development of the Osage lands, and in the drafting of the regulations hereafter referred to I have endeavored to recognize the conditions as they exist, without sacrificing the rights and interests of the Indians."

Again, on page 304 of the record, the Secretary, in a letter to the Senate Indian Committee, says:

"These oil and gas properties belong to the Osage Tribe, and in the leasing of the lands our primary duty is to do the best we can for the Indians and see that they receive the highest revenue. The process of

leasing oil lands on a fixed royalty and cash bonus is generally in vogue and is nearly as old as the industry itself."

Notwithstanding the fact that these leases terminated and became again the property of the Osage Tribe of Indians, 70,000 acres of producing territory, having thereon at the time 2,800 wells, and 160,000 acres of nonproducing but proven territory is being given to these same sublessees, with no increase whatever in royalty over what the sublessees had been paying to the Indian Territory Illuminating Oil Co., to wit, 16⅔ per cent.

Mr. Barnsdall, who is one of the best known oil developers in the United States, testified before the Senate Indian Committee that when an oil lease terminated the lessee would have to make new terms with the lessor, and that they would frequently have to pay the lessor an additional sum. (Record, p. 73.) Under the departmental plan, as contained in the June 17 resolution, the Osages are precluded from offering this 70,000 acres of developed territory to the oil-producing fraternity and were precluded from dealing with the oil fraternity, including even the present sublessees. The whole thing was managed by the department and the Indians were not permitted to negotiate or attempt to receive a greater sum for their oil from their former tenants.

On page 26 of the record, in his letter to the Senate Committee on Indian Affairs, Secretary Lane said:

"I consider that the Osage Tribe is fully entitled to what it may be able to realize from the sale of the producing units to be released at the expiration of the Foster lease.

"I am opposed to granting special concessions such as the Oliver resolution would involve. The Barnsdall Oil Co. should be held to our regulations the same as any other sublessee.

"The apparent purpose of this resolution is that the Barnsdall Oil Co. may secure valuable property belonging to the Osage Tribe in excess of the acreage permitted under the tribal resolution and the regulations of this department without competition and without compensation."

Why, in view of the Secretary's attitude and his opposition to granting special concessions, does he allow the sublessees to have 160,000 acres of undeveloped, proven territory, upon which they have no improvements whatever, and for which the Osages could receive millions of dollars as a bonus aside from a one-sixth royalty on the oil therefor? Conceding the claim of the sublessees as to equities, should not the Secretary of the Interior have regarded the equities of the Osage Tribe of Indians, and was it necessary to give away in undeveloped acreage property that would bring a return of many millions of dollars? And was it necessary to this end to again bring the Osage Tribal Council to Washington, where they arrived Sunday, April 9, 1916, for the purpose of executing leases on this undeveloped, as well as on the developed, territory; refusing to receive and read a telegram from a mass meeting of Osages protesting against the council executing these leases at this time. And when the council finally authorized the chief to execute these leases, the three mixed-blood members of the council, who are practically white men, refused to authorized the execution threof; the four full-blood members, who believe that the Secretary of the Interior and the Commissioner of Indian Affairs constitute the Government of the United States, living in daily fear of them, voted and authorized the chief to execute said leases.

The Boston pool, which is a part of the old Foster lease, but on a stray section several miles from the body of the lease, made it desirable that the territory adjacent to this section be put up at auction, and the Osages received bids on some of this territory in excess of $500 per acre, and at a royalty of one-sixth of the oil produced. There was one 40-acre tract which looked good to the oil fraternity upon which the Minnehoma Oil Co. bid $1,566 per acre.

On pages 74 and 75 of the record, we find:

"Commissioner SELLS. The law simply empowers the President to fix the royalty.

"Senator WALSH. And there is a chance for competition in the matter of the bonus?

"Commissioner SELLS. Yes, sir.

"Senator WALSH. And that bonus runs very high, sometimes?

"Commissioner SELLS. Very high.

"Senator WALSH. About how high?

"Commissioner SELLS. As high as $1,000 an acre.

"Senator OWEN. Did you not have a letting on that basis of a bonus two or three years ago?

"Commissioner SELLS. Yes, sir; in what is known as the Boston pool, adjoining the Boston pool in the Cleveland district."

Then why, in view of the above, should your guardian, the Secretary of the Interior, insist on the council making leases, or permit them to make leases, on thousands of acres of undeveloped, proven territory, worth millions of dollars to the Osages?

An investigation of a map showing the wells of the so-called Foster lease will disclose the fact that many, many thousands of acres of this undeveloped territory, which is being given to the oil developer "without competition and without compensation" is proven territory, adjacent in many instances to the developed territory, and if this adjacent territory was first sold at auction and developed, or partially developed, then the remaining territory, it would mean untold millions to the Osage Tribe. Why should "special concessions" on this undeveloped territory be given to the concerns who have been developing in that field, thereby cutting out the oil fraternity generally, leaving this crude oil where it must be turned over to the Standard Oil Co.?

In the Kansas City Journal, Wednesday, March 29, 1916, page 3, we find:

"WICHITA, KANS., *March 28.*

"Oil men are in a flurry here to-day over the report that the fifth well on the E. C. Varner lease, 5 miles southeast of Augusta, is flowing 1,000 barrels a day, with the drill but a foot in the sand. A 5-inch pipe is not large enough to carry away the oil.

"This is within 600 feet of the Ed Varner 'gusher,' which sent the price of leases in the field as low as $25 an acre to as high as $1,000. The oil men assert that the Varner No. 5 will be the biggest well in Kansas. The sand was found at 2,475 feet."

In the same paper, on the same page, we find:

"GUTHRIE, OKLA., *March 28.*

"The rush for oil leases in this county continues, more than 100 being filed for record to-day.

"Every abstract firm here is working a day and night force. The Prairie Oil & Gas Co. is securing abstracts on many leases which they will file at once.

"The estimate for the recording fees is close to $1,500. As much as $5 an acre is being paid for many leases. A few were sold at $10."

Guthrie is not in an oil county, has not been considered or thought of until recently as a possible oil field. And yet the demand for oil territory is such that the developer will take a chance. The Augusta field is practically a new one, while the Osage field has been under development for years, contains hundreds and hundreds of wells, and the undeveloped territory is practically proven.

With oil at present prices, and there being no question but that if rightly handled the 160,000 acres of undeveloped units, which is being given away "without competition and without compensation," would bring a minimum of $100 per acre, or $16,000,000. Is this too small a sum to be called a "special concession"?

During the month of June, 1915, the oil run from the Osage Reservation amounted to 721,408.96 barrels; the price being at a low ebb, the run was light. Of the above amount there was run to the Prairie Oil & Gas Co. (admittedly the Standard Oil) 481,582.33 barrels, leaving 239,826.63 barrels to all other pipe-line companies, some of which may be Standard under another name, the Prairie Oil & Gas Co. having received more than twice as much of the oil as received by all other concerns. (Record, p. 138.) No "evidence as to responsibility of bidder" was sought for.

Why should the Osage Tribal Council be prevented by the Department of the Interior from having an attorney to advise them in this matter wherein millions of dollars are involved, when they had had an attorney advising them generally up until April 9, 1914, and in view of the fact that the pipe-line companies, as well as the oil and gas companies interested in this matter, had employed many of the most eminent lawyers, men of national reputation, to be found in this country, including ex-Congressman A. Mitchell Palmer, of Pennsylvania; Samuel Untermyer, of New York City; Judge C. B. Ames, of Oklahoma City, Okla.; and dozens of others.

In view of the undertaking of Congress to look after and protect the American Indian and his landed estates, will Congress permit the undeveloped oil lands of this dependent people to be sacrificed to the oil monopoly and against the interests of the American people generally?

Respectfully submitted.

PRESTON A. SHINN.

Mr. OWEN. Mr. President, I notice that amendment No. 2 to the Indian appropriation bill proposed by me and agreed to by the Senate in the following words:

The provisions of sections 2140 and 2141 of the Revised Statutes of the United States shall also apply to beer and other intoxicating liquors named in the act of January 30, 1897 (29 Stat. L., p. 506), and the possession by a person of intoxicating liquors in the country where the introduction is prohibited shall be prima facie evidence of unlawful introduction—

was amended by the conferees by inserting the word "Indian" in lieu of the word "the" before the word "country" and striking out the word "the" before the word "introduction" and inserting in lieu thereof the word "such."

My object in presenting this amendment was to apply the rule of stolen property to intoxicating liquors found in the possession of any person in the country where its introduction is prohibited by Federal law, which would include all that portion of Oklahoma formerly known as Indian Territory.

The United States Circuit Court of Appeals for the Eighth Circuit held in the case of Evans against Victor et al. that all that portion of the Indian Territory title to which had passed from the Indian tribes was not Indian country, which portion includes all towns and cities as well as all allotments of unrestricted allottees.

The effect, therefore, of the amendment agreed to by the conferees is practically to annul the provision so far as it relates to Oklahoma, and ordinarily, in view of this action by the conferees, I would oppose the approval of the conference report by the Senate and endeavor to have the Senate insist that the amendment as adopted by the Senate be incorporated in the bill.

This appropriation bill, however, contains a provision for a per capita payment of $300 to the Choctaws and $200 to the Chickasaws. These Indians to whom this payment is to be made are in dire need of it, and its payment I have earnestly urged both at this session and at prior sessions of Congress. I would not feel justified in taking any action which would have the effect of delaying this payment for even an hour, and as much as I would like to have seen this amendment which I had proposed adopted I will not oppose the approval of the conference report, but urge that it be immediately adopted in order that this per capita payment may be made at the earliest practicable date and that the other appropriations may be carried out as promptly as possible.

When this matter came before the conference the suggestion, as I said, was made by some of the Minnesota Members and was presented by Members representing the House as conferees. When my attention was called to it after the report was first made I inquired of the Indian Office and of the Department of Justice as to whether or not this change would leave the eastern part of Oklahoma, where the United States pledged itself to maintain prohibition, so that this language would no longer apply to eastern Oklahoma, and I understood from them that they thought the use of the words "Indian country" would not preclude this amendment from applying to eastern Oklahoma. Therefore, when I was so advised by the Department of Justice I advised the chairman of the conferees on the part of the Senate that I was content with that amendment. But upon a close inquiry I found the case of Evans versus Victor, in the circuit court of appeals for the eighth circuit, in

which it was shown that the change would exclude a very large part of eastern Oklahoma from the application of this language, unless the court should hold that the broad act of Congress admitting the State of Oklahoma still reserved all this country as Indian country for the purpose of the application of the law with regard to the introduction of intoxicating liquors.

Mr. ASHURST. Mr. President, the Senator from Oklahoma is entitled to thanks for his frank statement of the situation. Speaking for myself, I would have gladly adhered to the form of the amendment in which the Senate adopted it, but as the Senator from Oklahoma frankly and truthfully says, the last word almost that he said to me before I went to conference was that he was content to have it in that form, and requested that it be left in that form; and knowing, of course, that ROBERT L. OWEN knows more about Indian affairs than HENRY F. ASHURST, I followed cheerfully the suggestion of the Senator from Oklahoma.

Mr. CURTIS. I should like to ask the Senator in this final report what is done with amendment 156?

Mr. SMOOT. One hundred and fifty-seven?

Mr. CURTIS. I want to ask about 156, and then I will ask about 157.

Mr. ASHURST. The conference report about a week ago, as it was printed in the RECORD, sets out the action of the conferees, in which the House receded with an amendment. I will ask the Secretary to read amendment 156.

Mr. CURTIS. The Secretary need not read it. It is the same that is in the report; it has not been changed at all.

Mr. ASHURST. There has been no change whatever in amendment numbered 156.

Mr. CURTIS. I should like to have amendment 157 as agreed to read.

Mr. ASHURST. If the Senator will pardon me, I will do that. The Senator will recall that amendment 157 was in the following language as it passed the Senate and from which the Senate conferees receded:

(157) SEC. 28. On or before the 31st day of December, 1916, the Bureau of Efficiency shall prepare and submit to the Secretary of the Interior a system of accounting for the Bureau of Indian Affairs that will meet the requirements of section 26 of the Indian appropriation act approved June 30, 1913 (38 Stat. L., p. 103).

It was obvious to all that the action of the conferees in receding from that Senate amendment was not satisfactory, whereupon the conferees on the disagreeing votes of the two Houses met last Friday or Saturday and the House conferees receded with an amendment which I shall read. If the Senator will turn to page 8539 of the CONGRESSIONAL RECORD of the proceedings of May 6, left-hand column, about the middle of the page, just above the signatures, he will see that it reads:

SEC. 28. That on or before the 31st day of December, 1916, the Bureau of Efficiency shall prepare and submit to the Secretary of the Interior a system of bookkeeping and accounting for the Bureau of Indian Affairs that will enable the said Secretary, on or before July 1, 1917, to meet the requirements of section 26 of the Indian appropriation act approved June 30, 1913 (38 Stat. L., p. 103).

The Senator will observe that there is a slight change, but it was necessary in order to make it mean what the Senate intended it to mean. The conferees called before them the distinguished Senator from Oregon [Mr. LANE], the father of the amendment, and submitted it to him, and he said it was in the form in which he thought it ought to be.

Mr. CURTIS. I wish to ask another question right along that line. I notice in the conference report that you amend section 26 of the act of 1913.

Mr. ASHURST. I did not catch the question.

Mr. CURTIS. Section 27 of this bill, on page 107, amends section 26 of the Indian appropriation act of 1913. I want to know if the amendment made changes materially section 26 of that act.

Mr. ASHURST. If the Senator will pardon me, are you certain that section 27 of this bill amends section 26 of the act of 1913? I think not. I will read section 27; that is, amendment 156:

SEC. 27. On the first Monday in December, 1917, and annually thereafter, the Secretary of the Treasury shall transmit to the Speaker of the House of Representatives estimates of the amounts of the receipts to, and expenditures which the Secretary of the Interior recommends to be made for the benefit of the Indians from, all tribal funds of Indians for the ensuing fiscal year; and such statement shall show (first) the total amounts estimated to be received from any and all sources whatsoever, which will be placed to the credit of each tribe of Indians, in trust or otherwise, at the close of the ensuing fiscal year, (second) an analysis showing the amounts which the Federal Government is directed and required by treaty stipulations and agreements to expend from each of said funds or from the Federal Treasury, giving references to the existing treaty or agreement or statute, (third) the amounts which the Secretary of the Interior recommends to be spent from each of the tribal funds held in trust or otherwise, and the purpose for which said amounts are to be expended, and said statement shall show the amounts which he recommends to be disbursed (a) for per capita payments in money to the Indians, (b) for salaries or compensation of officers and employees, (c) for compensation of counsel and attorney fees, and (d) for support and civilization: *Provided*, That hereafter no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: Equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: *Provided further*, That this shall not change existing law with reference to the Five Civilized Tribes.

I do not believe that that amends or contemplates any amendment to section 26.

Mr. CURTIS. The Senator will recall that section 27, page 107 of the bill, reads:

SEC. 27. That section 26 of the Indian appropriation act approved June 30, 1913 (38 Stat. L., p. 103), is hereby amended so as to read as follows:

Mr. ASHURST. The Senator is reading from the bill. I am reading from the conference report.

Mr. CURTIS. As I understand it, the conferees substitute section 27 as it appears in the report for section 26 and section 27 of the original bill.

Mr. ASHURST. The Senator is correct about that.

Mr. JOHNSON of South Dakota. Mr. President, I should like to ask the Senator from Arizona whether it is the intention to vote on the adoption of this conference report to-night?

Mr. ASHURST. The report was made about a week or 10 days ago, and was laid upon the table. The distinguished Senator from North Dakota [Mr. GRONNA] submitted the report for me. It lay on the table six or seven days. The Senate considered it and rejected it. The matter went back to the conference committee, and was again reported on last Saturday. Of course, my duty requires me to ask for a vote upon the report as soon as every Senator shall have finished speaking upon it. I have been, not exactly censured; but I, at least, have been complained of because I have not sooner urged the consideration of the report. So I undoubtedly think the vote should be taken this afternoon on the report.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Minnesota?

Mr. JOHNSON of South Dakota. I will yield for a question; yes.

Mr. CLAPP. I do not desire the Senator to yield for that purpose. I was going to address my question to the chairman of the committee.

Mr. JOHNSON of South Dakota. Mr. President, I am opposed to this conference report. I was notified last week that I should have the opportunity of appearing before the conference committee on next Tuesday to state in a brief way my objection. I was not notified again, and I naturally presumed that I should have that privilege. On Saturday last the chairman of the committee brought the matter up in the Senate, and advised me that they had got in a hurry. I did not ask him who he meant, for I thought I knew. However, the matter has drifted along until to-day, and I thought we had again reached an agreement that it would not be taken up until Wednesday next. Of course, I supposed when the good-roads bill was out of the way the conference report was the matter next in order. So I shall not offer any criticism on its coming up at this time, further than to say that I left the Chamber, and when I returned the matter was under discussion.

Mr. President, I should like to have an opportunity to fully discuss my objections to this conference report. If the report is considered to-night, I shall not have that privilege, because I am not prepared to do so, understanding, as I did, that I should have until Wednesday of this week to make my preparations. I shall vote against the adoption of the conference report, if the matter reaches a vote to-night.

I only wish at this time to make these few brief explanations as to my position in the matter.

Mr. CLAPP. Mr. President, I want to call the attention of the chairman of the Committee on Indian Affairs to the second amendment in the bill. I was not in the committee at the time the amendment was agreed to, and being a part of the general legislation, assuming that it was recommended by the department——

Mr. ASHURST. It was.

Mr. CLAPP. I did not give it very careful attention. I will ask the chairman of the committee what is the effect of the amendment?

Mr. ASHURST. Amendment No. 2, as it passed the Senate, read in this way:

The provisions of sections 2140 and 2141 of the Revised Statutes of the United States shall also apply to beer and other intoxicating liquors named in the act of January 30, 1897 (29 Stat. L., 506).

I think that amendment was adopted upon the suggestion of the distinguished Senator from North Dakota [Mr. GRONNA]. I am very much in favor of it. The other part of the amend-

ment—and it was consolidated into one amendment—was proposed by the Senator from Oklahoma [Mr. OWEN], and read in this way:

And the possession by a person of intoxicating liquors in the country where the introduction is prohibited shall be prima facie evidence of unlawful introduction.

The conferees, acting upon the suggestion of a Member of the House of Representatives from the State of Minnesota, in line 7, struck out the word "the," and inserted "Indian"; and, in line 8, struck out the word "the" and inserted the word "such." When the conference committee made its report the Senator from Oklahoma called my attention to the matter, and said that that amendment was not agreeable to him. Later on, just before the conferees held their last session, the Senator from Oklahoma stated to me that the amendment was satisfactory to him. Inasmuch as it related to his State, and believing, and, indeed, knowing, that the Senator from Oklahoma knows more about his own State than do I, I cheerfully, as I do in many other matters, followed his suggestion.

Mr. CLAPP. The last act, which is amended by chapter 109 of the laws of 1897, referred to in the amendment as the act of January 30, 1897 (29 Stat. L.), provided:

And any person who shall introduce or attempt to introduce any malt, spirituous, or vinous liquor, including beer, ale, and wine, or any ardent or intoxicating liquor of any kind whatsoever into the Indian country, which term shall include any Indian allotment while the title to the same shall be held in trust by the Government, or while the same shall remain inalienable by the allottee without the consent of the United States, shall be punished—

And so forth.

This amendment reads:

The provisions of sections 2140 and 2141——

Mr. CURTIS. Mr. President, it is impossible to hear the Senator from Minnesota. I wish he would speak loudly enough for us to hear him.

Mr. CLAPP. The act that is referred to in the amendment, chapter 109 of the laws of 1897, prohibited the introduction of any malt, spirituous, or vinous liquors, including beer, ale, and wine. The amendment provides that the original sections of the law, being sections 2140 and 2141 of the Revised Statutes, shall also apply to beer and other intoxicating liquors which had already been enumerated in the act of 1897. This amendment provides:

And the possession by a person of intoxicating liquors in the country where the introduction is prohibited shall be prima facie evidence of unlawful introduction.

The amendment that had been offered in the Senate did not contain the words "Indian country," but read "in the country where the introduction is prohibited." What occurs to me is that there is territory in some of the States, notably in the State of Minnesota, in which the sale of liquor was prohibited in the cession of the land to the General Government until Congress might remove the prohibition. It might perhaps be urged that the land ceded but to which the prohibition attached was not Indian country. I am not fully satisfied about putting the word "Indian" into the bill, for I do not want any legislation to pass here, unless Congress deliberately seeks to pass it, that will subject the territory covered by the treaty to a repeal as to the provisions of the treaty.

Mr. ASHURST. Will the Senator yield to me for a moment?

Mr. CLAPP. Yes; with pleasure.

Mr. ASHURST. I take the same position as does the Senator. I agree with him exactly. The Senator twice signed the conference report, and it is the same now as it was when he twice signed it. We must either adopt the report or reject it. The valuable amendment suggested by my friend the Senator from North Dakota was agreed to. The remainder of the amendment was adopted upon motion of the distinguished Senator from Oklahoma [Mr. OWEN] who proposed it and told the conferees that it was agreeable to him. If now Senators change their minds and want to send the bill back for another conference, very well; I have no objection, but I protest——

Mr. WALSH. Will the Senator pardon me for an interruption?

Mr. ASHURST. Yes.

Mr. WALSH. Let me suggest to the Senator from Minnesota [Mr. CLAPP] that the worst that can happen with respect to this is simply that the presumption of all unlawful holdings will not apply within that territory. All laws applicable to that territory remain, of course. I sympathize with the Senator from Minnesota in his desire to extend this further presumption to that territory, but it will be in no worse situation than it now is in any case. You simply will not get the benefit of this additional legislation.

My own impression about the matter is that the Senator need not have any fear that the statute would be considered as applicable to that territory as well as to the territory actually occupied by the Indians, namely, the reservations. In any case, however, if it were otherwise, the only loss you would sustain would be that you would not have the benefit of this new legislation in that territory, making the actual possession evidence of unlawful possession.

Mr. CLAPP. Mr. President, first replying to the chairman of the committee, I will say it is true that I signed this conference report. The report is a very lengthy one, and the presumption is that one who signs it is entirely familiar with it, although as to the insertion of the word "Indian" my attention was not called to the matter until this afternoon. The Senator from Oklahoma has suggested that his information was that the insertion of the word "Indian" was at the request of the Minnesota delegation.

Mr. OWEN. I understood it was inserted at the suggestion of a member of the Minnesota delegation in the other House.

Mr. CLAPP. Yes.

Mr. OWEN. I did not say the Minnesota delegation in the Senate.

Mr. CLAPP. No; the Senator from Oklahoma said the Minnesota delegation of the other House. I should like to have this matter held until I can investigate it, for, whatever may be said of the merits of the controversy in that section of country, these treaties have been upheld by the Supreme Court of the United States; and if Congress sought to modify the terms of the treaties, and the matter came before Congress, and a majority of Congress favored the modification, that would be one thing. But I do not want the situation there further complicated by anything which may be done at this time. It is sufficiently complicated now.

While the Senator from Montana [Mr. WALSH] is correct that the word "Indian" could only limit to the Indian country the presumption which this section bases upon the possession of liquors, it would complicate the situation. At least, I should like an opportunity to look into the matter. I regret very much asking for delay——

Mr. NELSON. Mr. President, to what provision of the bill does the Senator from Minnesota refer?

Mr. CLAPP. I refer to the provision on page 3 of the bill containing the amendments which are numbered. Has the Senator from Minnesota a copy of that bill with the amendments numbered?

Mr. NELSON. Yes. From what line is the Senator reading?

Mr. CLAPP. Line 22. As introduced and adopted by the Senate, it reads as follows:

The provisions of sections 2140 and 2141 of the Revised Statutes shall also apply to beer and other intoxicating liquors—

That was not at all important, because in 1897 Congress passed an act—chapter 109—which included beer, ale, wine, or other ardent and intoxicating liquors. Then it went on—

and other intoxicating liquors named in the act of January 30, 1897 (29 Stat. L., p. 506).

That was the reenactment of the existing law. Then, there was added in the Senate this provision:

And the possession by a person of intoxicating liquors in the country where the introduction is prohibited shall be prima facie evidence of unlawful introduction.

In conference the word "Indian," in line 4, page 4, was inserted in place of the word "the," so that, as reported by the conferees it reads:

And the possession by a person of intoxicating liquors in Indian country.

Then, on page 4, line 4, where the word "the" occurs the second time, it was stricken out and the word "such" was inserted.

Mr. NELSON. Will the Senator please read the whole paragraph as it appears with the changes made?

Mr. CLAPP. Yes. It reads as follows:

The provisions of sections 2140 and 2141 of the Revised Statutes of the United States shall also apply to beer and other intoxicating liquors named in the act of January 30, 1897 (29 Stat. L., p. 506), and the possession by a person of intoxicating liquors in Indian country where such introduction is prohibited shall be prima facie evidence of unlawful introduction.

Now, I desire to call my colleague's attention to this thought: In our State there is territory where the sale of liquor is prohibited by virtue of treaties. My colleague, of course, is thoroughly familiar with that. The question that occurred to me was whether striking out the word "the" and inserting the word "Indian," so as to read "in Indian country where such introduction is prohibited," might not be claimed to exclude from that territory in the State covered by these treaties, but which is not now inhabited by Indians, this presumption flowing from possession.

Mr. NELSON. Mr. President, it would undoubtedly have that effect; and it would be a great mistake to allow the provision to stand as it is.

Mr. CLAPP. Yes; I think so. I therefore move that the report be disagreed to; that the Senate ask for a further conference on the disagreeing votes of the two Houses; and that the conferees be appointed by the Chair.

Mr. NELSON. I trust that motion will be agreed to, because a correction should be made. It is a very serious matter.

Mr. CLAPP. I do not know how it came about.

Mr. ASHURST. Mr. President, I am very pleased that my friend from Minnesota, after having worked for a month or so on the committee and signing the report a couple of times, concludes that he has not got the matter right, and I cheerfully join with him in the motion. I should like to make the observation, however, that, although it has been some five or six years since I looked the matter up, I think it will be found from the Federal Statutes Annotated that the country where intoxicating liquors are prohibited is "Indian country." I only practiced at the bar 14 or 15 years, but it does not require any abstruse reasoning or close investigation to see that the country from which liquors are excluded for the protection of the Indians is Indian country. I am unable, because, as I have said, it has been five or six years since I looked at the Federal Statutes Annotated, to speak with absolute certainty; but I think there is no doubt about that being the construction. However, I cheerfully join in the motion, and hope the report will be disagreed to. I feel as if an apology is due to the Senate, and I hereby tender it for myself, because of the trouble occasioned by disagreements which the conferees have seen fit to pour out upon the Senate. I think it is very wise that the conferees should first agree before asking the Senate to agree.

Mr. CLAPP. Well, Mr. President, "a soft answer turneth away wrath," and I will not reply to the Senator's criticism.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). The Chair will state that the question before the Senate is on agreeing to the conference report. That is the only question before the Senate, and it is the one that must be voted upon. Unless the Senate overrules the Chair, he will take that position.

Mr. CLAPP. Then I ask the Senate to vote against agreeing to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was not agreed to.

Mr. CLAPP. Now, I move that the Senate ask for a further conference on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

Mr. ASHURST. Mr. President, I have a few rights here, and I should like that motion to go over for a few days. Let us not consider it now.

The PRESIDING OFFICER. Does the Senator from Minnesota withdraw the motion?

Mr. ASHURST. Let us not be precipitate; let us be sure of what we are doing; let us be very certain that we want a conference upon it. I ask in all courtesy, Why can not the motion be withheld?

Mr. CLAPP. Mr. President, most certainly I am willing that it shall be withheld. There is no occasion for any feeling or friction about this matter. My own judgment is that somehow, inadvertently, a mistake has been made, which I think ought to be corrected.

### PENSION FOR SURVIVORS OF INDIAN WARS.

Mr. JOHNSON of Maine. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Maine.

Mr. JOHNSON of Maine. I move that the Senate proceed to the consideration of the bill (H. R. 655) to pension the survivors of certain Indian wars, from January 1, 1859, to January, 1891, inclusive, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Maine.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 655) to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes.

The PRESIDING OFFICER. The bill is in the Senate and open to amendment.

Mr. SMITH of Georgia. Mr. President, the bill has not been considered as in Committee of the Whole.

The PRESIDING OFFICER. It was considered as in Committee of the Whole April 22, 1916.

Mr. SMITH of Georgia. The bill did not pass out of the Committee of the Whole.

The PRESIDING OFFICER. It was amended and reported to the Senate on April 22, and was objected to in the Senate by the Senator from Georgia.

Mr. SMITH of Georgia. Then I desire a copy of the bill. I do not think it was objected to only after it reached the Senate; I think I objected to it earlier than that.

The PRESIDING OFFICER. The record shows that the bill reached the Senate——

Mr. SMITH of Georgia. Of course, I am bound by the record.

The PRESIDING OFFICER. On April 22, and was objected to by the Senator from Georgia.

Mr. SMITH of Georgia. I should like to have the bill read in the Senate.

Mr. WILLIAMS. What is the bill?

Mr. SMITH of Georgia. A bill to pension Indian war survivors.

The VICE PRESIDENT. If there is doubt about it, the Chair will consult the record. The indorsement on the bill shows that it is in the Senate and open to amendment. Does the Senator from Georgia think the record is incorrect?

Mr. SMITH of Georgia. I was under the impression that the bill had not passed from the Committee of the Whole; but I can not undertake to correct the record, because if the report was made to that effect the next day, without a motion to correct it, it stands as the action of the Senate.

The VICE PRESIDENT. The stenographers' notes will show what was done.

Mr. SMITH of Georgia. I have no doubt that I am mistaken. Does the Chair hold——

The VICE PRESIDENT. No; the Chair wants first to see what the CONGRESSIONAL RECORD shows. The Chair is trying to get that.

Mr. SMOOT. I will say to the Senator from Georgia that the bill was reported to the Senate, and then the Senator from Georgia objected to its further consideration, as the RECORD shows.

The VICE PRESIDENT. Here is what the RECORD shows:

> The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole, and open to amendment. If there are no further amendments, the bill will be reported to the Senate.
>
> The bill was reported to the Senate as amended.
>
> The VICE PRESIDENT. The question is on concurring in the amendments made as in Committee of the Whole.
>
> The amendments were concurred in.
>
> The VICE PRESIDENT. If there are no further amendments, the amendments concurred in will be ordered engrossed——
>
> Mr. SMITH of Georgia. Mr. President, I should like to have a little more information about the extension of the benefits of this bill to men other than those who enlisted in the Federal service. The limitation provided seems to be a very indefinite one.

Finally the bill went over.

Mr. SMITH of Georgia. Mr. President, now I desire a ruling from the Chair as to whether my request that the bill shall be read in the Senate is in order.

The VICE PRESIDENT. If it is insisted upon, the bill will be read the third time.

Mr. SMITH of Georgia. I should like to have the entire bill read.

The VICE PRESIDENT. The bill will be engrossed and read a third time.

Mr. SMITH of Georgia. That will exclude amendments.

The VICE PRESIDENT. The Chair can not help that.

Mr. SMITH of Georgia. Then, I desire to proceed to read it myself to the Senate.

In the first place I will say that I had no idea that this bill would come up to-day, and I have not had the opportunity to consider it which I would wish. The bill, together with the amendments reported by the committee, involves an expenditure of over a million dollars a year in pensions. It grants pensions to men who served for only 30 days. We do not know whom it will pension. There is not any report as to whom it will pension. It is not limited to men who have been reported to the War Department as connected with any Indian service. I do not think there is any substantial limitation as to the way in which the rolls shall have been kept. It is just a broad gathering in of anybody, without any knowledge on our part as to whom it will reach, who can show 30 days' service in an Indian war; pensions such persons and provides, I think, for pensions for their widows. That is the kind of bill we are about to pass, putting a charge estimated at a million dollars a year upon the Treasury, and nobody knows how much more.

I shall have to be a little tedious in looking into the bill and reading it as I go along. Of course, the Senate can pass it. I suppose it will pass it. It is asked for, and it simply comes out of the Treasury, and we have no other use for the money. We have not any special calls from the Treasury now for any

money. We do not have anything for which to use the surplus money, so we will throw away a million dollars without knowing where it is going.

Mr. ASHURST. Mr. President, will the Senator yield to me right there?

Mr. SMITH of Georgia. Yes; I yield.

Mr. ASHURST. I admire the bravery and frankness with which the Senator from Georgia always speaks; but I want to tell the Senator that the earliest, the most vivid recollection I have is when the white settlers were banded together in a fort, trying in their way to oppose the most bloodthirsty band of savages that ever raided any country; and not only were the men armed, but the women and children who were old enough were armed to protect their lives. This bill simply provides that those old soldiers, those old pioneers—and there are not 20 of them in Arizona—shall receive pensions; and I believe they are entitled to them.

I have read this report. It is an eloquent report; it is a faithful report, in my opinion; and if the Senator could visualize and bring before him——

Mr. SMITH of Georgia. Mr. President, one moment. I do not yield to the Senator to lose my place. I understand that under the ruling of the Chair I can not yield except for a question; and, while I would be glad to yield to the Senator, I do not wish to lose my position upon the floor.

Mr. ASHURST. I certainly have no disposition to have the Senator lose his place on the floor.

Mr. SMITH of Georgia. No; I know the Senator has not; and I just wish an understanding as to what is to be done with me if I yield.

The VICE PRESIDENT. The Senator has had one speech, and now he is entitled to another.

Mr. SMITH of Georgia. Then I can not yield to the Senator.

Mr. ASHURST. I ask unanimous consent to be allowed to finish my short sentence. That ought to be granted.

Mr. SMITH of Georgia. The Chair has already held that I forfeited the right of one speech by allowing the interruption of the Senator from Arizona.

Mr. President, the Senator from Arizona says there are 20 men in Arizona who are splendidly entitled to pensions. If we knew who they were, if a list of them had been prepared, if we had a record to show that they were the proper character of men and that it was the proper character of service, we would have something substantial to act upon. But this bill does not limit its provisions to the men he has described.

Just let me show you, Senators, the breadth of language contained in this bill:

That the provisions, limitations, and benefits of an act entitled "An act granting pensions to survivors of the Indian wars of 1832 to 1842, inclusive, known as the Black Hawk War, Creek War, Cherokee disturbances, and the Seminole War," * * * be, and the same are hereby, extended * * * to the surviving officers and enlisted men of the Texas volunteers who served in defense of the frontier of that State * * * and to the surviving officers and enlisted men, including militia and volunteers of the military service of the United States, who have reached the age of 62 years, and who served for 30 days in the campaign in southern Oregon and Idaho and northern parts of California and Nevada from 1865 to 1868, inclusive; the campaign against the Sioux in Minnesota and the Dakotas, * * * and the campaigns against the Sioux in Wyoming, * * * the campaign against the Cheyennes, Arapahoes, Kiowas, and Comanches in Kansas, Colorado, and Indian Territory, * * * the Modoc War of 1872 and 1873, and many others I will not stop to read.

Now, mark you, this applies to those who served 30 days, Mr. President. The House had it "90 days." The Senate has amended this bill, and says that 30 days' service is long enough.

Mr. SMOOT. Mr. President, will the Senator yield for a question?

Mr. SMITH of Georgia. Well——

Mr. SMOOT. Just for a question.

Mr. SMITH of Georgia. Only for a question that the Chair holds is a question, Mr. President. I do not want to lose my place on the floor.

Mr. SMOOT. I would not think of causing the Senator to lose the floor. I simply wanted to ask the Senator this question: Is it not true that every Indian-war pension bill that has passed Congress requires a service of only 30 days?

Mr. SMITH of Georgia. I think the fact that there have been so many bad pension bills passed is no reason for another. If they had said "10 days" before, I do not think 30 days' service would be enough for a pension.

The bill provides:

The campaign against the Apaches of Arizona * * *; the campaign against the Kiowas, Comanches, and Cheyennes in Kansas, Colorado, Texas, Indian Territory, and New Mexico * * *; the campaign against the Northern Cheyennes and Sioux * * *; the Nez Perce War * * *; the Bannock War * * *; the campaign against the Northern Cheyennes * * *; the campaigns in the Black Hawk Indian War in Utah * * *; the campaign against the Ute Indians in Colorado and Utah; * * *; the campaign against the Apache Indians in Arizona * * *; and the campaign against the Sioux Indians in South Dakota * * *; and also to include the surviving widows of said officers and enlisted men who shall have married said survivor prior to the passage of this act: *Provided*, That such widows have not remarried: *Provided further*, That this act shall extend also to the surviving officers and enlisted men of the organization known as Tyler's Rangers, recruited at Black Hawk, Colo., in 1864, for services against the Indians: *Provided further*, That if any certain one of the said campaigns did not cover a period of 30 days, the provisions of this act shall apply to those who served during the entire period of said campaign.

Just listen, Mr. President, and Senators! If they have served 30 days, they get a full pension; and if any campaign did not happen to be that long, they get a full pension the balance of their lives, anyhow!

*Provided further*, That where there is no record of enlistment or muster into the service of the United States in any of the wars mentioned in this act, the record of pay by the United States shall be accepted as full and satisfactory proof of such enlistment and service: *And provided further*, That all contracts heretofore made between the beneficiaries under this act and pension attorneys and claim agents are hereby declared null and void.

That is the only real good thing I see in the bill so far. That, I like.

That the period of service performed by beneficiaries under this act shall be determined by reports from the records of the War Department, where there is such a record, and by the reports from the records of the Treasury Department showing payment by the United States where there is no record of regular enlistment or muster into the United States military service: *Provided*, That when there is no record of service or payment for same in the War Department or Treasury Department, the applicant may establish the service by satisfactory evidence from the muster rolls on file in the several State or Territorial archives: *And provided further*, That the want of a certificate of discharge shall not deprive any applicant of the benefits of this act.

Why, Mr. President, it needs only one more thing to make it perfect:

*Provided*, That if he can not show service at all, that fact shall be no bar to his pension.

That would make it a bill that would commend itself to its advocates. He need never have occupied the attitude of serving the United States Government. He need never have been on the pay roll of the Government. He need never have served in a war lasting 30 days. None of that is necessary; but he must get a pension the balance of his life, and so must his widow, if he is 62 years of age.

Mr. President, I suggest the absence of a quorum, without losing my place on the floor. I do not understand that the suggestion of the absence of a quorum forfeits my place on the floor.

Mr. SMOOT. That is what has always been held.

The VICE PRESIDENT. The Senator from Georgia suggests the absence of a quorum.

Mr. SMITH of Georgia. All right; I suggest the absence of a quorum. I will take care of myself.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Hitchcock | Nelson | Sterling |
| Bankhead | Hollis | Norris | Swanson |
| Beckham | Johnson, Me. | Oliver | Thomas |
| Broussard | Johnson, S. Dak. | Owen | Underwood |
| Catron | Jones | Page | Vardaman |
| Chamberlain | Kern | Ransdell | Wadsworth |
| Curtis | La Follette | Shafroth | Warren |
| Fletcher | Lane | Sheppard | Williams |
| Gallinger | Martin, Va. | Sherman | |
| Gronna | Martine, N. J. | Smith, Ga. | |
| Harding | Myers | Smoot | |

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is not a quorum present.

Mr. PITTMAN, Mr. BRANDEGEE, Mr. LIPPITT, Mr. WALSH, and Mr. TOWNSEND entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. SUTHERLAND answered to his name when called.

Mr. CHILTON entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is not a quorum present.

Mr. SIMMONS, Mr. LEA of Tennessee, and Mr. OVERMAN entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present.

Mr. SMITH of Georgia. Mr. President, I move to reconsider the action of the Senate in amending the bill, on page 2, by striking out, in line 9, the word "ninety" and inserting the word "thirty."

Mr. SMOOT. Mr. President, is the Senator going to speak on his amendment?

Mr. SMITH of Georgia. Yes.

Mr. WALSH. Mr. President, a point of order. I inquire of the Chair if amendments to the bill are at this time in order?

The VICE PRESIDENT. Amendments to the bill are in order. The bill is in the Senate and open to amendment.

Mr. WALSH. I inquire, then, whether a motion to reconsider a vote taken as in Committee of the Whole is in order?

The VICE PRESIDENT. The Chair does not believe it is in order, but the amendment can be reached in the same way.

Mr. WALSH. I raise the point of order that the motion of the Senator is out of order.

The VICE PRESIDENT. The bill was amended as in Committee of the Whole. It was reported to the Senate. The Senate agreed to the amendments made as in Committee of the Whole. This was not reserved as a separate question, and so the Chair is compelled to sustain the point of order. A motion to reconsider this particular amendment would not be in order.

Mr. SMITH of Georgia. Then I ask, Mr. President, if a motion to substitute "three months" for "30 days" would be in order? Frankly, if the Senate has acted on the 90 and the 30, and we are not at liberty to move to reconsider it, my own opinion would be that it was so disposed of that I could not move to substitute something for the 30. I do not see why a motion to reconsider would not be in order. The Senate has approved an amendment. While the bill is before the Senate, would I not have a right to ask to reconsider what the Senate has done?

The VICE PRESIDENT. The Senator from Georgia can move to reconsider the vote whereby the Senate concurred in the amendments.

Mr. SMITH of Georgia. That was my motion.

The VICE PRESIDENT. No; *the* amendment. There was more than one, and there was no reservation in the Committee of the Whole for a separate vote on this amendment; so all the amendments together were voted on in the Senate. Consequently, a motion to reconsider must be of all the amendments, not one.

Mr. SMITH of Georgia. Then I move to reconsider all the amendments that were adopted in the Senate; and upon that I desire to be heard.

Mr. President, let us see what some of those amendments were. This is an Indian pension bill. The House provided that there should be 90 days' service in Indian wars to entitle men to receive these pensions for the balance of their lives. The House estimated that it would cost a million dollars a year to pay the pensions if the service was limited to 90 days' service. Now the Senate proposes to amend by providing, as a substitute for the 90 days' service, 30 days' service. We have not any estimate at all as to how much that will cost. The estimate of the House was based upon a bill giving the pensions for 90 days' service. This first amendment reduces the service to 30 days.

Now, let me go further and call to your attention some of the other amendments that we put on in the Senate.

The Senate has amended the bill so as to provide that—

When there is no record of service or payment for same in the War Department or Treasury Department, the applicant may establish the service by satisfactory evidence from the muster rolls on file in the several State or Territorial archives.

I do hope the Senators will listen to this for a moment. You do not know how much you are voting out of the Treasury. Your only estimate is based upon the House bill, and you have amended it in the Senate, making it infinitely worse. It was bad enough as the House sent it to us—$1,000,000. You change the length of service from 90 days to 30 days. Then you change the provision and declare that though there is no record of any service for the Government, though there is no record of the payment of a dollar to any of these men by the Government, you will go somewhere else and find another roll and make it up of a 30-day service; and you do not know how much you are increasing your appropriation beyond the million dollars a year.

*Provided*, That when there is no record of service or payment for same in the War Department or Treasury Department, the applicant may establish the service by satisfactory evidence from the muster rolls on file in the several State or Territorial archives.

You abandon any idea of service to the National Government. It was a million dollars if you held to the national-roll rule. It was a million if you held to 90 days. You cut it down from 90 to 30. It was a million if you limited it to those whose service was shown in the War Department, and you changed it by omitting any requirement of evidence of service in the War Department. This amendment proposes to change it.

Mr. TOWNSEND. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. WALSH in the chair). Does the Senator from Georgia yield to the Senator from Michigan?

Mr. SMITH of Georgia. For a question.

Mr. TOWNSEND. This bill proposes to give to the Indian war veterans pensions for less service than that for which men were given pensions in the case of the Civil War, does it not?

Mr. SMITH of Georgia. Yes.

Mr. TOWNSEND. In the one case it is 90 days.

Mr. SMITH of Georgia. In this case it is 30 days. Not only that, but the Civil War pensioners were employed by the National Government, were enrolled as soldiers of the National Government; and this amendment proposes to put these men on the roll of pensions without their ever having been enrolled in the service of the National Government.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. SMITH of Georgia. For a question.

Mr. CLAPP. Well, then——

Mr. SMITH of Georgia. I can not do more than yield for a question, because there are Senators who are willing to take me off my feet.

Mr. CLAPP. The Senator knows I would not do that.

Mr. SMITH of Georgia. I know that, of course; but under the rules I would be taken off. I do not complain.

Mr. SMOOT. Mr. President, did the Senator look at me when he said that?

Mr. SMITH of Georgia. I did not mean the Senator from Utah. I heard over here from several of my close friends that I have used my privilege of two speeches and could not occupy the floor again.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. SMITH of Georgia. For a question only.

Mr. SMOOT. Mr. President, a point of order.

Mr. SMITH of Georgia. I have to yield to that.

Mr. SMOOT. Of course.

The PRESIDING OFFICER. The Senator from Utah will state his point of order.

Mr. SMOOT. I do not want to enforce the rule, but I want, just for the RECORD, to state that the Senator had no right to make the motion that he did, and I call the Senator's attention to the rule. I do not want to stop the Senator from talking, and I only want to make this statement for the RECORD.

Rule XIII says, on page 14 of the Manual:

When a question has been decided by the Senate any Senator voting with the prevailing side may, on the same day or on either of the next two days of actual session thereafter, move a reconsideration.

Mr. President, more than two days have passed, but I do not want to take the Senator off his feet. I make this statement for the RECORD; and I want the Senator to have all the time he wants to have to speak upon the bill.

Mr. SMITH of Georgia. Mr. President, I go on. The Presiding Officer held my motion in order. There was no appeal from the decision of the Chair, and the motion is pending under a ruling of the Chair that it was in order.

Now, let us see what these amendments do.

The PRESIDING OFFICER. Will the Senator pardon the Presiding Officer for a moment? His recollection of the matter is not as stated by the Senator from Georgia. The Chair wants to get the RECORD straight. If the reporter has the record of this matter here, the Chair requests that it be read.

Mr. SMITH of Georgia. I will state to the Chair what happened. I first moved to reconsider a single amendment, and the Chair held that that was not in order, because the Chair held that all of the amendments were adopted by the Senate in a single amendment, I thereupon moved to reconsider the action of the Senate which adopted them all, and the Chair held that it was in order.

The PRESIDING OFFICER. That is the recollection of the Chair. The question of whether the pending motion is in order or not has never been submitted to the Chair.

Mr. SMITH of Georgia. Certainly it was submitted, and the Chair held that it was in order, and I proceeded under the ruling of the Chair.

The PRESIDING OFFICER. The Senator from Georgia has not so stated in his statement of the facts. His statement of the facts is in accordance with the recollection of the present occupant of the Chair—that he made his motion and the motion was entertained by the Chair. The question of order, as to whether the motion was in order or not has never been submitted to the Chair.

Mr. SMITH of Georgia. I think that is true—that the Chair advised me that it would be in order, and thereupon I made the motion. My recollection agrees with the view of the Chair in

that respect; but I wish to go further and call the attention of the Senate to this additional provision now, as suggested by the Senator from Michigan:

You require 90 days' service for a soldier during the Civil War as an enlisted soldier of the Government. This bill reduces the time of service to 30 days for these soldiers of Indian wars and then goes further, and you have amended the House bill by providing:

That when there is no record of service or payment for same in the War Department or Treasury Department, the applicant may establish the service by satisfactory evidence from the muster rolls on file in the several State or Territorial archives.

Just think about it, gentlemen. Do you mean to do that? Do you mean to put on the permanent pension roll men who never enlisted in the service of the Government but who may be found on some State muster roll; who never had any record to support their national service, to ask for any compensation from the Government for the service; who never had any proof to show their service to the Government, but who can show a muster roll in some State?

*And provided further,* That the want of a certificate of discharge shall not deprive any applicant of the benefits of this act.

Do you put upon the pension rolls soldiers of the war unless they were honorably discharged? Or honorably mustered out? The truth of this is that they were neither mustered in nor mustered out. Then why is it so broadly stated? They have never been mustered into the service of the Nation and therefore they were never mustered out, and if they ever got on any list in the State they can take a pension for the balance of their lives, though they were never mustered in or out.

Why, it is no more to me than to any of the balance of you. Perhaps it is more to some of the balance of you. It may be good politics for the gentlemen in Northwestern States or some of the States where the boys will get their hands in the Treasury, and they or their widows draw pensions for the balance of their lives. If there are some of these men who are really entitled to a pension let us have a bill that takes them up intelligently and bases it on something.

Mr. CLAPP. Will the Senator permit a question?

Mr. SMITH of Georgia. Yes, a question; but not anything that will take me off the floor.

Mr. CLAPP. Does not the Senator feel that when it comes to a matter of reaching into the Federal Treasury the injunction issued many years ago, "Let him who is without sin among you cast the first stone," ought to apply with force and effect?

Mr. SMITH of Georgia. Certainly I do. Therefore I am casting stones. I have preserved my status to cast stones by declining to help the Spanish War veterans, some of whom live in my own State, from getting pensions without just claims. I have held up wherever I could the Spanish War veterans, although my own State had as many in proportion to its population, as any State, and there would have been more if they had been permitted, as they wished to enter the service.

Mr. CLAPP. May I ask the Senator another question?

Mr. SMITH of Georgia. Yes.

Mr. CLAPP. Does the Senator limit his concept of this unholy act of grasping from the Federal Treasury only to those who reach for it in the form of a pension?

Mr. SMITH of Georgia. Not at all.

Mr. CLAPP. With that broader concept, will the Senator still say he can cast a stone as one without offense?

Mr. SMITH of Georgia. The Senator is still prepared to defend any vote he has ever cast for an appropriation, and he is ready to cast stones when he thinks they ought to be cast.

Mr. CLAPP. If the Senator will permit as an interruption a suggestion——

Mr. SMITH of Georgia. I can not permit a suggestion. I will permit a question. I really think this bill is a proposition to pass pensions that we know nothing about. Just let us see the change since the House sent it to us. The House said that in 90 days, and with the record of the Government to show the service, it would be a million dollars a year. You would fasten it, probably, for 15 or 20 years on the country.

Now, your amendment cuts from 90 days to 30 days, and how many more do you bring in? How many more do you bring in under the Senate amendment? Then your amendment cuts out the requirements that there shall be a register here in Washington showing that there was service at all. You turn them loose. You relieve them from being mustered in and from being mustered out. How many millions will it take? What will it cover? There is not a Senator who knows anything about it.

If there ought to be some pensions to some of these men, let us be reasonable about it. Let us enact a bill that in some sense is justifiable. Do not just throw down every barrier at once and abandon every restraint and give a pension to everybody applying without regard to what he has done. Those are the two main Senate amendments. There is one other to which I wish to call attention.

Mr. FLETCHER. May I interrupt the Senator?

Mr. SMITH of Georgia. For a question.

Mr. FLETCHER. I ask the Senator the meaning of the amendment at page 4, line 25, where it provides further "that the want of a certificate of discharge shall not deprive any applicant of the benefits of this act."

Mr. SMITH of Georgia. He is not to be mustered out or mustered in. He does not under this amendment have to be on the roll here at Washington. He does not have in any way to manifest his service to the Government. He does not have to show that he had a certificate that he was mustered out. I do not think that is the kind of Indian war pensions that you gentlemen really want to pass. It goes too far if you are going to pass any at all.

Mr. President, with reference to the suggestion that my motion to reconsider was later than the time provided, this bill got into the Senate, and the Senate without objection concurred in the committee amendments. It has never been before the Senate since then. I suppose I could have filed a motion between then and now. I do not understand that the formal point of order has been made on my motion. I submit to the Senate my criticism upon these amendments. I do not see how we can justify them.

Mr. THOMAS. Mr. President, I have read this bill once or twice and have noted the significance of some of the provisions that have just been criticized by the Senator from Georgia [Mr. SMITH]. The bill seems to be one of those which originally was designed to subserve a particularly good purpose by providing pensions for veterans of the Indian wars, to which no Senator could properly object in view of the liberal nature of our pension system. Such a bill would be meritorious, as I personally know, if applied to those who have done actual Indian service for an appreciable period of time. But to secure pensions for these deserving veterans it has evidently been necessary to make other provisions for other classes, so that it embraces every individual seemingly indentified with any of those Indian and border outbreaks, giving him equal opportunity for a pension from the Government with him who has borne the heat and the burden.

In other words, in order to secure the benefit of this bill for those who are deserving, it seems to have been necessary to include some classes who may not deserve it. The House bill, liberal as it was, has been so extended by the Senate amendments that it may be possible for any man who enlisted in some of the campaigns and afterwards changed his mind before doing actual service to obtain a pension.

Now, I know that any criticism of a pension bill, however meritorious or well-deserved, inevitably subjects one to misunderstanding, censure, and reprobation. The pension policy has long ago reached a stage where the average legislator does not dare to question the merits of any application, so they go, as a matter of course, to all who seek them. The Military Committee is required to consider a great many bills filed here to remove the disabilities of soldiers who have been dishonorably discharged to enable them, after the removal of such disability, to apply for and receive admission to the pension roll. The committee to-day has a very considerable number of such bills. In many instances the applicant asserts his ignorance of the nature of his own record, until some one called his attention to it, or until the application for a pension under the general laws is denied. Then Congress is appealed to, and, of course, after all human testimony to substantiate the records of the War Department has passed away.

We have removed these disabilities in a good many cases, for some of the applications have been meritorious, unquestionably so. The greater proportion can only appeal to our discretion, and that, too, is sometimes favorably exercised. But the practice emphasizes the fact that the pension roll is no longer a roll of honor. It now embraces within its rolls all sorts of public service, good, bad, and indifferent, or no service at all. He who served his country and served it well receives the same consideration in his old age as and no more than he who served his country not at all or served it grudgingly. Each and all are treated alike. Here and there is an exception. In these days an application for a pension will go as a matter of course. I can not perceive what incentive the soldier of to-day has for giving his country the best that is in him when the soldier who shirked or deserted receives a like reward from a generous Nation.

Mr. President, the Senator from Georgia said that the estimates of the House based upon the bill which it passed and sent

to the Senate mean an increase in our actual fixed expenditures of upward of a million dollars per annum. Of course, in these days in Congress a million is a mere bagatelle. We speak of millions and we appropriate them as flippantly as though they were copper pennies. A hundred million dollars has ceased to be a startling amount in a congressional appropriation, and the time is rapidly approaching when billions will be disposed of quite as unconcernedly as hundreds of millions are now appropriated.

A great many Senators upon the other side of the Chamber have reminded us with painful iteration of that celebrated plank in the Baltimore platform which denounced the profligate extravagance of the Republican Party during its administration of public affairs and pledged Democracy to strict economy of expenditures. They have taunted us with our disregard of that pledge and with the fact that we have seen the Republican extravagance and gone away beyond it.

I have more than once rejoined that I have seen no evidences of a desire upon the other side of the Chamber, with here and there an exception, any more than upon this side to give much heed to that pledge or independently of it to exercise here and there some measure of frugality in our appropriations.

Mr. President, these reminders of Senators upon the other side and these suggestions of mine have availed nothing. We go on our spendthrift way and the people approve. They have almost without exception come to regard the Public Treasury as a vast and exhaustless reservoir of money created for their benefit, and each and all of them strive to secure every dollar from it that they can for themselves. The West, the South, the North, and the East are actuated by a common sentiment when it comes to raids upon the Treasury. The constituents of the Senator from Minnesota, the constituents of the Senator from Georgia, the constituents of the Senator from Maine, and my own constituents are alike in this particular. Each section denounces the extravagances of the Government while insisting that its own demands are entirely reasonable and urgently necessary. Hence it should be excepted from the common rule. The result is obvious. It finds expression in omnibus bills like this, designed to cover the claims of different sections and sometimes of different interests in order to secure a sufficient number of votes to enact the measure as an entirety, and by a system of lumping and logrolling a great many appropriations are secured which but for this method never would be enacted into law.

Now, this has grown to be a practice, Mr. President, honored not in the breach but always in the observance. It is getting worse and worse, and it will continue to do so until public men exhibit the courage to resist the demands of their own constituencies and thus effectually resist the constantly increasing avalanche of demands from every direction upon the Public Treasury.

These continued and ever-increasing appropriations are wiping out the States, which are becoming provinces distinguishable from each other merely by geographical boundaries. State rights used to be a subject of living and important concern. Representatives and Senators were jealous of those rights and defended and safeguarded them here and at the other end of the Capitol. But that was years ago. To-day we are ready to surrender any right of any State, to abandon any prerogative of any Commonwealth and surrender them to the Federal Government, provided we can secure appropriations large enough to justify the policy. When we rise from our seats, as we sometimes do, and denounce the activities of the Government, the extension of its jurisdiction and consequent absorption of many of the reserved rights and powers of the States, we should remember that we are ourselves largely responsible for the evil, and that the people have seemingly ceased to trouble themselves about the fact so long as we can bring home the lion's share of the national plunder.

We have passed a number of bills designed to obtain and disburse money in all the States of the Union in certain proportions duly provided for, and we are going, I presume, to pass others, notwithstanding the fact that there is a day of settlement soon to come. It will come when we turn our attention to the method of raising revenues instead of appropriating them.

In all of the schemes of preparedness with which I have been deluged during the last three months, I have received hardly a suggestion as to the manner in which we should raise the money necessary to meet our increased appropriations for that purpose. Here and there it has been intimated that a return to the good old Aldrich tariff would be necessitated by these conditions, and that an issue of interest-bearing bonds saddling still more of our obligations upon posterity is an easy solution of the problem. Let our children struggle as best they may with the problem after we are dead and gone; meanwhile, we consider preparedness. Let me hope that we shall do neither, but pay as we go.

But we must raise more money, and of course by taxation. And because we must raise more money we should expend at present only what is essential Why, then, should we at the present time increase our pension list by $1,000,000 a year, as provided for in this House bill? And why increase that million by the enactment of a measure, the amount of appropriations to meet which we do not know, and can only imagine? Oh, I know some one will say, "It is only a million dollars; and what is a million dollars to the Treasury of the United States?" It does not count. I am reminded of the Chicago packer who saw a boy in West Virginia driving some hogs along the road one day. On inquiry the boy said he was driving them to a pasture. The Chicago man asked why. "Oh," he said, "so that they can get fat." He was then asked how long it would take them to get fat in that way. The boy said, "About six months." "Well," the Chicago man said, "That is not the way we do in Chicago and around in that section of the country. We take the hogs, my son, and we put them in pens, we feed them corn, and we fatten them in 30 days." "Oh, well," the boy said, "what in thunder is time to a hog?" [Laughter.]

What is a million dollars to us? It is a mere bagatelle. We toss them off with the easy nonchalance of jugglers. And yet we know, Mr. President, that a little million here and a little million there and a couple of millions yonder and some more millions next week amount to many millions in the end. Their distribution will enable the statisticians of the Republican campaign committee to make a pretty respectable showing about the first of next July; and those Senators and Representatives who always vote with us for such appropriations will be the loudest in their denunciation of our extravagance before the people. This will serve us right, because there is this modicum of justice about it, that we are in power, and we could if we would make our denunciation of Republican extravagance most effective by repudiating it in our own practice.

It may be said, Mr. President, that all this has comparatively little to do with this bill, but I am speaking to this question simply because the bill is one of a series. "They come and go as comes and goes the sea;" sometimes one per day, sometimes two, sometimes more.

I said the other day—I think on the 10th of April—that the bills then upon the Senate Calendar, outside of general appropriation bills, if enacted into law, would require $121,000,000 to provide the sums necessary to make them effective. I presume the amount is much larger now, because a good many other bills have since come out of committees. I think it is safe to say that 75 per cent of the bills introduced into this Congress, and perhaps also in the last Congress and in a number of previous Congresses, call for appropriations—small appropriations or large appropriations—in the aggregate collossal appropriations.

Mr. President, I should perhaps keep silence if this bill were to be enacted as it came over from the other House, since, in any event, my words will have but little, if any, influence upon the final vote. But there are opportunities in the House bill for a considerable increase of the amount estimated to be necessary to carry its provisions into effect. For instance, I read from page 4, where it is provided:

That if any certain one of the said campaigns did not cover a period of 30 days—

"Ninety days," as the bill came from the House—

the provisions of this act shall apply to those who served during the entire period of said campaign.

In other words, if any one campaign lasted but 1 day or 10 days or 15 days or 25 days the provisions of the act will apply as completely to those engaged in such brief campaigns as they will to a campaign running a year or more. Those of us in the West who have lived there as long as I have can recall some Indian outbreaks, although perhaps not covered by the recitals of the bill, which were over in less than 20 or 25 days. They were extremely brief; they were limited in area and in importance; yet those who rushed to their own defense or to the defense of others, where, perhaps, no gun was fired or no life lost or no wounds inflicted, are treated with the same generosity in this bill as is the hardened, old, war-seasoned pioneer veteran of the plains whose business in life was fighting Indians, and who fought them at all times and fought them well; one of the most splendid set of men which any country ever produced; men who faced every peril of weather, of wilderness, and of savage, fought out their own destiny, conquered all obstacles, and made possible the subsequent settlement of the great States of the West. All honor to them. They deserve well of the Republic.

That sort of man in old age should be liberally provided for, but under the provision to which I have just called attention,

these heroes line up with men of 10 days' service in any capacity—men with no mustering-in and no mustering-out, with no record of service, State or Federal. Mr. President, I ask you what limitation, except the conscience of men, will circumscribe the operation of this bill in actual practice? I can not determine; but I do know when an opportunity to get money from the Treasury of the United States through the provisions of any measure comes along the temptation to avail oneself of that opportunity is well-nigh irresistible. So it seems to me, Mr. President, that this bill as amended is altogether too comprehensive. I do not believe it would have been so amended, but for the apprehension that without them a majority could not be obtained to carry the bill.

Mr. President, I have said more than I intended to say. I do not believe that we should legislate in this loose manner when our legislation means appropriations out of the Treasury of the United States. I believe that we should treat this great fund in the treasury as we would treat trust funds committed to our keeping and calling for our private administration, with due regard, of course, to the public needs and the public demands.

In a book of aphorisms the other day I saw this one: "Public money is like holy water; everyone helps himself." And I could not but think that it was a most appropriate description of the public money of the United States, in view of the careers of the Sixtieth, Sixty-first, Sixty-second, Sixty-third, and doubtless of the Sixty-fourth Congresses.

Senators on this side of the Chamber, I want to venture the prediction that, independently of increased appropriations for so-called preparedness, our annual expenditures will probably aggregate one and a half billion dollars for the next fiscal year, unless we call a halt and in some degree economize. If there ever was a time, Mr. President, demanding economy in legislation this is the time, for it is self-evident that in some degree, either large or small, this Nation, through the stress of foreign war and activities of the Sixty-fourth Congress, is going to enter into a new era of nationality.

It was once said that no nation entering a war and emerging from it is ever the same, and in the presence of this world-wide war, affecting, directly or indirectly, every people upon the face of the earth, and bringing those of our own country face to face with a survey of the consequences of a sudden conflict without some cautionary prevision, we shall consider public sentiment by making some increase of our Army and Navy. This increases, of course, the taxes already pressing heavily upon the people, and particularly upon the consumptive energies of the Nation. This is our task; the task of the majority. It is our burden, and we must assume it, with the certainty of incurring sullen resentments where taxation presses unduly, as it will. Let us make the load as light as we can by saving where we can. The gravest indictment that posterity will return against this Congress may be that at such a time it not only forgot the pledges of Democracy, but increased the extravagances which it denounced in previous administrations, and thus swelled the burdens of the people. Let us prevent this. We can do so if we will.

Mr. JOHNSON of Maine. Mr. President, I quite agree with the Senator from Colorado [Mr. THOMAS], who has just taken his seat, that human nature is apt to be human nature in any party and to manifest itself; but I want to call attention to some provisions in this bill which prompt me to support it as an act of justice to those who were engaged in and who performed a most hazardous national duty and national service.

The Senator from Georgia [Mr. SMITH] has criticized the amendment of the Senate committee because we have shortened the term of service which the House provided. They fixed it at 90 days, and we have made it 30 days. We so amended the bill because in all previous Indian-war pension bills which have been passed by Congress only 30 days' service was required.

The very first bill of this character was passed in 1892. In that measure the survivors of only four Indian wars were included, and under its provisions a service of only 30 days was required. Again, in 1902, 10 years later, the Congress of the United States extended the provisions of the act of 1892 to the survivors of a dozen more Indian wars, so that we had then some 16 Indian wars in all included, and only a 30-days' service was required of those who took part in those wars. Again, in 1908, the provisions of the act of 1892 were further extended to the Texas Rangers and others in Texas who had defended the homes of the people of the then frontier State against Mexican marauders and Indian invaders, and only 30 days' service was required.

The Senator has also criticized the bill because of the provision that no certificate of discharge shall be required. A similar provision was in all the previous Indian-war pension acts which have been passed. It does not preclude or do away with the necessity of showing that the soldier was discharged or mustered out, but he may show that fact in other ways than by a certificate of discharge. That was the provision in the preceding bills.

Having in mind all the Senator from Colorado has said about the duty, which rests upon me as heavily as it does upon him, to guard the Treasury of the United States, it seems to me that we should be just to those who at the particular time when homes of settlers were in danger and we were extending the frontier in the great and growing West hazarded their lives to make sure and safe the pathway of civilization there.

Just think of the great men who served in those Indian wars, men illustrious in the history of your country—such men as Sheridan, Sherman, Custer, and Howard. You have not made provision in any of the Indian-war bills heretofore for the survivors of the Custer campaign and of many other of the bloody wars in which the soldiers of the country took part.

Now, we have come to a point, it seems to me, when justice shall be done. I do not care what it costs, if it is an act of justice to those who sacrificed their possessions, who hazarded life itself, and who saved at times the last cartridge for themselves, knowing that no mercy would be shown if they were taken. I care not about a little cost; we can not reckon it in the money of any realm. When we are asking now for volunteers to come forward and enlist and prepare themselves for the service of this country and we find there are some holding back, I do not want men to point to the Congress of this country as being illiberal, picayunish, and mean with the soldier who volunteered his services for his country.

This surely was a service which called for courage; it called for sacrifice. I do not know what this bill will cost. The House thought perhaps it might cost a million dollars a year, but they had no information upon the subject; and speaking for the Committee on Pensions of the Senate, I have been unable to obtain any information at the War Department as to just what the cost will be. Mr. C. R. Houser, who is the secretary of the Indian War Veterans' Association of the West, thought it would be much less. He stated that for three years he had been attempting to make up a roll of all those who had survived, and he had only been successful in finding some 1,200 or 1,300. There are few, and they will not be affected, in my State.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Georgia?

Mr. JOHNSON of Maine. I do.

Mr. SMITH of Georgia. May I ask the Senator whether that roll would conform to the rules which are prescribed in these amendments or to the rules that the House prescribes?

Mr. JOHNSON of Maine. It was entirely a roll of the survivors. This applies only to those who have reached the age of 62 years.

If the survivors of the earlier Indian wars deserved liberal consideration by the Congress of the United States, I see no reason why those who served in these later wars should not be treated in the same way. If you will count those for whom provision has been made in the acts of 1892 and 1902 and 1908, you will find that you have about 20 Indian campaigns, and that the survivors of those 20 Indian campaigns now draw pensions for a service of 30 days, and with no certificate of discharge, if the certificate of discharge is lost, and they show their service by other evidence outside of that record.

We have followed that provision; and if we had not inserted here, as the Senate committee did, that if the certificate of discharge was lost it should not deprive the applicant of the benefits of the act, and had simply extended the provisions of the earlier acts to the applicants under this, it would have been sufficient without calling attention to this, and they would have been covered by it.

I do not know, as I say, what this would cost, and I think it is not entirely a question of cost. It is a question of justice in dealing with these survivors of the later wars as Congress has dealt with those who served in the Seminole War, the Black Hawk War, the Modoc War, and other wars for the survivors of which you have made provisions for pension.

Mr. SHAFROTH. Mr. President, in reference to the statement which was made by the Senator from Maine [Mr. JOHNSON] in relation to Mr. Houser, whose headquarters are at Denver, Colo., I will state that in his communication he says that the National Indian War Veterans' Association of the United States numbers at present 485 members; that there were advertisements inserted in newspapers for all persons who served in Indian wars to become members of that organization, and he states that the number can not be large; he does not

pretend to say exactly how many, but it falls far short of the number of 5,000 suggested.

I want to say this, however, that the campaigns waged in the western portion of the United States in defense of the homes of the settlers were campaigns where there were greater hardships, and which were more exacting upon the health and even upon the physical endurance of the individuals, than those of many of the battles of the Civil War. There is one man who states:

I saw more fighting at Beecher Island than during all the four years I served with the Army of the Potomac.

When we consider that we have men who have endured these hardships, and we know that they have not had, to any appreciable extent, aid from the States, and that these men are as much entitled to pensions as the men who served in the Civil War, it does seem to me that in order to be just and fair we ought to grant them pensions.

Whether this bill is a little too liberal or not, I am not prepared to say. The bill, as it came from the House, provided for pension upon 90 days' service in these campaigns; but when we find that the exact provisions that are contained in this bill were also in the 16 other Indian war acts passed years ago I can not see how we can well discriminate against the Indian war veterans in this measure.

But the bill is not a law yet. It has to go to the House for consideration. A conference, no doubt, will be had upon it; and if there is a proper showing that there are in it harsh provisions as against the Government, or too liberal provisions for the individuals, it may be that there will be a change. But it seems to me that when we take into consideration the fact, as the chairman of the committee said, that these identical provisions are in the pension legislation of every other Indian war—the veterans of which are being pensioned or have been pensioned by the United States Government, I do not see how, in fairness, that committee could have refused to incorporate in this bill the same provisions.

It seems to me that it is not fair to say that only those persons who were in the Civil War are entitled to pensions, when these men have performed service as valuable to the Government, and they include Regular soldiers of the United States Army. The men who fought with Custer when he was massacred all come within the provisions of this act, unless they draw a pension from some other act of Congress of the United States, and then they would not be entitled to the pension under this bill.

We have a liberal pension policy, it is true—a pension policy more liberal than that of any other Government on the face of the globe—and I am satisfied that that is one of the things which the soldier, when he volunteers at the call of the Nation, considers as one of the protections which may accrue to him or to his widow in the event that he meets with injury or death on the field of battle. It must be remembered that these veterans are old men, and for many years have received no recognition from the Government. The veteran receives no benefit until he is 62 years old, and the majority of them are past that age. The average life of the veterans under this bill will not extend over eight years, and hence the allowance will not be perpetual. In order to make the objections to this bill tenable we should either reconstruct the whole pension laws and cut them down or give pensions to these men, these people in the West, who have fought just as hard and endured just as great hardships as those who are drawing pensions by reason of service in the Civil War. For these reasons, I submit the bill should be enacted.

Mr. CURTIS. Mr. President, I have no desire to take up the time of the Senate in the discussion of this matter. I have a report of the House of Representatives that shows the service of the Eighteenth and Nineteenth Kansas Volunteer Regiments—the Eighteenth some four months and the Nineteenth some six months. I ask to have the report printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[Report to accompany H. R. 8631, 53d Cong., 3d sess.]

The Committee on Pensions, to whom was referred the bill (H. R. 8631) extending the provisions of an act granting pensions to soldiers and sailors, approved June 27, 1890, to the Eighteenth and Nineteenth Regiments of Kansas Cavalry Volunteers, have considered the same and respectfully report as follows:

A report from the officer in charge of the Record and Pension Office, War Department, shows that a battalion of the Eighteenth Kansas Cavalry Volunteers, organized under a circular of June 21, 1867, from headquarters Military Division of Missouri, was mustered into the military service of the United States from July 13 to 15, 1867, at Fort Harker, Kans., to serve for a period of four months, and that it was mustered out of service at the same place November 15, 1867.

It also appears from the records that the Nineteenth Regiment Kansas Cavalry Volunteers, organized under authority contained in a telegram from the Secretary of War to Lieut. Gen. Sherman, dated October 6, 1868, was mustered into the United States service by companies from October 20 to 29, 1868, at Tokepa, Kans., to serve for a period of six months, and that the regiment was mustered out of service April 18, 1869, at Fort Hays, Kans.

The official report shows that these organizations were called out to aid in the suppression of Indian hostilities, and the records further show that the battalion of the Eighteenth Kansas Cavalry, above referred to, and the Nineteenth Regiment of Kansas Cavalry are the only two volunteer organizations mustered into the military service of the United States since the War of the Rebellion.

At the time the Eighteenth Kansas was mustered in at Fort Hooker a severe epidemic of cholera prevailed at that place, and it is shown by the records of the War Department that 20 deaths occurred in the battalion from that disease.

On the 21st and 22d of August, 1867, companies B and C of this battalion were in an engagement with the Cheyenne Indians on Prairie Dog Creek in Kansas, with a loss of 14 officers and men killed and wounded, and Maj. Armes, of the Tenth United States Cavalry, commends in the highest terms the officers and men of the Eighteenth who took part in this engagement in saving the State of Kansas from further depredations from the Indians.

In his report the governor of Kansas says:

"On the 30th of August Maj. Moore, with the Eighteenth Kansas, struck a portion of the Indians who had engaged Maj. Armes on the 21st and 22d, and after an engagement of several hours gained a decisive victory. About the same time Maj. Elliott, with a detachment of the Seventh United States Cavalry, attacked another band and drove them in a westerly direction toward the headwaters of the Republican. After these several engagements the Indians retired to their winter haunts and left the frontier settlements of Kansas comparatively at peace."

In Gen. Sheridan's report, dated Chicago, Ill., November 1, 1869, speaking of the depredations of the Indians on the plains during the previous summer and winter, he says:

"So boldly had this system of murder and robbery been carried on that not less than 800 people had been murdered since June, 1862—men, women, and children."

It had been the custom of the Indians to raid the frontier settlements during the summer and then seek security by retiring into the mountains during the winter. Gen. Sheridan continues:

"To disabuse the minds of the savages of their confident security and to strike them at the period when they were the most, if not entirely, helpless became a necessity, and the general in chief then in command of this division authorized a winter campaign."

The Nineteenth Kansas Cavalry was mustered into the United States service in the last days of October for the purpose of prosecuting the campaign at this season of the year. On the 5th of November the regiment moved from Topeka, Kans., and, crossing the Arkansas River at Wichita, moved in a southwest direction to join the Seventh United States Cavalry, near the junction of Beaver Creek with the North Canadian, 112 miles south of Fort Dodge, at a cantonment called Camp Supply.

On the march the command was caught in a severe snowstorm, and, becoming entangled in the canyons of the Cimarron, did not reach Camp Supply until the 30th of November. Of this incident in the history of the regiment Gen. Sheridan says:

"The regiment lost its way, and, becoming entangled up in the canyons of the Cimarron and in the deep snow, it could not make its way out and was in a bad fix. * * * It had been subsisting on buffalo for eight or nine days. * * * Officers and men behaved admirably in the trying condition in which they were placed, but the poor horses suffered greatly, and a number of them were lost."

Of the march down the Washita Gen. Sheridan says:

"The snow was still on the ground and the weather very cold, but the officers and men were very cheerful, although the men had only shelter tents. We moved due south until we struck the Washita, near Custer's fight of November 27, having crossed the main Canadian, with the thermometer about 18° below zero. On the next day we started down the Washita, following the Indian trail; but finding so many deep ravines and canyons, I thought we would move out on the divide, but a blinding snowstorm coming on and fearing to get lost with a large command and trains of wagons on a treeless prairie without water, we were forced back to the banks of the Washita, where we at least could get wood and water. * * *

"This was continued until the evening of the 16th of December, when we came to the vicinity of the Indians, principally Kiowas. They did not dream that any soldiers could operate in such cold and inclement weather, and we marched down on them before they knew of our presence in the country."

The result of this campaign was that Santanta and Lone Wolf, chiefs of the Kiowas, were taken prisoners, and by a threat of execution that tribe was forced to report at Fort Cobb, together with the Comanches and Apaches, and finally induced to go on their reservation.

From Fort Cobb the command marched to the base of the Washita Mountains and established Fort Sill, near Medicine Bluff. On the 2d of March following the Nineteenth Kansas Cavalry and the Seventh United States Cavalry, under the command of Gen. Custer, went in pursuit of the Cheyennes. The course pursued was via Camp Radiminski, mouth of Elk Creek, to a point on North Fork of Red River, a few miles above the mouth of Salt Fork.

The Cheyenne trail was struck on Salt Fork on the 6th of March, 1869, and followed to the north along the eastern edge of the Llano Estacado until the 20th of March, when the Cheyennes were caught camped on Sweetwater Creek, about 10 miles west of the eastern line of Texas. This march was made practically without transportation or adequate supplies, and for the last few days the men subsisted on mule meat without bread or salt.

In Gen. Custer's official report of this campaign he uses the following language:

"The point at which we found the Cheyenne village was in Texas, on the Sweetwater, about 10 miles west of the State line. Before closing my report I desire to call the attention of the major general commanding to the unvarying good conduct of this command since it undertook the march. We started with all the rations and forage that could be obtained, neither sufficient for the time for which we have already been out. First it became necessary to reduce the amount of rations; afterwards a still greater reduction was necessary, and to-night most of my men made their suppers from the flesh of mules that have died on the march to-day from starvation. When called upon to move in light marching order, they abandoned tents and blankets without a murmur, although much of the march has been made during the severest winter weather I have experienced in this latitude.

"The horses and mules of this command have subsisted day after day upon nothing but green cottonwood bark. During all these privations the officers and men maintained a most cheerful spirit, and I know not which I admire most, their gallantry in battle or the patient, but unwavering, perseverance and energy with which they have withstood the many disagreeable ordeals of this campaign.

"As the term of service of the Ninteenth Kansas Cavalry is approaching its termination, and I may not again have the satisfaction of commanding them during active operations, I desire to commend them—officers and men—to the favorable notice of the commanding general. Serving on foot, they have marched in a manner and at a rate that would put some of the regular regiments of Infantry to the blush. Instead of crying out for empty wagons to transport them, each morning every man marched with his troop, and—what might be taken as an example by some of the line officers of the Regular Infantry—company officers marched regularly on foot at the head of their respective companies; and now, when approaching the termination of a march of over 300 miles, on greatly deficient rations, I have yet to see the first straggler.

"In obtaining the release of the captive white women, and that, too, without ransom or the loss of a single man, the men of my command, and particularly those of the Nineteenth Kansas, who were called into service owing to the murders and depredations of which the capture of these women formed a part, feel more fully repaid for the hardships they have endured than if they had survived an overwhelming victory over the Indians."

Your committee is further advised by Hon. H. L. Moore, Member of Congress, who was the major commanding the Eighteenth Kansas during the whole term of its service, that this battalion, as well as the Nineteenth Kansas, was composed largely of men whose homes had been devastated and families murdered by the Indians during their raids on the frontier settlements. The Eighteenth suffered a loss of some 10 per cent from cholera and the casualties of battle. Its service was constant and arduous during the whole term of its enlistment.

The Nineteenth Kansas, of which Mr. Moore was lieutenant colonel, and which he commanded during the latter half of its term of service, prosecuted this campaign during the most inclement weather, and, as the official report shows, much of the time without adequate food or camp equipage. The result of the campaign was to clear the Plains of the Indians of the Southwest by forcing them onto their reservations, where they have remained ever since.

Upon full and careful consideration of this bill your committee are unanimously agreed that it is one of exceptional merit. The service rendered by these two organizations was of a very exceptional character, and the results of the same have been widespread and beneficent.

No dangerous precedent will be established by the enactment of this bill into law, as it will be remembered these are the only volunteer organizations which have been mustered into the United States service since the Civil War.

Mr. SMOOT obtained the floor.

Mr. STONE. Mr. President, does the Senator think he can dispose of this bill to-night?

Mr. JOHNSON of Maine. Does the Senator from Missouri address his inquiry to me?

Mr. STONE. I do.

Mr. JOHNSON of Maine. Of course, I have no knowledge as to how much time the Senator who is to speak desires to take.

Mr. SMITH of Georgia. Certainly it will occupy until 6 o'clock.

Mr. SMOOT. Then let the bill go over, if an executive session is desired.

Mr. STONE. I desire a very short executive session. I do not care to inconvenience other Senators.

Mr. SMOOT. I suggest that we lay the bill aside temporarily.

Mr. CLAPP. Mr. President, will the Senator from Missouri withhold his motion for a moment?

Mr. STONE. I will.

Mr. CLAPP. I move that the Senate still further insist upon its amendments to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, and request a further conference with the House on the disagreeing votes of the two Houses thereon, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Presiding Officer appointed Mr. ASHURST, Mr. MYERS, and Mr. CLAPP conferees at the further conference on the part of the Senate.

Mr. SMOOT. I understand that the Senator from Maine requested that the bill be temporarily laid aside.

Mr. JOHNSON of Maine. I have not made that request, but I wish to do so now.

Mr. SMOOT. It is not necessary, anyhow.

Mr. JOHNSON of Maine. I ask that the pending bill be temporarily laid aside.

The PRESIDING OFFICER. The Senator from Maine asks unanimous consent that the pending bill may be temporarily laid aside. Is there objection? The Chair hears none, and it is so ordered.

## PETITIONS AND MEMORIALS.

Mr. SUTHERLAND. I present a resolution adopted by the Woman's Republican Club of Salt Lake City, Utah, in regular meeting assembled on the 1st day of May, 1916, which I ask may be printed in the RECORD.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

*Resolved*, That the Woman's Republican Club of Salt Lake City, Utah, in regular meeting assembled on the 1st day of May, 1916, protest against the action of the House Judiciary Committee in suppressing the Susan B. Anthony amendment, and respectfully demand that said amendment be reported out of the Judiciary Committee at once; be it further

*Resolved*, That a copy of this resolution be sent to President Woodrow Wilson; Representative EDWIN WEBB, chairman of the Judiciary Committee; Representative ANDREW J. VOLSTEAD, minority leader of the same committee; Representative J. R. MANN, minority leader of the House; Senator J. H. GALLINGER, minority leader of the Senate; and to Senator GEORGE SUTHERLAND and Representative JOSEPH HOWELL, of Utah, with instructions to the two latter to read it into the CONGRESSIONAL RECORD.

Mrs. JUSTIN R. DAVIS, *President*.

Mr. CHAMBERLAIN presented a petition of sundry citizens of Portland, Oreg., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

Mr. McLEAN presented a memorial of the German-American Alliance, of New Haven, Conn., remonstrating against the refusal of the British Government to permit shipment of Red Cross supplies to Germany, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Hartford, Conn., praying that the United States remain at peace, which was referred to the Committee on Foreign Relations.

He also presented a memorial of Mount Livermore Grange, Patrons of Husbandry, of Holderness, N. H., remonstrating against any change being made in the parcels-post law, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of James G. Blaine Council, Junior Order United American Mechanics; of Aerie No. 579, Fraternal Order of Eagles; of Leeds Council, No. 16, Order United American Mechanics; of Rippowam Lodge, No. 24, International Order of Odd Fellows; of Local Union No. 192, Brotherhood of Painters, Decorators, and Paperhangers; and of St. Peter's Council, Knights of Columbus, all of Stamford, in the State of Connecticut, praying for the enactment of legislation to grant pensions to employees of the Postal Service, which were referred to the Committee on Post Offices and Post Roads.

He also presented memorials of the Trades Council, of New Haven; of District Council, United Brotherhood of Carpenters and Joiners; of Local Union No. 90, Brotherhood of Painters, Decorators, and Paperhangers; of Local Union No. 40, International Union of United Brewery Workmen; of Local Union No. 282, Cigarmakers' International Union; of the Wood, Wire, and Metal Lathers' International Union; of Local Union No. 114, Sheet Metal Workers' International Alliance; and of Local Union No. 488, International Brotherhood of Electrical Workers, all of Bridgeport, in the State of Connecticut, remonstrating against any change being made in the salaries of employees in the Canal Zone, which were referred to the Committee on Interoceanic Canals.

He also presented petitions of Lady Trumbull Council, No. 5, Sons and Daughters of Liberty, of Waterbury; of Volunteer Council, No. 59, Sons and Daughters of Liberty, of Warehouse Point; of Winthrop Council, No. 7, Sons and Daughters of Liberty, of New Britain; of Lady Hale Council, No. 60, Sons and Daughters of Liberty, of Hartford; and of Lady Buckingham Council, No. 10, Sons and Daughters of Liberty, of Hartford, all in the State of Connecticut, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented a petition of the Board of Education of New Haven, Conn., praying for the enactment of legislation to provide Federal aid for vocational education, which was ordered to lie on the table.

He also presented petitions of Colonel F. W. Cheney Camp, No. 14, Sons of Veterans, of South Manchester, and of G. A. Stedman Camp, Sons of Veterans, of Hartford, both in the State of Connecticut, praying for an increase in armaments, which were ordered to lie on the table.

He also presented a petition of the Congressional Union for Woman Suffrage, of Milford, Conn., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Connecticut, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRADY presented a petition of sundry citizens of Clarksfork, Idaho, praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. KERN presented a petition of sundry citizens of Rockville, Ind., praying for the enactment of legislation to prohibit

the exportation of intoxicating liquor to Africa, which was referred to the Committee on the Judiciary.

He also presented a petition of Local Union No. 934, United Mine Workers of America, of Carbonado, Wash., praying for the enactment of legislation to provide Federal aid in the prevention of tuberculosis, which was referred to the Committee on Public Health and National Quarantine.

Mr. PHELAN presented a petition of the McKinley School Mothers' Club, of Berkeley, Cal., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

He also presented a memorial of Lincoln Grange, No. 318, Patrons of Husbandry, of Cupertino, Cal., and the memorial of Dr. A. J. Hutching and sundry other citizens of Berkeley, Cal., remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented memorials of sundry citizens of Colton and Santa Rosa, in the State of California, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

### RIVER AND HARBOR APPROPRIATIONS.

Mr. KENYON. I submit the views of the minority (Rept. No. 420, pt. 2) on the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The VICE PRESIDENT. The report will be received and printed.

### PENSIONS AND INCREASE OF PENSIONS.

Mr. JOHNSON of Maine, from the Committee on Pensions, submitted a report (No. 421) to accompany the bill (S. 5911) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, which was read twice by its title, the bill being a substitute for the following Senate bills heretofore referred to that committee:

S. 13. Nellie M. Leonard.
S. 149. Bowman C. McEwen.
S. 333. Burnum W. Francis.
S. 334. Elizabeth R. Frink.
S. 350. Anna M. Holt.
S. 352. Fitzhugh S. Hoag.
S. 353. Ella P. Hines.
S. 373. Sarah L. Lunt.
S. 374. George H. Bishop.
S. 375. Hatch Chamberlin.
S. 523. Michael Kelly.
S. 689. Horace Berlew.
S. 759. Irvin E. Scott.
S. 947. John B. Way.
S. 1139. William Comstock.
S. 1189. George H. French.
S. 1213. David Devore.
S. 1214. Storm T. Roberts.
S. 1243. Horatio N. Washburn.
S. 1244. Peter Wedge.
S. 1248. Mary F. Fernald.
S. 1255. Hiram R. Brackett.
S. 1333. Harriet S. Crooks.
S. 1449. Frances A. Hall.
S. 1471. Elzie W. Grindle.
S. 1472. Celia E. Gibson.
S. 1485. Amanda Brewster.
S. 1649. Henry Vanderpool.
S. 1678. Charles F. Cooken.
S. 1759. Orrin S. Williams.
S. 1913. Mary J. Holliday.
S. 2255. Samuel I. Scammon.
S. 2264. Amanda M. Ricker.
S. 2347. Henry Stewart.
S. 2503. Ivan S. Ford.
S. 2551. Miles Gary.
S. 2578. Josephine Taylor.
S. 2594. Frances W. Wood.
S. 2598. Mathew Farley.
S. 2602. Charles B. Sutton.
S. 2640. John Harrigan.
S. 2656. Johnson White.
S. 2677. Stinson Books.
S. 2722. Eliza E. Vose.
S. 2736. John T. Warburton.
S. 2738. Phebe J. Asher.
S. 2811. Albertus Bowen.
S. 2832. Milton Rhodenbaugh.
S. 2882. Minnie Anderson.
S. 2891. Christian Howald.
S. 2892. George Lucas.
S. 2920. Jesse L. Pelton.
S. 2948. William E. Chappell.
S. 3050. Sarah E. Hathaway.
S. 3052. Hiram Bender.
S. 3110. John P. Martin.
S. 3142. Orrin A. Johnson.
S. 3215. Harriet A. Cady.
S. 3309. Julia G. Hottel.
S. 3310. Edgar Thompson.
S. 3360. Thomas H. Webley.
S. 3406. Harriet E. Vose.
S. 3407. Charles E. Sawtelle.
S. 3410. Richard Harmon.
S. 3417. Caroline Wannofsky.
S. 3473. Sylvanus H. Ward.
S. 3475. James Rogers.
S. 3476. Alonzo J. Nevers.
S. 3520. Mary A. Holland.
S. 3538. James Somerville.
S. 3599. Richard M. Johnson.
S. 3628. James McNamara.
S. 3630. Hamilton Davis.
S. 3631. John J. Foraker.
S. 3633. John Curtis.
S. 3634. Henry A. C. O'Connor.
S. 3635. Simon Jemson.
S. 3636. John Wilson.
S. 3678. Robert R. Bratton.
S. 3689. Henry Quint.
S. 3695. Morrison Young.
S. 3696. Frank A. Colcord.
S. 3763. Jane McD. Johnston.
S. 3782. Abbie Sloggy.
S. 3784. George M. Titus.
S. 3786. Sarah A. Welliever.
S. 3811. Catherine Goodwin.
S. 3812. Henry Harpham.
S. 3819. Charlotte Randall.
S. 3834. Cassius M. Jones.
S. 3835. John Little.
S. 3842. Marion D. Egbert.
S. 3843. William R. Donaldson.
S. 3847. Charles F. Runkle.
S. 3848. John Brown.
S. 3849. William Painter.
S. 3874. Peleg N. Carson.
S. 3880. Solomon Keffer.
S. 3882. Charles H. Thompson.
S. 3884. John Washburn.
S. 3938. Charles H. Johnson.
S. 3968. Charles W. Sager.
S. 4013. William J. Hull.
S. 4019. Benjamin Weatherby.
S. 4075. Andrew J. Messer.
S. 4090. Diantha K. Dickey.
S. 4091. Virginia R. Coates.
S. 4117. Nancy R. Brady.
S. 4121. Allie A. Richey.
S. 4122. Marget E. Schrieber.
S. 4123. Eliza Harrison.
S. 4124. Nannie P. Brown.
S. 4156. Tabitha Rask.
S. 4182. Lewis C. Cleavinger.
S. 4195. Ella Louise Collett.
S. 4199. Ellen Collins.
S. 4224. Margaret L. Wood.
S. 4232. Charles E. Cole.
S. 4233. Charles E. Low.
S. 4292. William Banta.
S. 4331. Celestia M. Lull.
S. 4333. John Murphy.
S. 4338. Joseph Lyman.
S. 4351. Hamilton Rogers.
S. 4366. Roxalina Kinney.
S. 4422. Mary A. Hapgood.
S. 4430. George Pullen.
S. 4453. John Pugsley.
S. 4464. Margaret L. Sexton.
S. 4496. Amanda J. Johnson.
S. 4523. Joseph Zeimer.
S. 4527. George T. Conner.

S. 4563. Arcelia Trowbridge.
S. 4584. Chester C. Smith.
S. 4609. Mary C. Harvey.
S. 4636. Henry W. Botsford.
S. 4641. Eliza A. Reed.
S. 4659. Thomas Pemberton.
S. 4675. Antonio Armenta.
S. 4684. John J. Buckley.
S. 4689. James Welsh.
S. 4690. David Ham.
S. 4692. Catherine E. Stamp.
S. 4697. Catharine M. Dunham.
S. 4704. Luther D. Whitten.
S. 4713. Harriette H. Kelly.
S. 4723. Frank B. Stearns.
S. 4729. Mary E. Bradford.
S. 4740. Leafy J. Leavitt.
S. 4743. William A. Collins.
S. 4744. Nettie Lamprey.
S. 4745. Minnie L. Gould.
S. 4756. Sarah S. Humiston.
S. 4773. John Coffron.
S. 4774. Eleazer O. Additon.
S. 4777. Harriet Aylward.
S. 4778. Samuel E. Griffin.
S. 4780. George S. Ayer.
S. 4781. Edwin F. Witham.
S. 4793. Josephus Clark.
S. 4804. John A. Baird.
S. 4808. Alfred H. Hulburt.
S. 4815. Samuel E. Stainbrook.
S. 4818. Nicholas J. O'Brien.
S. 4823. Adolphus W. Jones.
S. 4851. Victoria Fleischmann.
S. 4855. Michael O'Brien.
S. 4863. Charles B. Clark.
S. 4880. Matilda I. Nason.
S. 4883. Webster A. Whiting.
S. 4892. Abraham J. Yoemans.
S. 4907. Sarah Denney (now Sinley Denney).
S. 4908. Mary A. Flynn.
S. 4921. Mary Whitesides.
S. 4924. Nancy J. Fleming.
S. 4937. Rebecca McC. Laptad.
S. 4938. Robert Irvin Rea.
S. 4942. Rebecca Jane Thompson.
S. 4961. Frank B. Sargent.
S. 4962. John M. Farquhar.
S. 4963. Robert Nichols.
S. 4964. Francis B. Ainsworth.
S. 4976. Edward H. Alliston, alias Henry A. West.
S. 5018. Lucy M. Roach.
S. 5027. Nicholas B. Langley.
S. 5028. Emaline King.
S. 5038. Andrew Mitchell.
S. 5039. Alphonso E. Libby.
S. 5040. James F. Walker.
S. 5041. Uranus Stacy.
S. 5072. George S. Thing.
S. 5073. Allen T. Hodgkins.
S. 5083. Abram Hall.
S. 5094. William J. Bradford.
S. 5095. Myra R. Daniels.
S. 5110. Alonzo P. Hart.
S. 5114. Alfred A. Bonney.
S. 5124. George A. White.
S. 5127. Melvan Tibbetts.
S. 5182. Sallie Rigney.
S. 5185. Henry W. Crow.
S. 5192. George B. Van Pelt.
S. 5194. John Allen, allias John McGuire.
S. 5197. Sarah Maurer.
S. 5205. Mary I. Bradbury.
S. 5209. Frances B. V. Kelley.
S. 5227. Mary Taylor Kain.
S. 5232. Valentine M. Hodgson.
S. 5293. Florence Sanders.
S. 5300. James L. Boothe.
S. 5301. Howard Miller.
S. 5308. Jasper Reeder.
S. 5319. Harlow J. Greenfield.
S. 5341. Charles Leffler.
S. 5342. Michael Galligan.
S. 5343. Anna Stanley.
S. 5370. Edith A. Grover.
S. 5372. Terrence Dobson.
S. 5382. Allen Conner.
S. 5399. Oliver P. Gillson.
S. 5417. Loami E. Scherer.
S. 5420. John R. Kingman.
S. 5433. Oliver Harding.
S. 5434. Albert A. Burleigh.
S. 5436. Charlotte Goding.
S. 5465. Annie K. Ames.
S. 5472. Elizabeth J. Beck.
S. 5531. Sarah L. Chute.
S. 5624. George W. Lukenbill.
S. 5625. Thomas E. Niles.
S. 5633. Ira H. Fuller..
S. 5637. Laban A. Fernald.
S. 5679. Simeon Noble.
S. 5689. Nellie A. Sanborn.
S. 5782. Delia L. Trask.

### DEPOSITS OF GOLD BULLION.

Mr. OWEN, from the Committee on Banking and Currency, to which was referred the bill (H. R. 13474) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 2, 1911, reported it without amendment and submitted a report (No. 422) thereon.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 5899) to punish persons who make false representations to settlers and others pertaining to the public lands of the United States; to the Committee on Public Lands.

By Mr. JONES:

A bill (S. 5900) providing for the disposal of certain lands in block 69, in the city of Port Angeles, State of Washington; to the Committee on Public Lands.

By Mr. OLIVER (for Mr. PENROSE):

A bill (S. 5901) to provide for the removal of the body of the late Maj. Gen. Winfield Scott Hancock from Norristown, Pa., to the National Cemetery, Arlington, Va., and for other purposes; to the Committee on Appropriations.

A bill (S. 5902) granting a pension to Harry Lunger; to the Committee on Pensions.

By Mr. NELSON:

A bill (S. 5903) granting an increase of pension to Henry H. Thomas; and

A bill (S. 5904) granting a pension to Levi A. Cooley; to the Committee on Pensions.

By Mr. TAGGART:

A bill (S. 5905) granting an increase of pension to John C. Hughes;

A bill (S. 5906) granting an increase of pension to John F. Cartwright; and

A bill (S. 5907) granting an increase of pension to Daniel H. McAbee; to the Committee on Pensions.

By McLEAN:

A bill (S. 5908) granting an increase of pension to Martha E. Fowler (with accompanying papers); and

A bill (S. 5909) granting an increase of pension to Cornelia F. Botsford (with accompanying papers); to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 5910) authorizing the sale of the lighthouse reservation at Scituate, Mass.; to the Committee on Commerce.

By Mr. WALSH:

A bill (S. 5912) to authorize the Secretary of the Interior to acquire certain Indian lands necessary for reservoir purposes in connection with the Blackfeet Indian Reclamation projects; to the Committee on Indian Affairs.

By Mr. PHELAN:

A bill (S. 5913) to set apart a tract of land in the State of California as a public park, such lands, together with those set aside by the act of September 25, 1890, to be known as the Sequoia National Park; to the Committee on Public Lands.

### HARBOR IMPROVEMENTS.

Mr. BRANDEGEE submitted the following resolution (S. Res. 184), which was referred to the Committee on Military Affairs:

*Resolved*, That the Secretary of War be, and he hereby is, authorized and directed to report to Congress at the earliest practicable date, not later than December 4, 1916:

First. Specific plans for improvement of the harbors and connecting channels which, in his judgment, after consultation had with the Secretary of the Navy, will best provide adequate facilities for operations

of the fleet for defense of the harbors of Portland, Me.; Boston, Mass.; Providence, R. I.; New London, New Haven, and Bridgeport, Conn.; New York, N. Y.; Norfolk, Va.; Savannah and Brunswick, Ga.; Charleston, S. C.; New Orleans, La.; Galveston, Tex.; San Diego and San Francisco, Cal.; and Seattle, Wash.

Second. The feasible extensions requisite to make existing approved projects for improvement of the aforementioned harbors available for the purposes stated in the foregoing paragraph.

Third. The cost of each such several improvements calculated upon the basis of completion thereof under contract within five years.

Fourth. The percentage not exceeding 30 per cent of the cost of each such improvement which, in the judgment of the Secretary of War, should be contributed by the several cities or State Governments in consideration of the completion within five years of the improvement recommended by the Secretary of War.

Fifth. The replies of the local authorities and State governments to the propositions to them submitted by the Secretary of War to contribute to the carrying out and the cost of such several improvements.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had approved and signed the following acts and joint resolution:

On May 4, 1916:

S. 3769. An act to amend section 3 of an act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; and

S. 4876. An act to provide for an increase in the number of cadets at the United States Military Academy.

On May 8, 1916:

S. 2290. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elise McCaulley from Glenwood Cemetery, District of Columbia, to Philadelphia, Pa.; and

S. J. Res. 63. Joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial fountain to Alfred Noble.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 54 minutes p. m., Monday, May 8, 1916) the Senate adjourned until to-morrow, Tuesday, May 9, 1916, at 12 o'clock meridian.

## NOMINATIONS.

*Executive nominations received by the Senate May 8 (legislative day of May 5), 1916.*

PHILIPPINE COMMISSION.

Eugene E. Reed, of New Hampshire, to be a member of the Philippine Commission, and secretary of commerce and police, vice Clinton L. Riggs, resigned.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

*To be first lieutenants, with rank from March 13, 1916.*

Zabdiel Boylston Adams, of Massachusetts.

Herbert Merton Greene, of Oregon.

NOTE.—Drs. Adams and Greene were nominated to the Senate March 20, 1916, for appointment as first lieutenants in the Medical Reserve Corps, by name Zabdiel Boylston Adams and Herbert Newton Greene, respectively, and their nominations were confirmed under date of March 28, 1916. This message is submitted for the purpose of correcting an error in the name of each of the nominees.

PROMOTIONS IN THE NAVY.

Lieut. (Junior Grade) Albert M. Cohen to be a lieutenant in the Navy from the 7th day of September, 1915.

Lieut. (Junior Grade) Emil A. Lichtenstein to be a lieutenant in the Navy from the 17th day of August, 1915.

Lieut. (Junior Grade) George M. Ravenscroft to be a lieutenant in the Navy from the 29th day of September, 1915.

Lieut. (Junior Grade) Arie A. Corwin to be a lieutenant in the Navy from the 11th day of November, 1915.

Asst. Paymaster Oscar W. Leidel to be a passed assistant paymaster in the Navy from the 22d day of August, 1915.

Asst. Paymaster John H. Colhoun to be a passed assistant paymaster in the Navy from the 2d day of December, 1915.

Ensign Herbert A. Ellis to be a lieutenant (junior grade) in the Navy from the 7th day of March, 1915.

Ensign Robert E. P. Elmer to be a lieutenant (junior grade) in the Navy from the 8th day of June, 1915.

The following-named lieutenants to be lieutenants in the Navy from the dates set opposite their names, to correct the dates from which they take rank as previously confirmed:

Earle F. Johnson, November 12, 1913,
Henry K. Hewitt, December 20, 1913,
Felix X. Gygax, January 11, 1914,
Guy E. Davis, February 13, 1914,
Weyman P. Beehler, February 21, 1914,
Lemuel M. Stevens, February 22, 1914,
Joseph S. Evans, March 5, 1914,
John W. W. Cumming, March 10, 1914,
Charles R. Clark, April 3, 1914,
Roy LeC. Stover, April 9, 1914,
Chester H. J. Keppler, April 25, 1914.
Charles A. Dunn, April 28, 1914,
John W. Lewis, May 5, 1914,
James J. Manning, May 17, 1914,
Charles G. Davy, June 20, 1914,
Louis H. Maxfield, July 1, 1914,
Raymond F. Frellsen, July 10, 1914,
Alfred W. Atkins, October 29, 1914,
Philip H. Hammond, November 5, 1914,
Claud A. Jones, November 13, 1914,
Harry Campbell, December 11, 1914,
George W. Kenyon, December 12, 1914,
Allan S. Farquhar, December 15, 1914,
Lucien F. Kimball, January 1, 1915,
Harvey W. McCormack, February 24, 1915,
Harold M. Bemis, March 4, 1915,
Ernest D. McWhorter, March 22, 1915,
John M. Schelling, April 23, 1915,
Bert B. Taylor, April 28, 1915,
William O. Wallace, May 5, 1915,
Frank R. King, July 11, 1915,
Bruce R. Ware, jr., July 20, 1915,
Carl T. Osburn, July 29, 1915,
William S. Farber, August 1, 1915,
Archibald D. Turnbull, August 6, 1915,
Harry J. Abbett, November 26, 1915,
George McC. Courts, December 4, 1915, and
Charles W. Crosse, December 8, 1915.

Ensign Joseph E. Austin to be a lieutenant (junior grade) in the Navy from the 4th day of March, 1916.

POSTMASTERS.

ALABAMA.

J. F. Manley to be postmaster at Citronelle, Ala., in place of George C. Brown. Incumbent's commission expired April 9, 1916.

ALASKA.

John J. Walsh to be postmaster at Nome, Alaska, in place of Severin J. Bakke. Incumbent's commission expires August 16, 1916.

ARKANSAS.

E. J. Cook to be postmaster at Marmaduke, Ark., in place of A. M. Hall. Incumbent's commission expires May 10, 1916.

CALIFORNIA.

Sarah B. Anthony, to be postmaster at Williams, Cal., in place of Sarah B. Anthony. Incumbent's commission expired December 14, 1915.

John B. Barnard to be postmaster at Niles, Cal., in place of M. E. Chalmers. Incumbent's commission expires May 17, 1916.

Joseph Charles Beard to be postmaster at Burlingame, Cal., in place of Joseph Charles Beard. Incumbent's commission expired April 5, 1916.

John F. Conkey to be postmaster at Santa Maria, Cal., in place of E. T. Ketcham. Incumbent's commission expired March 21, 1916.

Daniel McSweeney to be postmaster at South San Francisco, Cal., in place of E. E. Cunningham. Incumbent's commission expired February 8, 1916.

Isidore J. Proulx to be postmaster at Willows (late Willow), Cal., in place of Isidore J. Proulx (to change name of office).

COLORADO.

J. O. Miller to be postmaster at Boulder, Colo., in place of James L. Moorhead. Incumbent's commission expired April 15, 1916.

CONNECTICUT.

Clarence V. Reid to be postmaster at Central Village, Conn., in place of Jeremiah E. Elliott, removed.

GEORGIA.

Frank Flynt to be postmaster at Griffin, Ga., in place of R. L. Williams. Incumbent's commission expires May 27, 1916.

Dan A. McMillan to be postmaster at Bartow, Ga., in place of G. P. Whigham. Incumbent's commission expired April 11, 1916.

Mattie N. Riley to be postmaster at Butler, Ga., in place of James W. Riley. Incumbent's commission expired April 11, 1916.

IDAHO.

Christopher O. Dice to be postmaster at Glenns Ferry, Idaho, in place of Christopher O. Dice. Incumbent's commission expired January 29, 1916.

INDIANA.

Guy C. Hart to be postmaster at Kendallville, Ind., in place of Joseph T. Stahl, deceased.

Elmer Ritter to be postmaster at Fremont, Ind., in place of George H. Griffith. Incumbent's commission expires May 10, 1916.

J. Ross Robertson to be postmaster at Brownstown, Ind., in place of Charles T. Benton. Incumbent's commission expires May 23, 1916.

ILLINOIS.

Thomas P. McCann to be postmaster at Oglesby, Ill., in place of Frank Allen, removed.

Eli Preston Sanders to be postmaster at Pawnee, Ill., in place of Frank Morrell. Incumbent's commission expired December 20, 1915.

James E. Simpson, to be postmaster at Collinsville, Ill., in place of Frank Nickerl. Incumbent's commission expired March 1, 1916.

IOWA.

Charles V. Dautremont to be postmaster at Riverside, Iowa, in place of Alma G. Ott. Incumbent's commission expires May 17, 1916.

Charles E. Dawson to be postmaster at Rockford, Iowa, in place of H. E. Wyatt. Incumbent's commission expired February 1, 1916.

Mary E. O'Connor to be postmaster at Rockwell, Iowa, in place of W. A. Grummon. Incumbent's commission expired April 5, 1916.

KENTUCKY.

Nannie E. Butler to be postmaster at Elkton, Ky., in place of Wallace R. Wood. Incumbent's commission expires May 17, 1916.

J. B. Stears to be postmaster at Nicholasville, Ky., in place of W. B. Buford. Incumbent's commission expired May 1, 1916.

John R. White to be postmaster at Irvine, Ky., in place of Lewis C. Wilson, resigned.

LOUISIANA.

George H. Thoede, to be postmaster at Gretna, La., in place of E. F. Crawford. Incumbent's commission expires May 31, 1916.

MICHIGAN.

C. C. Hopkins to be postmaster at Breckenridge, Mich., in place of B. S. Watson. Incumbent's commission expires May 8, 1916.

G. D. Mason to be postmaster at Montague, Mich., in place of M. W. Ripley. Incumbent's commission expires June 5, 1916.

Sidney Reynolds to be postmaster at Howard City, Mich., in place of James B. Haskins. Incumbent's commission expires May 23, 1916.

MINNESOTA.

C. F. Callahan to be postmaster at Foley, Minn., in place of C. H. Latterell. Incumbent's commission expired December 21, 1915.

Peter H. McNally to be postmaster at Chokio, Minn., in place of Charles E. McAllen, resigned.

N. P. Seivert to be postmaster at Mazeppa, Minn., in place of M. J. Rucker. Incumbent's commission expired April 17, 1916.

John Svedberg to be postmaster at Aitken, Minn., in place of A. L. Hamilton. Incumbent's commission expires May 10, 1916.

MISSISSIPPI.

Harry L. Callicott to be postmaster at Coldwater, Miss., in place of Maze H. Daily. Incumbent's commission expired April 17, 1916.

Malcolm S. Graham to be postmaster at Forest, Miss., in place of Malcolm S. Graham. Incumbent's commission expires May 28, 1916.

Bennett A. Truly to be postmaster at Fayette, Miss., in place of B. A. Truly. Incumbent's commission expired April 17, 1916.

Martha Ann Womack to be postmaster at Bogue Chitto, Miss., in place of J. M. Tyler. Incumbent's commission expires May 28, 1916.

MISSOURI.

Oliver P. Gentry to be potmaster at Liberty, Mo., in place of Robert E. Ward, resigned.

Sadocia B. Herndon to be postmaster at Fulton, Mo., in place of B. B. Kimbrell. Incumbent's commission expires May 8, 1916.

James S. Herrington to be postmaster at Valley Park, Mo., in place of Louis Haeffner. Incumbent's commission expires May 27, 1916.

NEBRASKA.

Calvin L. Demarest to be postmaster at Bethany, Nebr., in place of W. J. Brunell. Incumbent's commission expired January 18, 1916.

George McCawley to be postmaster at Seneca, Nebr. Office became presidential January 1, 1916.

William L. Ulrich to be postmaster at Stuart, Nebr., in place of R. E. Chittick. Incumbent's commission expired April 5, 1916.

NEW JERSEY.

S. L. Boone to be postmaster at Penns Grove, N. J., in place of T. E. Hunt. Incumbent's commission expired March 13, 1916.

NEW YORK.

Thomas Havey to be postmaster at Orangeburg, N. Y., in place of Matthew McManus. Incumbent's commission expired July 23, 1913.

Thomas McMahon to be postmaster at Poland, N. Y., in place of J. B. Read. Office became presidential January 1, 1915.

Mary L. McRoberts to be postmaster at Tompkinsville, N. Y., in place of Mary L. McRoberts. Incumbent's commission expired January 10, 1915.

Henry J. Neumann to be postmaster at Tuxedo Park, N. Y., in place of S. T. Dusenberry. Incumbent's commission expired February 23, 1915.

Ray S. Sherman to be postmaster at South Glens Falls, N. Y., in place of Ernest H. Palmer. Incumbent's commission expired December 18, 1915.

NORTH CAROLINA.

Bettie Belle Pearson to be postmaster at Moravian Falls, N. C. Office became presidential July 1, 1915.

NORTH DAKOTA.

F. O. Hunger to be postmaster at Hankinson, N. Dak., in place of W. C. Foreman, jr. Incumbent's commission expired April 11, 1916.

Della C. Tolan to be postmaster at Mayville, N. Dak., in place of Iver O. Fosse. Incumbent's commission expires June 5, 1916.

OHIO.

Frank G. Henry to be postmaster at Marietta, Ohio, in place of Charles A. Ward, resigned.

John L. Norris to be postmaster at New Matamoras, Ohio, in place of Lewis Nikolaus. Incumbent's commission expires June 7, 1916.

PENNSYLVANIA.

F. G. Ackley to be postmaster at Wyalusing, Pa., in place of J. W. Chamberlain. Incumbent's commission expired April 23, 1916.

William Alexander to be postmaster at Chambersburg, Pa., in place of C. A. Suesserott. Incumbent's commission expires May 24, 1916.

William H. Denlinger, sr., to be postmaster at Patton, Pa., in place of Albert E. Rumberger, deceased.

J. Willis Freed to be postmaster at Mount Joy, Pa., in place of J. F. Fenstermacher. Incumbent's commission expires May 28, 1916.

SOUTH DAKOTA.

Tom Larson to be postmaster at Colton, S. Dak. Office became presidential January 1, 1916.

Kate A. Schnacke to be postmaster at Bigstone City, S. Dak., in place of Kate A. Schnacke. Incumbent's commission expired February 14, 1916.

J. A. Zink to be postmaster at Wessington Springs, S. Dak., in place of Fred N. Dunham. Incumbent's commission expires May 24, 1916.

VIRGINIA.

Joseph H. Nave to be postmaster at Broadway, Va., in place of P. W. Pugh, resigned.

WISCONSIN.

C. E. Reichenbach to be postmaster at Merrillan, Wis., in place of Anna M. Merrill. Incumbent's commission expired February 20, 1916.

## HOUSE OF REPRESENTATIVES.

### MONDAY, *May 8, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite and eternal Spirit, in whom we live and breathe and dwell, we bless Thee for that spark of divinity which glows within us, and which makes us Thy children, and is ever urging us upward and onward to nobler life. Encourage, we beseech Thee, every high and holy aspiration, and discourage every evil intent; that, unfettered by sin, we may grow day by day into the likeness of our Maker; for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of Saturday, May 6, was read and approved.

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, who informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

May 1, 1916:

H. R. 6442. An act to provide for the exchange of the present Federal building site in Newark, Del.; and

H. R. 7239. An act for the relief of Philip H. Heberer.

May 3, 1916:

H. J. Res. 79. Joint resolution authorizing the Secretary of Labor to permit the South Carolina Naval Militia to use the Charleston immigration station and dock connected therewith;

H. R. 2235. An act for the relief of the widow and heirs at law of Patrick J. Fitzgerald, deceased; and

H. R. 4746. An act granting to the city of Portland, Oreg., the right to purchase certain lands for public-park purposes.

May 4, 1916:

S. 3769. An act to amend section 3 of an act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907;

S. 4876. An act to provide for an increase in the number of cadets at the United States Military Academy; and

H. R. 4881. An act to reimburse the postmaster at Kegg, Pa., for money and stamps taken by burglars.

May 8, 1916:

H. R. 28. An act to amend an act entitled "An act granting to the city of Durango, in the State of Colorado, certain lands therein described for water reservoirs," approved March 1, 1907;

H. R. 177. An act authorizing the Secretary of the Interior to accept the relinquishment of the State of Wyoming to certain lands heretofore certified to said State, and the State of Wyoming to select other lands in lieu of the lands thus reliquished;

H. R. 384. An act to amend the act of June 23, 1910, entitled "An act providing that entrymen for homesteads within the reclamation projects may assign their entries upon satisfactory proof of residence, improvement, and cultivation for five years, the same as though said entry had been made under the original homestead act";

S. J. Res. 63. Joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial fountain to Alfred Noble; and

S. 2290. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elise McCaulley from Glenwood Cemetery, District of Columbia, to Philadelphia, Pa.

#### THE MILITARY ESTABLISHMENT.

Mr. HAY. Mr. Speaker, I call up the conference report on the Army reorganization bill, H. R. 12766.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of District of Columbia legislation.

The SPEAKER. A conference report takes precedence of everything else. The gentleman from Virginia calls up the conference report on the Army reorganization bill.

Mr. HAY. And in that connection I ask that the unanimous-consent agreement entered into on Friday be put into effect first before we vote on the conference report.

Mr. MANN. The conference report is to disagree to the Senate amendment?

Mr. HAY. Yes.

Mr. MANN. We should first agree to the conference report.

Mr. HAY. We ought to provide that the conference report be considered as pending while the other debate is going on.

Mr. MANN. No——

Mr. HAY. That a motion to disagree to the Senate amendment shall be considered as pending.

Mr. MANN. We should agree to the conference report first. That is a very simple matter.

The SPEAKER. There is a conference report, is there not?

Mr. HAY. Yes; there is a conference report.

Mr. MANN. Merely that they disagree; that is all.

Mr. HAY. The conference report was printed in Friday's RECORD, and that report was that we could not agree.

The SPEAKER. The question is on agreeing to the conference report. Without objection, it is agreed to.

There was no objection.

Mr. HAY. Now, I suggest that the Clerk read the unanimous-consent agreement.

The SPEAKER. The Clerk will read it.

The Clerk read as follows:

It is ordered that on Monday next the bill H. R. 12766, with the Senate amendments, shall be considered in the House, with a motion considered as pending that the House further insists upon its disagreement to the Senate amendments; that during the pendency of said motion it shall be in order to move that it is the sense of the House that sections 2 and 56 of the Senate amendment to the text of the bill ought to be agreed to, which motion shall be put separately to a vote upon each of said sections; that it shall further be in order to move that it is the sense of the House that section 122 of the Senate amendment to the text of the bill ought to be agreed to, and, pending that motion, it shall be in order to offer amendments to said section to be voted upon for the purpose of expressing the sense of the House; that upon each of said two main motions to express the sense of the House, one as to sections 2 and 56 and one as to section 122 in the Senate amendment, there shall be not more than 80 minutes' debate, one-half to be controlled by Mr. HAY and one-half by Mr. KAHN.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. Evidently there is not.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

| | | | |
|---|---|---|---|
| Adair | Fordney | Kreider | Schall |
| Allen | Foss | Lafean | Scott, Pa. |
| Bacharach | Gallivan | Langley | Scully |
| Barchfeld | Gard | Lee | Sears |
| Brumbaugh | Gardner | Lehlbach | Shackleford |
| Buchanan, Ill. | Glass | Lesher | Slemp |
| Burnett | Godwin, N. C. | Liebel | Small |
| Bryns, Tenn. | Graham | Lindbergh | Smith, Idaho |
| Caldwell | Gray, N. J. | Littlepage | Smith, Minn. |
| Cantrill | Greene, Vt. | Loft | Sparkman |
| Carlin | Griest | Longworth | Steenerson |
| Casey | Hamill | Maher | Stephens, Miss. |
| Church | Hamilton, N. Y. | Martin | Sutherland |
| Clark, Fla. | Hart | Mooney | Switzer |
| Coleman | Heaton | Morin | Tague |
| Conry | Helm | Murray | Thomas |
| Costello | Hilliard | Nelson | Tinkham |
| Crosser | Hinds | Nicholls, S. C. | Vare |
| Darrow | Howard | Nichols, Mich. | Ward |
| Dooling | Huddleston | North | Watkins |
| Driscoll | Hutchinson | Norton | Watson, Pa. |
| Drukker | Jacoway | Peters | Webb |
| Eagan | James | Pou | Williams, Thos. S. |
| Eagle | Jones | Price | Williams, Ohio |
| Estopinal | Keister | Rainey | Wilson, Fla. |
| Fairchild | Key, Ohio | Riordan | |
| Flynn | Kiess, Pa. | Rowland | |

The SPEAKER. On this roll call 328 Members have answered to their names—a quorum.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. KAHN. Mr. Speaker, under the agreement that was entered into last Friday the motion now in order is this; and I move that it is the sense of the House that sections 2 and 56 of the Senate amendment to the text of the preparedness bill ought to be agreed to.

The SPEAKER. On this amendment there are 80 minutes' debate, one-half to be controlled by the gentleman from Virginia [Mr. HAY] and one-half by the gentleman from California [Mr. KAHN].

Mr. OGLESBY rose.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. OGLESBY. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. OGLESBY. The motion of the gentleman from California, as I understand it, includes two propositions.

Mr. HAY. I will state to the gentleman that the agreement provides for a separate vote. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. GORDON].

Mr. GORDON. Mr. Speaker, both section 2 and section 56 of the Senate amendments are disgraceful and outrageous renunciations of the rights of the American Congress upon the subject of the Army. Upon a roll call in this House we rejected an amendment to the House bill proposing to make a standing army of 220,000 men and fixed it at 140,000; and that vote was taken upon careful consideration, upon due deliberation, and, in my judgment, upon the best possible reasons that could be presented. *We have the report of The Adjutant General of the United States Army to the effect that the highest possible number of men that can be raised in this country by voluntary enlistment is 140,000, and it was that number at which this House fixed the maximum number of the standing army.*

Is this House prepared to go on record in favor of compulsory military service? If it is not, it must vote down this section 2 or convict itself of duplicity before the American people. [Applause.]

On the day that the American Congress begins the building of a large standing Army in time of peace by harnessing the dynamic energies of the American youth with conscription and places the reins in the hands of these Regular Army officers, that moment you have started this Nation on a career of military conquest and aggrandizement which leads straight toward the bottomless abyss of oblivion, over which every free nation which preceded ours disappeared.

Now, it may be that the American people are in the mood to exchange the school-teacher for the drill sergeant and to attempt by act of Congress to change the free swinging gait of the American citizen to the goose step of the conscript. I do not believe it. [Applause.] It may be that the mothers of American boys are looking forward with joyful anticipation to the day when their sons will be manacled and led away by a provost marshal to perform for a term of years, in time of peace, the menial duties of a military camp—currying the horses and blacking the boots of our Regular Army officers—but I do not believe it. So much for section 2.

"Why doth the heathen rage, and the people imagine a vain thing?" Why are the Army officers, who are and who have been the motive power behind this section 56 and kindred legislation, so persistent in their efforts to prove their contempt for the letter and spirit of the means for national defense provided in the Federal Constitution, which they have all sworn to support?

It is the same motive which inspired Demetrius, the silversmith, to defend the sanctity of the temple for which he made shrines. The great apostle Paul was preaching the new gospel of the Man of Nazareth "not alone at Ephesus, but throughout Asia," with all his accustomed fiery eloquence, and was seriously interfering with the business of Demetrius, which was to manufacture and sell silver shrines for the temple of Diana.

Demetrius called his agents and employees together in a great assembly and said to them, "This Paul hath persuaded and turned away much people, saying that they be no gods, which are made with hands: so that not only this our craft is in danger to be set at nought; but also that the temple of the great goddess Diana should be despised, and her magnificence should be destroyed, whom all Asia and the world worshippeth"; and we are told in Holy Writ that with great unanimity and in a loud voice they all cried out: "Great is Diana of the Ephesians!" [Laughter and applause.]

The very name "volunteer" is a fraudulent misnomer, designed to sugar coat with a euphonious title what is in practical effect an effort to increase to two and one-half times its present size our Regular Standing Army in time of peace.

There is no military force under the control of the United States, either of officers or men, known to the Constitution and the laws that is not made up exclusively of volunteers. Our Army officers, some of whom appear to spend more of their time in plotting and planning to promote their own private interests than they do in performing the public duties, for which they were educated at public expense and draw pay out of the public Treasury, are determined to force, by this indirect means, an increase in our standing military force which they know Congress would not dare to vote directly for the purpose of compelling a proportionate increase in the number of officers, and thereby bring about their own promotions and the increased pay and allowances resulting to them. This is the whole story, and explains why they have labored so persistently to discredit and destroy the National Guard, for which they are not permitted to supply the officers. [Applause.]

Those who are interested in learning the motives of those behind this section 56 and the "continental army" scheme, its defunct predecessor, will find a very illuminating history published in the RECORD of April 14, 1916, at pages 6952, 6953, and 6954, inserted by Senator REED of Missouri, and I commend this RECORD to your thoughtful consideration.

The only difference between this proposed "volunteer" force and the Regular Standing Army is that the consent of Congress is required to call it out for "field service" more than 30 days in any one year.

William E. Gladstone declared that "the Constitution of the United States is the greatest instrument ever struck off at a given time by the brain and purpose of man," and I believe that he referred to the means provided for national defense more directly than to any other provisions of that magnificent bulwark of our liberties.

In closing a great address upon "The Importance of the Militia," delivered on June 6, 1836, Edward Everett said:

"Times are now changed. We have grown up into a great people. A sum of human interests and blessings of untold amount, an incalculable moral and social treasure, is committed to our charge. With the advantages of a powerful State we have its duties and its exposures. We are subject to insults from abroad and disorders at home. The cloud of foreign war has just rolled away. Had it burst, how would it have found this great and rich metropolis? Without one gun mounted for its defense. I suppose it is pretty generally admitted that a foreign enemy, even so polite a one as France, would pay but little respect to the white staff of our sheriff, though he should go with all his constables and read the riot act in their hearing.

"Whether these same peaceful emblems are adequate to sustain the majesty of the law when threatened in moments of popular convulsion we can all judge. Then, sir, there are two resources for protection and safety in the first outbreaking of war and in times of civil commotion. One is a well-organized, patriotic militia, ever present, rarely seen, quartered among us, not in camps and forts, but at the fireside, in the counting room, the workshop, the place of business. This is one. The other resource is a standing army, encamped on Boston Common or stationed on Castle Island. One or the other we must have. And the man who sets himself to ridicule the militia, to exaggerate the defects of the system, to embarrass its administration, to bring it into discredit, wishes one of two things—he either wishes the country to be wholly exposed to insult from abroad, and a prey at home to anarchy, to mob law, club law, and a general scramble, or he wishes to see a flagstaff planted in front of the State House, a couple of cannon pointing down State Street, to hear the morning gun at daybreak, and to hold the exercise of his daily rights as a citizen at the discretion of a military commander.

"In a free country this is a pretty serious alternative. I have, sir, for the last six months thought much and deeply upon it. It has been my duty to do so, and I have come to the conclusion that if we intend to hand down unimpaired to our children the inheritance of republican liberty, which we have received from our fathers, if we mean that the civil shall control the military arm alike in peace and in war, in prosperous and adverse times, the militia must again receive the respect of the community.

"I give you, sir, as a toast:

"*A well-organized, efficient, and patriotic militia—in time of peace, the bulwark of the law; in war, the basis of defense: may it be restored to the public favor.*"

Everett might have added to his eloquent description of the concomitants of a large standing army the necessary incidents of compulsory military service: Enrollment, registering, passports, military espionage, an Army officer interrogating you every time you leave home or board a railroad train, and all the other petty and repressive interferences with the personal rights of the citizen.

There recently appeared in the public press the following eloquent and timely appeal for the preservation of the National Guard from the hands of the spoilers, entitled "The Constitution," by Archibald Hopkins, which was read at the first annual dinner of the National Association for Constitutional Government:

With wisdom and with patient skill,
Wide learning and profoundest thought,
With zealous and unselfish will
Our patriotic fathers wrought.

They laid foundations deep and wide,
They made their own immortal plan,
And reared on lines before untried,
A home for freedom and for man.

They fortified each sacred right,
They shielded all from fraud or wrong,
They curbed the power of selfish might,
And armed the weak against the strong.

Upon themselves they put restraint
Lest hasty passion given range,
Should silence reason with complaint,
And bring some heedless harmful change.

Through storm and stress, through many fears,
Through war and fierce domestic strife,
Down through the lapse of changing years
They guarded well the Nation's life.

The Constitution, still it stands,
August, majestic, lofty, lone;
No fabric wrought by human hands
Such strength and symmetry has shown.

The Constitution, there it stands
A beacon in a storm-tossed world;
And peace will reign in other lands
When they its banner have unfurled.

In these late days come buzzing gnats,
To tell us 'tis a thing accurst,
Devised by scheming plutocrats,
Whose cunning work must be reversed.

George Washington and Franklin, too,
James Madison and Hamilton,
Were leaders of the greedy crew
By whom the people were undone.

How light in character and brains
Our Constitution makers seem,
When some great modern statesman deigns,
To take them for an evening theme.

We love the men who gave it birth,
We venerate its every clause;
Benign protector of the hearth,
Stern guardian of the country's laws.

To us belongs the pious task
To ward from it all threatening foes,
Both those who lurk 'neath friendship's mask
And those who deal it hostile blows.

To rouse the people of the land
To know the treasure they possess,
And smite each sacrilegious hand
That's raised to harm or make it less.

That one of the main objects of this so-called "volunteer" force in the minds of the Army officers who are pushing it is to ruin and destroy the National Guard is not open to doubt in my mind. By a system of sapping and mining they hope to draw away from the National Guard enough of the officers and men to disorganize and disrupt it by inducing them to join this new organization, and then they will be in a position to claim that the people of this country are solely dependent upon the standing Army for defense, and will attempt to coerce Congress into voting all the men and money they ask for, together with a conscription law in time of peace to enable them to get the men. Where do they propose to get these "volunteers" without conscription, and where will they train them if the men could be obtained?

If the people of the United States must engage in a hand-to-hand conflict with the Regular Army officers' lobby to save from destruction the means of defense provided by the Constitution during every period of military excitement, such as we are now passing through, then the wise thing for the people of this country to do is to abolish entirely their standing Army by an amendment to the Constitution, as the people of Switzerland did. [Applause.] Every war we have ever been engaged in was fought and won by volunteers, including the War for Independence. A persistent effort has been made by Regular Army officers in recent times to belie history and to discredit the citizen soldier. The Battle of Saratoga, recorded by the great historian, Sir Edward Creasy, as one of the 15 decisive battles in the world's history, was won by volunteers exclusively, and more than 5,000 British regulars were made prisoners as a result of that great battle, which determined in advance the outcome of the Revolutionary War.

They would have us forget Saratoga, Yorktown, New Orleans, and Chapultepec, the great battles of the Civil War, all fought and won by citizen soldiers, in their efforts to discredit the ability of the citizens of this country to defend it by the means afforded and suggested by the Constitution.

The bill originally passed by the House, H. R. 12766, actually authorized two regiments of Field Artillery in addition to the increases asked for by the President in our regular military establishment, and also provided for the citizen soldiers suggested by the President by providing for arming, equipping, organizing, and disciplining the men requested in the Organized Militia or National Guard.

These men will be subject to instant call by Congress and the President to suppress insurrection, repel invasion, or to execute the laws of the United States, and when trained and disciplined in the manner provided will be subject to draft in time of actual war into the service of the United States.

There will soon be built up a reserve of the National Guard, which will afford ample means of national defense to meet any emergency that may arise, and which will not endanger the liberties of the country.

When we recall in our own history the many successful attempts to subordinate the civil authority to the military power, and consider the many recent examples of the imposition of the death penalty by the arbitrary orders of military tribunals in Mexico and Europe upon men and women in civil life, we ought to scrutinize with great care any attempt in this country to build up a military power, the use of which is not subject to the restraints of our written Constitution. [Applause.]

Mr. KAHN. I suggest that the gentleman from Virginia use some more of his time as there will probably be but two or three speeches at the most on this side.

Mr. HAY. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. ANTHONY].

Mr. ANTHONY. Mr. Speaker, I see no reason at this time why the House should change the position it has previously taken on section 2 of the Senate bill referring to the size of the Army. As a matter of fact, there has been no logical reason advanced why the maximum of 250,000 should have been fixed by the Senate in their bill. Personally I favored the bill reported from the Senate committee—the bill which provided for increasing the number of regimental organizations and officers as well as men, which raised the Infantry regiments from 30 to 64, which raised the number of Artillery regiments from 7 to 21, which raised the Cavalry regiments from 15 to 25 and the Coast Artillery from about 18,000 to 35,000 men. That would have made a Regular Army of 188,000 men, which, in my judgment, was properly balanced and about the size we expect ultimately to have. But I can see no reason why the Senate should have arbitrarily tacked onto it an amendment further fixing the Regular Army at a maximum of 250,000 men. That simply would mean that you would have had to double the peace strength of the regimental organization in order to carry the total up to 250,000 men. So that I think it is proper at this time that the House should refuse to indorse section 2 of the Senate bill, believing, as I do, that ultimately there will come before the House from the conference committee an increase of about the size reported originally by the Senate bill of about double the number of organizations we now have, providing a standing Army of from 188,000 to 200,000 men, which I think would be proper and better proportioned than the present provision in section 2.

As to the so-called volunteer or "continental" army, in my opinion in time of peace that is absolutely absurd and impractical. It is something to which no man who has given study to military affairs can afford to give his approval. In my opinion this House should lend its every encouragement to the building up and the federalization of the National Guard of this country. [Applause.] Under the policy which will be put in force because of the legislation which the House Committee on Military Affairs has placed before you, I believe that through these provisions and the federalization of the National Guard we will ultimately build up a second line of military defense which will serve the country adequately and well in time of war.

Mr. KAHN. Mr. Speaker, section 2 of the Senate bill provides for an Army of 250,000 men. It is an authorization for an Army of that size. If they are not needed, the President will not enlist them. If they are needed, he should have the authority to enlist them. [Applause.] And in the final analysis, Congress holds the purse strings. No President can enlist them unless he is assured that Congress is willing to foot the bill. That is all there is to it. Gen. Upton in his remarkable book on the Military Policy of the United States says in effect that if such an authority had been given the President of the United States at the time of the Mexican War that war would have been concluded in a much shorter period. But as we have nearly always done in our military legislation, we did not authorize the President in those days to do the very thing that we are trying to have done to-day. In consequence, that war was unnecessarily protracted. The expense to the Government was enormously increased. We want to avoid blunders of the past. We want to write upon the statute book a law which will enable the Government of the United States to defend itself in time of need against any possible aggressor. [Applause.] Patriotism, loyalty, devotion to the country ought to prompt every man in this House to vote for that section. Oh, they will tell you that it is going to cost a lot of money. It will not cost a dollar more than what is absolutely needed, for, as I said a moment ago, if the men are not required the President will not enlist them. They tell you that you can not enlist such a large number of men. I have

more faith than that in the power of the Government to get the required number of men. Our enlistment laws, and especially the regulations, are somewhat rigid. No man can be enlisted at the present time in the Army of the United States unless he be 5 feet 4 inches tall. A man 5 feet tall under modern conditions can fight just as well as a man 5 feet 4 inches tall. Enlistments in the Army are limited to men 21 years and over. The Navy enlists young men at 18.

Under the very terms of this bill the National Guard will enlist young men at 18, and the Army of the United States ought to permit enlistments at the age of 18, especially so if the provision providing for vocational training is incorporated in the legislation; and I understand that there is a good prospect of writing into the law such a provision. There is another thing about recruiting for the Army of the United States. Go into the large cities of the country, look for your recruiting stations, and where do you find them? In many instances near the tenderloin district of the city. We seem to be looking for the derelicts, for the flotsam and jetsam of our national life, for the Army. I do not approve of that. I do not think the country approves it; and the wonder is that we get such good material as we do under the conditions. I believe an earnest effort should be made to bring into the Army hundreds of desirable young men who are willing to take the required training, who are willing and ready to defend their country when defense shall become necessary. I believe that if some reforms be made in the matter of enlistments we will have no difficulty whatever in securing the required number of men in the Regular Army to properly defend the people of the United States in the event of war.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. KAHN. Yes.

Mr. DYER. Will the gentleman state what reforms he advocates to encourage enlistments?

Mr. KAHN. I have just stated that the enlistment period should be lowered, that the minimum age limit should be lowered, that the regulations are too rigid in some particulars, and that they should be so amended that a man 5 feet tall can be permitted to enlist just as well as a man 5 feet 4 inches tall. I feel that enlisting parties ought to be sent periodically into the smaller communities. I believe many men could be secured in that way.

Mr. DYER rose.

Mr. KAHN. I regret I can not yield any further. I have a great deal of ground to cover. Mr. Speaker, the people of the United States since the Spanish-American War have taken on many new and grave responsibilities. The acquisition of the Philippines, of Hawaii, of Porto Rico, the acquisition of the island of Tutuila in the southern Pacific, all brought with them burdens and obligations to the people of the United States. But in addition we have practically established a protectorate over Cuba, over the Republic of Panama, over Haiti, over Santo Domingo, over Nicaragua. Those countries have to look to us in many matters before they can perform certain functions of sovereignty. These new duties, these new obligations, require us to be ever vigilant and ready to protect the rights of Americans in these countries, as well as to protect those peoples of these American Republics who are looking to us for guidance and support. All of these powerful considerations ought to make the Members of this House realize that the authorization should be given to the President to enlist the requisite number of men in case we should become involved with any foreign power. I can readily see situations in which it would be absolutely imperative that the President should have such a power.

Mr. KELLEY. Mr. Speaker, will the gentleman yield?

Mr. KAHN. I can not yield at present. Take the case of Congress adjourning on the 4th of March. Unless Congress should be convened in extraordinary session there is no Congress in session until the following December, a long interim. Under such circumstances the President could not appeal to Congress for aid if he desired to do so. He might not deem it advisable to call an extra session. Mr. Speaker, I can see conditions that might make it imperative on the part of the President to enlist men, so that if diplomatic channels should fail he would at least be in a position to enlist and equip a proper army to defend the rights of the people of the United States. That is all that this legislation does.

Mr. SUMNERS. Mr. Speaker, will the gentleman yield?

Mr. KAHN. I can not yield to the gentleman. I am sorry, but I have only limited time, and I want to explain these things.

The SPEAKER. The gentleman from California desires not to be interrupted further——

Mr. KAHN (interrupting). At the present time, at any rate. Mr. Speaker, I can see conditions that would make it absolutely necessary that the President should have this right, and that is all we are asking; that is all that the legislation attempts to do. It is simply an authorization.

I want to say, also, in connection with the Army, that the Monroe doctrine places upon our shoulders great responsibilities and great obligations. Take the situation in Mexico to-day. We have not protected the property or the lives of our own nationals in that distracted Republic. We have not protected the lives or the property of the nationals of other countries.

No one can tell what will happen when this war in Europe is over. No one can tell what demands will be made upon us for indemnities for the murder of the nationals of foreign countries, for indemnities for their properties destroyed by the Mexicans. Oh, they will not look to Mexico for indemnity. That at present is a poor, impoverished country. Mr. Speaker, they will look to us for proper indemnification for the loss of the lives and property of their nationals in Mexico. We must be ready to meet any of these problems. And we ought to have learned that the only way our demands will be listened to will be when we have a proper military force behind us. [Applause.] We ought to have learned in recent months that unless we are ready to put force behind our proposals that such proposals are not apt to meet with the prompt respect and approval of the great military powers that the American citizen insists they ought to receive.

Now, Mr. Speaker, a few more words as to section 56. That section creates a volunteer army. I have nothing to say in derogation of the splendid work that the National Guard of the country has heretofore performed, and that I am positive it will again perform if it should be called into the service of the Republic. But what does the Hay bill provide? It provides for a minimum force of 800 National Guardsmen from every congressional district and 800 for every Senator in every State of the Union. Do you think that it is possible to create such a force? The people of the United States have been told that our National Guard provision will provide an army of 425,000 men——

Mr. BUTLER. Mr. Speaker——

Mr. KAHN. When the preparedness bill was discussed on the floor of the House recently, I said that, in my judgment, there could not be over 200,000 people enlisted under that law. The more I study the situation the more firmly convinced I am that I was absolutely right in the matter. Eight hundred men from every congressional district and 1,600 from every State at large, the minimum under the bill, would compel the State of Nevada to raise 2,400 men in the National Guard; the State of Arizona likewise would have to raise 2,400 men in the National Guard; the State of Wyoming, 2,400 men in the National Guard; the State of Utah, 3,200 men in the National Guard; the State of Idaho, 3,200 men in the National Guard; the State of Montana would have to raise 3,200 men for the National Guard. Oregon, North Dakota, and South Dakota would have to raise 4,000 men each for the National Guard. Why, it is ridiculous to think of it. You can not get them. Let us not fool the American people into a sense of security when the security is not there. [Applause on the Republican side.] And right here let me present another phase of the proposition. In the State of Alabama, according to the census of 1910, of the total number of males of the age of 21 years and upward who are capable of being enlisted in the National Guard, 41.7 per cent are negroes; in Arkansas, 28.1 per cent are negroes; in Virginia, 30.5 per cent; in Florida, 41.9 per cent are negroes; in Georgia, 43 per cent; in Louisiana, 42 per cent; in Mississippi, 54.7 per cent; in North Carolina, 29 per cent; in South Carolina, 50.5 per cent are negroes. Are you going to get any National Guardsmen from that source in those sections of the country?

Mr. MADDEN. Yes.

Mr. DYER. Why not?

Mr. KAHN. Are there any colored National Guardsmen in any of the Southern States? I have never heard of any, and yet the bill proposes 800 men from every congressional district in this country. Why, anyone who will study the matter thoroughly must see and must admit that such a force is impossible in the National Guard under the provisions of the Hay bill. Nor will the volunteer-army provision raise the 260,000 men that its proponents feel they can enlist under it. The section provides for 600 officers and men in every congressional district. I give it as my opinion that we never can get that number in every congressional district, but we can get 200 or 250 men from each congressional district and that would give us a volunteer army of fully 100,000 splendid men; men who in most instances can not join the National Guard; men who are in the professions or in such occupations that they can not go to the weekly drills required by the National Guard

provisions of this legislation, but who have a month's vacation in the summer time that they are willing to devote to the service of their country by taking the required intensive training in order that they may become qualified if the need should come to respond to the colors of the Union and help fight the battles of the Republic. [Applause.]

Mr. HULBERT. Will the gentleman yield for a question?

Mr. KAHN. Mr. Speaker, how much time have I consumed?

The SPEAKER. Nineteen and one-half minutes.

Mr. KAHN. I yield to the gentleman for a question.

Mr. HULBERT. If I understand the matter correctly, both sections 2 and 56 are permissive and vest a certain discretion in the President?

Mr. KAHN. Absolutely.

Mr. HULBERT. Is it not the purpose of those two provisions to so clothe the President with authority that in the event of imminent danger he might then have the power to do that which he could not otherwise do without calling a special session of Congress if that imminent danger should occur after Congress has adjourned?

Mr. KAHN. That is exactly the purpose of those two provisions.

Mr. BUTLER. Mr. Speaker, will the gentleman yield for a question?

Mr. KAHN. I will yield to my friend for a question.

Mr. BUTLER. I am much obliged to the gentleman. How much appropriation do we provide this year?

Mr. KAHN. In the estimates which were submitted by the department it is the purpose to provide for an army of 105,000 men this year.

Mr. BUTLER. And then the President will simply be authorized to enlist the balance of the 250,000 and we would not appropriate for them this year?

Mr. KAHN. We will not appropriate for them this year and we may never appropriate for them. The existing law, the law now on the statute books, that has been in force since 1901, authorizes the President of the United States to enlist up to a full number of 100,000 men. Until a few weeks ago no President of the United States since 1901 ever enlisted that number of men. Until recently we have never had 100,000 men, although the law has been in existence for 15 years; because the President will never call a single man unless the needs of the country require it.

Mr. SUMNERS. Will the gentleman yield for just a question?

Mr. KAHN. Yes.

Mr. SUMNERS. If Congress controls this in the first instance through appropriation, how could the President increase the Army in the event of emergency without authorization of Congress?

Mr. KAHN. The Presidents on a number of occasions have increased the Army under existing law without the existence of any emergency, simply because he had authority, and he felt certain that when his reasons were explained to Congress or the committees of Congress, Congress would vote the money for them. And Congress always did vote the money, being satisfied with the President's reasons.

Mr. GORDON. Will the gentleman yield?

Mr. KAHN. I will yield to the gentleman.

Mr. GORDON. Is not the very argument you have just made equally applicable to the authorizing of increase in the standing Army?

Mr. KAHN. Oh, if the President would have to come to Congress to authorize an increase whenever he found the situation warranted an increase it might result in a loss of so much time in a crisis that our troops, those that we happened to have, would be whipped to a frazzle before we could get sufficient troops through legislative enactment. [Applause.] That condition would be simply emphasized if the President needed them, and Congress should happen to be in vacation. The authorization should be there. It costs not a dollar. It does not add a single dime to the expense of the Army. It is simply an authorization, and the authorization ought to be given.

Now, so far as the National Guard is concerned, I believe that the legislation that will be agreed to by the conferees will go, as far as it is possible to go, toward the federalization of the National Guard.

I repeat, the militia section of the present bill goes as far toward Federal control as is possible while the troops remain as State militia, but it leaves many defects that should be removed.

We may lay aside all the constitutional questions over which there is a serious difference of opinion among constitutional lawyers and admit that the militia sections of the bill are constitutional, yet these defects still remain and will continue to remain and can only be remedied by complete Federal control. They are:

First. Transfer of men and property at outbreak of war.

In the chaos and confusion incident to the outbreak of war and when the necessity for speed, smoothness, and celerity is vital, officers and men must be transferred from the status of State troops to that of United States troops, with all the waste of time and energy of making out new papers, books, records, and so forth. And further, the necessity of transferring the property of the United States held by the States back to the custody of the United States. The experience of the Spanish-American War demonstrated the delay these actions caused at that time, a delay that might be fatal to our cause, and under any circumstances should not be tolerated when it so easily may be prevented.

Second. The obligation of strike duty.

Rightly or wrongly, this duty has interfered, does now, and will continue to interfere with recruiting in the National Guard. More so in some States than in others, and usually aggravated whenever strike duty is performed by the State troops. In this duty there is always present the possibility of permanent serious injury to the recruiting of the guard through the rash actions of some young and inexperienced officer.

Again, it is wrong also from the economic aspect; soldiers are not policemen and are not trained as such; one experienced policeman is worth five disciplined soldiers.

And in that very connection of strike duty the State of Pennsylvania felt it had found an ideal system. It created a State constabulary. In discussing the National Guard almost every member of the Committee on Military Affairs of this House referred at some time or other to the Pennsylvania State constabulary. Last week there was a great strike in western Pennsylvania. The State constabulary was not able to cope with the situation. Gov. Brumbaugh only a few days ago called out the National Guard of that State for strike duty. Is that going to aid enlistments in the National Guard of the State of Pennsylvania, the State that has been held up as the one State of the Union that had an ideal National Guard system? Why, everyone knows that the act of the governor in calling out the National Guard has seriously interfered with recruiting in the National Guard. So I say that in addition to the 200,000 men that we will be able to secure for defense through the National Guard, we ought also to provide the volunteer army. Under the provisions of section 56 of the Senate bill they can be called out for only 30 days' training in any year. They are willing to give their vacation period, their summer vacation, for intensive training, at such camps as the Government may establish, in order that they may be taught the art of defending their country whenever defense shall become necessary.

Mr. Speaker, I desire to state a few additional points in which I believe the National Guard provisions will fall short of meeting the hopes of the most ardent enthusiasts for the militia organizations. They are:

Third. Necessity for State appropriations.

The United States should not place its trust for a sound military system upon the false foundations of a reliance for its success upon the voluntary financial assistance of the different States. If a State should refuse assistance there is no penalty under the bill other than the withdrawal of Federal support. Lack of Federal support means that in such States there will be no longer organizations for national defense, yet leaving the United States itself powerless to go into that State and organize a national force directly, notwithstanding the fact that in the State there may be thousands of men who not only desire but are anxious to be part of our national defense. That such an occurrence is possible, it is only necessary to cite even in recent years the example of the great States of New York and New Jersey, which refused to appropriate the necessary money to enable their troops to perform field duty.

Fourth. Lack of sufficient penalty if States fail to carry out certain provisions of the act.

Certain actions are prescribed in the bill which must be taken by the States but which may not be lived up to.

(a) The qualification of the officers who are commissioned.

(b) The organization of particular units of certain branches of the service.

(c) The method of training.

(d) The numerical strength required in each State.

(e) Prohibiting the disbandment of organizations, but accomplishing the same result by allowing the officers to resign.

(f) The replacing or making good of lost United States property.

(g) Physical examination of the enlisted men.

If a State fails to comply with any of the above regulations the only penalty is withdrawal of Federal support, and the argument used in the preceding paragraph would apply with equal force in any of these cases.

Fifth. Control by the President in time of peace.

Any argument in favor of this seems unnecessary. The very fact that the bill itself gives control to the President in time of war and that this control has been advocated by every military man of whatever opinion, should prove that this was where the control should always be. If it is right in time of war, why is it not right in time of peace? This is the position taken by every unprejudiced student of military affairs who believes in a military system at all.

Mr. Speaker, the summer camps that were held at Plattsburg last year and in other sections of the country were a marked success. Some national guardsmen affect to see a danger to the National Guard by the incorporation of this section in the preparedness legislation. I believe that it will strengthen the National Guard. I believe that it will provide a force that we can not get into that organization. I believe that conditions in the United States to-day are such that we must have at first hand, if we become embroiled with any great military power, at least 500,000 trained men. [Applause.] And unless you give us this provision in the Senate bill for any Army authorization of 250,000 men, unless you give us the federalized National Guard, unless you give us section 56, we will not have anything like that number in the hour of our need.

My experience has been such, and from having read frequently the history of my country I have become convinced, that if this Congress shall fail to provide an adequate force for the protection of the Union, the Members of the Congress will be denounced by the American people for failure in the performance of a patriotic duty. [Applause.]

Mr. DIES. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman from California yield to the gentleman from Texas?

Mr. TILSON. Mr. Speaker, will the gentleman yield at that point?

Mr. KAHN. Yes.

Mr. TILSON. The gentleman speaks of some part of the National Guard opposing this. That does not refer to the entire National Guard?

Mr. KAHN. Oh, no; far from it. I have had adjutants general of some of the States tell me that they welcome this addition to the defensive force of the Union. The trouble is, with respect to Army legislation, men will come to Congress at times actuated solely by selfish purposes.

Mr. DIES. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield?

Mr. KAHN. In other words, men who hold fat political jobs are afraid they might lose them. To me patriotism stands above the dollar. [Applause.] I believe that a man ought to sink his personal ambitions for the general welfare. The fear of losing a Government salary ought never to stand in the way of legislation necessary for the proper defense of the country. [Applause.]

Mr. DIES. Mr. Speaker, will the gentleman yield there?

The SPEAKER. Does the gentleman yield?

Mr. KAHN. No; I can not yield just now.

The SPEAKER. The gentleman declines to yield.

Mr. KAHN. This is an important question. How much time have I consumed, Mr. Speaker?

The SPEAKER. Twenty-five minutes.

Mr. TILSON. I would like to have the gentleman state, if he will, in regard to some of the States, like Connecticut and Massachusetts and New York, that have actually favored this proposition.

Mr. KAHN. Yes; not only have some of the adjutants general favored this proposition, but I understand that one distinguished labor leader of this country wrote a letter to the gentleman from Massachusetts [Mr. OLNEY] saying, in effect, that he believed training of this kind would lead toward true Democracy in these United States. [Applause.]

The SPEAKER. The Chair was mistaken. The gentleman has used 33 minutes.

Mr. KAHN. I reserve the balance of my time, Mr. Speaker. [Loud applause.]

Mr. HAY. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. CRAGO].

The SPEAKER. The gentleman from Pennsylvania [Mr. CRAGO] is recognized.

Mr. CRAGO. Mr. Speaker, in the short time allotted to me I want to explain my position as best I can. In the first place, I want to be considered as being always in favor of any plan of rational preparedness on the part of my country. I shall vote for the larger Army provided by this bill for two reasons: First, because I want the chairman of the conference committee to feel that he has this House back of him in whatever limit he may see proper to go in regard to the Regular Army, and, second, I shall vote for and support it because I believe the people of the United States would be glad to know that they had an Army of 250,000 men to-day on the Mexican border. [Applause.]

I want also, however, to resent in the short time I have allotted me an unjust attack which has been made on an organization in this country whose only offense, as I take it, has been the fact that they have kept up an organization; that they have prepared for military service to the best of their ability and to the best of their knowledge, and have answered the call of their States and their country on every occasion, namely, the National Guard. [Applause.] The National Guard a year ago was lauded by Maj. Gen. Leonard Wood and welcomed as a part of the first line of the Army. These men were told that they were preparing themselves as a part of the first line and that they would be sure to give a good account of themselves.

Only a few months ago, in an address delivered before the National Guard Association, a former Assistant Secretary of War alluded to the members of the National Guard as follows:

I desire to give expression to the profound sentiment of appreciation of the service of the men of the National Guard during the last 15 years in the efforts they have made in behalf of the national defense. It is relatively easy now to engage in the movement that is sweeping the country in behalf of adequate and reasonable military preparedness, but 16 months ago it was not easy. Our people—apathetic, ignorant, or heedless of the past military history of ourselves or others—not seeing the awful potentialities for swiftly incurred strife and destruction still inherent in civilization, paid little or no attention to the military needs of the Nation, to the dangers still confronting in the world the best and most pacific intentioned of peoples, and did little or nothing to strengthen the protection required for the safeguarding of the great spiritual and material heritages of the Nation. But ever since the Spanish War there has been a group of men—unselfish, persistent, energetic—that in season and out of season and always without any great favor have dinned into the ears of the American public the now apparent need for expansion and improvement of the land forces of the Nation. These were the men who know that every teaching of history demonstrates that however broad oceans may be, nevertheless wars which commence upon the oceans always end upon the land; that the final resources of nations in conflict can not be brought to bear upon the water, but only can be brought to bear upon the land; that definite and final conclusion of such conflict can only be had by striking at the territory and treasure of an enemy which is situated upon the land; that however great may have been the influence of sea power on history and however essential such sea power might be, nevertheless that the mightiest sea powers of the world could not accomplish their military objects without appropriate and correlative land power; and, furthermore, that the only lasting defense against predominant sea power must be adequate land defenses. These are the principles that the patriotic members of the National Guard have impressed without ceasing upon the public and private minds of the country. To-day as a National Guardsman I proclaim the credit that is due to the guard for nursing and keeping alive in this country an essential and reasonable military spirit and appreciation of the truths of military history when they were most needed. In another capacity, as a representative in some sort of the regular Military Establishment, I wish now to bear testimony to the splendid and effective support that has been given by the National Guard to each and every expansion and improvement of the regular military service. There were no more loyal supporters of the reorganization of the Army in 1901 than the National Guard, and each and every improvement in the size or condition of the Regular Army had its hearty support.

And yet this is the same gentleman who, in season and out of season, has been casting reflections upon the efficiency and the possibilities of this organization which, if it has been weak in anything, has been weak solely because of the failure of the National Government to properly arm, equip, and discipline it.

Attention has been called in public addresses to the fact that a lot of property had been recovered from the National Guard and that much of it had been wasted. Let me call your attention to the fact that officers of the War Department have told us that this loss of property, so called, covers a period of 18 years—since 1898—the time of the Spanish-American War, and that every dollar's worth of that property has been properly expended according to law.

Mention has also been made of a lack of marksmanship on the part of the members of the National Guard. I want to say to you that the organization with which I am familiar does not keep in its ranks a single officer or enlisted man who does not go out every year and qualify as a marksman. In every one of our organizations every man who retains his position and standing in the organization must be a first-class marksman.

I will go as far as any one of you in prepardeness for any emergency. I believe that with proper attention and instruction our people will come to realize that universal military instruction and service is the truest democracy. This must necessarily come, however, through education and through a demand for it on the part of the people if it is to be effective. Mere legislative enactment will not bring this about. If you will

spend in educating the people, so that they will understand the necessity for this service, the time you are now spending on these different propagandas, they will soon demand of Congress such legislation as will be necessary. And so in voting against such a volunteer army as has been proposed I do so because I believe, if ever it is built up in time of excitement, it will be done at the expense of the National Guard, and when the National Guard is weakened as a result of this, and when in time to come we do not fear any great emergency, this so-called army will disappear, and you will have nothing; and so instead of giving the country a real program of preparedness you will have destroyed what little force we already have. [Applause.]

In this connection I want to quote you the following taken from a paper delivered by Maj. Gen. John F. O'Ryan, of the National Guard of the State of New York, at the meeting of the National Guard Association of the United States at San Francisco, Cal., a few months ago:

Those who do not believe in the practicability of the War Department plan, further point out that the National Guard of the country is not a plan, it is a force in being, a force which has steadily and in later years rapidly progressed toward a high standard of efficiency, and that this tangible force, with its substantial number of trained personnel, as well as its material plant—valued at approximately $100,000,000, should be substituted as a part of the first line in preference to a plan to create an army—a plan which may not prove practicable. That it might result after a few years in the Government finding itself without any substantial and effective force whatsoever, except the Regular Army.

As a part of Pennsylvania's answer to the abuse heaped upon the guard within the past few weeks, I submit herewith an editorial from the Pittsburgh Dispatch of Monday, April 17, 1916, as follows:

BORAH'S INSULT TO THE GUARD.

Senator BORAH'S attack on the National Guard during the Army bill debate in the Senate, reported in Sunday's Dispatch, is rightly regarded here in Pennsylvania as an insult to every man in the guard, and particularly to the officers. But it opened opportunity for one good result. When a United States Senator arises in his place and deliberately charges that the $8,000,000 now appropriated by the Government for the National Guard has been "shamefully wasted" and some of it "embezzled," he can be held responsible for his utterances and compelled to produce his proofs, if he has any, or to confess by his silence that he is a reckless slanderer.

During the discussion of the Army bill less responsible persons have indulged in general charges of lobbying and grafting against the National Guard organization, but they have been careful to confine themselves to insinuations and inuendos for which they could not be brought to book. The Idaho Senator can not get away with any such evasion. He has made a specific accusation of the deliberate theft of Government funds, reiterated it, too, "without any qualification," and the protection of the Public Treasury, no less than the good name of the National Guard demands that he be not allowed to dodge responsibility. If he can prove embezzlement let him submit his evidence to the proper authority and have the offenders punished. If, on the contrary, he has been indulging in a mere oratorical figure of speech, he owes an immediate apology to the organization he has so foully aspersed.

Senator CUMMINS, expressing his indignant disbelief, suggested that consideration of the Army bill be suspended while the Senate ascertains whether officers of the guard are guilty of such charges, but BORAH failed to accept the offer, which was plainly incumbent upon him, if he believed his own accusation. He can not say that he knows Government money is being embezzled and refuse to do anything about it. Nor can he utter such a charge, if baseless and cruelly slanderous, against men who have proved their patriotism by unselfish service extending over many years, without provoking the strongest condemnation for a course so contemptible. The Senate should at once adopt the suggestion of Senator CUMMINS, and demand that the Senator from Idaho place his information on record or be branded as an irresponsible calumniator of better men.

Adjt. Gen. Stewart and the adjutants general of other States should proceed at once to Washington and demand investigation of these reckless charges, and BORAH, failing to prove his assertions, should be pilloried before the country as a deliberate falsifier. It is clearly up to the responsible heads of the National Guard to insist upon a determination of the truth or falsity of accusations directly accusing their organization of the embezzlement of Government funds and they have every right to make such a demand upon the Senate as an act of simple justice to the guard and of common honesty to the country.

Also an editorial from the Gazette-Times, of Pittsburgh, Pa., on Tuesday, April 16, 1916, showing what that great State is doing for the National Guard:

NEW ARMORY BEGUN, GOOD!

Altogether in keeping with the current American spirit was the breaking of ground yesterday for an addition to the Emerson Street Armory of the First Regiment Pennsylvania Field Artillery. It is a step in that preparedness for defense of the Nation which is demanded by practically all of our people. It makes a fitting answer to such gatherings as that one in a downtown theater on Sunday under the auspices of the "American Union against militarism." The American people are as much against militarism, in the opprobrious sense in which the leaders of the Sunday gathering employ it, as are the most ardent pacifists. But they know the value of military force when rightly employed, and they are determined that this country shall be put in condition to make good its just claims before the world. The work is proceeding rather slowly in Congress, though time presses and the urgency of the situation is apparent to all but such as the gentlemen who led the theater gathering; so it is especially good to witness enhancement of the effectiveness of the National Guard of Pennsylvania.

The antimilitarists ridiculed our Army in Mexico, according to the accounts of the meeting. Why? Simply because it has been impossible, on account of our unpreparedness, to perform the duty thrust upon us with the dispatch that ought to characterize such undertakings. We could not get a good start. We were not ready with the means to support the regiments sent into Mexico and at the same time protect the border. When our boys got a few hundred miles from the international boundary there was difficulty in keeping communications open. We did not have enough men. If we are going to have more trouble, the Army must be reenforced. The first call must be made upon the National Guard, the citizen soldiers of the States. That being well understood, it is the part of wisdom to provide them with proper quarters and drill halls. Pennsylvania is doing that, as is evidenced by the provision making for the new regiment of artillery. It were better to applaud such efforts and help them along than to spend time in ridiculing preparedness and accusing of selfishness men who are promoting a proper spirit for national safety.

I also submit herewith a short statement by Maj. Edward Martin, of Waynesburg, Pa., regarding the mobilization of one of the battalions of the Tenth Regiment when called a few days ago for duty:

At 12.45 a. m. Wednesday morning Col. Coulter called me by telephone and stated that the regiment had been ordered to assemble in its armories in contemplation of strike duty in the vicinity of Pittsburgh. He stated that five companies had been ordered to mobilize at Greensburg and the other companies in their company armories. He directed me to notify "K" of Waynesburg, "A" of Monongahela, "B" of New Brighton, and "H" of Washington, and all of the field and staff in the territories of the Second Battalion

I immediately placed a call for the following officers, and got in communication with them at the time indicated: Capt. Montgomery, 12.50 a. m.; Lieut. Yohe, Monongahela, 1.10 a. m.; Capt. Hartland, 1.15 a. m.; Lieut. Craft, 1.30 a. m.; Lieut. Harris, 1.50 a. m.; Capt. Aiken, 2.10 a. m.; Capt. Fish, 3.05 a. m.; Maj. Thompson, 3.40 a. m. Maj. Thompson was not reached sooner owing to the fact that he was away from home.

Capt. Hartland called me at 3 a. m., stating that he was in touch with all of his men in the State, and that they were all on the road to the armory.

Company A, with all their men accounted for except two, took breakfast in the armory and were ready to leave for the zone of the strike, with full force, except the two, accounted for at 6.30 o'clock in the morning.

Capt. Aiken had 50 men and 3 officers in the armory ready to move at 7 o'clock in the morning.

Capt. Montgomery had 30 men and 2 officers ready to move at 7 o'clock in the morning, and at 11 o'clock had 50 men ready to move. Capt. Montgomery was delayed owing to the fact that he was unable to reach the boys in the country districts until after 7 o'clock, as the switchboards of the telephones were closed until that time. Capt. Montgomery and Lieut. Ross were both using the phone as soon as they were accessible, and several men came a distance of 10 miles and more and were ready to take the train leaving Waynesburg at 11.15 o'clock in the morning.

Capt. Fish had 45 men and 3 officers in the armory ready to move at 7 o'clock in the morning.

I could have had three companies of my battalion in Pittsburgh very easily at 9 o'clock in the morning by myself taking our 6.25 train, and could have had the whole battalion there by the time our regular 11.15 train arrives in Pittsburgh, which is 1.30.

Immediately after getting in touch with the company commanders I arranged with the superintendent of our local railroad for a special train if it was necessary for us to leave promptly.

The men have been living entirely in the armory since the call was made, and the other companies are in just as good shape as the companies of this battalion. They have been conducting drills, having rifle practice, and making general improvements and repairs about the various armories.

Do not understand from my remarks that the members of the National Guard from the different States are opposing any of this preparedness legislation. They do, however, question whether both the volunteer army, so called, and the National Guard purposed as a Federal force can both exist for any great length of time.

They claim that the men needed to fill the ranks of the National Guard are the same class of men who may, for a short time, be attracted to the new plan, but that in the years to come, when the excitement of the present is over, the volunteer army will gradually disappear, and the National Guard having been made to feel that it is not a part of the first line of defense, but regarded as a State force only, will necessarily lose much of its enthusiasm for service and will have degenerated into the weaker organizations of former years.

If Congress in its wisdom, however, should decide on organizing this additional force, I believe I speak for the membership of the National Guard when I say that these men as loyal, patriotic citizens, recognizing the need of a greater armed force in this country, will give this new organization their united support and encouragement. They know that patriotism is best expressed in service.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. CRAGO. I ask unanimous consent to extend my remarks by inserting two editorials from newspapers.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. HAY. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MCKENZIE].

The SPEAKER. The gentleman from Illinois [Mr. MCKENZIE] is recognized for five minutes.

Mr. MCKENZIE. I dislike very much to differ from my distinguished colleague [Mr. KAHN], the ranking member of the

Military Affairs Committee on our side of the House; but when I have followed him in that committee along certain paths in which he had aided me and when he has helped instruct me to stand for certain propositions, then, when he changes his mind and turns back on those points, I refuse to follow him. [Applause.]

Mr. KAHN. Will the gentleman inform the House when I went back on my paths?

Mr. McKENZIE. I refer particularly to the volunteer continental army scheme.

Mr. KAHN. This is not the continental army scheme. This is another matter, a different matter altogether.

Mr. McKENZIE. I hope the gentleman will not take my time. Now, Mr. Speaker, I take it that we are all in favor of national defense, but we differ somewhat as to the methods of achieving what we call adequate national defense.

In the Committee on Military Affairs of the House, after long hearings and listening to the officers of the Army, we decided to report a bill fixing the number in the Army at such a figure as could be filled up by enlistments without compulsory military service. When we got the bill into the House it was amended by a proposition which we thought perhaps would encourage enlistments to a certain extent. The Senate Committee on Military Affairs reported the bill providing for 178,000 men. The amendment we are now considering was tacked on in the Senate, and when I heard that the conferees had agreed that the Army should consist of 175,000 men of the line, I felt that that was a wise agreement; that perhaps under the amendment adopted in the House we could get 175,000 men and do what we pretend we are going to do—give the people such an Army as we provide for in this law.

The amendment we are now considering provides that at no time in peace shall the Army, exclusive of the Quartermaster Corps, Hospital Corps, and Philippine Scouts, exceed 250,000 men. Now, what does that mean to the layman? What does that mean to the different associations over this country that are sending us copies of the resolutions passed by them? What does that mean in the editorials of the great newspapers of this country? It means that they understand that we propose to give them an army of 250,000 men. My fellow Members of this House, we can not afford to be other than honest with ourselves. The gentleman from California [Mr. KAHN] appears before you this morning and attempts to make you believe that it does not mean an army of 250,000 men, that it means only such an army as the President may see fit to enlist. Well, we might get a pacifist President, like the great William J. Bryan, who would not enlist any army at all, and then where would we be? Let us be honest. If it means 250,000, put the teeth in it, my good friend from California, and provide for getting those men. When you talk about men enlisting because we have changed the form of enlistment in the way we did in this House, it is nonsense. There might be the possibility that a psychological condition of mind would overcome the young men of this country, and they would enlist in the Army for $15 a month when they can get $40 a month on the farm; but I want to say to you Members of this House that I do not believe they will do it. Therefore let us be honest with the people and give them an Army that we can fill up with men and say to them, "This is the best we can do *without compulsory* military service or increasing the pay of the soldiers. If that satisfies you, all well and good." But do not let us perpetrate a fraud on the people of America. [Applause.] We can not afford to do it, and that is what this amendment means. It means deception. It means an Army of 250,000, only in so far as officers are concerned, but not men.

Now, just a moment. In the committee we fought out the question of the volunteer army, and we decided that, in our judgment, the National Guard of this country was a preferable and a more dependable force than such a volunteer army, and therefore we reported that to the House. From the testimony before us we realized that these two bodies could not exist in the same place. One or the other must go down; and believing that, we decided that the guard was the more dependable body, and gave it our support; and when a man stands on this floor saying that he is a friend of the National Guard and at the same time prepares this dagger to stick into the back of the National Guard I feel that he is inconsistent. [Applause.]

Mr. HAY. I yield five minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Speaker, every citizen of the Republic, from the President to the humblest citizen of the land, ought to do everything within his power, consistent with the honor, the integrity, and the security of the Nation, to prevent the first step that leads to war by the United States now or at any time in the future. [Applause.] The gentleman from California [Mr. KAHN] says that the President should be given authority to increase the Army of the United States during the recess of Congress when he deems the danger to the Republic imminent. The Constitution of the United States wisely provides that the Congress of the United States shall declare and make preparation for war. [Applause.] It would be inconsistent with the Constitution and with the principles of the Republic for the President, in control of diplomatic negotiations, to have in his control at the same time the power to increase the Army of the United States in connection with his diplomatic negotiations. [Applause.] It would be placing the war-making power in the hands of the Executive; because every jingo in the country, when Congress was convened, would say, "Are you going to stand by the President?" when the President had already, in effect, declared war or taken steps from which there would have to be a backdown—or go on to war. Gentlemen, are you going to leave it to the Representatives of the people who do the fighting to declare war, under the Constitution, or are you going to give the President the war-making power in violation of the Constitution?

The gentleman from California says we need 250,000 men to-day on the Mexican border. If so, let Congress ask for that number of men for that purpose, not for a permanent standing army of that number in the United States. [Applause.] If we ask for 250,000 men to defend the Republic, we will have them by Saturday night. [Applause.] If we ask for 500,000 men, or any number that is needed for that purpose, we will have them by Saturday night. Two hundred and fifty thousand men would not feed the present man-destroying implements of war for 10 days. If we are in imminent danger, if we need an army for the Nation's defense to-day, 250,000 men are not enough. Inventive genius has provided implements of destruction in war that to-day eat men up by the tens of thousands and by the hundreds of thousands. Men are no longer slain by the sword alone. They are slain by thousands, eaten up by liquid fire, destroyed by deadly gases, and mowed down by every implement of death. The wars of the future will be fought with greater fury than the wars of to-day, if wars are not prevented altogether.

Statesmanship of the highest order can and should keep the nations out of war. [Applause.] The first step that leads to war should not be taken, and the last step that leads to war should be taken only when every possible effort has been used to prevent it. Mr. Speaker, ever since I have been in Congress, now near 14 years, there has been a war scare every time Army and Navy appropriations have been under consideration. I have favored, and shall favor, a strong Navy and an Army large enough for a frame to which to build if an invading army comes. It would be insane to try in this country to keep a standing army in time of peace to serve us in case of war, the way wars are fought to-day. If we ever have war with any first-class power, we will have to have millions, not thousands, of men. So I say wise statesmanship should take us away from rather than in the direction of war or the first step that leads to war. At this time when men are being swept off the earth by hundreds of thousands in an indefensible war, it is no time for a peaceful Republic enjoying peace with all the world, except that it is chasing bandits in Mexico, to place the power of making war in the hands of the President of the United States, as section 2 of this bill does in effect. [Applause.]

Mr. HAY. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. HOUSTON].

Mr. HOUSTON. Mr. Speaker, when we come to consider the question of agreeing to the provisions of the Senate amendments or adhering to those in the House bill I shall stand by the House bill. I do not favor a standing army in times of peace of 250,000 men. I am content to rely upon the number provided for in the House bill. If we should become involved in real war, neither would answer our needs. Then we would have to raise a volunteer army, as we always have. But the provisions of the House bill will supply the necessary officers and means of training to organize and instruct the army then called into existence.

I am convinced that it is our duty at this time to make greater preparation than we have to protect and defend ourselves, because after serious consideration of the conditions that now envelop so much of the civilized world I am unwilling to imperil my country by not making preparation to ward off and repel dangers that might come to us. I hope and pray that no war may come and that no enemy may approach our shores, but when we consider the war now raging across the ocean and the complications arising we can but realize possible dangers.

Now, having said this much, I want to say that we should have no war with any nation abroad—and I trust our troubles with Mexico may be tided over without a conflict between the

two nations. I do not think we should go to war with Mexico to protect the private fortunes of those who have gone there to embark in doubtful enterprises and make money out of advantages they have obtained in that country. I have no sympathy with those who have gone there to thus make money and want this Government to furnish a standing army to protect them in their exploitations. Let all such take the consequences of their own adventure rather than involve this Nation in a war that would cost the taxpayers millions of dollars and forfeit the lives of thousands of our young men. [Applause.]

But while I do not believe this country should be involved in a war to protect private rights of questionable virtue, yet I realize the time may come when patience shall cease to be a virtue and this Nation can not properly permit anarchy to reign in Mexico, with the constant infringement of the real rights of our citizens and the all too-frequent destruction of the lives of innocent Americans. No man can view the situation on our border without feeling that this country must be prepared to protect our people and compel obedience to the rights of the United States.

I sincerely trust and believe that by moderation and patience we may keep at peace with all nations, and we have cause to rejoice to-day that the prospects are more encouraging for the peaceful settlement of existing troubles. With courage and wisdom, President Wilson has met the gravest issues and solved questions new and more difficult than have confronted any of his predecessors.

I trust we may do nothing to provoke war or to develop a warlike spirit. I consider the jingo and the militarist enemies to the common good. Nothing is more revolting to the real patriot than the expressions we hear and read that the action of our Government in the complications arising between us and other nations is "weak," "timid," and "vacillating." The man who would attempt to excite passion and take the hazard of rushing our Nation into war merely to play the rôle of the braggart and bully, or who would excite prejudice against the administration for partisan advantage, deserves the condemnation of every patriotic citizen. [Applause.] In times like these patriotism should rise superior to partisanship. No real American ever needed prodding to fire his courage or stir his patriotism. If the hour shall come when the liberties or the honor of the United States shall need defense, there will be no lack of response to such a call. And I believe the hitherto invincible American will be invincible still.

But, Mr. Speaker, with a full sense of the responsibility resting upon us, we must face conditions as they exist, and do what our sober judgment tells us is necessary to enable the patriotism and bravery of our people to find adequate means to protect the country.

I do not believe it is practicable or desirable to create a large standing army in time of peace. We have no desire to imitate the example of the militaristic nations of Europe; but it is essential that we shall create such organization as shall be capable of quick expansion in time of need. This, I believe, we have successfully done in the legislation that has been so ably carried through this House by the distinguished chairman of the Committee on Military Affairs. I have gladly supported him in this regard, and propose to do so to-day.

And, Mr. Speaker, I trust that this House, while safeguarding the water power of America from the grasp of monopoly, will provide for such development of that power as will enable us to cheaply manufacture nitrate, thus freeing us from dependence on Chile and giving us the ability to manufacture in any quantity powder. And it is not the less gratifying to me that in thus making provision for a great national military need we may at the same time as an incident to such work provide a larger and cheaper supply of fertilizer for the benefit of the farmers of our country.

I believe we should increase our naval strength and proceed in the work of making additions to and perfecting our coast defenses. We can make no mistake in equipping our country in the material necessary in time of war, that the bravery and patriotism of our people may not needlessly be called upon when the test shall come.

Mr. Speaker, I desire to speak no word in a spirit of alarm. I trust we may remain at peace with all the world, and my reason tells me there is now no just cause to carry us into war; but I believe we should take these steps for security.

I have heretofore opposed creating a large Navy. Least of all do I favor a large standing army in times of peace. I deplore that spirit for war or thirst for glory that is created by "the roll of the stirring drum." We should know no glory but our country's good. I believe that the House bill provides a nucleus around which to formulate an Army and furnish the instruction necessary to understand the arts and methods of modern warfare.

A large standing army in time of peace is not only a burden to our people but a menace to our free institutions. I shall be the last man, by any action of mine, to invite or provoke war. It is barbarous, and usually may be avoided.

Our Government has blazed the way for human liberty and furnished the pattern for free institutions to all the world, and now let us hope to carry the light of peace to warring nations and aid in ending the greatest and bloodiest struggle in all history. [Applause.]

But if any other nation shall force us into a war of self-defense, then when the hour of necessity comes we must be prepared to defend our altars and our fires. And acting upon this principle I for one am in favor of heeding the warning given us by our great President, the watchman upon the tower, who must know better than we when dangers are imminent or perils are gathering near. I believe in him. I have unswerving faith in his patriotism, and I trust his wisdom. [Applause.]

Mr. KAHN. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. FIELDS].

[Mr. FIELDS addressed the House. See Appendix.]

Mr. KAHN. Does the gentleman from Virginia intend to close with one speech?

Mr. HAY. No; I have one more speech, and I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, I do not think the time has arrived, I hope the time never will arrive, in our country when the strength and the fervor of a man's patriotism will be judged or determined by the size of the military establishment for which he stands. [Applause.] If that were a proper test of patriotism, the good patriot would not be the honest man who believes in a standing army of 150,000 men, or even 250,000, but the demagogue who, taking advantage of the momentary public excitement, would insist on a standing army of 500,000 men. [Applause.]

It has been demonstrated as thoroughly as a matter of that kind can be demonstrated that we can not in this country, under volunteer enlistments, secure an army of over about 150,000 men. Therefore any increase of the Regular Army above that size is an act of foolishness and futility.

But what is proposed in the Senate amendment is more than that. The gentleman from California [Mr. KAHN] says, "Very well, if the men do not volunteer or if the President does not enlist them, we will not have them to pay for." But in the Senate amendment we give the President authority to provide for all the organizations, not only the specific organizations provided for in the amendment, but general authority to organize regiments and companies not to exceed 250,000 enlisted men on a peace strength.

I have faith in the patriotism of the President, but I know and we all know the pressure that would come upon him immediately the Senate provision became a law to organize all these units and organizations that would give half of the officers now in the Regular Army field rank and the other half, including those who have just graduated from the Military Academy, the rank of captain and upward. [Applause.] So, whether we add another enlisted man or not, by the Senate provision we would have an enormous top-heavy, expensive military organization. If the President organized these forces we would, of course, pay for them. It is not conceivable that Congress will at any time have so lost faith in the President that it will not provide for the men and units of the Regular Establishment which he had organized. So that whether we secure more enlistments or not, we are certain, under the Senate provision, to have a largely increased number of units, a largely increased number of officers, and therefore not only an expensive but a top-heavy and altogether inadequate Military Establishment.

The second proposition is the old continental army, discredited and disapproved everywhere, with no friends anywhere in the country, except among the friends of conscription. It comes to us under a new title and revamped form, and yet the idea is the same old discredited volunteer army. If you can not fill up the Regular Organization under enlistment, how are you going to get a volunteer army under volunteer enlistment? And if you do get a volunteer army, what is to become of your National Guard? [Applause.]

Back of the continental army and this Federal volunteer army is the shadow of conscription and universal compulsory military service. The House provision will, in fact, provide as large a Regular Army as we can get under volunteer enlistments. About 150,000 men, as many, in fact, as we need in time of peace, and in time of war we must in any event depend on volun-

teers. The Senate provision which would give us 250,000 in time of peace if the men would enlist, would, in fact, give us no more men than the House provision, because the men would not enlist in time of peace. It would, however, give us a large number of officers and organizations, great expense, and little to show for it.

Mr. HAY. Mr. Speaker, I have but one more speech, I will say to the gentleman from California.

Mr. KAHN. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, I repeat I am against war and in favor of preparation against the possibility of war. [Applause.] I hope that we will keep out of war, but I believe it is wiser to spend some money and effort in being prepared if war comes than to waste treasure and blood in getting preparation after war has begun. There will be two votes on this motion, one on section 2, which authorizes the President practically to increase the Regular Army to 250,000 men, and the other on section 56, authorizing a volunteer army. There is a limitation in the House bill of 140,000; it is a limitation. Section 2 of the Senate bill makes a limitation of 250,000.

The principal argument we have heard to-day against the Army of 250,000 is that we can not raise them. How childish an argument! If we can not raise them, there can be no objection to that limitation. The question is whether we may need them—and we may need them.

Gentlemen say that section 56 is the continental army over again, and my colleague says that those who favor it have reversed themselves. Section 56, which apparently these gentlemen who have spoken against it have never read, only authorizes the President to carry into effect an act which we passed on April 25, 1914, two years ago—reported unanimously from the Committee on Military Affairs and passed unanimously in the House, in contemplation of raising a volunteer army when emergency arose.

Those who think there is no emergency in the world, who think that there are no cloud either in the sky or upon the horizon, who are satisfied that peace reigns throughout the world, ought not to carry into effect this act which two years ago we passed in contemplation of the possibilities which might arise, and no one then contemplated, even in his imagination, the terrors which have since arisen and which cause the emergency. Why did we pass the act at that time if it were not, under conditions like these, to authorize the President to carry them into effect? Did the Committee on Military Affairs two years ago by this act then provide for a volunteer army which they now denounce? This is not the continental army over again. It is to authorize the President now to provide a needed army in order that they may be trained, and which, when the emergency has passed, may be disbanded and sent back to their peaceful pursuits. We ought to have trained men. We need the National Guard for the training which it gives, and we need the volunteer army in order that we may train them under governmental supervision. We need the increase in the Regular Army that we may have the first line of defense prepared for war. Having provided these, we will have shown that we have some common sense, and then, if we have common sense, to go further and keep out of war, we will show that we are capable of self-government [applause]; but if we fail to provide against the possibilities of war in these days when war is hovering over the world, when danger lurks in every corner, when trouble may come from every side, we write ourselves down as incapable of managing the affairs of a great people. [Applause].

Mr. HAY. Mr. Speaker, the President of the United States has so far been able to keep this country out of war, and, looking to what is now taking place in Europe, we may expect that the country will still be kept out of war. [Applause on the Democratic side.] I am sorry that the gentleman from California [Mr. KAHN], in his desire to impress upon the House the importance of an army of 250,000 men, invited the countries of Europe to come here and make war upon us to obtain in this war an indemnity for their loss. He must have been very much perturbed, he must have wanted much to make an impression upon the House, or he would never have extended such an invitation. But we may rest assured that the countries of Europe are not coming across the water to exact from us any indemnity. We may rest assured that this country, having preserved the peace thus long during this great crisis in the world's history, has the respect of the world, and that we will have no war to meet, and, therefore, that it is unnecessary to place upon the citizens of this country for all time the burden of a standing army of 250,000 men. The gentleman from Illinois [Mr. MANN] says if you can not raise the men what harm is there in it. Why, my friends, the people who are behind this movement for an army of 250,000 men are telling us every day that you can not raise them except through compulsory military service. They want you to make the experiment under the present system so that they will be able to come back here and tell you that you must have compulsory service or you can not get the men necessary to defend the country. That is their purpose in advocating this army of 250,000 men. It is their purpose in advocating the volunteer army of 261,000 men. Trained men! Why, if this is put into effect, if you adopt section 56, what sort of trained men will you have? Men who only train 30 days in a year, and you want to put that against the National Guard, because you can not have both. You must choose to-day whether you will have the volunteer army or the National Guard. I for one do not propose to vote to put upon this country both the National Guard and the volunteer army. The expense of one is enough without having another burden of that sort placed upon the people for no reason at all, and if the House to-day votes in favor of the volunteer army I shall consider it as an instruction not to insist upon a provision in the bill for the National Guard.

Mr. Speaker, this subject has been talked over and talked over, and I want to appeal to the common sense of this House not to vote for provisions in order to fool the people of this country. The men who are telling us to vote for an Army of 250,000 men are doing it for the purpose of going to the country and saying, we have got 250,000, and everybody knows that we can not get them—and what is more, in time of peace we ought not to have them. [Applause.] Suppose these measures which these gentlemen advocate go into law and are effective. Suppose you can get 250,000 men in the Regular Army. What does that cost? Two hundred and fifty million dollars a year. Suppose you can get 261,000 men in the volunteer army, what does that cost under the provisions of this section? Under the provisions of this section the President, while he can train them in field service for only 30 days, can train them at home every day in the year, and under the provisions of the bill they receive the same pay as men and officers of the Regular Army, and that means $261,000,000 a year—a half billion dollars that you propose to vote upon the taxpayers of this country in addition to what the National Guard will cost. That is what you are opening up an avenue to do, and I appeal to you as men of sense, as men who have the best interest of the country at heart, to let the conferees do what they ought to do with the Regular Army, and not to vote up this volunteer army, but let the country have a sane and sensible and reasonable preparation and not place upon the people of the country an enormous burden of taxation. [Applause.]

The SPEAKER. Under the special agreement the first vote is on agreeing to section 2 of the Senate bill. The Chair thinks the Clerk had better read it.

The Clerk read as follows:

Page 105 of the printed bill:

SEC. 2. Composition of the Regular Army: The Regular Army of the United States, including the existing organizations, shall consist of 64 regiments of Infantry, 25 regiments of Cavalry, 21 regiments of Field Artillery, a Coast Artillery Corps, the brigade, division, corps, and Army headquarters, with their detachments and troops.

Mr. HAY. Mr. Speaker, the House understands they are voting on an Army of 250,000 men.

The SPEAKER. Then there is no use in the Clerk reading any further. The question is on a Regular Army of 250,000 men——

Mr. HAY. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Virginia demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 141, nays 222, answered "present" 1, not voting 69, as follows:

YEAS—141.

| | | | |
|---|---|---|---|
| Austin | Curry | Garland | Johnson, Wash. |
| Beales | Dale, N. Y. | Gillett | Kahn |
| Bennet | Dale, Vt. | Glynn | Kearns |
| Borland | Dallinger | Gould | Kennedy, R. I. |
| Britt | Danforth | Greene, Mass. | Kent |
| Britten | Dempsey | Greene, Vt. | King |
| Browning | Denison | Griffin | Lewis |
| Bruckner | Dooling | Guernsey | Linthicum |
| Burke | Dunn | Hadley | Loft |
| Cannon | Dyer | Hamilton, Mich. | Loud |
| Capstick | Edmonds | Haskell | McAndrews |
| Carew | Elston | Hawley | McArthur |
| Carter, Mass. | Emerson | Hayes | McDermott |
| Cary | Farley | Hernandez | McFadden |
| Chandler, N. Y. | Farr | Hicks | McKinley |
| Charles | Fitzgerald | Hill | Madden |
| Chiperfield | Focht | Hopwood | Magee |
| Coady | Foss | Howell | Mann |
| Cooper, W. Va. | Freeman | Hulbert | Meeker |
| Cooper, Wis. | Fuller | Humphrey, Wash. | Miller, Del. |
| Copley | Gallagher | Husted | Miller, Minn. |
| Crago | Gardner | Johnson, S. Dak. | Montague |

| | | | |
|---|---|---|---|
| Moore, Pa. | Phelan | Sinnott | Tilson |
| Moores, Ind. | Platt | Slemp | Timberlake |
| Moss, W. Va. | Porter | Smith, N. Y. | Tinkham |
| Mott | Powers | Snell | Treadway |
| Mudd | Pratt | Snyder | Walsh |
| Nolan | Price | Stafford | Wason |
| Oakey | Roberts, Mass. | Steele, Pa. | Wheeler |
| Oglesby | Roberts, Nev. | Stephens, Cal. | Wilson, Fla. |
| Olney | Rogers | Stiness | Wilson, Ill. |
| O'Shaunessy | Rowe | Stone | Winslow |
| Paige, Mass. | Russell, Ohio | Sulloway | Wood, Ind. |
| Parker, N. J. | Sanford | Swift | |
| Parker, N. Y. | Sells | Talbott | |
| Patten | Siegel | Temple | |

NAYS—222.

| | | | |
|---|---|---|---|
| Abercrombie | Doughton | Kennedy, Iowa | Rubey |
| Adair | Dowell | Kettner | Rucker |
| Adamson | Dupré | Key, Ohio | Russell, Mo. |
| Aiken | Eagle | Kincheloe | Sabath |
| Alexander | Edwards | Kinkaid | Saunders |
| Almon | Ellsworth | Kitchin | Scott, Mich. |
| Anderson | Esch | Konop | Shallenberger |
| Anthony | Estopinal | La Follette | Sherley |
| Ashbrook | Evans | Lazaro | Sherwood |
| Aswell | Ferris | Lenroot | Shouse |
| Ayres | Fess | Lever | Sims |
| Bailey | Fields | Lieb | Sisson |
| Barkley | Finley | Lloyd | Slayden |
| Barnhart | Flood | Lobeck | Sloan |
| Beakes | Foster | London | Small |
| Bell | Frear | McClintic | Smith, Idaho |
| Black | Gandy | McCracken | Smith, Mich. |
| Blackmon | Gard | McCulloch | Smith, Tex. |
| Booher | Garner | McGillicuddy | Steagall |
| Browne | Garrett | McKellar | Stedman |
| Buchanan, Ill. | Glass | McKenzie | Steele, Iowa |
| Buchanan, Tex. | Good | McLaughlin | Steenerson |
| Burgess | Goodwin, Ark. | McLemore | Stephens, Miss. |
| Butler | Gordon | Mapes | Stephens, Nebr. |
| Byrnes, S. C. | Gray, Ala. | Matthews | Stephens, Tex. |
| Byrns, Tenn. | Gray, Ind. | Mays | Sterling |
| Callaway | Green, Iowa | Miller, Pa. | Stout |
| Campbell | Gregg | Mondell | Sumners |
| Candler, Miss. | Hamlin | Moon | Sweet |
| Caraway | Hardy | Morgan, La. | Taggart |
| Carlin | Harrison | Morgan, Okla. | Tavenner |
| Carter, Okla. | Hastings | Morrison | Taylor, Ark. |
| Church | Haugen | Moss, Ind. | Taylor, Colo. |
| Clark, Fla. | Hay | Murray | Thomas |
| Cline | Hayden | Neely | Thompson |
| Collier | Heflin | Nelson | Tillman |
| Connelly | Helgesen | Nicholls, S. C. | Towner |
| Cooper, Ohio | Helm | Oldfield | Tribble |
| Cox | Helvering | Oliver | Van Dyke |
| Cramton | Henry | Overmyer | Venable |
| Crisp | Hensley | Padgett | Vinson |
| Crosser | Holland | Page, N. C. | Volstead |
| Cullop | Hollingsworth | Park | Walker |
| Davenport | Hood | Quin | Watson, Va. |
| Davis, Minn. | Houston | Ragsdale | Webb |
| Davis, Tex. | Howard | Rainey | Whaley |
| Decker | Hughes | Raker | Williams, T. S. |
| Dent | Hull, Iowa | Ramseyer | Williams, W. E. |
| Dewalt | Hull, Tenn. | Randall | Wilson, La. |
| Dickinson | Humphreys, Miss. | Rauch | Wingo |
| Dies | Igoe | Rayburn | Wise |
| Dill | Jacoway | Reavis | Woods, Iowa |
| Dillon | Johnson, Ky. | Reilly | Young, N. Dak. |
| Dixon | Jones | Ricketts | Young, Tex. |
| Doolittle | Keating | Rodenberg | |
| Doremus | Kelley | Rouse | |

ANSWERED "PRESENT"—1.

Cantrill

NOT VOTING—69.

| | | | |
|---|---|---|---|
| Allen | Godwin, N. C. | Lee | Schall |
| Bacharach | Graham | Lehlbach | Scott, Pa. |
| Barchfeld | Gray, N. J. | Lesher | Scully |
| Brumbaugh | Griest | Liebel | Sears |
| Burnett | Hamill | Lindbergh | Shackleford |
| Caldwell | Hamilton, N. Y. | Littlepage | Smith, Minn. |
| Casey | Hart | Longworth | Sparkman |
| Coleman | Heaton | Maher | Sutherland |
| Conry | Hilliard | Martin | Switzer |
| Costello | Hinds | Mooney | Tague |
| Darrow | Huddleston | Morin | Vare |
| Driscoll | Hutchinson | Nichols, Mich. | Ward |
| Drukker | James | North | Watkins |
| Eagan | Keister | Norton | Watson, Pa. |
| Fairchild | Kiess, Pa. | Peters | Williams, Ohio |
| Flynn | Kreider | Pou | |
| Fordney | Lafean | Riordan | |
| Gallivan | Langley | Rowland | |

So the motion of Mr. KAHN as to section 2 was rejected.

The Clerk announced the following pairs:

For this vote:

Mr. PETERS (for section 2) with Mr. HILLIARD (against).

Mr. FAIRCHILD (for section 2) with Mr. LEE (against).

Mr. SCULLY (for section 2) with Mr. LITTLEPAGE (against).

Mr. BACHARACH (for section 2) with Mr. SHACKLEFORD (against).

Mr. DRUKKER (for section 2) with Mr. BURNETT (against).

Mr. GRAY of New Jersey (for section 2) with Mr. SEARS (against).

Mr. LONGWORTH (for section 2) with Mr. POU (against).

Mr. HAMILTON of New York (for section 2) with Mr. HUDDLESTON (against).

Until further notice:

Mr. LESHER with Mr. SWITZER.

Mr. WATKINS with Mr. NORTH.

Mr. CALDWELL with Mr. FORDNEY.

Mr. CONRY with Mr. LAFEAN.

Mr. BRUMBAUGH with Mr. MOONEY.

Mr. CASEY with Mr. HINDS.

Mr. MAHER with Mr. COLEMAN.

Mr. FLYNN with Mr. DARROW.

Mr. DRISCOLL with Mr. COSTELLO.

Mr. GODWIN of North Carolina with Mr. KIESS of Pennsylvania.

Mr. HART with Mr. SCOTT of Pennsylvania.

Mr. RIORDAN with Mr. WARD.

Mr. ALLEN with Mr. NORTON.

Mr. CANTRILL with Mr. LANGLEY.

Mr. GALLIVAN with Mr. HEATON.

Mr. HAMILL with Mr. GRIEST.

Mr. TAGUE with Mr. GRAHAM.

Mr. EGAN with Mr. KEISTER.

Mr. SPARKMAN with Mr. BARCHFELD.

For this session:

Mr. LIEBEL with Mr. ROWLAND.

The result of the vote was announced as above recorded.

The SPEAKER. The vote will now be taken on agreeing to section 56 of the Senate bill.

Mr. KAHN. Mr. Speaker, may I ask that that section be read?

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

SEC. 56. The volunteer army: The President is hereby authorized, at any time, to organize, maintain, and train, under the provisions of sections 3 to 12, both inclusive, of an act entitled "An act to provide for raising the volunteer forces of the United States in time of actual or threatened war," approved April 25, 1914, volunteer forces, not exceeding an average of 600 officers and enlisted men for each congressional district. The term of enlistment, which shall in no event be greater than that of the Regular Army, the period of service with the colors and with the reserve, and the period of training shall be as the President may prescribe, those passing to the reserve to have the status and obligations prescribed for reserves of the Regular Army: *Provided*, That as reserves no compensation shall be paid except for actual services. Officers and enlisted men of the volunteer forces raised under the provisions of this section shall be entitled to the pay and allowances of officers and enlisted men of corresponding grades in the Regular Army during periods of training only: *Provided further*, That without the consent of Congress such volunteer forces shall not be called out for field service for more than a total period exceeding 30 days in any one year.

Temporary appointments and promotions of officers of the Regular Army arising from the operation of this section may be terminated at the discretion of the President.

Officers of the Regular Army who receive commissions in the volunteer army herein authorized shall in time of peace receive the pay and allowances of their respective grades in the Regular Army, and no more.

The SPEAKER. The question is on agreeing to the amendment.

Mr. MANN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 109, nays 251, answered "present" 2, not voting 71, as follows:

YEAS—109.

| | | | |
|---|---|---|---|
| Austin | Farley | La Follette | Roberts, Nev. |
| Bennet | Farr | Loft | Rogers |
| Britten | Fields | Loud | Rowe |
| Bruckner | Foss | McArthur | Sanford |
| Cannon | Freeman | McFadden | Sells |
| Capstick | Fuller | McKinley | Sherley |
| Carew | Gardner | Magee | Siegel |
| Carter, Mass. | Gillett | Mann | Smith, N. Y. |
| Cary | Glynn | Mapes | Smith, Tex. |
| Chandler, N. Y. | Gould | Miller, Del. | Snell |
| Charles | Greene, Mass. | Moores, Ind. | Snyder |
| Chiperfield | Griffin | Moss, W. Va. | Stafford |
| Coady | Guernsey | Mott | Stephens, Cal. |
| Cooper, W. Va. | Hadley | Mudd | Stiness |
| Cooper, Wis. | Hamilton, Mich. | Nolan | Sulloway |
| Copley | Haskell | Oakey | Swift |
| Curry | Hayes | Oglesby | Tilson |
| Dale, N. Y. | Hernandez | Olney | Tinkham |
| Dallinger | Hicks | O'Shaunessy | Treadway |
| Danforth | Hill | Paige, Mass. | Walsh |
| Darrow | Hopwood | Parker, N. J. | Wason |
| Dempsey | Hulbert | Parker, N. Y. | Wheeler |
| Dewalt | Humphrey, Wash. | Patten | Wilson, Ill. |
| Dooling | Husted | Phelan | Winslow |
| Dunn | Johnson, Wash. | Platt | Wood, Ind. |
| Edmonds | Kahn | Porter | |
| Elston | Kennedy, R. I. | Pratt | |
| Emerson | King | Roberts, Mass. | |

NAYS—251.

| | | | |
|---|---|---|---|
| Abercrombie | Aswell | Blackmon | Burke |
| Adair | Ayres | Booher | Butler |
| Adamson | Bailey | Britt | Byrnes, S. C. |
| Aiken | Barkley | Browne | Byrns, Tenn. |
| Alexander | Barnhart | Browning | Callaway |
| Almon | Beakes | Brumbaugh | Campbell |
| Anderson | Beales | Buchanan, Ill. | Candler, Miss. |
| Anthony | Bell | Buchanan, Tex. | Caraway |
| Ashbrook | Black | Burgess | Carlin |

| | | | |
|---|---|---|---|
| Carter, Okla. | Gray, Ind. | McDermott | Shallenberger |
| Church | Green, Iowa | McGillicuddy | Sherwood |
| Clark, Fla. | Greene, Vt. | McKellar | Shouse |
| Cline | Gregg | McKenzie | Sims |
| Collier | Hamlin | McLaughlin | Sinnott |
| Connelly | Hardy | McLemore | Sisson |
| Cooper, Ohio | Harrison | Madden | Slayden |
| Cox | Hastings | Matthews | Slemp |
| Crago | Haugen | Mays | Sloan |
| Cramton | Hawley | Meeker | Small |
| Crisp | Hay | Miller, Minn. | Smith, Idaho |
| Crosser | Hayden | Miller, Pa. | Smith, Mich. |
| Cullop | Heflin | Mondell | Steagall |
| Dale, Vt. | Helgesen | Montague | Stedman |
| Davenport | Helm | Moon | Steele, Iowa |
| Davis, Minn. | Helvering | Moore, Pa. | Steele, Pa. |
| Davis, Tex. | Henry | Morgan, La. | Steenerson |
| Decker | Hensley | Morgan, Okla. | Stephens, Miss. |
| Denison | Holland | Morrison | Stephens, Nebr. |
| Dent | Hollingsworth | Moss, Ind. | Stephens, Tex. |
| Dickinson | Hood | Murray | Sterling |
| Dies | Houston | Neely | Stone |
| Dill | Howard | Nelson | Stout |
| Dillon | Howell | Nicholls, S. C. | Sumners |
| Dixon | Hughes | Oldfield | Sweet |
| Doolittle | Hull, Iowa | Oliver | Taggart |
| Doremus | Hull, Tenn. | Overmyer | Talbott |
| Doughton | Humphreys, Miss. | Padgett | Tavenner |
| Dowell | Igoe | Page, N. C. | Taylor, Ark. |
| Dupré | Jacoway | Park | Taylor, Colo. |
| Dyer | Johnson, Ky. | Pou | Temple |
| Eagle | Johnson, S. Dak. | Powers | Thomas |
| Edwards | Jones | Price | Thompson |
| Ellsworth | Kearns | Quin | Tillman |
| Esch | Keating | Ragsdale | Timberlake |
| Evans | Kelley | Rainey | Towner |
| Ferris | Kennedy, Iowa. | Raker | Tribble |
| Fess | Key, Ohio | Ramseyer | Van Dyke |
| Finley | Kincheloe | Randall | Venable |
| Fitzgerald | Kinkaid | Rauch | Vinson |
| Flood | Kitchin | Rayburn | Volstead |
| Focht | Konop | Reavis | Walker |
| Foster | Lazaro | Reilly | Watson, Pa. |
| Frear | Lenroot | Ricketts | Watson, Va. |
| Gallagher | Lever | Rodenberg | Webb |
| Gandy | Lieb | Rouse | Williams, T. S. |
| Gard | Linthicum | Rubey | Williams, W. E. |
| Garland | Lloyd | Rucker | Wilson, La. |
| Garner | Lobeck | Russell, Mo. | Wingo |
| Garrett | London | Russell, Ohio | Wise |
| Glass | McAndrews | Sabath | Woods, Iowa |
| Goodwin, Ark. | McClintic | Saunders | Young, N. Dak. |
| Gordon | McCracken | Scott, Mich. | Young, Tex. |
| Gray, Ala. | McCulloch | Scott, Pa. | |

ANSWERED "PRESENT"—2.

Borland Wilson, Fla.

NOT VOTING—71.

| | | | |
|---|---|---|---|
| Allen | Godwin, N. C. | Kreider | Peters |
| Bacharach | Good | Lafean | Riordan |
| Barchfeld | Graham | Langley | Rowland |
| Burnett | Gray, N. J. | Lee | Schall |
| Caldwell | Griest | Lehlbach | Scully |
| Cantrill | Hamill | Lesher | Sears |
| Casey | Hamilton, N. Y. | Lewis | Shackleford |
| Coleman | Hart | Liebel | Smith, Minn. |
| Conry | Heaton | Lindbergh | Sparkman |
| Costello | Hilliard | Littlepage | Sutherland |
| Driscoll | Hinds | Longworth | Switzer |
| Drukker | Huddleston | Maher | Tague |
| Eagan | Hutchinson | Martin | Vare |
| Estopinal | James | Mooney | Ward |
| Fairchild | Keister | Morin | Watkins |
| Flynn | Kent | Nichols, Mich. | Whaley |
| Fordney | Kettner | North | Williams, Ohio |
| Gallivan | Kiess, Pa. | Norton | |

So the motion of Mr. KAHN as to section 56 was rejected.

The Clerk announced the following additional pairs:

On this vote:

Mr. LONGWORTH (for section 56) with Mr. LITTLEPAGE (against).

Mr. BORLAND (for section 56) with Mr. GOOD (against).

Mr. SCULLY (for section 56) with Mr. WILSON of Florida (against).

Mr. PETERS (for section 56) with Mr. HILLIARD (against).

Mr. HAMILTON of New York (for section 56) with Mr. HUDDLESTON (against).

Mr. FAIRCHILD (for section 56) with Mr. GOOD (against).

Until further notice:

Mr. CASEY with Mr. WILLIAMS of Ohio.

Mr. EAGAN with Mr. SUTHERLAND.

Mr. TAGUE with Mr. MORIN.

Mr. WHALEY with Mr. LEHLBACH.

Mr. LEWIS with Mr. KREIDER.

Mr. SEARS with Mr. HUTCHINSON.

Mr. ESTOPINAL with Mr. NICHOLS of Michigan.

Mr. FLYNN with Mr. MOONEY.

Mr. HART with Mr. JAMES.

Mr. GALLIVAN with Mr. SMITH of Minnesota.

Mr. HAMILL with Mr. GRAY of New Jersey.

Mr. KETTNER with Mr. BACHARACH.

Mr. BURNETT with Mr. DRUKKER.

Mr. SHACKLEFORD with Mr. VARE.

The result of the vote was announced as above recorded.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted as follows:

To Mr. SHACKLEFORD, indefinitely, on account of illness.

To Mr. EAGAN, for three days, on account of illness in his family.

To Mr. STINESS, for one week, on account of important business.

REMOVAL OF BOTANIC GARDEN.

Mr. CLARK of Florida. Mr. Speaker, I desire to ask unanimous consent to file a minority report on H. R. 15313, a bill to remove the Botanic Garden to Rock Creek Park. (H. Rept. 641, pt. 2.)

The SPEAKER. The gentleman from Florida asks unanimous consent to file a minority report on the bill H. R. 15313.

Mr. MANN. What is the request?

Mr. CLARK of Florida. To file a minority report on the bill (H. R. 15313) to remove the Botanic Garden to Rock Creek Park.

The SPEAKER. Is there objection?

There was no objection.

THE MILITARY ESTABLISHMENT.

The SPEAKER. The next question is on section 122, and there has been provided 80 minutes' debate on it.

Mr. HAY. Do the gentlemen desire to have it read?

The SPEAKER. If the gentleman will state in a word what it is, there will be no use in reading it.

Mr. MANN. It is the nitrate proposition.

Mr. HAY. Do you want it read?

Mr. MANN. No.

Mr. HAY. I offer a substitute.

The SPEAKER. The gentleman from Virginia [Mr. HAY] offers a substitute.

Mr. MANN. Just a moment. Under the agreement it is in order to move that it is the sense of the House that the amendment ought to be agreed to.

Mr. HAY. I will make that motion.

Mr. MANN. I think that some one ought to make the motion and have it pending.

Mr. HAY. I will make that as a formal motion, that it be agreed to with the following substitute.

Mr. MANN. First that it be agreed to, and then you offer your substitute.

The SPEAKER. The gentleman makes the formal motion that section 122 be agreed to, and then he offers a substitute for it, which the Clerk will report.

The Clerk read as follows:

Amend Senate amendment to H. R. 12766 by striking out all of section 122 and inserting in lieu thereof the following:

"SEC. 122. That the President of the United States is hereby authorized and empowered to make or cause to be made such investigation as in his judgment is necessary to determine the best, cheapest, and most available means for the production of nitrates and other products for munitions of war and useful in the manufacture of fertilizers and other useful products by water power or any other power as in his judgment is the best and cheapest to use, and is also hereby authorized and empowered to designate for the exclusive use of the United States, if in his judgment such means is best and cheapest, such site or sites upon any navigable river or rivers or upon the public lands as, in his opinion, will be necessary for carrying out the purposes of this act, and is further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power if in his judgment is best and cheapest, necessary or convenient for the generation of electrical or other power and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products.

"That the President is authorized to lease, purchase, or acquire by condemnation, gift, grant, or devise such lands and rights of way as may be necessary for the construction and operation of such plants and to take from any lands of the United States, or to purchase or acquire by condemnation materials, minerals, and processes, patented or otherwise, necessary for the construction and operation of such plants and for the manufacture of such products.

"That the products of such plants shall be used by the President for military or naval purposes, and any surplus of either products or power not necessary for governmental purposes may be sold and disposed of under such regulations as he may prescribe: *Provided*, The surplus power so sold and disposed of shall be used in the manufacture of fertilizer and other useful products.

"That the President is hereby authorized and empowered to employ such officers, agents, or agencies as may, in his discretion, be necessary to enable him to carry out the purposes herein specified and to authorize and require such officers, agents, or agencies to perform any and all of the duties imposed upon him by the provisions hereof.

"That the sum of $20,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, to enable the President of the United States to carry out the purposes herein provided for.

"That the plant or plants provided for under this act shall be constructed and operated solely by the Government and not in conjunction with any other industry or enterprise carried on by private capital.

"That in order to raise the money appropriated by this act and necessary to carry its provisions into effect, the Secretary of the Treasury, upon the request of the President of the United States, may issue and sell or use for such purpose or construction hereinabove authorized any of the bonds of the United States now available in the Treasury of the

United States under the act of August 5, 1909, the act of February 4, 1910, and the act of March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $20,000,000: *Provided*, That any Panama Canal bonds issued and sold or used under the provisions of this section may be made payable at such time after issue as the Secretary of the Treasury, in his discretion, may deem advisable, and fix instead of 50 years after date of issue, as in said act of August 5, 1909, not exceeding 50 years."

Mr. LENROOT and Mr. FOSTER rose.

Mr. FOSTER. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] offers an amendment.

Mr. MANN. Mr. Speaker, I submit that this side of the House is entitled to recognition.

The SPEAKER. I think that is correct. The gentleman from Wisconsin [Mr LENROOT] is recognized.

Mr. LENROOT. Mr. Speaker, I offer an amendment to the original section.

Mr. FOSTER. Being, recognized, Mr. Speaker, I think I have the right to offer an amendment.

The SPEAKER. The Chair can not hear what the gentleman says.

Mr. FOSTER. I said I thought I had the right to offer an amendment to this amendment.

Mr. MANN. You will have that right.

Mr. HAY. I suggest, Mr. Speaker, that all gentlemen who desire to offer amendments may be permitted to do so, so that all phases of this matter may be voted upon.

Mr. MANN. There is no difficulty about it at all. The gentleman from Wisconsin [Mr. LENROOT] is offering an amendment.

Mr. FOSTER. The gentleman from Wisconsin is no more entitled than I am. It seems to me I ought to have the right.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. FOSTER] and then the other.

The Clerk read as follows:

Amendment offered by Mr. FOSTER: Strike out all of the third paragraph of the amendment and insert the following:

"That the products of such plant shall be used by the President for military and naval purposes, to the extent that he may deem necessary, and any surplus which he shall determine is not required shall be sold and disposed of by him under such regulations as he may prescribe."

The SPEAKER. Now the Clerk will report the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Amend Senate amendment to H. R. 12766 by striking out of said amendment lines 14 to 25, inclusive, on page 206, and lines 1 and 2, on page 207, and inserting in lieu thereof the following:

"That the Secretary of War is authorized and directed to investigate and to recommend for designation or withdrawal such dam sites and water-power sites as in his opinion will be necessary for carrying out the purposes of this act.

"That the Secretary of War, the Secretary of the Interior, and the Secretary of Agriculture are constituted a commission whose duty it shall be to ascertain the most practicable means and comparative costs of producing within the United States nitrogen compounds by the fixation of atmospheric nitrogen or otherwise needed for munitions of war and useful in the manufacture of fertilizers and other useful products. In making such investigation the commission may utilize the various agencies of the Government and may cooperate with States or other agencies in the performance of its duties.

"It shall as early as practicable, not later than December 1, 1916, report the facts ascertained together with its recommendations to the President, which recommendations shall include the designation of a site or sites for the construction of a plant or plants for the purposes aforesaid.

"If the commission shall recommend the production of such nitrogen compounds through the utilization of water-power sites, then the Secretary of War is hereby authorized to construct, maintain, and operate at or on any water-power site designated or withdrawn by the President and recommended by the commission as herein provided dams, locks, power houses, and other plants and equipment necessary or convenient for the generation of electrical or other power and for the production of nitrates or other products needed for munitions of war and nitrogen compounds useful as or in the manufacture of fertilizers.

"If such commission shall recommend the production of such nitrogen compounds by means other than the utilization of water-power sites, the Secretary of War is likewise authorized to construct, maintain, and operate at any point recommended by such commission as aforesaid plants and equipment of such character as may have been recommended by such commission as herein provided: *Provided*, That no expenditure shall be made or contracts entered into by the Secretary of War requiring an expenditure for the construction of said plant or plants of a greater amount than the appropriation hereinafter made: *Provided further*, That no expenditure shall be made or contracts entered into for the construction of any dam or plant herein authorized until such processes, patented or otherwise, necessary for the operation of such plants and for the manufacture of such products are first secured."

Further amend by striking out lines 11 to 15, inclusive, on page 207, and insert in lieu thereof the following:

"That the products of such plants shall be used by the Secretary of War and Secretary of the Navy for military and naval purposes to the extent that they may deem necessary, and any surplus which they shall determine is not so required shall be sold and disposed of by the Secretary of Agriculture under such regulations as he may prescribe."

The SPEAKER. The gentleman from Virginia [Mr. HAY] is entitled to 40 minutes and the gentleman from California [Mr. KAHN] to 40 minutes.

Mr. HAY. Mr. Speaker, I will ask if anybody else wants to offer any further propositions. Does the gentleman from South Carolina [Mr. LEVER] want to offer an amendment?

Mr. LEVER. No.

Mr. HAY. I want to say, Mr. Speaker, that if anybody wants to offer an amendment, he ought to do it now. It ought to be pending. There will be no five-minute debate after the general debate is ended.

Mr. LEVER. Mr. Speaker, with that statement, I offer the following amendment to the amendment offered by the gentleman from Wisconsin [Mr. LENROOT]. I offer it to the second amendment.

The SPEAKER. The Clerk will report it.

Mr. MANN. Let that be offered by unanimous consent. Let us see what the status would be.

The Clerk read as follows:

Mr. LEVER offers the following as a substitute for the amendment offered by Mr. LENROOT: "That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the Secretary of Agriculture are constituted a commission whose duty it shall be to ascertain the praticability and best means of producing within the United States nitrogen compounds by the fixation of atmospheric nitrogen or otherwise and of obtaining potash from kelp, alunite, feldspar, or any other material for use in the manufacture of munitions of war and fertilizers.

"The commission may utilize the various agencies of the Government and may cooperate with States and with private persons or agencies in carrying out its purposes, and shall report to Congress as early as practicable, not later than the first day of the next regular session of this Congress, the facts ascertained, together with recommendations for action by Congress and the draft of a bill to carry out such recommendations.

"The commission may elect a chairman, and the funds appropriated for its use shall be paid out on warrants signed by him, or by an acting chairman designated by him, drawn on the Secretary of the Treasury.

"There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, the sum of $50,000, to enable the commission to carry out its purposes, including the hire of experts, clerks, and other employees, and payment of rent, traveling and other expenses, within and outside of the District of Columbia.

"To provide an adequate supply of nitrogen compounds produced by the fixation of atmospheric nitrogen or otherwise, and to provide an adequate supply of potash for the military and agricultural needs of the United States, the appropriation hereafter of such sum or sums as may be necessary is hereby authorized."

Mr. LENROOT. Mr. Speaker, reserving a point of order upon it, this is a substitute for the entire section. My amendment amends only certain portions of the section. Therefore I shall have to make a point of order. I do not think there will be any difficulty in securing a separate vote upon this proposition.

Mr. HAY. I ask unanimous consent, Mr. Speaker, that all these propositions may be voted upon.

Mr. LEVER. That is satisfactory to me.

The SPEAKER. The gentleman from Virginia [Mr. HAY] asks unanimous consent that all these amendments and substitutes, and so forth, be voted for by the House. Is there objection?

There was no objection.

Mr. SMALL. Mr. Speaker, I offer an amendment.

The SPEAKER. To what?

Mr. SMALL. To the amendment offered by the gentleman from Virginia [Mr. HAY].

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. SMALL to the substitute offered by Mr. HAY: After the word "other," in line 7, strike out the word "power" and insert the word "method."

Mr. LENROOT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LENROOT. As the amendments now stand, would I not be entitled to a vote upon my amendment in advance of the other propositions that have been made, mine being an amendment to the original section?

Mr. HAY. The vote on the substitute comes first.

The SPEAKER. This unanimous consent to offer all these things knocks the rule endwise.

Mr. MANN. There has not been any unanimous consent to offer them all, has there been?

The SPEAKER. Yes. The gentleman is mistaken. It has not been two minutes since the gentleman from Virginia [Mr. HAY] asked unanimous consent.

Mr. MANN. We did not understand it that way.

The SPEAKER. The Chair can not help that.

Mr. MANN. I think the Chair should help.

The SPEAKER. The Chair put the question, as he always does, and nobody objected.

Mr. MANN. The Chair did not state the question. I understood it only related to the Lever amendment. I have no objection, though.

Mr. HAY. I asked unanimous consent that all gentlemen should have the right to offer these amendments and that they

should be voted upon at some time during these proceedings. As I understood, the Chair put the question.

The SPEAKER. The Chair did put the question.

Mr. MANN. What the Chair stated was, "Is there objection."

The SPEAKER. And nobody objected.

Mr. MANN. That is true; but hereafter when the Chair states that, I shall object unless the Chair states the question. We understood that it related only to the Lever amendment. I want everybody to have a chance to offer amendments, but it is important to know in advance the order of voting.

Mr. HAY. I know, and that is a thing that the Speaker must decide.

Mr. MANN. We ought to have it decided in advance, then; and, as I understand——

The SPEAKER. The Chair carried out the technical rule exactly. The Official Reporter's notes show that the Chair said that the gentleman from Virginia asked unanimous consent that all of the amendments and substitutes be voted on, and the Chair asked if there was any objection, and nobody objected. That is what the Official Reporter's notes show.

Mr. MANN. I have no doubt that is what the Official Reporter's notes show, but that is not the question.

The SPEAKER. What is the question?

Mr. MANN. As the Chair just stated, it was that all those amendments should be voted upon.

The SPEAKER. That is all the Chair could state.

Mr. MANN. But it was not in order to offer them.

The SPEAKER. The Chair knows that technically under the rule you can have one amendment, an amendment to the amendment, a substitute for that, and one amendment to the substitute. That is the rule, and when the gentleman from Virginia [Mr. HAY] got unanimous consent that these amendments should be voted on, as the Chair stated a while ago, that knocked the rule in the head temporarily.

Mr. SLAYDEN. Knocked it endwise, the Speaker said.

Mr. HAY. I will say to the gentleman from Illinois——

Mr. MANN. I have no objection to the amendments being offered, but we would like to know what the order is as to voting before we give consent.

Mr. HAY. There is no trouble about that.

The SPEAKER. There will be no trouble about that.

Mr. MANN. That remains to be seen.

The SPEAKER. The vote is first on the amendment to the substitute. That is Dr. FOSTER's amendment.

Mr. HAY. As a matter of fact, Mr. Speaker, neither one of these propositions is a substitute. They are both amendments to the section.

The SPEAKER. The gentleman offered his substitute. Then the gentleman from Illinois [Mr. FOSTER] offered an amendment to that. The gentleman from Wisconsin [Mr. LENROOT] offered an amendment, or a paper that from the hasty reading of it seemed to the Chair to be a substitute.

Mr. MANN. No; to the original text.

Mr. LENROOT. To the original text, not to strike out all.

The SPEAKER. Then in the fourth place the gentleman from South Carolina [Mr. LEVER] offered a substitute. Then the gentleman from North Carolina [Mr. SMALL] offered an amendment to the substitute. Now, the Chair thinks that the proper order of voting would be that the amendment of the gentleman from Illinois [Mr. FOSTER] be voted on first, and the amendment of the gentleman from Wisconsin [Mr. LENROOT] be voted on second; then, that the substitute of the gentleman from Virginia [Mr. HAY] be voted on, and if that is agreed to that is the end of it.

Mr. SHERLEY. If the Chair please, the motion made by the gentleman from Virginia [Mr. HAY] does not differ in its character from that made by the gentleman from Wisconsin [Mr. LENROOT]. At the instance of the gentleman from Illinois [Mr. MANN] it was suggested that a motion ought to be made by someone to agree to this amendment of the Senate, and then these other amendments would come in; whereupon the gentleman from Virginia [Mr. HAY] made that motion, and with it the amendment which he sent to the desk and which was read. Now the gentleman from Wisconsin [Mr. LENROOT] offered in lieu of that an amendment to section 122, and that is exactly what the gentleman from Virginia [Mr. HAY] has done. He has offered an amendment to section 122.

Mr. LENROOT. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. LENROOT. The gentleman from Virginia has offered a substitute for section 122. I have offered a simple amendment.

Mr. SHERLEY. The gentleman is mistaken in fact, because what happened was this: The gentleman from Virginia moved that section 122 be agreed to, and he did it at the suggestion of the gentleman from Illinois, and then immediately followed it with an amendment. In other words, if the motion be agreed to——

Mr. LENROOT. The gentleman is mistaken about what took place.

Mr. SHERLEY. The record will show.

Mr. LENROOT. We know what took place, but the gentleman is mistaken as to the——

The SPEAKER. The gentleman from Virginia [Mr. HAY] made two motions, and they have nothing in the world to do with each other.

Mr. MANN. Mr. Speaker, the gentleman from Virginia [Mr. HAY] offered a motion that it be the sense of the House that section 122 of the Senate amendment be agreed to, because that was necessary, under the rule that was adopted, to get in another amendment.

The SPEAKER. Yes; that is correct.

Mr. MANN. Then the gentleman from Virginia offered a substitute for section 122. We had figured the matter out. The gentleman from Virginia could offer an amendment to section 122, to strike out all after the first word, and if he had we should have offered a substitute for it, to make it six of one and half a dozen of the other. Then the gentleman from Illinois, my colleague, Dr. FOSTER, offered an amendment to the substitute. Then the gentleman from Wisconsin, Mr. LENROOT, offered an amendment to the original text. So far, that is easy, and that is as far as you could go under the ordinary rule.

The SPEAKER. Yes.

Mr. MANN. And under that the first vote in order would be upon perfecting the original text of the bill and then on perfecting the text of the substitute, and then on the substitute.

Mr. HAY. That is the Hay substitute.

Mr. MANN. Yes. Then the gentleman from South Carolina, Mr. SMALL offered what he called a substitute, though, of course, he could not offer a substitute except by unanimous consent, to the motion of the gentleman from Wisconsin [Mr. LENROOT] and several others. Now, of course, you can not vote on the substitute of the gentleman from Virginia first, because if it is agreed to that ends everything. We do not care how we vote, so that we understand. Having got beyond the parliamentary stages of amendment, we must have an understanding and agreement as to how the vote is to be taken.

Mr. LEVER. Will the gentleman yield for a question?

Mr. MANN. Certainly.

Mr. LEVER. As I understood it the gentleman from Virginia [Mr. HAY] in his first motion moved that the sense of the House is not to agree to the Senate amendment.

Mr. MANN. No; to agree. That is the form of the motion. That motion had to be made.

Mr. LEVER. To agree to the Senate amendment; yes.

The question I wish to ask is, Will that be a straight vote unencumbered by amendments to the substitute?

Mr. MANN. Undoubtedly there will be a straight vote on that.

Mr. HAY. It seems to me that I having offered a substitute and the gentleman from Illinois [Mr. FOSTER] having offered an amendment to that substitute, the first vote is on his amendment to the substitute.

The SPEAKER. No question about that.

Mr. HAY. Very well; when the substitute is perfected then the vote comes, I take it, on the amendment of the gentleman from Wisconsin [Mr. LENROOT] who desires to perfect the text.

The SPEAKER. Yes.

Mr. HAY. Then it comes on the substitute offered by the gentleman from South Carolina [Mr. LEVER] if that is still where it can be gotten up. Then some other gentleman over on that side seemed to want to offer some amendments.

Mr. MANN. That is all we want to get at, to know the order of voting.

Mr. FERRIS. Mr. Speaker, irrespective of, and way beyond the offering of amendments, the gentleman from Virginia [Mr. HAY] asked unanimous consent that a separate vote be had on each proposition in the order that they were offered. The Speaker of the House put the motion and there was no objection heard. The gentleman from Illinois now comes in and wants to change that because he says he did not understand it. I submit that if there was a bona fide misunderstanding——

The SPEAKER. Here is what the gentleman from Oklahoma gets wrong. The reporter's notes do not show, and I do not think it ever happened, that the gentleman from Virginia made any request that they be voted on as they were offered.

Mr. HAY. No; the request I made was that everybody who wanted to offer an amendment be allowed now to offer it. That was all.

The SPEAKER. The only question bothering anybody now is to get at the order in which the various propositions that are contrary to the rule shall be voted on.

Mr. FERRIS. I submit that the chairman of the committee, who offered the original proposition under a tacit consent, should have his proposition voted on first.

Mr. SHERLEY. Mr. Speaker, if the Chair will permit, I think the matter can be arrived at by unanimous agreement. As long as consent is being given that a vote be had on every amendment, it must follow that we shall arrange not to have a vote come on an amendment at a stage at which it can not properly have any effect. I suggest that it ought to be this, that the amendment offered by the gentleman from Virginia——

Mr. MANN. To perfect the text of the substitute.

Mr. SHERLEY. First to perfect the text of the substitute offered by the gentleman from Virginia; then there should be a vote on the amendment to the one offered by the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. There is none pending.

Mr. SHERLEY. I understood the gentleman from South Carolina [Mr. LEVER] offered one.

Mr. LENROOT. I made a point of order, and he withdrew it.

Mr. SHERLEY. Then let the vote come on the amendment of the gentleman from Wisconsin; and if that carries there will then come a vote on the motion of the gentleman from Illinois. If it is voted down, then there comes a vote on the motion of the gentleman from Virginia——

Mr. MANN. That is all right; that is perfectly agreeable. Let us see if we understand it. As I understand the gentleman's proposition, it is that the final vote shall be taken on the first motion that we agree to the Senate amendment 122; that the vote before the final vote shall be had on perfecting the substitute of the gentleman from Virginia.

Mr. HAY. I did not understand that; I understood the Speaker to say that the first vote was on the amendment of the gentleman from Illinois [Mr. FOSTER].

Mr. MANN. I have not got to that yet.

Mr. FITZGERALD. Why does not the gentleman from Illinois state it in the reverse order?

Mr. MANN. The first vote should be on the amendment, either in the order or reverse order, as the gentleman from Kentucky said, but he did not say which, to the Hay substitute.

Mr. SHERLEY. I do not think it matters. What you have to do is to perfect the Hay substitute.

Mr. MANN. The order in which they are offered or the reverse order—it is immaterial to me.

Mr. SHERLEY. I do not care.

Mr. LENROOT. I would like to inquire whether as a matter of parliamentary law we are not entitled to perfect the original section before any amendment is voted upon to a substitute?

Mr. HAY. This is not an original section; this is a part of an amendment of the Senate.

Mr. LENROOT. For this purpose it is considered a separate section.

Mr. HAY. It is not; it does not come within the usual parliamentary procedure. We are considering a proposition contained in one section of the Senate amendment, and the proposition is, I offer a substitute for that section and the gentleman from Illinois [Mr. FOSTER] offers an amendment to the substitute and the gentleman from Wisconsin offers an amendment to the section. I thought it was understood that we should first perfect the substitute I offered and then vote on the amendment offered by the gentleman from Wisconsin and then vote on the substitute.

The SPEAKER. That is easy enough down to where you strike the amendment of the gentleman from North Carolina. What becomes of him?

Mr. HAY. If the proposition of the gentleman from Wisconsin is voted down, then we can vote on the amendment offered by the gentleman from North Carolina.

Mr. LEVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEVER. There are a number of us here who desire a straight vote on the Senate proposition.

It seems to me, as the parliamentary situation stands, there can be no direct vote on the proposition, and it looks to me as if it would expedite matters if we could have a separate vote on the Senate proposition. If that is voted down, then these other propositions would logically follow.

Mr. MANN. That can not be done.

Mr. LEVER. We are taking up a lot of time here the other way in not getting a separate vote.

Mr. MANN. Mr. Speaker, I am going to make a request for unanimous consent, after I call the attention of the Chair to the rules.

The SPEAKER. This whole matter is entirely out of the usual rule, and the only thing to do is to get a unanimous-consent agreement as to how to vote on these various propositions. If we do not get an agreement, the Chair will exercise the best sense he has as to which amendment shall be voted on first.

Mr. MANN. The Chair I suppose will observe the rules as far as they apply.

The SPEAKER. The Chair will observe the rules as far as they apply.

Mr. MANN. Under the agreement section 122 of the Senate amendment is before the House, with the right to offer amendments to it. The rule—Rule XIX—provides:

> When a motion or proposition is under consideration, a motion to amend and a motion to amend that amendment shall be in order, and it shall also be in order to offer a further amendment by way of substitute, to which one amendment may be offered, but which shall not be voted on until the original matter is perfected.

That clearly states whether you shall vote on the amendment to the original text or on the substitute first, and states that while all of these amendments or motions may be pending at one time the vote is first taken on the motion to perfect the text. I ask unanimous consent that the vote may first be taken on the amendments to perfect the text of section 122.

The SPEAKER. Is that the Lenroot amendment?

Mr. MANN. And the Lever amendment in the order in which they are offered, and that then the votes may be taken on the amendments to perfect the substitute in the order in which they are offered.

Mr. LEVER. Why would not the gentleman give us a separate vote on the Senate proposition first and then these other matters will work out easily? There are a number of us who would like to have a separate vote on it.

Mr. MANN. Suppose on a separate vote the House should determine, with nothing else before it, that it was the sense of the House that section 122 be agreed to. Then there would be nothing else left.

Mr. LEVER. That is what we would like to have done.

Mr. MANN. I know, but the gentleman wants to prevent us voting on any other proposition, and we will not consent to that.

Mr. HAY. Mr. Speaker, for the purpose of leaving the whole matter with the Speaker, I object.

Mr. MILLER of Pennsylvania. That is right, and that ought to have been done half an hour ago.

The SPEAKER. If the whole thing is left with the Speaker, this is the order in which the vote will be taken. The first vote will be taken on the Lenroot amendment. That goes to perfecting the text. Then the vote will be on the Foster amendment to perfect the substitute of the gentleman from Virginia [Mr. HAY]. Then the vote will be taken on the Small amendment to perfect this extraordinary substitute of the gentleman from South Carolina [Mr. LEVER].

Mr. HAY. But, Mr. Speaker, the gentleman from North Carolina [Mr. SMALL] offered an amendment to the substitute which I offered.

The SPEAKER. Then that is to be voted on after the Foster amendment. Then the vote will be on the Lever amendment as a substitute for the substitute.

Mr. STERLING. Mr. Speaker, I have an amendment which I desire to offer to the original text.

The SPEAKER. The gentleman will send it up, and the Clerk will report.

The Clerk read as follows:

> Amendment by Mr. STERLING: Page 207, strike out lines 20 to 23, inclusive.

Mr. ANTHONY. Mr. Speaker, I have an amendment that I would like to offer.

The SPEAKER. What is it to?

Mr. ANTHONY. Section 122.

The SPEAKER. To perfect the text?

Mr. ANTHONY. It is a substitute for the section.

The SPEAKER. We have two substitutes now.

Mr. ANTHONY. But it has been the understanding that section 122 was open to amendment and that all amendments would be pending, so I desire to offer it.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. On the amendments offered as substitutes for the original text, I take it that the first vote would be on the Hay substitute.

The SPEAKER. Yes.

Mr. MANN. If that should be agreed to, would there be anything else left of the other substitutes offered? I do not see how there could be myself.

The SPEAKER. The Chair will state it over again. The first vote will be taken on the Lenroot amendment. The second vote will be on the Sterling amendment because it is an amendment to perfect the text. The third vote will then be taken on the Foster amendment to the Hay substitute. The fourth vote will be on the Small amendment to the Hay substitute.

Mr. LEVER. Mr. Speaker, I think probably I can help cut the Gordian knot by asking unanimous consent to withdraw my amendment.

The SPEAKER. The Chair is much obliged to the gentleman. [Laughter and applause.] The gentleman from South Carolina withdraws his amendment. Then the vote will be taken on the Hay substitute as perfected.

Mr. ADAMSON. Mr. Speaker——

The SPEAKER. Then on the Hay substitute as perfected.

Mr. ADAMSON. Mr. Speaker, I would like to propound a parliamentary inquiry to the Speaker. There is pending here on the calendar a substitute for the Shields bill, reported by the Committee on Interstate and Foreign Commerce, that if passed would guarantee the use of private capital for all these desired projects. I want to know whether if it would be in order anywhere in connection with all this complicated situation to offer that bill as a solution?

The SPEAKER. The Chair does not think it would be germane. The gentleman from Virginia is recognized for 40 minutes.

Mr. MANN. What becomes of the Anthony substitute?

The SPEAKER. Is the paper sent up by the gentleman from Kansas an amendment or a substitute?

Mr. ANTHONY. I sent up a substitute.

The SPEAKER. Is it a substitute or an amendment?

Mr. ANTHONY. It is offered as a substitute.

The SPEAKER. For what?

Mr. ANTHONY. For section 122.

The SPEAKER. The Chair knows, but the gentleman from Virginia has offered a substitute.

Mr. ANTHONY. I ask that my substitute be considered after that of the gentleman from Virginia is considered.

The SPEAKER. All right. The gentleman from Virginia is recognized for 40 minutes.

Mr. FITZGERALD. If this substitute is offered, I am going to make a point of order against it. Mr. Speaker, I make the point of order that no other substitute is in order.

The SPEAKER. The Clerk will report the Anthony substitute.

Mr. HAY. There was unanimous consent asked to offer the substitute.

The SPEAKER. Yes; and the Chair has ordered the Clerk to read it.

The Clerk read as follows:

That a commission of three officers of Engineers shall be designated by the Secretary of War to investigate and report at the earliest date practicable on the most desirable site for the location for the establishment of hydroelectric power for the purpose of the location of a plant for the manufacture of atmospheric nitrogen, and that the President is hereby authorized to select the most desirable location, and the construction of dams, power houses, and the installation of suitable machinery is hereby authorized: *Provided further*, That the President is also authorized to approve, should he deem it advisable, a contract with such responsible manufacturers of atmospheric nitrogen as will pay the United States not less than 3 per cent per annum on the value of site, dam, and power plant, and reserving to the Secretary of War the right to use such manufacturing plant exclusively if necessary for the purposes of the Government in time of war, and to equitably regulate the prices at which these products shall be sold in time of peace.

Mr. HAY. Mr. Speaker, I desire to be recognized for five minutes—that is, I want the time called at the end of five minutes. Mr. Speaker, if there is any one proposition that makes for preparedness in this bill it is the proposition to establish a nitrate plant through which the Government can manufacture powder enough to supply its needs in time of war. At present the Government and every other powder manufacturer in this country has to rely upon the Chilean nitrate beds for the nitrates which are necessary to manufacture powder. I am opposed to the proposition of the gentleman from Wisconsin [Mr. LENROOT] because it provides for a commission and postpones the preparation which we ought to make at once. I am opposed to the proposition of the gentleman from South Carolina [Mr. LEVER] for the same reason. I want to see the House authorize a nitrate plant and appropriate the money to put it up and have that done as soon as possible. [Applause.] I know nothing about this question of water power that seems to enter into this proposition. All I want is to give the Government the power to do this and to do it at once, and all these questions of water power I leave for other gentlemen to settle, and ask the House in the final analysis to vote for a plant and to vote for the money to build it. I reserve the balance of my time. [Applause.]

The SPEAKER. The gentleman has used three minutes.

Mr. KAHN. Mr. Speaker, I yield 20 minutes to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Speaker, the gentleman from Virginia [Mr. HAY] has just stated that he knew nothing about the water-power proposition in connection with this question, and that ignorance upon his part, and that alone, excuses the gentleman from Virginia for offering a substitute in the form in which he has offered it. Mr. Speaker, I have in times past expressed a fear that this water-power lobby, which has been so active and so pernicious about this Capitol, would get that which it desired from the conference committee upon this bill, and, Mr. Speaker, if the substitute of the gentleman from Virginia, as proposed, is adopted, this water-power lobby gets exactly what it wants. This water-power lobby then gets what it has been before the Committee on Rivers and Harbors trying to get, before the various committees of the House trying to get. The Muscle Shoals Water Power——

Mr. GORDON. Will the gentleman yield?

Mr. LENROOT. I can not yield now—selling to this company the surplus that is not needed for the governmental uses provided for in this bill to this American Cyanamide Co. something over 150,000 horsepower for $3 per year, whereas they are now paying, this same company, at Niagara Falls, $10.50 per year. That is the proposition. I am sorry, indeed, that the gentleman from Virginia has been led into it. The amendment that he has proposed is deceptive in itself. He has one provision that provides that there shall be no private cooperation in this business and he has another proposition absolutely inconsistent and in conflict with it that requires the sale of this surplus power to corporations, for what?

The manufacture of fertilizer means either the American Cyanamide Co. or the Du Pont Powder Co., for they have the only two processes known in the United States for the manufacture of fertilizer through fixed nitrogen.

Now, Mr. Speaker, the amendment I have proposed ought to appeal to every Member of this House. It provides that this entire matter be investigated by a commission consisting of the Secretary of Agriculture, the Secretary of War, and the Secretary of the Interior, with instructions to investigate the methods of obtaining fixed nitrogen and nitrogen compounds, with power to designate the site upon which a plant shall be constructed, and to make their recommendations to the President as soon as may be, but not later than December 1 next. If they find that the cheapest and best method is the extraction of this nitrogen from coal and peat and products of that kind, they may so recommend, and such a plant will be constructed. If they find that water power is the best means, they will recommend that. But until this investigation is made, until they make the report to the President, the Secretary of War is not authorized by my amendment to expend a single dollar, and he ought not to be.

Why, Mr. Speaker, it is unthinkable, almost, the way this situation comes before Congress. We have a proposition here upon which no committee of the House has ever taken any testimony or attempted to secure any information, except from Frank Washburn, the president of the American Cyanamide Co., and the corporations that he represents. Who is Frank Washburn? He is chairman of the board of directors of the Alabama Water Power Co., which is the Muscle Shoals proposition. He is president of the American Cyanamide Co., which has a plant at Niagara Falls. His associate is J. W. Worthington, director of the Alabama Water Power Co.; and, Mr. Speaker, inasmuch as the gentleman from Virginia [Mr. HAY] has offered this amendment and asked you upon the Democratic side of the House to follow him, I want to read into this RECORD a telegram from this same J. W. Worthington to N. C. Elting, Florence, Ala., dated March 7, right after the Army bill was reported, and which, as you know, contained an authorization for this kind of a plant. He says:

Will you please extend my thanks and hearty feeling of congratulations and encouragement to the courageous, upstanding, constructive people of Florence, and tell them that the bill introduced in the House by the Military Committee authorizing the development of water power and construction of atmospheric nitrogen nitric-acid plants, and Chairman HAY, in his report on the bill, in part says:

"The committee consider this question of the first importance in the consideration of preparedness for national security."

Mark what follows, with reference to this water-power lobby:

Our efforts, supported by the lead of Florence, secured the authorization for the proposed development, and if Florence will stand pat, put up, and see us through, we will get these plants. The total development with fertilizer plants established to cost $50,000,000.

He boasts of the fact that it was this lobby that secured in this Army bill, reported by the gentleman from Virginia, the nitrate plant which this House voted out by a very large majority when it was originally before the House. And, Mr. Speaker, in connection with the efforts of some of these gentlemen, I want to submit to the House a very interesting matter. The Smithsonian Institution has been making some investigations of the different methods of securing nitric acid. They sent to the newspapers of the country a communication, to be published or released on May 6, which was last Saturday. It is as follows:

NATIONAL MUSEUM SHOWS SOURCE OF WAR NITRATES.

WASHINGTON, D. C.

One of the prime essentials in the manufacture of explosives is nitrogen. To-day this country's supply of nitrates is drawn solely from Chilean sources, which would become either unavailable or insufficient to meet the demands in case of war. In view of the importance of nitrogen as nitric acid for military purposes, therefore, it is worth while to know the available sources within the United States, and to this end the United States National Museum has just assembled an exhibit covering the situation.

As indicated in the exhibit, there are three sources of nitrogen, namely, mineral deposits of nitrogen in ores, nitrogen in the air, and nitrogen in coal, together with its present-day analogue, peat. Of the three, the first-named source is at present confined entirely in Chile, and it is doubtful whether any significant deposits will ever be uncovered in this country. The air is composed approximately of four-fifths nitrogen, and accordingly affords an absolutely unlimited source of nitrogen, if feasible means for its extraction were known. Much has been said recently about the discovery of a process of extracting it by means of electricity. It is a fact that, in passing through an electric arc, the oxygen and nitrogen of the air combine to form nitric oxide—a fact which accounts for the odor which is so often noticeable in the immediate vicinity of a flash of lightning.

Many attempts have been made to put this scientific fact on a practical basis, but thus far the only successful efforts in this direction have been made in Norway, where an enormous amount of water power is available for electric generation, and where at the same time, owing to limited manufacturing industries, relatively little of this hydroelectric power is needed commercially. In this country, however, all electric power developed finds a ready market for manufacturing purposes at prices which have thus far rendered its use in the fixation of nitrogen impractical.

There is one other method of recovering nitrogen from the air, known as the cyanamide process, but this, like the direct electrical method, is based fundamentally on the development of water power, and accordingly is open to much the same restrictions as the other process, although this country has one company, located at Niagara Falls, which is actively engaged in the manufacture of nitrogen by the cyanamide process.

The third source, that of nitrogen in coal, is of more practical nature, as is evidenced by the fact that Germany has been able to supply from this one source alone all of the vast requirements in connection with her present state of war. To do this, according to the most authentic statistics available, she has an annual yield of between 250,000 and 300,000 tons of ammonium sulphate from her by-product coking operations. Our own country to-day, according to the latest Geological Survey reports, is producing ammonium sulphate at the rate of 212,000 tons per year, or five-sixths of the total now available to Germany in her present extreme crisis. Moreover, with the wastefulness characteristic of this country's methods, sufficient additional coal is coked by old-fashioned methods to swell the total sulphate production, if saved, to 730,000 tons, or more than twice that of Germany. It is thus seen that without the least extension our present sources can more than care for any emergency, even while supplying all agricultural and other chemical needs.

The nitrogen liberated from coal, it is true, is in the form of ammonia, but its conversion to nitric acid is an extremely simple matter. Some years ago the famous German chemist Ostwald discovered that ammonia gas mixed with air and heated to a moderate temperature in the presence of a platinum wire was oxidized to nitric acid. Accordingly all that is necessary is to pass a correctly proportioned mixture of air and ammonia through a pipe supplied with a platinum wire and let the resultant gas exhaust into a vat of water. The reason why this simple procedure has not long since been put in practice by American manufacturers is that our by-product coke industry is really just in its infancy. The number of our by-products plants now in operation and saving the essentials of nitric acid as well as other valuable coal products is over 40, but the number is constantly increasing at the expense of the wasteful beehive type of oven, which only a few years ago reigned supreme in this country. This gradual elimination of the beehive type of oven in favor of the by-product oven is bound to continue, even if unhastened by any awakening to a real sense of our wastefulness. They are located characteristically at industrial centers, removed from the dangers of the seacoast, and, for the most part, constitute portions of the very type of works which would be called upon to furnish munitions supplies. In the event of war, therefore, an adequate nitrate supply should be among the simplest problems confronting this country.

On May 1 this communication went to the newspapers of the country, reading as follows:

SMITHSONIAN INSTITUTION,
*May 1, 1916.*

Kill article "National Museum shows source of war nitrates," released for May 6, and return in inclosed franked envelope for insertion of additional data and later publication.

H. W. DORSEY,
*Chief Clerk Smithsonian Institution.*

Mr. BUTLER. What does that mean?

Mr. LENROOT. I think this House surmises what that means. It means that this communication went to the newspapers of the country and some of the newspapers that were interested with this water-power monopoly communicated the fact, and the lobby here in Washington, through some influence, secured the killing of that article by the Smithsonian Institution.

Mr. SHERLEY. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. SHERLEY. What is there in the Senate provision 122 that would in any way, if it was adopted in its present form, help any water-power company?

Mr. LENROOT. Only one.

Mr. SHERLEY. Put your finger on the language.

Mr. LENROOT. Only one; but nobody proposes, let me say to the gentleman——

Mr. SHERLEY. I propose.

Mr. LENROOT. The gentleman from Virginia does not propose to accept the Senate proposition.

Mr. SHERLEY. I do.

Mr. LENROOT. I will be very frank with the gentleman. There is a very serious question whether we can condemn patented processes so far as the manufacture of fertilizer is concerned, and the gentleman recognizes that is a question there; and my proposition proposes that before we expend money upon a proposition involving $15,000,000 or $20,000,000 that that question shall be first determined so that we may know, after we spend our $15,000,000 or $20,000,000, that we are going to be able then to get nitric acid and nitric-acid compounds.

Mr. RAGSDALE. Mr. Speaker, will the gentleman permit an interruption?

The SPEAKER. Does the gentleman yield?

Mr. LENROOT. No; I can not yield.

The SPEAKER. The gentleman declines to yield.

Mr. LENROOT. That is what the situation is, Mr. Speaker. This water-power lobby, infesting every nook and corner of this Capital, is boasting of the fact that it has secured the incorporation of what it desires in the Army bill, as reported to the House. Now it is fair to say that that same interest secured the killing of a communication sent out by the Smithsonian Institution of this city, because they knew that that information, if promulgated, would be detrimental to their proposition.

Now, the gentleman from Kentucky [Mr. SHERLEY] asked me a moment ago what there was in the Senate proposition that would be of interest or benefit to the water-power lobby. I will tell him further that the Senate amendment limits these plants to water powers. Both processes are controlled by a monopoly to-day. Let me read what Mr. Washburn, of the American Cyanamide Co., said in his statement before the Committee on Agriculture. I read:

The CHAIRMAN. Are their processes available to the general public, or are they controlled by one set of men in this country?

Mr. WASHBURN. They are controlled by one concern under patents. We have about 100 patents.

Mr. RUBEY then asked him this question:

Then the next year and the next year you would have additional patents, so that it never would come?

Mr. Washburn interrupted and said:

We propose that no time shall ever come when anybody can compete with us if it is within our power to prevent it.

Now, Mr. Speaker, if this House would act as a business man should act, it would adopt the proposition I have pending, which calls for a full and free investigation by three members of the Cabinet; to investigate the entire question; investigate the methods and cost and determine the sites. Then my proposition permits them to go ahead. There is no delay.

The substitute offered by the gentleman from Virginia [Mr. HAY] looks very fair upon its face. He proposes to put this matter into the hands of the President. I say it looks fair on its face, outside of the proposition that provides for the sale of all surplus power for the purpose of manufacturing fertilizer. But he puts it in the hands of the President. What does that mean? I am not criticizing the President; but it means that the President will turn it over to the Secretary of War, just as the President turned, and very properly turned, the Alaskan Railroad over to the Secretary of the Interior. The Secretary of War very naturally will turn the matter over to the Army engineers, and when we reach the Army engineers we reach Muscle Shoals and this same water-power monopoly.

Mr. GORDON. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. FITZGERALD). Does the gentleman yield?

Mr. LENROOT. Yes.

Mr. GORDON. Do you claim the engineers of the Army are controlled by any water-power trust?

Mr. LENROOT. I claim this, and it is not a claim of mine, because it is in black and white——

Mr. GORDON. Let us have your authority for it.

Mr. LENROOT. The Army engineers have recommended to Congress practically the proposition that these gentleman are trying to get.

Mr. GORDON. Is that proof of corruption, or proof that they are controlled by somebody?

Mr. LENROOT. I am not charging them with being corrupt or with being controlled. I am stating the facts, and the result of the matter, sir, is just as injurious if a man honestly recommends giving away a public right as if he does so corruptly. [Applause.]

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Wisconsin yield to the gentleman from Pennsylvania?

Mr. LENROOT. Yes.

Mr. MOORE of Pennsylvania. The Senate amendment, as I recall it, calls for an appropriation of $15,000,000. The Hay substitute calls for an appropriation of $20,000,000. Can the gentleman explain why the additional $5,000,000 is needed now?

Mr. LENROOT. From the best information I can get I will say this: On streams, other than Muscle Shoals, $15,000,000 would undoubtedly be sufficient, but on Muscle Shoals it will require $20,000,000.

Mr. MOORE of Pennsylvania. Then there must have been some additional information.

Mr. LENROOT. I have no doubt of it.

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. SHERLEY. The gentleman wants to be fair, I know.

Mr. LENROOT. Certainly.

Mr. SHERLEY. But there is this difference between the Senate provision and that of the gentleman from Virginia: The Senate provision provides for making nitrates for war purposes, whereas the amendment of the gentleman from Virginia provides for making nitrates also for agricultural purposes.

Mr. LENROOT. The gentleman is mistaken. The Senate amendment does provide exactly what the amendment of the gentleman from Virginia provides for.

Mr. SHERLEY. Very well; all right; but I would rather trust my eyes than your memory.

Mr. LENROOT. It is patent to any Member of the House. There is this difference, that the Senate amendment provides that none of this power shall be disposed of, and that there shall be no private cooperation with plants in connection with the Government plant, while the amendment of the gentleman from Virginia provides that there may be that private cooperation, and that this same American Cyanamide Co., after this expenditure of $20,000,000, may get the benefit of that $20,000,000, except so much of the nitric acid as may be used for Government purposes.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield?

Mr. LENROOT. Yes.

Mr. MOORE of Pennsylvania. The gentleman from Virginia said he knew very little about water-power sites. His substitute, however, appropriates $5,000,000 more than the amendment of the Senate. Can the gentleman give the reason for thus increasing the appropriation by one-fourth?

Mr. LENROOT. I am going to do the gentleman from Virginia the justice to say that I believe he is very ignorant about this question. If he had not been, it can not be possible that he would have offered the amendment that he did.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield for one question?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. COOPER of Wisconsin. To see if I understand the gentleman from Wisconsin correctly.

Mr. LENROOT. Yes.

Mr. COOPER of Wisconsin. Did I understand the gentleman to say that the only testimony ever taken by the Committee on Military Affairs or by the Committee on Rivers and Harbors or any other committee was the testimony of Mr. Washburn, an officer of this corporation, and his associates?

Mr. LENROOT. So far as this nitrate plant is concerned, yes—except that there was some testimony from Gen. Crozier and another Army engineer.

Mr. GORDON. Will the gentleman yield for a question?

Mr. LENROOT. I can not yield. I want to answer this question; but I want to say that while this particular proposition was before the committee there were only two witnesses before the committee. One was Frank S. Washburn, whom I have referred to, and the other one was Maj. Burgess, the engineer in charge of the Muscle Shoals district, and when he was asked by the committee what he knew about the nitrate proposition he said he did not know anything about it.

Mr. HAY. I yield five minutes to the gentleman from Illinois [Mr. FOSTER], and I understand the gentleman from California will also yield him five minutes.

Mr. KAHN. I yield him five minutes.

Th CHAIRMAN. The gentleman from Virginia yields 5 minutes and the gentleman from California yields 5 minutes, and the gentleman from Illinois is recognized for 10 minutes.

Mr. FOSTER. Mr. Speaker, I hope that I am as good a conservationist on water power as is the gentleman who has just taken his seat [Mr. LENROOT]. The gentleman has done good service for the people in this regard, and I have been pleased to be associated with him in this valuable work. I can remember a time only a few years ago upon this floor when there were a number of bills upon the Unanimous Consent Calendar granting franchises for water-power sites, and that I raised my voice here each unanimous-consent day until permission was denied. So I do not think the gentleman from Wisconsin can take to himself all the credit of saving to this Government and to its people all the rights of this valuable asset of the Government.

The gentleman from Wisconsin [Mr. LENROOT] has told you that this means a water-power grab by some great water-power company. I want to call your attention to the fact that in the amendment offered by the gentleman from Virginia [Mr. HAY] the first paragraph provides not only that three Cabinet officers shall investigate this matter and report to the President, but it provides that the President shall make or cause to be made an investigation of the best means and the cheapest way to provide nitrogen for war purposes if necessary. He has the right to call on the Cabinet officers for assistance, and also any other person he sees fit, and then to take what steps in his judgment which are necessary to establish that plant by water power or by other means. It does not necessarily mean he will select water power for this work. Then the amendment which I have offered to the amendment of the gentleman from Virginia [Mr. HAY] provides that the Government shall not go in partnership with anybody, and that whatever surplus power is developed shall be used to make fertilizers and sold to the people. It preserves to the Government the exclusive control of this plant, so that it shall not go into the hands of any monopoly. Can you have a better provision than that? The gentleman from Wisconsin [Mr. LENROOT] failed to tell you these things.

Again, he reads to you a letter from the Smithsonian Institution, a letter that was recalled, as he told you. That letter, I understand, was gotten out in the absence of the curator, and when he returned to the Smithsonian Institution he saw what had been done and he took the proper steps to recall the letter.

Mr. SIMS. Will the gentleman state why he did that?

Mr. FOSTER. I will tell you why in my judgment he did it, because he found it was not correct, and in that case he properly withdrew the letter. Let me say this first: The gentleman speaks about Germany manufacturing such a large amount of nitrogen through its coke ovens. It is true, it has manufactured nitric acid from every conceivable source that was possible. When the war broke out they had in Germany, as I understand, a six weeks' supply of nitric acid on hand. They thought the war would be short. Then after they had gotten into Antwerp they found there a supply of nitric acid. They confiscated that and used it. Then they prohibited the burning of a pound of coal in the German Empire. They made it into coke, and in that way secured the products from the coal, and they manufactured nitric acid and explosives in that way. They used not only the cyanamide process, but they used the arc process and they used every process that it was possible for them to use, because they not only supplied nitric acid for their own country but they supplied very large amounts of nitric acid for Austria for the manufacture of munitions of war. Then it is necessary for Germany to use large quantities of fertilizer if they are to produce food products. Now, these are the facts, and when the gentleman from Wisconsin [Mr. LENROOT] talks about the use of coke ovens, let me say to my friend that it is true that they do develop a great deal of sulphate of ammonia from the coke ovens of the country. It used to be that all the coke was made in what is called the beehive oven, in which the volatile by-products escaped and were wasted; but in the last few years these by-products have been saved so they have been making large quantities of ammonia sulphate. I can give gentlemen the figures to show just what this amounts to. The production of ammonium sulphate and ammonia reduced to sulphate equivalents was 29,279 tons in 1901. It has increased each year from that time to the present. In 1915 there was produced a total of 212,000 tons. Now,

that looks like a large amount and it is increasing very largely, but let me say that with this large increase there was imported into this country in 1915, 67,434 tons of ammonium sulphate, so with what we made and imported there was consumed a total of 279,434 tons.

You must remember that more than one-half of all the products of the coke ovens goes now into the refrigerating business and into the chemical industries of the country. The other 50 per cent goes largely into the manufacture of fertilizer and not into munitions of war. Let me give you some more facts in reference to this matter: There is the cyanamide process of manufacturing nitric acid; there is the arc process; there is the Haber process; the manufacture from nitrate salts imported from Chile; and there is the product of the coke ovens, which is another process. Now, let us see what is the cost of these various processes. I do not know in the proposed plants what process would be used, but the cost of the cyanamide process is 20 per cent less than that produced by the Haber process and over 25 per cent less than that produced by the arc process, assuming that a reasonable power can be secured for the cyanamide per year. It may be assumed that the Haber process will find its place in the highly developed industrial communities, where the necessary skilled labor is available, although the power cost is slightly higher than the above figures because of location. So with this calculation it may reasonably be assumed that the cyanamide process is about $50 or $55 per ton for nitric acid; the Haber process at $65 a ton, if made from Chilean nitrate, and cost about $80 per ton, and from the by-products which come from the coke ovens, which is more expensive than either of the others, would cost about $90 per ton for nitric acid, counting the cost of power at about $8 per horsepower. I do not know what process the President would adopt, but the figures show that the cheapest way to manufacture nitric acid is by the cyanamide process, if a reasonable priced power can be secured. This plant, if established, would require possibly 20,000 or 25,000 horsepower—not to exceed that—to manufacture the 10,000 or 12,000 tons of nitric acid necessary for the use of the Army and Navy in time of peace. It would require at least 100,000 horsepower additional to produce the additional 180,000 tons of nitric acid in time of war. If they develop more than necessary in time of peace, shall we let that power go to waste? It seems to me we ought not to do that, but that we ought to apply the power for some good and useful purpose, which may be used in time of peace and will help the people of this country. What is it? In my judgment, we can not do better than to manufacture fertilizer, that will be sold to the farmers at a reasonable price in this country, and thereby increase the products of the soil.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. FOSTER. Yes.

Mr. HUMPHREY of Washington. If the statement made in the letter read by the gentleman from Wisconsin is true, will it be advisable from the standpoint of cost, as a matter of necessity in case of war, to manufacture it from air?

Mr. FOSTER. Yes; I think it would, but we do a great many things in war that we do not do in peace as cost is not then counted. We talk about manufacturing this product from coke ovens. Let me say that if the letter which the gentleman from Wisconsin read is true, what would be the result if you increase the supply of ammonia from coke ovens? There is no doubt that the products from the coke ovens will increase very materially in the next few years, may go beyond the consumption so that we will have an available supply for converting into nitric acid, in case war should come, a process much more expensive than by either of the other means of securing it as known at the present time.

It is very essential, in my judgment, that we should encourage the production of ammonium sulphate by the coke-oven process and not permit this valuable product to go to waste as it has been in the past. There was a time when the steel industry of the country had a prejudice against coke made from any other process than by the beehive oven, but now that prejudice is gone and manufacturers of iron rather prefer the new process in which all of these products are saved.

There is imported into this country each year 500,000 tons of nitrate of sodium salts of which 200,000 tons equivalent of 152,000 tons ammonia sulphate is used as fertilizer. The amount of nitrate fertilizer used in 1915 amounted to about 260,000 tons. No data are at hand to show what proportion of the amount of ammonia produced in this country is used as fertilizer, but it is probably not less than 50 per cent. The development of conserving by the completion of by-product ovens ought to continue until every part of the coke is made in all of the by-product ovens, and it is to be hoped the use of coke as a domestic fuel for heating and power may be increased so as to increase the production of the by-product of coal. In some of the great cities the amount of coke used for domestic purposes is already very largely increased. In each of the cities of Detroit and Chicago the consumption of coke amounts to 200,000 tons per year. It is not at all improbable that in the near future large quantities of coke from by-product ovens will be used for other than metallurgical purposes, and if this should prove to be the case, the possible growth of the by-product industry and the consequent increase of the production of ammonia will be very large, and then the production of the ammonia sulphate from this process will also secure large amounts of toluol and benzol, which are used in the manufacture of explosives. The great difficulty in converting the by-product of the coke ovens to nitric acid is much more expensive than any other process.

The Secretary of Agriculture in the Reclamation Record of February, 1916, says, "In 1913 when conditions were normal about $125,280,000 worth of commercial fertilizer was used in the United States; of this amount the farmer paid $48,830,000 for nitrogenous substances, $56,000,000 for phosphates, and $20,450,000 for potash salts. Practically all of the potash salts were imported from Germany and the entire quantity of nitrate from Chile. Ammonia sulphate to the value of $3,730,000 was received from abroad, mainly from England. The remainder of the fertilizer materials was derived from domestic sources," so to the farmers of this country the production of cheap fertilizer is a very important thing. Germany has largely increased the production of her soil by the use of large quantities of fertilizer and her production in comparison per acre to this country is very much larger. With whatever process it may be decided to secure this necessary amount of nitric acid in times of peace and in the emergency in times of war, we should look to the importance of some plan that will enable us to secure for our people an ample and cheap supply of fertilizer. You have to find a market for all the by-products of the coke oven, and that means the coke and all the by-products that come out of it. You have to dispose of them. I am with Members of this House in the fight to keep these valuable properties the Government now owns from falling into the hands of any monopoly. This House has always voted to conserve these valuable resources. It does not seem to me, however, we should sit still and refuse to do anything. Let us properly safeguard these franchises and have them used for the benefit of the whole people. With the amendment I have proposed to the substitute of the chairman of the Committee on Military Affairs there can come no harm to the people, for all this power will be reserved to the Government for the use of all the people. No monopoly can secure control of any water power under this amendment I have offered, and if the plant is built it must be owned and operated by the Government. I hope that my amendment will be adopted.

Mr. HAY. Mr. Speaker, I yield five minutes to the gentleman from Kentucky, Mr. SHERLEY.

Mr. SHERLEY. Mr. Speaker, the gentleman from Wisconsin [Mr. LENROOT] is not alone in his zeal to protect the country from the grasp of water power or other monopolies. I fought with him to prevent legislation that I thought was vicious touching the water power of America, and I am prepared to fight with him again when necessary. But I asked him the express question as to what there was in the Senate amendment which would give the water-power people any sort of advantage, and he was unable to say.

Now, there is nothing in the Hay amendment, if amended as proposed by the gentleman from Illinois, which would give them any possible advantage. There is now in the Hay amendment three words that, if they were stricken out, would eliminate all this talk about monopoly. There are words which permit the sale of the surplus product or power. Strike out the words "other" and "or power," and leave it to sell the surplus product and then the water-power companies are in no sense concerned because they could not buy any of the power. All they could do would be to buy the product and that would be nitrates, and they are not interested in that proposition.

So we are faced with the proposition that those of you who believe the time has arrived when this country should take a position to be independent touching the nitrate supply for reasons of public safety, will vote for the Senate amendment or vote for the Hay amendment as proposed to be amended by the gentleman from Illinois. Those who want further to consider the matter, and postpone a year or more action, are at liberty to vote with the gentleman from Wisconsin, Mr. LENROOT.

What is the fact? We have 50,000,000 pounds of nitrate now as a reserve, and it takes 2½ pounds to make 1 pound of powder. So if we used every bit of the nitrate we have today we would be able to make a little over 21,000,000 pounds

of powder. That is not a condition that speaks for the safety of America. I believe that we can well afford to develop the water power that we own in the manufacture for Government use of nitrate that is necessary in making ammunition.

Mr. LENROOT. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. LENROOT. The gentleman stated that my amendment would postpone it for a year. Is the gentleman aware that the only difference between my amendment and the Hay amendment is that my amendment provides for a commission of three Cabinet officers——

Mr. SHERLEY. No; there is more difference than that, if I caught the gentleman's amendment right. I asked the gentleman if the Hay amendment was amended as proposed by the gentleman from Illinois what there would be that the water-power people would be interested in. He answered the question, and said "certain patent rights." They have the patent rights, and neither you nor I, by legislation, can change their actual rights. We provide for the purchase or condemnation of all processes that may be necessary. I assume that a Government agency is going to have ordinary common sense; that it is not going to undertake to make a great investment of many millions of dollars in building a nitrate plant without having arranged for the proper processes to do the work. I do not think you need a commission of three Cabinet officers. The gentleman talks about the President relegating the authority down to some Army officer. Will the power he proposes to confer on these members of the Cabinet be exercised personally by them? Not at all. It will be delegated also, and even if not, I would rather have Gen. Crozier's opinion touching the manufacture of nitrates that all the Cabinet put together.

Mr. LENROOT. The gentleman knows that the Army engineers are committed to one proposition?

Mr. SHERLEY. I do not know anything of the kind. I have talked with Gen. Crozier many times, and I know that if this provision is put in there it does not necessarily mean Muscle Shoals, but it does mean a development without a dollar of private interest or advantage to any private concern on earth.

I may not know how to manufacture nitrate, but I can read law, and I do know the effect of a statute, and when you cut out the right to sell power and leave in the right to sell the product, I defy the gentleman to point wherein any power-development company is going to be helped or benefited.

Now, it is up to this House to determine whether it wants to further postpone this matter or whether it wants action. I am a man who would a good deal rather talk less about preparedness and do more of it than what has been the habit around this Hall these many years past, and the important thing is to create a supply of nitrate for the Government. I hope that the House will adopt the amendment offered by the gentleman from Illinois, and failing that—I do not know but what preferentially—I hope they will adopt the Senate amendment. [Applause.]

The Senate amendment has no provision in it for the sale of surplus power. It has a provision for the sale only of products, and it differs from the Hay amendment as it would be amended——

The SPEAKER pro tempore. The time of the gentleman from Kentucky has expired.

Mr. SHERLEY. Mr. Speaker, can the gentleman from Virginia give me one more minute?

Mr. HAY. I can not do it.

Mr. SHERLEY. Can the gentleman from California?

Mr. KAHN. I am sorry to say that I can not do it.

Mr. HAY. Mr. Speaker, I yield to the gentleman from Georgia [Mr. TRIBBLE].

Mr. TRIBBLE. Mr. Speaker, I hope it is not unfortunate for this good project that the best water power is located in the South, and I hope it is not unfortunate for this worthy project that the farmers are to get some benefit from it. The fact that Muscle Shoals has been frequently mentioned upon the floor of this House is because everybody knows that Muscle Shoals is the best water power in the United States for this plant, and it is located right in the center of the territory where 60 per cent of the surplus nitrates would be used. It is a matter of fact that there is too much selfishness in this preparedness propaganda that we hear all over this country. The selfishness of the Armor Trust is to keep the money flowing into its pockets, and the selfishness of the Powder Trust is to keep the money flowing into its pockets and to prevent the Government from establishing manufactories and producing these articles of necessity cheaper than they produce them, thereby destroying the trust. [Applause.]

Mr. Speaker, I admit some personal selfishness in this nitrate-plant proposition, and that selfishness is a desire to serve my people not only in securing munition nitrates, but to furnish fertilizers more cheaply to the farmers of the country. So, Mr. Speaker, my selfishness is not like that of the Armor Trust and the Powder Trust, who wish to make enormous profits out of the Government, but my selfishness is a desire to serve the patriotic farmer, that he may be supplied with fertilizer to aid him in his efforts to prosper. On his prosperity the success of our country depends. In time of war the farm furnishes the great bulk of brave men who shoulder their arms and lead on to victory. When the farmer prospers the merchant, banker, manufacturer, and every enterprise are thrilled with prosperity.

There is no war in this country, and yet we have a fertilizer famine. Nitrates are selling at $85 per ton. This is twice as much as the cost of nitrates before the European war. As a matter of truth, 40 per cent of the fertilizers used in this country is nitrogen. We have nothing to do but reach out into the space above our heads and gather it by chemical process. Our farms are unprofitable in many places for lack of proper fertilization, and yet with all this nitrogen in the atmosphere above us there is not one plant in this country producing nitrogen. Nitrogen is produced in many foreign countries from the atmosphere at one-half the cost we are forced to pay for Chilean nitrates in time of peace. The farmers of Germany use about four times as much nitrogen and phosphates as the farmers of this country, and while their land is by no means as fertile as the farms of this country the yield in Germany is twice as much per acre as in the United States. It is proposed to produce at this plant nitrogen products used as munitions for war and fertilizer. This bill provides for an appropriation of $20,000,000 to produce these products. Compare that outlay with $75,000,000 spent in 1914 in the United States for farm nitrates. The Government can reduce the price of fertilizers more than one-half, thereby enabling the farmer to use more fertilizer to the acre, producing greater yield at less cost. I mean to say nitrates extracted from the air should cost not more than one-half the price of Chilean nitrates before the war. The price before the war was $42 a ton; now it is $85.

The reduction in price of munition nitrates for Army and Navy would save the Treasury many millions annually, in addition to furnishing fertilizers to the farmer. When the war began in Europe, and Germany was blockaded, she was ready for the emergency. The Government was producing nitrates and phosphates sufficient for munitions of war and also to fertilize farms at reasonable price. The farmer in Germany continues to produce his abundant yield because the Government furnishes him cheap fertilizer, and consequently the farms continue to feed the people and the army. If Germany had not prepared for this emergency, the ring of the cavalry horse's hoofs of the French Army would have been heard on the streets of Berlin before this day. Nitrogen is absolutely necessary in time of war. I use Germany as an illustration because of the blockade forcing that country to rely on her own resources. The Government provides fertilizer and the farmer by his abundant yield with cheap nitrates feeds the most powerful army ever organized in the history of the world.

Mr. Speaker, this is a serious proposition, both for war purposes and farm advancement. Chilean mines lie south of the Panama Canal, and should we be cut off from that source the plight of this great and wealthy country would be serious beyond conjecture.

Mr. Speaker, let us construct the plant with Government money, supply the Army and Navy, and furnish our farmers cheap fertilizers. If the farmers can secure cheap fertilizers from the atmosphere above our heads, the South especially will blossom and prosper as no country on earth prospers in agricultural resources.

This is a Government function, and I can not understand this opposition on the ground of "Government ownership." The Government controls the water power and also controls the atmosphere above us. The material is abundant; in fact, unlimited. The Government can make it available for the wants of mankind. Without Government action, I fear it will lie dormant.

My honest opinion is that the Government can furnish all the nitrogen required for munitions and for farm use for one-half the price charged before the European war. Frequently I hear the appeal, "Back to the farm, young man." Mr. Speaker, the reply to that appeal is, make the farm more profitable. We have it in our power right now to do the farmer a great service, and I appeal to you to respond to the promises many of you have made to help the farmer to become more prosperous.

We have the same air above our heads as the Germans have, and yet not one plant in all the United States producing nitrates. The supply is inexhaustible. The atmospheric nitrogen above

1 square mile of land, amounting to 20,000,000 tons, is equivalent to what the world would require in the next 50 years. Atmosphere consists chiefly of nitrogen—78 per cent volume. The leading European countries are producing nitrogen. Shall we as a Government stand in the way of development and let the scare of Government ownership retard progress?

We have the same opportunities of producing potash that Germany has. The kelp beds on the Pacific Ocean would produce an inexhaustible supply of phosphate, and yet no effort is made to utilize them.

Mr. Speaker, I trust that this famine of fertilizers and necessary ingredients for munitions of war will hasten action on the part of our Government to supply these demands. I am opposed to further delay pending investigation. In ordinary times the German farmer pays one-half as much for nitrogen (commonly called ammonia) as the American farmer pays. This is because of the fact that nitrogen is extracted from the air in European countries. There is one small nitrogen plant in Canada.

It is proposed to establish one plant and spend $20,000,000, and men marvel at the amount. Since the outbreak of the war Germany has spent $100,000,000 on the nitrogen industry.

We have lessons before us, and why allow our preconceived idea of Government ownership stand in the way of contributing real and substantial aid to the farmer? If I can help relieve the hardships of the farm and add some little assistance to the prosperity and happiness of the farming people, among whom I was reared and who trusted me to make their laws, I shall feel that my life has not been entirely wasted. We have all kinds of Government manufactories and are establishing more. This is the most-needed Government plant in the entire list of Government-owned manufactories, because it will not only supply the needs of Army and Navy but will add to the peace, prosperity, and happiness of the entire country by making farming more profitable and attractive. [Applause.]

Mr. KAHN. Mr. Speaker, I yield three minutes to the gentleman from Oklahoma [Mr. FERRIS].

Mr. HAY. Mr. Speaker, I yield five minutes to him.

The SPEAKER pro tempore. The gentleman from Oklahoma is recognized for eight minutes.

Mr. FERRIS. Mr. Speaker, the gentleman from Wisconsin [Mr. LENROOT] has rendered no small patriotic service toward the adoption of efficient, well-poised, well-arranged water-power policy in this country. As chairman of the Committee on the Public Lands, I willingly acknowledge my debt of gratitude to him for the help and patriotic service he has given, but at the same time the gentleman from Wisconsin is suffering to-day from one or two things. He is suffering from too much pride in his own opinion and his own words. His amendment is not greatly at variance with the amendment offered by the gentleman from Virginia [Mr. HAY], except in one particular, and that particular is remedied by the amendment of the gentleman from Illinois [Mr. FOSTER]. The language in the amendment offered by the gentleman from Virginia [Mr. HAY] provides that surplus power may be sold, and that is followed with a proviso that it must be sold for cyanamide or fertilizer purposes. Those two provisions of the Hay amendment are clearly mistakes. Those provisions if agreed to, I want to say to you gentlemen who are so solicitous for the farmers, will mean that they will buy their fertilizers from the cyanamide companies and not direct from the Government; but if you want to do your farmers some real service vote, first, for the Hay substitue plus the Dr. Foster amendment, and you will have then, first, nitrates made by the Government for war purposes, and, second, cyanamide made by the Government of the United States for farming purposes, and there is no mistake about it. There will be no middlemen. There will be no entangling alliances with water-power men. It will be a straight Government proposition and there will be nothing to have doubts and fears about. [Applause.] I take it the great majority of this House would, if they could, first vote for a clean, square, fair proposition for a Government-owned munition plant, because it is my firm belief that the belief is prevalent in this House that the Du Pont Powder Co. and the other ammunition companies are meddling too much to-day in national affairs. [Applause.]

If you believe that, vote for the Hay substitute, and you will have a Government-owned munition plant, and no man can gainsay it. If you believe that the Government ought to make cyanamide and ought to sell fertilizer for the impoverished soil of this country, vote for the Foster amendment, which perfects the Hay amendment, and does all that the majority of this House would hope to do to-day, if they could properly understand it.

What does the amendment of the gentleman from Wisconsin [Mr. LENROOT] do? Largely the same thing, but cumbering it, making it more ponderous, by providing for a long circuitous investigation before anything is done. It is not the wish of the great majority of this House, if they understand this proposition, to vote for any circuitous investigation. It is not kind words, it is not kisses and caresses that they want, but they want a provision that will and does deliver the goods. Will you adopt a meandering, circuitous, ponderous, cumbersome proposition like that of the gentleman from Wisconsin, or will you really go about the task of doing the thing the majority of the House wants to do? [Applause.] What are the facts? The facts are plain and our duty is plain. If you ask me if this is a comprehensive water-power plan I say no, it does not even squint at it. If you ask me if we have any chance to get a comprehensive water-power bill through Congress this year I answer I do not know. The House wants one. The House has twice passed one, each time it was allowed to die at the other end of the Capitol. This one may die, too, but I do not want the blood of delay to be on our hands; I do not want us to be charged with failing in our duty. Nearly always I am in accord with the gentleman from Wisconsin. He is a clear-headed, good lawyer, a far-seeing man, but to-day he is tinged a little too much with pride of opinion, and he is wandering into details rather than going to the substance, and we ought not to follow him when he leaves the beaten path.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. HARDY. What difference is there between the Hay amendment as amended by the Foster amendment and the Senate amendment as sent to us?

Mr. FERRIS. The Senate amendment, if I understand it, and I may be in error about it, provides—and I will read it so that I do not make any mistake—how much time have I, Mr. Speaker?

The SPEAKER pro tempore. The gentleman has two minutes and a half.

Mr. HARDY. Do not read it; just tell us what it is, in brief.

Mr. FERRIS. The Senate amendment provides this, without reading—I only wish I could. It provides this plant shall be created for two things only, for Army and Navy purposes. Now, there is a direct limitation. You will find at page 207, in the last paragraph on the page—read it yourself—it provides that it can only be used for Army and Navy purposes. This excludes any Government-made fertilizer for the farmers. This is not what you want. You farmers and farmers' friends think you are going to get fertilizers out of that? You are mistaken. You will not, but all the surplus power under that amendment will necessarily have to be sold to the American Cyanamide Co., and they, in turn, will sell to the farmer for their own sweet price. Such procedure is not aiding the farmer; such a provision will prove wanting in all that is expected of it.

Mr. SHERLEY. If the gentleman will permit, there is no provision to sell the surplus power; only surplus products.

Mr. FERRIS. That is right, but there is no power in the Government or the President or the Secretary of War to make cyanamide. They can only make products strictly for Government use, and of course cyanamide manufacture is not a Government function. There is where the danger lies.

Mr. SHERLEY. I agree with the gentleman in that.

Mr. GALLAGHER. Will the gentleman tell the House where this plant is to go when established?

Mr. FERRIS. I have not the slightest idea. I rather think it will be established at Muscle Shoals, on the Tennessee River, in Alabama. I am not blinking at that, because I think it is the best location in the United States to-day. There is nothing about Muscle Shoals to frighten me if we have a proper provision and proper safeguards.

Mr. GALLAGHER. Where could they get the land to locate that plant?

Mr. SHERLEY. What is the gentleman's objection to the Foster amendment, which would prevent the sale of power but would permit them to make fertilizers as well as nitrates?

Mr. FERRIS. I am very earnestly in favor of the Foster amendment, and counseled with him in reference to it. I am heartily in favor of it. It is precisely what the House ought to adopt. In fact, I was there when it was born. It is precisely what the House desires to do, if they can understand it properly.

Mr. SHERLEY. Then I have no quarrel with the gentleman.

Mr. FERRIS. The great bulk of the House will not be able to-day to understand fully the hydroelectric proposition, and I

do not expect them to. It is a study for an ardent student that would cover years to accomplish. I do not pretend to know but little about it myself, although I have studied it ardently for the past four years. It is a great subject; in my judgment, the greatest economic subject of the day and hour. If the farmers want cyanamide to improve their impoverished farms, I ask you to vote for the Foster amendment to the Hay substitute, and then adopt the Hay substitute, and you will get the thing you are after. If you believe that a Government munition plant is justified, as distinct from the Du Pont and other privately owned munition plants, you will vote for the Hay substitute, and you will not be mistaken in doing so. I am getting letters—so are you—from the Du Pont Co. and other munition people, urging us not to adopt a Government-owned plant. As the gentleman from Wisconsin says, the power people are here. So they are, and they have been here for two or three years; but, on the other side, so are the Du Pont and munition people here, too, by letter, if not in person. The thing to do when there is such a stress of circumstances, when three-fourths of the world's map is at war, is to build our own munition plant and thereby legislate the profit out of war and war material. We can do it under this substitute amendment and at the same time and by the same plant furnish cyanamide to American farmers at cost. [Applause.] I yield back the balance of my time.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HAY. Mr. Speaker, I yield three minutes to the gentleman from South Carolina [Mr. RAGSDALE].

[Mr. RAGSDALE addressed the House. See Appendix.]

Mr. KAHN. Mr. Speaker, I yield three minutes to the gentleman from Kansas [Mr. ANTHONY].

Mr. ANTHONY. Mr. Speaker, the present method in which the House is considering this very important amendment is really a reflection upon our way of doing business. This House is now considering whether or not it shall appropriate fully $20,000,000 through substitutes and amendments that have not even been printed, and doubtless not one-tenth of the membership of the House really know what they are going to vote upon—that is, the language of the amendments and the substitutes.

Now, I am not afraid of this talk about lobbies; I am not afraid of any graft in this nitrate proposition. I believe we need a nitrate plant in this country. Furthermore, I believe that any one of these amendments, any one of these substitutes, which puts power into the hands of the President or the Secretary of War to carry out the purposes of the amendment will be fulfilled in a manner satisfactory to the American people. I do not care whether it is a Democratic President or a Republican President; any such authorization can be safely intrusted in his hands.

Now, I have prepared a substitute which I believe embodies some business principles that have not been put in the other amendments or the other substitutes. In brief, the substitute I have offered provides for the appointment of a commission of three Engineer officers, who shall report to the President of the United States upon the feasibility of this proposition. Authority is then conferred upon the President, if he deem advisable, for the construction of a water-power plant. Then further authority is conferred upon the President to make such a contract as he may deem advisable with some private corporation for the manufacture of nitrates and fertilizers, with the proviso that the corporation shall pay not less than 3 per cent to the Government on the value of such water power and moneys as are invested by the Government. And, furthermore, that the Government reserves the right to regulate the price at which the products of such a plant shall be sold. I hope that some practical proposition of this kind shall be adopted by the House. [Applause.]

Mr. KAHN. I yield four minutes to the gentleman from Delaware [Mr. MILLER].

Mr. MILLER of Delaware. Mr. Speaker, I intend to support the Lenroot amendment, because, in my opinion, the United States Government will have its interests looked after in the best manner, with respect to this proposed nitrate plant, if it is adopted.

As a preface to what I intend to say in the few minutes of my time, I beg to state that I favor a Government nitrate plant if Uncle Sam is going to come out ahead on it; I favor a Government powder factory if Uncle Sam comes out ahead on it; I favor a Government armor-plate factory if Uncle Sam comes out ahead on it. That is plain English; it can not be misunderstood, and I mean it. With all due respect to my friend from Oklahoma [Mr. FERRIS] he did an unfair thing, in my opinion, when he brought up the bugbear of the Du Pont Powder Co., stating that they were opposing and fighting this nitrate proposition. He put them up as a straw man and knocked them down in order to get votes for his proposition.

Now, I know whereof I speak, because I have taken the trouble to acquaint myself with the truth and facts, in view of the attacks and accusations made against this company, when the nitrate proposition was considered in the Senate. The Hay bill went through the House with section 82—the nitrate proposition—voted out of it by a vote of 224 to 179.

One hundred and eighty Republican Members voted against it, as did 44 Democrats, while 174 Democrats and 5 Republicans voted to retain it. When it was taken up in the other body a very distinguished Senator, a man whom I look up to as possessing marked ability and integrity, saw fit to look after the interests of a certain water-power company in his particular locality, and in doing this he made similar accusations, namely, that the Du Pont Co. was fighting the nitrate proposition. In the few minutes that I have I can not bring out all the points in the controversy that ensued between this company and the distinguished Senator, but if gentlemen will read what was said in answer to the remarks that he made on the floor you will see a complete refutation of the statements made by my friend from Oklahoma [Mr. FERRIS] and other gentlemen on the floor to-day.

It was stated a few minutes ago that the Du Ponts were writing letters, I presume to Members of Congress and other officials, in opposition to this nitrate plant. On March 28, 1916, a letter was addressed by the president of the Du Pont company to the Secretary of War. This letter can be found in the CONGRESSIONAL RECORD of March 30, which was the first time I was aware of it. There is nothing in that letter that smacks of opposition to this nitrate amendment. On the other hand, it offers to put up, free of charge, a plant and to deliver to the United States for military or naval purposes all or any part of the output of nitric acid at a price which shall include such profit as the Secretary of War shall determine to be reasonable. The only other letters of which I am aware is the correspondence between Senator UNDERWOOD and various officers and employees of the company which the Senator so graciously inserted in the CONGRESSIONAL RECORD, and which were an answer to the charges he had made against them. These letters which, as I have said, are part of the CONGRESSIONAL RECORD and therefore accessible to anyone, show that there is absolutely no basis to the charge that the powder company was fighting and opposing this proposition. Coming from Delaware, it is probable that my remarks will not be taken with the weight that they would if I came from another part of the country. I want to say to you that there is not a pound of smokeless powder, not a pound of war munitions made within the State of Delaware by these people. They are made down in the district of the gentleman from Virginia [Mr. WATSON] and in the State of the gentleman from New Jersey [Mr. BROWNING], and, as the Speaker aptly said one day, some are made in his district. I just heard a voice ask where the money goes. The money goes into the hands of the workmen who vote in those districts referred to. This company work their men on eight-hour shifts and they are paid 20 per cent for a bonus besides their wages.

Mr. Speaker, I am not controlled or sent down here by anyone. I make this statement because some gentlemen have seen fit to make that reference on the floor of the House before. If they were familiar with conditions in my district they could not and would not make that charge. But I am down here to see that the fair thing is done, and especially when anything in my State is concerned. With all due respect to my friend from Oklahoma [Mr. FERRIS], and anyone else—I dare say there are a good many of you who have that idea in your minds—this does not in any way control or form my action in the House.

Mr. FERRIS. Will the gentleman yield?

Mr. MILLER of Delaware. I can not yield.

Mr. FERRIS. The gentleman misquoted me.

Mr. MILLER of Delaware. I will not yield. If you want to break up my time, keep it up.

My reference to the gentleman from Oklahoma relates to his charge that the powder company was fighting this proposition.

The distinguished gentleman in the other body to whom I have referred quoted as his authority one R. B. Carter, whom, it was alleged, was an employee of the powder company. It was stated that this man went to dinner with certain officials and employees of the powder company and gained the impres-

sion that the company was fighting this proposition; you will read what was said in the CONGRESSIONAL RECORD. I purposely, of my own free will, went to find out who he was. I found that he was a former labor foreman at their Hopewell, Va., plant and later on a guard. He was fired for passing worthless checks on some of his friends at Hopewell, and warrants are now out against him. Needless to say, the story he told was a fabrication, and I say, with all due respect to the distinguished Senator, that he was imposed upon at that time, and later he inserted in the CONGRESSIONAL RECORD in the other body statements that absolutely refute and knock out the bugbear brought up here to-day by certain Members. [Applause.]

Mr. MONDELL. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MONDELL. Mr. Speaker, some of the real friends of the people and of the Public Treasury have been in hopes that there would be an opportunity to vote on an amendment in the form of a substitute providing for an investigation by four of the heads of the departments of the Government and a report to Congress on this subject—this and nothing more.

Mr. HAY. Mr. Speaker, I make a point of order.

Mr. MONDELL. We hoped to have an opportunity to do that on the amendment offered by the gentleman from South Carolina [Mr. LEVER]. My parliamentary inquiry is, Is it in order to present such an amendment at this time?

The SPEAKER. It is not.

Mr. MONDELL. Then, Mr. Speaker, I ask unanimous consent to offer such an amendment, to be voted on at the proper time.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to reoffer the substitute or amendment, or whatever it was, of the gentleman from South Carolina [Mr. LEVER].

Mr. MANN. Why is it not in order, if unanimous consent was given to offer amendments? Why is it not in order for him to offer it?

Mr. BUTLER. Without any further unanimous request?

The SPEAKER. The Chair guesses it is in order under that language. [Applause.]

Mr. HAY. Mr. Speaker, I yield three minutes to the gentleman from South Carolina [Mr. LEVER].

The SPEAKER. The gentleman from South Carolina [Mr. LEVER] is recognized for three minutes.

Mr. LEVER. Mr. Speaker, I shall vote for the Hay amendment as amended by the Foster amendment; and if these amendments are defeated, I shall vote for the amendment that has now been suggested by the gentleman from Wyoming [Mr. MONDELL]—my own amendment, which was offered by me in the first instance on the theory that possibly everything else would go out and this might be held in, and thus make better the situation for the final attainment of a Government nitrate plant.

Now, Mr. Speaker, the situation is this. We have an opportunity, in voting for the Hay amendment as amended by the Foster amendment, both to provide for a munition plant controlled and operated by the Government and at the same time to provide a source of fertilizer for the farmers of this country. Speaking for the agricultural interests, I wish to call the attention of gentlemen of the House to the fact that we are spending in this country $75,000,000 a year for nitrogen products. We are absolutely dependent for nitrates upon Chile, and nitrates go into the manufacture of nitric acid, which is necessary in the manufacture of munitions. I am more concerned, naturally, with the proposition of controlling nitrogen for fertilizer purposes in the interest of agriculture in this country. As it is now, the rates on fertilizer are absolutely controlled, in my judgment, by a few great concerns. The farmers are absolutely at the mercy of these great concerns, and if in the program of preparedness we can find some method of furnishing both nitric acid for munition purposes and at the same time nitrogen for fertilizer purposes, it seems to me we have accomplished two of the great purposes of preparedness in this country, because, gentlemen of the House, you must not forget that preparedness is more comprehensive than the mere matter of military preparedness. The Army and Navy of this country can not be any stronger than the economic forces which feed and clothe the Army and the Navy, and it is necessary for us in the promotion of agriculture to furnish to our farmers the cheapest possible ingredients that go into fertilizer.

I wish it were in order, I wish it were possible at this time that we might include potash in this proposition; but it is not, and therefore I shall vote for the Hay amendment plus the Foster amendment, and if they are beaten I shall vote for my proposition. [Applause.]

The SPEAKER. The time of the gentleman from South Carolina has expired.

Mr. HAY. Mr. Speaker, I yield such time as he needs to the gentleman from Mississippi [Mr. QUIN].

The SPEAKER. The gentleman from Mississippi [Mr. QUIN] is recognized.

Mr. QUIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Mississippi [Mr. QUIN] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HAY. Mr. Speaker, we have but one speech on this side.

Mr. KAHN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. HULBERT].

The SPEAKER. The gentleman from New York [Mr. HULBERT] is recognized for five minutes.

Mr. HULBERT. Mr. Speaker, a great deal has been said to-day in the consideration of the conference report on the Army reorganization bill upon the subject of preparedness. I venture the prediction that the action of this House, if it adopts any one of the amendments which have already been offered and read to section 122 of the bill, will not square up before the people of the country with the previous action of this House on the two previous amendments authorizing the enlistment of 250,000 men and the organization of the volunteer army, respectively, which were rejected. Gentlemen have urged here this afternoon the importance and the necessity of the adoption of this amendment, either in the form proposed in the bill as it came back from the Senate or in the form of any one of the several amendments which have been proposed thereto this afternoon; and yet, while as one gentleman said a few moments ago, with three-fourths of the countries upon the map of the earth at war and evidencing the necessity that we should vote ourselves into a position where we would be prepared to produce and have at our disposal a sufficient quantity of nitrogen for the manufacture of ammunition, if my recollection serves me aright, that gentleman and a large number of the gentlemen who will vote for this amendment voted against that provision of the Chamberlain bill, the purpose of which was to provide the men to use the ammunition which you say is so essential. [Applause on the Republican side.]

Mr. Speaker, when I became a member of the Committee on Rivers and Harbors that committee had already paid its visit to Muscle Shoals, and in view of the adoption by the committee of the rule that there would be no new projects in the rivers and harbors bill I did not, as I intended to do at that time, take up the consideration of the testimony on the hearings held on that project. So far as I have been able to find since this matter came back from the Senate there is not another committee in this House which has given this matter consideration from the standpoint of military necessity, and even before the Committee on Military Affairs, both in the House and in the Senate, there were no hearings on that point, and the only testimony I have been able to find bearing directly on section 122 is contained in the hearings before the Committee on Agriculture and Forestry in the United States Senate in the present Congress and at the present session on the bill S. 4971, which is practically in the same phraseology as section 122 incorporated in this bill.

Now, I believe there is a necessity for a nitrate plant. I believe there is not only a necessity from the standpoint of preparedness, so far as the Army and Navy are concerned, but I believe there is also a necessity to promote and advance our agricultural interests. But I am one of those who believe that before this House acts upon a proposition in which there will be spent upward of $18,000,000 of the people's money it is a necessity in the discharge of our duty that we should conduct public hearings upon this point. [Applause on the Republican side.]

I hope, Mr. Speaker, that gentlemen of this House will act with wisdom in voting upon the amendments successively that we may have the opportunity to pass upon, and, I trust, adopt the amendment suggested by the gentleman from South Carolina [Mr. LEVER], and reoffered by the gentleman from Wyoming [Mr. MONDELL].

Mr. SMITH of Michigan. Mr. Speaker, will the gentleman yield for a question?

Mr. HULBERT. Yes; I yield for a question.

Mr. SMITH of Michigan. Are you sufficiently informed upon the subject, so that you can tell us whether or not the Government already owns enough water power to manufacture nitrates or anything else it wants to manufacture?

Mr. HULBERT. I am not; and therefore I say I can not conscientiously discharge my duty to the people who have sent me here until I have had an opportunity to inform myself, as I believe all you gentlemen ought and I trust the majority of you desire to have an opportunity to inform yourselves, upon this important subject.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HAY. Has the gentleman from California [Mr. KAHN] used all his time?

The SPEAKER. The gentleman has used all his time.

Mr. HAY. I yield the remainder of my time to the gentleman from Alabama [Mr. DENT].

The SPEAKER. The gentleman from Alabama [Mr. DENT] is recognized for 13 minutes.

Mr. DENT. Mr. Speaker, after listening to the debate on this proposition to-day, it seems to me that the House is thoroughly agreed upon the proposition that this Government at this time ought to take care of itself so far as may be necessary in providing a sufficient supply of nitrogen for its uses. The only question at issue is the method by which this should be done. I have heard gentlemen on the floor of this House talk about a lobby. I listened with a great deal of interest to the remarks of the gentleman from Wisconsin [Mr. LENROOT] in regard to a water-power lobby that had infested this House upon this proposition. Why, Mr. Speaker, there is no doubt, if you want to use the word "lobby" in an inoffensive sense, that there has been a lobby on both sides of this proposition. There is no doubt of the fact that the Du Pont powder people have interested themselves in opposition to a water-power proposition. There is no doubt of the fact that certain people having an interest in water-power sites have concerned themselves in talking to Members of Congress about this matter. There is no doubt also of the fact that the Farmers' Union and the National Grange have had their representatives here in Congress talking to the Members of Congress about this proposition. [Applause.] I do not understand, and I can not understand, therefore, why gentlemen will make an argument about a great big proposition simply on the ground that a lobby has been present on one side or the other of this question.

The question is, What is best for the Government of the United States to do in the matter of supplying itself with nitric acid and supplying itself with a sufficient amount of explosives for use in the event of war and for practical purposes in time of peace?

Mr. KELLEY. Will the gentleman yield?

Mr. DENT. I will yield for a question only.

Mr. KELLEY. What part of this $20,000,000 is intended to be used for the building of the dam?

Mr. DENT. Fifteen million dollars. Now, Mr. Speaker, the simple proposition is this: If you adopt the Lenroot amendment, you appoint a commission, which postpones the action of Congress upon the most important proposition in the matter of preparedness that has been presented to Congress. [Applause.]

Mr. LENROOT. Will the gentleman yield?

Mr. DENT. I will yield to the gentleman for a question.

Mr. LENROOT. I know that the gentleman does not want to misrepresent me. My amendment does not call for any further action of Congress.

Mr. DENT. The gentleman need not state that I do not wish to misrepresent him. Of course, I do not.

Mr. LENROOT. I want to ask the gentleman whether he understands that my amendment calls for any future action of Congress?

Mr. DENT. It does not call for any future action of Congress, as I understand it.

Mr. LENROOT. Certainly not.

Mr. DENT. But it calls for an investigation, which postpones the matter.

Mr. LENROOT. No; it calls for going ahead under this amendment to construct the plant.

Mr. DENT. Well, the effect of it will be to postpone it, as everybody knows. The effect of it will be to postpone it, as every other commission of that kind that has ever been appointed by Congress has done. [Applause.]

Mr. FERRIS. And is it not also true that this matter has been before Congress for the last 10 years, and that this House has twice, by unanimous consent, passed a water-power bill?

Mr. DENT. Why, certainly, that is true; and there is no necessity for any further investigation of the subject. Every committee of Congress charged with this proposition has been fully advised on the subject, and if we do not know now how to act, then the Lord only knows when we can act. [Applause.] I have discussed this matter with gentlemen who entertained all kinds of views upon the subject. My desire as a conferee on the part of the House is to get something that will give the Government a nitrogen plant and that will give the farmer a cheap fertilizer. [Applause.]

Mr. OGLESBY rose.

Mr. DENT. I can not yield to the gentleman now, because my time is limited. The only difference between the Hay proposition and the proposition of the gentleman from Illinois [Mr. FOSTER] is this: The Hay proposition proposes that the Government shall establish its own plant for the manufacture of its own munition supplies, so as to give the Government a sufficient supply of powder in time of peace or in time of war; and in time of peace, when this power is not necessary, the Hay amendment authorizes the President to dispose of the surplus power to some party or parties who will establish a plant of their own and not utilize the Government plant, but establish a plant of their own, and buy from the Government the use of the power that it has constructed under the provision to supply itself with munitions of war. And in doing this the President of the United States is absolutely authorized to fix the terms upon which any private concern that may establish this plant and agree to purchase this power shall pay for it to the Government of the United States; and it goes farther and authorizes the President of the United States to fix the price at which it shall sell its fertilizer products.

Now, what can be better for the farmers of the United States than a provision of that character? In simple words, then, the difference is this: Under the provisions of the proposition of the gentleman from Illinois [Mr. FOSTER] the sale of the products will have to be conducted by a multitude of agents appointed by the Government of the United States to sell the surplus products, whereas under the Hay provision the Government simply utilizes the plant for the purpose of manufacturing that which it uses only in its own business, and sells the surplus power under restrictions upon the purchaser as to what price the purchaser shall pay for the power and receive for the product thus manufactured. [Applause.] Now, Mr. Speaker, that is the simple proposition that is submitted to this House. This is the simple difference between the Hay amendment and the Foster amendment that is presented to the House. We all agree that the greatest question of preparedness to-day relates to furnishing powder with which men can shoot. You may build up an Army as big as that of Xerxes, you may have millions of men in your Infantry and Cavalry and Artillery and Cost Artillery, but unless you have the powder with which to shoot they are helpless. We are dependent to-day, absolutely dependent, upon the plains of Chile for nitrate to supply the Army and the Navy. Shall we omit this one opportunity, this one great advantage of bringing to this country a hydroelectric plant that will concentrate the production of nitrate in such quantities and in such amounts that it can never be exhausted? Shall we omit this one great opportunity when we are trying to prepare the people against war?

Mr. OGLESBY. Will the gentleman yield?

Mr. DENT. I will.

Mr. OGLESBY. The gentleman stated that a bill to establish a water power at Muscle Shoals had twice passed the House. Will the gentleman be kind enough to tell us what was the purpose——

Mr. DENT. Oh, the gentleman is mistaken; I did not make any such statement. I have not said anything about any bill relating to Muscle Shoals. The whole trouble about every proposition of this nature has been that it is attributed to Muscle Shoals. Muscle Shoals is in the State of Alabama, and has made a great showing, and I hope is not objectionable on that account. [Applause.]

Now, so far as I am concerned, I do not care where you establish the plant. I do not care what the plant may be. I have demonstrated this by yielding to a suggestion of the gentleman from Illinois to the effect that if there could be found any product, method, or process by which the Government of the United States could obtain a sufficient supply of nitrate without being dependent upon the plains of Chile I would support it, and that is the proposition I have advocated from the beginning to the end.

I ask this House to-day not to neglect its greatest opportunity that it has had on the subject of preparedness. I plead with this House, as a humble lieutenant of the greatly admired chairman of the Military Committee, Mr. HAY [applause] to give us the privilege of bringing in something that will be substantial. [Applause.]

The SPEAKER. All time has expired, and the Clerk will report the amendment.

Mr. HAY. Mr. Speaker, I understand the first vote will be on the amendment of the gentleman from Wisconsin, and that has been reported to the House.

Mr. MANN. But the amendment offered by the gentleman from Wyoming has not been reported.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The Clerk read as follows:

Strike out all of section 122, after the word "That," on the first line of the section, and insert the following: "the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the Secretary of Agriculture are constituted a commission whose duty

it shall be to ascertain the practicability and best means of producing within the United States nitrogen compounds by the fixation of atmospheric nitrogen or otherwise for use in the manufacture of munitions of war and fertilizers.

"The commission may utilize the various agencies of the Government and may cooperate with States and with private persons or agencies in carrying out its purposes and shall report to Congress as early as practicable, not later than the first day of the next regular session of this Congress, the facts ascertained, together with recommendations for action by Congress and the draft of a bill to carry out such recommendations.

"The commission may elect a chairman, and the funds appropriated for its use shall be paid out on warrants signed by him, or by an acting chairman designated by him, drawn on the Secretary of the Treasury.

"There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, the sum of $50,000, to enable the commission to carry out its purposes, including the hire of experts, clerks, and other employees, and payment of rent, traveling and other expenses within and outside the District of Columbia."

Mr. OGLESBY. Mr. Speaker, I rise to ask unanimous consent that the Lever-Mondell substitute be voted on first.

Mr. HAY. I object.

The SPEAKER. The gentleman from Virginia objects, and the first vote will be taken on the Lenroot amendment.

The question was taken; and on a division (demanded by Mr. LENROOT) there were 112 ayes and 132 noes.

Mr. LENROOT. Mr. Speaker, I demand the yeas and nays.

The question was taken, and 62 Members having arisen in favor thereof, the yeas and nays were ordered.

The question was taken; and there were—yeas 158, nays 194, answered "present" 5, not voting 76, as follows:

YEAS—158.

| | | | |
|---|---|---|---|
| Anderson | Elston | Kinkaid | Rowe |
| Beales | Esch | La Follette | Russell, Ohio |
| Bennet | Farley | Lehlbach | Sanford |
| Britt | Farr | Lenroot | Scott, Mich. |
| Britten | Fess | Lobeck | Scott, Pa. |
| Browne | Fitzgerald | Loft | Sells |
| Browning | Focht | Loud | Siegel |
| Bruckner | Foss | McCracken | Sinnott |
| Burke | Frear | McCulloch | Slemp |
| Butler | Gallagher | McDermott | Sloan |
| Campbell | Gallivan | McKenzie | Smith, Idaho |
| Cannon | Gardner | McKinley | Smith, Mich. |
| Capstick | Garland | Madden | Snell |
| Carew | Gillett | Magee | Snyder |
| Carter, Mass. | Glynn | Mann | Stafford |
| Cary | Gould | Mapes | Steenerson |
| Chandler, N. Y. | Gray, Ind. | Miller, Del. | Stephens, Cal. |
| Charles | Greene, Mass. | Miller, Pa. | Stiness |
| Chiperfield | Greene, Vt. | Mondell | Stone |
| Cooper, W. Va. | Griffin | Moore, Pa. | Sullowav |
| Cooper, Wis. | Hadley | Moores, Ind. | Sweet |
| Copley | Hamilton, Mich. | Moss, W. Va. | Swift |
| Cox | Haskell | Mudd | Tague |
| Crago | Haugen | Nelson | Temple |
| Cramton | Helgesen | Nolan | Tilson |
| Curry | Hernandez | Oakey | Timberlake |
| Dale, Vt. | Hicks | Oglesby | Tinkham |
| Dallinger | Hill | Olney | Treadway |
| Danforth | Hollingsworth | O'Shaunessy | Volstead |
| Darrow | Huddleston | Paige, Mass. | Walsh |
| Dempsey | Humphrey, Wash. | Parker, N. J. | Wason |
| Denison | Husted | Parker, N. Y. | Wheeler |
| Dillon | Johnson, Ky. | Phelan | Williams, T. S. |
| Dooling | Johnson, S. Dak. | Porter | Wilson, Ill. |
| Dowell | Johnson, Wash. | Pratt | Winslow |
| Drukker | Kelley | Rainey | Wood, Ind. |
| Dunn | Kennedy, Iowa | Ramseyer | Woods, Iowa |
| Dyer | Kennedy, R. I. | Reavis | Young, N. Dak. |
| Edmonds | Kent | Roberts, Nev. | |
| Ellsworth | King | Rogers | |

NAYS—194.

| | | | |
|---|---|---|---|
| Abercrombie | Connelly | Goodwin, Ark. | Kincheloe |
| Adair | Crisp | Gordon | Kitchin |
| Adamson | Crosser | Gray, Ala. | Konop |
| Aiken | Cullop | Green, Iowa | Lazaro |
| Alexander | Dale, N. Y. | Gregg | Lever |
| Almon | Davenport | Guernsey | Lewis |
| Anthony | Davis, Minn. | Hamlin | Lieb |
| Ashbrook | Davis, Tex. | Hardy | Linthicum |
| Aswell | Decker | Harrison | Lloyd |
| Austin | Dent | Hastings | London |
| Ayres | Dewalt | Hawley | McAndrews |
| Bailey | Dickinson | Hay | McClintic |
| Barkley | Dies | Hayes | McFadden |
| Barnhart | Dill | Heflin | McGillicuddy |
| Beakes | Dixon | Helm | McKellar |
| Bell | Doolittle | Helvering | McLaughlin |
| Black | Doremus | Henry | McLemore |
| Blackmon | Dupré | Hensley | Matthews |
| Booher | Eagle | Hinds | Mays |
| Buchanan, Ill. | Edwards | Holland | Meeker |
| Buchanan, Tex. | Emerson | Hood | Montague |
| Burgess | Estopinal | Houston | Moon |
| Byrnes, S. C. | Evans | Howard | Morgan, La. |
| Byrns, Tenn. | Ferris | Hughes | Morgan, Okla. |
| Callaway | Fields | Hulbert | Morrison |
| Candler, Miss. | Finley | Hull, Iowa | Moss, Ind. |
| Caraway | Flood | Hull, Tenn. | Murray |
| Carlin | Foster | Humphreys, Miss. | Neely |
| Carter, Okla. | Gandy | Igoe | Nicholls, S. C. |
| Church | Gard | Jacoway | Oldfield |
| Cline | Garner | Kahn | Oliver |
| Coady | Garrett | Keating | Padgett |
| Collier | Glass | Key, Ohio | Page, N. C. |
| Park | Rucker | Steele, Iowa | Towner |
| Patten | Russell, Mo. | Steele, Pa. | Tribble |
| Pou | Sabath | Stephens, Miss. | Van Dyke |
| Powers | Saunders | Stephens, Nebr. | Venable |
| Quin | Shallenberger | Stephens, Tex. | Vinson |
| Ragsdale | Sherley | Sterling | Walker |
| Raker | Sherwood | Stout | Watson, Va. |
| Randall | Shouse | Sumners | Webb |
| Rauch | Sims | Taggart | Whaley |
| Rayburn | Sisson | Talbott | Williams, W. E. |
| Reilly | Slayden | Tavenner | Wilson, La. |
| Ricketts | Small | Taylor, Ark. | Wingo |
| Roberts, Mass. | Smith, N. Y. | Taylor, Colo. | Wise |
| Rodenberg | Smith, Tex. | Thomas | Young, Tex. |
| Rouse | Steagall | Thompson | |
| Rubey | Stedman | Tillman | |

ANSWERED "PRESENT"—5.

| | | | |
|---|---|---|---|
| Cantrill | Cooper, Ohio | Fuller | McArthur |
| Clark, Fla. | | | |

NOT VOTING—76.

| | | | |
|---|---|---|---|
| Allen | Good | Kreider | Peters |
| Bacharach | Graham | Lafean | Platt |
| Barchfeld | Gray, N. J. | Langley | Price |
| Borland | Griest | Lee | Riordan |
| Brumbaugh | Hamill | Lesher | Rowland |
| Burnett | Hamilton, N. Y. | Liebel | Schall |
| Caldwell | Hart | Lindbergh | Scully |
| Casey | Hayden | Littlepage | Sears |
| Coleman | Heaton | Longworth | Shackleford |
| Conry | Hilliard | Maher | Smith, Minn. |
| Costello | Hopwood | Martin | Sparkman |
| Doughton | Howell | Miller, Minn. | Sutherland |
| Driscoll | Hutchinson | Mooney | Switzer |
| Eagan | James | Morin | Vare |
| Fairchild | Jones | Mott | Ward |
| Flynn | Kearns | Nichols, Mich. | Watkins |
| Fordney | Keister | North | Watson, Pa. |
| Freeman | Kettner | Norton | Williams, Ohio |
| Godwin, N. C. | Kiess, Pa. | Overmyer | Wilson, Fla. |

So the Lenroot amendment was rejected.

The Clerk announced the following additional pairs:

On the vote:

Mr. FREEMAN (for Lenroot amendment) with Mr. JONES (against).

Mr. GOOD (for Lenroot amendment) with Mr. BORLAND (against).

Mr. MCARTHUR (for Lenroot amendment) with Mr. HAYDEN (against).

Mr. FAIRCHILD (for Lenroot amendment) with Mr. LEE (against).

Mr. HAMILTON of New York (for Lenroot amendment) with Mr. HUDDLESTON (against).

Mr. PETERS (for Lenroot amendment) with Mr. HILLIARD (against).

Mr. LONGWORTH (for Lenroot amendment) with Mr. LITTLEPAGE (against).

Mr. BACHARACH (for Lenroot amendment) with Mr. SHACKLEFORD (against).

Mr. GRAY of New Jersey (for Lenroot amendment) with Mr. BURNETT (against).

Until further notice:

Mr. CLARK of Florida with Mr. FULLER.

Mr. PRICE with Mr. HEATON.

Mr. KETTNER with Mr. HOWELL.

Mr. OVERMYER with Mr. MILLER of Minnesota.

Mr. SCULLY with Mr. GRAHAM.

Mr. DOUGHTON with Mr. MOTT.

Mr. DIXON with Mr. PLATT.

Mr. BRUMBAUGH with Mr. WATSON of Pennsylvania.

Mr. WILSON of Florida with Mr. KEARNS.

Mr. OVERMYER. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the Hall listening when his name was called?

Mr. OVERMYER. Mr. Speaker, I was called to the telephone.

The SPEAKER. Was the gentleman in the Hall?

Mr. OVERMYER. I was at the telephone in the cloakroom.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. MCARTHUR. Mr. Speaker, I voted "aye" on this roll call, but I am paired with the gentleman from Arizona, Mr. HAYDEN, and I wish to withdraw that vote and answer "present."

The name of Mr. MCARTHUR was called, and he answered "Present."

Mr. MILLER of Minnesota. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentleman in the Hall listening when his name was called?

Mr. MILLER of Minnesota. I was not in the Hall until just after my name had been passed. I was in the Hall after that.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. KEARNS. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentleman in the Hall listening when his name should have been called?

Mr. KEARNS. I was not in the Hall. I came in just as the Clerk was concluding the call of the roll.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

The SPEAKER. The next vote will be taken on the Sterling amendment to perfect the text.

Mr. STERLING. Mr. Speaker, I ask unanimous consent that the Clerk read the portion to be stricken out of the bill under my amendment.

The SPEAKER. Without objection, the Clerk will read.

The Clerk read as follows:

On page 207, strike out lines 20 to 23, which are as follows:
"That the plant or plants provided for under this act shall be constructed and operated solely by the Government and not in conjunction with any other industry or enterprise carried on by private capital."

The SPEAKER. The question is on agreeing to the Sterling amendment.

The question was taken, and the amendment was rejected.

The SPEAKER. The next vote will be taken upon the Mondell amendment. The question is on agreeing to the Mondell amendment.

The question was taken; and on a division (demanded by Mr. MANN) there were—ayes 134, noes 145.

Mr. POWERS. Mr. Speaker, I demand the yeas and nays.

Mr. MANN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 176, answered "present" 6, not voting 79.

SENATE BILLS REFERRED.

YEAS—173.

| | | | |
|---|---|---|---|
| Anderson | Focht | Kinkaid | Rogers |
| Beales | Foss | La Follette | Rowe |
| Bennet | Frear | Lehlbach | Russell, Ohio |
| Britt | Freeman | Lenroot | Sanford |
| Britten | Gallagher | Loft | Scott, Mich. |
| Browne | Gallivan | Loud | Scott, Pa. |
| Browning | Gardner | McCracken | Sells |
| Bruckner | Garland | McCulloch | Siegel |
| Butler | Gillett | McDermott | Sinnott |
| Campbell | Glynn | McFadden | Slayden |
| Cannon | Gould | McKenzie | Slemp |
| Capstick | Gray, Ind. | McKinley | Sloan |
| Carew | Green, Iowa | McLaughlin | Smith, Idaho |
| Carter, Mass. | Greene, Mass. | Madden | Smith, Mich. |
| Charles | Greene, Vt. | Magee | Snell |
| Chiperfield | Griffin | Mann | Snyder |
| Cooper, Ohio | Guernsey | Mapes | Stafford |
| Cooper, W. Va. | Hadley | Matthews | Steenerson |
| Cooper, Wis. | Hamilton, Mich. | Meeker | Stephens, Cal. |
| Copley | Haskell | Miller, Del. | Stiness |
| Cox | Haugen | Miller, Minn. | Stone |
| Cramton | Hawley | Miller, Pa. | Sulloway |
| Curry | Hayes | Mondell | Sweet |
| Dale, N. Y. | Helgesen | Moore, Pa. | Swift |
| Dale, Vt. | Hernandez | Moores, Ind. | Tague |
| Dallinger | Hicks | Nolan | Temple |
| Danforth | Hill | Oakey | Tilson |
| Darrow | Hinds | Oglesby | Timberlake |
| Dempsey | Hollingsworth | Olney | Tinkham |
| Denison | Howell | O'Shaunessy | Towner |
| Dillon | Hulbert | Paige, Mass. | Treadway |
| Dooling | Hull, Iowa | Parker, N. J. | Volstead |
| Dowell | Humphrey, Wash. | Parker, N. Y. | Walsh |
| Drukker | Husted | Phelan | Wason |
| Dunn | Johnson, Ky. | Platt | Wheeler |
| Dyer | Johnson, S. Dak. | Porter | Williams, T. S. |
| Edmonds | Johnson, Wash. | Powers | Wilson, Ill. |
| Ellsworth | Kahn | Pratt | Winslow |
| Elston | Kearns | Ramseyer | Wood, Ind. |
| Emerson | Kelley | Reavis | Woods, Iowa |
| Esch | Kennedy, Iowa | Ricketts | Young, N. Dak. |
| Farr | Kennedy, R. I. | Roberts, Mass. | |
| Fess | Kent | Roberts, Nev. | |
| Fitzgerald | King | Rodenberg | |

NAYS—176.

| | | | |
|---|---|---|---|
| Abercrombie | Byrnes, S. C. | Dewalt | Gregg |
| Adair | Byrns, Tenn. | Dickinson | Hamlin |
| Adamson | Callaway | Dies | Hardy |
| Aiken | Candler, Miss. | Dill | Harrison |
| Alexander | Caraway | Dixon | Hastings |
| Almon | Carlin | Doolittle | Hay |
| Anthony | Carter, Okla. | Doughton | Heflin |
| Ashbrook | Cary | Edwards | Helm |
| Aswell | Church | Estopinal | Helvering |
| Austin | Clark, Fla. | Evans | Henry |
| Ayres | Cline | Farley | Hensley |
| Bailey | Coady | Ferris | Holland |
| Barkley | Collier | Fields | Hood |
| Barnhart | Connelly | Finley | Howard |
| Beakes | Crago | Flood | Hughes |
| Bell | Crisp | Foster | Hull, Tenn. |
| Black | Crosser | Gandy | Humphreys, Miss. |
| Blackmon | Cullop | Garner | Igoe |
| Booher | Davenport | Garrett | Jacoway |
| Buchanan, Ill. | Davis, Minn. | Glass | Keating |
| Buchanan, Tex. | Davis, Tex. | Goodwin, Ark. | Kettner |
| Burgess | Decker | Gordon | Key, Ohio |
| Burke | Dent | Gray, Ala. | Kincheloe |
| Kitchin | Neely | Sabath | Talbott |
| Konop | Nicholls, S. C. | Saunders | Tavenner |
| Lazaro | Oldfield | Shallenberger | Taylor, Ark. |
| Lever | Oliver | Sherley | Taylor, Colo. |
| Lewis | Overmyer | Sherwood | Thomas |
| Lieb | Padgett | Shouse | Thompson |
| Linthicum | Page, N. C. | Sims | Tillman |
| Lobeck | Park | Sisson | Tribble |
| London | Pou | Small | Van Dyke |
| McAndrews | Quin | Smith, N. Y. | Venable |
| McClintic | Ragsdale | Smith, Tex. | Vinson |
| McGillicuddy | Rainey | Steagall | Walker |
| McKellar | Raker | Stedman | Watson, Va. |
| McLemore | Randall | Steele, Pa. | Webb |
| Mays | Rauch | Stephens, Miss. | Whaley |
| Moon | Reyburn | Stephens, Nebr. | Williams, W. E. |
| Morgan, La. | Reilly | Stephens, Tex. | Wilson, La. |
| Morgan, Okla. | Rouse | Sterling | Wingo |
| Morrison | Rubey | Stout | Wise |
| Moss, Ind. | Rucker | Sumners | Young, Tex. |
| Murray | Russell, Mo. | Taggart | The Speaker |

ANSWERED "PRESENT"—6.

| | | | |
|---|---|---|---|
| Cantrill | Fuller | Montague | Steele, Iowa |
| Dupré | McArthur | | |

NOT VOTING—79.

| | | | |
|---|---|---|---|
| Allen | Godwin, N. C. | Lafean | Patten |
| Bacharach | Good | Langley | Peters |
| Barchfeld | Graham | Lee | Price |
| Borland | Gray, N. J. | Lesher | Riordan |
| Brumbaugh | Griest | Liebel | Rowland |
| Burnett | Hamill | Lindbergh | Schall |
| Caldwell | Hamilton, N. Y. | Littlepage | Scully |
| Casey | Hart | Lloyd | Sears |
| Chandler, N. Y. | Hayden | Longworth | Shackleford |
| Coleman | Heaton | Maher | Smith, Minn. |
| Conry | Hilliard | Martin | Sparkman |
| Costello | Hopwood | Mooney | Sutherland |
| Doremus | Houston | Morin | Switzer |
| Driscoll | Huddleston | Moss, W. Va. | Vare |
| Eagan | Hutchinson | Mott | Ward |
| Eagle | James | Mudd | Watkins |
| Fairchild | Jones | Nelson | Watson, Pa. |
| Flynn | Keister | Nichols, Mich. | Williams, Ohio |
| Fordney | Kiess, Pa. | North | Wilson, Fla. |
| Gard | Kreider | Norton | |

So the Mondell amendment was rejected.

The Clerk announced the following additional pairs:

For this vote:

Mr. BACHARACH (for Mondell amendment) with Mr. SHACKLEFORD (against Mondell amendment).

Mr. LONGWORTH (for Mondell amendment) with Mr. LITTLEPAGE (against).

Mr. PETERS (for Mondell amendment) with Mr. HILLIARD (against).

Mr. HAMILTON of New York (for Mondell amendment) with Mr. HUDDLESTON (against).

Mr. FAIRCHILD (for Mondell amendment) with Mr. LEE (against).

Mr. GOOD (for Mondell amendment) with Mr. BORLAND (against).

Mr. GRAY of New Jersey (for Mondell amendment) with Mr. BURNETT (against).

Mr. FULLER (for Mondell amendment) with Mr. CLARK of Florida (against).

Mr. MCARTHUR (for Mondell amendment) with Mr. HAYDEN (against).

Mr. NELSON (for Mondell amendment) with Mr. DUPRÉ (against).

Mr. STEELE of Iowa (for Mondell amendment) with Mr. HOUSTON (against).

Mr. MUDD (for Mondell amendment) with Mr. MONTAGUE (against).

Until further notice:

Mr. PATTEN with Mr. CHANDLER of New York.

Mr. LLOYD with Mr. VARE.

Mr. COADY with Mr. MARTIN.

Mr. EAGLE with Mr. SMITH of Minnesota.

Mr. JONES with Mr. HOPWOOD.

Mr. GARD with Mr. NICHOLS of Michigan.

Mr. DOREMUS with Mr. MORIN.

Mr. WILSON of Florida with Mr. KREIDER.

Mr. HOUSTON. Mr. Speaker, I desire to be recorded "no."

The SPEAKER. Was the gentleman in the Hall listening?

Mr. HOUSTON. No, sir; I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. MONTAGUE. Mr. Speaker, I voted "no." I am paired with the gentleman from Maryland [Mr. MUDD], and I desire to withdraw my vote and to be recorded "present."

The name of Mr. MONTAGUE was called, and he answered "Present."

Mr. MCARTHUR. Mr. Speaker, I voted "aye" on the first roll call. I am paired with the gentleman from Arizona [Mr. HAYDEN]. I desire to change my vote to "present." I desire to say I am paired with the gentleman from Arizona [Mr.

HAYDEN], and not the gentleman from New York [Mr. LONDON], as read by the Clerk.

Mr. DUPRÉ. Mr. Speaker, is the gentleman from Wisconsin [Mr. NELSON] recorded as voting?

The SPEAKER. He is not.

Mr. DUPRÉ. Then I desire to withdraw my vote of "no," being paired with the gentleman from Wisconsin, and to answer "Present."

The name of Mr. DUPRÉ was called, and he answered "Present."

The SPEAKER. The Clerk will call my name.

The name of Mr. CLARK of Missouri was called, and he answered "No."

The result of the vote was announced as above recorded.

Mr. HAY. Mr. Speaker, I accept the amendment of the gentleman from Illinois [Mr. FOSTER] and call for a vote on it.

The SPEAKER. The question is on the Foster amendment.

Mr. MANN. By unanimous consent, I suppose, that amendment is agreed to.

The SPEAKER. Without objection, the Foster amendment is agreed to. [After a pause.] The Chair hears none. The vote is on the Hay amendment.

Mr. HAY. Mr. Speaker, the gentleman from North Carolina [Mr. SMALL] offers an amendment to the text, which I also accept.

The SPEAKER. The Chair understood all the time—he may have been dead wrong—that the Small amendment was an amendment to the Hay substitute.

Mr. HAY. Yes, sir; that is correct. I ask the Clerk to report the amendment.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. SMALL to the amendment offered by Mr. HAY: On line 7 of the amendment, after the word "other," strike out the word "power" and insert the word "method."

The SPEAKER. The question is on the amendment of the gentleman from North Carolina [Mr. SMALL].

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. FOSTER. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] asks for a division.

Mr. SMALL. Mr. Speaker, I ask unanimous consent to withdraw the amendment.

The SPEAKER. The gentleman does not have to have unanimous consent. The gentleman from North Carolina withdraws his amendment. The question is on the Hay substitute as amended by the Foster amendment.

The substitute as amended was agreed to.

Mr. HAY. Mr. Speaker, I ask that the Senate amendment be disagreed to.

The SPEAKER. Wait a moment. There is one more vote to be taken—a vote on the Anthony substitute.

Mr. ANTHONY. Mr. Speaker, I ask to withdraw it.

The SPEAKER. The gentleman from Kansas withdraws it.

Mr. HAY. Mr. Speaker, I move that the House further insists on its disagreement to the Senate amendment.

Mr. MANN. We have to vote now on the original motion. By unanimous consent that can be voted down.

The SPEAKER. There has to be a vote on the motion of the gentleman from Virginia [Mr. HAY] to concur.

Mr. MANN. The sense of the House——

The SPEAKER. The sense of the House is to concur in the amendment as modified by the Hay substitute.

Mr. MANN. To concur in the original amendment. It is only to express the sentiment of the House. The vote is upon the original motion.

Mr. HAY. The question is to take the sense of the House on section 122 of the Senate amendment as amended by the substitute which the House has just adopted.

The SPEAKER. That is just exactly what the Chair said five minutes ago.

Mr. MANN. That is not it.

Mr. HAY. What is it?

Mr. MANN. We have expressed the sense of the House on the Hay substitute, but now we are required to express the sense of the House on the original Senate amendment as it stands. It is an easy proposition.

Mr. HAY. As I understand it, the question is on section 122 of the Senate amendment.

The SPEAKER. As modified by the Hay substitute.

Mr. MANN. That is the original proposition.

Mr. SHERLEY. Mr. Speaker, if the Chair will permit, it was necessary under the terms of the agreement for the gentleman from Virginia [Mr. HAY] to move to concur in the Senate amendment No. 122. It was also in order to offer various amendments, which were offered. Now, the House having expressed by its vote a preference for an amendment, the thing in order is the motion of the gentleman to concur in No. 122, which ought to be voted down.

Mr. MANN. Certainly.

Mr. FITZGERALD. Mr. Speaker, if the gentleman will permit me, the House has substituted the Hay provision with the Foster amendment.

Mr. MANN. The House could not express its sense.

The SPEAKER. The question is on the Hay motion, that it is the sense of the House that section 122 of the Senate amendment be concurred in.

The question was taken, and the motion was rejected.

Mr. HAY. Mr. Speaker, I move that the House do further insist on its disagreement to the Senate amendment and ask for a conference.

The motion was agreed to.

The SPEAKER announced the following conferees: Mr. HAY, Mr. DENT and Mr. KAHN.

### HOUR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection? [After a pause.] The Chair hears none.

### MINORITY VIEWS ON SHIPPING BILL.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask unanimous consent to have five legislative days in which to file minority views on the bill H. R. 10500, the shipping bill.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent for five legislative days in which to file minority views on the bill H. R. 10500, the shipping bill. Is there objection? [After a pause.] The Chair hears none.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

### SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2517. An act for the relief of Edward W. Whitaker; to the Committee on Military Affairs; and

S. 4371. An act authorizing the Sioux Tribe of Indians to submit claims to the Court of Claims; to the Committee on Claims.

### EXTENSION OF REMARKS.

Mr. KAHN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. SMALL. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

There was no objection.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COADY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the stadium bill.

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD on the stadium bill. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GREENE of Massachusetts. Mr. Speaker, I understood that the bill to which I referred (H. R. 10500) had been reported to-day. The chairman tells me it has not been reported.

The SPEAKER. The gentleman can file his views within five legislative days, anyhow.

Mr. CARY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. BARNHART. Reserving the right to object, Mr. Speaker, I would like to inquire of the gentleman from Wisconsin what the nature of his remarks will be?

Mr. CARY. On the embargo resolution which I introduced.
Mr. BARNHART. Is it an original speech?
Mr. CARY. Yes, sir.
The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

JOSEPH GURNEY CANNON (H. DOC. NO. 1092).

Mr. MANN. Mr. Speaker, I ask unanimous consent that there may be printed as a House document the usual number of copies of the proceedings of last Saturday relating to former Speaker CANNON, including the prayer of the Chaplain.
The SPEAKER. The gentleman from Illinois asks unanimous consent to make a House document of the proceedings in honor of former Speaker CANNON last Saturday. The Chair will take the liberty of making this remark, that if that is done, he wants whoever edits it to edit out the "15 months" and make it "5 months," as I wrote it, in my reference to Senator Allison. Is there objection to the request of the gentleman from Illinois?
Mr. BARNHART. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Illinois if this is not an unusual proceeding?
Mr. MANN. It is a very unusual proceeding for me to make such a request.
Mr. GARRETT. And it was a very unusual day.
Mr. KITCHIN. I hope no one will object.
Mr. MANN. I think it would be proper to print 10,000 copies of it. I have not asked for that, however.
Mr. BARNHART. I have no objection to that, but I think the gentleman from Illinois understands that it is an unusual proceeding, so that hereafter when he does object to a request he will remember that this was an extraordinary occasion and an extraordinary proceeding.
Mr. MANN. I will remember that; and I will modify my proposition by asking that 10,000 copies be printed, to be distributed through the folding room. I make that request, Mr. Speaker, that 10,000 copies be printed and distributed through the folding room.
The SPEAKER. The gentleman from Illinois modifies his request and asks that 10,000 copies be printed and distributed through the folding room. Is there objection to either one of these requests?
There was no objection.
Mr. MANN. I amend my request, Mr. Speaker, and ask that on this document the portrait of Mr. CANNON be printed.
The SPEAKER. The gentleman also asks that the portrait of former Speaker CANNON be printed on this document. Is there objection?
There was no objection.

EXTENSION OF REMARKS.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks on the Army reorganization bill.
The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD, as indicated. Is there objection?
There was no objection.
Mr. ABERCROMBIE. Mr. Speaker, I make the same request.
The SPEAKER. Is there objection to the request of the gentleman from Alabama?
There was no objection.
Mr. BARKLEY. I make the same request, Mr. Speaker.
The SPEAKER. Is there objection?
There was no objection.
Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered at Durham, N. C., by R. F. Beasley, of Monroe, N. C., on the subject of taxation.
Mr. BARNHART. Reserving the right to object, was the gentleman a former Member of the House?
Mr. DOUGHTON. I think not.
Mr. BARNHART. Was he a former governor of the State?
Mr. DOUGHTON. Not that I know of.
Mr. BARNHART. Then I think I shall object to that, Mr. Speaker.
The SPEAKER. The gentleman from Indiana [Mr. BARNHART] objects.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I renew my motion to adjourn.
The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House adjourned, pursuant to the order previously made, until to-morrow, Tuesday, May 9, 1916, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting estimate of an emergency appropriation for spring repairs to the road system in the Yellowstone National Park to be used prior to June 30, 1916, and to be deducted from the appropriation for maintenance and repair for the fiscal year ending June 30, 1917 (H. Doc. No. 1082); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of War, submitting a change in the wording of the estimate of appropriation to cover repair of roads within the arsenal grounds, West Troy, N. Y., so as to read "for the repair of roads within and of one public road running through the arsenal grounds, $20,000" (H. Doc. No. 1083); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of War, submitting draft of legislation to be inserted in the bill making appropriations for the service of the War Department under the heading, "Transportation of the Army and its supplies" (H. Doc. No. 1084); to the Committee on Military Affairs and ordered to be printed.

4. A letter from the Secretary of the Treasury, submitting a tentative draft of legislation relating to auditor's statement to the Secretary of the Treasury, of all checks issued which shall have then been outstanding and unpaid for three years or more (H. Doc. No. 1085); to the Committee on Expenditures in the Treasury Department and ordered to be printed.

5. A letter from the Secretary of War, submitting an addition to the estimates heretofore submitted under the heading "Panama Canal," subhead "Fortifications, Panama Canal" (H. Doc. No. 1086); to the Committee on Appropriations and ordered to be printed.

6. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Albert G. Lewis *v.* The United States (H. Doc. No. 1087); to the Committee on War Claims and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. WEBB, from the Committee on the Judiciary, to which was referred the bill (H. R. 15314) prohibiting threats against the President of the United States, reported the same without amendment, accompanied by a report (No. 652), which said bill and report were referred to the House Calendar.

Mr. DILL, from the Committee on Indian Affairs, to which was referred the bill (H. R. 12123) to appropriate money to build and maintain roads on the Spokane Indian Reservation, reported the same with amendment, accompanied by a report (No. 653), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HAYDEN, from the Committee on Irrigation of Arid Lands, to which was referred the bill (H. R. 10116) for the relief of certain settlers under reclamation projects, reported the same with amendment, accompanied by a report (No. 654), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. O'SHAUNESSY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 204) to promote the efficiency of the Public Health Service, reported the same without amendment, accompanied by a report (No. 655), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. STEPHENS of Texas, from the Committee on Indian Affairs, to which was referred the bill (H. R. 11958) to provide for the sale of certain Indian lands in Oklahoma, and for other purposes, reported the same with amendment, accompanied by a report (No. 656), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. GANDY, from the Committee on the Public Lands, to which was referred the bill (H. R. 12889) authorizing the Secretary of the Interior to convey certain land to the town of Newell, S. Dak., and for other purposes, reported the same with amendment, accompanied by a report (No. 657), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R.

15295) granting an increase of pension to Henry Borghardt, and the same was referred to the Committee on Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. DYER: A bill (H. R. 15456) to amend section 1754 of the Revised Statutes of the United States; to the Committee on Reform in the Civil Service.

By Mr. GREGG: A bill (H. R. 15457) for a site and building for customs and other Government offices at Galveston, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. MURRAY: A bill (H. R. 15458) to provide credit for farm-home societies; to the Committee on Banking and Currency.

By Mr. STEELE of Iowa: A bill (H. R. 15459) authorizing the Secretary of War to deliver to McDowell Post, 391, Grand Army of the Republic, Early, Iowa, two condemned bronze or brass cannon with their carriages and suitable outfit of cannon balls; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 15460) to provide for the payment of assessments for benefits for the opening of streets, avenues, roads, and alleys in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. TRIBBLE: A bill (H. R. 15461) to pay to Confederate soldiers and to the widows of Confederate soldiers $50 per month during the remainder of their lives; to the Committee on Invalid Pensions.

By Mr. HUGHES: A bill (H. R. 15462) to create a commission to be known as the Federal Motion Picture Commission, and defining its powers and duties; to the Committee on Education.

By Mr. MURRAY: A bill (H. R. 15463) to protect private property taken for public use in Porto Rico; to the Committee on Insular Affairs.

By Mr. VAN DYKE: A bill (H. R. 15464) to repair and remodel the post-office and courthouse building at St. Paul, Minn.; to the Committee on Public Buildings and Grounds.

By Mr. LOUD: A bill (H. R. 15465) to establish a United States shipping board, for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. WALKER: A bill (H. R. 15491) to regulate the labeling of cotton fabric sold in the District of Columbia, the District of Alaska, and the Territories of the United States, or shipped in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN of Iowa (by request): Resolution (H. Res. 227) for printing 5,000 copies of the record of the investigation of the Interstate Commerce Commission of the financial affairs of the Chicago, Rock Island & Pacific Railway Co.; to the Committee on Printing.

By Mr. FULLER: Resolution (H. Res. 228) to amend the rules; to the Committee on Rules.

By Mr. JOHNSON of Kentucky: Resolution (H. Res. 229) authorizing the Committee on the District of Columbia to investigate and inquire into the condition of the financial relations between the United States and the District of Columbia; to the Committee on Rules.

By Mr. SCOTT of Pennsylvania: Joint resolution (H. J. Res. 220) to create a joint subcommittee from the membership of the Senate Post Offices and Post Roads Committee and the House Post Office and Post Roads Committee to investigate the condition of and the recent changes in the Rural Mail Delivery Service in the United States; to the Committee on the Post Office and Post Roads.

By Mr. KENT: Concurrent resolution (H. Con. Res. 36) authorizing the printing of the bulletin prepared by the Department of Agriculture entitled "Testing Grape Varieties in the Vinifera Regions of the United States"; to the Committee on Printing.

By Mr. FREAR: Concurrent resolution (H. Con. Res. 37) limiting appropriations for flood control; to the Committee on Flood Control.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and a resolution were introduced and severally referred as follows:

By Mr. BEALES: A bill (H. R. 15466) to correct the military record of Daniel M. Witmyer; to the Committee on Military Affairs.

By Mr. BELL: A bill (H. R. 15467) granting a pension to Ernest P. Sumner; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 15468) granting an increase of pension to Phebe A. Talcott; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 15469) granting a pension to Sylvester F. Gilmore; to the Committee on Invalid Pensions.

By Mr. GREGG: A bill (H. R. 15470) granting a pension to Frank Hall; to the Committee on Invalid Pensions.

By Mr. HAMILTON of Michigan: A bill (H. R. 15471) granting an increase of pension to Edwin P. Arnold; to the Committee on Invalid Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 15472) granting an increase of pension to David Morehart; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 15473) granting an increase of pension to Samuel A. Pye; to the Committee on Invalid Pensions.

By Mr. LAFEAN: A bill (H. R. 15474) granting an increase of pension to Alexander Monroe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15475) granting an increase of pension to Israel Marshall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15476) granting an increase of pension to Elizabeth Strayer; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 15477) granting an increase of pension to George W. Kilmer; to the Committee on Invalid Pensions.

By Mr. OVERMYER: A bill (H. R. 15478) granting a pension to Florence Woodward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15479) granting a pension to Margaret C. Dunlap; to the Committee on Pensions.

By Mr. POWERS: A bill (H. R. 15480) to remove the charge of desertion from the military record of Porter Hill; to the Committee on Military Affairs.

By Mr. RAUCH (by request): A bill (H. R. 15481) granting a pension to Margaret M. Zurmehly; to the Committee on Pensions.

Also, a bill (H. R. 15482) granting a pension to Simeon H. Johnston; to the Committee on Pensions.

Also, a bill (H. R. 15483) granting a pension to William F. Randle; to the Committee on Pensions.

Also, a bill (H. R. 15484) granting an increase of pension to Lewis A. Huddleston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15485) granting a pension to William T. Murphy; to the Committee on Pensions.

By Mr. SCULLY: A bill (H. R. 15486) granting a pension to Annie M. France; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 15487) granting an increase of pension to James A. Thompson; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Arkansas: A bill (H. R. 15488) granting a pension to Samuel Hoover; to the Committee on Invalid Pensions.

By Mr. VAN DYKE: A bill (H. R. 15489) for the relief of Richard T. Ishmael; to the Committee on Military Affairs.

By Mr. THOMAS S. WILLIAMS: A bill (H. R. 15490) granting a pension to Mary Bruce; to the Committee on Invalid Pensions.

By Mr. LENROOT: Resolution (H. Res. 230) for the relief of Frank Murray; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of National Society of the Daughters of the American Revolution, in reference to proposed legislation affecting the Daughters of the American Revolution; to the Committee on the District of Columbia.

By Mr. ASHBROOK: Papers to accompany House bill 15324, for relief of Quincy A. Cheadle; to the Committee on Invalid Pensions.

By Mr. BAILEY: Petition of M. Kaufman & Son, favoring House bill 13916; to the Committee on Interstate and Foreign Commerce.

Also, petitions of sundry citizens, in reference to our foreign relations; to the Committee on Foreign Affairs.

By Mr. BENNET: Memorial of New York City Board of Aldermen, in regard to preparedness; to the Committee on Military Affairs.

By Mr. CURRY: Petition of 112 citizens of Sacramento, Cal., against passage of House bill 652, to provide for the closing of barber shops in the District of Columbia on Sunday; to the Committee on the District of Columbia.

By Mr. DALE of New York: Memorials of various clubs and organizations, favoring reporting the Susan B. Anthony suffrage amendment from the Judiciary Committee; to the Committee on the Judiciary.

Also, petition of sundry citizens in re preparedness; to the Committee on Military Affairs.

Also, memorial of Pelton Water Wheel Co., of New York, in re Shields bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Chamber of Commerce of New York, in re House bills 8665 and 8677; to the Committee on Labor.

Also, memorial of Chamber of Commerce of New York, in re rural-credit banking; to the Committee on Agriculture.

By Mr. DALE of Vermont: Petition of 46 residents of Jamaica, East Jamaica, and West Townshend, Vt., protesting against the passage of House bill 652; to the Committee on the District of Columbia.

Also, petition of 53 residents of Jamaica, East Jamaica, and West Townshend, Vt., protesting against the passage of House bill 6468; to the Committee on the Post Office and Post Roads.

Also, memorial of Granite Polishers, of Barre, Vt., indorsing House resolution No. 137, providing for a commission to investigate the dairies and dairy products of the United States; to the Committee on Rules.

By Mr. DANFORTH: Petition of R. H. Wonderly and 34 others of Rochester, N. Y., favoring House bill 8661, to regulate the method of directing the work of Government employees; to the Committee on Labor.

Also, petition of Christian Roeyink and 13 others of Rochester, N. Y., against House bill 13048, to amend an act creating a juvenile court in the District of Columbia; to the Committee on the District of Columbia.

Also, petition of Oliver L. Hardy and 12 others, of Rochester, N. Y., against House bills 491 and 6468, to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. DAVENPORT: Petition of citizens of church of Inola, Okla., favoring the passage of House joint resolutions 84 and 85; to the Committee on the Judiciary.

By Mr. DENISON: Petition of certain citizens of Cairo, Ill., in favor of an embargo on the shipment of arms; to the Committee on Foreign Affairs.

By Mr. DILLON: Petitions of sundry citizens of South Dakota, in reference to foreign relations and favoring maintaining friendly relations with Germany; to the Committee on Foreign Affairs.

By Mr. DYER: Memorial of Benjamin Franklin Council, No. 6, Junior Order United American Mechanics, opposing House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. EAGAN: Memorial of citizens of New Orleans, favoring the maintaining of friendly relations with Germany; to the Committee on Foreign Affairs.

Also, memorial of the Farmers' Educational and Cooperative Union of America, in re legislation; to the Committee on Military Affairs.

By Mr. FLYNN: Memorial of Chamber of Commerce of the State of New York, in re House bills 8665 and 8677; to the Committee on Labor.

Also, memorial of Citizens' Peace Committee of New Orleans, La.; to the Committee on Foreign Affairs.

Also, memorial of Chamber of Commerce of State of New York, in re rural-credit banking; to the Committee on Agriculture.

Also, memorial of Farmers' Educational and Cooperative Union of America and of the National Grange, in reference to proposed legislation; to the Committee on the Public Lands.

By Mr. FOCHT: Papers to accompany House bill 10165 for relief of George P. Vance; to the Committee on Pensions.

Also, papers to accompany House bill 7080 for relief of John C. Kuhn; to the Committee on Invalid Pensions.

By Mr. HILL: Petition of Central Labor Union of Norwalk, Conn., of 12 members in reference to House bill 8665; to the Committee on Labor.

Also, memorial of St. Peter's Council, No. 1303, Knights of Columbus, of Stamford, Conn., in favor of House bill 6915, for the retirement of superannuated postal employees; to the Committee on the Post Office and Post Roads.

By Mr. KIESS of Pennsylvania: Petitions of citizens of Williamsport, Pa.; St. John's Lutheran Church, of Renovo, Pa.; and Salem Lutheran Church, of Williamsport, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. LAFEAN: Memorial of city commission of Jackson, Mich., favoring pension for Federal employees after 25 years of service; to the Committee on Reform in the Civil Service.

By Mr. LONDON: Petition of Socialist Party local, Tonopah, Nev., requesting that the American expeditionary forces in Mexico be withdrawn, and protesting against the sending of any more military forces into Mexico; to the Committee on Foreign Affairs.

By Mr. LOUD: Petition of E. S. Chaffee and 39 other voters of Greenwood Township, Clare County, Mich., favoring passage of House joint resolutions 84 and 85; to the Committee on the Judiciary.

By Mr. McDERMOTT: Petition of Messrs. William Landers, Walter L. Knise, C. M. Rapp, and others, all of Chicago, Ill., favoring the passage of the Lobeck classification bill; to the Committee on Agriculture.

By Mr. MAPES: Petition of members of Grand Haven (Mich.) Union of Christian Endeavor, urging the passage of the bill to prohibit the manufacture and sale of intoxicating liquors in the District of Columbia; to the Committee on the District of Columbia.

Also, petition of Grand Haven (Mich.) Union of Christian Endeavor, favoring the Smith-Hughes bills for Federal censorship of films; to the Committee on Education.

By Mr. MATTHEWS: Protest of 36 residents of Paulding County, Ohio, against American citizens traveling on armed merchant vessels and against the President's last ultimatum to Germany; to the Committee on Foreign Affairs.

By Mr. NOLAN: Petition of O. A. Longley, of Oakland, Cal., and sundry other citizens of Oakland, favoring the passage of House bill 5792, by Representative LOBECK, in behalf of the employees of the Bureau of Animal Industry; to the Committee on Agriculture.

Also, resolutions of the representative women of the city of Sacramento, Cal., favoring the submission to the State legislatures for ratification the Sutherland-Mondell woman suffrage amendment; to the Committee on the Judiciary.

Also, petition of the North Danish Methodist Episcopal Church Sunday School, of San Francisco, Cal., and sundry other citizens of California, for the passage of the Webb-Smith prohibition resolution; to the Committee on the Judiciary.

By Mr. OVERMYER: Petition of 21 citizens of Tiffin, Ohio, favoring the enactment of House bill 8665, to discontinue and prevent the establishment of the Taylor and similar systems in Government workshops; to the Committee on Labor.

By Mr. RANDALL: Petition of Mrs. L. I. Davis and 16 others, of Hillsboro, Oreg., opposing bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, memorial of mass meeting held on the grounds of the Panama-Pacific International Exposition at San Diego, Cal., favoring woman suffrage; to the Committee on the Judiciary.

Also, memorial of City Commission of Jackson, Mich., favoring the passage of a bill for pensions for Federal employees; to the Committee on Reform in the Civil Service.

By Mr. RIVERA: Petitions of temperance and Christian Endeavor organizations in Porto Rico, asking for prohibition; to the Committee on Insular Affairs.

By Mr. ROBERTS of Massachusetts: Petition of Industrial Lunch Commission of Merrimac, Mass., for passage of House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of a committee of Massachusetts women, relative to the action of the British Government in prohibiting the shipment of Red Cross supplies to the central powers; to the Committee on Foreign Affairs.

By Mr. ROBERTS of Nevada: Petition of numerous citizens of Reno, Washoe County, Nev., favoring the adoption of a prohibition amendment to the Constitution; to the Committee on the Judiciary.

Also, memorial of Woman's Baptist Mission Circle, of Reno; McKinley Park Mothers' Club, of Reno; the Women's Faculty Club of the University of Nevada, at Reno; and the Ladies' Aid of the Methodist Episcopal Church of Reno, Nev., favoring national constitutional prohibition amendment; to the Committee on the Judiciary.

Also, memorial of Orvis Ring Mothers' Club, of Reno, Washoe County, Nev., favoring national constitutional prohibition; to the Committee on the Judiciary.

By Mr. ROWE: Memorial of Marine Engineers' Beneficial Association, favoring House bill 8036; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of United Boards of Business Agents of Greater New York and Long Island Building Trades, favoring Senate bill 3457 and House bill 8826; to the Committee on Labor.

Also, petition of sundry citizens, favoring peace with Germany; to the Committee on Foreign Affairs.

By Mr. SHOUSE: Petition of citizens of Waterloo, Kans., to prohibit the importation, manufacture, and sale of intoxicating liquors in the island of Porto Rico; to the Committee on Alcoholic Liquor Traffic.

Also, petition of citizens of Ford County, Kans., for an amendment to the Constitution of the United States providing for national prohibition; to the Committee on the Judiciary.

Also, petition of the Ministerial Association of Reno County, Kans., for the prohibition by Congress of the importation, manufacture, and sale of all intoxicating liquors in the island of Porto Rico; to the Committee on Alcoholic Liquor Traffic.

By Mr. SMITH of Michigan: Additional papers to accompany House bill 14897, for relief of Eliza C. Spears; to the Committee on Invalid Pensions.

Also, petition of Elirra Bourne and 41 citizens of Ceresco, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Rev. Henry W. Ellenger and 17 citizens of Sunfield, 5 citizens of Lake Odessa, and 4 citizens of Portland, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of E. A. Moore and 24 citizens of Allen, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of G. Cross and 43 citizens of Oxford, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Rev. A. R. Johns and 65 citizens of Albion, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of O. W. Thompson and 13 citizens of Ransom, 14 citizens of Osseo, 9 citizens of Waldron, and 3 citizens of Pittsford, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of A. H. Coors and 73 citizens of Bellevue, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of J. F. Phillips and Methodist Episcopal Church of Allen, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Fred Phelps and 58 citizens of Climax, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of L. H. Draper and 4 citizens of Montgomery, 10 citizens of Quincy, and 2 citizens of Reading, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Mrs. Mary Burnett and 34 citizens of Union City, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Addie McConnell and 40 citizens of Charlotte, 3 citizens of Vermontville, and 3 citizens of Potterville, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of A. D. Jones and 26 citizens of Bellevue, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of George J. Lamb and 31 citizens of Vermontville, 2 citizens of Nashville, and 7 citizens of Chester, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of N. E. Palmiter and 20 citizens of Battle Creek, 6 citizens of Penfield, and 7 citizens of Ceresco, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Walter S. Vaughn and 22 citizens of Reading, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of W. G. Shane and 45 citizens of Grand Ledge, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of E. R. Fish and 26 citizens of Homer, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Earl E. Hayward and 25 citizens of Battle Creek, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of S. E. Brown and 16 citizens of Pittsford and 9 citizens of Prattville, both in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Fred C. Throop and 20 citizens of Lansing and 5 citizens of Grand Ledge, both in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of H. E. Holmes and 24 citizens of Quincy and 1 citizen of Litchfield, both in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Frank Beckwith and 27 citizens of Quincy, 2 citizens of Montgomery, and 2 citizens of Reading, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Robert Smith and 21 citizens of Montgomery and 2 citizens of Coldwater, both in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Mrs. Eliza Holcomb and 9 citizens of Hillsdale, 4 citizens of Allen, and 14 citizens of Reading, all in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of J. B. Edmonson of Hillsdale and 38 citizens of Osseo, both in the State of Michigan, favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Alfred Hart and 34 citizens of Tekonsha, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of L. E. Perry and 25 citizens of Coldwater, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of C. Fremont Mosher and 77 citizens of Battle Creek, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of W. A. Howard and the congregation of Methodist Episcopal Church of Tekonsha, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of J. B. Edmonson and congregation of Freewill Baptist Church of Osseo, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Carl L. Doolittle and the Baptist Sunday School of Tekonsha, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of L. E. Perry, by church and Sunday School of Wesleyan Methodist Church, of Coldwater, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of C. Fremont Mosher and the Washington Heights Methodist Episcopal Church, of Battle Creek, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of J. G. Phillips and the Methodist Episcopal Church of Allen, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of F. E. Dunning and congregation of Methodist Episcopal Church of Homer, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Frank Holcomb and church and Sunday School of Reading, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of W. R. Tyrill and Baptist Sunday School of Reading, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Jacob Van der Meulen and congregation of Bethany Reformed Church, of Kalamazoo, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of H. Liddicost and Methodist Episcopal Church of Osseo, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of William J. Coates and congregation of the Upton Avenue Methodist Episcopal Church, of Battle Creek, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of W. H. Rowe and congregation of the First Methodist Church of Union City, Mich., favoring Smith-Webb

national prohibition resolution; to the Committee on the Judiciary.

Also, petition of E. R. Claflin and Methodist Episcopal Sunday School, of Charlotte, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of A. D. Jones and Baptist Church of Bellevue, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of E. W. Stevens and the First Methodist Episcopal Church and Sunday School of Vermontville, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of F. Merritt and Sunfield Methodist Episcopal Sunday School, of Sunfield, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of C. H. Palmatier and congregation of Methodist Sunday School of Climax, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of H. S. Herseff and Methodist Episcopal Sunday School of Sherwood, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of J. R. Wooten, pastor, and the public congregation of the Methodist Episcopal Church of Grand Lodge, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Rev. H. R. Strong and Methodist Episcopal Church of Pittsford, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Rev. V. M. Meeds and the members of Second Baptist Church of Battle Creek, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Rev. M. B. Kelley and Maple Street Methodist Episcopal Church, of Battle Creek, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Rev. O. P. Beston and the congregation of the Baptist Church of Ceresco, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

Also, petition of Rev. R. S. Brown and the congregation and Sunday School of the Methodist Episcopal Church of Bronson, Mich., favoring Smith-Webb national prohibition resolution; to the Committee on the Judiciary.

By Mr. TAYLOR of Arkansas (by request): Petition of Mr. R. Malley and many others, of Pine Bluff, Ark., favoring House bill 8665, to prohibit stop-watch or other time study; to the Committee on Labor.

By Mr. TIMBERLAKE: Petition of 18 members of the Second Presbyterian Church of Colorado Springs, Colo., praying for a Christian amendment to the Constitution; to the Committee on the Judiciary.

Also, memorial of Ladies' Aid Society of the Methodist Episcopal Church of Greeley, Colo., favoring adoption of constitutional amendment prohibiting polygamy; to the Committee on the Judiciary.

Also, petition of citizens of Boulder, Colo., protesting against House bill 652, providing for the closing of barber shops in the District of Columbia; to the Committee on the District of Columbia.

By Mr. VAN DYKE: Petition of sundry citizens, opposing House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of St. Paul, Minn., and Ramsey, Minn., favoring national prohibition; to the Committee on the Judiciary.

## SENATE.

### TUESDAY, *May 9, 1916.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, all Thy blessings wait upon the changeless and eternal order of the divine mind. Thou hast spoken to us by all that Thou hast made. The earth about us and the heaven above us speak to us the same language, reveal to us the same God, whisper to our hearts the blessedness of hope and of good cheer.

We bless Thee that Thou dost lead us on. Thou hast put responsibility upon human life. May we think Thy thoughts after Thee. We pray that this day we may be enabled to go forward under the inspiration of Thy holy spirit. May the laws that are made in this Congress be a transcript of the divine will. May blessings come because we are following the divine order in all our national life. We ask for Christ's sake. Amen.

The Journal of the legislative day of Friday, May 5, 1916, was read and approved.

#### LAND IN THE DISTRICT OF COLUMBIA.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, relative to the acquisition by the Government of certain property in the city of Washington fronting on the Anacostia River, which was referred to the Committee on the District of Columbia.

#### YELLOWSTONE NATIONAL PARK (H. DOC. NO. 1082).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, requesting an emergency appropriation of $15,000 for spring repairs to the road system in the Yellowstone National Park, which was referred to the Committee on Appropriations and ordered to be printed.

#### LIST OF CLAIMS (S. DOC. NO. 435).

The VICE PRESIDENT laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting, pursuant to the order of the court, a list of causes referred to the Court of Claims by the United States Senate and dismissed by that court, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

#### CHARLES E. CURRIER V. UNITED STATES (S. DOC. NO. 436).

The VICE PRESIDENT laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting a certified copy of the findings of fact and conclusion filed by the court in the cause of Charles E. Currier *v.* United States, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

#### WILLIAM J. LAUCK ET AL. (S. DOC. NO. 434).

The VICE PRESIDENT laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting a certified copy of the order of the court filed by the court in the cause of William J. Lauck et al., heirs of James F. Lauck, deceased, *v.* United States, which was referred to the Committee on Claims and ordered to be printed.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 119) to permit the issuance of medical and other supplies to the American National Red Cross for a temporary period.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12766) to increase the efficiency of the Military Establishment of the United States, further insists upon its disagreement to the amendments of the Senate to the bill, asks a further conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. HAY, Mr. DENT, and Mr. KAHN managers at the further conference on the part of the House.

#### ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 4726. An act to permit issue by the supply departments of the Army to certain military schools and colleges;

S. 4603. An act to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at Princes Lower Landing, near Jackson, Ala.;

S. 4432. An act to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; and

H. R. 3575. An act to amend section 5234 of the Revised Statutes of the United States so as to permit the Comptroller of the Currency to deposit upon interest the assets of insolvent national banks in other national banks of the same or of an adjacent city or town.

#### NATIONAL DEFENSE.

Mr. CHAMBERLAIN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12766) to increase the efficiency of the Military Estab-

lishment of the United States, having met, after full and free conference, have been unable to agree.

GEORGE E. CHAMBERLAIN,
J. C. W. BECKHAM,
F. E. WARREN,
*Managers on the part of the Senate.*
JAMES HAY,
S. H. DENT, Jr.,
JULIUS KAHN,
*Managers on the part of the House.*

The VICE PRESIDENT. The question is on the adoption of the conference report.

The report was agreed to.

Mr. CHAMBERLAIN. I ask the Chair to lay before the Senate the action of the House of Representatives on House bill 12766.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives agreeing to the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 12766) to increase the efficiency of the Military Establishment of the United States, further insisting upon its disagreement to the amendments of the Senate to the bill, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CHAMBERLAIN. I move that the Senate still further insist upon its amendments, agree to the further conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Vice President appointed Mr. CHAMBERLAIN, Mr. BECKHAM, Mr. BROUSSARD, Mr. DU PONT, and Mr. WARREN conferees at the further conference on the part of the Senate.

## PETITIONS AND MEMORIALS.

The VICE PRESIDENT. The Chair lays before the Senate resolutions adopted at a mass meeting of citizens of Covington, Ky., urging the President and Congress to employ all honorable methods to preserve peace and refers the same to the Committee on Foreign Relations, not knowing whether it should be printed.

Mr. SMITH of Georgia. I ask to have printed in the RECORD resolutions passed by the Eastern Arts Association, assembled in convention at Springfield, Mass., approving the bill giving Federal aid to vocational education which is now pending in the Senate.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

The Eastern Arts Association, assembled in convention now being held in Springfield, Mass., approves the principles of the United States giving a Federal aid to vocational education. The association firmly believes that this aid will stimulate and assist the States of the Union in carrying on to greater success this important and very desirable form of educational activity.

The Eastern Arts Association resolves therefore to express its sincere hope that the Smith-Hughes bill will be passed by Congress during its present session.

The Eastern Arts Association believes that the work of carrying out the measures of the act is so important and of such a special character as to make most advisable the creation of a Federal board which will give its entire attention and capacity to the administration of the act.

The association resolves therefore to express its sincere hope that the members of the Federal board shall be really representative of the industrial, agricultural, educational, and labor interests which will be served by the act.

Respectfully submitted by the committee on resolutions.

Mr. W. B. ANTHONY.
Mr. L. H. CARRIS.
Miss JEAN KIMBER.

Mr. JOHNSON of South Dakota presented a petition of sundry citizens of Lennox, S. Dak., praying that the United States remain at peace, which was referred to the Committee on Foreign Relations.

Mr. GALLINGER presented petitions of Council No. 25, Sons and Daughters of Liberty, of Nashua; of Banner Council, No. 18, Sons and Daughters of Liberty, of Pittsfield; of Old Glory Council, No. 14, Sons and Daughters of Liberty, of Center Barnstead; of Columbia Council, No. 20, Sons and Daughters of Liberty, of Manchester; and of Hope Council, No. 3, Sons and Daughters of Liberty, of Milford, all in the State of New Hampshire, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented the memorial of J. H. Hesser, of Manchester, N. H., remonstrating against an increase in armaments, which was ordered to lie on the table.

He also presented a memorial of the Protestant Churches Association of Greater New York, remonstrating against unfriendly relations between the United States and Germany, which was referred to the Committee on Foreign Relations.

He also presented a petition of the congregation of the Southwest Presbyterian Church, of Los Angeles, Cal., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. GRONNA. I have here a letter from Mr. C. N. Barnes, of Grand Forks, N. Dak. Mr. Barnes is a member of the executive committee of the National Retail Hardware Association and writes to me in connection with the bill introduced by the Senator from Texas [Mr. SHEPPARD] to establish the National Chamber of Agriculture of the United States. It is a short letter, and I ask that it be printed in the RECORD without reading.

The VICE PRESIDENT. Without objection it is so ordered.

The letter referred to is as follows:

THE NATIONAL RETAIL HARDWARE ASSOCIATION,
*Grand Forks, N. Dak., May 2, 1916.*

A. J. GRONNA,
*Washington, D. C.*

DEAR MR. GRONNA: My attention has been called to Senate bills 5687 and H. R. 14903, and I would appreciate very much receiving a dozen copies of each of these bills.

From what I am able to gather of the legislation contemplated, it seems to me that the Government is attempting to teach and encourage altogether too much mail-order buying, to the detriment of the merchants and small towns of the country. I hope I am mistaken in this, but it looks to me as though a great many of the Government activities were directed along such lines.

It is the feeling of a large class of merchants throughout the United States that legislation is not fairly divided; that there is entirely too much directed against the small dealer; but why, I have never been able to understand. From the interest taken in this contemplated legislation by officers of several of the large mail-order houses in the United States, it is evident that they are greatly interested in it, and it has been reported to me that President Thorn, of Montgomery-Ward & Co., has distributed over 1,000,000 copies of Senate document No. 240, but I have never happened to hear of a merchant receiving one through that source.

As I feel you are interested in the success of the small merchant and the small towns of the country, I ask you as a personal favor to investigate this contemplated legislation and write me as fully as you can when sending copies of the bills.

Assuring you of my appreciation for your cooperation in this matter, I am,

Yours, very truly,

C. N. BARNES.

Mr. PHELAN. I present resolutions adopted at a meeting of sundry men and women voters of San Francisco, Cal., and they submit a request that I ask, that the resolutions be printed in the RECORD. Therefore, I ask that the resolutions may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolutions are as follows:

Resolutions passed by about 600 people, citizens of San Francisco.

*Be it resolved,* That this meeting of men and women voters of San Francisco, held at the Civic Auditorium April 25, 1916, protest against the unfair action of the Judiciary Committee of the House of Representatives in blocking the passage of the Susan B. Anthony Federal suffrage amendment, and demands that it take favorable action upon it, so that it may be voted upon during this session of Congress;

*Be it further resolved,* That we call upon the administration to put its strength behind the amendment that it may be passed on to the State legislatures without delay, so that all the women of the country may enjoy the blessings of political liberty now possessed by the women of California; and

*Be it further resolved,* That we call upon our Representatives in Congress to work and vote for this amendment; and

*Be it finally resolved,* That a copy of these resolutions be sent the administration leaders, the chairman and members of the House Judiciary Committee and the entire California congressional delegation, with the request that it be read into the CONGRESSIONAL RECORD by Senator PHELAN and by Congressman NOLAN and to John B. Sanford, national Democratic committeeman.

Resolutions unanimously passed at a luncheon given by Mrs. Phoebe A. Hearst to the envoys of the Congressional Union at the Hacienda del Pozode Verona, Pleasanton, Cal., April 24, 1916.

*Be it resolved,* That as voters we protest against the action of the Judiciary Committee of the House of Representatives in unjustly blocking the passage of the Susan B. Anthony Federal suffrage amendment and demand that it be given an immediate favorable report that it may be passed during this session of Congress;

*Be it further resolved,* That we urge Senator JAMES DUVAL PHELAN to work and vote for the passage of the bill in the Senate this session;

*Be it finally resolved,* That copies of this resolution be forwarded to the administration leaders, the chairman and members of the Judiciary Committee of the House of Representatives, and to the Members of the California congressional delegation, with the request that it be read into the CONGRESSIONAL RECORD; in the Senate by Senator PHELAN, and in the House by Congressman ELSTON.

(MRS.) PHOEBE A. HEARST,
*Chairman.*

Mr. PHELAN presented a petition of the California State Rural Letter Carriers' Association, praying for the enactment of legislation to improve the Rural Free Delivery Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of Local Grange, No. 342, Patrons of Husbandry, of Dinuba, Cal., remonstrating against any change being made in the parcels-post law, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Sacramento, Cal., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. THOMPSON. I present a communication from Mrs. Sophie L. W. Clark, superintendent of the Civic Housekeeping Department of the Woman's Christian Temperance Union, of western Washington, inclosing a memorial in favor of a bill I introduced relative to the naturalization of women. I should like to have printed in the RECORD the communication and the accompanying memorial passed by the society, and ask that they be referred to the Committee on the Judiciary.

There being no objection, the communication and memorial were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

WOMAN'S CHRISTIAN TEMPERANCE UNION,
*Seattle, April 27, 1916.*

Senator WILLIAM HOWARD THOMPSON,
*Washington, D. C.*

DEAR SIR: Am sending a memorial, just received from Colby, Wash., on the question of a married woman's citizenship. The memorials presented by Senator POINDEXTER on February 28 were placed with Judiciary Committee. May I ask to have this memorial placed with others on same subject.

Have secured action through various organizations in favor of this measure, which I hope will aid in bringing measure out of committee. It is a very simple matter of justice and safety to all concerned. Surely while the war clouds are darkest is the psychological moment to put citizenship upon the basis of individual choice.

This question has been upon my heart for six years, so am anxious to know what further action Washington women must take before bill will be passed.

Cordially, yours,

Mrs. SOPHIE L. W. CLARK.

COLBY, WASH., *April, 1916.*

*To the Senate and House of Representatives of the United States of America:*

Whereas citizenship is automatically acquired by aliens through marriage; and

Whereas such procedure is neither sane, safe, nor expedient, especially now when our country is overshadowed by the great European war; and

Whereas American citizens are automatically deprived of their birthright through arbitrary acts of Congress solely on account of sex; and

Whereas such acts violate the principle, if not the letter, of section 1, Article XIV of the amendments to the Constitution of the United States of America, being unjust and un-American, tending to undervaluation of the possession of citizenship, which, in the interest of true patriotism, should depend solely on birth or deliberate intelligent choice:

Therefore we, citizens of the United States and of the State of Washington, do memorialize the Sixty-fourth Congress to repeal such acts, especially section 3 of expatriation act of 1907, and to amend the Constitution of our United States by forever forbidding the expatriation or naturalization of any citizen on account of marriage.

Mr. SHERMAN presented memorials of sundry citizens of Centralia, Bloomington, Nashville, Valmeyer, New Baden, and Breese, all in the State of Illinois, remonstrating against certain provisions of the so-called migratory game law, which were referred to the Committee on Forest Reservations and the Protection of Game.

He also presented a petition of the Commercial Club of Elgin, Ill., praying that a permit be granted for the construction of the Illinois waterway between Lockport and Utica, which was referred to the Committee on Commerce.

He also presented a petition of the Local Branch, Sons of Veterans, of Batavia, Ill., praying for an increase in armaments, which was ordered to lie on the table.

Mr. LANE presented memorials of sundry citizens of Oregon, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of Oregon, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. WARREN presented memorials of sundry citizens of Cheyenne, Wyo., remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

Mr. OLIVER presented memorials of sundry citizens of Northampton County, Pa., remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Philadelphia, Pa., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

He also presented a petition of the Typothetæ of Reading, Pa., praying for the placing of an embargo on the export of manufactured papers and materials that enter into the manufacture of paper, which was referred to the Committee on Finance.

He also presented petitions of the congregations of the Sixth United Presbyterian Church and the Eighth Street Reformed Presbyterian Church, of Pittsburgh, Pa., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

He also presented a petition of the United Singers of Philadelphia, Pa., praying that the United States remain at peace, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Sewickley, Pa., praying for the enactment of legislation to found the Government on Christianity, which was referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Pennsylvania, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. COLT presented petitions of sundry citizens of Rhode Island, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of Washington County Pomona Grange, Patrons of Husbandry, of Westerly, R. I., praying for Government ownership of telegraph and telephone systems, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Improvement Association of Bristol, R. I., praying for the establishment of a large naval base on Narragansett Bay, which was referred to the Committee on Naval Affairs.

Mr. KERN presented a petition of the Indiana State Industrial Teachers' Association, praying for Federal aid for vocational education, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Hammond, Whiting, Muncie, and Gary, all in the State of Indiana, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented a petition of sundry citizens of Greenwood, Ind., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. SHEPPARD presented a memorial of sundry citizens of Muldoon, Tex., remonstrating against section 11 of the so-called cotton-futures act, which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of sundry citizens of Texas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of the District of Columbia, praying for prohibition in the District of Columbia and the Hawaiian Islands, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Douglas, Tex., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. WORKS presented a memorial of sundry citizens of Los Angeles, Cal., remonstrating against the proposed creation of a juvenile court in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a memorial of sundry citizens of Los Angeles, Cal., remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

Mr. CURTIS presented petitions of sundry citizens of Spring Hill and Girard, in the State of Kansas, praying for the passage of the so-called Federal good-roads bill, which were ordered to lie on the table.

He also presented a petition of the guards at the United States Penitentiary at Leavenworth, Kans., praying for an increase in their salaries, which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of Ornoque, Kans., praying for prohibition in the island of Porto Rico, which were referred to the Committee on Pacific Islands and Porto Rico.

He also presented a petition of the Utopian Club, of Gove City, Kans., praying for an investigation of conditions surrounding the marketing of dairy products, which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of sundry citizens of Parsons, Kans., remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of sundry citizens of Horton, Kans., remonstrating against any change being made in the parcel-post law, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Independence, Kans., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Baul, Kans., remonstrating against the proposed creation of a juven-

ile court in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented memorials of sundry citizens of Kansas, New York, New Jersey, Maine, Texas, Pennsylvania, Iowa, California, Massachusetts, Virginia, Ohio, and the District of Columbia, remonstrating against the enactment of legislation to make October 12, Columbus Day, a legal holiday in the District of Columbia, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Coffeyville, Kans., remonstrating against certain provisions of the so-called migratory bird law, which was referred to the Committee on Forest Reservations and the Protection of Game.

He also presented memorials of sundry citizens of Kansas, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Topeka, Kans., remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented memorials of sundry citizens of Kansas, remonstrating against an increase in armaments, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Lyon County and Wabaunsee County, Kans., praying for the enactment of legislation to found the Government on Christianity, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. JAMES. Mr. President, I have received a letter from William A. Byrne, of Covington, Ky., transmitting, in compliance with the request of a mass-meeting of citizens of Covington and Kenton Counties, Ky., held at the Library Auditorium in that city on the 1st instant, a certified copy of the call for the meeting, and also resolutions adopted at the meeting, which I ask may be printed in the RECORD and referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

COVINGTON, KY., *May 4, 1916.*

Hon. OLLIE M. JAMES,
*United States Senator from Kentucky,*
*Washington, D. C.*

DEAR SENATOR: In compliance with the request of a mass meeting of citizens of Covington and Kenton County, Ky., held at the Library Auditorium in the city of Covington on May 1, 1916, I take the liberty of forwarding herewith a certified copy of the call for said meeting and of the resolutions there adopted, which are submitted for your consideration; also, under separate cover, a picture of the vote on said resolutions.

Very respectfully, yours, WM. A. BYRNE,
*Covington, Ky.*

The undersigned committee on resolutions respectfully recommend that the following declaration be adopted as representing the convictions and wishes of this meeting, to wit:

"The people of Covington and Kenton County, Ky., represented by 400 citizens and residents of the city and county, who, in the exercise of their constitutional rights as part of a free and sovereign people, on this, the evening of the 1st day of May, 1916, have come together at the Library Auditorium in the city of Covington for the purpose of taking mutual counsel upon the present international situation, and of submitting their convictions and wishes relative thereto, in just and proper manner, to the executive and legislative departments of the Federal Government, do hereby solemnly declare:

"In common with all other good and loyal citizens of our country we stand, now and at all times, for the honor, safety, and happiness of the United States of America.

"Our hearts go out to the President of the Nation in this his hour of unexampled responsibility for the weal or woe of 100,000,000 of American citizens intrusted by them to his keeping.

"Should it come to pass that the last word will have to be said, and nothing but the duty of action remain, we shall be ready and willing to make the utmost sacrifices of life and property upon the altar of our common country.

"We deem it, however, against the best and highest interests of the American people to let to-day's friction, due to a world in upheaval, result in the severance of friendly relations or in bringing on a state of war with Germany or any other country, unless our final decision be in completest harmony with the principle of the golden rule and the dictates of national common sense.

"Believing that the present crisis in international affairs does yet admit of fair, honorable, and humane alternatives which will enable our Government to spare this Nation the unutterable distress and horrors of war, we ask the President of the United States to continue his efforts at peaceable adjustment of our differences with the distracted nations of Europe, and we ask the Congress of the United States, and more especially our Senators from Kentucky, and our Representative from the sixth congressional district of Kentucky to use all honorable means toward the prevention of a state of war with Germany or any other nation in the event our President should deem it his duty to sever the friendly relations of a century or more.

"And this we ask in the name of God and the American people."

The chairman and secretary of this meeting are hereby authorized and directed to forward certified copies of this resolution, together with certified copies of the call of this meeting, to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, to the Hon. OLLIE M. JAMES and the Hon. J. C. W. BECKHAM, United States Senators from Kentucky, and to the Hon. A. B. ROUSE, Congressman from the sixth congressional district of Kentucky.

The committee on resolutions: Robert J. Trimble, Charles W. Reynolds, M. D., Theo. Von Hoene, John J. Craig, H. W. Percival, H. C. Dickhaut, John B. Read, Theodore Kluemper, J. T. Earle, William Riedlin, sr., Joseph B. Theissen, R. J. Dibowski, Henry Feltman, Edward W. Pflueger, Frederick W. Schmitz (chairman).

STATEMENT.

We, the undersigned, chairman and secretary of above-mentioned mass meeting of citizens of Covington and Kenton County, Ky., do hereby certify that there were present at said meeting from 400 to 500 citizens and residents of Covington and Kenton County, Ky.; that the resolutions herein above set out were unanimously adopted, and that the foregoing is a true and correct copy of same.

WM. A. BYRNE, *Chairman.*
F. J. HERMES, *Secretary.*

CERTIFICATE.

STATE OF KENTUCKY, *County of Kenton:*

I, H. Tilden Reinke, a notary public in and for the county and State aforesaid, do hereby certify that the foregoing statement was sworn to and subscribed before me by William A. Byrne, chairman, and Ferdinand J. Hermes, secretary, on this the 4th day of May, 1916.

Given under my hand and seal of office this 4th day of May, 1916.

[SEAL.] H. TILDEN REINKE,
*Notary Public, Kenton County, Ky.*

My commission expires January 13, 1918.

TO OUR NEIGHBORS AND FELLOW CITIZENS:

We, the undersigned, citizens and residents of Covington and Kenton County, Ky., believing it to be against the best and highest interests of the American people to let anything but real danger or necessity admit of war with Germany, who has been the friend of the United States since the birth of the Nation, hereby call upon all of our fellow citizens of like mind to meet with us on Monday, May 1, 1916, 8 p. m., at the Library Auditorium, Robbins and Scott Streets, Covington, Ky., for the purpose of giving expression to our convictions upon this all-important issue and to make our wishes known to our President and Representatives at Washington before it is too late. Let us put aside or postpone for the few moments required all business or private engagements and give our best thoughts to the present and future welfare of our common country, the one remaining hope of a troubled world:

Charles A. J. Walker, Theodore Kluemper, Harry N. Percival, Rev. J. B. Reiter, H. F. Pauly, Chas. H. Wagner, John B. Read, Orlando P. Schmidt, J. H. Kruse, E. L. Pieck, Frederick W. Schmitz, Pat Murphy, Jos. H. Meese, George F. Frecking, R. T. Von Hoene, O. J. Harcourt, C. A. Schroetter, Geo. Lohre, William Macke, Thos. Bailey, Ben H. Brames, F. S. Gottschalk, Henry Olges, H. Von Lehman, A. B. Dailey, Al G. Zumberge, John N. Middendorf, Wm. F. Schild, H. Reinecke, Peter Dehlinger, George Wilken, A. J. Dehlinger, Ben Biedenharn, sr., Ed W. Pflueger, F. H. Hugenberg, R. J. Dibowski, George E. Engel, A. C. Heckman, Jos. Feltman, R. C. Dressman, Wm. A. Byrne, Stephens L. Blakely, George L. Hill, John H. Loebker, T. J. O'Brien, Chas. W. Reynolds, M. D., Orrin Lyle Reynolds, M. D., J. A. Averdick, M. D., Frank J. Heile, Daniel Fries, Jos. B. Wilkie, A. Dibowski, H. Tilden Reinke, John J. Craig, William Riedlin, Rev. Theophilus Beusen, Henry Feltman, C. B. Schoborg, John Schlarman, Rev. Gilbert Schmidt, B. Bramlage, J. T. Earle, Selmar Wachs, Wm. C. Rieger, Jos. B. Gronotte, Theo. Von Hoene, James A. Ryan, M. D., Frank Olberding, Jos. H. Dressman, F. D. Anthe, Jos. B. Theissen, Rev. J. C. Klingeberger, A. C. Wintermeyer, M. D., Rev. Henry W. Lenz, J. B. Linnemann, R. Scheper, Henry Jansen, Henry Depenbrock, Fred Dotchengall, Henry Meimann, Theo. C. Wolking, Ed C. Feuss, W. A. Shore, F. J. Hermes, John H. Schulte, Clarence Cobb, Arthur G. Muth, Jacob Gieswein, H. H. Beerman, H. A. Schroetter, Wm. A. Rabe, A. Schramm, Frank J. Huelefeld, H. G. Klostermann, Jos. L. Ruth, John Brinker, Fred J. Ruh, Chas. C. Schmidt, J. G. Debbeler, Rev. Henry Tappert, H. Frank Ostendarp, H. J. Grote, Frank Rowekamp, Anton Ruh.

STATEMENT.

We, the undersigned, chairman and secretary of above-mentioned mass meeting of citizens of Covington and Kenton County, Ky., do hereby certify that the foregoing is a true and correct copy of the call issued for said meeting, and published on April 29 and 30, 1916, in the newspapers circulating in Covington and Kenton County, Ky.

WM. A. BYRNE, *Chairman.*
F. J. HERMES, *Secretary.*

CERTIFICATE.

STATE OF KENTUCKY, *County of Kenton:*

I, H. Tilden Reinke, a notary public in and for the county and State aforesaid, do hereby certify that the foregoing statement was sworn to and subscribed before me, William A. Byrne, chairman, and Ferdinand J. Hermes, secretary, on this the 4th day of May, 1916.

Given under my hand and seal of office this 4th day of May, 1916.

[SEAL.] H. TILDEN REINKE,
*Notary Public, Kenton County, Ky.*

My commission expires January 13, 1918.

## REPORTS OF COMMITTEES.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (H. R. 228) to amend the United States homestead law in its application to Alaska, and for other purposes, reported it with an amendment and submitted a report (No. 424) thereon.

Mr. RANSDELL, from the Committee on Public Health and National Quarantine, to which was referred the bill (S. 2215) to provide divisions of mental hygiene and rural sanitation in the United States Public Health Service, reported it without amendment and submitted a report (No. 425) thereon.

Mr. JOHNSON of Maine, from the Committee on Pensions, submitted a report (No. 423) accompanied by a bill (S. 5914) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to widows and dependent relatives of such soldiers and sailors, which was read by its title, the bill being a substitute for the following Senate bills heretofore referred to that committee:

S. 74. William Bell.
S. 408. Michael Lacey.
S. 449. Margaret Rowsell.
S. 572. Odelon Valcour.
S. 601. John E. Halaas.
S. 863. Michael Urell, alias Charles Welsh.
S. 891. Thomas F. Lancaster.
S. 916. Adesta L. Kendall.
S. 1149. Wilber Feaster.
S. 1150. Joseph T. Kling.
S. 1208. Minnie A. Curtis.
S. 1356. Thomas E. Sims.
S. 1418. Jennie G. George.
S. 1421. George A. Wilson.
S. 1555. Henry Lee.
S. 1600. Mary S. Colborn.
S. 1709. Edward Smith.
S. 1716. Martha L. Sternberg.
S. 1755. Henry Koehler.
S. 1815. William R. Claxton.
S. 1903. Dale C. Cook.
S. 1937. Raymond Christian.
S. 2063. George P. Thompson.
S. 2196. Henry Sparman.
S. 2247. Milford W. Oxley.
S. 2269. John B. Lucas.
S. 2563. Minnie Jeffers.
S. 2599. Fonetta W. D. Scott.
S. 2617. John McClintic.
S. 2782. Minnie Kinder.
S. 2784. William Meyers.
S. 2788. Joseph England.
S. 2838. George W. Mosier.
S. 2871. Reuben Allred.
S. 2954. Henry B. Helm.
S. 3313. George Rhode.
S. 3316. Margaret S. Gemberling.
S. 3418. Jennie S. Gilman.
S. 3701. William A. Bowen.
S. 3712. Mary A. C. Kaigler.
S. 3718. Willie Hall.
S. 3992. Thomas Campbell.
S. 4023. Caroline Carr.
S. 4081. Charles Groves.
S. 4115. Newton H. Reed.
S. 4183. Oliver Bryant.
S. 4235. Horace A. Gerald.
S. 4285. Sarah J. Lewis.
S. 4318. Jen Rody Chauncey.
S. 4335. Charles M. Bradbury.
S. 4359. Robert H. Cowan.
S. 4433. Irene Blalock.
S. 4601. Joseph W. Carrier.
S. 4653. William B. Hanley.
S. 4741. Peter F. Weasel.
S. 4758. Karl S. Newstrom.
S. 4875. Margaret A. Ede.
S. 4996. Flora C. Plumb.
S. 5089. Margaret R. Thompson.
S. 5104. Mary O'Hara Carnes.
S. 5177. Grace Post.
S. 5219. Edward Louden.
S. 5226. Mary A. Loveland.
S. 5241. Marie A. Hastings.
S. 5277. Lilias E. Knapp.
S. 5278. Isaiah S. Watkins.
S. 5279. Sarah A. Herndon.
S. 5333. Susan L. F. Rand.
S. 5359. Louise D. Finley.
S. 5429. Susan S. Stran.
S. 5430. Frank D. Haskell.
S. 5446. Helen A. Gibbs.
S. 5505. Thomas J. McBride.

Mr. LEA of Tennessee, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 114, authorizing the Committee on Public Health and National Quarantine or any subcommittee thereof to employ a stenographer and to send for persons, books, and papers, etc., reported it without amendment.

He also, from the same committee, to which was referred Senate resolution 176, extending the resolution of March 9, 1916, authorizing the Committee on the Census to employ an additional clerk, reported it with amendments.

He also, from the same committee, to which was referred Senate resolution 119, authorizing the Committee on Fisheries to employ a stenographer to report hearings held before the committee, reported it with an amendment.

He also, from the same committee, to which was referred Senate resolution 111, authorizing the Secretary of the Senate to pay to the heirs of Richard Shaw, late head waiter in the Senate restaurant, a sum equal to six months' salary at the rate he was receiving at the time of his death, etc., reported it without amendment.

### MISSISSIPPI RIVER BRIDGE AT MEMPHIS.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 5886) extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912," and I ask for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

### NATIONAL ARCHIVES BUILDING.

Mr. POINDEXTER. From the Committee on Public Buildings and Grounds I report back favorably without amendment the bill (S. 5839) to repeal paragraph 4 of section 21 of the public-buildings act, approved March 4, 1913, providing for the construction of a national archives building, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. OWEN. What is the purpose of the bill?

Mr. POINDEXTER. The purpose of the bill is to relieve the Treasury Department of the duty of sending a commission to Europe for the purpose of making an inspection in Europe of the archives buildings there. In the first place, it is impracticable to go to Europe for that purpose at this time. In the second place, the Second Assistant Secretary of the Treasury, who has charge of this branch of the department work, advises the Committee on Public Buildings and Grounds that they can form as good an idea of the archives buildings from an examination of plans and designs that they have here as they could by going to Europe. It will save the Government some ten or fifteen thousand dollars and enable this work to go ahead in accordance with the terms of the law which was passed in 1913.

Mr. OWEN. Mr. President, I raise no further question.

There being no objection, the bill was considered as in Committee of the Whole. It provides that paragraph 4 of section 21 of the public-buildings act, approved March 4, 1913, which reads as follows: "That before the said designs and estimates are completed inspection shall be made under the direction of the Secretary of the Treasury of the best modern national archive buildings in Europe, and consultation shall be had with the best authorities in Europe on the construction and arrangement of archive buildings," be, and the same is hereby, repealed; and the acquisition of a site for a national archives building, and the construction of the building according to the terms of the act of March 4, 1913, is hereby authorized without such inspection and consultation in Europe.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

### COURTS IN CALIFORNIA.

Mr. WORKS. From the Committee on the Judiciary I report back favorably without amendment the bill (H. R. 6009) to amend section 72 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, and I ask unanimous consent for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

*Be it enacted, etc.*, That section 72 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same is hereby, amended so as to read as follows:

"SEC. 72. The State of California is divided into two districts, to be known as the northern and southern districts of California. The south-

ern district shall include the territory embraced, on the 1st day of July, 1910, in the counties of Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, and Tulare, which shall constitute the northern division of said district; also the territory embraced, on the date last mentioned, in the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura, which shall constitute the southern division of said district. Terms of the district court for the northern division shall be held at Fresno on the first Monday in May and the second Monday in November; and for the southern division, at Los Angeles on the second Monday in January and the second Monday in July, and at San Diego on the second Monday in March and September. The northern district shall include the territory embraced, on the 1st day of July, 1910, in the counties of Del Norte, Siskiyou, Modoc, Humboldt, Trinity, Shasta, Lassen, Tehama, Plumas, Mendocino, Lake, Colusa, Glenn, Butte, Sierra, Sutter, Yuba, Nevada, Sonoma, Napa, Yolo, Placer, Solano, Sacramento, Eldorado, San Joaquin, Amador, Calaveras, Stanislaus, Tuolumne, Alpine, and Mono, which shall constitute the northern division of said district; also the territory embraced, on the date last mentioned, in the counties of San Francisco, Marin, Contra Costa, Alameda, San Mateo, Santa Clara, Santa Cruz, Monterey, and San Benito, which shall constitute the southern division of said district. Terms of the district court for the northern division of the northern district shall be held at Sacramento on the second Monday in April and the first Monday in October, and at Eureka on the third Monday in July; and for the southern division of the northern district, at San Francisco on the first Monday in March, the second Monday in July, and the first Monday in November. The clerk of the district court for the northern district shall maintain an office at Sacramento, in charge of himself or a deputy, which shall be kept open at all times for the transaction of the business of the court."

The bill was reported to the Senate without amendment, ordered to a third reading, and read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. THOMAS. Mr. President, I should like to inquire of the Senator from California as to the manner in which this bill affects the present provisions of the law?

Mr. WORKS. The only effect of the bill will be to provide that the district court shall sit twice a year in Sacramento, whereas it now sits only once.

The bill was passed.

LABOR CONDITIONS IN HAWAII (S. DOC. NO. 432).

Mr. SMOOT, from the Committee on Printing, reported the following resolution (S. Res. 188), which was considered by unanimous consent and agreed to:

*Resolved*, That the report transmitted by the Secretary of Labor on April 17, 1916, entitled "Fifth report of the Commissioner of Labor Statistics on labor conditions in the Territory of Hawaii," be printed as a Senate document, with illustrations.

GRAND ARMY OF THE REPUBLIC.

Mr. SMOOT, from the Committee on Printing, to which was referred House concurrent resolution 26, reported it favorably without amendment, and it was considered by unanimous consent and agreed to as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That there shall be printed as a House document 1,500 copies of the journal of the fiftieth national encampment of the Grand Army of the Republic, for the year 1916, not to exceed $1,700 in cost, with illustrations, 1,000 copies of which shall be for the use of the House and 500 for the use of the Senate.

BANKRUPTCY LAWS.

Mr. FLETCHER. From the Committee on Printing I report back favorably without amendment House concurrent resolution 27, authorizing the printing of a revised edition of the bankruptcy laws as prepared by the Committee on Revision of the Laws of the House of Representatives, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The concurrent resolution was considered by unanimous consent and agreed to as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That there be printed 20,000 copies of the revised edition of United States bankruptcy laws as prepared by the Committee on Revision of the Laws of the House of Representatives, the said 20,000 copies to be distributed as follows: Three thousand copies to the Senate folding room, 3,000 copies for the Senate document room, 7,000 copies for the House folding room, and 7,000 copies for the House document room.

ANNA R. NIXON.

Mr. LEA of Tennessee. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate resolution 135, to pay Anna R. Nixon, widow of Richard B. Nixon, late financial clerk of the Senate, a sum equal to one year's salary.

Mr. STONE. Mr. President, I would like to have that resolution considered at this time.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the contingent fund of the Senate to Anna R. Nixon, widow of Richard B. Nixon, late financial clerk of the Senate, a sum equal to one year's salary at the rate he was receiving by law at the time of his demise, said sum to be considered as in lieu of funeral expenses and all other allowances.

COMMITTEE ON MANUFACTURES.

Mr. LEA of Tennessee. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably with an amendment Senate resolution 175, granting an additional clerk to the Committee on Manufactures until the beginning of the second session of the Sixty-fourth Congress, and I call the attention of the Senator from Missouri [Mr. REED] to the resolution.

Mr. REED. I ask unanimous consent for the present consideration of the resolution.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 3, after the word "until," to strike out "the beginning of the second session of the Sixty-fourth Congress" and insert "the end of the present session of the Sixty-fourth Congress," so as to make the resolution read:

*Resolved*, That the Committee on Manufactures be authorized to employ an additional clerk, at a salary of $100 per month, for a period lasting until the end of the present session of the Sixty-fourth Congress, the same to be paid out of the contingent fund of the Senate.

The amendment was agreed to.

The resolution as amended was agreed to.

Mr. LEA of Tennessee. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate resolution 159, authorizing the Committee on Manufactures to employ a stenographer to report hearings, and so forth, and I call the attention of the Senator from Missouri [Mr. REED] to the resolution.

Mr. REED. I ask unanimous consent for the present consideration of the resolution.

The Senate, by unanimous consent, proceeded to consider the resolution, which was agreed to, as follows:

*Resolved*, That the Committee on Manufactures, or any subcommittee thereof, be, and hereby is, authorized, during the Sixty-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at cost not exceeding $1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

MINERALS ON PUBLIC LANDS (S. DOC. NO. 430).

Mr. FLETCHER, from the Committee on Printing, reported the following resolution (S. Res. 185), which was considered by unanimous consent and agreed to:

*Resolved* That the manuscript submitted by the Senator from Colorado [Mr. SHAFROTH] on January 26, 1916, entitled "Government Control of Minerals on the Public Lands," by J. F. Callbreath, secretary of the American Mining Congress, be printed as a public document.

MAINTENANCE OF ROADS (S. DOC. NO. 429).

Mr. FLETCHER, from the Committee on Printing, reported the following resolution (S. Res. 186), which was considered by unanimous consent and agreed to:

*Resolved*, That the manuscript submitted by the Senator from Florida [Mr. FLETCHER] on March 4, 1916, entitled "Road Maintenance and its Significance," by E. W. James, chief of maintenance, Office of Public Roads, be printed as a Senate document.

WATER POWER (S. DOC. NO. 431).

Mr. FLETCHER, from the Committee on Printing, reported the following resolution (S. Res. 187), which was considered by unanimous consent and agreed to:

*Resolved*, That the manuscript submitted by the Senator from Colorado [Mr. SHAFROTH] on March 8, 1916, entitled "The Future of Water Power in the United States," by Charles W. Comstock, former State engineer of Colorado, be printed as a Senate document.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of South Dakota:

A bill (S. 5915) granting an increase of pension to John O'Hara (with accompanying papers); to the Committee on Pensions.

By Mr. LANE:

A bill (S. 5916) authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation in Oregon; to the Committee on Indian Affairs.

By Mr. BORAH:

A bill (S. 5917) granting a pension to Elizabeth Sparks (with accompanying papers); to the Committee on Pensions.

By Mr. BECKHAM:

A bill (S. 5918) granting an increase of pension to Charles Robinson (with accompanying papers); to the Committee on Pensions.

By Mr. POINDEXTER:
A bill (S. 5919) granting an increase of pension to Sarah A. Higby (with accompanying papers); and
A bill (S. 5920) granting an increase of pension to Mary A. Williams (with accompanying papers); to the Committee on Pensions.
By Mr. POMERENE:
A bill (S. 5921) granting an increase of pension to Joshua M. Roller (with accompanying papers); to the Committee on Pensions.
By Mr. GALLINGER (for Mr. BURLEIGH):
A bill (S. 5922) granting a pension to Frank W. Trull; and
A bill (S. 5923) granting an increase of pension to Charles H. Skillings; to the Committee on Pensions.
By Mr. LEA of Tennessee:
A bill (S. 5924) for the relief of Henry Garfield Clemons; to the Committee on Pensions.
By Mr. DILLINGHAM:
A bill (S. 5925) granting a pension to Priscilla M. Lamphiere (with accompanying papers);
A bill (S. 5926) granting an increase of pension to Lizzie B. Williams (with accompanying papers);
A bill (S. 5927) granting a pension to Annie E. Rock (with accompanying papers);
A bill (S. 5928) granting an increase of pension to Lydia A. Lane (with accompanying papers);
A bill (S. 5929) granting a pension to Isabelle Johnson (with accompanying papers); and
A bill (S. 5930) granting a pension to Walter H. Sterling (with accompanying papers); to the Committee on Pensions.
By Mr. STERLING:
A bill (S. 5931) granting an increase of pension to Erastus T. Cressey (with accompanying papers); to the Committee on Pensions.
By Mr. SHERMAN:
A bill (S. 5932) granting an increase of pension to Helen Slade; to the Committee on Pensions.
By Mr. HUGHES:
A bill (S. 5933) granting an increase of pension to Mary E. Hart; and
A bill (S. 5934) granting an increase of pension to Della H. Johnson; to the Committee on Pensions.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. SMITH of South Carolina. I submit an amendment intended to be proposed by me to the Agricultural appropriation bill (H. R. 12717). The amendment relates to the cotton-futures section, and I ask that it be printed and referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. The amendment will be printed and referred to the Committee on Agriculture and Forestry.

Mr. TOWNSEND. For my colleague [Mr. SMITH of Michigan], who is necessarily detained from the Senate, I submit an amendment intended to be proposed to the river and harbor appropriation bill (H. R. 12193), which I ask may lie on the table and be printed.

The VICE PRESIDENT. The amendment will lie on the table and be printed.

Mr. SHEPPARD submitted an amendment proposing to appropriate $20,000 for an international farm congress and soil-products exposition, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

He also submitted an amendment proposing to appropriate $25,000 for special demonstration work in the sheep, wool, and mohair industries in farming sections in cooperation with the State reclamation service, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. BROUSSARD submitted an amendment intended to be proposed by him to the river and harbor appropriation bill (H. R. 12193), which was ordered to lie on the table and be printed.

Mr. GORE submitted an amendment proposing to appropriate $150,000 for investigation and demonstration within the United States to determine the best method of obtaining potash on a commercial scale, etc., intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

He also submitted an amendment proposing to appropriate $50,000 for investigation and experiment in the utilization for coloring purposes of raw materials grown or produced in the United States, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

He also submitted an amendment proposing to increase the appropriation for all necessary expenses for the eradication of the southern cattle ticks, etc., from $632,400 to $880,000, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. ASHURST submitted an amendment proposing to appropriate $50,000 for the elimination and eradication of the purple loco weed, the white loco weed, and other poisonous leguminous plants known as loco weeds in Arizona, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. HUGHES submitted an amendment providing that hereafter no official, superintendent, foreman, or other person having charge of the work of any employee in the Postal Service shall be permitted to make or cause to be made with a stop watch, or other time-measuring device or system, a time study of the movements of any such employee, etc., intended to be proposed by him to the Post Office appropriation bill (H. R. 10484), which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

Mr. WARREN submitted an amendment proposing to appropriate $12,000 for acquiring the Hawaiian Volcano Observatory at the Kilauea Volcano, Hawaii, etc., intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. CURTIS submitted an amendment authorizing the Postmaster General to adopt the Howell system of addressing mail matter, intended to be proposed by him to the Post Office appropriation bill (H. R. 10484), which was ordered to be printed, and, with the accompanying papers, referred to the Committee on Post Offices and Post Roads.

Mr. RANSDELL submitted an amendment proposing to increase the appropriation for investigation of insects affecting southern field crops, etc., from $64,400 to $74,400, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

TREATMENT OF LEPROSY.

Mr. RANSDELL submitted the following resolution (S. Res. 189), which was referred to the Committee on Printing:

*Resolved*, That there be printed 7,500 additional copies of Senate Report No. 306, Sixty-fourth Congress, first session, entitled "Care and Treatment of Persons Afflicted with Leprosy," for the use of the Senate document room.

NOMINATION OF LOUIS D. BRANDEIS.

Mr. CULBERSON. Mr. President, as chairman of the Committee on the Judiciary I have had some correspondence with the President with reference to the nomination of Louis D. Brandeis to be Associate Justice of the Supreme Court. I ask that that correspondence may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The correspondence referred to is as follows:

LETTER FROM THE PRESIDENT OF THE UNITED STATES IN RESPONSE TO A LETTER FROM THE CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY.

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*Washington, D. C., May 5, 1916.*

DEAR MR. PRESIDENT: As you are aware, the Committee on the Judiciary of the Senate has under consideration the nomination of Mr. Louis D. Brandeis for Associate Justice of the Supreme Court of the United States.

In response to the formal and usual request of the committee made to the Attorney General for all papers in the possession of his department touching this nomination, he replied that there were no such documents in his department.

Inasmuch as this request usually results in the presentation to the Committee on the Judiciary of papers showing the reasons which actuated the President in making the nomination, I would be glad to have you state these reasons for the benefit of the committee, in case you see no objection to so doing.

Very sincerely, yours,

C. A. CULBERSON.

To the PRESIDENT,
*The White House.*

THE WHITE HOUSE,
*Washington, May 5, 1916.*

MY DEAR SENATOR: I am very much obliged to you for giving me an opportunity to make clear to the Judiciary Committee my reasons for nominating Mr. Louis D. Brandeis to fill the vacancy in the Supreme Court of the United States created by the death of Mr. Justice Lamar, for I am profoundly interested in the confirmation of the appointment by the Senate.

There is probably no more important duty imposed upon the President in connection with the general administration of the Government than that of naming members of the Supreme Court; and I need hardly tell you that I named Mr. Brandeis as a member of that great tribunal only because I knew him to be singularly qualified by learning, by gifts, and by character for the position.

Many charges have been made against Mr. Brandeis; the report of your subcommittee has already made it plain to you and to the country at large how unfounded those charges were. They threw a great deal more light upon the character and motives of those with whom they originated than upon the qualifications of Mr. Brandeis. I myself looked into them three years ago when I desired to make Mr. Brandeis a member of my Cabinet and found that they proceeded for the most part from those who hated Mr. Brandeis because he had refused to be serviceable to them in the promotion of their own selfish interests, and from those whom they had prejudiced and misled. The propaganda in this matter has been very extraordinary and very distressing to those who love fairness and value the dignity of the great professions.

I perceived from the first that the charges were intrinsically incredible by anyone who had really known Mr. Brandeis. I have known him. I have tested him by seeking his advice upon some of the most difficult and perplexing public questions about which it was necessary for me to form a judgment. I have dealt with him in matters where nice questions of honor and fair play, as well as large questions of justice and the public benefit, were involved. In every matter in which I have made test of his judgment and point of view I have received from him counsel singularly enlightening, singularly clear-sighted and judicial, and, above all, full of moral stimulation. He is a friend of all just men and a lover of the right; and he knows more than how to talk about the right—he knows how to set it forward in the face of its enemies. I knew from direct personal knowledge of the man what I was doing when I named him for the highest and most responsible tribunal of the Nation.

Of his extraordinary ability as a lawyer no man who is competent to judge can speak with anything but the highest admiration. You will remember that in the opinion of the late Chief Justice Fuller he was the ablest man who ever appeared before the Supreme Court of the United States. "He is also," the Chief Justice added, "absolutely fearless in the discharge of his duties."

Those who have resorted to him for assistance in settling great industrial disputes can testify to his fairness and love of justice. In the troublesome controversies between the garment workers and manufacturers of New York City, for example, he gave a truly remarkable proof of his judicial temperament and had what must have been the great satisfaction of rendering decisions which both sides were willing to accept as disinterested and even-handed.

Mr. Brandeis has rendered many notable services to the city and State with which his professional life has been identified. He successfully directed the difficult campaign which resulted in obtaining cheaper gas for the city of Boston. It was chiefly under his guidance and through his efforts that legislation was secured in Massachusetts which authorized savings banks to issue insurance policies for small sums at much reduced rates. And some gentlemen who tried very hard to obtain control by the Boston Elevated Railroad Company of the subways of the city for a period of ninety-nine years can probably testify as to his ability as the people's advocate when public interests call for an effective champion. He rendered these services without compensation, and earned, whether he got it or not, the gratitude of every citizen of the State and city he served. These are but a few of the services of this kind he has freely rendered. It will hearten friends of community and public rights throughout the country to see his quality signally recognized by his elevation to the Supreme Bench; for the whole country is aware of his quality and is interested in this appointment.

I did not in making choice of Mr. Brandeis ask for or depend upon "endorsements." I acted upon public knowledge and personal acquaintance with the man, and preferred to name a lawyer for this great office whose abilities and character were so widely recognized that he needed no endorsement. I did, however, personally consult many men in whose judgment I had great confidence, and am happy to say was supported in my selection by the voluntary recommendation of the Attorney General of the United States, who urged Mr. Brandeis upon my consideration independently of any suggestion from me.

Let me say by way of summing up, my dear Senator, that I nominated Mr. Brandeis for the Supreme Court because it was, and is, my deliberate judgment that, of all the men now at the bar whom it has been my privilege to observe, test, and know, he is exceptionally qualified. I cannot speak too highly of his impartial, impersonal, orderly, and constructive mind, his rare analytical powers, his deep human sympathy, his profound acquaintance with the historical roots of our institutions and insight into their spirit, or of the many evidences he has given of being imbued to the very heart with our American ideals of justice and equality of opportunity; of his knowledge of modern economic conditions and of the way they bear upon the masses of the people, or of his genius in getting persons to unite in common and harmonious action and look with frank and kindly eyes into each other's minds, who had before been heated antagonists. This friend of justice and of men will ornament the high court of which we are all so justly proud. I am glad to have had the opportunity to pay him this tribute of admiration and of confidence; and I beg that your committee will accept this nomination as coming from me quick with a sense of public obligation and responsibility.

With warmest regard,

Cordially and sincerely, yours,

WOODROW WILSON.

Hon. CHARLES A. CULBERSON,
*United States Senate.*

ADDRESSES BY HON. W. G. M'ADOO.

Mr. FLETCHER. I ask unanimous consent to have printed as a public document an address delivered by Hon. W. G. McAdoo, Secretary of the Treasury, chairman of the United States section of the International High Commission, delivered at the second session of the commission at Buenos Aires, Argentina, Tuesday, April 4, 1916. (S. Doc. No. 438.)

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FLETCHER. I ask unanimous consent to have printed as a public document an address delivered by Hon. W. G. McAdoo, Secretary of the Treasury, at a luncheon given in his honor by the minister of finance of Chile, Union Club, Santiago, Chile, Tuesday, April 18, 1916. (S. Doc. No. 437.)

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESS BY SENATOR NORRIS (S. DOC. NO. 439).

Mr. KENYON. Mr. President, I ask to have printed as a public document an address delivered by the Senator from Nebraska [Mr. NORRIS] at the thirty-fifth annual meeting of the National Civil Service Reform League, held in Philadelphia, Pa., December 2, 1915, on the subject of the application of the merit system to post offices of the presidential class.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMAND OF THE AIR.

Mr. SHEPPARD. Mr. President, I have a copy of an article headed "Command of the Air," read before the twentieth annual meeting of the American Academy of Political and Social Sciences, April 28 to 29, 1916, on the subject of "What shall the United States stand for in international relations," and also on the effect of a policy of naval and military preparedness on America's influence as a world power. I ask that the article be referred to the Committee on Printing with a view to its publication as a public document.

The VICE PRESIDENT. The article will be refererd to the Committee on Printing.

POSTAL SAVINGS SYSTEM (S. DOC. NO. 433).

Mr. BANKHEAD. I submit the conference report on the bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System. I do not desire the report to be considered at this time, but I ask that it be printed and also that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, that action will be taken.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment to the title of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows:

In lieu of the matter inserted by the amendment of the Senate insert the following:

"SEC. 2. That postal savings funds received under the provisions of this act shall be deposited in solvent banks, whether organized under national or State laws, and whether member banks or not of the Federal Reserve System established by the act approved December 23, 1913, being subject to national or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than 2½ per cent per annum, which rate shall be uniform throughout the United States and Territories thereof, but 5 per cent of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the board of trustees, in lawful money as a reserve. The board of trustees shall take from such banks such security in public bonds or other securities, authorized by act of Congress or supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this act and the regulations made by authority thereof: *Provided, however*, if one or more member manks of the Federal Reserve System established by the act approved December 23, 1913, exists in the city, town, village, or locality where the postal savings deposits are made, such deposits shall be placed in such qualified member banks substantially in proportion to the capital and surplus of each such bank, but if such member banks fail to qualify to receive such deposits, then any other bank located therein may, as hereinbefore provided, qualify and receive the same. If no such member bank and no other qualified bank exists in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then such funds shall be deposited with the treasurer of the board of trustees and shall be counted in making up the reserve of 5 per cent. Such funds may be withdrawn from the treasurer of said board of trustees, and all other postal savings funds, or any part of such funds, may be at any time withdrawn from the banks and savings depository offices for the repayment of postal savings depositors when required for that purpose. If at any time the postal savings deposits in any State or Territory shall exceed the amount which the qualified banks therein are willing to receive under the terms of this act, and such excess amount is not required to make up the reserve fund of 5 per cent hereinbefore provided for, the board of trustees may invest all or any part of such excess amount in bonds or other securities of the United States. When, in the judgment of the President, the general welfare and interests of the United States so require, the board of trustees may invest all or any part of the postal savings funds, except the reserve fund of 5 per cent herein provided for, in bonds or other securities of the United States. The board of trustees may in its discretion purchase from the holders thereof bonds which have been or may be issued under the provisions of section 10 of the act of June 25, 1910. Interest and profit accruing from the deposits or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors, as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as a part of the postal revenue: *Provided further*, That postal savings funds in the treasury of said board shall be subject to disposition as provided in this act, and not otherwise: *And provided further*, That the board of trustees may at any time dispose of bonds held as postal savings investments and use the proceeds to meet withdrawals of deposits by depositors. For the purposes of this act the word 'Territory' as used herein shall be held to include the District of Columbia, the District of Alaska, and Porto Rico, and the word 'bank' shall be held to include savings banks and trust companies doing a banking business.

"SEC. 3. That the Postmaster General, in cases of emergency, between October 1 and April 1 of any year, may hereafter return to the mails empty mail bags theretofore withdrawn therefrom as required by law, and for such times may pay for their railroad transportation out of the appropriation for inland transportation by railroad routes at not exceeding the rate per pound per mile as shown by the last adjustment for mail service on the route over which they may be carried, and pay for necessary cartage out of the appropriation for freight or expressage.

"SEC. 4. That when, during a weighing period, on account of floods or other causes, interruptions in service occur on railroad routes and the weights of mail are decreased below the normal, or where there is an omission to take weights, the Postmaster General, for the purpose of readjusting compensation on such railroad routes as are affected thereby, is hereafter authorized, in his discretion, to add to the weights of mails ascertained on such routes during that part of the weighing period when conditions are shown to have been normal the estimated weights for that part of the weighing period when conditions are shown to have been not normal, or where there has been an omission to take weights, based upon the average of weights taken during that part of the weighing period during which conditions are shown to have been normal, the actual weights and the estimated weights to form the basis for the average weight per day upon which to readjust the compensation according to law on such railroad routes for the transportation of the mails, notwithstanding the provision of the act of Congress approved March 3, 1905, requiring that the average weight shall be ascertained by the actual weighing of the mails for such a number of successive working days, not less than 90, as the Postmaster General may direct: *Provided further*, That readjustments from July 1, 1913, may be made under this provision on routes in the first section affected by the floods in the Ohio Valley and tributary territories, commencing about March 25, 1913.

"SEC. 5. That so much of section 4 of 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes,' approved August 24, 1912, as provides that no adjustment shall be made unless the diverted mails equal at least 10 per cent of the average daily weight on any of the routes affected is hereby repealed.

"SEC. 6. That section 3949 of the Revised Statutes be amended to read as follows:

"'All contracts for carrying the mail shall be in the name of the United States and shall be awarded to the lowest bidder tendering sufficient guaranties for faithful performance in accordance with the terms of the advertisement: *Provided, however*, That such contracts require due celerity, certainty, and security in the performance of the service; but the Postmaster General shall not be bound to consider the bid of any person who has willfully or negligently failed to perform a former contract.'

"SEC. 7. That whenever in the judgment of the Postmaster General the bids received for any star route are exorbitant or unreasonable, or whenever he has reason to believe that a combination of bidders has been entered into to fix the rate for star-route service, the Postmaster General be, and he is hereby, authorized, out of the appropriation for inland transportation by star routes, to employ and use such means or methods to provide the desired service as he may deem expedient, without reference to existing law or laws respecting the employment of personal service or the procurement of conveyances, materials, or supplies.

"SEC. 8. That whenever an accepted bidder shall fail to enter into contract, or a contractor on any mail route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established or new service required, or when, from any other cause, there shall not be a contractor legally bound or required to perform such service, the Postmaster General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding one year, until the service shall have commenced under a contract made according to law: *Provided*, That the cost of temporary service rendered necessary by reason of the failure of any accepted bidder to enter into contract or a contractor to perform service shall be charged to such bidder or contractor.

"SEC. 9. That if any person shall hereafter perform any service for any contractor or subcontractor in carrying the mail, he shall, upon filing in the department his contract for such service and satisfactory evidence of its performance, thereafter have a lien on any money due such contractor or subcontractor for such service to the amount of same; and if such contractor or subcontractor shall fail to pay the party or parties who have performed service as aforesaid the amount due for such service within two months after the expiration of the month in which such service shall have been performed, the Postmaster General may cause the amount due to be paid said party or parties and charged to the contractor: *Provided*, That such payment shall not in any case exceed the rate of pay per annum of the contractor or subcontractor.

"SEC. 10. That the act of March 4, 1909 (35 Stat., p. 1126), be amended to read as follows:

"'That whoever shall willfully or maliciously injure, tear down, or destroy any letter box or other receptacle intended or used for the receipt or delivery of mail on any mail route, or shall break open the same, or shall willfully or maliciously injure, deface, or destroy any mail deposited therein, or shall willfully take or steal such mail from or out of such letter box or other receptacle, or shall willfully aid or assist in any of the aforementioned offenses, shall for every such offense be punished by a fine of not more than $1,000 or by imprisonment for not more than three years.'

"SEC. 11. That the limit of weight of mail matter of the first class shall be the same as is applicable to mail of the fourth class: *Provided*, That no article or package exceeding 4 pounds in weight shall be admitted to the mails under the penalty privilege unless it comes within the exceptions named in the acts of June 8, 1896 (ch. 370, 29 Stat., p. 262), and June 26, 1906 (ch. 3546, 34 Stat., p. 477).

"SEC. 12. That postage stamps affixed to all mail matter or to stamped envelopes in which the same is inclosed shall, when deposited for mailing or delivery, be defaced by the postmaster at the mailing office: *Provided*, That when practicable postage stamps may be furnished to postmasters precanceled by printing on them the name of the post office at which they are to be used, under such regulations as the Postmaster General may prescribe.

"SEC. 13. That section 2 of the act of April 28, 1904 (ch. 1759, 33 Stat., p. 440), be amended to read as follows:

"'That under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails it shall be lawful to accept for transmission in the mails, without postage stamps affixed, quantities of not less than 300 identical pieces of third-class matter and of second-class matter and 250 identical pieces of fourth-class matter, and packages of money and securities mailed under postage at the first or fourth class rate by the Treasury Department: *Provided*, That postage shall be fully prepaid thereon at the rate required by law for a single pieces of such matter.'

"SEC. 14. That the act approved January 21, 1914 (38 Stats., p. 278), authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty, be so amended as to include Navy mail clerks and assistant Navy mail clerks.

"SEC. 15. That hereafter the Postmaster General may enter into contracts for the conduct of contract stations for a term not exceeding two years.

"SEC. 16. That on and after July 1, 1916, when the total compensation of any postmaster at a post office of the fourth class for four consecutive quarters shall amount to $1,000, exclusive of commissions on money orders issued, and the receipts of such post office for the same period shall aggregate as much as $1,900, the Auditor for the Post Office Department shall so report to the Postmaster General, who shall, in pursuance of such report, assign such post office to its proper class, to become effective at the beginning of the next succeeding quarterly period, and fix the salary of the postmaster accordingly.

"SEC. 17. That all laws or parts of laws in conflict with the provisions of this act are hereby repealed."

And the Senate agree to the same.

J. H. BANKHEAD,
E. D. SMITH,
CHARLES E. TOWNSEND,
*Managers on the part of the Senate.*

JOHN A. MOON,
D. E. FINLEY,
H. STEENERSON,
*Managers on the part of the House.*

PROTECTION OF FISH ON COLUMBIA RIVER AND TRIBUTARIES.

Mr. LANE. Mr. President, I wish to make an inquiry with regard to the reference of the bill (H. R. 6097) to ratify the compact and agreement between the States of Oregon and Washington regarding concurrent jurisdiction over the waters of the Columbia River and its tributaries in connection with rgulating, protecting, and preserving fish. It seems that that bill came over from the other House and was referred to the Judiciary Committee. In my opinion, it relates entirely to the regulation, protection, and preservation of fish, and, being a ratification of a compact in respect to that matter, it should have gone to the Fisheries Committee of the Senate. I am chairman of that committee, but I am not jealous of my prerogatives. The people of the State of Oregon, however, and the people of the State of Washington have initiated a measure providing for the proper protection of salmon in the Columbia River. They wish, and they should be allowed the right, to be heard upon the subject. It seems to me this measure should not be rushed through before the people of these two States have had an opportunity to voice their sentiments and their opinions in reference to the disposition of their own property. There is a fight being waged between the fishing interests in different portions of the river—those who catch the salmon near the mouth of the river and those above in the upper portions of the river, who catch the fish nearer the spawning grounds. The laws proposed to be ratified are in existence now.

The so-called fishing interests, those who pack salmon, both of the upper and lower Columbia River, are in agreement and work in harmony, and have done so for several years in the past; but at this time some of the people are protesting against the method of catching those fish, and claim that the river is being exhausted of its supply of the better grade of salmon, if you please; and that, in my opinion, is true. The salmon are diminishing. They are going the road to-day of the elk, the deer, and the blue grouse, and the timber, and every other thing that we had there in the early history of the State, to my personal knowledge. I have lived there all my life, and I have seen them go.

The people ask that they be allowed to say what they want done with their own property. Why this bill should have been referred to the Committee on the Judiciary instead of to the Committee on Fisheries I do not understand. There is a question, of course, relating to the binding of two States to a compact which prevents either State in the future from ever passing a law to control fishing until that law is agreed upon by the people of another and an adjoining State. The laws of the State of Washington, where the waters are entirely within the jurisdiction of the State of Washington, already provide the protection for salmon which some of the people of Oregon want and are now trying to pass. They ought to be allowed the right to be heard on the subject.

There have been sundry gentlemen here from Oregon who are interested in the catching of fish and marketing them for profit—a sort of a lobby, if you please—working industriously to get this legislation through quickly, promptly—pronto, if you please—before the people of the two States are allowed an opportunity to express their opinion on the subject.

I want this bill referred where it belongs, to the Committee on Fisheries. The Committee on Fisheries have heretofore had a similar bill, which originated here in the Senate, and it refused to report it out favorably. This bill, however, when it comes over from the House is not sent to that committee, but is sent to the Committee on the Judiciary. There are several other committees to which the bill could have gone. It could have been referred to the Committee on Foreign Relations or to a dozen other committees, but it belongs to the Committee on Fisheries. The people of Oregon, those not engaged in making profits by the catching of salmon and grabbing them off the spawning grounds and elsewhere, if you please, want to be heard upon the subject, and in the name of those people I ask that it be referred to the Committee on Fisheries; and I want to know why it was sent elsewhere. I move that the bill be referred to the committee which has the subject in its charge, which is composed of able gentlemen who will handle it fairly, I trust and believe.

For 50 years I have lived on the banks of the Columbia River. I have seen the Chinook salmon and the blueback salmon so thick in the river that they died from injuries and exhaustion in attempting to climb the falls and rapids of the Willamette and the Columbia Rivers. They were so thick that the boys who went in swimming—and I was one of them—had to be careful where they put their clothes or where they stepped lest they might land on a dead salmon and regret it. They have become scarce now. In those days a 50 or 60 pound Chinook salmon sold on the wharves at 25 cents, for the reason that that was the smallest sum of money we had in circulation, having never seen a 10-cent piece, much less a nickel or a copper penny, and when you went to buy a salmon you did not pick a 50 or 60 pound one, but selected a small one, because the large ones were too heavy to carry home. We lived on them; we ate them salted; we ate them fried; we ate them baked and cooked in every other way until we got tired of salmon; but now, when a man goes down to the market to buy Chinook salmon early in the season, he pays 25 cents a pound for it, and later on he gets 2 pounds for a quarter. It is so expensive that the poor man can not afford it. The little blueback salmon, which was the best pan fish of all of them, has been practically exterminated; there are hardly any left. They are using all kinds of nets of every size, and they catch the large fish, the medium-sized fish, and the small fish at the mouth of the river, and in

the upper river, by means of fish wheels and traps; they catch everything that swims up the natural runways and channels which the salmon have used for all time since their existence.

So, as I have said, they are becoming exterminated; and the people of the State of Oregon demand the right and ask that they may have an opportunity to vote upon a measure to set a guard upon the fishing, so as to place it on a reasonably just and fair basis of protection for that food supply. The very men who are now trying to rush this measure through and are here with their importunities in behalf of the measure, are the men who are catching the fish and canning them. They want to tie the hands of the two States, so that there can be no interference on the part of either one of them to change laws which many people believe do no protect the salmon for the future food supply of that country.

The salmon constitute a natural resource of that country of incalculable value to the people who inhabit it, but their rights are to be tied up at the behest, if you please, of gentlemen who want to get rich quick and who do not want anything to stand in the way of putting money in their purses.

I want this measure referred to the Committee on Fisheries, if I can bring that about, and held there until the time when the people of the States of Oregon and Washington say what they want done with their property. I therefore ask that the Committee on the Judiciary be discharged from the further consideration of this bill and that it be referred to the Committee on Fisheries.

The fisheries of Alaska are also declining; the salmon are disappearing, and there will soon be none left, any more than there are buffalo or elk or the wild pigeon, or anything else which men with insatiable maws can reach out and grab.

The VICE PRESIDENT. The Chair referred this bill to the Committee on the Judiciary. The Chair will read it for the benefit of the Senate:

*Be it enacted, etc.*, That the Congress of the United States of America hereby consents to and ratifies the compact and agreement entered into between the States of Oregon and Washington relative to regulating, protecting, and preserving fish in the boundary waters of the Columbia River and other waters, which compact and agreement is contained in section 20 of chapter 188 of the general laws of Oregon for 1915, and section 116, chapter 31, of the session laws of Washington for 1915, and is as follows:

"All laws and regulations now existing, or which may be necessary for regulating, protecting, or preserving fish in the waters of the Columbia River, over which the States of Oregon and Washington have concurrent jurisdiction, or any other waters within either of said States, which would affect said concurrent jurisdiction, shall be made, changed, altered, and amended in whole or in part only with the mutual consent and approbation of both States."

Nothing herein contained shall be construed to affect the right of the United States to regulate commerce, or the jurisdiction of the United States over navigable waters.

This act shall take effect from and after the date of its passage.

Mr. LANE. Mr. President, I have no fault to find with the President for having made the reference, for upon the face of the bill it was a legitimate reference. Yet an identical Senate bill, containing the same language, was referred previously to the Senate Committee on Fisheries. It is a matter regarding the regulation of the catching of fish; and the title misled the President. It has reference to the catching of fish and canning them. There is a contest between the two different factions. I have nothing to do with either of them, but I want the fish protected. A law is in existence now in both States; there is a private agreement also between the canners; and this bill does nothing to either one of them; but it does this: It ties the hands of the people of both States and denies the State of Oregon the right of initiating a proceeding for the protection of their own property without first securing the consent of another State which forbids the catching of salmon in its own waters in the manner here attempted to be fixed on Oregon. I ask then, Mr. President, that the Committee on the Judiciary be discharged from the further consideration of the bill, and that it be referred to the Committee on Fisheries, which is more especially engaged in looking out for the protection of the fish of this country.

The VICE PRESIDENT. Is there any objection to the present consideration of the motion of the junior Senator from Oregon to discharge the Committee on the Judiciary from the further consideration of this bill and refer it to the Committee on Fisheries? The Chair hears none.

Mr. CHAMBERLAIN. Mr. President, it is always unpleasant to find oneself separated from his colleague in the Senate on matters which affect the interests of his State; but I am totally at variance with my colleague, not only as to the reference which has been made of this bill to the Judiciary Committee but as to some of the statements which he has hastily made with with reference to the motives behind the effort to have this bill considered by the Senate.

In the early days of the session, at the request of the good people of my State, I introduced the counterpart of this bill which is now in controversy, and it was referred to the Committee on Fisheries of the Senate. It was probably hastily and inadvertently referred, probably because it used the words "fish" and "the fishing industry" in the title as well as in the body of the bill itself. But, Mr. President, the Senate bill ought to have been referred at that time to the Judiciary Committee, because there is nothing involved in it except a question of law as to whether or not a compact can be entered into between two great commonwealths, under an authorization of the Congress of the United States, as provided by the Constitution.

The Senate bill has not been reported out of the Fisheries Committee of the Senate, and will not be, probably, because at the last meeting the committee, by a vote of 3 to 3, with two members of the committee absent, disagreed. While that did not destroy the bill, it had the effect of tying it up in the committee; and the two absent members, I have been advised, were favorable to the bill. But however that may be, the bill ought to have been referred to the Judiciary Committee in the first instance, so that it might determine as a legal proposition whether or not any constitutional provision has been violated in the agreement which has been sought to be authorized.

Mr. President, I have been as strong a supporter of the initiative and referendum amendment to the constitution of Oregon as any man in the State. It was my privilege, as governor of the State, to see to it that the legislature lived up to the laws which had been enacted by the people of the State; and I believe in that amendment now. If I were in accord with the views of my colleague in this matter, and felt that if this bill were passed the people of Oregon would be denied the right to legislate upon the subject involved, either by initiative or by the legislature, I would be in hearty accord with him in an effort to defeat this measure. But it does not have any such effect; and if it is passed the people of Oregon will have the same right to initiate legislation that they have there now, either through the instrumentality of the people or through the legislature, as they may see fit.

Mr. LANE. Mr. President, I should like to ask my colleague a question. With all due respect, have not the people of Oregon already initiated a measure of this kind, and have not the people of Washington done the same, and are they not trying this out, and is it not in a way interfering with the trial before a court of a case already inaugurated?

Mr. CHAMBERLAIN. I shall discuss that feature of the matter very briefly, Mr. President, and in a general way answer my colleague.

So that the people of Oregon, either by the initiative method of legislation, or through the legislature, and the people of Washington, either through the initiative method or through the legislature, can still legislate upon the subject. Neither State is deprived of any of its constitutional rights. The proposition involved here is to adjust the differences between the people of the two States on a boundary stream so that there may be some cessation from legislation in behalf of special interests, whether those interests be up the river or at the mouth of the river. As my colleague has said, there has been constant warfare between those engaged in the fishing industry on the upper stretches of the Columbia River and those engaged in fishing near or at the mouth of the river.

Mr. President, what have the people of Oregon and Washington sought to do here? They have sought to put at rest, by the concurrent and joint action of the two bodies, this eternal trouble that they have had over the fishing industry in the two States.

From 1902 to 1909, during the time that I had the honor to represent my State as its chief executive, there was constant trouble between those fishing at the mouth of the river and those fishing on the upper stretches of the stream; and so serious did it become sometimes that they were engaged in practical warfare along the river, and the courts went so far as to hold that those who violated the laws of the State of Oregon were protected in the violation if, forsooth, they had a license from the authorities of Washington. So that no matter what laws the people of Oregon might enact for the protection of the fishing industry, if these individuals had licenses from the State of Washington, they could violate the Oregon laws with impunity; and the people of Oregon and the people of Washington then attempted to get together in the hope that they might be able to adjust these differences by uniform legislation. Conference committees of the two legislative bodies were appointed. The legislatures of both States appointed distinguished men on the committee. One of the gentlemen who now represent Oregon in the National House of Representatives was at one time a mem-

ber of this joint commission. So that the two States attempted a number of times through these joint committees to reconcile these differences by formulating a statute which both States could agree upon and which would put at rest the disputes which had been waging between the people engaged in this industry.

Finally, after having had repeated hearings where those interested in fishing on the upper stretches of the river and those engaged in it at or near the mouth, these joint commissions finally formulated a statute and agreed upon it, and then went back to their respective legislatures, and both States enacted laws for the protection of the salmon industry on this boundary stream entirely uniform in character.

Now I call attention to the act. At its session in 1915 the Legislature of Oregon enacted what is known as chapter 188, General Laws of Oregon, covering the whole subject of the fishing industry on the Columbia River, providing the devices that might be used by the fishermen along the whole stream, fixing the license fees which should be paid, and making provision for every contingency that could possibly happen on account of the violation of any of these laws. This law was also enacted by the Washington Legislature, and both of these statutes have in them the provision I am about to read. The laws are identical; there is not any question about that. Section 20 of the Oregon act provides:

SEC. 20. Should Congress, by virtue of the authority vested in it under section 10, Article I, of the Constitution of the United States, providing for compacts and agreements between States, ratify the recommendations of the conference committees of the States of Oregon and Washington, appointed to agree on legislation necessary for the regulation, preservation, and protection of fish in the waters of the Columbia River, over which said States have concurrent jurisdiction, and other waters within either State which would be affected by said concurrent interest, recommendation being as follows:

"We further recommend that a resolution be passed by the Legislatures of Washington and Oregon whereby the ratification by Congress of the laws of the States of Oregon and Washington shall act as a treaty between said States, subject to modification only by joint agreement by said States"; and said recommendation having been approved by resolution adopting the report of the conference committee, then, and in that event, there shall exist between the States of Oregon and Washington a definite compact and agreement, the purport of which shall be substantially as follows:

"All laws and regulations now existing or which may be necessary for regulating, protecting, or preserving fish in the waters of the Columbia River, over which the States of Oregon and Washington have concurrent jurisdiction, or any other waters within either of said States which would affect said concurrent jurisdiction, shall be made, changed, altered, and amended, in whole or in part, only with the mutual consent and approbation of both States."

It is thus seen that the law which was enacted for the protection and regulation of salmon fishing on the boundary stream of the two States provided for submitting this compact to Congress, and asking authority from Congress to enter into it. This resolution was adopted by both legislatures, and these bodies memorialized the Senators and Representatives in Congress to endeavor to have the compact authorized by Congress; and the bill which has now been referred to the Judiciary Committee and which passed the House by a unanimous vote is the bill which has been presented in accordance with the memorial of both legislative bodies. It is almost identical with that introduced by me in December.

Mr. President, this is not a new proposition. It is as old as our Government. It is not the first time in the history of this country that Congress has been appealed to and has granted such an authorization as the bill provides. The legality of such legislation has been directly passed upon by the Supreme Court of the United States, and the legality and constitutionality of the legislation is all that is here involved. There is no question of fact to be tried out before and determined by the Fisheries or any other committee. It is simply a question of law as to whether or not this proposal of the two States of Oregon and Washington is in any way or manner violative of the provisions of the Constitution, and whether or not the Congress has power, under the Constitution, to authorize them to enter into this compact and agreement.

In the case of Wharton against Wise—and I am only going to refer to one case—in One hundred and fifty-third United States, at page 155, this whole subject of the power of the States and of Congress was discussed and passed upon by the Supreme Court of the United States. It grew out of a compact that was entered into under the Articles of Confederation; but, so far as the law of the case is concerned, it is on all fours with that involved in the question pending here.

I am merely going to call attention to it, Mr. President.

This case involved the compact of March 28, 1785, between the States of Virginia and Maryland, which, having been duly ratified by each State, was held by the court to be binding upon both the States of Virginia and Maryland as to all the provisions embraced within it, so far as these provisions were not in violation of any of the provisions of the Constitution of the United States. In reference to the pending bill there is simply a question for the Judiciary Committee to determine as to whether or not there is any infringement upon the constitutional provision authorizing compacts between the States of Oregon and Washington—purely a legal question, and properly referred to the Judiciary Committee.

In the case to which I have called attention, the court says, at page 166:

The provisions of the compact were well designed to promote the peace, good neighborhood, and welfare of both States and facilitate intercourse between their citizens, and it was clearly within their competency at the time to adopt them, if not restrained by the Articles of the Confederation, then in existence, and in which they had joined. They were then sovereign States, possessing, unless thus restrained, all the rights and powers of independent nations over the territory within their respective limits, and could exercise any control and dominion over their navigable waters and make any regulations necessary for the protection of their navigation or to promote the commerce upon them of their respective States.

Mr. LANE. Mr. President, I should like to ask my colleague, with all due respect, if either of those States had the right at that time to inaugurate its own laws, as Oregon and Washington do? And if they had, would not that have modified that decision?

Mr. CHAMBERLAIN. No; not at all. The right to initiate statutes in the States is a matter of recent adoption. Oregon was held at one time to be the fool of the family of States because it had undertaken to adopt this method of legislation. It has been charged that Oregon was the legislative experimental State; but whether it was the fool of the family or not, many of the older and more staid States of the Union have followed in the footsteps of Oregon; and if Oregon was the fool of the family, the family of fools has somewhat increased since Oregon started.

But this legislation does not at all interfere with the right of the people to initiate legislation—not at all. As I said to the Senator a little while ago, if it interfered with the right of the people to initiate legislation, or if it interfered with the right of the legislature, which acts concurrently with the people in the matter of legislation—if it interfered with the rights of the people in any respect—I myself would stand with my colleague in undertaking to defeat this legislation. Any attempted interference with these fundamental rights would be an unconstitutional exercise of power, and that is what the Judiciary Committee of the Senate is called upon to determine.

Mr. WORKS. Mr. President, that statement of the Senator from Oregon presents rather a curious situation. Suppose these States are legally bound by this compact after we give our consent, does the Senator think that under those circumstances the people of one of the States could initiate proceedings to set aside the existing law that had been confirmed in that way? I am doubtful about that. Could the people in that way, acting in a mass, do something that the legislature could not do? Or would the States be bound by this compact, and the confirmation of it or the consent to it by the Government, so that it could not be set aside in either way?

Mr. CHAMBERLAIN. Each State has the power of legislating upon the subject; but that legislation, under the proposed bill, would not become binding until the other State had acted.

Mr. WORKS. I think the Senator is mistaken about that. I think the effect of this compact is to prevent the States from legislating on the subject at all—that is to say, legislating in any way that would conflict with this compact.

The Senator will remember that I was and am a member of the Fisheries Committee, and have given some attention to that matter; not very much, but I suggested some of the difficulties that were in the way of giving this consent, and I am listening with a great deal of interest to what the Senator says about it.

Mr. OVERMAN. The Senator is also on the Judiciary Committee.

Mr. CHAMBERLAIN. I know the Senator's views. I appeared before the Fisheries Committee; and I know, too, that the Senator is a member of the Judiciary Committee; but I was not afraid on that account to ask the Vice President, when the matter came to him, to refer it to that committee. I want the Senator to examine it; and I know that when the Senator does examine it, with the clear judicial mind that he has, he will come to the conclusion that this compact is authorized.

Mr. WORKS. Mr. President, I have given some further attention to that matter since the Committee on Fisheries had it under consideration, and I am quite free to say to the Senator that those authorities, one of which he has now cited to the Senate, changed my views somewhat as to the power of Congress to give the consent; but with me it was largely a question of propriety. If Congress is asked to give its consent, it certainly ought to know what the facts are, and to what it is consenting. I do not quite agree with the Senator that it is purely a question

of law. The Congress, of course, has the right to determine, and for that purpose to investigate the facts in reaching a conclusion as to whether it is a case where that consent ought to be given and the States bound on this particular subject.

Mr. CHAMBERLAIN. I think that question of fact can be safely relegated to the States; and I will ask the Senator if he does not think it is a case where the Committee on the Judiciary ought to have jurisdiction?

Mr. WORKS. There are two questions involved. The Senator is quite right in saying that as far as the legal question is involved the appropriate reference of the bill is to the Judiciary Committee. I think there is no question about that. But the question of fact—that is, the question as to what the nature of the compact is and the effect of it—is one that could be better determined, I think, by the Committee on Fisheries.

Mr. CHAMBERLAIN. That is where we differ. I do not think any question of fact is involved at all. The tribunal to try the question of fact and to determine what ought to be the policy of particular States is a question for the legislature or the people of the State to determine.

Now, I am going to call the Senator's attention——

Mr. WORKS. Before the Senator passes to that, will he allow me to suggest that Congress is now called upon to give its consent to certain legislation by these two States. Does the Senator think Congress has no choice about that matter, but must give its consent, if asked to do it, simply because the States have called for it, or may Congress investigate the fact and determine whether it ought to exercise that power, conceding the power to exist?

Mr. CHAMBERLAIN. I think that is a question for the Judiciary Committee to determine, first, as to constitutionality of the legislation, and then Congress can pass the bill or not, as it sees fit. It is not in duty bound to comply with the memorials from the two legislative bodies.

Mr. SUTHERLAND. Mr. President, I am not entirely sure that I understand the precise situation. Am I correct in my understanding, first, that the State of Washington and the State of Oregon have passed identical laws dealing with the subject of fishing in the Columbia River?

Mr. CHAMBERLAIN. The whole subject.

Mr. SUTHERLAND. The whole subject of fishing in the Columbia River,

Mr. CHAMBERLAIN. Yes.

Mr. SUTHERLAND. Of course, the law passed by Washington and the law passed by Oregon were each severally within the powers of that State.

Mr. CHAMBERLAIN. There is no doubt about that.

Mr. SUTHERLAND. And the validity of the law in each State did not in any manner depend upon the consent of Congress. Congress had nothing to do with that. The sole question is whether or not Congress shall consent to a compact between these States by which the States bind themselves not to alter those laws except by mutual consent.

Mr. CHAMBERLAIN. That is the question.

Mr. SUTHERLAND. If the Senator will permit me to interrupt him further, it seems to me that the Senator is right about that. That simply presents a question for the Judiciary Committee. In other words, Congress is not concerned with the wisdom of these laws. That is a matter for each State to determine, because it is a matter wholly within the power of each State with which Congress has nothing whatever to do. The sole question, therefore, is whether Congress shall give its consent that the status established by these laws shall remain until both the States give their consent to a modification of them. That is the sole question involved, as I understand it.

Mr. CHAMBERLAIN. That is the question as I understand it, exactly as the Senator states it. The question of policy is for the two States to determine. The question of power to grant the petition of the States is purely a legal question, and Congress can withhold or give consent to the legislation as it sees fit after the Judiciary Committee reports back the bill.

Mr. WORKS. I think the Senator from Utah has made a mistaken statement as to the issue presented here and the Senator from Oregon has assented to it. I think it is a very serious question whether these States had a right to pass any such law as that which will bind future legislatures so that they may not legislate upon an important matter of this kind. That is the first question to be determined. I think Congress has the right to determine that question before it gives its consent.

Mr. SUTHERLAND. If the Senator will permit me, I have not made any such assertion as that.

Mr. WORKS. I understood the Senator to say that the legislatures had a right to pass this act.

Mr. SUTHERLAND. No; I say that the several States did have a right to pass the act regulating fishing in the Columbia River, but they have no right to agree that those acts shall remain unrepealable and unchangeable unless both States agree to it. That is a matter that must be submitted to Congress, but it is the sole matter to be submitted to Congress. Whether the legislation considered by itself is wise or unwise is a matter that rests with the legislature or the people of the two States and not with Congress.

Mr. WORKS. Upon that matter I take issue with the Senator. I do not think that Congress is bound by the action of the States to give its consent.

Mr. CHAMBERLAIN. I think the Senator from California [Mr. WORKS] has misapprehended the situation. Neither the State of Oregon nor the State of Washington has undertaken to bind the other State. They have only gotten together, and each of them has passed identically the same statute and has asked Congress for the authorization of a compact between them.

Mr. WORKS. The effect of those statutes is to bind the States, and it is being treated here as a compact or contract between the States which is binding, and binding for all time.

Mr. CHAMBERLAIN. As a matter of policy, I think the Senate could almost take judicial notice of the fact, if it was necessary to do so, that there can be no rest and no cessation of litigation and of trouble unless these States are authorized by Congress to enter into this compact, because the river is a boundary stream.

Mr. SUTHERLAND. As I understood the reading of that portion of the statute, it was not a present compact between the two States that they would not alter their laws, but it was an agreement that when Congress consented to it the compact should go into operation.

Mr. CHAMBERLAIN. That is all there was to it.

Mr. SUTHERLAND. There was no existing compact—no completed compact between the States?

Mr. CHAMBERLAIN. A reading of the statutes will disclose that. I hope the Senator will permit me to proceed, as I have already detained the Senate longer than I had intended.

Mr. WORKS. Before the Senator asks that he be not interrupted let me say a word in this connection. The statement made by the Senator that Congress must necessarily determine that there is such a condition here as would authorize the making of this contract shows there is a question of fact to be determined by Congress whether that condition was then existing or not. With reference to what the Senator from Utah says, it is not an existing compact now, but there will be if Congress takes the action that is asked for; it is simply asked to give consent to a compact that has been agreed upon between the States.

Mr. CHAMBERLAIN. Neither the Oregon Legislature undertook to bind the Washington Legislature nor did the Washington Legislature undertake to bind the Oregon Legislature. They simply did this: In view of the conflicts that had occurred between citizens of the two States on the boundary stream, the legislatures of both appointed a joint commission composed of members of the two legislative bodies to hold hearings of all interested and to report a bill that might be acted upon by both States, with the view of uniformity in legislation. This joint commission reported to each legislature, and each legislature enacted the same law, and now both States appeal to Congress for an authorization of the compact between the States in order that this uniform law may be binding upon both States unless both agree to change it. That is all that is involved in the pending bill. It is for the Judiciary Committee to pass upon the legality of such legislation, in the first instance, and for Congress to determine whether it should be enacted.

Mr. LODGE. They want to turn two individual States into a compact as provided by the Constitution.

Mr. CHAMBERLAIN. That is all. I am going to call the Senator's attention to this fact: In the case that I have called attention to this very question was in issue between the States of Maryland and Virginia. They legislated uniformly upon a variety of different subjects, and they covered the whole field of legislation practically as the compact authorized them to do. Amongst other things in that compact was this. The eighth clause of that compact provided:

> All laws and regulations which may be necessary for the preservation of fish, or for the performance of quarantine in the river Potowmack, or for preserving and keeping open the channel and navigation thereof, or of the river Pocomoke, within the limits of Virginia, by preventing the throwing out ballast or giving any other obstruction thereto, shall be made with the mutual consent and approbation of both States.

Now, that is all the present compact provides—that where the States have mutually enacted uniform legislation in conformity upon a given subject for the purpose of harmonizing differences between the citizens of the two States, no change can be made by one without the consent of the other.

Mr. President, I have discussed this at some length for the purpose of showing that there is involved in this a simple question of law, that is all; and the President was perfectly right in referring the bill to the Judiciary Committee. I believe the distinguished Senator from California [Mr. WORKS] when he looks into this question as I have attempted to do, and examines the decisions of the courts of Oregon and of Washington bearing upon the subject, will favor this proposed compact. The courts have practically nullified the laws by exempting from punishment those violating the laws of Oregon who happen to hold a license from the State of Washington and vice versa; and in view of this condition, the only way in the world to protect the fishing industry and the people of the two States is by the authorization of Congress for a compact between the two States as is here proposed.

Mr. President, I have received very few protests against the enactment of this legislation. My distinguished colleague intimates that those who are interested in destroying the salmon industry and who are engaged in putting up fish for sale are the men who are behind this bill. But the people of the State are behind it as evidence by the action of two legislative bodies. The chambers of commerce of different sections of the State have appealed to me to assist in enacting this legislation for the purpose of putting an end to litigation and turmoil and trouble on this boundary stream.

I appeal to Senators here to have this bill remain with the Judiciary Committee. If there is any question of law involved which would make this compact improper or inadvisable I would cheerfully acquiesce in the judgment of that distinguished committee at once, but it ought to be with that committee, and I have every reason to believe, knowing that committee as I do, that it will determine the question fairly in view of the law involved and the Constitution of our country.

Mr. SUTHERLAND. May I ask the Senator from Oregon whether there is any opposition on the part of any considerable number of people in either Oregon or Washington to an arrangement of this kind?

Mr. CHAMBERLAIN. The only opposition I have heard, I will say to the Senator, comes from the union fishermen at the mouth of the Columbia River. The seiners' union, on the other hand, a large body of men who are engaged in fishing on the Columbia River, favor the legislation. It is the same old conflict I will say to the Senator between those at the mouth of the river who want to stop the people of the upper river from fishing and those at the upper stretches who want to stop those at the mouth of the river from fishing. That is about the size of it.

Mr. SUTHERLAND. This is the same suggestion which a few years ago resulted in the inauguration of a proposition under the initiative at the instance of the seine fishermen by which the wheel fishermen were to be prohibited from taking fish by that device and of a proposition on the part of the wheel fishermen to prohibit the seine fishermen from taking fish by seining. The result of the referendum was that the people accommodatingly passed both laws with the result that fishing was prohibited altogether.

Mr. CHAMBERLAIN. I am glad the Senator has mentioned that, because I want to say to the Senator there was some conflict of opinion on the subject in Oregon.

Mr. SUTHERLAND. It illustrates the wisdom of the initiative, I suppose.

Mr. CHAMBERLAIN. It does, and I am going to show how it does.

Mr. SUTHERLAND. I should like to have it explained.

Mr. CHAMBERLAIN. There was a conflict between the men on the lower river and those on the upper river. That conflict exists now, and it will continue to exist unless this compact is authorized and uniform legislation is enacted. The people at the mouth of the river framed a law that would practically put those on the upper river out of business. The people on the upper stretches of the river formulated a law that would practically put those at the lower end of the river out of business. Now, that was a fight between the men who were engaged in the industry and the fish were lost sight of. The people of Oregon, knowing that this conflict had been on for years, concluded that the best thing to do was to do something to protect the fish. So that by the enactment of these laws they made a closed season that was unsatisfactory to all.

Mr. SUTHERLAND. That is, the people decided that both were right and both were wrong.

Mr. CHAMBERLAIN. They decided that this fight must stop, and they protected the fish by enacting a law that made a closed season for a longer period than was necessary. The result of that was that the fish were protected; they could not be taken. There could be no satisfactory fishing at either end of the river. The result was that the legislative bodies of Oregon and Washington then got together and formulated uniform laws. They did what both sides wanted to do, but what they could not do until driven to it by the laws enacted by initiative to which the Senator from Utah [Mr. SUTHERLAND] refers.

Mr. LANE. Mr. President, if I may be allowed to say a few words, the law is beautiful, regular, also, no doubt; but just as the Senator said in answer to the Senator from New Jersey, the fishing interests got together and secured a law passed by each legislature which protected their interests all right. But in my opinion, and in that of others, it was eternal damnation to the salmon and the people at large who eat them, if you please. They did get together and they got the legislatures of both States to pass a law which requests Congress to tie the people so securely to it that the law never in the future can be changed without the consent of the other sovereign State.

Now, the State of Washington permits no such method of catching salmon in the streams which are entirely within its boundaries, and the people of Oregon are now asking for a similar law in their State which will protect their interests in the salmon. Neither the State of Washington nor British Columbia nor any other civilized country in the world permits the methods that are used and are here to be fastened upon the Columbia River. It means the extinction of the salmon.

While this proposed compact may in part be a legal question by way of authorizing two States to enter into a compact which deprives them of the right of saying what they shall do with their own property, may have been drawn in the manner which meets all legal technicalities, ultimately it lands on the fish and the food supply of the people of two States. That is my contention.

The rule of the Senate, on page 25, states that the Committee on Fisheries shall consist of nine members, to which shall be referred all matters relating to fish and fisheries, and that is all this does refer to. The right to grant a compact is perhaps a legal question, and I have no doubt it may be one. I do not know. It may be that it is constitutional, that it is lawful, but it ties the two States in respect to their fishing rights, which are the rights of the people.

It would not be so bad if the people took no interest in it, but the people have initiated a measure, and at this time it is upon record and it will be upon the ballot. The people of the State of Oregon will say what they want done with their fish, and they have a right to say it. They are, or should be, one of the sovereign powers to settle this question. We are their representatives. I stand here as a servant of the people of one of the States who will cast their vote on this question at the next election.

They have the right to express their wishes to Congress. The laws are now in effect; there is no trouble. There has been no war for years. My colleague will not dispute that. The fishing interests have worked in harmony for years. There was no war last year, or the year before, or the year before, or the year before that. There will not be any this year or next year. But if a compact is entered into they will be tied to certain laws which will, it is feared, exterminate the salmon. I have petition after petition, until one is tired of reading them, asking me to introduce bills into this body to appropriate money to construct hatcheries to breed more salmon in the Columbia River for the urged reason that they are being exterminated. I presented a bill here and it passed this body appropriating $100,000 to take care of this depleted food supply. The gear for catching salmon has increased tenfold in the past few years. The better salmon are going down before the onslaught, and I tell you the day will come when you yourselves will have cognizance of it.

Mr. SUTHERLAND. Is it the position of the Senator from Oregon that the legislation passed by the two States is unwise?

Mr. LANE. The legislation of the past has, in a great measure, been unwise. It is unwise so far as the fish are concerned and the consumers of fish are concerned. It is all right for the canners and those who are catching fish and making immediate profit out of them.

Mr. SUTHERLAND. But does not the Senator from Oregon agree with me that the question as to the wisdom or the unwisdom of legislative action on this subject matter is addressed to the legislature of each State? Does the Senator from Oregon think that Congress ought to review the question as to whether or not this legislation taken by itself is unwise?

Mr. LANE. I think what Congress ought to do is to say this: The Congress here at Washington, knowing not of your local affairs but wishing you well, will not act upon this matter until you, the people of Oregon and Washington, have spoken upon it, and said what you want directly, not what your legislature has said, which body may not have under-

stood the wishes of all of the people or known all of the subject. It is alleged that there were executive meetings, and when these hearings were had all the people having interest in the subject did not have access to them and some were denied them. That is one protest that comes to me.

Why not let the people of Oregon, or of Utah, if you please, say what they want, and then give respectful consideration to it? When we have an initiative measure already on the ballot and the case is being tried before the people and will be settled by them one way or another within a short time why not hold it in abeyance until they have spoken? That is all I ask. If they say it shall go this way, no man will more quickly help put it in effect. Why not give them the right, the right that belongs to them, to say what is to become of their own property when their interests and property are being weighed in the balance? Why put our hand down on one side of the scales and disturb it?

Why the continued effort here and the pressure—the unending pressure—of those who are canning salmon for profit and not permit a hearing from the people who want to eat it to sustain life in the bodies of themselves, their wives, and their children? Why not give them the right to be heard? Why, for once or for many times—I make no reflection there—should not Congress say, "It is your property; do with it as you like, and we will help you to do it"?

Mr. STONE. Mr. President, I should like to ask the Senator from Oregon a question bearing somewhat upon the vote or determinative of the vote which I shall cast upon this matter. That question relates to the immediate issue before the Senate. Does the Senator from Oregon understand that this bill, which has been referred to the Judiciary Committee, but which the Senator now moves shall be referred to the Committee on Fisheries, concerns the preservation of fish in the river? Is that the immediate question involved, or is the question one which concerns an agreement or compact between two States? In other words, is it essentially a legal question, or is it a fish question? Is not the fish question involved a secondary one?

Mr. LANE. Mr. President, in answer to the Senator from Missouri I will say that the fish question is primarily the foundation stone of the whole matter. All of the statistics—and Senators and other members of the committee will bear me out in the statement that they came into the committee by the ream—related to salmon, showing the catch of this year, of last year, of the year before, dating back, if you please, to 1876, if I remember correctly, showing that the fish were increasing or decreasing—sworn statements, affidavits, all bearing upon the fish, if you please, not upon the law. There is no question about it; nothing; not a word; all the tabulated statements of canneries, mercantile associations, and chambers of commerce, even so far back east as New York, are in relation to fish. It is the fish. It is really a gentleman's agreement, if you please, between the two legislatures to tie up the salmon into the nets or the fish wheels or the traps; and certain gentlemen who are catching the fish and the people have a right to be heard. They may agree to it. I do not think, if they are wise, that they will. I should not do so. I would ask them to let salmon enough in numbers get by their devilish contrivances to catch them and let them go up into the headwaters of the river and spawn and raise their own young instead of asking the Congress each year to appropriate money to hatch them artificially by the hand of man.

Believe me when I tell you that I have watched that process all my life. The salmon are going. The blueback, the best one of all of them, has gone practically, as has also the good chinook, the richest salmon in the world; the king salmon is going, and now we are eating steelheads and what we used to call dog salmon, which in the early days no man would eat unless he was starving. It will be dog salmon and steelheads until they are exterminated, and then I suppose we shall have to come to mud cats and carp until it becomes profitable to can them, when they, too, will go out of the waters.

The people are merely asking—and I in their behalf am just asking of the Senate—that you allow this bill to be referred to the Committee on Fisheries. There I will hold it without prejudice until the people of the State of Oregon and the people of the State of Washington have said directly by their own voices and their own votes what they want done. If they want the salmon skinned out of the Columbia River, I will not stop them; but give them a chance to say what they wish. That is all I ask of you. This is directly a question of fisheries; it pertains to fish, and to fish alone, and the men who are catching them for profit, if you please. Under the rules the matter belongs to the Fisheries Committee. I now ask for a vote on my motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

Mr. JONES. Mr. President, as I understand, Congress has no jurisdiction over the fisheries of the Columbia River. All the control which Congress has over that river relates to navigation. The States of Oregon and Washington are the only legislative bodies that can legislate with reference to the fishing industry of that stream. So it seems to me that the question here is simply a question of law, as to whether or not Congress can give its consent to this compact, and probably, then, secondarily, whether or not we should do it. We can not, however, regulate the fishing in the Columbia River; we can not control that.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. JONES. Yes.

Mr. NORRIS. I want to ask the Senator from Washington if he has read the rule providing for the Committee on Fisheries, which is found on page 25 of the rules, and which reads as follows:

A Committee on Fisheries, to consist of nine Senators, to which shall be referred all matters relating to fish and fisheries.

Mr. JONES. Yes.

Mr. NORRIS. It occurred to me that, while this was a legal question, it did refer to fish and fisheries; and under that rule it is mandatory that the bill be referred to the Committee on Fisheries, regardless of the fact as to whether it may have a legal question or nothing but a legal question involved in it.

Mr. JONES. I think that rule refers to a subject in connection with fisheries over which Congress may have jurisdiction to legislate, and not to one——

Mr. NORRIS. Does not this bill refer to fisheries?

Mr. JONES. Not in the sense that Congress has any right to legislate upon it. Of course, the subject matter of legislation between the two States relates to fisheries and the subject matter of the compact between the two States relates to fisheries; but the sole question with which we have to deal is to determine whether or not we shall give our consent to the compact made between two States. It seems to me that it is purely a legal question, and, therefore, a proper question for the Judiciary Committee.

I am a member of the Fisheries Committee, and I should like to see that committee retain all the rights that it may have under the rules of the Senate, but I must say that it does seem to me that this is not a question that relates to fisheries in the sense of the rule, because we can not legislate with reference to fisheries.

Now, just a word as to the desire of the people of the two States: I want to say, Mr. President, that I have not received a single communication of any kind or character from anybody in my State protesting against the Congress giving consent to this compact, but I have received many telegrams and petitions urging that it be granted. I received a long telegram a few days ago from the governor of the State and I have received telegrams from the members of the legislature who were members of the joint commission of the two States which framed this legislation, urging its passage. They are on file with the Fisheries Committee.

Mr. LANE. Mr. President, I should like to ask the Senator if they pertain to the legal question or to the fisheries?

Mr. JONES. They urge the ratification of the compact.

Mr. LANE. For the protection of the fish?

Mr. JONES. The Senator may take it in that way, but they think that the agreement made between the two States and the legislation framed between the two States is for the interest of the two States, and that involves, of course, the protection of the fish. That is a question that I think should more properly be considered when the bill comes before the Senate for its final passage, although I doubt if that is a question really for us to pass upon.

I have not lived out there as long as has the Senator from Oregon; I have not lived as near the Columbia River as has the Senator from Oregon; but I do know that last summer I went up on the headwaters of a stream 150 miles away from the Columbia River, and there was not a riffle upon that stream upon which there were not from 10 to 15 salmon, and the shores of the stream were lined with dead salmon. There were so many that the odor was a little offensive to persons coming near the stream.

Mr. LANE. I should like to ask the Senator what kind of salmon they were?

Mr. JONES. I am not an expert, as is the Senator, but I know they were big salmon.

Mr. LANE. I suspect they were dog salmon.

Mr. JONES. I do not know whether or not the Senator is right as to that. They were the kind of fish apparently which the Indians have been gathering for a long time, and they were drying lots of them there, but whether they were dog salmon I do not know. I am not willing on that question to take even the word of the Senator from Oregon. I am satisfied that he thinks he is right about it, but I did not see him in that neighborhood, and I did not hear of his being in that neighborhood, and so I can not exactly accept his positive statement as to the character of the fish. At any rate there were lots of them.

But that is not the question. The question simply is whether Congress will give its consent to this compact between the two States. As the Senator from Oregon has said, for many years we had turmoil and all sorts of controversies, resulting in loss of life and the wounding of people. Several years ago the two States got together and adopted uniform laws; they have agreed to those laws, and since those laws have been put into effect we have not had any trouble. They come now to Congress and ask Congress to give its consent to their entering into that compact, so that the laws which have worked so well may not be changed without the consent of both States.

It is in the interest of the preservation of the fish, in the interest of harmonious relations between the people of the two States, and it seems to me Congress ought to be willing to give its consent to the compact. At any rate, the Judiciary Committee should not be discharged from the consideration of this measure. The measure, I think, is properly there. The Senator from Oregon does not know whether the committee will report on it favorably or unfavorably. They may report in favor of his position and in favor of his contention.

The Senator says, "Send this bill to the Committee on Fisheries, and I will hold it up." That is just exactly what we do not want done. We want the committee to act on it one way or the other, to bring it out here and give the Senate an opportunity to say whether or not legislation which passed the House unanimously shall be acted upon by the Senate. The Senator from Oregon says, "I will hold it up." How can he do that? By not calling the committee together and not giving us an opportunity to vote upon it. While that argument has nothing to do with the merits of the proposition, it does not commend the motion of the Senator to my favorable consideration. I think that the Judiciary Committee ought to be left in charge of this measure, and left to take such action and to make such recommendation to the Senate as it may see fit.

Mr. LANE. Mr. President, I am willing to consent that the Judiciary Committee make findings upon the legality of the measure, and then, when it is brought back to the Senate with their report, I reserve the right to move to refer it to the Committee on Fisheries, in respect to the influence and effect it will have upon the fisheries of Oregon.

I will say that there have been held a number of meetings of the Committee on Fisheries. I have called three or four meetings, but there has been a very slim attendance. Finally there were a majority of the committee present, and we had a vote upon a bill identical with this, but they declined to report it out favorably. There has been pressure made—not much, but some pressure—for a further hearing, but there were also requests made that the matter be allowed to rest until such time as the people of Oregon might have an opportunity to present their side of the case. They have not been before the committee. Every man who has been before the committee has been one who is engaged either in catching or in canning the salmon; but the people who eat them, the people who depend upon them for a food supply, have entered their plea, their protest, if you please, in the high court of the State of Oregon to the people of Oregon, and I want to hear from and be advised by them before I take action.

Now, Mr. President, I will withdraw the motion, with the understanding that the Committee on the Judiciary will consider the legal aspects of the matter, and that I may ask when the bill is reported back to the Senate that the Committee on Fisheries be allowed to take up that portion of the measure which refers to the economic aspects of it as it relates to fish. I do not know whether that would be proper, but, if that is possible, I should like that course taken.

Mr. CLAPP. Mr. President, if the Senator will allow me, while that might not be the subject of an arrangement, the Senator will have the absolute right when the bill is reported to the Senate to move to have it referred to the Committee on Fisheries.

Mr. LANE. I do not know how the Chair feels about that.

The VICE PRESIDENT. The Chair has no feeling in the matter.

Mr. LANE. I will let it go in that way, then.

Mr. BRANDEGEE. Mr. President, I think it will be impossible to have any such general understanding as the Senator from Oregon has asked for——

Mr. LANE. I do not ask for it.

Mr. BRANDEGEE. Because any bill that is referred to the Judiciary Committee, I assume, would be open to amendment by the committee, and that committee could consider any feature of it which they wanted to consider. Of course, whatever the committee may report, the Senator can make any motion that he desires to make after the bill is reported to the Senate.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. The Senator from Oregon has a clear right when the bill is reported from the Judiciary Committee to move then to refer it to the Committee on Fisheries. That is his clear right.

Mr. LANE. Very well; I will rest upon that, and withdraw my motion.

Mr. CULBERSON. Mr. President, I simply want to reiterate the statement made by the Senator from Connecticut [Mr. BRANDEGEE], that it would be impossible for any such agreement as that suggested by the Senator from Oregon to be entered into.

Mr. LANE. I withdraw the request in that respect.

Mr. SMOOT. Mr. President, is morning business closed?

The VICE PRESIDENT. The introduction of bills and joint resolutions is still in order.

Mr. SMOOT. That is what I thought.

Mr. JONES. As I understand, the Senator from Oregon has withdrawn his motion to discharge the Committee on the Judiciary from the further consideration of the bill.

Mr. LANE. I have withdrawn the motion.

The VICE PRESIDENT. If there are no concurrent or other resolutions, morning business is closed.

### RIVER AND HARBOR APPROPRIATIONS.

Mr. CLARKE of Arkansas. Mr. President, I merely wish to make an announcement. The river and harbor bill is ready for consideration, the report having been filed, and the bill printed. I understand the Senator from Maine [Mr. JOHNSON] has in charge a bill connected with pension matters which will require a short time to complete. I give notice that, immediately upon the disposition of that measure, I will ask the Senate to proceed to the consideration of the river and harbor bill (H. R. 12193).

### GOVERNMENT OF THE PHILIPPINES.

Mr. HITCHCOCK. I ask that the Philippine bill be laid before the Senate.

The VICE PRESIDENT. The Senator from Nebraska moves that the Senate proceed to the consideration of what is known as the Philippine bill.

Mr. SMOOT. Mr. President, I should like to call the attention of the Senator from Nebraska to the fact that it is now 20 minutes of 2 o'clock. Does the Senator think that he can get the Philippine bill disposed of in 20 minutes?

Mr. HITCHCOCK. I have no reason to believe that there will be any extended discussion on the measure, after the situation is understood. I am satisfied that there is nothing to be said on this side of the Chamber. The Senator can speak better for the other side.

Mr. LODGE. Mr. President, I think there will be more than 20 minutes occupied on the motion to concur.

Mr. SMOOT. I only had in mind the saving of the 20 minutes' time.

Mr. HITCHCOCK. I had hoped I might be able to persuade the Senator from Maine [Mr. JOHNSON], in case we ran over 2 o'clock, to permit the discussion of the Philippine matter to be concluded, as I think it should.

Mr. SMOOT. I am perfectly satisfied with that, so far as I am concerned, with the exception that I know that the Senator from Arkansas [Mr. CLARKE] desires to take up the river and harbor bill.

Mr. LODGE. The Senator from Arkansas has given notice that he is going to take up the river and harbor bill.

Mr. HITCHCOCK. Yes. For that reason I thought if I could crowd in the Philippine bill now, and the Senator from Maine would be lenient, we could finish that; and that would be followed then by the bill of which the Senator from Arkansas has charge.

Mr. SMOOT. I do not know how long this is going to take.

Mr. LIPPITT. Mr. President, I think there will be some little discussion on the question of disposing of the Philippine bill in the way in which the Senator from Nebraska proposes. I almost doubt if it would be finished to-day, even if the entire time of to-day were given to it. It opens up some entirely new questions in connection with the whole matter. I only suggest that. I know that there are several Senators on this side who have indicated a disposition to make some remarks in regard to it.

Mr. HITCHCOCK. Under those circumstances, I give way to the Senator from Maine, Mr. President.

PENSION FOR SURVIVORS OF INDIAN WARS.

Mr. JOHNSON of Maine. I move that the Senate proceed to the consideration of House bill 655, which was under consideration at the time of adjournment.

The VICE PRESIDENT. The Senator from Maine moves that the Senate proceed to the consideration of House bill 655, which is the unfinished business.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 655) to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes.

Mr. SMOOT. Mr. President, my good friend from Georgia [Mr. SMITH], in his criticism of the bill, laid particular stress upon the fact that the bill requires but a 30 days' service to entitle a person to a pension. There are a number of Indian appropriation bills that have passed Congress and are now in force, and every one of them requires but a 30 days' service. There is a good reason for this. An Indian campaign or war is not the same as a war between civilized nations. Many times in the early days a band of roving Indians, 100 to 1,000 of them, would make a raid upon a city or a remote town within the territory without any notice whatever, and there was no time to muster in an army. There was no time to examine the men physically and see whether or not they were unfit to enter the service. They were called upon to act immediately to defend their lives; and it is for this, as well as other good reasons, that all past legislation granting pensions to Indian-war veterans have required only a 30 days' service.

There is, as I stated, a great difference between defending a sparsely settled community from Indian attacks and fighting a civilized army. Any man who went into a fight with Indians knew before he entered it that if the Indians were successful the chances for his life were not worth considering. If captured, he was butchered in the most inhuman and brutal way. They did not kill him at once. About the first thing they did was to scalp him, and I know of cases, Mr. President, after the man had been scalped he was taken by his captors and tied near an ant heap, and the ants would feed upon him until death came. That was the kind of a death that many of the early Indian fighters experienced. The amendments that have been proposed to the bill by the Senate Committee on Pensions are simply following previous laws granting pensions to Indian fighters.

The Senator objected to the provision that the want of a certificate of discharge shall not deprive any applicant of the benefits of this act. That is simply following the language of every pension bill granting pensions to Indian fighters, from the first that was passed in 1892 until the last one passed. The early Indian fighter was considered a minuteman. No one knew when he would be called upon to serve, nor how long he would have to serve. He furnished his own horse and saddle, as well as his own provisions.

Mr. SMITH of Georgia. They defended their own homes, too.

Mr. SMOOT. Yes; and they were defending the property of the United States at the same time.

Mr. CLAPP. Mr. President——

Mr. SMOOT. I wish also to say to the Senator from Georgia that the pioneers of that great, vast territory that has made the United States what it is to-day never could have settled that territory successfully unless these men had taken their lives in their hands and defended not only the property but the interests of the United States.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. For a question.

Mr. SMITH of Georgia. Is not that equally true of the coast States on the Atlantic? If our ancestors had not come over here and driven out the Indians, we would not have occupied the lands, would we?

Mr. SMOOT. Mr. President, they were in an entirely different situation in the 13 coast States. The country west of the Rocky Mountains was a vast wilderness, an empire, with very few people in it. Take the conditions in the year 1847, when the pioneers first settled Utah. There were about 1,500 white people, surrounded by twenty or thirty thousand savage Indians. They were defending their homes then as did the people in the original States of the Union. This bill does not provide pensions for the pioneers of 1847. We are not asking in this bill that pensions be granted on account of Indian attacks under those conditions. The Government was not requested to defend the people against the Indians until years after. The policy of those early pioneers was to divide everything they had with the Indians, and it proved to be a wise policy, and if it had not been adopted none would have been spared from a cruel death.

This bill does pension the veterans of the Black Hawk War of 1865–1868. That war occurred after the settlements had been established, titles to lands had been secured from the United States, business that had been established with eastern States. The organization was a Territorial one and was called upon not only to defend the cities but to defend the property and interests of the United States at the same time. The United States troops located at Fort Douglas were ordered to protect the mail route between Council Bluffs and San Francisco, and in addition a company of Utah men assisted in that campaign; but this bill has not reference to that class of service. The United States Indian agent located at Salt Lake City asked the Government for protection against the Indian raids, and the department responded that it was impossible for the Government of the United States to comply with the request, for they had no soldiers in the West except those that were engaged in protecting the mail route between Council Bluffs and San Francisco. So, Mr. President, we are not asking for pensions for anyone who did not serve as a defender not only of his home and the lives of his wife and children but of his country.

There are very few of these Indian war veterans living. They were not boys when called upon to fight. They were grown men, necessarily so, whereas in the Civil War the great majority of the enlistments were boys between the ages of 15 and 22 years. Indian fighters were generally middle-aged men, and there are very few of them alive.

I have a letter dated April 30, 1916, from Mr. William O. Taylor, of Orange, Mass. Mr. Taylor served in the Civil War, as many of the Indian fighters who are affected by this bill served in that war, and they can not receive a pension under this bill. Mr. Taylor has undertaken to write a history of the campaign known as the Little Bighorn Indian campaign. That was the campaign that was led by Gen. Custer. He says:

> I have been collecting data for the purpose of writing my reminiscences of that campaign, and have tried to keep in touch with as many of the regiments as possible; and as a result I find that out of the 27 officers who, under Custer, led our regiment, the Seventh Cavalry, against Sitting Bull that day in June but 4 are living to-day.

The Senator must remember that upon that fatal day in June over 50 per cent of all the soldiers under Custer's command were slaughtered, and there live to-day but 15 survivors who took part in that campaign.

Mr. President, this campaign is but one, but points with accuracy to how few of the Indian fighters are left. The Indian fighters provided for in this bill are entitled to pensions just as much as any Indian war veteran who has been pensioned in the past; and I do not believe that we ought to be straining at a gnat when we have already swallowed a camel.

The Senator from Colorado [Mr. THOMAS] rightfully referred—and I have no criticism for his doing so—to the enormous expense that the Government is under and will be burdened with by this year's appropriation bills. I wish that the Senator, at an early day, would help me pass a law requiring that the heads of every department of this Government shall file an itemized statement of the expenditure of all lump-sum appropriations, and shall also file a statement of the number of employees and the salaries paid out of lump-sum appropriations; and I will guarantee now that if such a law were passed we would not only save the $1,000,000 per annum, the very most this bill will amount to, but we would save, I was going to say, tens of millions of dollars.

Let me call attention to one such report to show what I mean in this regard. Congress appropriated $2,000,000 for the eradication of the foot-and-mouth disease in the year 1915, and the Secretary of Agriculture was required to file an itemized statement of the expenditure of the money; and this is not any different, in my opinion, from what we would find in many lump-sum appropriations made by Congress if examined into.

Was it all used for the purpose it was appropriated for? No; I am sorry to say. I am going to refer to only a few of the misuses to which the fund was converted. For instance:

To inspect renovated butter factories and creameries, $468.72; to investigate the cheese industry in the Western States in the way in which the bureau might help this industry, $511.76; to attend the meeting of the potato growers of Maine, $291.38; to assist in organizing cow-testing associations, $255.62; to study market stock and grades of wool, $903.96; to attend meeting of the Southeastern Sanitary Association, $49.05; to investigate cooperative ostrich-breeding work being done in Arizona and other points, $271.81; and so forth.

Mr. President, if we had a law requiring an itemized statement of the appropriations of lump sums I am sure occurrences such as above would not happen often, and there would be tens of millions of dollars saved to the Government.

Mr. SMITH of Georgia. I ask the Senator how much is appropriated in all in lump sums? Can he tell us?

Mr. SMOOT. Hundreds of millions of dollars, I will say to the Senator. The Committee on Appropriations have been trying to reduce them, and have done so to a limited extent, but the departments claim they do not know what emergencies will arise; that they must have sufficient to cover every possible contingency; that every dollar will be spent economically; but I am sure an investigation would prove the latter to be untrue.

I know that such appropriations are unwise. I wanted to make this much of a statement, pointing out our obligations and the responsibility as Senators in the matter. No one has followed the appropriations of the Government who does not know that these evils exist, for they can not be classed as being other than evils.

Mr. President, it seems to me that this is a bad time to say to the country that Congress will not recognize the patriotic service of men who defend our country. I believe the Senator from Georgia will admit that Indian war veterans in the early days fought a canny and brutal foe under the most trying circumstances and conditions, and are entitled to a pension at least equal to some of the men who enlisted in the United States Army for the War with Spain.

Mr. CLAPP. Mr. President——

Mr. SMOOT. In saying this, Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. CLAPP. In the first place, I would want to question the statement the Senator made a moment ago when he said he thought this was an inopportune time to show a want of willingness to recognize those who had served. Of course, I think any time is an inappropriate time to withhold justice, but I could not agree with the Senator if he had in mind the probability of immediate enlistment.

Mr. SMOOT. I had no such idea in mind, I will say to the Senator. What I had in mind was that if the Congress of the United States should refuse to grant these few veterans a pension right at the time when the Government of the United States is asking for volunteers it would be, it seems to me, a rather unfortunate thing.

Mr. CLAPP. I do not think so with reference to any existing condition, for I do not believe that when the men enlist they have any thought of pension.

Mr. SMOOT. I do not say that they have.

Mr. CLAPP. I would differ with the Senator in his comparison of service.

Mr. SMOOT. I will try to explain just what I had reference to when I made the statement. When interrupted I had just began a statement in these words, "In saying this, Mr. President"—I would have added I do not want to be understood as casting any reflection upon the service that was rendered by or the patriotism of the soldiers in the Spanish War.

Mr. CLAPP. I do not think in all history there is any instance where men went forth——

Mr. SMOOT. With greater willingness.

Mr. CLAPP. With greater willingness and with more absolute altruism, because they were not going to defend their own country, they were going prepared to die for an alien race to whom they were under no obligation.

Mr. SMOOT. I heartily agree with the Senator, and if I had not been interrupted I would have made my former statement clear. I had no idea whatever of reflecting upon that remarkable show of patriotism.

Mr. CLAPP. I knew the Senator had not, and that nothing was further from the Senator's line of thought.

Mr. SMOOT. Mr. President, I do not believe there is any particular need of discussing the question further. I think Senators understand the purpose of the bill, and I think they are convinced that it is a just and proper one, if the country is to pay pensions to its worthy defenders, and I say there is no class of veterans who are more worthy than the men provided for in this bill.

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). The question is on the motion of the Senator from Georgia to reconsider.

Mr. SMOOT. Mr. President, yesterday I stated to the Senate that I did not desire to make a point of order against the motion of the Senator from Georgia until the discussion was over but I did intend to make it whenever the discussion had ended. I do not want to foreclose anybody from making whatever statement they desire upon the bill, but if no one desires to speak futher——

Mr. NORRIS. Will the Senator yield to me? I have an amendment that I intend to offer, and I will perhaps submit some remarks upon it, but the debate will not be precluded by this motion. So I have no objection to the Senator making his point of order and letting that be disposed of as far as I am concerned.

Mr. SMOOT. I will say to the Senator the point of order has nothing to do with whatever the Senator may decide to do in relation to offering an amendment. Rule 13, paragraph 1, provides that—

> When a question has been decided by the Senate, any Senator voting with the prevailing side may, on the same day, or on either of the next two days of actual session thereafter, move a reconsideration, etc.

Mr. SMITH of Georgia. It is not necessary for the Senator to take any time to debate that proposition. He is right about it. The point of order is made. My motion came too late.

Mr. NORRIS. Did the Senator from Utah make a point of order?

Mr. SMOOT. I make the point of order that the motion to reconsider came too late.

Mr. BRANDEGEE. I understand the Senator makes the point of order. That is the end of the motion to reconsider, of course.

Mr. SMOOT. The Senator from Georgia so stated.

Mr. SMITH of Georgia. I do not think there is any doubt about it. I never argue a point of order before the Senate when I have a clear conviction that the other side is the correct view. I have no doubt that under the rule the motion should have come earlier. The truth is these amendments went into the Senate and were adopted by the Senate and I did not know it. The President of the Senate just inquired formally and put them through, and the point of order being made I am too late.

Mr. BRANDEGEE. I was aware of that, but I assumed that the Senator made a motion simply to give him a parliamentary standing to debate it.

Mr. SMITH of Georgia. No; I hoped no point of order would be made on it. I want to have it reconsidered, and I have still another motion to make. There are several other motions that are entirely proper.

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from Utah.

Mr. NORRIS. The bill being in the Senate, I offer the following amendment.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 2, line 17, after the semicolon and the words "eighteen hundred and sixty-eight," insert:

> To the following organizations of the First Regiment Nebraska Militia engaged in fighting Indians and guarding United States mails on the western frontier: Company A, First Regiment, First Brigade, Nebraska Militia, who served from August 30, 1864, to November 12, 1864; Company B, First Regiment Nebraska Militia, who served from August 13, 1864, to February 13, 1865; Company C, First Regiment, Second Brigade, Nebraska Militia, who served from August 24, 1864, to February 7, 1865; to Capt. Edward P. Childs, Artillery detachment, Nebraska Militia, who served from August 30, 1864, to November 12, 1864; and Company A, First Regiment, Second Brigade, Nebraska Militia, who served from August 12, 1864, to December 24, 1864.

Mr. NORRIS. Mr. President, I do not care to discuss this amendment. I have gone over it with the chairman of the committee. There is not any doubt in my mind about its being meritorious, and I think the chairman agrees with me. There are four companies included in this amendment. The least service of any of them was 74 days, and from that up to 6 months. The bill under consideration provides for giving relief in case of a service of over 30 days. So all these mentioned companies, so far as length of service is concerned, at least, will be much more meritorious than the minimum provided for in the bill.

In 1864, when the State of Nebraska was still a Territory, the Secretary of War asked the then governor, Gov. Saunders of that Territory, to enlist a regiment of militia under Territorial law to defend the frontier. The soldiers were engaged in the Civil War throughout the South, and the Indians were commit-

ting various depredations throughout the West. The governor of the Territory, in accordance with that request, started out and enlisted the companies named in the amendment.

The first company had 44 enlisted men, the second company had 50 enlisted men, the third one mentioned in the amendment had 54 enlisted men, the Artillery detachment mentioned in the amendment had 11 enlisted men, and the last one mentioned in the amendment had 51 enlisted men.

A great many of these men had served in the Civil War prior to this service. Some served afterwards. So there are a great many of them getting pensions now. Of course, there are a great many of them dead. The majority of them are dead. There is no way to ascertain just exactly how many are still living. I have tried to find out, but can get nothing definite.

I have here a letter from the captain of one of these companies, and he gives it as his judgment that there are not to exceed 25 or 40 men left who would come under the provisions of the bill if my amendment were adopted. They are either dead or they are getting pensions for other service in the Civil War as he was himself.

After these regiments were enlisted they were placed under the command of Federal officers. They were officered by United States Federal officials. They were clothed by the Federal Government; they were fed by the Federal Government. Their horses were furnished by the Federal Government. Their arms and ammunition were furnished by the Federal Government, and the only reason why they are not occupying a pensionable status now is the one technicality that they were not sworn into the service.

As a matter of fact they were paid by the Territory, and later on the Government of the United States, recognizing its obligation, reimbursed the Territory for the payment of all these men who served, so that the Government has recognized them. There can be, in my judgment, no question but that the survivors of these companies occupy a position much more meritorious than the provisions of the bill technically require. But they are not included in the bill.

In preparing the amendment that I have offered I procured the names of the different companies from the War Department. I have here a letter from The Adjutant General, from which I quote:

The records of this office show that four companies of mounted men, which are shown by the roster of Nebraska Volunteers (1861 to 1869), compiled from records on file in the office of the adjutant general of the State of Nebraska, to have belonged to the First Regiment Nebraska Militia, and a detachment of artillery were called out by the governor of the Territory of Nebraska in the year 1864 and placed under the command of the commanding general of the troops of the United States in that Territory.

Let me say to the Senate that when they were brought out into the service at the various times mentioned they were not only put under the command of Federal officers but they served with Federal soldiers side by side. They saw some very severe service, as I shall show. The Adjutant General's office did not have the records of the payments and I took it up with the Treasury Department. I have from the Auditor of the Treasury a letter from which I quote the following:

I have the honor to inform you that the records of this office show that in the claim of the State of Nebraska for reimbursement for moneys expended for raising, equipping, etc., her militia for the above-named service, there are found five company rolls of organizations.

I inadvertently used the word "four." There were four companies and one detachment of artillery, which make five. Then follows the description in this letter as contained in my amendment, with the exception that in the amendment I did not tell how many men there were in each one.

In conclusion the officer says:

For the services above mentioned the several organizations were paid by the State of Nebraska and said State has been reimbursed by the United States.

They were under the command of Brig. Gen. R. B. Mitchell of the Federal Army. He had other soldiers besides these under his command and these men served with them. As a matter of fact at that time there were some very severe depredations by the Indians. These men followed the Indians clear across the State of Nebraska. They went into Colorado. It was partly in the wintertime, you will notice. It commenced in August and ended up in February.

Gen. Mitchell, after the service had been completed and the Indians driven out of the country, issued a field order in which he referred particularly to these particular companies that are included in this amendment. I want to quote from that order. It was issued in January, 1865. Some of these men served nearly a month after this order was issued:

The general commanding wishes to tender his thanks to the men of his command who were with him on his recent expedition against the Indians.

This was just one of the expeditions, and then he mentions various persons by name. Capt. T. J. Majors was an officer of one of these companies commanding detachments of the First Regiment Nebraska Militia, and Capt. N. J. O'Brien commanding a battery formed from artillery detachments; Capt. E. B. Murphy for valuable services rendered while on the march. Then he says:

Hardships were encountered which to overcome requires the highest order of soldierly qualities, patience, and endurance, and during a march of over 300 miles over a wild and desolate country in the midst of winter and during intense cold, not a word of impatience or complaint was heard.

The general commanding further wishes to call especial attention to the admirable conduct of Capt. Wiles's Company B, and Capt. White's Company C, First Nebraska Militia, who although poorly equipped and supplied and their time of service expired excited admiration by their soldierly conduct and cheerful performance of duty.

This Capt. Wiles mentioned here particularly by the commanding general is still alive and lives in my State. He has written a very lengthy letter in regard to this service performed at the time he speaks of. He himself would get no benefit from the amendment that I have offered because he also served in the Civil War and was a captain or lieutenant in that service. So there is in no way any personal advantage for him in it. He is now receiving a pension for his services in the Civil War.

I want to quote a few things from Capt. Wiles. He says:

I also served—

He has just spoken of his services in the Civil War—

I also served about six months in Company B, First Regiment, Second Brigade, Nebraska Militia.

That is one of these organizations included in the amendment.

We were ordered to report to Fort Kearney for duty, which order was promptly obeyed. We were consolidated with First Nebraska Veteran Cavalry for duty.

That was a Regular Army organization.

We performed the duties of soldiers in every particular.

In other words, they served just the same as the Regular soldiers did who were mustered into the service.

In another place in the letter he says:

Gov. Saunders—

Who was then governor of the Territory—

had been requested by the Secretary of War to raise a regiment of four-months' troops to protect the settlers and United States mails and express.

The men were most of them farmers, but were well acquainted with the use of firearms. I am willing to admit that we were not mustered into the United States with a regular mustering officer, but we were mustered by Col. P. P. Mason, of Nebraska City, who was a provost marshal.

So, as a matter of fact, while they were mustered into the State service, the man who actually did the work and administered the oath was a United States official, and he was only acting there under the request of the governor, who had been requested to take this action by the Secretary of War.

Capt. Wiles further on says:

The United States furnished transportation, forage for the army, and ammunition and clothing and provisions for the men.

My requisition was honored by the quartermasters and commissary while I was captain of Company B just as prompt as when I was first lieutenant of Company H, Second Nebraska Cavalry.

That was a regiment in the Regular service. So there was absolutely no difference.

Mr. President, as a matter of fact, most of these men never did know for years afterwards that they had not actually served in the Federal service.

I have here, Mr. President, received from Capt. Wiles a large number of receipts for various supplies—the originals that were given to him. When his company went into this service the United States quartermaster's department supplied them with guns, with revolvers, and with ammunition, with saddles, and with bridles, and at the end of the service this was all turned back to the United States, and I have here the original receipts given to him by the quartermaster's department of the Federal Government when he returned them at the end of this service. It seems to me, therefore, that there can be no question, and I am satisfied the Senator from Maine is perfectly satisfied that these men not only rendered a very meritorious service, but that they ought to be included in this bill.

Mr. JOHNSON of Maine. Mr. President, I have conferred with the Senator from Nebraska in regard to the claim covered by his amendment, and I can see no objection to its being adopted. It seems to me that they should all be treated alike, and that these citizens of Nebraska who served should also be covered by the bill as well as those who participated from the other States. I have no objection to the amendment, and, as far as I have any authority as the chairman of the committee, I consent to its adoption.

Mr. WALSH. Will the Senator advise the Senate as to which of the Indian wars are provided for in the early statutes, the statutes of 1892, 1902, and so on?

Mr. JOHNSON of Maine. They are all included, I will say to the Senator, in the act of 1892 and in the act of 1902. I have before me the act of 1892, which covers the Black Hawk War, the Creek War, and the Florida war with the Seminole Indians.

Mr. WALSH. The veterans of the Creek and Seminole Wars, at least, my understanding is, were drawn largely from Tennessee, Georgia, and Florida, and they have in the past been provided for.

Mr. JOHNSON of Maine. Yes; in the act of 1902.

Mr. WALSH. My understanding is also that the veterans of other wars who served 30 days are provided for.

Mr. JOHNSON of Maine. That is true.

Mr. WALSH. The Senator from Georgia seems hardly in line with his predecessors. I dare say they were asking for legislation for their own people.

Mr. SMITH of Georgia. There is no doubt about that. I think the legislation was inexcusable. If they asked for it, I never before heard of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

Mr. SMITH of Georgia. I move a rereference of the entire bill to the Committee on Pensions; and while I have the floor, I want to take a look, if the Senator will give it to me, at these bills.

Mr. NORRIS. Mr. President, I will ask the Senator from Georgia if he will not permit this amendment to first be voted on before he makes his motion?

Mr. SMITH of Georgia. Oh, I am afraid the Senator will get a chance to have it voted on after the motion that I have now made is voted down; and I want to make a few remarks on it before it is voted on.

Mr. NORRIS. Mr. President, I make the point of order on the Senator's motion. I do not believe a motion to recommit is in order while there is a motion to amend pending.

Mr. SMITH of Georgia. Mr. President, in answer to the point of order, that is one of the very bases of the motion to recommit. The object of the motion to recommit is to turn the whole subject back to the committee for investigation; and the pendency of any number of amendments would be no reason on earth why the motion should not be made. The rules of the Senate expressly provide that at any stage of the procedure a motion to recommit is in order.

Mr. NORRIS. I do not know but that the Senator from Georgia has the right to make the motion; but, though I have not looked up the rule, I do not believe he has a right to insist on that motion while another motion is pending.

Mr. SMOOT. Mr. President, I desire to call the Senator's attention to Rule XXII, which, under the heading of "Precedence of motions," says:

When a question is pending, no motion shall be received but—
To adjourn.
To adjourn to a day certain—

And a number of others. Then—

To commit.

So the motion of the Senator from Georgia [Mr. SMITH] would be in order, if he desires to make it.

Mr. BRANDEGEE. In what order of preference does the motion to amend come with reference to the motion to commit or to recommit?

Mr. SMOOT. The order is as follows:

To adjourn.
To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain.
To take a recess.
To proceed to the consideration of executive business.
To lay on the table.
To postpone indefinitely.
To postpone to a day certain.
To commit.
To amend.

Mr. NORRIS. Mr. President, I withdraw my point of order pending the motion of the Senator from Georgia to recommit the bill. It does not make much difference anyway.

Mr. WALSH. Mr. President, the story of Andrew Jackson's war against the Creeks and his march through the State of Georgia, particularly, is one of the thrilling incidents of the interesting history of our Indian wars. I assume that the patriotic and spirited people of the State of Georgia flocked to his standard, and that very likely they furnished a considerable number of the veterans who had the advantage of the act to which the Senator's attention is now invited.

Mr. SMITH of Georgia. Mr. President, if the Senate will permit me, the Senator from Nebraska [Mr. NORRIS] is so anxious to have his amendment first acted on that I will withdraw my motion to recommit until he may have his amendment acted upon.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment was agreed to.

Mr. NORRIS. Mr. President, in connection with the amendment which I have offered, I should like to offer one more amendment to correct the phraseology in one place, where I think the adoption of my amendment makes it necessary. I want the chairman's attention to this provision of the bill on page 4, beginning on line 6, where the second proviso reads:

*Provided further*, That where there is no record of enlistment or muster into the service of the United States in any of the wars mentioned in this act, the record of pay by the United States shall be accepted as full and satisfactory proof of such enlistment and service.

The Nebraska regiments were paid by the Government; but through the instrumentality of the then Territory of Nebraska. I want to add after the name "United States," in line 9, the words "either to the soldier or to the State or Territory," so as to read:

That there is no record of enlistment or muster into the service of the United States in any of the wars mentioned in this act, the record of pay by the United States, either to the soldier or to the State or Territory, shall be accepted as full and satisfactory proof of such enlistment and service.

Mr. THOMAS. Mr. President, does the Senator from Nebraska know whether or not the record of payment by the United States to the State specifies the names of the soldiers?

Mr. NORRIS. No.

Mr. THOMAS. Or whether it is merely the record of the payment of a sum in gross?

Mr. NORRIS. No; but the record shows that, I take it, and the communication which I had from the department shows exactly how many men there were and the exact length of service of those men, but that was handed to the reporter.

This is not a new procedure. For instance, there was a bill passed some time ago putting some Texas soldiers who had served in Indian wars on the pension list, where they had been paid just as these have been paid. They had been paid by the State of Texas, and the State of Texas was reimbursed by the United States.

Mr. THOMAS. I shall not object to the amendment; but the fact that other legislation has set a precedent for legislation of this kind does not appeal to me at all.

Mr. SMOOT. Mr. President, I will say to the Senator from Nebraska that I think the names of all the veterans are included as a basis for the claims. I know that as to the Walker war, the name of every soldier who served therein was reported.

Mr. NORRIS. Mr. President, these names, of course, are all in the adjutant general's office of the State of Nebraska; there is not any doubt about that. Before a man could get a pension under this bill he would have to prove that he was a member of the organization named in the law. I really do not know that this amendment is necessary to give effect to the other amendment, but it certainly can do no harm and it relieves the situation from any doubt.

Mr. SUTHERLAND. Mr. President, I do not object to the amendment offered by the Senator from Nebraska, of course; but I wish to ask him whether or not the same thing is not accomplished by the proviso contained on line 20, page 4, which reads:

*Provided*, That when there is no record of service or payment for same in the War Department or Treasury Department, the applicant may establish the service by satisfactory evidence from the muster rolls on file in the several State or Territorial archives.

That would seem to be a broader rule than the one which the Senator from Nebraska proposes.

Mr. NORRIS. I am rather inclined to think that it would be; but I can not see any possible objection to this amendment, and it would make the matter certain.

Mr. SUTHERLAND. I am not objecting to the amendment, but I merely call the Senator's attention to the feature which I have cited.

Mr. JOHNSON of Maine. Mr. President, I had in mind the proviso to which the Senator from Utah [Mr. SUTHERLAND] has called attention. It seems to me that covers the case which the Senator from Nebraska [Mr. NORRIS] has in mind, and that the amendment which he has proposed is unnecessary. I am afraid it would open up too wide a door to provide that the record of payment by the State shall be received as sufficient evidence without any record of the soldier to whom the payment is made. It seems to me that when we have provided that the muster rolls of the State shall furnish evidence and be resorted to for evidence as to the service of the soldier, that suffi-

ciently covers the cases mentioned by the Senator from Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was rejected.

Mr. CATRON. Mr. President, I have two small amendments which I wish to offer to the bill.

The PRESIDING OFFICER. The first amendment proposed by the Senator from New Mexico will be stated.

The SECRETARY. It is proposed to amend section 1, on page 2, line 23, by inserting, after the word "Arizona," the words "and New Mexico, or either of them."

Mr. CATRON. The object of the amendment is merely to make the legislation apply to New Mexico as well as to Arizona.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The second amendment proposed by the Senator from New Mexico will be stated.

The SECRETARY. On page 3, line 15, after the name "Arizona," it is proposed to insert the words "and New Mexico, or either of them."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. SMITH of Georgia. I move that the bill be recommitted to the Committee on Pensions.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia that the bill be recommitted to the Committee on Pensions.

Mr. SMITH of Georgia. Upon that motion I desire to address the Senate.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. SMITH of Georgia. Mr. President, in support of this measure and its remarkable provisions reference has been made to other pension bills. Most of those that I find—I am not entirely familiar with them—were passed very much longer after the war than it is now proposed to pass this bill. The Cherokee Indian pension bill seems to have been passed some 50 years after the war.

Mr. SMOOT. It is now 51 years since the war of 1861–1865.

Mr. SMITH of Georgia. Some of the wars covered by this bill ended much later. The former Indian pension bills seem to have been passed so long after the wars that there were almost none left to receive pensions.

Mr. SMOOT. That is just the way these are.

Mr. SMITH of Georgia. That is just the way these are not, because it is admitted that this bill will necessitate a million dollars a year tax on the Treasury, as it passed the House, and with all the amendments that have been offered here if we get through with five millions annually we shall be fortunate.

Mr. SMOOT. I will say to the Senator that there has not been an amendment offered here to-day and accepted that increased the amount carried by the bill, with the exception of one offered by the Senator from Nebraska [Mr. NORRIS], but that only increases the number by 15 men.

Mr. SMITH of Georgia. I am talking about the amendments put on by the Senate, which I moved to reconsider, and which motion was properly held out of order because it came too late. The amendments got into the Senate with the usual rapidity, and, not being reserved, they were approved in the Senate without many of us hearing even what was done.

Now, I wish to call attention to the peculiar language in this bill:

That the provisions, limitations, and benefits of an act entitled "An act granting pensions to survivors of the Indian wars of 1832 to 1842, inclusive, known as the Black Hawk War, Creek War, Cherokee disturbances, and the Seminole War," approved July 27, 1892—

If the law was approved in 1892 it was over 70 years after the Creek-Cherokee Wars took place, for, as I recall it, they were away back before the War of 1812. The Cherokee veterans were not, therefore, pensioned until 70 years after the war.

The bill goes on—

as amended on February 19, 1913, be, and the same are hereby, extended from the date of the passage of this act—

To whom?

to the surviving officers and enlisted men of the Texas volunteers who served in defense of the frontier of that State against Indian depredations from January 1, 1859, to January 1, 1861, inclusive, and from the year 1866 to the year 1876, inclusive.

There is a comma at that point. Whom does that cover? Practically anybody who enlisted with the Texas Volunteers and served any portion of the entire time, so far as the language indicates. Then the language goes on—it does not say "who have reached 62 years of age"; it does not say anything about age. The bill goes on—

and to the surviving officers and enlisted men, including militia and volunteers of the military service of the United States, who have reached the age of 62 years.

To whom do the words "who have reached the age of 62 years" apply? To "the militia and volunteers of the military service of the United States"; to all of them. The language is very indefinite; it is not at all clear. Nor is it at all clear that the words "who have reached the age of 62" apply to any of the classes subsequently mentioned; indeed, I do not think they do. The age limit of 62 years, as expressed in line 9, is certainly limited to the provisions which precede it. The bill continues—

and who served for 30 days in the campaign in southern Oregon and Idaho—

The first part applies, without reference to length of service, to anybody who served with any of these troops or any of these organizations during all of those years named. Then is added—

and who served for 30 days in the campaign in southern Oregon and Idaho and northern parts of California and Nevada.

The limitation of 30 days' service has no reference to those lines which precede it and the age limit of 62 has no reference to the lines that follow it. There is no comma in the clause "and who served for 30 days in the campaign in southern Oregon and Idaho and northern parts of California and Nevada." That 30 days' limitation does not apply to the language that precedes it, but applies alone to those who served "in the campaign in southern Oregon and Idaho and the northern parts of California and Nevada from 1865 to 1868, inclusive."

Mr. SMOOT. If that is the construction which the Senator puts upon it, of course, those who were Texas Volunteers and "served in the defense of the frontier of that State against Indian depredations from January 1, 1859, to January 1, 1861, inclusive," will certainly all be more than 62 years old, because 1861 was 55 years ago; and it is quite evident that no one would serve in the army at 6 years of age.

Mr. SMITH of Georgia. The bill includes, however, service as late as 1876, and unquestionably a man could have served in 1876 who is not now 62.

Mr. SMOOT. The Senator's statement had reference, as I understood, to the "Texas Volunteers who served in defense of the frontier of that State against Indian depredations from January 1, 1859, to January 1, 1861, inclusive."

Mr. SMITH of Georgia. There are two different classes of Texas Volunteers.

Mr. SMOOT. But did not the Senator make a statement that the limitation as to 62 years of age only applied to——

Mr. SMITH of Georgia. Texas troops.

Mr. SMOOT. No; the limitation is as to the wars after the campaigns in which they were engaged—that is, to the words that follow that clause, and not to the words that precede it.

Mr. SMITH of Georgia. No; I said that the limitation of 30 days only applied to the language which followed. If I did not say that, I will say that whether the words "who have reached the age of 62 years" apply to the class mentioned previously or to the class mentioned subsequently is uncertain; but it is absolutely certain that the 30 days' limitation only applies to the remainder of that sentence. There can be no question about that. Now, let us look at it and see. It reads:

And who served for 30 days in the campaign in southern Oregon and Idaho and northern parts of California and Nevada from 1865 to 1868, inclusive.

Mr. SMOOT. Mr. President——

Mr. SMITH of Georgia. Wait a moment; let me go on. There is no comma; there is no punctuation in that entire sentence.

Mr. SMOOT. There is a comma after the words "sixty-two years."

Mr. SMITH of Georgia. There is a comma after the words "sixty-two years," yes; but the entire sentence, "and who served for 30 days in the campaign in southern Oregon and Idaho and northern parts of California and Nevada from 1865 to 1868, inclusive," is a sentence by itself, and the words "who served for thirty days," modify and affect alone those who were in the campaign in southern Oregon, Idaho, California, and Nevada. It might be held that the entire sentence modifies the preceding sentences and requires the Texas Rangers to have also served in Oregon and Idaho. That is one construction which could be placed upon it; but unquestionably the 30 days' limitation has no application to any troops except those who served "in southern Oregon and Idaho and northern

parts of California and Nevada," unless the entire sentence qualifies the preceding or subsequent sentences, in which event those to whom it applies must not only have served 30 days, but also have served in southern Oregon and Idaho and northern parts of California and Nevada.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Montana?

Mr. SMITH of Georgia. Yes; for a question.

Mr. WALSH. I can put it in the form of a question.

Mr. SMITH of Georgia. Very well.

Mr. WALSH. What, then, precedes the words "the campaign against the Sioux in Minnesota," and so forth, appearing in lines 13 and 14?

Mr. SMITH of Georgia. I am coming to that now; I have just reached that.

Mr. WALSH. Does it not mean those who are 62 years of age and who served for 30 days in the campaign in southern Oregon; those who are 62 years of age and served 30 days in the campaign against the Sioux; those who are 62 years of age and served 30 days in the campaign against the Cheyennes; those who are 62 years of age and served 30 days in the campaign against the Apaches, and so on? Is not that the proper construction of the language?

Mr. SMITH of Georgia. I am coming to that part now; I have not read it as yet. A semicolon separates the words "the campaign against the Sioux in Minnesota" from all of the preceding language. The 30 days' limitation is separated by no punctuation from the words "in the campaign in southern Oregon and Idaho and northern parts of California and Nevada." There is really nothing which clearly shows——

Mr. JOHNSON of Maine. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Maine?

Mr. SMITH of Georgia. Yes.

Mr. JOHNSON of Maine. If that is the only ground of the Senator's objection, I will be glad to remove it and make certain the meaning by inserting the words, "who have reached the age of 62 years and served for 30 days," in the first line after the word "who," so as to make it clear, and the Senator need not spend further time upon that.

Mr. SMITH of Georgia. Mr. President, I am much obliged to the Senator. I am criticising the loose construction of this language as well as its loose distribution of the public funds. I do say that, grammatically construed, you can not tell to what the age limitation of 62 years applies, and that the words "who served 30 days" are limited to the language in the sentence in which it is found.

Mr. SUTHERLAND. Mr. President, may I ask the Senator a question about that?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. SMITH of Georgia. Yes.

Mr. SUTHERLAND. Is it the Senator's contention that the language beginning in line 13, "the campaign against the Sioux in Minnesota and the Dakotas in 1862 and in 1863 and the campaigns against the Sioux in Wyoming in 1865 to 1868," is not related to what precedes it?

Mr. SMITH of Georgia. I do not deny it is related to it; but I do say you can not tell how it is related to it or what part of the preceding language applies to it.

Mr. SUTHERLAND. I ask the Senator whether or not that language standing alone contains a proposition at all? It is a mere incomplete clause, and it must refer either to something that precedes or something that follows, and evidently it can not refer to anything that follows.

Mr. SMITH of Georgia. I am criticizing the indefinite and crude manner in which the language is presented to the Senate. How much of the preceding language applies to it, I can not tell. It might be held that it also meant to relate to the entire preceding sentence, and that the men in the campaign against the Sioux in Minnesota must have also served in the campaign in southern Oregon and Idaho. Of course, this is the language as the bill came to us from the House. It goes on with campaign after campaign, and campaign after campaign, and includes the campaign in the Black Hawk Indian War, the campaign against the Ute Indians in Colorado and Utah, the campaign against the Apache Indians in Arizona, the campaign against the Sioux Indians in South Dakota from 1890 to 1891, and also includes the surviving widows of the officers and enlisted men. I think it may safely be said that just what portion of the preceding language applies to the clauses beginning "the campaign against the Sioux," is certainly not clear.

Mr. SUTHERLAND. May I interrupt the Senator again?

Mr. SMITH of Georgia. Yes.

Mr. SUTHERLAND. I invite the Senator's attention to the proviso on page 4, which reads:

*Provided, further,* That if any certain one of the said campaigns—

The words "said campaigns" obviously refer to all of the campaigns that have been enumerated preceding it.

Mr. SMITH of Georgia. What page and line is that?

Mr. SUTHERLAND. Page 4, line 2. I will read it again:

*Provided further,* That if any certain one of the said campaigns—

Meaning all of them—

did not cover a period of 30 days, the provisions of this act shall apply to those who served during the entire period of said campaign.

There is a statement that the 30 days' limitation applies to all of the campaigns that are enumerated.

Mr. SMITH of Georgia. No; that statement is not made except as it is made in the proviso. There is an indication from that language that it was intended that the preceding limitation as to 30 days should apply to all of the campaigns, but there is no such express declaration.

Mr. SUTHERLAND. It is a pretty clear indication that the 30-day limitation was intended to apply to all of the campaigns.

Mr. SMITH of Georgia. Yes; I think there is an indication there that the 30 days' limitation was intended to apply, but it does not say so; and if so, the entire sentence, including the 30-day limitation, applies to them. The trouble is the language, starting with the words "the campaign against the Sioux," is not grammatically connected with the preceding language; it is not put together properly, and does not show clearly what really is meant. You can not say from the language used to what the 62-year age limit is to apply or to what the 30 days' service limitation is to apply, or whether the soldiers must also have served in the campaign in southern Oregon and Idaho.

Additional amendments have been made to this bill. The Senator from Utah insisted that this was a bad time to be particular about granting pensions. Why, Mr. President, men do not enlist for a pension. Pensions are not so much given on account of enlistment as incident to conditions long after a war has taken place, and, I fear, largely for political reasons.

It is conceded that as the bill came from the House it involved an expenditure of a million dollars a year; but no one knows what it involves now, with the amendments which have been added. Have we not some other use for the money?

It is said we have before granted pensions to men who had not been any length of time in the service of the United States and who really may not have done any fighting at all, and that we have heretofore made the 30 days' service provision applicable to veterans of Indian wars. The Senator from Utah dwells upon what a terrible thing Indian fighting has been in the West. Why, we have all read the stories of our ancestors long before they passed the Mississippi, upon the shores of the Atlantic, when it was all a wilderness before them, and when they were in the first process of driving the Indians out and taking the land of the Indians from them. They wanted the land, and they drove out the Indians. These splendid pioneers who went to the West wanted the land that was there, and when the Indians bothered them they did just like our ancestors did; they drove them out. It was not a great national service. It was taking care of themselves and taking care of the property they wanted; and as they got close to where the Indian was and drove him farther back there was some danger incident to the acquirement of the possession of the property that the Indian did not want to give up.

Mr. President, if all the bills on this calendar for pensions are passed, it is hard to tell how much the annual increase will be. I think it will amount to forty or fifty million dollars a year. There is another bill on the calendar from the West which, if it is passed, will give up fifty millions of oil lands belonging to the Government.

The Senator from Minnesota [Mr. CLAPP] suggested that at times I have favored bills that involved public expenditures. I have, and I still do. There is a bill now on the calendar providing for work by the National Government in the interests of vocational education, looking toward extending to the people of this country an opportunity to prepare for the struggle of life, extending its beneficial provisions to all of them; not singling out a few to give them a bounty the balance of their lives out of the National Treasury, but broadly seeking to stimulate a better preparedness by all of the children of this country for the struggle of life. Yet this pension bill was selected and brought up ahead of such legislation as the bill for vocational education. I suppose it will be passed. I do not recall any pension bill that was ever entirely defeated.

Mr. President, I shall not detain the Senate longer on this bill. It is not my purpose in any sense to seek to obstruct a vote on the measure. I suppose—in fact, I think I realize—that I am wasting the time of the Senate and wasting my own

energy, and I got into it because it so shocked me. It does not seem to shock many others. I am going to ask for a yea-and-nay vote on this measure. I hope the Senate will give it; and I will not take any more of the time of the Senate.

I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia [Mr. SMITH] to recommit the bill to the Committee on Pensions, on which the yeas and nays have been demanded.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a pair with the senior Senator from New Mexico [Mr. FALL]. In his absence I withhold my vote.

Mr. CLAPP (when his name was called). I have a pair with the senior Senator from North Carolina [Mr. SIMMONS]. Not seeing him here, and not knowing what his vote would be on this matter, I withhold my vote.

Mr. CHILTON (when Mr. GOFF's name was called). I desire to announce for the day that my colleague [Mr. GOFF] is absent on account of illness.

Mr. SAULSBURY (when his name was called). Has the junior Senator from Rhode Island [Mr. COLT] voted?

The PRESIDING OFFICER. He has not voted.

Mr. SAULSBURY. I have a pair with that Senator, and therefore withhold my vote.

Mr. ASHURST (when the name of Mr. SMITH of Arizona was called). My colleague [Mr. SMITH of Arizona] is unavoidably absent from the Chamber. If he were present, he would vote "nay."

Mr. STONE (when his name was called). I have a pair with the senior Senator from Wyoming [Mr. CLARK], who is absent from the Senate on an important matter. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the junior Senator from Arkansas [Mr. ROBINSON] and will vote. I vote "yea."

Mr. UNDERWOOD (when his name was called). I desire to inquire whether the junior Senator from Ohio [Mr. HARDING] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. UNDERWOOD. I have a general pair with that Senator. I transfer that pair to the junior Senator from South Dakota [Mr. JOHNSON] and will vote. I vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. LIPPITT], who appears to be absent. I transfer that pair to the junior Senator from Illinois [Mr. LEWIS] and will vote. I vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. As he is absent, I withhold my vote.

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from Arizona [Mr. SMITH], I vote "yea."

The roll call was concluded.

Mr. HITCHCOCK. I transfer my pair with the junior Senator from Maine [Mr. BURLEIGH] to the junior Senator from New Jersey [Mr. HUGHES] and will vote. I vote "nay."

Mr. REED. I have a pair with the senior Senator from Michigan [Mr. SMITH]. In his absence I withhold my vote.

Mr. JONES. I have a pair for the afternoon with the junior Senator from Virginia [Mr. SWANSON]. I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and will vote. I vote "nay."

Mr. DILLINGHAM. I inquire whether the senior Senator from Maryland [Mr. SMITH] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. DILLINGHAM. Having a pair with that Senator, I withhold my vote.

Mr. CHILTON. I understand that my pair, the senior Senator from New Mexico [Mr. FALL], if present, would vote as I desire to vote. I therefore vote "nay."

Mr. GALLINGER. I ask whether the senior Senator from New York [Mr. O'GORMAN] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. GALLINGER. I have a standing pair with that Senator and for that reason withhold my vote.

Mr. MYERS. Has the junior Senator from Connecticut [Mr. MCLEAN] voted?

The PRESIDING OFFICER. He has not voted.

Mr. MYERS. I have a pair with that Senator, which, in his absence, I transfer to the senior Senator from Indiana [Mr. KERN] and vote "nay."

The result was announced—yeas 26, nays 33, as follows:

YEAS—26.

| | | | |
|---|---|---|---|
| Bankhead | Lane | Simmons | Townsend |
| Beckham | Lee, Md. | Smith, Ga. | Underwood |
| Brandegee | Martin, Va. | Smith, S. C. | Vardaman |
| Clarke, Ark. | Overman | Stone | Wadsworth |
| Fletcher | Ransdell | Taggart | Williams |
| Gore | Sheppard | Thomas | |
| Hardwick | Shields | Tillman | |

NAYS—33.

| | | | |
|---|---|---|---|
| Ashurst | Gronna | Martine, N. J. | Sherman |
| Borah | Hitchcock | Myers | Smoot |
| Broussard | Hollis | Nelson | Sterling |
| Catron | Husting | Norris | Sutherland |
| Chamberlain | Johnson, Me. | Owen | Walsh |
| Chilton | Jones | Page | Warren |
| Clapp | La Follette | Pittman | |
| Curtis | Lea, Tenn. | Poindexter | |
| du Pont | Lodge | Shafroth | |

NOT VOTING—37.

| | | | |
|---|---|---|---|
| Brady | Goff | McLean | Smith, Ariz. |
| Bryan | Harding | Newlands | Smith, Md. |
| Burleigh | Hughes | O'Gorman | Smith, Mich. |
| Clark, Wyo. | James | Oliver | Swanson |
| Colt | Johnson, S. Dak. | Penrose | Thompson |
| Culberson | Kenyon | Phelan | Weeks |
| Cummins | Kern | Pomerene | Works |
| Dillingham | Lewis | Reed | |
| Fall | Lippitt | Robinson | |
| Gallinger | McCumber | Saulsbury | |

So the motion to recommit was rejected.

The PRESIDING OFFICER. The question is on the engrossing of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

RIVER AND HARBOR APPROPRIATIONS.

Mr. CLARKE of Arkansas. I move that the Senate proceed to the consideration of House bill 12193, commonly known as the river and harbor appropriation bill.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. CLARKE of Arkansas. Mr. President, I ask that the formal reading of the bill be dispensed with and that the Senate proceed to consider first the Senate amendments, second the amendments to strike out the text of the House bill or to amend the same, and third the amendments offered by individual Senators.

In that way we will classify the amendments, and Senators who propose to offer amendments belonging to either one of the groups will know when to attend and what preparation to make.

Mr. GALLINGER. Will the Senator from Arkansas kindly repeat the order?

Mr. CLARKE of Arkansas. That the formal reading of the bill be dispensed with, and that the Senate proceed to consider first the committee amendments, second the amendments to strike out the House text or to amend it, and third the amendments offered by individual Senators to insert.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary proceeded to read the bill.

Mr. CLARKE of Arkansas. The formal reading of the bill was dispensed with. That was included in my motion.

The VICE PRESIDENT. It is being read now for committee amendments.

Mr. CLARKE of Arkansas. I think it is the purpose of the Senator from Iowa [Mr. KENYON] to address the Senate at this stage.

Mr. KENYON. Mr. President, I desire to discuss this bill at considerable length. I do not know what the purpose of the chairman of the committee may be as to the time to be occupied this afternoon, but I am very firmly of the opinion——

Mr. CLARKE of Arkansas. Mr. President, in so far as I can control the matter, whatever the Senator from Iowa desires to be done will be done.

Mr. KENYON. I want to say, Mr. President, that so far as I am personally concerned, as I understand the situation now, there is no purpose on my part to enter into a filibuster against this bill. I should certainly be very glad if, in the progress of the debate, enough Senators could be attracted to a study of the problems in the bill to fight the bill by any legitimate parliamentary tactics. I have not the power to do it alone, and am not going to do it; but I am going, candidly and fairly, and without passion, and I hope without inciting any bad feeling on the part of anyone else, to discuss the various items and the general policy which, to my mind, make this an absolutely indefensible bill.

I know it is a very unpopular thing to question any appropriation bill, especially a river and harbor bill or a public buildings bill; that any Senator who raises any objection is heralded in sneering and slurring terms as a "reformer" or an "uplifter" or a "Horatius at the bridge," or as trying to set himself up as the only honest person in the Senate. I have perfect confidence in all my fellow Senators, and the same honesty of purpose which I accord to them I claim for myself.

There has been no chance, as far as the Senate is concerned, to consider the various items of this bill. I think it will not be claimed that the Senate Committee on Commerce paid practically any attention to the various items of this bill. I say that in no spirit of criticism, because it was suggested that the bill would be thoroughly discussed upon the floor. Especially would I make no criticism of the distinguished chairman of the committee, who has a very speedy and creditable habit of getting through with business, and the various motions which were made before that committee were very speedily disposed of. I think I might say in passing that I should be glad to see a river and harbor bill that would be framed by the distinguished chairman of that committee, and I doubt if many objections then could be raised.

So, having no opportunities before the committee for a full and free discussion of the various items of this bill, I think it is right and proper that we should take some time in the discussion of the general policy of the bill, the various questions that arise concerning river and harbor appropriations, and a calm consideration of the projects included in the bill.

This bill as it came from the House carried a total of $39,608,410. That included the appropriation of approximately $37,000,000 and the authorization of contracts of $1,710,000. The Committee on Commerce first decided, I think, that there should be no new projects, but as the bill is now presented to the Senate there is a total net increase in cash appropriations of $2,991,525 and in authorized contracts of $334,950, making a total net increase of $3,326,475; or this bill carries a grand total of $42,934,885.

I do not believe, Mr. President, that anyone is objecting to river and harbor appropriations that are national in scope and character. I do not believe we are ready to abandon in this country all river and harbor work, certainly not harbor work. I know we are confronted with very serious problems as to whether transportation by river can be a success in this country. But there is a sentiment in the country, and we might just as well face it, against the system of appropriations not purely for navigation but for local interests and along the line of getting something out of the National Treasury that is not for the benefit of the whole Nation.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Colorado?

Mr. KENYON. I yield.

Mr. THOMAS. I am very glad to hear the Senator announce that there is such a sentiment in the country. My experience is that there is no such sentiment except as we see it occasionally in some of the magazines or newspapers. I have been looking and hoping for a development of that sort of sentiment, but my experience is that if the bill is broad enough and comprehensive enough, if it contains enough of appropriations judiciously scattered over the country, the sentiment is just the other way, and because the sentiment is the other way such bills invariably pass and the passage of each becomes a precedent in time, and it encourages similar legislation with reference to all conceivable projects. I hope the Senator is right, but I am afraid not.

Mr. KENYON. I hope I am right, but my judgment is weakened somewhat, of course, by the statement of the Senator from Colorado, which I realize has great force. I had sometimes thought that the whole responsibility, or at least a large part of it, for our system of appropriations in river and harbor bills might be placed upon the people, who, it is true, insist upon Members of Congress getting certain appropriations for their States and their districts; but at the same time while that is in a measure true, yet it is true also that the sentiment in this country against that kind of appropriations is certainly growing. The last two river and harbor bills were defeated because of the public sentiment, and I have not observed that the country particularly suffered because of their defeat.

A general discussion of the policy of river and harbor legislation, of the effect of the construction of waterways upon railroad rates, of the reasons for diminishing water traffic is just as important, I think, as the discussion of specific matters in this bill. But I want to call attention to just a few facts in the bill. The bill strikes out an appropriation for the East River at New York, an appropriation that the President of the United States deemed so important that he wrote a letter, or rather his Secretary wrote a letter, to the House committee, which I will read, in which he urged the House committee to insert this provisions:

THE WHITE HOUSE,
*Washington, February 11, 1916.*

MY DEAR MR. SPARKMAN: The President directs me to say to you that he is strongly of the opinion that the pending river and harbor bill should carry an appropriation for the immediate improvement of the East River adjacent to the Brooklyn Navy Yard. He fully appreciates the fact that this would be contrary to the rule of the committee not to recommend appropriations for new projects at this time, but he feels that the importance of the matter in its relation to the question of national preparedness fully justifies an exception to the rule.

The President understands that Secretary Daniels has fully explained this matter to the committee.

Sincerely, yours,
J. P. TUMULTY,
*Secretary to the President.*

Hon. S. M. SPARKMAN,
*Chairman Committee on Rivers and Harbors.*

The President of the United States thought it so important on the question of preparedness and arousing the country that he left his place of duty and went into the West along about the 1st of February and aroused the people to some extent. We have seen very little here of any preparedness measure undertaken by Congress, but the one sent here that the President asked along the line of preparedness, that our battleships might reach the Brooklyn Navy Yard, is stricken out of this bill by the committee and the appropriations for Podunk Creek and Skillet River are kept in. I suppose that is done for the purpose of trading in conference. If it is, it illustrates the exact vice that gets into these river and harbor appropriation bills.

The committee also struck out Cache River.

Mr. THOMAS. Before the Senator passes from the East River project may I ask what reason was assigned by the committee for its elimination? I take it for granted that the reason given was not stated in so many words to the committee. I should like to know what the ostensible reason was.

Mr. KENYON. I do not know whether there is a rule——

Mr. THOMAS. That is, if the Senator is at liberty to state it.

Mr. KENYON. I do not know whether there is a rule against disclosing what took place in committee or not. There ought not to be.

Mr. CLARKE of Arkansas. Mr. President, if there is any such rule, as far as the chairman of the Commerce Committee has a right to waive it it will be waived, and there is nothing which transpired in the committee which may not be commented on by the Senator from Iowa or anyone else.

Mr. THOMAS. That being the case, I am sure the Senator will answer the question.

Mr. KENYON. I am glad to answer it. The only discussion I heard in committee was to the effect that it would be a good thing to have something to trade about in conference.

Mr. THOMAS. Trade with whom? Trade with the House?

Mr. KENYON. Trade with the House.

Mr. THOMAS. That is a good reason.

Mr. KENYON. It is one of the best reasons that can be given for a lot of these appropriations.

The Cache River is a good name for a river in a river and harbor bill. It has sometimes been known to have over 6 and 8 inches of water in it and has had a large amount of appropriations. It was also stricken out. I think the committee ought to have some kind of a resolution of thanks for that. Its action there was a good job.

Mr. THOMAS. May I ask the Senator if that was stricken out for trading purposes also?

Mr. KENYON. I am unable to say. I believe the Senator from Arkansas had concluded that that was no longer a navigable river, that it was very expensive to maintain the bridges over this mighty stream of 6 to 8 inches in depth, and the chairman of the committee making that request the balance of us interested in these great projects who had sometimes felt that Cache River might sometimes be used as a place for submarines to hide did not feel like opposing it.

Then our old friend Arcadia came into the bill. I am sorry that the distinguished Senator from Michigan [Mr. SMITH] is not here, because any subject that involves Arcadia commands his enthusiastic attention. Arcadia is a little harbor up in Michigan where quite a sum of money has been spent, not a great sum possibly, but Arcadia has been condemned as a project by the Army engineers. I hold in my hand a document relating to Arcadia of February 8, 1916, signed by Mr. Kingman, Chief of Engineers of the United States Army. First the report of Col. W. M. Black of January 12, 1916, says:

It was anticipated when maintenance was undertaken by the United States that there would be a great increase in water shipments of fruit and farm products as the timberlands were denuded. This has not been the case, although there has been an increase in the production of these commodities. They have sought other means of transportation, and there is no evidence that this condition will not continue.

Mr. Kingman says:

The district officer is of opinion that the present and prospective commerce is too small to justify the necessary expenditure for the maintenance of this harbor and he recommends that the improvement be abandoned by the United States. The division engineer and the Board of Engineers for Rivers and Harbors concur in this opinion.

You could not have the East River, the greatest port in the world, with more commerce than any other port in the world, a place for battleships to get to the navy yard in these times of preparedness. We struck that out, but we saved Arcadia.

The Chief of Engineers concurred in that recommendation. Of course, the Senator from Michigan, who is deeply interested in Arcadia and can almost transport you in romance to the beautiful land of Arcadia, is a member of the Committee on Commerce.

Also in this bill, on page 11, is found a new item:

Maintenance and repair of the Government iron pier, Harbor of Lewes, Del., hereafter under regulations prescribed by the Secretary of War, to be opened to public use, $10,000.

What appealed to the committee to insert that item above the East River item? What is the great necessity of fixing this particular pier. The report of the Chief of Engineers on this subject shows that the amount expended for maintenance of the pier since completion is $34,292.99, making a total of $387,339.40 expended on the work up to the close of the previous fiscal year. The pier has never been used, says the Chief Engineer, to any extent for the interchange of commerce. It has been used occasionally as a landing place for vessels reporting at Lewes, and is in bad condition, because it has been there so long that the worms have eaten through and almost destroyed the piling.

Mr. REED. When was it put in?

Mr. KENYON. It was commenced April 15, 1871, completed in 1882, and there never has been any commerce, and there never has been any use of it, as far as the reports of the engineers go to show.

Mr. SAULSBURY. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Delaware?

Mr. KENYON. I do.

Mr. SAULSBURY. If the Senator will permit me, of course he is wrong about the worms eating the piling, because that pier was built of solid iron piles.

Mr. KENYON. If I am wrong, the engineer is wrong.

Mr. SAULSBURY. Then the engineer is wrong, because that pier was built of solid iron piles. The reason why that pier has never been used is because there have been no regulations made by the War Department permitting its use, and they report as a reason for not repairing it that it is not used.

The amendment inserted by the committee is that hereafter the pier is to be opened to public use under regulations of the War Department.

If the Senator will permit me, I will say in addition to that it so happened that, with the Secretary of Agriculture, I was making a short tour of the lower portion of my State, and I came to the town of Lewes. I found there at a public meeting, when I just happened in, the representatives of steamboat lines trying to interest the town in establishing new steamboat lines, and among those present was the mayor of Cape May, N. J., and he was very anxious to have this pier opened to public traffic.

There is every reason in my judgment why $385,000 of Government property, or $360,000 as originally expended for the building of that pier, should not be utterly and entirely wasted. I think it is a commentary on the very poor management or the very poor recommendations of the body in the War Department having charge of these matters that they should allow the flooring of that pier, which is the trouble with the pier, to go to rack and ruin so that no one can now safely use the pier.

This appropriation of $10,000 is to put $360,000 of public property in a condition where it may be of some use to the public.

In addition to that, the Government has just about completed a canal opening 500 miles of shore line from which commerce will come to a small canal between Rehoboth and Lewes, and much of it will certainly use this pier.

In my humble judgment, and I know the locality as well as I know my way from the Capitol to the Willard Hotel, there could be no more useful appropriation made than to enable the people, as this amendment does, to use that $360,000 of public property. Steamers used to run, and I hope will soon again run, daily to New York and Philadelphia. They have a number of private piers used for landing at Lewes, but this appropriation will open the greatest pier there to public use without charge.

I hope the Senator from Iowa will find upon further examination that this is as meritorious an appropriation and as meritorious an object of public attention as I know it to be.

Mr. KENYON. I think it is fully as meritorious as 50 per cent of the bill, possibly more so.

I want to correct my statement, because the Senator is right about the misstatement I unintentionally made in wrongly reading the record. The structure I should have referred to as having the piles honeycombed by boring worms seems to have been a structure that preceded this.

Mr. SAULSBURY. That is quite possible. I do not know anything about that.

Mr. KENYON. I am in error about that. But I cited this, I say to the Senator, as a comparison with the New York item. I think—and believe the Senator will agree with me—that New York Harbor, East River, is an item infinitely more important than taking care of that pier at Lewes, Del.

I wish to put in the RECORD before I leave this subject what I did not have in my hand a moment ago, and that is on page 907 of the Report of the Army Engineers for 1914 concerning this somewhat famous Cache River as showing the kind of project on which the money of the people of this country has been spent, and it is not alone among that class:

In its original condition this river was much obstructed by snags, drift, and overhanging timber. The low-water depth on the controlling shoals was 6 to 8 inches.

* * * * * * *

To June 30, 1914, there has been expended $25,127.04 on maintenance of channel. The total expenditures to that date under all projects were $34,127.04.

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The operations this fiscal year were by hired labor with Government plant, and were for maintenance of channel by snagging operations between Brasfield and the mouth of the river, 31 miles. There were 307 snags removed from the channel, 597 trees were cut, and 142 others were girdled.

Mr. THOMAS. What project is the Senator reading about?

Mr. KENYON. Cache River, which was taken out of the bill—the only item, I think, taken out of the bill. I think I will put a little more of that in the RECORD:

Grays Bridge, 95 miles above the mouth of the river, is considered the head of steamboat navigation; but the river is not navigable to that point all the year, the ruling depth in the channels over the shoals throughout the river being only 8 to 10 inches during lowest water. During high-water seasons rafts are run from 100 or more miles above Grays Bridge.

* * * * * * *

The commerce was made up of forest products, 99 per cent, and agricultural products and supplies, 1 per cent; 61 per cent of the total commerce was rafted saw logs.

Now, think of it going on, a project of that kind up to this time, 8 to 10 inches of water! Yet if anybody says a word against appropriations in these river and harbor bills in the past we are met with, "It is small to take up these little things; act on the broader basis"; whatever is best for the good of the whole country. So it goes on year after year, and you gentlemen who are insisting on this kind of propositions might just as well make up your minds that you are the worst enemies to real, substantial waterway legislation, because the people of the country, I believe, despite what my good friend the Senator from Colorado says—and if they are not, I am going to despair of popular government—are not going to stand it much longer to pay taxes and war taxes for little creeks and rivers that are good for nothing except to help reelect people to Congress.

Now, what are you Democrats going to say about a $42,000,000 river and harbor bill at this time? I do not want to discuss this question in any partisan way. I believe the Republicans are just as bad as the Democrats when you come to appropriations. I may have my idea of what are right appropriations and may not agree with you, and you have your idea of what are right and not agree with me, and both probably be perfectly honest in our judgment. But you Democrats are in power for a while yet, not for long, and the responsibility is upon you for these appropriations. You can not dodge it. You can not go out to the people this fall and point to your platform and then point to what you have done and not confess that you have

made a miserable failure in these expenses of the Government. I do not say that in any harsh way, because I have an affection for my Democratic friends individually. I am not going to say anything about them. They certainly have shown a wonderful degree of incompetency as a collective institution. I can not understand how such splendid individuals, such economical individuals, when you get them bunched up in a party can be so absolutely incompetent. If the Republicans come into power, as of course they will, and carry on appropriations as you have carried them on, and create the offices and salaries and spend the money as you have spent it, I hope the Republican Party will be turned out of power just as quickly as it can be.

I know that in pleading with Senators to defeat a bill of this kind it may be out of place for a Republican to appeal to the Democrats to stand by their platform. Everybody recognizes, of course, that we must have appropriations. Wise appropriations, considered as investment, not waste, find no complaint from the people. It is the wasteful appropriations, and when you pass this river and harbor bill, with $42,000,000 to be placed upon the backs of the people in taxation, you have just about broken the last plank that is left in your platform. You have now broken your Philippines plank, apparently through the influence of some great political organization in New York City, known as Tammany Hall.

Mr. VARDAMAN. I should like to ask my friend, the Senator from Iowa, if almost the entire Republican membership of the House did not vote with the Tammany body?

Mr. KENYON. They did.

Mr. VARDAMAN. So it did not depend altogether on Tammany.

Mr. KENYON. But without the Tammany vote and the Tammany influence they would have been helpless.

Mr. VARDAMAN. I am sorry the Republicans were seduced by Tammany. Without the assistance of the Republicans Tammany could not have done anything.

Mr. KENYON. Of course, the Republicans were standing by their platform. I did not agree with my party on that proposition. I voted for Philippine independence and received considerable condemnation therefor. But that is a plank in your platform which has been shattered. I know my good friend from Mississippi is a man who believes in keeping the platforms of his party and he has been consistent in this Chamber. With a high courage and fidelity to public duty he has attempted to keep the platform of his party.

Mr. VARDAMAN. I will say to my friend I am greatly obliged to him for the tribute he has paid to me. I know how the Senator from Iowa felt about it, and I am sincerely sorry that the Republicans of the House made it possible for a small contingent of the Democratic Party in the House to defeat the will of the American people as expressed at the polls nearly four years ago.

Mr. KENYON. Of course, there will not be any Democratic contingency after the next election that will have much influence. You had in your platform free tolls. You violated that. You had in your platform the reduction of the tariff, proclaimed by the distinguished Senator from Kentucky [Mr. JAMES] in a masterly address here one evening to mean free sugar. You violated that.

What you got in your tariff on sugar is just about the amount that you can put into the river and harbor bill, and he pictured that night so eloquently how you were going by free sugar to lift the burden from 20,000,000 homes in this country and provide the laboring men out of that tax alone with 140,000 homes. If you did not have your river and harbor bill you could probably have stood for your free sugar. You have broken your platform in all those things.

Mr. REED. Mr. President, will the Senator from Iowa pardon an interrogatory?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. KENYON. I yield.

Mr. REED. The Senator says that if we did not have the river and harbor bill we might have had free sugar; in other words, that the total amount carried in this bill is about the equivalent of the present tariff on sugar. I want to ask the Senator if he is in favor of passing any river and harbor bill or of appropriating any money for that purpose?

Mr. KENYON. The Senator from Missouri knows very well that I am in favor of passing some river and harbor bill; but I am in favor of smashing, if it can be done, the present system of formulating river and harbor bills.

Mr. REED. Now, manifestly the inference the Senator left by his argument a moment ago was that it was this wicked river and harbor bill that made it necessary to keep the tax on sugar, and just as manifestly the only way we could dispense with the tax on sugar would be to entirely destroy the river and harbor bill, and yet the Senator does not propose to do that?

Mr. KENYON. No.

Mr. REED. And I apprehend if he were giving a pruning knife and told to go through it and cut out everything that his conscience would let him that he would leave the majority part of the bill stand.

Mr. KENYON. I think I would cut it in half.

Mr. REED. Then we should have to have a tax on sugar.

Mr. KENYON. We would have to have a tax on sugar, but we would not need to have so high a tax on sugar as you people have placed on it.

Mr. REED. No; as we left on, and as you people put on.

Mr. KENYON. And that you people promised the country you would take off.

Mr. REED. Yes; and I voted to do so.

Mr. KENYON. I know the Senator did; he had the courage of his convictions.

Mr. REED. And I should continue to vote for it, and raise the difference on incomes.

Mr. KENYON. I agree with the Senator in raising it on incomes for proper purposes.

Mr. SHAFROTH. The Senator from Iowa has called attention to the fact that the Republican platform was of such a nature concerning the Philippine Islands as not to recognize their independence. I want to call the attention of the Senator to the fact that the declaration of the Republican Party upon the Philippines is as follows:

> The Philippine policy of the Republican Party has been and is inspired by the belief that our duty toward the Filipino people is a national obligation which should remain entirely free from partisan politics.

So I do not see, when the Senator cast his vote and made his speeches concerning Philippine independence, that it was contrary to the expressed plank of his party in its platform of 1912.

Mr. KENYON. I possibly made my statement a little strong. What I said was that I thought that many Republicans of my State felt my vote was contrary to the policy of the Republican Party, but nevertheless I thought it was right. World conditions have changed some since that time, and I might have a different opinion now.

Mr. SHAFROTH. I do not see how they could have so interpreted that declaration, which says that it is a nonpartisan question. Consequently, as a Republican, the Senator from Iowa would be entitled to vote as he pleased, and I believe the Senator has done nothing in his career which does him greater credit.

Mr. KENYON. Does the Senator feel that his party has now carried out the pledge they made in the platform concerning the Philippines?

Mr. SHAFROTH. No; we have not done so yet, because the bill has not yet become a law.

Mr. KENYON. But when does the Senator think that the pledge will be carried out?

Mr. SHAFROTH. The pledge of the Democratic Party, according to the Democratic platform, is not as to any definite date at which the Filipino people are to be granted their freedom. I had hoped just as had the Senator from Iowa that we should fix a date to give the Filipinos independence; but that has not been done, according to the action of the other House. What the action of the Senate will be I do not know; but it seems to me that though the platform of the Democratic Party recognizes that the Filipinos will be given independence, it does not state when.

Mr. CLARKE of Arkansas. Mr. President, I am not in the habit of injecting a partisan argument into a discussion relating to an important governmental function; but I want to say that in this particular instance the Democratic Party made a fair effort to redeem that pledge. Of course we had the assistance of five excellent Republicans on the other side of the Chamber in redeeming the part of it that was performed by the Senate; but when we got to the House of Representatives it was made a party question. The Democratic Party, speaking through its recognized organ of communication with the public, stood for the proposition to the extent of giving it all the votes that it could control through its party action; and the President of the United States lent his influence in favor of its enactment. I think the Democratic Party has a fairly good record on that particular plank of the platform; thanks to the Senator from Iowa and other progressive and patriotic Senators on the other side of the Chamber.

Mr. THOMAS. Mr. President, will the Senator from Iowa permit me a word?

Mr. KENYON. Yes.

Mr. THOMAS. I have always understood the Democratic policy regarding the Philippines to mean that whenever it had the power to do so it would give them their independence. My reading of Democratic platforms since we acquired the Philippine Islands has confirmed this view. I think the Democratic Party has tried by the imperfect and unfinished and now mutilated legislation of this session to comply with the requirements of its frequently repeated pledges.

I also believe that, if the Democratic Party, as such, were in control of the House of Representatives it would have fulfilled that obligation, and that the bill which passed the Senate with the Clarke amendment would by this time have become a law; but, Mr. President, it is painfully evident that at times the Democratic majority in the other House is no majority at all, but that its membership is composed of about an equal number of Democrats and Republicans, the balance of power being held by an organization which wears the livery of the Democratic Party, wears its colors, and dishonors its name.

Mr. KENYON. Would the Senator put them in our party?

Mr. THOMAS. Of course I would not do that, although they are sometimes its useful instrument; and yet there are organizations in other cities of a similar character which call themselves Republican, just as this organization calls itself Democratic, because it is necessary to assume the prevailing party public sentiment. The organization to which I refer is a politico-commercial affair, in politics for practical purposes, and always ready to do that which is practical and, therefore, profitable, whether Democratic or not.

For my part, Mr. President, I want to repudiate the notion that the Democratic Party of the country, as a party, has up to this time been faithless to its Philippine pledges. I assert that it will be in actual power when and only when, independently of the membership to which I have just referred, it has an actual majority in both Houses. Until then it must encounter the rear attacks like that which so recently assassinated the Philippine bill in the House of its reputed friends.

Mr. KENYON. Mr. President, I did not expect to start a discussion on the Philippine question. I was simply taking up some of the broken planks of the Democratic platform, more particularly desiring to call attention to the plank as to economy. I notice another plank which I think I shall perhaps put into the RECORD.

Mr. SIMMONS. Mr. President, the Senator from Iowa has denounced the Democratic Party for extravagance and he has cited the present river and harbor bill as an illustration of the failure of the Democratic Party to carry out its platform pledge of economy. I wish to ask the Senator if, as a member of the Committee on Commerce, he is not the only Republican member of that committee who voted against reporting this bill in the form in which it now is?

Mr. KENYON. I think not.

Mr. SIMMONS. Then, I ask the Senator if there were others?

Mr. KENYON. The Senator from Illinois [Mr. SHERMAN], I think——

Mr. SIMMONS. The Senator from Illinois, I think, voted against some of the provisions of the bill.

Mr. KENYON. He voted against reporting the bill, I think. I know he signed the minority report.

Mr. SIMMONS. He voted against some of the new items of the bill.

Mr. KENYON. He signed the minority report.

Mr. SIMMONS. The Senator from Illinois voted against some of the new items of the bill, but I do not understand that the Senator from Illinois, or any other Republican Senator on the committee, voted against the bill as a whole.

Mr. KENYON. I will say that, in my judgment, as I remember the matter, the Senator from Illinois voted against reporting the bill as it was reported; but I am not absolutely certain as to that.

Mr. REED. Mr. President——

Mr. KENYON. I yield to the Senator from Missouri.

Mr. REED. I think I can throw a little light on the attitude of the Senator from Illinois. I think he voted in favor of every appropriation for his State, but was very economical as to other States.

Mr. KENYON. Mr. President, I think the Senator from Illinois did not hear the statement which has just been made by the Senator from Missouri; it is a very unfair statement; for the Senator from Missouri, as I remember, was seldom present at committee meetings, and the Senator from Illinois claimed the right to file a minority report, and said that he objected to many items in the bill. I think the Senator from Missouri is not fair in his statement.

Mr. REED. I think the Senator from Iowa did not understand me, or he would not say I am unfair. I say, as I understood the attitude of the Senator from Illinois, he voted in favor of all appropriations for his own State, but when it got to other States he was economical.

Mr. KENYON. I will say this about the Senator from Illinois——

Mr. SHERMAN. I will answer that.

Mr. KENYON. That the Senator from Illinois——

Mr. SHERMAN. Will the Senator yield to me?

Mr. KENYON. I will yield.

Mr. SHERMAN. I will answer the statement made by the junior Senator from Missouri [Mr. REED] in due time, when I have more leisure, and when I can do so under the rules as they might be administered here without taking the Senator from Iowa off his feet.

The cutting off of the appropriations for my own State will not deter me in the least from criticizing or voting against any of the items of this bill, should I deem it proper to do so when I get the opportunity. If the penalty for such criticism is to be the cutting off of appropriations from this bill that may affect my own State, I will challenge the Senators to cut them off at their pleasure, and I will take the consequences.

Mr. KENYON. I hope the Senator from Missouri will join in that challenge.

Mr. SHERMAN. That possesses no terror whatever for the Senator from Illinois; and I refuse to be punished or afflicted in that way.

Mr. REED. Mr. President, no one has made the slightest suggestion that anything could at all imperil the courageous attitude of the Senator from Illinois. I did not charge that the Senator from Illinois was not economical with reference to appropriations for other States; but I failed to notice him practicing any particular economy when it came to the State of Illinois. That is all I said. I know that the high courage and magnificent patriotism of the Senator from Illinois will lead him to take an exalted ground when it comes to the discussion of this bill; and yet I venture to say that he will in no single instance move to reduce an Illinois appropriation.

Mr. KENYON. Mr. President, the Senator——

Mr. SIMMONS. Mr. President——

Mr. KENYON. Just a moment. The Senator from Illinois asked the committee that the State of Illinois be permitted to spend $5,000,000 of its own money. That is all the Senator from Illinois asked of the committee. I suppose that remarks of the kind we have heard must be made about men who express their convictions about this bill, but they seem to me very unfair to the Senator from Illinois.

Mr. SIMMONS. Mr. President, I, of course, do not care to enter into the controversy as to how the Senator from Illinois voted, because I do not remember as to that. I was, however, under the impression that the Senator from Iowa was the only Republican member of the Committee on Commerce who voted against this bill as a whole. I thought the Senator from Illinois voted against some new items which were put on the bill, as some Democratic members of the committee probably did; but there are eight Republicans on the committee; and, if the Senator from Illinois joined the Senator from Iowa in voting against the bill, they are the only two Republicans, I am sure, who did pursue that course. I think the bill comes here with the joint approval of all the members of the committee, except those two Senators. I am speaking of the bill as a whole; I am not speaking of items, because I think there were differences in the committee as to items.

Mr. JONES. Mr. President——

The VICE PRESIDENT. This is about the time for the Chair to begin to call attention to a rule of the Senate. The Senator from Iowa has lost the floor three or four times, in accordance with the rule. The Chair has not been enforcing it, but we are getting nowhere, and the Chair is going to enforce it from now on.

Mr. KENYON. I yield to the Senator from Washington for a question.

Mr. JONES. I have no question to ask.

Mr. SIMMONS. Then, Mr. President, if the Chair is going to enforce the rule now, after having permitted its violation repeatedly since the Senator from Iowa has been upon his feet, I will ask permission of the Senator to ask a question.

Mr. KENYON. I yield to the Senator for a question.

Mr. SIMMONS. I wish to ask the Senator if it is not a fact that up to this time no river and harbor bill has been passed since the Democratic Party came into power and has been in

control of both Houses of Congress, except a lump-sum appropriation?

Mr. KENYON. I think that is true.

Mr. SIMMONS. No river and harbor bill proper has been passed by the Democratic Party since it came into power. Now I will ask the Senator, further, if the present bill as it came from the House was not a bill that included only old projects, with the single exception of the New York item, to which the Senator has referred?

Mr. KENYON. I think so.

Mr. SIMMONS. Is it not true, then, that the bill as it came from the House, carrying $40,000,000 of appropriations, provided for projects that had been approved by the Republican Party while it was in power?

Mr. KENYON. I do not know and do not care. I have already said that the Republican Party has been just as wasteful in this regard as the Democratic Party; but I say the Senator's party is now charged with responsibility, and the Senator's party in its platform and upon the stump has gone before the people of this country telling them what they would do along lines of economy and denouncing the Republican Party. I denounce the Republican Party, too, where it deserves to be denounced.

Mr. SIMMONS. But did not the Senator hold the Democratic Party up as responsible for the items in this bill?

Mr. KENYON. Oh, of course.

Mr. SIMMONS. And I am asking him if every one of these items was not a Republican item——

Mr. KENYON. Oh, no.

Mr. SIMMONS. Adopted and approved by the Republican Party and appropriated for before the Democratic Party came into power?

Mr. KENYON. Mr. President, I do not want to lose the floor; but I do not wonder that the Democratic Party seeks to avoid responsibility for some of the things that have gone on; but these items can not go into the law without the action of your party; and, to use an expression of the Senator from New Jersey [Mr. MARTINE], God knows you tried hard enough to pass two river and harbor bills, and you would have done so had it not been for the former Senator from Ohio, Mr. Burton.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. For a question.

Mr. JONES. Was there any roll call in the committee upon the vote to report this bill?

Mr. KENYON. There was not, as I remember.

Mr. JONES. I will ask the Senator whether or not several Republican Senators reserved the right to oppose provisions of the bill on the floor of the Senate?

Mr. KENYON. They did, and I remember very distinctly the Senator from Pennsylvania making that suggestion, and also the Senator from Washington.

Mr. President, I want to proceed with a few more of the planks in the Baltimore platform. There is one that is to be broken in a few weeks now.

Mr. CLARKE of Arkansas. Mr. President——

Mr. KENYON. I yield to the Senator.

Mr. CLARKE of Arkansas. I rise rather to a parliamentary inquiry than otherwise. The Senate, by a yea-and-nay vote, determined that the question as to whether or not a Senator lost the floor by submitting to an interruption was not a question for the Chair to decide, but that an objection of that kind must originate upon the floor and become operative at the instance of the Senate. We have been proceeding under that modified form of the rule so long that I think it is but fair for the Chair to give notice that he will not be bound by it, so that we may know in the further progress of this debate how to conduct ourselves. It must either be one or the other; it must either be a matter that the Chair must decide or that the Senate must decide.

The VICE PRESIDENT. The Chair does not think that the Senate so decided. The Chair thinks that the Senate decided that the Chair could not autocratically and dictatorially say to a Senator——

Mr. CLARKE of Arkansas. Of course, the present occupant of the chair would not do anything autocratically or dictatorially. He is a very mild-mannered individual.

The VICE PRESIDENT. That a query only consists of one question with an interrogation point at the end of it. The Chair thinks a Senator, if he wants to ask a question, is entitled to the right to state a premise as the basis of the question. That is as the present occupant of the Chair understands the action of the Senate.

Mr. CLARKE of Arkansas. We can only accept the ruling as it was made; and it determined one fundamental question, and that was, that it was not for the Chair to determine what constituted a question. In that particular instance the Chair did determine that the character of the interruption was material.

If the attempt is going to be made to enforce the rule now, which has not been enforced since that time, I think there ought to be no misgivings as to how the debate shall proceed. If the rule as announced by the Chair is going to be enforced, so far as I am concerned, I am entirely agreeable to submit to it. There are, however, one or two matters I should like to address to the Senator from Iowa, but I do not want to do so at the risk of having him arbitrarily taken off the floor, and I will take occasion to say what I have in mind at a later period, in my own time.

Mr. GALLINGER. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New Hampshire will state it.

Mr. GALLINGER. I will premise the inquiry by a single observation. I have been here a long time, and at one time I thought I understood the rules of the Senate fairly well; but now I will ask the Vice President to have read the rule to which he refers, providing that a Senator can be taken off the floor if he yields to anything more than a simple question. I should like to have the rule read.

The VICE PRESIDENT. There is not any such rule as that. There is a rule to the effect that no Senator shall speak more than twice in one day upon any one question without leave of the Senate.

Mr. GALLINGER. Certainly.

The VICE PRESIDENT. And there have been innumerable decisions, which were not made by the present occupant of the chair, but were made long before he came here, to the effect that a Senator could not yield the floor for any other purpose than for a question; otherwise when he obtained possession of the floor he could farm it out as he pleased. The Chair has never until this moment heard it insisted upon that when a Senator yielded for any other purpose than for a question he did not yield the floor thereby, so that it could be considered that he had made one of the speeches which he is entitled to make on any one day.

Mr. GALLINGER. Mr. President, the Chair says that the Chair has never heard that questioned before. The fact is the issue which the Chair raised on a certain memorable occasion was in direct antagonism to the custom of the Senate. Debate is about all there is in this body that is worth anything, and we can not have debate unless we have an interchange of views. The idea that a Senator has got to stand on the floor and talk for hours at a time, to be followed by another Senator, and then by another, is to me rather preposterous. We had a short time ago a debate on a very important question, and we spent a whole day interchanging views. Most of the debate was in the nature of interrogatories, as a matter of fact, and it was the most enjoyable day that I have spent in the Senate since the rule was enforced that a Senator occupying the floor and keeping the floor could not allow an interruption, except by way of an interrogatory. Of course if it is patent that it is the purpose of a Senator to farm out the floor to other Senators in order that he may get rest, that is an entirely different affair; and I remember that there are decisions that that can not be done; but I confess that I think it is going to take from the Senate of the United States its highest prerogative and the most enjoyable conditions that exist here if we can not have an interchange of views, except by way of simple questions.

Mr. JONES. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Washington will state his inquiry.

Mr. JONES. I merely want to inquire whether or not the decisions to which the Chair referred a moment ago were not decisions made upon objections raised from the floor?

The VICE PRESIDENT. The Chair can look those questions up, but the Chair has no recollection as to whether or not they were made from the floor. The Chair has not the slightest desire in the world to enforce this rule; he does not care whether it is enforced or not. If the Senate does not want it enforced, then all they have to do is to say so. The interruptions that were taking place were not taking place on a discussion of the river and harbor bill.

Mr. CLARKE of Arkansas. I ask unanimous consent that the Senator from Iowa may proceed with his argument and yield to such Senators as he may see proper, and yield for pur-

poses that may be satisfactory to him and to the Senator interrupting him.

Mr. KENYON. I will be very glad, of course, to do that.

The VICE PRESIDENT. The Chair does not care anything about it.

Mr. CLARKE of Arkansas. I ask that that request be submitted to the Senate.

The VICE PRESIDENT. Is there any objection?

Mr. JONES. Mr. President, before that request is submitted, I merely want to suggest that there are certain rules which it is expressly required shall be enforced by the Presiding Officer. There are other rules concerning which there is no such provision, and I take it that, as to them, no action will be taken unless there is some objection from the floor.

The VICE PRESIDENT. There seems to be no objection to the request of the Senator from Arkansas; and the rule will not be enforced until the Chair is notified of the further desire of the Senate.

Mr. KENYON. I thank the Chair.

Mr. CLARKE of Arkansas. Mr. President, will the Senator from Iowa indulge me in just one little observation?

Mr. KENYON. Certainly.

Mr. CLARKE of Arkansas. Reference has been made to the so-called political alignment of the Committee on Commerce. No such alignment exists in that committee, and nothing of that kind was apparent in the preparation of this bill. Ninety per cent of the additions that we made to the bill were made at the instance of Republican Senators; but no notice was taken of that fact, and no point should be made on it here. They were considered on what we supposed to be their merits, and they were freely voted for by Democrats and Republicans alike. We took no notice of the fact that they were of one party or the other, and I hope we never will, because the matters to which the legislation pending before that committee relates can not by any possibility have a partisan application.

There was a reservation made by several Republican members of the committee of the right to vote against any item in this bill that they saw proper to vote against, and they are at liberty to do so now if they desire, just as the Democrats on the committee are at liberty to do so. We did the best we could in the preparation of the bill under the limitations that surrounded us. Whilst we have not made an excellent job, we did the best we could under the circumstances.

Mr. KENYON. Nor do I think I made any intimation—I did not intend to—that there was any partisanship in the bill as far as the committee was concerned or in any other way. I do not believe party lines exist when it comes to getting appropriations out of the Federal Treasury. I was simply contending that the Democratic Party were responsible for the expenses of this session and of these Congresses, and that they were breaking the platform of their party in passing these enormous appropriation bills. I do not know that you can ever economize. It seems almost impossible; but if you can not economize do not announce in your platform what you are going to do.

I was passing along to these various violations of the Democratic platform. I want to put one or two more in the RECORD.

Our Democratic friends declared themselves in favor of the civil-service law, and yet we behold, in the rural-credits bill just passed, that as far as that is concerned it seems to be formulated on the proposition of getting the appointees into office absolutely regardless of the civil service; and many other violations of that plank could be cited.

Here is another one:

> We favor a single presidential term, and to that end urge the adoption of an amendment to the Constitution making the President of the United States ineligible for reelection, and we pledge the candidate of this convention to this principle.

Of course, that may be defended on the ground that it was absolutely superfluous, because the people of the country will see that that plank in the platform is carried out.

Here is another one:

> The constitutional rights of American citizens should protect them on our borders and go with them throughout the world, and every American citizen residing or having property in any foreign country is entitled to and must be given the full protection of the United State Government, both for himself and his property.

As to whether or not that plank has been violated would be a matter for serious reflection; but here is the plank I have been leading up to. With all this record of broken promises, the one that you Democrats will have to face—and I am sorry for you when you face it—is the one about extravagance:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

We have had four urgent deficiency bills in this session, and how many more are to come God only knows! The other day when you placed the salaries of the directors of these land banks at $10,000 per annum and had the proposition squarely up to you along the line of your platform as to high salaries, what did you do? I think practically all the Republicans voted to reduce the salaries, and some Democrats; but you, the party of economy, voted to keep them at $10,000. What a joy to the farmers of this country when they study your platform and then look at the record! How they will enjoy helping to pay $10,000 per annum for somebody to do what they can do just as well themselves!

So there is a lot of buncombe about this platform business. How you can sit quietly by, with easy consciences, and keep voting this money out of the Public Treasury and piling up the taxes for the people to pay I can not understand.

Here is a good Senator from Colorado [Mr. THOMAS]. He stands up here and fights for economy. He votes aginst things that his own State is after, at times. [Laughter.] He is one of the consistent men on this economy proposition. I did not mean to qualify my words in that sudden fashion. The urgent deficiency bills come in here now carrying over $25,000,000—$25,730,000, as I am told by the Senator from Utah [Mr. SMOOT], who always knows about these matters. Are you going to stop at all? What about the trips of battleships to South American countries, with distinguished lawyers thereon from New York, and trips to San Francisco fairs? Whose money is this that we are continually voting away? Is it our own?

Mr. WORKS. Mr. President, I hope the Senator will not overlook the good-roads bill in his denunciation of extravagance on the part of our friends on the other side of the Chamber.

Mr. KENYON. I supposed, when I referred to the California Exposition, that that was what had drawn the Senator from California to his feet.

Mr. WORKS. Not at all.

Mr. KENYON. I do not stand here to say that a lot of these appropriations are not wise. I am trying to plead with my Democratic friends before it is too late for them to get a little salvation on this question of economy, and to carry out the provisions of their platform to some extent, and to start now by cutting this river and harbor bill squarely in two. Then you can go out to the country and say that you at least have cut the thing down $20,000,000.

In the case of the last two river and harbor bills, which were cut in that way, has the country suffered from the reduction? I have not heard, though I may be mistaken, of any meritorious projects that have suffered at all. At this time, when the expenses of the Government for preparedness are going to amount to enormous sums, do you not honestly think, without stopping internal improvements, without letting any worthy projects suffer, that it is a good time to try to cut down a bill of this character?

Mr. SHERMAN. Mr. President——

Mr. KENYON. Mr. President, I should like to make a parliamentary inquiry, as to whether the rules are in force or not.

The VICE PRESIDENT. Oh, the rules are not in force.

Mr. KENYON. There are no rules?

Mr. SHERMAN. I should like to make an inquiry.

Mr. KENYON. I yield to the Senator from Illinois.

Mr. SHERMAN. I will promise not to deliver an address ad interim. Will the Senator, before he leaves that very comprehensive and alluring subject——

Mr. KENYON. Did the Senator think I had left it?

Mr. SHERMAN (continuing). Refer to some of the methods of thumb-screw taxation that must be resorted to in order to supply this deficiency and consider the sources from which this revenue is to be derived?

Mr. KENYON. Every farmer, of course, as he goes to the telephone for messages over 15 cents, I think, pays his cent, or on any telegrams he sends pays his tax, or when he makes a deed of his farm he pays his tax. Of course, he can be expected to hurrah for Mud Creek and Newbegun Creek and Contentnia Creek and all these things. I do not know how the money is going to be raised. Does the Senator from Illinois know how it is going to be raised?

I hope we will increase the income tax. We will have to raise a large amount of taxes outside of this river and harbor bill, of course; but that may be a forerunner of other great expenses that are to come. I think we will have plenty of time to discuss that during the warm summer months.

Mr. President, our appropriations and expenses are simply going up to an enormous extent.

In such a precarious condition is the Federal Treasury that my good friend from Texas [Mr. SHEPPARD], on the 11th day of January, 1916, stimulated by this spirit of economy, introduced a bill providing for temporarily reducing the salaries of persons in the Federal service, in which he recited—and that was very apropos to the present condition of the Treasury:

Whereas the war in Europe has caused a serious decrease in importations and a serious decline in the revenue ordinarily derived from importations; and

Whereas these conditions are imposing an enormous strain on the Federal Treasury and have made it necessary to levy additional taxes on the people; and

Whereas the present emergency calls for every legitimate measure tending to relieve the Treasury and the people as far as possible: Therefore

*Be it enacted, etc.*, That the salaries of persons in the civil, military, naval, or other employment of service of the United States, including Senators, Representatives, and Delegates in Congress, exceeding $6,000 per annum, are hereby reduced 12 per cent per annum; that the salaries of persons in said employment or service amounting to $1,200 and not exceeding $1,500 per annum are hereby reduced 2 per cent per annum; that the salaries of persons in said employment or service exceeding $1,500 per annum and not exceeding $2,000 are hereby reduced 3 per cent per annum; that the salaries of persons in said employment or service exceeding $2,000 per annum and not exceeding $3,000 are hereby reduced 4 per cent per annum; that the salaries of persons in said employment or service exceeding $3,000 and not exceeding $4,000 are hereby reduced 6 per cent per anum; that the salaries of persons in said employment or service exceeding $4,000 per annum and not exceeding $5,000 are hereby reduced 8 per cent per annum; that the salaries of persons in said employment or service exceeding $5,000 per annum and not exceeding $6,000 are hereby reduced 10 per cent per annum.

I summon that to my help in this argument; that the Senator from Texas—the country of the Brazos and of the Trinity, with enormous appropriations in this bill and in all the bills that have gone before us—felt that the condition of our Treasury was such that we ought to reduce the salaries of the poor clerks around here who are drawing from twelve to fifteen hundred dollars a year.

Mr. GALLINGER. Mr. President——

Mr. KENYON. I yield to the Senator from New Hampshire.

Mr. GALLINGER. That bill was introduced on the 11th day of January, as I recall. On the 12th day of January the Senator from Texas, who was going to save something to the Treasury, introduced a bill appropriating $250,000 for a Federal building at Brownsville, Tex.; $75,000 for one at Childress, Tex.; $75,000 for one at Huntsville, Tex.; $75,000 for one at Memphis, Tex.; and $50,000 for one at Canadian, Tex.

Mr. KENYON. Has the Senator overlooked the one at Huntsville, Tex., where an appropriation of $75,000 was proposed, Huntsville having a population of 2,072 people?

Mr. GALLINGER. I stated that, Mr. President.

Mr. HARDING. Mr. President——

Mr. KENYON. I yield to the Senator from Ohio.

Mr. HARDING. I wanted to ask the Senator from Iowa, inasmuch as he had read the preamble to the measure of the Senator from Texas, reciting the decrease of imports incident to the European war, if he would not like to put into the RECORD the fact that the imports for March, 1916, were thirty-one millions more than for March, 1914; fifty-nine millions more than for March, 1913, when Mr. Wilson came into the White House; and seventy-four millions more than for March, 1911?

Mr. KENYON. Mr. President, of course I have no knowledge of the accuracy of the figures; but, knowing that the Senator from Ohio is engaged upon a very important work shortly to take place and undoubtedly is familiar with the figures, I am willing to accept them.

Mr. SHEPPARD. Mr. President——

Mr. KENYON. I yield to the Senator from Texas.

Mr. SHEPPARD. I know the Senator wants to be fair. I have also introduced bills directing the Secretary of the Treasury to examine the building needs at the points in Texas quoted by the Senator from New Hampshire, and at all other points in the country for which building bills are introduced, and to report what the need actually is, what the postal receipts and rentals are, what Government offices are established at such places, and also the lowest possible cost at which the proper buildings, if needed, could be erected.

I believe that method ought to be adopted in making public-building appropriations. I think the present system is a wasteful system, an unscientific system, and that it ought to be fundamentally changed. Projects of pressing importance are now compelled to await the preparation of an omnibus bill covering the entire country and covering places where the need can not be said to be especially urgent.

For instance, if the Senator will pardon me, at Paris, Tex., some weeks ago a disastrous fire destroyed the public building there. The need for a new structure is immediate and imperative. The blackened walls have been standing there, a menace to the passers-by; and yet, on account of the custom that prevails with regard to public buildings—the custom that has prevailed for the last 15 or 20 years—that situation can not be promptly cared for. Senators and Representatives with projects of similar urgency in their States and districts must wait until the pressure becomes so great from all parts of the country that an omnibus building bill carrying thirty or forty million dollars is introduced and literally forced through, including many projects that could not stand on individual merit. This system should be discontinued. Each project should stand or fall on its own inherent worth.

Mr. KENYON. I think the Senator's resolution applied only to buildings in Texas, did it not?

Mr. SHEPPARD. I introduced a general resolution or bill requiring all measures providing for the erection of public buildings to be referred to the Secretary of the Treasury for investigation and for report as to whether they are actually justified by Government needs.

Mr. KENYON. I always have a great admiration for the ability of the Senator from Texas, because I believe he is one of the few persons who have been able to discover water in the Trinity River. I do not want to enlarge very much on what the Senator from New Hampshire has said; but, inasmuch as that question has arisen, and the Senator from Texas has by this bill placed himself on the side of economy, certainly he must feel that there is a great need for economy when we are to take a certain percentage from the salaries of the poorly paid Government employees.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Iowa yield to the Senator from Texas?

Mr. KENYON. I do.

Mr. SHEPPARD. I think it is in the interest of economy to make necessary improvements, which, if not made, will necessitate a greater expenditure in the future. I shall answer the Senator as to the Trinity later.

Mr. KENYON. Well, Mr. President, I prefer the kind of economy that gives living wages to the employees of the Government in Washington than to take the money and dump it in the Trinity and the Brazos Rivers.

Mr. LEWIS. Mr. President, will the Senator from Iowa allow an interruption?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Illinois?

Mr. KENYON. I do.

Mr. LEWIS. I desire, with the Senator's permission, to address myself to the inquiry of the Senator from Ohio [Mr. HARDING].

The Senator from Ohio interpolated the address of the Senator from Iowa, asking the Senator if he would not consent to allow the figures suggested by the Senator to be introduced in his remarks. Those figures, suggested by the able Senator from Ohio, suggest the increase of importations of one month in this year, as being in excess of those of the same month in the previous year.

I desire to ask the able Senator from Chio if he is able to state whether those importations did not include items which paid tariff duties, and if he knows the amount of revenue they did pay, and if the latter item of importations does not include one-third gold, being money?

I am quoting from a newspaper observation. I am not able to say that I know that fact, as reported in this article.

Mr. HARDING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. KENYON. I am always glad to have anything I may say added to or illuminated by the distinguished Senator from Illinois. I do not want to be responsible for the figures. I do not know anything about them, myself.

Mr. LEWIS. I thank the Senator. I am asking the Senator from Ohio if he has investigated the figures in the respect I have mentioned? I am sure he will state the matter as he knows it.

Mr. HARDING. Mr. President, I should be very happy, indeed, to enlighten the distinguished Senator from Illinois. I do not happen to have in my possession the figures, and I should not attempt to quote them from memory. I had not singled out one month to compare it unfavorably to the Democratic Party with the same month under a Republican administration. I only know that the figures given for the month of March are fairly representative of the various months of this administration as compared with those of the previous administration. I should not attempt at this moment to go into detail as to an analysis of the imports.

Mr. LEWIS. Mr. President, the Senator does not assume to say that the imports to which he alludes might not have been imports upon the protected list and pay a duty as they came in?

Mr. SMOOT. Mr. President, I think the Senator——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. Mr. President, I dislike to have such a good address as I am making spoiled by a tariff debate.

Mr. LEWIS. I think myself that should not be done. I withdraw the query.

Mr. KENYON. If it will end shortly, I will yield.

Mr. LEWIS. I withdraw the query. It may lead to a consumption of time. I did not notice how late the hour was.

Mr. KENYON. And it destroys the continuity of the address I am making.

Mr. LEWIS. That is sufficient objection—that it does interfere with the joyous, as well as the harmonious, flow of an otherwise delightful utterance. [Laughter.]

Mr. KENYON. I return, Mr. President, to this delightful interruption—this question of economy in Texas.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. KENYON. I should like to inquire if it is an inquiry concerning the tariff?

Mr. SIMMONS. It may have some remote relation to the tariff.

Mr. KENYON. Some remote relation? I yield to the Senator.

Mr. SIMMONS. Does the Senator object to having an inquiry with relation to the tariff?

Mr. KENYON. Not at all; but all tariff inquiries I turn over to my friend from Ohio [Mr. HARDING].

Mr. SIMMONS. What the Senator from Ohio said had some relation to the tariff. I simply wish to point to the fact that I have from the department the imports and exports for the month of March. That is the month he quoted from. I have also the summary of foreign commerce for the month of January, and I think the report for that month is somewhat similar in character and in amount. As to the imports for the month of January, 1916, I have not made an accurate calculation, but they were about $60,000,000. However, $40,000,000 of that amount was crude material for use in manufactures and about $8,000,000 of that amount was for manufacture for further use in manufactures. So $48,000,000 of the $60,000,000 represented materials used by our manufacturers.

Mr. HARDING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. KENYON. I yield.

Mr. HARDING. I should like the Senator from North Carolina to specify the character of the materials to which he refers and whether there were changes in the duties thereon.

Mr. SIMMONS. I was quoting at that time the materials that come in free; crude materials for use in manufactures, in 1915, $33,000,000 in round numbers; in 1916, $83,000,000 in round numbers; an increase of about $40,000,000 of these products used by our manufacturers in making goods that they are exporting in such large quantities now to foreign countries; then, manufactured for further use in manufacturing, about $13,000,000 free in 1915 and about $21,000,000 free in 1916, a difference again of about $8,000,000. So I say about $48,000,000 of these goods that came in free used in manufacture were things that were used by our manufacturers in making the things that we are exporting in such enormous quantities, and so much in excess of what we ever exported before to foreign countries.

Mr. KENYON. Mr. President, if we are through with the tariff question now, we will return to a more interesting subject. The Senator from New Hampshire has referred to several public-building bills that have been introduced in towns of rather small population, and I think I will not take the time to enlarge upon that except as to one town, the town of Childress. There is a bill now pending for a $75,000 public building. According to the 1910 census Childress had 3,818 souls.

Mr. SHEPPARD. What are the postal receipts? If I am correctly informed, the postal receipts are now in excess of $10,000 a year.

Mr. KENYON. That is remarkable; it is wonderful.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Hampshire?

Mr. KENYON. I do.

Mr. GALLINGER. The town of Canadian, in the State of Texas, has 1,648 people, and there is an appropriation of $50,000 proposed for a public building.

Mr. SHEPPARD. Will the Senator give us the postal receipts at that place?

Mr. GALLINGER. I can not.

Mr. SHEPPARD. Then the Senator ought to take the time to obtain the information.

Mr. GALLINGER. I am giving the population.

Mr. SHEPPARD. That is not the entire test. The postal receipts and the fact that there may be other Government offices besides the post office are elements of equal importance with population.

Mr. GALLINGER. The city of Memphis calls for an appropriation of $75,000 and they have 1,936 people in that town, and Huntsville, which calls for $75,000, has actually 2,072 people. They are doing pretty well. The only place that has a population sufficient, as I think, to warrant a public building is Brownsville, where they have 10,000 people. Big Springs has 4,002 people.

Mr. President, I am not a great believer in liberal appropriations for public buildings in small towns. I have not asked it for my own State, and I never expect to, and I think we ought to stop making appropriations for little towns of two or three thousand people.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Texas?

Mr. KENYON. I do.

Mr. SHEPPARD. In the last public building bill which passed Congress, I think, on March 4, 1913, a clause was inserted, on motion of the Senator from Indiana [Mr. KERN] to the effect that thereafter public buildings should not be constructed in towns having less than $10,000 in annual postal receipts. Some of these towns for which I have introduced bills are the only towns of any size within a radius of 50, 100, or 200 miles, and in that section of the country towns of 1,500 and 2,000 people are of as much relative importance as cities of 10,000, 15,000, 20,000, and 30,000 in the North and East. I think the Senator will find that these places come within the minimum as to postal receipts established by the last public buildings act, a minimum that was voted for by the Senator from New Hampshire, if I am not mistaken.

Mr. GALLINGER. I quite agree with the Senator on that point. We ought to have some limit as to postal receipts. I think we ought to have a limit also as to population. But what attracted my attention—and I thought it was inadvertence, probably, on the part of my genial friend from Texas—was that he offered the very extraordinary and, as I think, indefensible bill reducing the salaries of the poorly paid clerks in Washington and then offered these six bills on the following day for public buildings in these small towns. I did not think it was consistent, and I thought he probably did it inadvertently.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield further to the Senator from Texas?

Mr. KENYON. I do.

Mr. SHEPPARD. If the Senator will permit me, the bill that I introduced reducing salaries provided a very small reduction in the salaries of clerks, perhaps 1 or 2 per cent, and a much greater reduction was made in the salaries of Members of Congress and other salaries that exceeded $6,000 a year. As to salaries below $1,200, my bill made no reduction at all. I think it was a fair measure.

Now, Mr. President, another thing. It is well known that the amounts called for by these public-building bills, when they are introduced, are merely nominal, merely tentative, and that the determination of the proper amount is left to the investigation of the Public Buildings Committees and the Treasury Department. The bills I introduced had most of them been pending for some time in both the House and the Senate. Some of them I had introduced at different times during the past several years in the House during my membership there. I simply got them all together on one day and introduced them at one time for the consideration of this Congress.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. KENYON. I do.

Mr. VARDAMAN. While it is not relevant to the question before the Senate, it occurs to me that the erection of buildings for the United States Government, if economically constructed, is not an extravagance. It does not become a liability; it is an asset; and I think it would be very wise economy if the Government were to erect buildings and occupy them here in Washington. Not all would be wise economy, because the Government might not need it. If the building is not needed, of course, it is an extravagance; but I refer to cases where the Government needs a building, when it pays rent. I was informed a few days ago that the Government is paying for a building here in Washington 16 per cent on the amount invested in that build-

ing. It is no economy for the Government to do that. The Government can borrow money at 2½ per cent and construct its own buildings, and I think very often, if instead of renting post-office buildings and public buildings of that kind, money is prudently expended in the erection of buildings it is not a liability; it is an asset.

Mr. KENYON. I only want to say about the colloquy with the Senator from Texas, I know him so well, I know he would not introduce any bill or do anything he did not thoroughly believe in; I cited it merely because I felt that when the question was reached here of additional money for Brazos and Trinity, feeling as he did about these items, he certainly would not care to press the matter.

Mr. CLARKE of Arkansas. Would it suit the Senator from Iowa to suspend at this point and conclude on to-morrow?

Mr. KENYON. I would be very glad to do so.

Mr. CLARKE of Arkansas. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, May 10, 1916, at 12 o'clock meridian.

[Mr. KENYON continued his remarks on the river and harbor appropriation bill (H. R. 12193) Wednesday, May 10, Thursday, May 11, Friday, May 12, and Saturday, May 13, as follows:]

*Wednesday, May 10, 1916.*

Mr. KENYON. Mr. President, I desire to place in the RECORD a few more citations from the platforms in the past of the Democratic Party on the question of economy.

In 1876, this party that has always pretended at least to stand for economy, in its platform said:

We demand a judicious system of preparation by public economies, by official retrenchments, and by wise finance.

Again in 1880, when that splendid old soldier, General Hancock, was nominated for President, this same party said:

We congratulate the country upon the honesty and thrift of a Democratic Congress which has reduced the public expenditures $40,000,000 a year.

In 1884 you said:

We demand that Federal taxation shall be exclusively for public purposes and shall not exceed the needs of the Government, economically administered.

In 1888 you said:

Every Democratic rule of governmental action is violated when, through unnecessary taxation, a vast sum of money far beyond the needs of an economical administration, is drawn from the people and the channels of trade and accumulated as a demoralizing surplus in the National Treasury. * * * Debauched by this immense temptation, the remedy of the Republican Party is to meet and exhaust, by extravagant appropriations and expenses, whether constitutional or not, the accumulation of extravagant taxation. The Democratic policy is to enforce frugality in public expense and to abolish unnecessary taxation.

In 1892 you said in your platform:

We pledge the Democratic Party if intrusted with power not only to defeat the Force Bill, but also to relentless opposition to the Republican policy of profligate expenditures.

In 1896 you said:

We denounce the profligate waste of the money wrung from the people by oppressive taxation and the lavish appropriations of recent Republican Congresses, which have kept taxes high, while the labor that pays them is unemployed, and the products of the people's toil are depressed in price till they no longer repay the cost of production. We demand a return to that simplicity and economy which befits a democratic government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

I wonder what they might have thought when an under Secretary of State was provided for in an appropriation act, to emulate the effete monarchies of Europe.

In 1900 you said:

We favor a reduction and speedy repeal of the war taxes and a return to the time-honored Democratic policy of strict economy in governmental expenditures.

And the people now favor a speedy repeal, I think, of the war taxes, and the return, if possible, to economic expenditures.

In the platform of 1904 you said:

Large reductions can easily be made in the annual expenditures of the Government without impairing the efficiency of any branch of the public service, and we shall insist upon the strictest economy and frugality compatible with vigorous and efficient civil, military, and naval administration as a right of the people too clear to be denied or withheld.

Yesterday I think I placed in the RECORD something from the platform of 1912. To have the matter complete I quote from the platform of 1908:

The Republican Congress in the session just ended made appropriations amounting to $1,008,000,000, exceeding the total expenditures of the past fiscal year by $90,000,000, and leaving a deficit of more than $60,000,000 for the fiscal year just ended. We denounce the needless waste of the people's money, which has resulted in the appalling increase, as a shameful violation of all prudent considerations of government and as no less than a crime against the millions of working men and women from whose earnings the great proportion of these colossal sums must be extorted through excessive tariff exactions and other indirect methods. It is not surprising that in the face of this shocking record the Republican platform contains no reference to economical administration or promise thereof in the future. We demand that a stop be put to this frightful extravagance and insist upon the strictest economy in every department compatible with frugal and efficient administration.

Mr. Bryan, who has recently left office, I assume because of the extravagance of this administration, in a great speech to the farmers of Minnesota during that campaign took occasion to denounce, as only he can denounce, the extravagances of the Republican Party. He said:

Why is it that the Republican Party is so much more extravagant than the Democratic Party in the expenditure of public money? There are two reasons: First, because the Republican leaders are more intimately associated with the tax eaters than with the taxpayers. They hear the hungry clamor of the men who spend money more than they do the protests of the masses who contribute revenues.

* * * * * * *

The Democratic Party—

Says Mr. Bryan—

is in a position to bring reform in the matter of expenditures.

Yet we find the Democratic administration piling up the cost of government beyond what any Republican administration has ever done.

The distinguished Senator from Texas [Mr. CULBERSON], along about the close of the Roosevelt administration, denounced in a wonderfully strong speech in this Chamber the Republican Party for its extravagance. He had a right to do it. The Senator from Mississippi [Mr. WILLIAMS] in a speech in this body some time ago, talking of the extravagances of government, said, among other things:

Mr. President, I have drawn a picture. What is the lesson from it? That we ought to strain our nerves to try to circumscribe and limit the expenditures of this Government. There is no sense in having the expenditures increase 400 per cent while population increases only 84 per cent.

In 1896, I think it was, in the House of Representatives a distinguished citizen from Missouri, once governor of that State or since then governor of the State, in a speech on the river and harbor bill, a gentleman who is now, I think, connected with the administration as Third or Fourth Assistant Postmaster General, Mr. Dockery, said:

Why, Mr. Speaker, there was not a King of France who ever laid the heavy hand of the tax gatherer upon the people who did not claim to do it in the interest of the people.

And there is not a single item in this bill—

He said, referring to the river and harbor bill—

that does not come here challenging our approval in the name of the people. [Applause.] And I say further that you know, and I know—because I have not the time to analyze the items of this bill in the limited time accorded me—you know that while the bill has many meritorious features, yet it is honeycombed with local projects for private purposes. I know—

He said—

that my protest will be unheeded. I know that my voice will fall on dull ears. I know the claim will be made here and throughout the country that the enormous total of this bill, covering as it does about $80,000,000 of liabilities, is for the public weal. But I desire to say—

Then a question was interposed, after which he continued:

But I appeal from this tribunal to the great body of the American people. [Laughter on the Republican side.]

It was a great joke among the Republicans apparently at that time if anybody raised any objection to a river and harbor bill; but this distinguished Democrat continued:

I appeal from the Representatives here who intend to support this bill to the farmers of the country, to men who follow the plow and toil for their daily subsistence. I appeal to the men who work in the fields and in the factories and in the mines, and to the men who are engaged in the various business avocations of the country. I appeal to the vast army of men who earn their bread by their daily toil. I appeal, Mr. Speaker, to them to condemn this rioutous, this enormous, this unjustifiable, this profligate appropriation of public money.

That distinguished man from Missouri seemed to believe that there was a sentiment in the country in favor of some kind of economy. That was some years ago, and possibly he was mistaken.

Mr. THOMAS. May I ask the Senator in what year the speech from which he has been reading was delivered?

Mr. KENYON. My recollection is that it was a number of years ago—10 years ago.

Mr. THOMAS. I think the Senator will admit that the appeal was a fruitless one.

Mr. KENYON. Yes.

Mr. THOMAS. I have no knowledge of any year elapsing since then in which a river and harbor bill was not introduced, and, with the exception of the last two years, enacted into law.

Mr. KENYON. I think that is true. The appeal was a fruitless one. The Senator from Colorado, in his suggestions of yesterday, may be absolutely correct that there is no public sentiment in this country for any economy, but that the people enjoy having their money spent. If they do, they ought to have been pretty happy through all these years.

Mr. WORKS. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from California?

Mr. KENYON. I do.

Mr. WORKS. May I suggest to the Senator whether we are likely to reach any different rule or different system of legislating on this subject so long as we make it a partisan issue? Whenever such a bill comes from the Democratic side of the Chamber, it is charged against them as being a partisan measure, and when it comes from this side of the Chamber the same charge is made on the other side. This is not a political issue at all, and I do not believe that politics ought to be brought into it in any way whatever. It ought to be treated upon broader grounds of economy. I insist that both parties are equally at fault so far as this kind of legislation is concerned. It happens just now to be the Democratic Party that is in control, but exactly the same conditions existed when the Republican Party was in control. If we can get this legislation on a little higher ground and deal with this question as an economic question, and leave out of it all politics or charges of one side against the other with respect to it, we may accomplish something.

Mr. KENYON. I do not agree with the Senator from California that it has been made in any way a party question or that there is any politics in it.

Mr. THOMAS. Mr. President, I think this is one of the bills that are entirely nonpartisan. This bill is drawn for the purpose of appropriating money to distribute it all over the country. Consequently it will go through by a very large vote.

The Senator from Iowa referred just now to the fact that the speech from which he has read, and which was delivered in the other House some years ago, was received with derision. I want to tell the Senator that his speech now is being received with quiet derision. He is making a speech here against a bill which carries $45,000,000, to be distributed throughout the country; he is making a splendid fight, but in so far as the effect of his opposition is concerned, I think it will be like that of the distinguished Democrat from Missouri. As was stated by the Senator from Massachusetts [Mr. LODGE] the other day, this is one of the bills that are "made to pass."

Mr. KENYON. I realize that and I realize that any effort I may make in opposition is perfectly futile, a waste of strength, and probably a waste of the time of the Senate; but I am simply calling attention to this bill, and performing what I think is a public duty, realizing full well what the Senator says as to the derision and the sneers with which any such effort is met, and the charges of bad faith and matters of that kind, which I care nothing about. I am going to do my duty as I see it.

Mr. WORKS. Mr. President, I hope the Senator from Iowa will understand that in what I said I was not in any sense criticizing his effort in this matter. I sympathize with him entirely, and I think he is deserving of great credit that he has the courage to make the fight which he is making against this bill.

Mr. KENYON. I think the Senator from California, in whose judgment I have such confidence, probably has in mind some criticism of me—which is perfectly proper; and I accept it in the best of faith, because I like criticism—that I have been attempting to make this a political question.

Mr. POINDEXTER. Mr. President——

Mr. KENYON. Just a moment. I have not intended so to do. I realize that any raid at any time upon the Public Treasury is not a political question. I was calling attention, however, along the lines of the platform of the Democratic Party, looking toward economy in reference to this bill, because this bill, with others, helps to pile up the enormous expenses of this Government, and thus to belie that part of their platform. That is the only politics that is in it, so far as I am concerned. Now I yield to the Senator from Washington.

Mr. POINDEXTER. Mr. President, I have not had the privilege of hearing the entire remarks of the Senator from Iowa; hence I make this inquiry. I ask whether the Senator has undertaken, or whether he will before he concludes his speech, undertake to segregate those items in the bill which he believes to be unwarranted from those which he thinks are meritorious? That is a practical problem which has ultimately to be dealt with on some system—either on this system or through some commission or administrative tribunal. We either have to do it ourselves or appoint somebody else to do it for us.

The Senator from Iowa participated in the great attack that was made upon the river and harbor bill in the last Congress, in which he had the cooperation of the former Senator from Ohio, Mr. Burton. As he is renewing it this year, I take it for granted that the Senator from Iowa has made an exhaustive study not only of the bill in general and the principles upon which this great public work has been conducted, the system, but the details of it.

I am in utmost sympathy with any effort which is made to eliminate from the bill any items which have no substantial merit, if there are any such items in it—and I take it for granted that there are some of that kind—while, at the same time, I deprecate very much any general attack—I am not saying that the Senator from Iowa is making any general attack—upon the great principle of waterway improvement and water transportation. I think that is essential to the growth and progress of this country.

Mr. KENYON. I am not, I will say to the Senator, making an attack upon water transportation that may be national in its character and that may do some good either in the regulation of railroad rates—and that is a subject I will discuss later—or in the actual transportation of traffic. I am attacking the system of these expenditures for local interests where they have no beneficial effect, apparently, upon the nation at large; and I will say to the Senator that I do propose later to take up specifically a large number of items in this bill, and make my case against this bill from the records as furnished by the Army engineers; and I have spent a good deal of time in trying to get the data ready.

Mr. POINDEXTER. Mr. President, may I make a further inquiry of the Senator?

Mr. KENYON. Certainly.

Mr. POINDEXTER. Does the Senator propose, by a motion to strike out, or by any kind of an amendment, or otherwise, to present to the Senate an opportunity to render judgment upon the separate portions of the bill which have no merit?

Mr. KENYON. I certainly do. I said yesterday that I would be glad to see a sufficient number of Senators who are opposed to this bill resort to any proper legislative tactics to defeat the bill. I know that situation does not exist, and I have not the physical strength nor the ability to stand up here and do it, and so I am going to point out the specific items in the bill, and then I am going to urge that this amount be cut squarely in two.

Mr. SIMMONS and Mr. WORKS addressed the Chair.

The VICE PRESIDENT. To whom does the Senator from Iowa yield?

Mr. KENYON. I yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I am very glad the Senator from California [Mr. WORKS] made the observations which he did a little while ago. Of course we have no objection on this side of the Chamber if the Senator desires to make a political issue of this bill for him to do so, but I regret very much the character of speech that he has pursued up to this time with reference to the bill. I think it has been more of a political discussion than a discussion of the items of the bill, and I assume the Senator will soon get to the items of the bill.

What I wish to say, however, is this: I do not think there is any capital to be gained for either party out of the river and harbor bill. I have been here now for about 15 years and during a part of that time I have been on the Committee on Commerce. I have never known the river and harbor bill to be regarded as a political measure, and my observation during those 15 years has been that Republican Senators have been just about as much in favor of these appropriations as Democratic Senators have been.

My impression is that, if an examination is made of the river and harbor bills which have passed heretofore, it will be found that they carried pretty nearly as large appropriations as recent river and harbor bills have carried, and that they have had the support of Republicans and of Democrats alike. When the Republican Party framed the river and harbor bills they were generally supported by the Democrats, and the bills which have been framed by the Democratic Party—no one of which has been passed up to this time—have had, generally speaking, the support of Republican Senators. The last two bills of this character were antagonized by certain Republican Senators as they were antagonized by certain Democratic Senators; but I am under the impression that the proportion of Democrats who opposed those bills was something near as large as the proportion of Republicans who opposed them. This is the first time, so far as I know, that there has been an effort to make political capital out of the appropriations carried in a river and harbor bill.

Mr. KENYON. Mr. President, I think my motives must have been misunderstood. I had no desire to make any political capital out of the bill. I was calling attention to the promises of the Democratic Party for economy and its failure to fulfill those promises, and the fact that this is an extravagant bill, un-

justifiable in many particulars, goes to the question I was discussing. Of course, when you come to local interests, there is no politics in it; everybody knows that.

Mr. SHEPPARD and Mr. WORKS addressed the Chair.

Mr. KENYON. I yield to the Senator from Texas.

Mr. SHEPPARD. Under the substitute which the Senator proposes every item which he denounces may be provided for to a certain extent.

Mr. KENYON. Yes; that is one of the unfortunate situations with which we are confronted.

Mr. SHEPPARD. Why does not the Senator stand for the abandonment of every project that he may consider unworthy?

Mr. KENYON. I am going to give the Senator an opportunity along that line.

Mr. SHEPPARD. And make the necessary motion to accomplish that end? What does the Senator gain by merely cutting the amount in half and leaving in the measure every project that he considers objectionable?

Mr. KENYON. All that is gained is to save half of the waste; that is all.

Mr. SHEPPARD. But the projects the Senator considers objectionable will be preserved and will be appropriated for later on——

Mr. KENYON. Perhaps so.

Mr. SHEPPARD. And finally nothing will be saved by that course.

Mr. KENYON. Possibly not, but it has seemed to me plain——

Mr. WORKS. Mr. President, I was just going to suggest the same idea that has been advanced by the Senator from Texas [Mr. SHEPPARD]. I suppose what is desired by the Senator and by others of us is to eliminate from this bill the unworthy projects, projects that ought not to be supported by the Government. Certainly to cut this bill in two, as is suggested, would not accomplish that result. It may be a very difficult matter to reach it in a proper way, but it seems to me that what should be done is to eliminate from this bill such projects as ought not to be supported by the Government and to let the meritorious ones stand.

Mr. KENYON. I agree with the Senator.

Mr. WORKS. Certainly, there are some projects, as the Senator says, that ought to be supported by the Government.

Mr. KENYON. There is no doubt about that. I agree with the Senator on that proposition, and I propose at the proper time to make the different motions and let us vote upon them.

Mr. GALLINGER. Mr. President, will the Senator yield for me to make a correction of the RECORD?

Mr. KENYON. Certainly.

Mr. GALLINGER. Mr. President, on yesterday I mentioned certain towns in Texas for which appropriations had been made for public buildings, and stated their population. I gave the figures correctly, but a mistake was made by the reporter in one case to which my attention has been called. I am reported as having said, on page 8685:

> The city of Memphis calls for an appropriation of $75,000, and they have 936 people in that town.

What I did say was that there were 1,936 people. I ask that the correction be made.

Mr. SHEPPARD. I thank the Senator for making the correction.

The VICE PRESIDENT. The correction will be made.

Mr. KENYON. Just one thing more along this line, and then I will accept the suggestion of my friends and pass from anything that may be termed a political discussion; but I do want to put in the RECORD a part of a statement made by Mr. FITZGERALD in the other House some time ago. Mr. FITZGERALD is chairman of one of the important committees of that body, and he said:

> In a few months I shall be called upon, in the discharge of my official duties, to review the record that this Democratic House shall have made in its authorization of the expenditure of the public moneys. Whenever I think of the horrible mess that I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform.

I have wondered a little, Mr. President, why it was that the Army appropriation bill and the naval appropriation bill, after the suggestions of the President on his western trip, were not brought before the Senate ahead of the river and harbor bill; but it seems the steering committee has decided that the river and harbor bill shall come first. All I want to say about that, in closing that branch of the discussion, is this: It is not an excuse that the Senator——

Mr. THOMAS. Mr. President, I am a member of the steering committee, to which the Senator refers, and I want to correct his statement that this bill was reported by that committee in advance of or with reference to the bills concerning preparation. We are waiting upon the House. The military bill is passed and is in conference, as the Senator knows.

Mr. KENYON. The general reorganization bill?

Mr. THOMAS. Yes.

Mr. KENYON. I referred to the Army appropriation bill and the naval bill.

Mr. THOMAS. The Army appropriation bill and the naval bill have not yet reached us. When those bills reach us, I am satisfied that they will be given the right of way.

Mr. KENYON. This bill is placed first by the steering committee?

Mr. THOMAS. This bill is here because there is no other matter of importance ready for consideration.

Mr. KENYON. I should like to inquire if any action was taken as to the child-labor bill by the steering committee?

Mr. THOMAS. There has been no definite action taken by the committee with reference to any bill up to this time.

Mr. KENYON. Except this.

Mr. THOMAS. This was taken up as a matter of tacit consent, because it was here before the Senate, and is an appropriation bill.

Mr. KENYON. I only want to say this in closing as to that question and I am not going back to that proposition. The excuse offered by the Senator from North Carolina that projects in this bill, if they are bad projects, are Republican projects, and were started by the Republican Party, and so are now carried on by the Democratic Party, is rather a poor excuse; because, if they are bad, that is exactly what you told the people you were going to stop. If you can not do any better than the Republicans did about it, and they were wrong about it, and you are going to confess that your defense is that they were wrong, then we had all better get out, and let somebody have a chance here who can do something.

Mr. President, as suggested by the Senator from North Carolina and the Senator from California, this is not a party question. It ought not to be determined on any party lines. It ought to be determined on the question of whether it is right or wrong; and the propositions in this bill ought to be settled on the question of whether they are right according to our various judgments, or whether they are expenditures that can not be justified. I am not criticising any Senator for his view, however much I may be criticised for mine. I recognize that the men in this body who are standing for parts of the appropriations in this bill believe they are proper expenditures of public money. I do not claim for myself any more patriotism than I accord to my fellow Senators; but I sincerely believe that a large number of these items are unwarranted, and should be stricken from the bill.

Col. Townsend, the chairman of the Mississippi River Commission, I think, made a speech to one of the river and harbor congresses, and that speech was placed in the CONGRESSIONAL RECORD of December 10, 1915. We hear a good deal about the Army engineers in these matters. Apparently we take the recommendations of the Army engineers. They are given tremendous power. Col. Townsend is one of them. He was the district engineer, I think, at Memphis, and he has been or is now chairman of the Mississippi River Commission. Of course he has given great study to these problems; and I want to read one or two things he says in this speech, extracts here and there. He says:

> St. Louis for the past 50 years has been the principal origin or terminus of the traffic on our western rivers, and its records summarize their tendencies. Its river commerce attained its maximum of 2,120,000 tons in 1880 and has since steadily declined to 153,000 tons in 1914. In contrast, it may be stated that the commerce at Sault Ste. Marie, the outlet to Lake Superior, in 1880 was 1,300,000 tons, and attained a maximum of 79,000,000 tons in 1913. The commerce of New York Harbor exceeds 125,000,000 tons.

He takes the position that the falling off in river traffic is not due to unfair methods of railroads. I myself believe that the falling off in river traffic has been caused to some extent by the unfair methods of the railroads and the attempts to put the water traffic out of business in the days that have gone by. He says:

> Whatever may have occurred in early days, such methods have practically ceased since the establishment of the Interstate Commerce Commission; but the decline in river commerce has been more rapid, since the railroads have been compelled by law to give the shipper equal rates, than when there was no restraint on the practices of which they are accused.
>
> Nor can the decline of commerce be attributed solely to the shallowness of our rivers, nor the failure of Congress to make adequate appropriations for them. For the past 10 years there has been maintained in the Mississippi River at all stages a channel of 9 feet from Cairo to New Orleans, and one of 8 feet from Cairo to St. Louis—a channel which far exceeds in navigability that of the far-famed Rhine with its 50,000,000 tons of freight annually.

He calls attention to the difference between this country and European countries on this question, which I shall take up a little later.

It is thus seen that a revival of commerce on our western rivers can only result from a revolution in our methods of doing business. A southern market must be substituted for the eastern, and this can only occur from a radical reduction of freight charges in a north and south direction. Such a reduction can be produced by water transportation, but to be a success requires cooperation by four agencies—first, the General Government, which must provide a proper depth of channel in the river bed; second, the muncipality, which must create suitable terminal facilities, or at least prevent the obstruction of those which nature has provided; third, the boat owner, who must substitute for the obsolete packet at present in use an economical freight carrier; and fourth, the most important member of the combination, the shipper, who must be in a position to utilize the opportunities the other agencies afford him.

Mr. NORRIS. Mr. President——

Mr. KENYON. I yield to the Senator from Nebraska.

Mr. NORRIS. I was going to ask the Senator if he would not give us at that point the tonnage on the Mississippi River, in connection with his statement about the depth of the channel that has been maintained from Cairo down of 9 feet, and from Cairo to St. Louis of 8 feet. How does the tonnage compare, since that depth has been maintained by the Government, with the tonnage prior to that time, and what is the tonnage on the river between those points?

Mr. KENYON. I can only give that now from recollection, and I may be in error. If so, I will correct it later. At what date does the Senator want me to give it?

Mr. NORRIS. I wanted to compare the tonnage since the maintenance by the Government of the depth of channel that the Senator has just spoken about with the tonnage prior to that time, and also to get the tonnage now, during the last year.

Mr. KENYON. The St. Louis Merchants' Exchange reports that it gave out that tonnage, or, rather the shipments and receipts of freight, which would be the same thing, from 1890 to 1913; and I have here a statement which was compiled from the St. Louis Merchants' Exchange reports.

In 1890, on the upper Mississippi River, there were 22,547 tons; on the lower Mississippi, 543,805 tons.

Mr. NORRIS. Where is the division-point between the lower and the upper Mississippi River?

Mr. KENYON. That is taken from St. Louis shipment and receipts at St. Louis—above and below St. Louis.

That traffic seems to have reached its maximum about 1893, when the tonnage on the upper Mississippi was 54,230 tons, and the tonnage on the lower Mississippi, 342,785 tons.

Getting down later, in 1909 on the upper Mississippi there were 16,695 tons, and on the lower Mississippi, 21,140 tons.

In 1912, on the upper Mississippi, 9,025 tons; on the lower Mississippi, 24,330 tons.

In 1913, on the upper Mississippi, 8,830 tons; on the lower Mississippi, 20,000 tons.

So the tonnage has gone down from 54,000 on the upper Mississippi in 1893 to 8,830 tons in 1913, and from 342,785 tons on the lower Mississippi in 1893 to 20,000 tons in 1913.

Mr. NORRIS. If the Senator will permit me, it would be interesting, I think, if the Senator would give us his idea of the reasons for that wonderful decline in the tonnage, when the river has been so greatly improved. At the same time that the tonnage was going down, the river had been improved by the Government. What is the cause of that great decline?

Mr. KENYON. Of course that raises a large number of questions. I was going to discuss that at some later time.

Mr. NORRIS. If the Senator had that in mind, I hope he will not consider my question now.

Mr. KENYON. Yes; I did.

Mr. NORRIS. I did not want him to omit it; that was all.

Mr. KENYON. The question of the character of boats, the question of transshipment, the question of warehouse terminal facilities, the question of the development of the railroads, the speedier traffic on the railroads and the safer traffic on the railroads, the manner in which the railroads build switch tracks to the side doors and the back doors of factories, saving all the expense incident to loading, and many other questions, enter into that matter. I want to discuss them more at length after a while. I think the reports will substantiate the statement that the commerce on the Mississippi in the last 40 or 50 years has decreased something like 90 per cent, even though we have been spending money in trying to improve the channel.

I want to read a little further from Col. Townsend. He says:

It is impossible with the present state of public opinion to ignore geographical subdivisions, but I believe an enlightened public opinion can be created which would enlarge the subdivisions. Instead of thinking by congressional districts or States the people could be readily taught to seek the welfare of groups of States. While Congress must recognize the East and West, the North and South, the Great Lakes, and the Mississippi Valley, and make an equitable distribution of funds between those sections, the inherent patriotism of the people can be aroused so that the appropriations thus made can be expended in such a manner as to produce the greatest good. By considering the Mississippi Valley as a whole, and treating the problem of transportation by water just as a railroad handles transportation by land, i. e., first completing a trunk line connecting those localities where there is a large commerce awaiting transportation, and then successively completing the most important branches, much better results would be obtained.

Many times the branches of these streams have been improved before the main channel was improved, and he says this—and this is the point I am particularly anxious to emphasize:

Specifically the writer would not abandon any navigable stream in the Mississippi Valley that has been partially improved, but would leave 58 of them in their status quo, confining operations to snagging and the maintenance of existing works, and would concentrate appropriations on opening up a channel of the capacity of that existing on the lower and middle Mississippi to Chicago and Pittsburgh. * * * But it must frankly be admitted that such a program will be impossible of accomplishment without a change of sentiment in the average American voter. While it is impossible to indite a people, they can be educated.

The trouble with the whole manner of these expenditures, it seems to me, is that we have no budget system in this country. We are about the only civilized Nation in the World without a budget system. We have different committees appropriating money in both branches, with no coordination between them, no relationship between receipts and expenditures, and the result is, of course, an irresponsible, unbusinesslike, uneconomical carrying on of public affairs.

Parliament 200 years ago passed a resolution that it would consider no bill appropriating money except on the representation or recommendation of the responsible minister of the Crown, and that was the foundation, as far as Great Britain was concerned, of the budget system. I can not understand why we are perfectly helpless in trying to have a budget system in this country. President Taft in a message to Congress appealed to Congress to do something along that line. Bills have been introduced here for that purpose. It may be that because we have no responsible ministry the budget system might not work out as well as in other countries, but if some Cabinet officer presented an investigation of projects for rivers and harbors with his sanction and his approval and his request, and stood good therefor, it might be that some money could be saved.

There have been a good many vetoes of river and harbor bills. President Jackson vetoed one on the ground that it was no part of governmental affairs to make appropriations for internal waterways. President Arthur vetoed another; President Cleveland vetoed one; and President Taft, while he did not veto the river and harbor bill, sent a most illuminating statement to Congress in relation thereto.

There has grown up an absolute industry in this country of creating sentiment for river and harbor appropriations. There are booster clubs, commercial clubs, river and harbor congresses, some of them advertised in the letterhead as second only in importance to the Congress of the United States, and invitations extended to prominent citizens to participate in banquets. Senator Burton said on the floor that he had attended these banquets where at 9 o'clock in the evening they were in favor of a 9-foot channel, at 10 o'clock they were in favor of a 12-foot channel, at 11 o'clock they were in favor of a 15-foot channel, and at midnight they were all shouting for a 35-foot channel. [Laughter.]

Mr. MARTINE of New Jersey rose.

Mr. KENYON. That was not in New Jersey.

Mr. MARTINE of New Jersey. I suppose that at that hour of the night there was a greater increase in liquid and hence the necessity for a deeper channel than there was at the earlier stages of the game. [Laughter.]

Mr. NORRIS. And evidently they did not use water. [Laughter.]

Mr. KENYON. So we have this agitation going on in great books presented. I have some here. Here is one as to Freeport Harbor, with your name printed in gold, and there are wonderful illustrations. What is the result of all this, and this constant boosting? It is perfectly natural for communities who feel that there is a lot of money to be turned loose in the community to carry an absolute campaign all over the country to develop sentiment in favor of river and harbor appropriations.

As a result of all this we have as some of the plans and schemes, from the Lake to the Gulf deep waterway, canalization of the Mississippi River from St. Paul to St. Louis, there to connect with the Lakes to the Gulf waterway, estimated cost $53,000,000; Missouri River improvement, canalization of the Missouri River from Kansas City to Sioux City, estimated cost of improvement $43,000,000; canalization of the Ohio River for the entire length, estimated cost $63,000,000; canal from Lake Michigan to Lake Erie, canal across central Michigan, Grand and Saginaw Valley waterway; Erie barge canal, Lakes to Atlan-

tic waterway; Lake Erie and Ohio River ship canal, Boston to the Gulf of Mexico, a great canal project to parallel the ocean, costing millions upon millions of dollars; Atlantic and Great Western waterway, connecting St. Louis, Mo., with Brunswick, Ga.; canalization of the Columbia River above and a canal with locks around The Dalles.

These may be all right, but they ought to be investigated and then carried out in some comprehensive plan by some board that had some knowledge upon such subjects.

France and Germany do not appropriate as we do upon the installment plan. They find out whether the improvement is good for the country, and if it is, they go ahead and appropriate the necessary sum for the improvement. They do not have a committee plan in which the members of the committee seem to have the power to simply put upon the bill nearly anything they desire, especially surveys.

I understand it is the rule of the committee that any survey asked by any member of the committee is put upon the bill. A survey is merely a consolation prize, but a large percentage of these surveys actually become projects, and it is the first step. We have in this bill now surveys, more surveys of the Trinity, and the Brazos; for the St. Francis River, in, I think, Louisiana.

Mr. RANSDELL. In Arkansas.

Mr. KENYON. Is it in Arkansas? Does it flow into the Gulf?

Mr. RANSDELL. No, sir; it empties into the Mississippi River considerably above the Louisiana line.

Mr. KENYON. One hundred thousand dollars is added to the amount of the House appropriation in order to have these new surveys.

There is added to this bill also a provision for investigating the Kansas floods. I ought perhaps to say in relation to flood matters that a bill is on its way here now for that purpose. I do not know whether it has passed the House; I will ask the Senator from Louisiana.

Mr. RANSDELL. It has not. It is under consideration in the House to-day, I understand.

Mr. KENYON. That bill is under consideration in the House to-day, appropriating $45,000,000 for flood control on the lower Mississippi and also some projects in California.

Mr. RANSDELL. With an addition of $5,500,000 for the California project, making $50,500,000 in all, $45,000,000 for the lower Mississippi and five and a half millions for the Sacramento River, California.

Mr. KENYON. Forty-five million dollars on the lower Mississippi and something like $5,000,000 on the Sacramento.

Mr. OLIVER. Will the Senator allow an interruption?

Mr. KENYON. I yield.

Mr. OLIVER. I ask the Senator if he has heard any intimation of how the money is to be raised for all these improvements that are projected?

Mr. KENYON. The only intimation I have about money being raised is that we shall tax the people of Pennsylvania and New York and Connecticut and the States having a large amount of money. That bill carrying $50,000,000 will be here shortly. I think this bill ought to wait for that. That is more important than this bill. That, I hope, is going to get at the question in some scientific and rational way.

The Senator from Louisiana [Mr. RANSDELL] is certainly entitled to credit for what he has tried to do on the flood-control question and likewise the Senator from Nevada [Mr. NEWLANDS], whom I have always regarded as a statesman with a great vision and one of the real constructive statesmen of the country. But why would it not be wise to wait for that bill and take them both up together and work out some plan of flood control and navigation, if we can, and some plan of coordination between the States and the Government and the local interests?

Mr. NEWLANDS. Mr. President——

Mr. KENYON. I yield to the Senator.

Mr. NEWLANDS. The Senator has alluded to an item in this bill providing for an investigation of the question of floods in Kansas. Is the Senator aware that last fall there was a conference held at the office of the Governor of the State of Kansas, which was attended by representatives from all parts of the State, some of the most prominent and distinguished men in the State participating in that conference, at which it was unanimously determined that broad treatment of this subject was required, that it embraced the study of every watershed in the country, and the promotion of the use of the flood waters for beneficial purposes in such a way as to make them agencies in the creation of wealth and prevent them from being made agencies for the destruction of wealth, and that it was the unanimous judgment of that conference, composed of over 100 men, that the bill which I have been urging for many years, and which is commonly known as the Newlands-Broussard bill, was best adapted to that purpose?

Is the Senator also aware that in the consideration of the so-called Humphreys bill, recently reported by the Committee on Flood Control to the House of Representatives, when the matter was under consideration as to what the form of legislation should be, and when this administration, through four department chiefs, the Secretaries of War, Interior, Commerce, and Agriculture, had expressed their view to the President that the form of coordination called for by the so-called Newlands-Broussard bill and providing for a council consisting of these four department chiefs was the best method of organization with a view to a comprehensive treatment of this subject, the House committee refused on that bill to present that scheme of coordination and left the measure simply a measure for the development of the lower Mississippi with simply the power to the Secretary of War, at his discretion, to call on other scientific services of the Government for information, and with the power to them in their discretion and to furnish such information, and that that bill is coming to the Senate, notwithstanding the vast experience that we have had with reference to the failure of the present system, absolutely rid of every suggestion of a method for meeting in a broad and comprehensive way the requirements of the country?

Mr. KENYON. I did not know that.

Mr. CURTIS. I should like to state that it is true that there was such a meeting held at Topeka, Kans., and they did endorse a broad plan covered by the bill suggested by the Senator from Nevada.

Mr. KENYON. That was after the Senator from Nevada had addressed them, was it not?

Mr. CURTIS. I think perhaps it was, but when the bill was introduced——

Mr. NEWLANDS. If the Senator will permit me, as the Senator from Iowa suggested that that was after the Senator from Nevada had addressed them, I will state that in the first place I received a communication from Governor Capper, of Kansas, asking me to be at this conference, and stating that they had had a previous meeting and had studied this bill and felt that it met their requirements, and that that conclusion they came to without the presence of the Senator from Nevada.

Mr. KENYON. I had noted in the papers, as I remember, that a meeting had been held there and the Senator from Nevada had addressed it, and after his address they had adopted the resolution.

Mr. CURTIS. The Senator is correct. He was invited there by the governor of the State and other citizens.

But what I was going to say is that the amendment was not proposed until after it was ascertained that the House bill was limited to the lower Mississippi and probably the California stream. The committee having charge of this matter requested me to propose this amendment, and it was offered as an amendment to the river and harbor appropriation bill because of the fact that the other bill had been limited. We thought the Missouri and its tributaries would not have any consideration if the House measure should become a law. Our people believe, as does the Senator from Iowa, that much good can come from controlling the flood waters, and if the flood waters were controlled, there would not be such large appropriations required to prevent destruction on the lower Mississippi, the Missouri, and other rivers.

Mr. RANSDELL. Will the Senator from Iowa yield to me for a moment?

Mr. KENYON. I yield.

Mr. RANSDELL. I should like to say, Mr. President, that I do not think the Senator from Nevada [Mr. NEWLANDS] has correctly stated the bill which he designates the so-called Humphreys bill, now pending in the House of Representatives. That bill not only provides for flood control on the lower Mississippi in a very comprehensive way, carrying out the plans of the Mississippi River Commission, which they have been evolving through 35 years of continuous study, but it also provides for a very businesslike, comprehensive plan of flood relief on the Sacramento River, in the State of California, and for a study and report on flood problems in various parts of the United States, without specifically designating them, however; said investigation and report to be made by United States Army engineers, and the only machinery——

Mr. CURTIS. Mr. President, let me ask the Senator a question.

Mr. RANSDELL. Pardon me; let me make my statement. I will be through in a moment.

The only machinery we have ever had in this country for carrying on great works of Government expenditure on waterways, unless you call the irrigation work in the West waterworks; they are in a way connected with water, but the only

machinery which has developed in this country during our long history for flood control and for the improvement and development of our waterways is the Engineer Corps of the Army, with some slight assistance in additional members of the Mississippi River Commission from civilians, and some members of the Panama Canal Commission, who were not members of that corps. The flood control bill now pending provides that the investigation shall be carried on by this corps of the Army. It does not say specifically just what project it shall investigate. I assume that the corps will be directed to make investigations of a great many projects in this country, or a great many flood problems, not alone those in Kansas and on the Colorado or the upper Missouri or the Savannah or a number of other rivers.

I might mention that the Allegheny presents a tremendous flood problem. I know the thought of the Flood Control Committee is to develop the very best possible machinery for looking into the question of flood control in every part of the United States, and for that purpose using this corps and the very best trained hydraulic engineers that we have.

Personally, I would have been entirely willing to have had some civilians added to the corps in a commission; and I so stated to some of the members of the other House when they were working on the bill; but after a complete study of the question, they concluded that the best machinery we could adopt or devise was that which we already have; and that is provided in the bill. I now yield to the Senator from Kansas.

Mr. CURTIS. Mr. President, I want to state, if the Senator from Iowa [Mr. KENYON] will permit me, that since the great flood of 1903 the Government, at the request of citizens of Kansas, has been studying the flood conditions on some of our rivers. The State has employed outside engineers to study the question with our local engineers. We hope that something may be done that will aid and assist in putting through a general plan that will not alone take care of the floods on the lower Mississippi and in California; but which will take care of flood conditions all over the country. In other words the people of Kansas would like to see a broad and workable plan adopted by Congress.

Mr. RANSDELL. Let me say to the Senator from Kansas that that is the idea back of this flood control bill. My understanding is that the Flood Control Committee of the other House was created for that purpose. It certainly was not created for the benefit of the Mississippi River alone. It has general jurisdiction; it will look into flood problems everywhere, and will try to work out just as comprehensive a plan as is possible.

Mr. President, I may say to the Senator from Kansas [Mr. CURTIS] that I sympathize with him deeply. The Senator has alluded to the flood of 1903. I wish to say that I was personally a sufferer by the flood of 1903, which did so much harm in his State. I myself lost at least $8,000 or $10,000 in Louisiana by that flood, because of a break which occurred in the levees early in the spring of that year. We were unable to close that break before the second rise in the river came; and when it came in the Senator's State, and did such awful damage there—I think it was estimated to be between $30,000,000 and $40,000,000 in the vicinity of Kansas City, Kans., and Kansas City, Mo.—those flood waters swept on down the Missouri, down the Mississippi, and down on to Louisiana, where all those floods have to come, and they poured through the gaps in the levees caused by the break in the spring; and I, individually, lost the second crop which I had planted that year, and I could not make another crop, because it was too late for me to do so. I may say to the Senator that I sympathize with him and his people.

There are big flood problems in many other places in this country besides those on the Mississippi. There is a tremendous flood problem in my own State on the Red River. We are not asking anything for it now, but we should like that flood problem studied. There are flood problems in Texas; there are flood problems in every portion of the country, so far as I know. There are immense flood problems at Pittsburgh. Every few years we read of losses to the extent of ten or fifteen million dollars at Pittsburgh. I repeat that the purpose of the flood-control bill now pending in the House of Representatives, and which I hope will be passed to-day, is to provide the machinery—and the most comprehensive machinery—for looking into all these matters and reporting to Congress from time to time. We can not do it all in a moment, Senators, but, as we get reports, we can act upon them; and I hope we shall act upon them in the very best manner.

Mr. CURTIS. Mr. President, if the Senator from Iowa will pardon me I would like to place in the RECORD a statement of the losses incurred by the flood of 1903. I wish to state that the flood of 1903 caused very much greater damage than twenty or thirty or even forty million dollars in and about Kansas City. In and around Topeka alone the damage was over $20,000,000, and a number of lives were lost, and there have been great and damaging floods in Kansas every two or three years since that time.

Mr. RANSDELL. I am glad to have the correction which the Senator from Kansas has made. I was basing my statement merely on what I had read in the newspapers at the time.

Mr. KENYON. Mr. President, I think it is very unfortunate for the great question involved that there is this disagreement between the Senator from Louisiana [Mr. RANSDELL] and the Senator from Nevada [Mr. NEWLANDS]. I have been hoping that they could get together on some proposition. Without committing myself to any particular bill or to any particular proposition, I wish to say that I have very great sympathy with the people of Louisiana in the struggle which they have made against the ravages of the Mississippi River. It has never seemed fair to turn the water from the North, from my State and from Illinois and Ohio, and to focus it all down the Mississippi River, without taking some means to protect the people who are there. While I do not know as to just what bill I may support, and while I want to study the bill that comes from the other House very carefully, I will say that I am anxious to support some measure that will give relief to those people.

I want to revert just a moment to the subject which I was discussing when interrupted. I have been taken away somewhat from my train of thought. When the river and harbor bill was here some two or three years ago, I remember the Senator from Ohio [Mr. POMERENE] producing at that time in the discussion a letter from business houses urging him to assist in hurrying along the passage of the bill because it was hurting their business and stopping the sale of their clamshell buckets; and that was a part of the general kind of campaign that existed all over the country.

Mr. President, a large number of important questions arise, and I am glad that we have such a large attendance here to take them up, in this voting away of $42,000,000 of the people's money. It shows a remarkable interest in the project, and I do not take it at all as complimentary to myself or to what I am saying that the seats here are not so crowded.

Are we going to give up all river improvement? Why has traffic decreased on rivers? Are we to build waterways to regulate freight rates? If so, why not build railways to regulate freight rates? Is transportation by water cheaper than by rail? In the final analysis, can waterways and expenditures thereon be justified on any other theory than making them actual carriers of traffic? Are the building of waterways and the canalization of rivers too expensive a method of regulating railroad rates? Would the power to fix a minimum rate help in preventing railroads destroying waterway traffic? Can plans be devised and worked out for coordination between rivers and other waterways and railroads?

The countries of the Old World, I think, solve the problem, and can do so much easier than can we, for they compel the waterways and railroads to cooperate and prevent one from destroying the other. These are all questions of interest and of importance.

I believe there are very few candid people who are willing to contend that our system of appropriations as at present carried on for rivers and harbors is altogether satisfactory. One of the great objections, it seems to me, to our present method is what is known as the "dribbling" policy. This policy has resulted in very great loss and very great waste. It has always seemed to me as if there should be a smaller number of projects undertaken, and then have the bill provide sufficient funds for their completion. That is important not only as saving waste, but because of the effect upon the community and because of the investments that may be made by boat lines and capital in the development of the traffic upon the rivers.

We have in this country an examination of projects by the Corps of Army Engineers. I do not wish to be critical of the Army engineers, but I think they feel that they must carry out the wishes of Congress and execute the congressional desires, and that, if Congress starts out on a policy of waste and extravagance, it is not for them to question it.

Piecemeal appropriations and the dribbling policy delay the use of the streams. We have projects under way now which I think it would require, if work on them is pursued at the same rate with which it has been pursued in the past, from 15 to 30 years to complete. How is it possible to get any development with that kind of a system?

President Taft in his veto message of 1910, on this subject, said:

> The chief defect in the bill is the large number of projects appropriated for and the uneconomical method of carrying on these projects by the appropriation of sums small in comparison to the amounts required to effect completion.
>
> The figures convincingly establish the fact that this bill makes inadequate provision for too many projects. The total of the bill,

$52,000,000, is not unduly large, but the policy of small appropriations with a great many different enterprises without provision for their completion is unwise. It tends to waste, because thus constructed the projects are likely to cost more than if they were authorized to complete the whole work within a reasonably short time. The appropriation of a small sum lessens the sense of responsibility of those who are to adopt the project and who do not therefore give to their decision the care that they would give if the appropriation or contract involved the full amount needed for completion.

Mr. RANSDELL. Mr. President, will the Senator permit me there to interrupt him, to make a slight correction?

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. KENYON. I yield.

Mr. RANSDELL. The Senator stated that the matter which he is reading is from the veto message of President Taft. The Senator, I presume, meant to say President Taft's message on the bill.

Mr. KENYON. President Taft's memorandum.

Mr. RANSDELL. He did not veto the bill.

Mr. KENYON. The Senator is correct.

Mr. RANSDELL. I merely wanted the Senator to make that correction.

Mr. KENYON. I thank the Senator for calling my attention to it. President Taft used this language in his memorandum accompanying the bill. He continued:

Moreover, the appropriation of a comparatively small sum for a doubtful enterprise is thereafter used by its advocates to force further provision for it from Congress on the ground that the investment made is a conclusive recognition of the wisdom of the project, and its continuance becomes a necessity to save the money already spent. This has been called a "piecemeal" policy. It is proposed to remedy this defect by an annual river and harbor bill, but that hardly avoids the objections above cited, for such yearly appropriations are apt to be affected by the state of the Treasury and political exigency.

If enterprises are to be useful as encouraging means of transportation, they ought to be finished within a reasonable time. The delays in completing them postpone their usefulness and increase their cost. The proper policy, it seems to me, is to determine from the many projects proposed and recommended what are the most important, and then to proceed to complete them with due dispatch, and then to take up others and do the same thing with them.

He declined to veto the bill because he considered the projects under way were in urgent need of further appropriation for maintenance and continuance.

In this bill, for instance, there are piecemeal appropriations for projects which will run on for years and years, and in regard to some projects there is absolutely no time at which they shall end. Some of them have been running for, I think it is safe to say, 30 years.

I desire to place in the RECORD a comparative statement of appropriations in the present bill and the cost for completion. The East River and Hell Gate project will require for completion $13,400,000.

Mr. MARTINE of New Jersey. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. KENYON. I yield.

Mr. MARTINE of New Jersey. I desire to ask whether the Senator deems that an improper bit of work?

Mr. KENYON. I do not.

Mr. MARTINE of New Jersey. I am very glad to hear the Senator say that. Hell Gate is a most remarkable point along the East River. It being very narrow, the formation being rocky, and an immense amount of shipping going through there, in the interests of commerce and general transportation, it seems to me a prime necessity that that passageway should be made as deep as the engineers have recommended.

Mr. KENYON. Of course, it may be, generally speaking, that Hell Gate entrance ought to be made less difficult; but in this case I agree with the Senator that it is a good project.

Mr. MARTINE of New Jersey. It would be difficult to overestimate the immense value and importance to trade and commerce of the particular passageway known as Hell Gate, across from the city of New York. As I have said, it is very narrow and a torrent rushes through there, but it floats an immense amount of commerce for Brooklyn and the great city of New York.

Mr. KENYON. It is some comfort to know that Hell Gate is narrow. [Laughter.] I am simply contending that that is a great project that ought to be completed, and completed soon, and not carried on by a dribbling policy for years to come.

Mr. MARTINE of New Jersey. I should think that would be a proper method; and yet I feel that I can say, without in any way reflecting on the Senator, that neither he nor I are scientific engineers, and, when the engineers have reported upon this project, I have so much faith in the wisdom and honesty of our Engineer Corps that I believe it would be safe to take their recommendation.

Mr. KENYON. Mr. President, if the Senator feels that way, there are projects in this bill that he will vote to eliminate, because there are projects in this bill that have been condemned by the Board of Engineers.

Mr. MARTINE of New Jersey. I will stand with the Senator on that. I have no partisanship in the matter. I am radical in my ideas, but I have no partisanship in the matter of the improvement of the great rivers and harbors of our country. I do not care whether their improvement is advocated by Republicans or by Democrats, if a project is wrong and if it is robbing the people of their money, without any beneficial results to be accomplished, I am irretrievably against it.

Mr. KENYON. I know the Senator is generally right about everything. I have very little difficulty in agreeing with him in regard to almost anything, except some of these water questions.

The Delaware River is another great project. This bill carries $2,165,000 for the Delaware River. I do not believe anybody is objecting to that. It has a great commerce.

Mr. MARTINE of New Jersey. I think we should realize the fact that this formation at Hell Gate, as well as in the Delaware, is an exceedingly rocky formation, and there is much of that work, in order to deepen and correct the channel, that involves a process of blasting. It is not a matter of scooping out silt and depositing it on the banks, as it is in the case of the Mississippi. The situation is widely different, and naturally it would take a little larger expenditure. But there is a very great and important commerce there. I do not know just how far they go up above the city of Trenton or up to the city of Trenton. The improvement of the Delaware there would accrue immensely to the general welfare of the country, I think, in the matter of lower rates of freight.

Mr. KENYON. I agree with the Senator about that.

In the case of the Galveston Channel, Tex., the bill carries $200,000. The cost of completion of that is $1,185,000. I believe that is a project that every one would recognize as a perfectly proper project and one that ought to be completed.

The Brazos River carries in this bill $215,000, and that is indefinite as to the time of completion.

The Trinity River carries $300,000, and that is indefinite.

The Cumberland River above Nashville carries $5,000. Below Nashville the bill carries $705,000, and the cost for completion will be $1,615,000.

The Ohio River carries in this bill $5,000,000. The cost for completion is estimated at $51,057,000, which is doubtless too low.

The Mississippi River between the mouth of the Ohio and the mouth of the Missouri carries $350,000, and the cost of completion is $17,250,000.

I want to say, about that, that in 1880 the traffic on the Mississippi was at its maximum. The Senator from Nebraska [Mr. NORRIS] has asked me as to the tonnage, and I have tried to give it to him; but at that time 44 per cent of the shipments out of St. Louis were by boat. That has changed, until in 1909 only, I think, one-half of 1 per cent went by boat. In that strip of the river on which we are to spend $17,250,000 there has been generally a channel of 8 feet. That is a deeper channel than the average depth of the Rhine, which carries a traffic of 40,000,000 tons a year. Yet we have spent, and will spend, on that strip of the river, more money than the Prussian Government has spent on the Rhine; and if any water system in the world can be considered a success, it is certainly the Rhine, with its tremendous commerce. But of course the Rhine has many things in its favor. It is nearly a straight stream. It has cities developed around it. It passes through the great Westphalian coal fields, and it has the great port of Rotterdam at its mouth.

So that the proportion of shipments by the Mississippi River in 1880 was 88 times as large as in 1909. Apparently, therefore, the more money we spend on this dribbling policy on the Mississippi, the farther away we seem to be from results.

In the upper Mississippi the bill originally carried $1,200,000. That has been increased by the committee to, I think, $1,500,000. That question, in its general relationship, I propose to discuss when I reach the Mississippi River proper.

In the bill of 1907 the policy of this continuous dribbling was ended, and now Congress appropriates merely enough to finish a part of the stream, and sometimes before the waters near the mouth of the stream are made navigable and that portion of the river improved, we are improving the waters far up and away from the mouth of the stream.

We have also pursued a practice—perhaps I should not call it a practice, but we have done it, at least—of improving branches before the main stream is improved. Senator Burton said here, with respect to the Ohio, that there is not a stream

emptying into it which is improved with locks and dams but which, for seasons of the year, continuing sometimes for months, has higher water in the tributaries than there is in portions of the Ohio River itself.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr KENYON. I do.

Mr. CLAPP. I just wanted to suggest that in some kinds of work in the rivers where there is more or less of a disturbance of the soil, loosening, and consequent drifting, no doubt the reason they begin farther up is that the soil there, when it is once taken out, is out forever, instead of beginning nearer the mouth, and having it fill from the work which is done above.

Mr. KENYON. Of course, that would be a perfectly good and feasible reason, and that may be true in many instances.

There are works carried on which were started years ago, and which it would require as much as 60 years, at the present rate of progress, to complete. I think the James River, Va., project has been in progress about 30 years, and it is possibly 42 per cent completed. This bill carries $190,000 for the James River, and it will cost about $3,000,000 to complete the project. Having been in progress 30 years, it will require 14 years more, or 44 years to complete one project.

President Elliott, in an article in the Atlantic Monthly some years ago, called attention to a lock on the Columbia River in building which 25 years were used.

On the Lookout Harbor we have spent over $3,000,000, and it is nowhere near completion anywhere along the line. Col. Kingman said of Lookout Harbor in 1910:

> It is dear at any price.

But he was overruled.

On the Sandy Bay Harbor we have spent millions. Something like 60 years, at the rate of progress that has gone on there, would be required to complete it, or something like 120 years according to the biennial system of appropriations.

There has been appropriated for the Harbor of Refuge at Cape Lookout $800,000. It will require $2,726,000 more to complete that Harbor of Refuge, but I think that item is not included in this bill.

In the river and harbor act of 1907 the policy was established of not starting new projects unless provision was made for their completion. It was departed from in 1910, and so we have built up our present system; and it has been estimated by competent engineers that the cost of the piecemeal system is from 5 to 30 per cent more.

The piecemeal system has been condemned by the Army engineers. Gen. Marshall, one of the Army engineers, said about it:

> Few, if any, of the larger works have ever been prosecuted at a rate sufficiently rapid to realize the fullest efficiency and economy.

Mr. President, no private enterprise would ever be or could ever be carried on in this dribbling-policy fashion. Some of these projects, as I have said, involve canalization schemes of 37 locks and dams, and absolutely no time is fixed for their completion. They are not located, in most instances, for the best benefit of navigation, but are spread out along Congressional districts, in order, I assume, that the people may think that they are securing something.

I think I have perhaps sufficiently called attention to and spent enough time on this objection to the dribbling policy; and I will finish what I have to say as to that by reference to the Sandy Bay harbor of refuge, where the estimated cost of completion is $4,954,925.25. Work has been in progress since 1885, for a period of 30 years, at a cost of $1,767,174.15; but no appropriations whatever have been made for that harbor since 1909.

On the Columbia and lower Willamette rivers below Portland work was commenced in 1877, and the total amount expended on the original and modified projects is $2,769,260.45. It is estimated that $2,315,000 will be required to complete the project. That is a project that has been going on for 30 years.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Oregon?

Mr. KENYON. I do.

Mr. LANE. The Senator from Iowa is getting over into my country now.

Mr. KENYON. I would not do anything against the Senator's country.

Mr. LANE. I do not know whether he knows the fact to exist or not, but on the lower Willamette and the Columbia the people themselves have expended several millions of dollars in assisting the Government to make the improvements.

Mr. KENYON. I want to ask the Senator why it is that the project has not been completed? Why has it run so long?

Mr. LANE. I think that is due to changing conditions. In the early days we made provision for lighter draft boats than we now use, for one thing, and I do not think a comprehensive plan was made in the first place to fit the conditions as they exist now. In the days when they began the work, the city of Portland was a city of seventy or eighty thousand people. Now it has about 250,000 people. Conditions have changed.

Mr. KENYON. I will ask the Senator how near completion the project is?

Mr. LANE. It is not more than half completed, I should judge. It will require about 40 feet of water, and that will take a great deal of money.

Mr. KENYON. It will require about 30 years more at the present rate of progress.

Mr. LANE. Well, probably not so much as that. If they had gone about it in a systematic manner, and started in for a 40-foot channel, which was not considered necessary in the days when we had boats running in and out that only drew 20 feet, much of this money would have been saved; and had they adopted the plan of throwing the silt behind bulkheads up and down the river, it would not have been again washed into the channel to make sandbars which have to be dug out again. But the State of Oregon and the city of Portland have put up millions of dollars which have been expended upon that project.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. I do.

Mr. JONES. I just wanted to ask the Senator from Oregon if it is not a fact that that is largely a dredging project?

Mr. LANE. It is.

Mr. JONES. And that the depth originally was, as he has suggested, to accommodate vessels of a light draft, but that as the commerce has increased the size of the vessels has increased, and that has necessitated dredging out to an additional depth?

Mr. LANE. That is the fact, Mr. President, to which I call the attention of the Senator from Iowa. The fact is that the work has been carried on in large part by the people, and it has not been a wasteful expenditure. It has been expensive, but that has been due, as I have already said, to changing conditions and circumstances. In the early days the boats that came in and out of the Columbia River and navigated the lower Willamette and Columbia were deep-sea craft, not of over 15 feet draft; the tonnage was small. I think when I first moved to Portland nobody suspected that the city would ever have a population to exceed 10,000. It had 3,500 then.

Anybody who would have come in and proposed a 40-foot channel to the sea or a 30-foot channel to the sea from the city of Portland would have been considered an insane person. If a man in those days made the assertion that some day we would have electric lights or electric power for street cars, it was considered idle talk. I heard statements made in those days that some day we would have electric lights and some day we would also have electric power for street cars, and the man who made such statements was considered to be an idle dreamer, little short of insane.

So it could not have been provided for at that time. The same conditions existed at Seattle. I remember the day when Seattle was nothing but the Yessler wharf and a few inhabitants on the hill. I was there at the time, and if anybody had said that some day Seattle would be a city of two or three hundred thousand or three hundred and fifty thousand people and a port of any importance whatever they would have looked at him as a dreamer.

This work has been carried on, I think, consistently, but I have no doubt somewhat extravagantly; I have no doubt the Senator is quite right in that respect, but the people of Oregon have borne the cost of it.

Mr. JONES. Do you not levy taxes in Portland to carry on the improvement?

Mr. LANE. We levy taxes.

Mr. KENYON. The point I was trying to make was simply this, not so much the extravagance perhaps in this particular project, but going ahead year after year and not finishing a project, that it was an extravagant method of bringing it about.

I take it possibly from what the Senator says that it may have been fortunate that the project was not earlier completed because it would have been inadequate for the purpose.

Mr. LANE. It would all have had to be done over again. No man then knew the requirements that exist to-day. They could not have foretold it.

Mr. KENYON. No man of course on that theory can foretell what the requirements will be 20 years from now.

Mr. LANE. It will perhaps never require over a 40-foot channel.

Mr. KENYON. That is the project now.

Mr. LANE. That is the estimate. I do not think the project calls for that much.

Mr. JONES. There are 25 or 30 feet now.

Mr. LANE. No result can be accomplished in such matters until a comprehensive method is begun, a system following from the primary drainage down to the mouth of the river into the ocean. The method suggested by the Senator from Nevada or some such plan will economically accomplish the result, but even then it will take a farsighted engineer, an imaginative person who can look ahead and see what the future needs will be to accomplish final and full improvements.

Mr. KENYON. I think the Senator is exactly correct. I ask leave to insert, Mr. President, as a part of my remarks a table showing the cost of the completion of a number of projects and the appropriation for projects in this bill, without taking the time to read it.

The PRESIDING OFFICER. Without objection it is so ordered.

The statement referred to is as follows:

| | Appropriation in present bill. | Cost for completion. |
|---|---|---|
| East River and Hell Gate | $200,000.00 | $13,400,000 |
| Improving Harlem River, N. Y | 250,000.00 | 1,628,000 |
| Delaware River, Pa., N J., and Del., cash and continuing contract | 21,65,000.00 | 6,809,200 |
| Chesapeake & Delaware Canal | | 8,000,000 |
| Harbor at Norfolk, Va | 1,000,000.00 | 1,114,000 |
| Cape Fear River above Wilmington | 83,000.00 | 416,000 |
| St. Johns River, Fla., to ocean | 300,000.00 | 777,000 |
| Channel from Pensacola Bay to Mobile Bay | | 432,435 |
| Waterway, Mississippi River to Bayou Teche, La | 10,000.00 | 1,655,500 |
| Galveston Channel, Tex., by the construction of a sea wall | 200,000.00 | or 2,062,900<br>1,185,000 |
| Brazos River, Tex. (locks and dams) | 215,090.00 | Indefinite |
| Trinity River, Tex. (locks and dams) | 250,000.00 | Do. |
| Cumberland River below Nashville | 705,000.00 | 2,201,882 |
| Cumberland River above Nashville | 5,000.00 | 4,500,000 |
| Ohio River | 5,000,000.00 | 51,057,000 |
| Mississippi River between Ohio and Missouri | 350,000.00 | 17,230,000 |
| Mississippi River between Missouri River and St. Paul | 1,200,000.00 | 13,500,000 |
| Fourth Lock, St. Marys River | 800,000.00 | 2,475,000 |
| Missouri River, Kansas City to the mouth | 1,500,000.00 | 15,600,000 |
| Sacramento and Feather Rivers, Cal | 115,000.00<br>75,000.00 | 5,860,000 |
| Inland waterway from Norfolk, Va., to Beaufort Inlet, N. C | 1,000,000.00 | 4,000,000 |

Mr. SHEPPARD. Mr. President——

Mr. KENYON. I yield to the Senator from Texas.

Mr. SHEPPARD. The Senator speaks of piecemeal appropriations and long periods of time required to complete various projects. I wish to say to him that the United States is not the only country subject to that criticism and experiencing that difficulty.

For instance, the Prussian Government has been making appropriations for the Rhine throughout a period of 90 years—from 1826 to 1916.

The River Marne, in France, has been improved for a distance of 115 miles from its mouth and has 19 locks and dams. It required 78 years to finish that project—from 1822 to 1900.

The River Yonne, in France, has 26 locks and dams, and it took 62 years to complete that project.

The River Seine, in France, on which Paris, the capital, is located, has been improved with 34 locks and dams, and it took 63 years to complete that improvement.

The River Saone, in France, has 30 locks and dams, and it took 18 years to finish that improvement.

The Vistula, in Germany, is improved for a considerable distance from its mouth, and it took some 75 years to complete that improvement.

The River Oder, in Germany, was in process of improvement for 90 years by the German Government.

So I simply wish to make the point that the United States is not alone in this matter of piecemeal and long-drawn-out appropriations.

I agree with the Senator that something should be done on this line, that better and more expeditious methods should be adopted.

Mr. KENYON. I am obliged for the suggestion of the Senator. I have not seen his figures.

Mr. SHEPPARD. These figures are taken from an official report by a British commission which made an investigation of the German and French rivers a few years ago.

Mr. KENYON. I do not question the figures at all, but I have labored under the thought, perhaps mistakenly, that the German Government and the French Government made their investigation of the projects before anything was done and then appropriated sufficient to carry through the project.

Now they may have appropriations that run a long term of years, but if that is the fact then my information is not correct.

I wish to leave the question of a dribbling policy and take up a few instances of the waste and extravagance. We have expended in the last 40 years on rivers and harbors approximately—I have not the exact figures—$850,000,000. Of course a great deal of that money has been properly expended, and just as surely has a considerable portion of that money been absolutely wasted.

I do not know how far we are ready to go, Mr. President, in building canals and deepening rivers in order to regulate railroad rates. That is a very vital question.

I had some years ago a good deal of experience in studying the proposition of railroad rates, as I was counsel for a railroad company and wanted to get at the philosophy, if I could, of railroad rates. We have the Interstate Commerce Commission with power, and if it has not sufficient power we should give it sufficient power, it seems to me, to regulate that question, because if we have spent a large part of this money merely to regulate railroad rates we confess our incompetency to handle that question. I am not ready to concede that we can not by law regulate railroad rates and compel the railroad not to charge discriminatory or excessive rates. To admit that we must carry on these great canalization enterprises merely to regulate railroad rates is to admit that they are so powerful and enjoy such a monopoly in this country that they are more powerful than Congress.

We have spent on the Mississippi River $150,000,000, with a constantly decreasing traffic. One of the Army engineers at one time took the position that we could afford to spend money on rivers if there was absolutely no navigation on the river because it would regulate railroad rates, and a good many people have that idea. Perhaps they are right, but we could, if we wanted to regulate rates, take the money we have spent on the Mississippi River and build a railroad from New Orleans on both sides of river and regulate railroad rates in that way, if that is the proper way to do it.

If the canalization work cost more than the construction of the railroad—it does not in every case—if it does, however, in a given instance, is it not folly to spend more money canalizing the rivers than it would to build the railroads and in that way hold railroads to reasonable rates? But I refuse to acknowledge that Congress has not the power, the ability, the efficiency, to grapple with the railroad problem as it affects rates.

The Big Sandy River is a sample of some of our extravagance.

The Hennepin Canal is another. We have spent on the Hennepin Canal $7,597,781. There are 33 locks. In 1914 there were 5,868 tons of grain carried. I can remember when I was a boy the people of my State were told that the Hennepin Canal was going to save the farmers of Iowa $20,000,000 a year in freight rates. I was attending college in the district, and there were great congratulations from the towns about Hennepin Murphy getting the Hennepin Canal for the farmers of Iowa. The commercial tonnage on that canal as I remember it for the year 1914 was about 12,000 tons. If we take the money that it cost, the interest on it, and the cost of maintenance, it has been figured out that every ton of commercial freight that went through that canal in the year 1913 or 1914 cost the Government $36.75, or the Government would have been ahead, as some one stated concerning the tonnage of the Muscle Shoals Canal, if it could have bought the freight and burned it up.

Did the Hennepin Canal regulate railroad rates? There may have been some effect here and there upon railroads; I am not prepared to say there was not, but it was trivial if at all. At an expenditure of nearly $8,000,000 there were 12,222 tons of commercial freight.

On the Big Sandy it was claimed a dozen years ago when that project was established that by the canalization process in that river a million or more tons of coal a year would be floated down the river. We have spent on the Big Sandy River $1,626,125 and in 1913 12 tons of coal were floated 20 miles on that river, and that coal was for Government use. If that expenditure is figured out it will be discovered that it cost the Government about $350 per ton for that year. That is not in this bill. I do not want to make any mistake about that. We have stopped apparently appropriating for that, and I hope so.

Mr. President, such projects have been going on in this country. It is said there is no politics in this, but of course they are charged up to the Republicans. They were in power at the time. So our mouths are supposed to be closed from

arguing against a system of appropriating that can bring about such criminal waste as that. If a thing is wrong, why not stop it? This is wrong.

Some of the notions that get into people's minds about appropriations are pretty well illustrated by the facts surrounding the Crystal River in Florida. There was a booster proposition. It was in one of the preceding bills. Crystal River City, a beautiful little city, was interested in having an appropriation, and naturally so. They had a committee and a board to importune Congress. Here were some of their reasons and it illustrates the vice of the whole system. In this communication, which is made part of a public document in the hearings of the Crystal River, they say:

Our people are alive to their interests, and mean to forge onward. They mean to have deep water. If 100 by 6 feet will not answer the purpose, they propose to have sufficient dimensions.

You will recall that Capt. Spalding, on his visit here with you, without reserve favored the project. We feel that when Capt. Slattery goes over the route with you, as he indicates his willingness to do, he will also favor the scheme. We will at least try to not let him regret having come among us.

Kind Providence has endowed us with almost inexhaustible beds of phosphate, timber, valuable hard rock, sea food, fertile lands, beautiful waters, and landscape scenery—every natural advantage except a sufficient channel. We can not get on the pension list nor profit by the public buildings appropriation.

Mr. President, that is a most candid, frank statement from good people who seem to think that they are entitled to some*thing out of the* public Treasury.

The Sabine River is a proposition that has received some consideration by the engineers, and while I do not have the record of Sabine River apparently before me at this time, there the engineers' report shows that they actually recommended selling the logs out of the river which they said they could sell for sufficient to do the work of making the river navigable. I shall refer to that later.

Mr. President, we are always admonished that we must not question what the Army engineers do or what they say. It seems to be a rule that does not work both ways. The Army engineers have made as to certain projects certain recommendations. The district or division engineer has decided against certain propositions. Then Members of Congress have appeared before them—in one instance, I think 11 Members of Congress—and argued out the propositions until they reversed their judgment upon it. There is not any use of saying that Army engineers, being human, are not influenced by arguments presented by Members of Congress. It would take a very strong character to resist the ordinary arguments of Members of Congress. They are surrounded with such an atmosphere that they would like to do what they think Congress wants done. So we read hearing after hearing on these projects before the Army engineers where Members of Congress appear and argue the proposition. I am not prepared to say that that is an improper thing at all, but I refer to it as one of the things that does to some extent either consciously or unconsciously influence Army engineers.

There ought to be some board of review of this whole question. Army engineers may well be questioned as to their judgment even by those who have no scientific knowledge, when they recommend some appropriations that they have as to this bill and other bills that have gone before it.

They have noted these wild schemes. They have thought they were approved by the country. They wanted to execute the designs of Congress. They have been flooded with speeches and letters of Senators and Representatives, and why should they not believe that they are there to carry out these ideas? The Army engineers distributed last year over $5,000,000 for I think 10 projects where a resurvey had been ordered by Congress. While that resurvey possibly was not a condemnation of the project it would have seemed that when Congress believed that one of those projects should be resurveyed it at least should have curbed the enthusiasm of the Army engineer until that resurvey was made.

The dredging contracts of the Beaufort Canal carrying 80 per cent profit are approved by the Army engineers, and I have here somewhere a copy of a letter in which they take the position that those contracts are not disadvantageous to the Government, although the testimony of Col. Taylor before the House committee showed that the Government did the work itself for less than one-half what the private contracts were as to that particular piece of work.

We place these Army engineers in positions of trust, and then unconsciously perhaps seek to break down that barrier. They can not be independent. Political pressure on the Army engineers ought to cease. That is one of the things that has broken down this system.

Concerning this limitation in dredging contracts I have a part of Col. Black's letter now to Chairman Sparkman. He said:

At the present time it is believed that the contracts are let at prices which are as low as will permit the contractors to maintain their plants and make any profit whatever.

Col. Black is the man who overruled Col. Deakyne on the Missouri River proposition.

The Trinity River was thoroughly exposed and condemned in both Houses of Congress. The Army engineers on October 8, 1914, gave $203,000 to the Trinity River. March 2, 1915, Congress demanded a resurvey. April 1, 1915, the Board of Engineers gave $35,000 more to the Trinity, and further surveys were ordered by Congress. They did not wait to apportion any large sums of money at their disposal.

I want to refer for just a moment to the interesting Sabine River and the recommendation of the board there and what they said about this river on page 3 of the Army engineers report.

The channel is greatly obstructed by drift, snags, etc., the principal source of supply being saw logs, which become water-logged and sink. Caving banks, however, add drift and trees to the obstructions. The channel is a series of pools and shoals, the latter varying from a few inches in depth to a few feet.

The river is so full of logs that objection was made even to taking out the logs, because the water would then flow out of the river. That is one of the propositions on which we have been spending money all these years.

I have referred to Sandy Bay Harbor in passing; and will not take up any more time with that.

The Muscle Shoals Canal was a project which was adopted in 1868. We have expended some $3,191,726.50 on it. In the year 1912, as shown by the engineer's report, the freight carried through the canal was 5,520 tons. That had increased in the year 1914 to 8,585 tons. It has been figured by experts that the cost to the Government of the freight through that canal was $41.76 per ton for the year 1912.

The Colbert Shoals Canal is a canal on which the Government, I think, has expended over a million dollars. I am not certain as to the amount, and may be wrong as to that; but anyway a very substantial sum of money has been expended upon it. In 1912 the tonnage transported through that canal was 31,943 tons. Of that, lumber constituted 30,518 tons; so the commercial tonnage was almost nothing. Eighty-one tons of cotton were transported; live stock 1, of an estimated value of $135.

So with many instances that might be cited of large expenditures of money and absolutely ridiculous commercial tonnage on the stream or through the canal.

The Ohio and Monongahela Rivers have proven more of a success commercially. The Monongahela has had a very large commerce; and while we have expended $150,000,000 on the Mississippi, and it has lost 90 per cent of its commerce and the Missouri River has become practically deserted, after an expenditure of nearly $20,000,000, the Ohio River has had some commerce after an expenditure of nearly $50,000,000, and with some 53 million to 60 million dollars yet to be spent.

The Tennessee River, as the records of the engineers and the analysis of the freight will show, has lost most of its river trade of 50 years ago, although something like $11,000,000 has been appropriated for locks and dams.

So we can go on in the years to come and spend another $850,000,000, and secure nothing more than we have secured, unless some different plan is adopted.

I ask, Mr. President, the privilege of inserting in the RECORD excerpts from the veto message of the river and harbor bill by President Jackson, the veto of the river and harbor bill by President Cleveland, the veto of President Arthur, and the statement of President Taft, who signed the river and harbor bill of 1910, after making some observations regarding it.

The PRESIDING OFFICER. Without objection, permission to do so is granted.

The matter referred to is as follows:

[From President Jackson's veto message.]

After the extinction of the public debt it is not probable that any adjustment of the tariff upon principles satisfactory to the people of the Union will until a remote period, if ever, leave the Government without a considerable surplus in the Treasury beyond what may be required for its current service. As, then, the period approaches when the application of the revenue to the payment of the debt will cease, the disposition of the surplus will present a subject for the serious deliberation of Congress; and it may be fortunate for the country that it is yet to be decided.

Considered in connection with the difficulties which have heretofore attended appropriations for purposes of internal improvement, and with those which this experience tells us will certainly arise whenever power over such subjects may be exercised by the General Govern-

ment, it is hoped that it may lead to the adoption of some plan which will reconcile the diversified interests of the States and strengthen the bonds which unite them. Every member of the Union, in peace and in war, will be benefited by the improvement of inland navigation and the construction of highways in the several States. Let us, then, endeavor to attain this benefit in a mode which will be satisfactory to all. That hitherto adopted has by many of our fellow citizens been deprecated as an infraction of the Constitution, while by others it has been viewed as inexpedient. All feel that it has been employed at the expense of harmony in the legislative councils.

* * * * * * *

The bill before me does not call for a more definite opinion upon the particular circumstances which will warrant appropriations of money by Congress to aid works of internal improvement, for although the extension of the power to apply money beyond that of carrying into effect the object for which it is appropriated has, as we have seen, been long claimed and exercised by the Federal Government, yet such grants have always been professedly under the control of the general principle that the works which might be thus aided should be "of a general, not local; National, not State" character. A disregard of this distinction would of necessity lead to the subversion of the Federal system. That even this is an unsafe one, arbitrary in its nature, and liable consequently to great abuses is too obvious to require the confirmation of experience. It is, however, sufficiently definite and imperative to my mind to forbid my approbation of any bill having the character of the one under consideration. I have given to its provisions all the reflection demanded by a just regard for the interests of those of our fellow citizens who have desired its passage and by the respect which is due to a coordinate branch of the Government, but I am not able to view it in any other light than as a measure of purely local character; or, if it can be considered national, that no further distinction between the appropriate duties of the General and State Governments need be attempted, for there can be no local interest that may not with equal propriety be denominated national. It has no connection with any established system of improvements, is exclusively within the limits of a State, starting at a point on the Ohio River and running out 60 miles to an interior town, and even, as far as the State is interested, conferring partial instead of general advantages.

* * * * * * *

From the official communication submitted to you it appears that, if no adverse and unforeseen contingency happens in our foreign relation and no unusual diversion be made of the funds set apart for the payment of the national debt, we may look with confidence to its entire extinguishment in the short period of four years. The extent to which this pleasing anticipation is dependent upon the policy which may be pursued in relation to measures of the character of the one now under consideration must be obvious to all, and equally so that the events of the present session are well calculated to awaken public solicitude upon the subject. By the statement from the Treasury Department and those from the clerks of the Senate and House of Representatives herewith submitted it appears that the bills which have passed into laws and those which in all probability will pass before the adjournment of Congress anticipate appropriations which, with the ordinary expenditures for the support of the Government, will exceed considerably the amount in the Treasury for the year 1830. Thus, whilst we are diminishing the revenue by a reduction of the duties on tea, coffee, and cocoa the appropriations for internal improvement are increasing beyond the available means of the Treasury. And if to this calculation be added the amounts contained in bills which are pending before the two Houses, it may be safely affirmed that $10,000,000 would not make up the excess over the Treasury receipts unless the payment of the national debt be postponed and the means now pledged to that object applied to those enumerated in these bills. Without a well-regulated system of internal improvement this exhausting mode of appropriation is not likely to be avoided, and the plain consequence must be either a continuance of the national debt or a resort to additional taxes.

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Through the favor of an overruling and indulgent Providence our country is blessed with general prosperity and our citizens exempted from the pressure of taxation, which other less-favored portions of the human family are obliged to bear; yet it is true that many of the taxes collected from our citizens through the medium of imposts have for a considerable period been onerous. In many particulars these taxes have borne severely upon the laboring and less prosperous classes of the community, being imposed on the necessaries of life, and this, too, in cases where the burden was not relieved by the consciousness that it would ultimately contribute to make us independent of foreign nations for articles of prime necessity by the encouragement of their growth and manufacture at home. They have been cheerfully borne because they were thought to be necessary to the support of government and the payment of the debts unavoidably incurred in the acquisition and maintenance of our national rights and liberties. But have we a right to calculate on the same cheerful acquiescence when it is known that the necessity for their continuance would cease were it not for irregular, improvident, and unequal appropriations of the public funds? Will not the people demand, as they have a right to do, such a prudent system of expenditure as will pay the debts of the Union and authorize the reduction of every tax to as low a point as the wise observance of the necessity to protect that portion of our manufactures and labor whose prosperity is essential to our national safety and independence will allow?

* * * * * * *

What a salutary influence would not such an exhibition exercise upon the cause of liberal principles and free government throughout the world: Would we not ourselves find in its effect an additional guaranty that our political institutions will be transmitted to the most remote posterity without decay? A course of policy destined to witness events like these can not be benefited by a legislation which tolerates a scramble for appropriations that have no relation to any general system of improvement and whose good effects must of necessity be very limited. In the best view of these appropriations, the abuses to which they lead far exceed the good which they are capable of promoting. They may be resorted to as artful expedients to shift upon the Government the losses of unsuccessful private speculation, and thus by ministering to personal ambition and self-aggrandizement, tend to sap the foundations of public virtue and taint the administration of the Government with a demoralizing influence.

* * * * * * *

I will not detain you with professions of zeal in the cause of internal improvements. If to be their friend is a virtue which deserves commendation, our country is blessed with an abundance of it, for I do not suppose there is an intelligent citizen who does not wish to see them flourish. But though all are their friends, but few, I trust, are unmindful of the means by which they should be promoted; none certainly are so degenerate as to desire their success at the cost of that sacred instrument with the preservation of which is indissolubly bound our country's hopes.

[From President Cleveland's veto message.]

A more startling feature of this bill is its authorization of contracts for river and harbor work amounting to more than $62,000,000. Though the payments on these contracts are, in most cases, so distributed that they are to be met by future appropriations, more than $3,000,000 on their account are included in the direct appropriations above mentioned. Of the remainder, nearly $20,000,000 will fall due during the fiscal year ending June 30, 1898, and amounts somewhat less in the years immediately succeeding. A few contracts of a like character authorized under previous statutes are still outstanding, and to meet payments on these more than $4,000,000 must be appropriated in the immediate future.

If, therefore, this bill becomes a law, the obligations which will be imposed on the Government, together with the appropriations made for immediate expenditure on account of rivers and harbors, will amount to about $80,000,000. Nor is this all. The bill directs numerous surveys and examinations which contemplate new work and further contracts, and which portend largely increased expenditures and obligations.

There is no ground to hope that in the face of persistent and growing demands the aggregate of appropriations for the smaller schemes not covered by contracts will be reduced or even remain stationary. For the fiscal year ending June 30, 1898, such appropriations, together with the installments on contracts which will fall due in that year, can hardly be less than $30,000,000; and it may reasonably be apprehended that the prevalent tendency toward increased expenditures of this sort and the concealment which postponed payments afford for extravagance will increase the burdens chargeable to this account in succeeding years.

In view of the obligations imposed upon me by the Constitution, it seems to me quite clear that I only discharge a duty to our people when I interpose my disapproval of the legislation proposed.

Many of the objects for which it appropriates public money are not related to the public welfare, and many of them are palpably for the benefit of limited localities or in aid of individual interests.

On the face of the bill it appears that not a few of these alleged improvements have been so improvidently planned and prosecuted that after an unwise expenditure of millions of dollars new experiments for their accomplishment have been entered upon.

While those intrusted with the management of public funds in the interest of all the people can hardly justify questionable expenditures for public work by pleading the opinions of engineers or others as to the practicability of such work, it appears that some of the projects for which appropriations are proposed in this bill have been entered upon without the approval or against the objections of the examining engineers.

I learn from official sources that there are appropriations contained in the bill to pay for work which private parties have actually agreed with the Government to do in consideration of their occupancy of public property.

Whatever items of doubtful propriety may have escaped observation or may have been tolerated in previous Executive approvals of similar bills I am convinced that the bill now under consideration opens the way to insidious and increasing abuses, and is in itself so extravagant as to be especially unsuited to these times of depressed business and resulting disappointment in Government revenue.

This consideration is emphasized by the prospect that the public Treasury will be confronted with other appropriations made at the present session of Congress amounting to more than $500,000,000.

Individual economy and careful expenditure are sterling virtues which lead to thrift and comfort. Economy and the exaction of clear justification for the appropriation of public moneys by the servants of the people are not only virtues, but solemn obligations.

To the extent that the appropriations contained in this bill are instigated by private interests and promote local or individual projects their allowance can not fail to stimulate a vicious paternalism and encourage a sentiment among our people, already too prevalent, that their attachment to our Government may properly rest upon the hope and expectation of direct and especial favors, and that the extent to which they are realized may furnish an estimate of the value of governmental care.

I believe no greater danger confronts us as a Nation than the unhappy decadence among our people of genuine and trustworthy love and affection for our Government as the embodiment of the highest and best aspirations of humanity, and not as the giver of gifts, and because its mission is the enforcement of exact justice and equality, and not the allowance of unfair favoritism.

I hope I may be permitted to suggest, at a time when the issue of Government bonds to maintain the credit and financial standing of the country is a subject of criticism, that the contracts provided for in this bill would create obligations of the United States amounting to $62,000,000 no less binding than its bonds for that sum.

[President Arthur's veto message.]

EXECUTIVE MANSION, *August 1, 1882.*

*To the House of Representatives:*

Having watched with much interest the progress of House bill No. 6242, entitled "An act making appropriations for the construction, repair, and preservation of certain works on rivers and harbors, and for other purposes," and having since it was received carefully examined it, after mature consideration, I am constrained to return it herewith to the House of Representatives, in which it originated, without my signature and with my objections to its passage.

Many of the appropriations in the bill are clearly for the general welfare and most beneficent in their character. Two of the objects for which provision is made were by me considered so important that I felt it my duty to direct to them the attention of Congress. In my annual message in December last I urged the vital importance of legislation for the reclamation of the marshes and for the establishment of the harbor lines along the Potomac front. In April last, by special message, I recommended an appropriation for the improvement of the Mississippi River. It is not necessary that I say that when my signature would make the bill appropriating for these and other valuable national objects a law it is with great reluctance and only under a sense of duty that I withhold it.

My principal objection to the bill is that it contains appropriations for purposes not for the common defense or general welfare and which do not promote commerce among the States. These provisions, on the

contrary, are entirely for the benefit of the particular localities in which it is proposed to make the improvements. I regard such appropriation of the public money as beyond the powers given by the Constitution to Congress and the President.

I feel the more bound to withhold my signature from the bill because of the peculiar evils which manifestly result from this infraction of the Constitution. Appropriations of this nature, to be devoted purely to local objects, tend to an increase in number and in amount. As the citizens of one State find that money, to raise which they in common with the whole country are taxed, is to be expended for local improvements in another State, they demand similar benefits for themselves, and it is not unnatural that they should seek to indemnify themselves for such use of the public funds by securing appropriations for similar improvements in their own neighborhood. Thus as the bill becomes more objectionable it secures more support. This result is invariable and necessarily follows a neglect to observe the constitutional limitations imposed upon the lawmaking power.

The appropriations for river and harbor improvements have, under the influences to which I have alluded, increased year by year out of proportion to the progress of the country, great as that has been. In 1870 the aggregate appropriation was $3,975,900; in 1875, $6,648,517.50; in 1880, $8,976,500; and in 1881, $11,451,000; while by the present act there is appropriated $18,743,875.

While feeling every disposition to leave to the legislature the responsibility of determining what amount should be appropriated for the purposes of the bill, so long as the appropriations are confined to objects indicated by the grant of power, I can not escape the conclusion that, as a part of the lawmaking power of the Government, the duty devolves upon me to withhold my signature from a bill containing appropriations which, in my opinion, greatly exceed in amount the needs of the country for the present fiscal year. It being the usage to provide money for these purposes by annual appropriation bills, the President is, in effect, directed to expend so large an amount of money within so brief a period that the expenditure can not be made economically and advantageously.

The extravagant expenditure of public money is an evil not to be measured by the value of that money to the people who are taxed for it. They sustain a greater injury in the demoralizing effect produced upon those who are intrusted with official duty through all the ramifications of government.

These objections could be removed and every constitutional purpose readily attained should Congress enact that one-half only of the aggregate amount provided for in the bill be appropriated for expenditure during the fiscal year, and that the sum so appropriated be expended only for such objects named in the bill as the Secretary of War, under the direction of the President, shall determine; provided, that in no case shall the expenditure for any one purpose exceed the sum now designated by the bill for that purpose.

I feel authorized to make this suggestion because of the duty imposed upon the President by the Constitution "to recommend to the consideration of Congress such measures as he shall judge necessary and expedient," and because it is my earnest desire that the public works which are in progress shall suffer no injury. Congress will also convene again in four months, when this whole subject will be open for their consideration.

CHESTER A. ARTHUR.

[From President Taft's memorandum on signing the river and harbor bill of 1910.]

The chief defect in the bill is the large number of projects appropriated for and the uneconomical method of carrying on these projects by the appropriation of sums small in comparison to the amounts required to effect completion.

The figures convincingly establish the fact that this bill makes inadequate provision for too many projects.

The total of the bill, $52,000,000, is not unduly large, but the policy of small appropriations with a great many different enterprises without provision for their completion is unwise. It tends to waste, because thus constructed the projects are likely to cost more than if they were left to contractors who were authorized to complete the whole work within a reasonably short time. The appropriation of a small sum lessens the sense of responsibility of those who are to adopt the project and who do not therefore give to their decision the care that they would give if the appropriation or contact involved the full amount needed for completion. Moreover, the appropriation of a comparatively small sum for a doubtful enterprise is thereafter used by its advocates to force further provision for it from Congress on the ground that the investment made is a conclusive recognition of the wisdom of the project, and its continuance becomes a necessity to save the money already spent. This has been called a "piecemeal" policy. It is proposed to remedy this defect by an annual river and harbor bill, but that hardly avoids the objections above cited, for such yearly appropriations are apt to be affected by the state of the Treasury and political exigency.

If enterprises are to be useful as encouraging means of transportation they ought to be finished within a reasonable time. The delays in completing them postpone their usefulness and increase their cost. The proper policy, it seems to me, is to determine from the many projects proposed and recommended what are the most important, and then to proceed to complete them with due dispatch, and then to take up others and do the same thing with them.

It is now three years since a river and harbor bill was passed. The projects under way are in urgent need of further appropriation for maintenance and continuance, and there is great and justified pressure for many of the new projects provided for by the bill. It has been made clear to me that the failure of the bill thus late in the session would seriously embarrass the constructing engineers. I do not think, therefore, the defects of the bill which I have pointed out will justify the postponement of all this important work; but I do think that in the preparation of the proposed future yearly bills Congress should adopt the reforms above suggested, and that a failure to do so would justify withholding Executive approval, even though a river and harbor bill fail.

Mr. KENYON. Mr. President, I did not, in speaking of the Big Sandy a few moments ago, have the figures which I desired to place in the RECORD in reference to that river. I will now state that we have expended $1,700,000 in the construction of five locks and dams; the cost of maintenance has been $260,000; the total tonnage in 1912, excluding railroad ties, timber, and telegraph and telephone poles, was 500 tons. It has been estimated by experts that, after deducting the floatable timber which would float without the locks and dams, it costs the Government $100,000 annually to float 277 tons of commerce 33 miles, an average of $350 a ton per mile, or $11 per ton-mile. If any Senator can justify that kind of an expenditure of public money, I will yield the floor while he does it.

I think I shall put into the RECORD the accurate figures as to the Hennepin Canal. I gave them from my recollection previously. The total cost of construction to June 30, 1913, of the Hennepin Canal was $7,576,496.56; operation and care to June 30, 1913, was $1,166,851.39; or a total of $8,743,347.25. In 1913 there were 11,962 tons of commercial freight transported through the canal. The tonnage was about 35 per cent less than that of the previous year, the shrinkage being due to the smaller quantities of rock, earth, and gravel carried by Government boats.

There have been influences at work to secure large appropriations for rivers and harbors besides those I have enumerated. The Dredgers' Association has been somewhat busy. The Atlantic and Gulf Coast Dredge Owners' Association had some proceedings some years ago, in which they made certain assessments upon their members, according to their records, for the entertainment of prominent and influential people at banquets. While Members of Congress are not to blame for being included in the records as among those whom they desired to entertain, that association had the exceeding nerve to state in their records that this amount which was levied should be cheerfully paid for the purpose of entertaining influential people, including Members of Congress. So the Dredgers' Associations, with their contracts, as has been shown—or as I have tried to show, and as Colonel Taylor showed before the House committee—for double the amount, and more in some instances than it cost the Government, have felt that they could influence river and harbor appropriations.

We hear a good deal about the railroads being opposed to river and harbor appropriations. I have had it insinuated to me that, because at one time I had been counsel for a railroad company, I had become prejudiced as to waterways. Well, of course, any one having that opinion is entitled to keep it; but it is interesting to note that the railroads have contributed to the Mississippi Levee Association. I have said before that I believe it has been true that the railroads have tried in the past to injure water transportation, just as they have tried to injure anything or anybody who stood in their way; but evidently that has not been a serious thing with them in the last few years, because they have contributed to this association, of which Mr. Fox was secretary and manager; and those contributions were set forth in the New Orleans Item of October 21, 1913, a very influential and truthful paper. Those contributions were as follows: The Southern Railway Co., $1,000; the Mobile & Ohio, $1,000; the 'Frisco, $1,000; the Missouri Pacific, $1,000; the Chicago, Rock Island & Pacific, $1,000; the St. Louis & Southwestern, $1,000; the Illinois Central, $1,000; the Yazoo & Mississippi Valley, $1,000; the International Harvester Co., $1,000. That is not a railroad, of course. So the railroads at that time did not seem to fear water transportation.

We have had a good many waterway conventions and pamphlets and papers. These conventions have met at New Orleans; they have met at Washington. They have borne the following names: "Lakes to Gulf," "Upper Mississippi Improvement Convention," "Interstate Waterway Trans-Mississippi Irrigation Congress," "Celebration of the Opening of the Hennepin Canal"—that should have been a great celebration—"Atlantic Deeper Waterway Conference," "Drainage Congress." Some of these associations, I think, have consisted largely of letterheads. The "Seaboard Waterway Convention" in 1909 was probably the crowning effort. President Taft floated down the Mississippi River at that time—which is sufficient indication that there was then ample water in the river [laughter]—and Gov. Ansell, of South Carolina, wired the convention:

We want water, more water, and deeper water.

Resolutions were drawn up at that convention demanding certain things of Congress, pledging that they would support no candidate for Congress who would not unqualifiedly indorse and maintain their policies.

We have had other commissions visiting Europe, one in 1909. President Taft in 1911 in his message to Congress expressed himself as favorable to the Lakes-to-Gulf project, a project that the booster clubs and commercial clubs have been advocating for years. I do not know much about it; it may be a perfectly good project, but all these things combine to add a certain force and impetus to the movement, not a movement to regulate the water question on any scientific basis, but merely, as a general thing, to get something for local interests and local conditions.

Robert Toombs once said that it had become a national disgrace for Congress to engage in a miserable scramble for a slice from the Public Treasury. The distinguished Senator from South Carolina [Mr. TILLMAN] once stated on this floor something I would not want to say, but he said it and, as I remember his language, it was that—

> The Mississippi itself has quit having any steamboats on it almost, and the whole scheme of river improvement is a humbug and a steal, but if you are going to steal, let us divide it out, and do not go to complaining.

I would not like to believe, and I do not believe, that that represents the sentiment of Congress. It may be the spirit of some people in this country who continually hammer their Congressmen to get more, but the time will come, I believe, when the people of this country are going to insist that their Senators and Representatives shall stand for the proposition that this Government shall be conducted as a great business, and that a public dollar shall be appropriated and spent with the same care and honesty and fidelity as a private dollar. When that day comes, it will be possible to cut down some of these useless expenditures; but, Mr. President, in the meantime what will be the outcome if this waste and extravagance is to go on and appropriations are to continue piling up and piling up, not only in this bill, but in every other bill, and local influences are permitted to intrude into Army bills and Navy bills?

The creation of Army posts has been urged all over this country. There is one in my State, for which there is no more justification, in my opinion, than there is for any of the others. I do not mean by that that they should all be abolished, but from the list of Army posts in this country sent to Congress in response to a resolution adopted, while I do not remember the figures, it seems to me that that document showed we had spent over a hundred million dollars on Army posts. Do you tell me that those Army posts were in every case located for the benefit of the people of this country? Did they not rather result from some system operating on the principle of "You give me an Army post and you can have a navy yard," or something of that kind? When I was a member of the Committee on Military Affairs, I remember having seen the committee start in to ask the Secretary of War about these Army posts, and he would laugh; and while I am not at liberty to say what he may have said privately—I do not mean the present Secretary of War—he knew that he could not change the system; he knew that when you started to take an Army post away from a man he would say, "That is my Army post," just as I have heard it said in the Commerce Committee, "This is Senator So and So's river, and Congressman So and So's creek, and somebody else's harbor."

The same thing is true of navy yards. I imagine there are navy yards in this country where you could not find enough water to float any kind of a battleship. That is the trouble with the whole thing. It enters into this bill and every other appropriation bill.

Mr. WORKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from California?

Mr. KENYON. I do.

Mr. WORKS. The Senator has expressed the belief that the people of this country will demand that the affairs of government shall be managed with integrity and honesty and economically. I hope the Senator is right about that; but what evidence has the Senator just now of any change of sentiment on the part of the people in that respect? I have been impressed with the idea all along that the foundation of this evil is with the people themselves; that they are demanding from their Senators and Representatives just such things as the Senator is commenting upon, and that they measure their usefulness as servants of the people by what they can get for their people at home. If we could so educate the public mind as to condemn that sort of thing instead of insisting upon it, we might reach results.

Mr. KENYON. Well, I will ask the Senator what are we going to do? Sit still and do nothing or say nothing because of the sneers that are leveled at anybody who attempts to say anything about it?

Mr. WORKS. Not by any means; but I think the thing that will have to be done will be to educate the people up to a better sense of things; and until you do that, you are going to have just this sort of service from Senators and Members of the other House. I am not criticizing the attitude the Senator has taken in this matter—not by any means; I sympathize with him entirely.

Mr. KENYON. I have no objection at all to the Senator criticizing me.

Mr. WORKS. We must get at the root of this evil if we are going to accomplish anything, and I think the root, the bottom of it, is the sentiment that exists on the part of the people themselves that brings about this sort of legislation.

Mr. KENYON. Take a little thing. We have in the Senate twice stricken from the agricultural appropriation bill the free-seed provision, but it has been put back in conference. The free-seed proposition, I understand, costs this Government something like $250,000 a year. Of course, that is not a great amount of money in the running of a government. I do not know that the Senator can remember such an incident, but I can remember when we used to get a package of those seeds when I was a boy, with the name of a Senator or a Representative in the corner. That was really a great event in our home. We had a feeling that we were highly honored by the Member of Congress. I used to plant the seeds, but never had such a high regard for the Congressman after they grew. [Laughter.] However, that little thing, the sending out of free seeds, which are nothing but political seeds, is an illustration of the manner in which the system works. It is not fair to the man outside who is running against the man inside, and the sending of seeds ought to be listed as a political campaign expenditure, and ought not to be put upon the Government.

Mr. WORKS. Mr. President, that is precisely what I am talking about. The Senator and his family wanted the seeds; they thought it was a nice thing to get them. The Member of the House of Representatives perhaps argued from that that probably he would get votes from the family which prized the receipt of the seeds. I have been opposed to the free distribution of seeds; I myself think it is an unmitigated fraud; and whenever I have had an opportunity I have voted against it; but the reason why it is retained is just as I have mentioned, that the people themselves want to get from the Government those things and everything else they can. Of course there are honorable exceptions to that rule. There are a great many people who protest against the receipt of seeds when they get them. They appreciate the fact that the seeds ought not to be sent out, but I am talking about the general idea upon that subject as evidenced by the desire upon the part of the people to get anything they can out of the National Treasury.

Mr. KENYON. To get something for nothing.

Mr. WORKS. Yes.

Mr. KENYON. But I am glad to learn that a good many people who are getting the seeds are sending them back; and when the people begin to do that it will be found that we will not hear all these tearful stories on the floor about the poor fellows upon the mountain side who want to have some of these seeds in order to grow vegetables and flowers.

Mr. MARTINE of New Jersey. Mr. President, will the Senator allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. KENYON. Certainly.

Mr. MARTINE of New Jersey. I voted for the free-seed provision, and I have no regrets for doing so. I do not believe that the animating motive of all those who desire seeds is simply to obtain them because they can get something for nothing. There are very many men who are prompted by as lofty motives as is the Senator from Iowa—and they are very high motives, indeed, and I say that most earnestly—or as is any other Member of this body. They feel that, in asking for seeds from the Government, they are getting something novel and at the same time something better than they would get at a seedsman's store. It may be that the Government seeds are not any better than his, but, in the main, they are very good seeds, and infinitely good results have accrued to the people from the dissemination and distribution of the seeds. I am well satisfied of that. I believe that the Government can not go very much astray in the matter of the distribution of seeds or plants, whether they may be of the blooming variety or of the fruitful variety. I believe all those things accrue to the well-being of the country as much as does the dissemination of literature.

The Senator perhaps does not find much fault—I do not—with the dissemination of Government literature to our people. I believe many Government documents which are sent out are blessings, and the same thing may be said of the addresses which are being made here. They are of great value to the people.

There is another class to whom they do not quite so much appeal; but I believe the distribution of seeds should be continued to those who may desire them and who will take care of them, as many of them do, making brighter and prettier spots around their homes and blessing the community in the promotion of vegetation. I believe that by such means we are advancing the public good.

Mr. KENYON. I have had, I think, about 20 letters from my State protesting against the sending out of the Senator's speech aganist woman suffrage.

Mr. MARTINE of New Jersey. Well, I think probably they may have been absolutely justified in sending out those protests. I have not been directly the means of disseminating them. It is true that I did make some remarks against woman suffrage, and I have no regrets for that. I say to the Senator now that if I thought woman suffrage would advance the well-being of our country and elevate woman, God knows I would be the most radical advocate of it; but because of the fact that I believe these two results would not occur, I have opposed it.

I have no apology to make for what I said, though I did not send out the literature. Somebody else did.

Mr. KENYON. The women, perhaps, do not need elevating as much as the men. Woman suffrage may elevate the men. I do not want to get into any discussion of the woman-suffrage question, however.

Mr. MARTINE of New Jersey. Well, I will not argue it. God knows if there is any man in the world who has a warm place in his heart for woman, I am the individual. [Laughter.]

Mr. KENYON. Then the Senator had better let them vote. But I hope this appeal of the Senator for free seeds will be read by his constituents, and that they will write to him for the seeds, and that it may very materially aid in bringing about a result which I am anxious to see accomplished, namely, the re-election of the Senator, although I do not belong to his party; and if the seeds will do him any good, I will turn over a large part of my allotment to him.

Mr. MARTINE of New Jersey. That is very nice. I think I would like about a thousand packages at once. [Laughter.]

Mr. KENYON. This is one of the occasions when seeds ought to be used.

Mr. MARTINE of New Jersey. That may be the animus with a good many, but I will say that I have been as free from any such thought or purpose as any man could be. I am a candidate for reelection, and I am vain enough to believe that I am going to succeed, notwithstanding the Republican community in which I live. But I will say that I have been as free from any prompting or animus of that kind of self-laudation or of assisting in my reelection as the remotest thing in the world.

Mr. KENYON. And I am not enough of a partisan to want to see any harm come to the Senator.

Since we have disposed of woman suffrage and the seed question, I want to go back to the subject at issue. There is very little objection, I think, raised generally to the improvement of our harbors. They perform a wonderful service. Of course there are different standards to determine their importance. If we took the value of imports and exports, or receipts and shipments, that would be one standard that many would follow. Others would want to measure our harbors by the proportion between foreign and domestic trade. Others would want to rate our harbors by the net tonnage of boats entering and clearing, and others by the quantity of freight or the tonnage received and shipped. I think probably the latter would be the wise standard. Under this standard the harbors of relative importance are, of course, first, New York City; second, the Duluth-Superior Harbor; third, Philadelphia; fourth, Buffalo; fifth, Cleveland; sixth, Baltimore; and it seems to me that New Orleans and Galveston must be very close to those harbors. The vessels going to Galveston now can carry a draft of 30 feet into that harbor.

Those harbors ought to be improved; they ought to be kept up. There is not any doubt about that. We have certain rivers that connect cities of considerable size with the sea, tidal streams that enable ships of a draft of 15 feet or more to go from the sea to the cities. Those are very important. The Mississippi to New Orleans would be such a stream; the Deleware to Philadelphia, and the St. Johns to Jacksonville, and the James River to Richmond. These are all important rivers. I have not heard any complaints from people about rivers of that character, which are substantial and which amount to something.

There is a class of rivers affording passage for boats of smaller size and of less draft. The Connecticut River to Hartford, or the Kennebec River to Augusta, would come under that class of rivers. Little complaint is made about these rivers.

Then we have the rivers used for traffic between inland points. The Mississippi and the Ohio and the Hudson possibly are in a class by themselves. They have a very great and substantial commerce, national in its scope. No one is raising particular objection to those. I do think the plan of spending $63,000,000 on the Ohio River—without including terminals, which would run the matter up to $70,000,000, I should say—is a wise experiment. It is somewhat of a doubtful one; but if any experiment is to be tried, that is perhaps the best.

As to these harbors, in the harbor appropriations there ought to be some plan whereby, when the railroads own all the terminals, they will contribute to the improvement. The Commissioner of Corporations a few years ago made an investigation of the question of transportation by water in the United States. That is a most interesting document, consisting of three volumes; and it has been amazing to me, in a study of that document, to discover that in very nearly all of our harbors the railroads seem to own the entire shore. Mr. Herbert Knox Smith, the then Commissioner of Corporations, says, on the first page:

> Our harbor organization, as a rule, is faulty. A harbor has two prime features, "commercial" and "industrial." The commercial function deals chiefly with "through" freight, with the transshipment between rail and water lines (or between water lines) of freight not destined to or originating at the harbor itself. The industrial function, on the other hand, deals with local freight. It affords railway connection and wharf storage for local industries and distributing houses. It affects local interests far more deeply than the mere passage of through traffic. * * *
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> * * * Private interests control nearly all of our active water frontage. Public control exists in considerable degree only at New Orleans, San Francisco, Baltimore, and New York, and is greatly modified at New York by exclusive private leases for long terms. Out of fifty of our foremost ports, only two, New Orleans and San Francisco, have practically complete public ownership and control of their active water frontage; elght have a small degree of control, and 40 none at all. Out of 37 ports for which data are available (excluding New Orleans and San Francisco), only 14 have any publicly owned wharves (about 260 such wharves in all, many practically controlled under long leases). Out of 25 ports with available data (excluding New Orleans and San Francisco), only 10 have wharves "open" to general traffic, with a total of only 49 such wharves, the majority insignificant and antiquated. Out of 46 such ports (excluding the same two cities), a majority of the active frontage is privately owned in 40, and in 6 a small amount is so owned. Out of the 50 foremost ports above mentioned, there are 21 in which railroad ownership and occupancy covers over 50 per cent of the active frontage, and 12 more between 25 and 50 per cent. It is our theory that the waterways are public highways. In fact, their essential terminals are largely under private control.

Mr. WORKS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Iowa yield to the Senator from California?

Mr. KENYON. I do.

Mr. WORKS. I wish to ask whether the harbors are enumerated that are not under city or county or State control?

Mr. KENYON. I can not say that those are enumerated that are not. Those are enumerated that are.

Mr. WORKS. I do not know what he regards as the principal harbors of the country. I know that at Los Angeles and San Diego, both, the two cities have absolute control of their harbors.

Mr. KENYON. Yes; he speaks of that. Did the Senator say San Diego?

Mr. WORKS. Los Angeles and San Diego.

Mr. KENYON. He does not speak of Los Angeles, but he does speak of San Francisco. He says:

> Two ports only, New Orleans and San Francisco, are noteworthy for their high degree of public ownership, control, efficiency, and equipment. * * * At San Francisco there is an excellent system of wharves under State control, kept open for general traffic. The water terminal situation in these two cities is by far the best in the country.
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> At four of the most important Lake ports there is a total front of about 12 miles protected by breakwaters. On this entire 12 miles there are only about ten active wharves, nearly all under railroad control. Of this frontage, railroads own about 7 miles, other private parties about three, and the cities about two.

He says, further:

> Terminal charges are a considerable factor in water traffic, especially "dockage," a charge on the vessel, and "wharfage," a charge on the freight passing over the wharf. Particularly on the Mississippi system excessive landing charges have hindered traffic. * * * The Government's enormous expenditures on channels are in many cases largely neutralized by the action or nonaction of the local authorities on terminals. * * * Localtites should, as a rule, be required to furnish and keep open adequate terminals as a condition precedent to channel improvement by the Federal Government. It is their fair share of the work, and they alone can do it effectively.
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> There are thus five salient facts: First, that terminals are as important as channels; second, that our harbors have not fully developed their terminal frontage, nor are they properly organized or controlled; third, that railroads largely control water terminals, often to the disadvantage of general water traffic; fourth, that there is almost no linking-up of the rail and general water systems at the water's edge, but rather the opposite tendency; fifth, that there is little cooperation by localities with the Federal Government which improves their channels.

Along the same line he sets forth, on page 3, some matters which I should like to put in the RECORD. I will read this part of it; I will not read it all:

> Private control of terminal facilities may seriously impair or practically destroy the real public character of the channel. For example, this part—

That is, this part of the report—

> shows that a surprisingly large proportion of the most available water frontage and terminals is controlled by railroads. It is only proper to add, however, that in order to serve the proper needs of transportation,

railroads must have the continued use of a certain amount of water terminals; also, that much of the railroad-owned water frontage is merely rights of way, and not in any sense active terminal property.

In New York he shows how, between ownership and long systems of leasing, the railroads practically control all of the frontage.

In Jersey City most of the frontage was originally granted in perpetuity to private parties many years ago, at very low rental rates. The city has only one "open" wharf.

In Boston there is some rail and water coordination, but—

It is represented mainly by the so-called Union Freight Railroad, controlled by the New York, New Haven & Hartford Railroad Co., connecting also with all the other railroad systems there, but running along only a small fraction of the water front. * * *

The ownership of the Boston water front is chiefly private, consisting of a large area of railroad holdings, about eight important wharf companies, and much industrial frontage. The city owns a few scattered and unimportant wharves, but most of its frontage is used for park, municipal, and ferry purposes. The State has an undeveloped tract, known as the "Commonwealth Flats," with large possibilities for terminal use. Most of the trans-Atlantic lines use railroad piers.

In Philadelphia—

A considerable proportion of the most active water front is controlled and occupied by railroads, to the extent that such commercial use for through traffic unduly hampers the proper local and industrial use. * * * The city owns less than 8 per cent of the developed Delaware frontage, and its holdings are mainly narrow and practically unavailable street ends.

The railroad holdings are very large. Of nearly seven miles of the most highly developed part of the Delaware River frontage, railroads own over 45 per cent and occupy still more. * * *

The attitude of the railroads as to their frontage holdings has been highly exclusive and adverse to general water traffic. Railroads, as a rule, refuse any use of their piers for freight not going over their particular lines and oppose independent lighterage. Thus, lighters can not come to a railroad pier to get freight for independent water or rail lines. The results are important, in view of the extensive railroad control of water terminals. * * *

The Philadelphia situation has long been one of almost complete absence of public control of the water terminals.

In Baltimore—

Of the entire harbor frontage, the city now owns 9 per cent, the railroads 17 per cent, and other private interests 74 per cent.

And so it goes on.

At Portland, Me., the water front is all private, about one-half of it owned by railroads. At Bangor the frontage is nine-tenths private, and much of it railroad holdings. * * * Most of the important New Haven frontage is railroad owned. * * * At Trenton, N. J., the city owns none of the frontage on tidewater. * * * Richmond, Va., is exceptional, in that none of its frontage is owned by railroads. The city owns about 11 per cent of the frontage. * * *

At Charleston, S. C., practically all the best frontage is controlled by the Charleston Terminal Co., which concern is controlled jointly by the Atlantic Coast Line and the Southern Railway. At Savannah, Ga., the frontage is mostly private, the best of it being owned by railroads. At Augusta, Ga., the city owns all of the Georgia frontage. Jacksonville, Fla., is an important port, and at present is considerably congested. The city owns only street ends, and there are important railroad terminals and holdings here.

And so the whole story goes on. At Mobile—

Railroads own a large part of the frontage.

At Galveston the city owns some stock in the Galveston Wharf Co., which owns considerable of the dockage space.

San Francisco is noteworthy, the report says:

By reason of its advanced policy of public ownership and control of the water front and its policy of public construction, maintenance, and regulation of the vast majority of the wharves; also because very few of the public wharves are under long leases, and most of the wharves are practically "open" or can be made "open" at need.

Both the commercial and the industrial functions are important, with a fair degree of harbor organization. * * * There is an unusually good equipment of modern wharves, built by the State Board of Harbor Commissioners, with considerable warehouse space and with some transshipping machinery.

I think the harbor of Los Angeles is not given.

At Tacoma—

The Northern Pacific Railway owns about 16,000 feet of the city water front.

At Portland, Oreg.—

The frontage is all privately owned, mainly by railroads.

In the case of the Great Lakes harbors——

Mr. WORKS. Mr. President, may I ask the Senator what is the date of that report?

Mr. KENYON. The date of the report is September 26, 1910.

Mr. WORKS. Since the making of that report, Los Angeles has acquired title to the harbor frontage, partly through litigation that has just been terminated in the Supreme Court of the United States.

Mr. KENYON. That is probably why the report does not cover it.

Mr. WORKS. That may be so. The difference between San Francisco and Los Angeles is that the San Francisco frontage is owned by the State, while in the case of Los Angeles it is owned by the city of Los Angeles, and is under the complete control of the city, and the city has constructed its own wharves; and the same condition exists in San Diego.

Mr. KENYON. What does the city do, I should like to ask the Senator, about toll at the wharves?

Mr. WORKS. They have a regular system of tolls, fixed by the city authorities.

Mr. KENYON. San Francisco is evidently rather advanced over the other harbors of the United States in that respect. The point I was trying to make was this, and I do not know whether it is sound or not: That where we are appropriating these large sums for harbors where the water front is practically all owned by railroads, there ought to be some plan of cooperation by which a portion of the sums necessary to improve these harbors shall be paid by the railroads.

Mr. WORKS. Does the Senator know that under the system that is now in force cities like Los Angeles, for instance, are compelled to pay one-half of the expense of improving the harbors?

Mr. KENYON. The cities pay one-half? I did not know that.

Mr. WORKS. Almost invariably, where an appropriation is made, it is required that the city shall contribute the same amount that is contributed by the Government. That has been true in some instances, I know—in Los Angeles and San Diego, both.

Mr. KENYON. There have been provisos in river and harbor bills, where certain appropriations are made, that certain local interests shall contribute the same amount. There is a benefit connected with that. Take the case of New London Harbor: There the people have taxed themselves a million dollars for that harbor and have asked the Government to assist them to the extent, I think, of some three hundred and odd thousand dollars. When the people themselves have enough faith in a proposition to tax themselves for it, they are not going to try to get up propositions that are lacking in merit; and there will be a very restraining influence, as there was in the project for a part of the Cumberland River. When the Board of Army Engineers took the position that the State of Kentucky—I am not certain about Tennessee, but I am certain about Kentucky—should contribute part of the cost of the improvement, the enthusiasm very quickly diminished.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. Certainly.

Mr. JONES. I just wanted to suggest here that practically all of the harbors along the Pacific coast, especially those of any size, have contributed toward their improvement. That is almost the universal rule on the Pacific coast. They have contributed to a greater or less extent. Many of them have formed what they call port or harbor commissions, and have imposed taxes upon the people to assist in the prosecution of the work or the maintenance of it.

Mr. WORKS. Mr. President, may I call the Senator's attention, as an illustration, to the case of San Diego?

Mr. KENYON. Yes.

Mr. WORKS. There is an appropriation in this very bill, I think, of $220,000 for the improvement of San Diego Harbor by increasing the depth of one of the channels. The people of San Diego have expended a million dollars in putting up a sea wall, to begin with. It was done at their own expense, without any contribution by the Government. They have already expended on this very channel $300,000 of the city's money. They are simply asking that this additional amount shall be contributed by the Government; and in addition to that—and it is provided for in the bill—the city conveys to the Government a tract of land near by which will be used for training grounds, a naval station, or anything of that sort—land that is estimated to be worth half a million dollars. So the city is getting $220,000 for all of that contribution on its part.

Mr. KENYON. Does not the Senator believe that the plan of cooperation in all of these matters is an exceedingly good one?

Mr. WORKS. Yes; I think it is, for the very reason suggested by the Senator, that appropriations will not be readily asked for if the people have to contribute their share of the expenses. Otherwise, I should say not, because it is a Government improvement. Strictly speaking, the harbors should be improved by the Government; but there is a local interest attached to it, so I am not complaining of that.

Mr. KENYON. If the shore line of a harbor is entirely owned by private interests, then the improvement of that harbor works a great benefit to those private interests. Now, why should not the private interests contribute some part?

Mr. WORKS. I think they should.

Mr. KENYON. I desire, as a part of my remarks on this subject of cooperation, to suggest for the RECORD that in the case

of the James River proposition the city of Richmond has spent $1,044,000 in the improvement of the channel and the construction of public terminals.

In the case of the harbor at Oswego, while no conditions were imposed at the time of the adoption of the project, the work for the benefit of the public has been aided with funds supplied by other sources than Congress, on the theory of all interests being benefited by the improvement.

Cold Spring Inlet, N. J., is a sample of cooperation, where $100,000 was contributed by local interests.

In the Coquille River project, in Oregon, there was also local cooperation. Local interests spent $43,000 for dredging the channels and $500 for repairs of pile jetties; and I have hope that in any general plan that may be eventually worked out this question of cooperation may be taken care of.

The Senator from Oregon referred to the city of Portland contributing—I do not know that he mentioned the amount; my recollection is that it was $5,000,000—in cooperation with the improvement of the Columbia River.

The city of Cleveland has contributed very large sums for the purpose of cooperating in maintaining the inner harbor; and that has been true of Boston and other points.

Before taking up the projects specifically I want to refer to one more general question, and that is the general project of waterways versus railways. Mr. President, what is the matter and why is it that water traffic has decreased on our rivers? Is it going to be possible to bring it back, and if so, how? Is it advisable from the economical standpoint to expend the money that might be necessary to bring it back?

I hope Senators will read the report, when they have leisure, if Senators ever do, of the National Waterway Commission. It is a most interesting document dealing with these questions, which questions must certainly attract the serious attention of Congress. It deals with all subjects concerning waterways, and this commission, consisting of a number of Senators, I think the present chairman of the Committee on Commerce, former Senator Burton, the Senator from North Carolina [Mr. SIMMONS] and others, dealt very exhaustively with this subject and they attempted to find the explanation for the diminished use of inland waterways. They discussed the relation between these two agencies of transportation, the inherent and fundamental differences based upon current conditions that the railways may have, the increasing importance of terminals, which they give as some of the reasons why railway traffic has supplanted waterway traffic, the cost of hauling freight, the facilities for unloading freight, the readier transfer of traffic from one road to another as compared with the transfer from water to land, the through haul of cars without break of bulk, all helping the railroads, the higher speed, the more reliability of schedule, the right of railways to charge lower rates between points in competition with water lines, the power to acquire steamboat lines for the purpose of stifling water-borne traffic, the refusal to pro rate, the great attention given by railroads to provision for warehouse terminals and equipment for handling freight, the question of a minimum rate, the canal question, the relation of waterways to bank protection, flood control, the policy relating to harbors, the ownership of docks, the relation of the waterway improvements to water power in comparison with European waterways.

That commission was composed of 12 Members of the Senate and House of Representatives and was created by act of Congress of March 3, 1909. It is interesting to note, as set out by that commission, a portion of the constitution of the Confederate States framed at Montgomery in February, 1861, on this question, and there the Confederacy adopted this provision in their constitution:

> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes, but neither this, nor any other clause contained in the constitution, shall ever be construed to delegate the power to Congress to appropriate money for any internal improvement intended to facilitate commerce except for the purpose of furnishing lights, beacons, and buoys, and other aids to navigation upon the coasts, and the improvement of harbors and the removing of obstructions in river navigation, in all which cases such duties shall be laid on the navigation facilitated thereby as may be necessary to pay the costs and expenses thereof.

They also discussed the question to which I have tried to draw attention, of cooperation between the communities interested and their duty to bear a part of the burden, the question of the improvement of rivers for the protection of land and of these matters of coordination, the question of construction of waterways to regulate freight, even when there is no commerce in the waterways, and the question of suitable boats.

Mr. President, the railroads outside of the question of unfair competition with waterways have had certain advantages in the race for commerce. Any unprejudiced thinking man knows that to be true. One of the greatest difficulties about restoring water transportation on our rivers is that ofttimes you merely have the trip, the freightage, in one direction. Take the Ohio River. The Ohio River has a very large commerce in barging coal floating down the river. You must have something to come back or you can not have successful river commerce. The railroads have that distinct advantage.

They have the advantage too that they serve different cities and towns, while the water transportation serves only those places that are located along the river. They have a great advantage in their terminal facilities in bringing their tracks to the side doors and the back doors of the places of business, in avoiding transshipment and the expense of hauling. They have a great advantage in their bill of lading, because the shipper can take his bill of lading with draft attached and go to the bank and secure his money. It would be rather an unusual case when he could do that with river transportation.

Rivers and canals are impeded portions of the year in northern climates with ice, and that is a very material factor. The railroads are faster and safer, though I have read an address of the distinguished Senator from Louisiana [Mr. RANSDELL], delivered some years ago before a political economy society, in which he contended that boat traffic like the hare and the tortoise eventually was the fastest because it kept on. But I believe that if the figures were taken, and you should include all the cars that are on sidetracks in getting your proportion and your amount to divide, you ought also to include boats that are not in use. However, I do not know how the Senator figured it. The paper may have misstated it.

Then the railroad has had more improvement in engines and equipment. The water-craft boat has not kept pace with the development of the railway equipment. The railways have had more passenger traffic, which has been more profitable to them I assume, which the boat does not have to any marked extent.

All these things enter into the problem of whether or not water transportation on our great waterways can ever be restored. I have always believed there should be a minimum rate, and I introduced a bill the first session I was here to give to the Interstate Commission the power to fix a minimum rate. They ought to have that power just as much as the power to fix a maximum rate. If they had had that power in the past and had applied it, it may be that there could have been a prevention of the unfair methods at times that the railroads have used toward water transportation.

The National Waterways Commission do not in words, but I think it a fair inference from their report, conclude that there must be some kind of cooperation between the railways and the waterways to bring back this commerce.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Iowa yield to the Senator from Colorado?

Mr. KENYON. I yield.

Mr. THOMAS. I have no doubt the Senator is more familiar than I am with the fact that that is the plan which has long been in operation in Germany and which has resulted in the remarkable increase of river traffic in that country.

Mr. KENYON. I intended to refer to that. That is a fact.

Mr. THOMAS. I have no doubt of it. I anticipated the Senator.

Mr. KENYON. I am very glad of it.

Mr. THOMAS. It is my judgment that without such cooperation all the improvements which are susceptible to engineering and to finance will be powerless to increase the traffic of our navigable rivers; and unless the Government acts, either by Government control or by enlarging the powers of the commission, as the Senator suggested, coupled with the power to enforce its orders, there will be no restoration of our water traffic in this country.

Mr. KENYON. Of course, the Senator realizes that Germany owning and controlling its railways compels the railroads to treat the waterways fairly, and compels certain kinds of traffic to be carried on the waterways, the heavy, bulky traffic, so that the finer and more expensive traffic can be carried on the railroads. That system of cooperation has made the waterways of Germany a success—yes, a success, because I think it must be considered that the German waterways are a success.

Now, some writers have said of the waterways and the railway cooperation in Germany that the railways have made the waterways profitable because of the bringing of this heavier freight and the carriage of it by water.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. KENYON. I do.

Mr. RANSDELL. I wish to ask the Senator if he does not regard the Germans as a very wise, far-seeing race of people, probably as good business men as there are in the world?

Mr. KENYON. I regard them as the most efficient people in the world.

Mr. RANSDELL. And you also agree, I believe, with me in the statement that Germany has spent very large sums for the improvement of its waterways, has connected nearly all its streams by transverse canals, and that it has used those waterways to a very, very great extent.

Mr. KENYON. Yes. I do not know that I could agree with the Senator that that would be true as to all the waterways of Germany. I would agree that it is true as to the Rhine. I think there are waterways in Germany that have not been anywhere near the success that the Rhine has been; but as a general proposition I agree with the Senator that their waterways have been a success.

Mr. RANSDELL. Then, if the improvement of the waterways in Germany has been such a marked success, and if the Germans are a very wise and businesslike nation and race, do you not think we might fairly conclude therefrom that it would be wise and beneficial for us to improve our waterways, provided we would do it in a businesslike way?

Mr. KENYON. In a businesslike way. That is what I am contending for. Then, I want to ask the Senator, because we must consider these in like condition, does not the Senator believe that governmental ownership of railroads by Germany is what has in fact made their waterways a success?

Mr. RANSDELL. To some extent that is true.

Mr. KENYON. Does not the Senator believe that that is the solution of this problem?

Mr. RANSDELL. I do not understand that they have government ownership of railways in France.

Mr. KENYON. In Germany?

Mr. RANSDELL. They do have more or less government control; they do protect their waterways. My understanding is that in France there is a law which prohibits the railroads from charging within a certain per cent of the water rate.

Mr. KENYON. In France, 80 per cent.

Mr. RANSDELL. I would distinctly favor a reasonable control of our railroads. I have been advocating that for years and I have pending at this moment before the Senate a bill providing for giving the Interstate Commerce Commission the right to fix the minimum as well as the maximum rates, which they now do.

Mr. KENYON. I am glad the Senator has a bill here. I have had such a bill here for five years. It has never seen the light of day from the committee. Has the Senator had any success in getting his bill out of committee?

Mr. RANSDELL. No; I have not had any success with it.

Mr. KENYON. Strange!

Mr. RANSDELL. I have been doing my utmost, I may say, for a number of years in trying to get the waterways of this country protected from what I conceive to be very unfair rail competition, and I will say unless we are going to reasonably protect them against unfair rail competition it is unwise to spend all these sums in improvement. I agree absolutely with the Senator on that.

Mr. KENYON. We have gotten on common ground.

Mr. RANSDELL. We have always been on that ground as far as I am concerned. Perhaps the Senator does not know my position. That has been my ground always.

Mr. KENYON. Then I am ready to unite with the Senator, and I know others are, in some plan to do that very thing. Is not this Congress powerful enough or able enough to solve that problem?

Mr. RANSDELL. It looks like we ought to be able to do it, but we have been trying to do it without very great success for some time. We had a National Waterways Commission created several years ago, with which the Senator is familiar. The president of it was Hon. Theodore E. Burton, of Ohio, one of the greatest students of waterways we ever had in this country. They made a most elaborate study of this subject, visiting many countries of Europe, studying the waterways systems over there and the laws regarding the waterways in Europe. They made a number of recommendations to Congress, most of which were practically carried out by section 11 of the Panama Canal act. You are familiar with it, of course. It was thought under the administration of section 11 of the Panama Canal act we probably would be able to navigate our waters, and I want to say to some extent there has been a revival, a considerable revival, in water transportation since that time. I believe we are getting along better. Everything practically that was suggested by it at that time was done. I think we have to go further, and I would be very glad to cooperate with the Senator in any wise law that will enable our waterways to be used.

Mr. KENYON. Does not the Senator believe that until we reach that point we are simply going on and wasting money here by millions?

Mr. RANSDELL. I do not think we are wasting money by millions. I can not agree with the Senator on that proposition. I believe that water transportation is much cheaper than rail, and even without all this control, if we will improve the waterways properly we will get very great benefit from their improvement. I can cite to you some cases where we spent considerable money in improving waterways, and I believe it will be of remarkable benefit. I refer to the Great Lakes system.

Mr. KENYON. Oh, yes.

Mr. RANSDELL. Pardon me.

Mr. KENYON. You can not compare that with a river.

Mr. RANSDELL. Let me make my statement. We have spent on the Great Lakes in round numbers $100,000,000. A large portion of that was spent in digging out the channels of the Detroit and St. Marys Rivers. They have harbors so that deep-draft boats can run there, and the rate of the water-borne commerce on the Lakes is ridiculously small compared with the rail rates. It is only about one-ninth of the average rail rate. Last year there were about 80,000,000 tons of commerce carried over those improved waterways.

I grant you it is not absolutely comparable to a river, but I can cite you to a big commerce of a certain character on the Ohio River, according to testimony of men like the leading member of the Panama Canal Commission. He was a member of the Panama Canal Commission for years and was stationed on the Ohio River. He made an elaborate study of the transportation system of that river and stated in a report to Congress, which I think I can furnish you, that coal was carried in enormous quantities on the Ohio at about one-third of 1 mill per ton per mile. There is very large commerce there.

There is no doubt, in my judgment, that if you had a dependable channel on the Ohio, if you had a channel that when you started a boat out you knew it was going to get somewhere, that it was not going to be stopped by shoal water, and there is shoal water sometimes as much as 11 months in the year because there are records where it has been shoaled for 11 months, you could get very cheap freight on the Ohio River and down that river to New Orleans. New Orleans is a big consumer of coal. It uses about 3,000,000 tons annually and they ought to get all the coal from Pittsburgh. We never know when we can depend on the Ohio. You have your load in a ship, but when you start out with a load you do not know how long it is going to take that boat to get to its destination. It is so unsatisfactory that we do not want to depend upon it.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I do.

Mr. SMOOT. The Senator just stated, and he has on one or two other occasions, that water transportation is much cheaper than rail transportation. I know that that is commonly accepted, but I believe the Senator must admit that in Germany rail transportation would have driven the water transportation companies out of business if it had not been for the action of the German Government. Take the great River Rhine. From its mouth to the head of navigation, paralleled with a railroad running on both sides of it, and the railroads controlled the business of that great river. It would control it to-day if the German Government did not make the freight rate for the railroads and also the rate for water transportation, as well as the classification and the kind of products to be transported by rail and by water.

I say it is my belief that a railroad can be constructed through the Mississippi Valley with terminals at Chicago and New Orleans, say four tracks, can carry general freight from New Orleans to Chicago and vice versa cheaper than by water even if the Mississippi River was in a condition for water transportation. I believe the railroads could drive the shipping off the Mississippi River with the exception of exceedingly heavy products such as coal and grain.

Water transportation will never be a success in handling light articles for short distance transportation. It never will be a success for the reason that distances to the interior are so great in this country that it takes too long a time to transport and deliver articles purchased for commerce, and particularly does this apply to the remote districts of the United States. It never will be able to transport successfully perishable articles.

In Germany where the distances are short, in fact you could put the whole country inside one of our States, even there with the great river Rhine it is impossible for water to compete with rail transportation.

The Senator will claim that this is on account of unfair competition. It was not brought about by unfair competition in Germany. The German Government regulated the railroad rates at the time the railroads drove the commerce off the rivers in that country, and the only way that it was ever restored was by allowing water transportation companies to charge a less rate than the railroads. Water transportation companies could not survive to-day if that preference was not given them, as every one knows.

If I speak on this subject later, I will call attention to the amount of money that it will require to place rivers of the United States in a condition so that it will be possible to use them successfully for water transportation. When we take the cost of improvement into consideration and figure the amount of interest on the money that it will take to put our rivers in proper shape for water transportation, I believe that anybody who will stop to figure it will say that the cheapest mode of transportation in this country, distances and cost taken into consideration, is by rail rather than by water.

Mr. RANSDELL. Will the Senator yield to me for a moment?

Mr. KENYON. I yield.

Mr. RANSDELL. Mr. President, I think the Senator from Utah practically admits the refutation of his own statement in regard to Germany. It is probably true that if there were no regulations of the German railroads which go away into the interior and serve a vast number of points far back from the rivers as well as points adjacent to the rivers, and if they were allowed to destroy water competition and then could operate as they have done in this country repeatedly, they might drive the commerce off the Rhine, just as they have driven it off the rivers in this country.

Mr. SMOOT. Mr. President——

Mr. RANSDELL. I decline to yield until I have answered your question. Then I will yield.

Mr. SMOOT. I did not want the Senator to put me in a false position.

Mr. RANSDELL. I decline to yield at this moment.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. RANSDELL. I believe the Senator will admit, just as the Senator from Iowa did, that there is no better business race in this world than the German.

Mr. SMOOT. I admit it.

Mr. RANSDELL. Then, sir, if you admit that, why do they spend these enormous sums of money to improve the Rhine?—because they have spent enormous sums.

Mr. SMOOT. I will tell the Senator when I secure the floor.

Mr. RANSDELL. They are spending enormous sums now, in spite of the war.

You talk about preparedness in this country, and the Germans in the midst of the greatest war in the world's history are carrying on improvements in the waterways right at this moment, because they know that that is the cheapest transportation and they know it is the best transportation. Does any sane man contend that that wise race would spend a great many million dollars to improve those rivers if the water-transportation agent was a more expensive agent than the rail? Why not abandon them entirely? If water is not a better agency to convey freights than rail why do those wise people resort to the water? The mere statement of the question answers itself. They do it because they know that the frictional resistance of the fluid we call water is very much less than the frictional resistance of a steel rail; they know that a given amount of force can transport a much greater quantity of freight over that fluid, water, than it can possibly do over a steel rail. All those who have studied the subject carefully admit that it is less expensive to convey over water than it is to convey over rail. The freight rates on the ocean are so ridiculously small, as compared with the rates on land, that no one would make the comparison. The rates on the Great Lakes, as admitted by the Senator from Iowa just a few moments ago, are very much less than those on land. I assert, and I can produce from Government reports the actual figures to prove my statement, that the average cost of the transportation of freight on the Great Lakes is only about one-ninth as much as is the cost of transportation on the railroads of this country. If the freight rate be so much less on the ocean and so much less on the Lakes, why is it not less on the rivers? It is less on the rivers; but the rivers of this country have not been protected; the rivers of this country have not had terminals; the rivers of this country have not had facilities for handling freight in competition with the railroads.

Bear in mind, Senators, that the railway serves not only the people adjacent to the river, but it goes 5 miles back, 10 miles back, 50 miles back, 500 miles back, and it can serve them all. Its opportunities are very much greater than are those of the rivers. If it charges rates which cause it to suffer a loss on the points adjacent to the river, it can recoup the loss in the interior; and, as a matter of fact, the railroads have been doing that for many years. They did that until they drove the boats off the river. Those are facts which can not be denied.

I admit that there has been an improvement since the Panama Canal act was passed, but I want to cite you to one big river, as to which an exhaustive study was made within a very few months. I refer to the Missouri River, which has been criticized and which is going to be further criticized. I ask all Senators to read the report made by the Board of Engineers for Rivers and Harbors on the Missouri River. There is a river on which a boat company has been organized and is doing business in a businesslike way. That company is now carrying freight from Kansas City to St. Louis, with terminal facilities at both ends; they are giving through bills of lading; they are handling freight from the cars at one end to the cars at the other end. They are taking that freight to any point where the shipper desires it to go; and their charge, which includes insurance and everything else, is but 80 per cent of the average railroad rate. If that rate is 80 per cent, it is a very decided cheapening. A report on that subject, which is accessible, came out in the last few weeks, as to a river which is in a most unimproved condition; a river on which there are a number of shoals, so that boats can not depend on doing their work quickly, promptly, efficaciously, with a big load; they are held back; but on that unimproved stream, with a number of shoal places, they are at this moment carrying freight at 80 per cent of the average rail rate. On the Ohio River they are carrying it a great deal cheaper than that.

Mr. SMOOT. Mr. President, will the Senator yield for just a moment?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah.

Mr. SMOOT. I assure the Senator that I will take only a moment.

Mr. KENYON. I have no objection to the Senator taking all the time he desires.

Mr. SMOOT. The Senator from Louisiana (Mr. RANSDELL), in answer to my statement as to conditions existing in Germany, intimated that they existed because the railroads were not controlled as to the rates they could charge; and because of that drove water transportation off the rivers. The Senator must know that the German Government fixes the railroad rates; and the railroad rates fixed by the German Government, the rates so fixed being the same as water rates, drove the water transportation companies out of business. At that time it was impossible for water transportation to compete with railroad transportation at rates made by the German Government. The only reason the water transportation companies remained in business was because the German Government advanced the rates to be charged by the railroad transportation companies, and allowed a lower rate for water transportation than was allowed for rail transportation from the same place of shipment to the same destination.

Mr. RANSDELL. I was going to ask the Senator if the rates were not lower by water than by rail?

Mr. SMOOT. The only reason they were so was because the German Government fixed them so.

Mr. RANSDELL. Why did the German Government say so?

Mr. SMOOT. Because the German Government wanted the river Rhine utilized in transporting the heavy products out of Germany for transportation to foreign countries. Germany concluded it was wiser to classify her freight and use water transportation as well as rail transportation; and water transportation was saved by an act of the German Government in maintaining the rates that were in existence at the time rail and water rates were equal and advancing the rail prices so that the water transportation companies had a preference. That could not be done in this country without further legislation or further power being conferred upon our Interstate Commerce Commission, as the Senator from Louisiana well knows and as the Senator from Iowa stated but a short time ago.

I admit that Germany is wise in her economic policies. I admit the thrift and the wisdom of that great people. In the past she has taught the balance of the world lessons in enterprise, in invention, in efficiency, but Germany does not spend money upon her rivers and harbors as it is spent in the United States. The river and harbor appropriations made by Germany are not distributed so much in this part, so much in that part of

the country, and so much in another part of it. The appropriations are not distributed to secure votes for the passage of a river and harbor bill. The German people are too intelligent for that kind of legislation. When they appropriate money it is for a specific project, without reference to any other project. I think, Mr. President, before the improvement of rivers and harbors of this country is a success, we shall have to follow some such policy as that which has been adopted by Germany.

Mr. RANSDELL. Will the Senator from Utah yield for a question?

Mr. SMOOT. I am through.

Mr. KENYON. I will yield in order that the Senator from Louisiana may ask a question.

Mr. RANSDELL. Does the Senator from Utah mean to say that river and harbor bills as passed in this country are framed to get votes for their passage?

Mr. SMOOT. I know, Mr. President, and I have noticed it ever since I have been in the Senate, that wherever there is an item put into the river and harbor bill which confessedly should not be there and whenever a vote has been taken upon it, no Senator or Representative who is greatly interested in items in the river and harbor appropriation bill has voted against such an item, though I have heard them say that the appropriation never should be allowed; I have heard them say that the project was not a worthy one, and never ought to be in a river and harbor appropriation bill, and so I can not draw any other conclusion than I have already drawn, when such items as those appear in river and harbor appropriation bills.

Mr. RANSDELL. Mr. President, the Senator from Utah makes a very serious arraignment against his colleagues in this body and in the other branch of Congress when he says that items are placed in the river and harbor bill to secure votes. That means that we are a set of grafters; that means that we are dishonest. Now, I for one repel any such insinuation. I know that it is not a truthful statement, Mr. President.

I was a member of the Rivers and Harbors Committee of the other House for many years. I know that before an item could get on a river and harbor bill it had to run the gantlet of the most careful and painstaking investigation; it had first to be examined by the engineer in charge of that district; it then had to be sent to the Board of Engineers for Rivers and Harbors, a board composed of seven able, honest men, just as honest as are we—the honor men of West Point. Then it had to be approved by the Chief of Engineers. There is not such a system of checks and balances anywhere in our Government as there is as a condition precedent for an appropriation for rivers and harbors. We have no such system anywhere else.

Mr. KENYON. Mr. President, I want to ask the Senator from Louisiana, in my own time, if it is not true that in the Commerce Committee—the Senator has been a member of that committee much longer than have I—when any member of that committee says "I have a survey which I want to put on here," it is a rule of the committee to merely let him or any other Senator put on the bill any survey which he pleases?

Mr. RANSDELL. It is a rule of the Commerce Committee as to these things——

Mr. KENYON. Why is it that there are——

Mr. RANSDELL. Wait, now, if you please. You have asked me a question, and I am trying to answer it. A Senator of the United States asks for a survey—and a survey usually is not a very expensive thing. The process is this: A Senator, by senatorial courtesy, asks that a survey be put on the bill, and it is put on. Under our system, which is written into law, the engineer makes what is called a preliminary examination. He does not go to any expense. He gets into a boat and rides up and down the stream.

Mr. KENYON. Not in all of these instances.

Mr. RANSDELL. I am going to answer that part of it. If the stream is not big enough, he will go in his skiff, and if it is not big enough for a skiff—and sometimes Senators ask for a survey where a stream is not big enough for a skiff—the engineer will ride on horseback.

Mr. KENYON. Or go in a buckboard?

Mr. RANSDELL. Or go in a buckboard; probably so; but he makes a preliminary examination, ascertains all he can about it, and submits his report on that preliminary examination to the Board of Engineers for Rivers and Harbors. That board examines the report carefully, and if they say it is all right, if they believe it is a good idea to have the survey made, that it is possibly a good project, but they do not know until it is all surveyed elaborately, and then it is possibly all right; they examine it with great care, and then send their report to the Chief of Engineers. If the Chief of Engineers finds that on the preliminary examination, which has been a very inexpensive one and costs but a few dollars——

Mr. KENYON. I notice that we raised the sum appropriated for such surveys $100,000 over the House bill.

Mr. RANSDELL. If the project is approved by the Chief of Engineers, he then provides for an accurate survey. When it goes back, there is a survey made in the field, and that survey sometimes costs a good deal of money; but is it not a good idea to spend a good deal of money to find out about a project, to secure all the facts concerning the physical characteristics of the stream, the actual commerce on the stream, the prospective commerce, and every other fact that can be ascertained about it, before Congress is asked to make an appropriation? That is what is done with every item in a river and harbor bill, and I wish some Senator would tell me of any other appropriations made by Congress where that is done.

Mr. THOMAS. Mr. President, will the Senator allow me to interrupt him?

Mr. RANSDELL. I will be delighted if the Senator from Iowa has no objection.

Mr. KENYON. I yield.

Mr. THOMAS. I should like to ask the Senator from Louisiana a question right here.

Mr. RANSDELL. If I may be permitted, I will be glad to answer the question.

Mr. KENYON. Mr. President, I understand the rule in regard to a Senator yielding is not being enforced, and that I will not lose the floor.

Mr. THOMAS. I find on page 54 of this bill the following amendment:

State of Kansas, floods in: Investigate the flood periods of the waters of the State of Kansas by an examination of the territory and from data already gathered by governmental, State, and private efforts by the Board of Engineers of the War Department, and to devise some general plan which will best guard against the recurrence of such floods and diminish their damaging effects upon the lower valleys of the Kansas, Arkansas, Missouri, and the Mississippi Rivers.

I should like to ask the Senator from Louisiana why this amendment to make an investigation regarding flood periods and to prevent flood damage by waters in the State of Kansas should be inserted in this bill, and whether that has ever been investigated by the War Department?

Mr. KENYON. I should like to know if that was ever voted on in the committee?

Mr. RANSDELL. I do not know anything about whether or not it was voted on; I presume it was; it would not be in the bill unless it was voted on.

Mr. KENYON. Every survey asked for was just thrown into the bill.

Mr. RANSDELL. I understand that was an amendment offered by the Senator from Kansas [Mr. CURTIS], but in our river and harbor system we have a certain amount of investigation of flood damage. The Senator from Colorado will recall that in 1913 there were terrible floods in the States of Ohio and Indiana and that a great many lives were destroyed by those awful floods at Dayton, Columbus, and other points, and an enormous property loss incurred, running into a great many million dollars. But in the next Congress——

Mr. THOMAS. I remember that, but——

Mr. RANSDELL. Wait a moment.

Mr. THOMAS. We now have a flood-control bill.

Mr. RANSDELL. In the next Congress we passed a provision requiring the Engineering Corps to make an examination of the floods on the rivers which brought about this awful destruction to life and property in Ohio and Indiana. We have had that done in several cases in the United States. It is not unique; this is not the first time it has been done; but I call the Senator's attention to the fact that making a survey is one thing and making an appropriation to carry out the project is an entirely different one.

I remind the Senator that there has been more or less investigation of floods on the Sacramento River. For a number of years that project has been under investigation—I would say at least for 10 or 15 years. The State of California has had investigations made; the reclamation districts out there have had investigations made; I know the Government has had several investigations made, and in the flood-control bill now pending in the House of Representatives they are going to make an appropriation, if that bill becomes a law, for assisting in this reclamation work on the Sacramento River.

Continuing to answer the Senator's question, I will say that that provision, if enacted into law—I do not know whether the House is going to accept it, and I do not know, even if we pass it, whether or not it will be agreed to by the conferees—would simply instruct the Engineer Corps to look into the flood problem in Kansas and make a report to Congress, just as they will look into navigation problems in other places and make a report to Congress.

The Senator knows that there have been terrible floods in Kansas at times. The Senator from Kansas [Mr. CURTIS] made a statement an hour or two ago on the floor here, that in 1903 the damage from floods around Kansas City amounted to a great many million dollars. I said $20,000,000 or $40,000,000, but he said "You are wrong; the damage was a great deal more than that." It was stated that last year the floods in Kansas caused a great many million dollars of damage. So, it is not such a vicious thing to ask for an investigation of something that causes many million dollars' loss to the American people.

Mr. THOMAS. Mr. President, I have not suggested that this was a vicious matter. I simply wanted information about it. To my mind it is unique. The Senator says it is not.

Mr. RANSDELL. There are precedents for it.

Mr. THOMAS. I will accept his statement, as a matter of course; but I think such a provision has no business whatever in a river and harbor bill. This bill is an omnibus bill, whatever the motive behind it may be, and if it has heretofore or will hereafter be enlarged so as to include investigations of every flood that occurs in the country, I see a splendid opportunity for my State after awhile to get in on this river and harbor bill.

Mr. KENYON. The Senator from Colorado will notice that, whereas the Senator from Louisiana says these matters do not cost anything——

Mr. THOMAS. I am aware of the fact that they all cost something.

Mr. RANSDELL. I did not say that they cost nothing. I said the preliminary examinations cost very little. The investigation to which the Senator from Colorado refers may cost considerably more than most surveys.

Mr. KENYON. The Senate committee raised the amount appropriated in the House bill for surveys from $250,000 to $350,000.

Mr. THOMAS. Yes.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I do.

Mr. RANSDELL. Will the Senator allow me to say there, in answer to the point just raised by the Senator from Iowa, that that covers surveys for all the United States. There are a great many of them, not only preliminary surveys, but final surveys. A number of these will be final surveys.

Mr. KENYON. The $100,000 which the committee added to the bill, I assume, is to cover items that the Commerce Committee of the Senate placed in the bill, because I assume the House appropriation would cover the rest of the surveys. I now yield to the Senator from Utah.

Mr. SMOOT. I was led to believe, Mr. President, by what the Senator from Louisiana has said that there was no project appropriated for in this bill unless it had been approved by the Board of Engineers.

Mr. RANSDELL. The Senator misunderstood me. I said that that was the general rule. There are some very few exceptions; but that is the general rule.

Mr. SMOOT. I was led to believe from what the Senator said that that was the rule. Now he admits that there are a few exceptions; and, so long as he does that, I am not going to call attention to the number in the bill at this time.

Mr. KENYON. It is the theory that "exceptions prove the rule."

Mr. SMOOT. I was going to say that there was no lack of exceptions, Mr. President. Every river and harbor bill that I have examined contains such items, and there is no lack of them in this bill.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. I yield.

Mr. JONES. In reference to that point, I do not understand that there are items in the bill that have not been approved by the engineers.

Mr. KENYON. There are, I will say to the Senator.

Mr. JONES. I should like the Senator to point out one.

Mr. KENYON. I am going to point them out. The Arkansas River is one.

Mr. JONES. I notice the Senator has in his hand a pamphlet which appears on our desks, the figures in which I was looking over just a little while ago, and I wish to call attention to one item that may mislead the Senator. There are other items of the same character.

Mr. SMOOT. I will refer, I will say to the Senator, to the hearings upon each item that I have reference to.

Mr. JONES. I want merely to call attention to one item. It may be that the Senator is right, but I do not know that to be the case. On page 7, under the items for the State of Washington, appears the item "Willapa Harbor and River," and then in the column "Engineers recommended" there is a blank. That is not correct. The engineers have recommended it, and I have the report here. This document is simply printed as a separate report, and is not the regular, full Engineer's Report. There are a good many of the items in this little document concerning which it is indicated that there has been no engineers' recommendation, although they have been really recommended.

I will say that I did not know that there were any items put on this bill by the Senate committee without the indorsement of the engineers, and, if there are any such, I am absolutely opposed to them.

Mr. KENYON. The Senator says "put on by the Senate committee."

Mr. JONES. Yes.

Mr. KENYON. I would not want to have the Senator understand my statement as covering that. I do not know as to that. I know there are items in this bill that have been condemned by the district engineer, the division engineer, and the Board of Engineers; but I think they came from the House.

Mr. JONES. Even if such items were included in the bill by the House, I am in favor of cutting them all out. I do not think that any appropriation ought to go into this bill which has not at least had the approval of the engineers. We do not put in all the items that have their approval, but we certainly ought not to put any in the bill against their approval.

Mr. SMOOT. Mr. President, I want to say to the Senator from Washington that, if the Senator from Iowa does not cover them, I shall call attention to them when the Senator from Iowa shall have concluded.

Mr. KENYON. I had intended to cover them, but I hope the Senator will cover them also.

Mr. President, the discussion as to the destruction of water traffic by the railroads has been, I think, valuable and enlightening. Section 4 of the act to regulate interstate commerce, in the judgment of the National Waterway Commission, has had a good deal to do with enabling the railroads to injure water transportation. That section of the act provides:

SEC. 4. That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through route than the aggregate of the intermediate rates subject to the provisions of this act; but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance: *Provided, however,* That upon application to the Interstate Commerce Commission such common carrier may in special cases, after investigation, be authorized by the commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section: *Provided further,* That no rates or charges lawfully existing at the time of the passage of this amendatory act shall be required to be changed by reason of the provisions of this section prior to the expiration of six months after the passage of this act, nor in any case where application shall have been filed before the commission, in accordance with the provisions of this section, until a determination of such application by the commission.

Whenever a carrier by railroad shall in competition with a water route or routes reduce the rates on the carriage of any species of freight to or from competitive points, it shall not be permitted to increase such rates unless after hearing by the Interstate Commerce Commission it shall be found that such proposed increase rests upon changed conditions other than the elimination of water competition.

Under that section actual water competition is a circumstance that is sufficient to relieve the carrier otherwise from the operation of the law, and actual water competition has resulted in rates being cut to a very great degree upon the railroads, and undoubtedly has injured the particular system of water transportation which a railroad was trying to destroy. I desire now to read just a word from the Waterway Commission on this subject:

The words "under substantially similar circumstances and conditions" found in this section have been interpreted to mean that the existence of actual water competition constitutes a circumstance sufficiently dissimilar to relieve the carrier from the operation of the law. Under this interpretation the cutting of rates, where water competition exists, has been carried to an almost unlimited extent. It is now a question whether the right to lower competitive rates has not been exercised to an extent much in excess of what was intended when the act was passed and, it may be added, to a degree quite inconsistent with the most salutary policy for the commercial and industrial interests of the country.

As has been pointed out here, Germany has handled the matter because it has compelled the railways to maintain such rates as would enable the waterways to live. I believe the Senator from Utah is exactly right—and the Senator from Louisiana squints a good deal in that direction, too—that we must do that in this country, if it is feasible, if we ever expect to bring traffic back upon the rivers.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Texas?

Mr. KENYON. I do.

Mr. SHEPPARD. In this country the Interstate Commerce Commission may authorize and does authorize the railroads to lower their rates on account of waterway competition, either actual or potential.

Mr. KENYON. Does not the Senator think that a mistake?

Mr. SHEPPARD. I do; I think the section of the interstate commerce act permitting such reduction ought to be repealed, or fundamentally modified.

Mr. KENYON. It is undoubtedly a mistake if we are going to develop water transportation.

Mr. SHEPPARD. That is true.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. KENYON. I do.

Mr. NELSON. I want to call the Senator's attention to the fact that in the case of Germany nearly all the railroads are owned by the Government.

Mr. KENYON. They are all owned by the Government.

Mr. NELSON. Well, practically all. There is a little mileage in private control.

Mr. SMOOT. All the railroads are government-controlled, except a little mileage in Bavaria.

Mr. NELSON. Practically all the railroads in Germany are owned by the Government and the water courses are controlled by the Government, so that it is a very easy proposition there for the Government to regulate railroad transportation and water transportation side by side, but we are not in such a fortunate condition as that in the matter of railway regulation.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Florida?

Mr. KENYON. I do.

Mr. FLETCHER. While on that subject, perhaps it would be well to suggest to the Senator that, whereas there may be reductions in railway rates allowed in case of water competition, it would appear that the other provisions of that act would correct any harm in that respect, for it is provided that once rates are lowered by railway companies they can not be raised again without the permission of the Interstate Commerce Commission on a proper showing. Does not the Senator think that that ought to correct any harm that can possibly come from the other provision alone?

Mr. KENYON. It is certainly helpful. I should like to ask the Senator, so that it may appear in the RECORD, when that amendment was passed? I tried to find it, but did not do so, although I knew an amendment had been passed. It was some time after the passage of the original act, was it not?

Mr. FLETCHER. My recollection is that it was in the Panama Canal act.

Mr. KENYON. That provision has undoubtedly been helpful, but it does not seem to have accomplished the full measure desired.

Mr. SHEPPARD. Mr. President, the harm comes from the fact that the railroad may proceed to reimburse itself at the expense of interior points.

Mr. KENYON. There is another difficult proposition. Here is one community which has a competitive water point and a potential commerce. It secures a reduction of rates. That may be by a canalized river. All the people have contributed to that. Along that river, as a basic point, they secure their reduction. Then the people in the interior have to make that up; and it is a pretty serious question as to just where justice dwells in a matter of that kind.

Mr. SHEPPARD. Mr. President, in order to keep boats off a river, a railroad will frequently reduce its rates to river points to a degree below the line of profit.

Mr. KENYON. I agree with the Senator; and then the people of the interior have to make it up.

Mr. SHEPPARD. Exactly.

Mr. KENYON. Then, if you build another canal somewhere to help the people in the interior, that will reduce rates some more, and then the people in the rest of the interior have to make that up; and where is the thing going to end, unless the Government takes over the whole thing?

Mr. MARTINE of New Jersey. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. KENYON. I do.

Mr. MARTINE of New Jersey. I am prompted, from that which I see in Report No. 420, which embodies the report of the engineers, to state a few facts with reference to my own little State. There has been some little money expended there; and I find, in looking over these engineering reports, that in every one of these cases the result has been the lowering of freight rates.

I see here, with reference to the Raritan Bay improvement:

It appears from statements of the shipping interests of the great railroad terminals that the improvements have resulted in a reduction of towing rates and a proportionate reduction of freight rates, owing to the greater quantity of freight that can be carried and towed through these channels over that which was carried before the improvement was made.

I find that to be true in every one of them, I think.

I find that at Absecon Inlet—

The steamship *Atlantic City*, intended for the regular line between Atlantic City and New York, is now making three trips a day.

With the result of reduced rates.

Then I find again at Cold Spring Inlet, which I heard the Senator mention a little while ago, that the effect of the improvement has been—

increased use by commercial and fishing interests and as a harbor of refuge,

And a reduction in rates.

Then in the instance of the Newark Bay and Passaic River improvement, the effect of the improvement is stated as follows:

This improvement has reduced freight rates $1 a ton on coal and building materials, and its continuance is necessary to the successful operation of the business in this locality.

Then I find that in the case of the Hackensack River, where some improvement has been made—

Freight rates have been lowered 50 cents per ton in some localities, and a large increase in commerce is anticipated.

I find that at Woodbridge Creek the effect appears to be that—

Freight rates have been reduced as a result of this improvement.

Then I find again, at Keyport Harbor, that the effect of the improvement, according to the testimony of the engineers—

has been to greatly reduce freight rates, especially in the marketing of farm products.

And at Shoal Harbor and Compton Creek, N. J.—

It appears from statements received from shippers that there has been a reduction of freight rates from 20 to 50 per cent.

In the case of the Shrewsbury River, it appears that—

Freight rates have been lowered and maintained as results of the improvement by the United States, also that the commerce has increased.

That seems to be the case in every one of these little inlets, where expenditures of money, though not large ones, have been made.

So, unlike the German situation, while unfortunately we do not own the railroads, too, yet, even with the railroads standing out in competition with their great power, the result has been that in every one of these instances there have been reductions of rates, in some instances a dollar a ton and in many other instances 50 cents per ton.

Mr. KENYON. Mr. President, I should like to ask the Senator a question. Of course there have been Federal appropriations to improve those rivers and harbors.

Mr. MARTINE of New Jersey. Yes, sir.

Mr. KENYON. And the whole country has contributed to that, evidently.

Mr. MARTINE of New Jersey. That is unquestionably true.

Mr. KENYON. And those people, by the contribution of the whole country, have secured lower rates.

Mr. MARTINE of New Jersey. That is undoubtedly true.

Mr. KENYON. And the railroads are entitled, under the law, to a reasonable return upon their investment.

Mr. MARTINE of New Jersey. Well, they have that.

Mr. KENYON. Now, the railroads make that up on other people who are not so fortunately located. Is that just?

Mr. MARTINE of New Jersey. That may be true, Mr. President; and I do not know how it will ever be corrected until the Government's strong arm shall control and own the railroads; but of course that is a big proposition. I realize the fact that you can not impose these benefits on some locality by the improvement without, of course, taxing the rest.

Take the great port of New York that we talked about this morning. While it is the port of New York, it is also the port of the Nation. That is the truth of it. Practically everything that comes to this country enters the great port of New York; so that, while not directly, yet intangibly the whole country does receive the benefit of these great improvements. I feel that that is true very generally in all legislation. I do not know how it can be different.

Mr. KENYON. The Senator believes in the doctrine of "special privileges to none"?

Mr. MARTINE of New Jersey. Yes; I do.

Mr. KENYON. When the country contributes to the improvement of these rivers and creeks and inlets in the Senator's State, and thereby the people living on those streams secure less than a fair freight rate, the railroads make that up in some other part of the country. For instance——

Mr. MARTINE of New Jersey. I will not admit with the Senator that it is less than a fair freight rate. The rate that has been in vogue heretofore has been beyond a fair freight rate.

Mr. KENYON. The railroads would make less than a fair freight rate, would they, to drive out water traffic?

Mr. MARTINE of New Jersey. Oh, yes; the railroads would be willing to do almost anything.

Mr. KENYON. You can ship freight by rail from the Senator's State right through to California for less than you can ship it from the Senator's State to the State of the Senator from Utah [Mr. SMOOT], or the State of the Senator from Colorado [Mr. THOMAS], and the cars go right through those States. Somebody makes that up.

Mr. MARTINE of New Jersey. I do not know whether that is true or not.

Mr. SMOOT. Mr. President——

Mr. KENYON. I yield to the Senator from Utah.

Mr. SMOOT. In order to assure the Senator from New Jersey, as I understood him to say that he did not know whether that was true or not, I will state that a merchant in San Francisco can buy a carload of denims in New Jersey, we will say, or New York, and he can ship that carload of denims to San Francisco, passing through Salt Lake City, for $400 a car less than the amount paid by a merchant in Salt Lake City who buys the same kind of merchandise from the same merchant in New York and ships it from New York to Salt Lake City.

Take the Utah Hotel in Salt Lake City: If the steel that was put into the Utah Hotel had been purchased at Pittsburgh, as it was, and shipped to San Francisco, instead of Salt Lake City, passing through Salt Lake City on the way to the coast, it would have cost the San Francisco merchant over $20,000 less than it cost the purchaser in Salt Lake City.

Mr. MARTINE of New Jersey. I am perfectly conscious of the method pursued on the part of the railroads. I live 24 miles from the city of New York, or about 23 miles from the water front, and coal is shipped from the Pennsylvania mines and sold 23 miles beyond my home at a lower rate than it is sold at my home. When we arraign the coal dealers, they say it is the fault of the railroads. I ask the railroads, and the railroads say that it is because of the fact that they have to stop their trains and break bulk. But all of these arguments converge to the one point—that we have the hand of the railroad monopoly at our throat, and that our only hope and salvation for equity, fairness, and justice to the people is the ownership and control of these great transportation lines throughout the length and breadth of our country. I still insist upon that. I believe that will be our only salvation.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Colorado?

Mr. KENYON. I yield to the Senator from Colorado.

Mr. THOMAS. I think it is appropriate, perhaps, to give the Senator from New Jersey another illustration of the benefit which his section of the country derives through these increasing freight rates, because they must increase in order to compensate for the decrease in such favored sections as his.

The rate upon oranges and lemons from California is 84 cents a box to New York in carload lots, and also to the Senator's State. The rate is also 84 cents a box to my State and to all intervening points. The rate from the eastern coast to my city is about $1.36 a box in carload lots. The Senator's constituency gets these oranges and lemons and citrus fruits upon the payment of 84 cents freight. My constituents have to pay that 84 cents freight plus the $1.36 from the eastern coast back to my section of the country. In that way the Senator can easily perceive how the general problem operates and why his section is favored through these appropriations.

Let me say, before I take my seat, that I fully agree with the Senator that the only solution of the question is going to be the absolute control or ownership of these lines of transportation by the Government and their cooperation with our lines of waterway, as has been done by Germany for so long, and as is done to some extent in France.

Mr. MARTINE of New Jersey. I know that that condition prevails, and I realize the difficulty of correcting it. Of course the impossibility of fixing a system of taxation—and this is a process of taxation—on all people absolutely equitably all over the length and breadth of the land presents almost a staggering problem, and I do not know just how it may be accomplished. But take your great developments in the West in the way of irrigation schemes: A man in my State asks what benefit he gets from them, and he holds up his hands aghast at the appropriations. But, after all, we have to look at this proposition from other than simply a selfish standpoint, and do that which will best enhance and advance the well-being of our whole land.

I believe our purposes are all right; but I can not join with the Senator in his denunciation of waterways wholesale and generally. I believe they are great blessings to this land, and I believe that if properly improved and looked after they will result in a great blessing.

Mr. KENYON. Mr. President, I think this general discussion has developed one fact, at least, and that is that the economical carriage of freight in most instances involves the use or cooperation, in any event, of our railways and waterways; and if we can not have voluntary cooperation, the time is coming when we must have compulsory cooperation.

A great deal has been said about Germany and its waterway system, and that country is always referred to as a country that has perfected its water transportation system. I want to put just an observation or two into the RECORD concerning that matter.

Germany in 1900 completely reorganized her waterway system. She has spent enormous amounts of money; but I do not think Germany has spent as much money on her waterways as we have spent in this country, and her waterways possibly have not reached the high point that we are always willing to concede as to successful waterways. Of course Germany is a smaller nation. Her rivers are shorter. Her population is more dense. Wages are lower. Her factories and manufacturing concerns have been developed along her rivers. Her traffic has increased immensely by rail, as it has by water; and since the formation of the German Empire the world has never known such a remarkable growth. Since 1871 the population of Germany has practically doubled. Her business has increased tremendously in all lines of development and inventive genius. Germany has set a mark along those lines for the world.

The Elbe and the Rhine carry about 70 per cent of all Germany's water traffic. The length of the Rhine within German territory is 355 miles, and the length of the Elbe is about 386 miles. The Rhine, which is always pointed to as the most successful river along the lines of waterway traffic, carries fully 50 per cent of the entire water commerce of Germany. The Rhine has an industrial and economic advantage. It carries a great commerce from the Westphalian coal region. Another factor that I have referred to before is the great port of Rotterdam, situated at the mouth of the Rhine, and the fact that the Rhine is a remarkably straight stream. The current is not strong, its descent being a foot and four-tenths, I think, per mile, with very few interruptions on account of ice. It is largely fed by the melting of the glacial ice of the Alps. The cities have developed harbor facilities all the way along. The rates charged for the use of the harbors are very low.

In counting the cost of our waterways we seldom pay any attention to the harbors and wharves. The other canals in Germany we seldom pay much attention to. What are known as the Mark waterways give Berlin several waterway connections with the sea. Coal on the rivers of Germany is the main commodity, as is generally true of waterway traffic. It is certainly true of the Ohio in this country. Then Germany has a great inland canal, the Berlin-Danzig Canal.

Mr. OLIVER. Mr. President, I should like to ask the Senator if it is not also a fact that there are two other matters in favor of the success of traffic upon the German rivers? One of these is the fact that as a rule the rail rates are higher per ton per mile than they are in this country, and the other the fact that on account of the enormously increased tonnage of the German Empire the railroads are not equipped to take care of and actually could not take care of the increased tonnage, their cars being smaller, their rails lighter, and their whole equipment not calculated for the hauling of heavy tonnage, as is the equipment of the railroads in our country.

Mr. KENYON. The Senator, I know, has traveled in that country and has had a better opportunity of observation than I have, but is it not also true that the bulky freight goes by water and the higher-class freight is carried more largely by rail?

Mr. OLIVER. Yes; the freight which would not stand a high rate per ton goes by water and the light, high-class freight—what we call the high-class freight in this country—naturally would be hauled by the railroads. But as a matter of fact, although I have not the statistics at hand, I should say that the railroads of Germany could not take care of this heavy freight even if they were disposed to compete for it.

Mr. KENYON. I am very much obliged to the Senator for his contribution to the discussion.

In the seventies the Government of Germany assumed the entire control, I think, of waterways and railways. At that time the railways were getting the best of the waterways, and this action was essential to save the waterways; but at the present time of course there is no competition between railways and waterways, and the waterway traffic in Germany has increased enormously. It is probable that the railway traffic has increased faster than in any other country in Europe. So that Germany is developing the railways and the waterways as a single system, and many of the railways are merely feeders of the waterways. Then the transshipment charges are lighter. As has been suggested by the Senator from Illinois, the wages are less, so that the transshipment charges can be less.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. KENYON. I do.

Mr. NELSON. I want to say to the Senator that I think the figures will show that if you take mileage into account, the railroad rates are many times higher in Germany than they are here, and even water rates are higher, because they move in harmony with the railroad rates in that country. If you bear that in mind, you must never overlook the fact that whatever else has been accomplished by our improvement of water transportation, it has had a tendency to reduce railroad rates, and give us cheaper railroad transportation in this country than they have in any other country on earth. If you take it even in the case of passengers, except in the one case of third-class passengers, both in respect to passengers and freight we are much below any other country on the face of the earth.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I do.

Mr. SMOOT. I will say to the Senator that even in the case of third-class passenger rates in England the rate is 2 cents a mile—a penny a mile—but in this country the first-class rate between Chicago and New York is less than 2 cents a mile.

Mr. NELSON. Not now; not since the railroads were allowed to raise their rates last fall. The Senator is mistaken about the rate since that time.

Mr. KENYON. It is about 2 cents now, I think.

Mr. NELSON. I want to say to the Senator that the effect of the increase granted by the Interstate Commerce Commission last year was to raise the rates on passengers between here and Chicago a dollar a head. I know that I first came to Washington in 1883 as a Member of the House, and in coming through here from Chicago to Washington last fall I had to pay a dollar more for my ticket than I did in 1883. I inquired why it was, and they said it was owing to the increase granted by the Interstate Commerce Commission. The rate is more than 2 cents a mile between Washington and New York on the railroads to-day, and they will not sell round-trip tickets.

Mr. KENYON. Two cents and a half.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. KENYON. I yield to the Senator from Pennsylvania.

Mr. OLIVER. I will say that the regular passenger rate is two and a half cents a mile, but mileage tickets are sold at the rate of two and a quarter cents.

Mr. SMOOT. I will say to the Senator——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I do.

Mr. SMOOT. I will say to the Senator that I have bought many a ticket from Washington to Chicago for $18.

Mr. NELSON. The Senator has not done it this year.

Mr. SMOOT. I have not tried. I have bought a through ticket whenever I have left Washington. At that time, when it was $18, the rate was a little less than two cents a mile. It may be higher now.

Mr. NELSON. It was raised last fall.

Mr. KENYON. I want to add, in this comparison about Germany, that Germany has only one-fifteenth the area of the United States, and possesses about a third of her river mileage.

Another matter as to water travel which has not been mentioned is the matter of travel at night. The canals must be lighted on both sides in order to carry on night traffic. Germany does that with the Kiel Ship Canal.

The question of accidents on canals is another impediment. Dr. Sympher, who is the head of the waterway division of the department of public works, I think at Berlin, claims that the waterways have been the cause of the railways' prosperity. German waterways have helped, of course, in her military policies; and waterways in our country might be of great service in time of war, in relieving the railway of the ordinary traffic, leaving the railways free to transport troops and munitions, as they can do in Germany. But the fact remains that the success of waterway traffic in Germany is only because of governmental aid and regulation. Owning the railroads, of course, she does not need waterways as a means of regulating railroad rates.

Another thing: Germany requires of interested districts either definite contributions for the building of waterways or else an absolute guaranty of the defrayal of the annual deficit; and in that way no money is spent in a community unless that community has enough faith in the plan to pay something itself. That is a good principle, which we ought to adopt in our river and harbor matters.

Now, there will always be handicaps.

Mr. NELSON. Mr. President, will the Senator allow me to interrupt him?

Mr. KENYON. Certainly.

Mr. NELSON. Speaking about water navigation, I want to call the Senator's attention to another respect in which we are deficient. On the Rhine, for instance, they have a special class of boats for their traffic. They call them the Rhine boats. When freight reaches Rotterdam, for instance, on ocean-going vessels, it is transshipped to a special class of boats—long, low, flat boats drawing only a few feet of water—called the Rhine boats; and most of the freight carried on those boats is iron ore and coal. That is the chief freight that is carried on them; but it is carried at much higher rates than the rates for our water transportation here.

Another thing to which I want to call the Senator's attention is that we sometimes overlegislate. In our great zeal to effect reforms, we sometimes go beyond all limits. In our Panama Canal legislation we provided that no railroad company could own or navigate any water craft in connection with their railroad lines. That seemed to be a good thing for the canal, but we unfortunately found ourselves in an awful fix on Lake Superior. The railroads, under that law, sold out their steamboats, as they could not navigate them any more—the steamboats that they had run in connection with their railroad traffic from Duluth to Buffalo—and there was a standstill. Merchants wrote me from Minneapolis and St. Paul. They did not know what to do. They finally had to go to work and organize steamship companies and buy the steamships from the railroad companies, and it is only lately that they have gotten it into that condition, owing to our overzealous legislation in connection with the Panama Canal.

Mr. WADSWORTH. Will the Senator yield?

Mr. KENYON. Certainly.

Mr. WADSWORTH. May I ask the Senator from Minnesota if that legislation has not operated to the distinct advantage of the Canadian Pacific Railroad which now is permitted under the Canadian law to operate steamers through at the expense of the American transportation companies?

Mr. NELSON. That was charged then and, I suppose, it is the charge now, but I am not prepared to say that it is the case because the Canadian railroads in summer have the same facilities on the Great Lakes that we have. The Grand Trunk Pacific, the Canadian Pacific, and the Canadian Northern Pacific have terminals on Lake Superior, the one at Fort William and the other at Fort Arthur, and when navigation is open on the Lakes they have the same transportation facilities that we have.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Colorado?

Mr. KENYON. I yield.

Mr. THOMAS. I wish to suggest that a fleet of the Canadian Pacific Railway can not use the Panama Canal any more than boats belonging to American railways.

Mr. NELSON. That is true.

Mr. KENYON. Mr. President, I wish to submit an observation or two as to England's method of handling this question. England had a river commission in 1906 to inquire into the canals and inland navigation of the United Kingdom. This commission collected a large amount of evidence from various companies, heard witnesses, and their report filled some 11 volumes, and probably the most reliable data on the British waterways to be found came from that investigation.

A writer in the Fortnightly Review said, concerning the royal commission, that it had expended time and labor on a forlorn hope, and had only succeeded in recommending, and that in a half-hearted way, to the public a project for the expenditure of millions which no responsible government would ever dare to lay before the House of Commons.

The great English canal is the Manchester Ship Canal which connects Manchester with the sea at Liverpool. Its commerce is tremendous, that is, it was in 1907, when it reached its high-water mark and since that time it has somewhat declined.

In our country we have been somewhat in the habit of developing waterways by States without regard to national questions and our development must be placed on some systematic basis.

I was going to speak of the French system, but I think I will not. I only want to say that the solution of all our troubles along this line would be government ownership of railways if that ever comes, and then there would be no difficulty in taking care of the waterway proposition. But it might entail more momentous difficulties.

*Thursday, May 11, 1916.*

Mr. KENYON. Mr. President, I have submitted a few preliminary observations with reference to this river and harbor bill, and I want to-day to take up some of the projects. I do not believe that I could be particularly criticized for taking plenty of time for a full and free discussion of this bill, especially in view of the fact that we were told a day or two ago that the war measures were not ready, even though the President three months ago advised Congress that we were in a very critical situation. We have sat here and done nothing as far as preparedness is concerned except to pass an army reorganization bill, which is in conference and seems to have a poor show of getting out very soon.

But of course it is important that this particular bill should be passed, whatever may become of the army appropriation bill or the naval appropriation bill. I prophesied a couple of days ago, and I have been called somewhat to account for it, because of the injection of politics into this otherwise very illuminating debate, in saying that the country was going to call the Democratic Party to account for its wasteful expenditure of public money. You Democrats have heard the first call where in an election a couple of days ago in the State of West Virginia a Republican was elected from a Democratic district, and that is the fate that is going to befall your party. It ought to befall it.

I wish to take up a number of these projects. I can not discuss all of them. Some of them would not be subject to criticism if a policy of river and harbor improvement was to be carried out that covered the expenditure of money for the smaller streams of the country; and the question always will remain as long as this method of river and harbor appropriations is carried out as to how large a stream must be to warrant any large expenditure.

There are a number of creeks in the State of my good friend from New Jersey [Mr. MARTINE] that he referred to on yesterday. They illustrate to some extent the system that has been in vogue. He stated that the engineers' reports shows that in practically all these streams, or by virtue of the water competition from the streams, inlets, and creeks, railroad rates had been reduced. That led to a somewhat interesting discussion as to just how far Congress was warranted in voting money of all the people in order to create a situation of favoritism to a few people.

Absecon Creek is one of the creeks referred to by the distinguished Senator, and also Absecon Inlet, which is a distant relative of Absecon Creek. Absecon Creek does not receive a very large appropriation and has not very much commerce.

Mr. MARTINE of New Jersey. Mr. President, I hear the Senator making reference to Absecon Creek and Absecon Inlet. I know the Senator realizes that Absecon Inlet is within the city of Atlantic City, and I need not state here in this presence what Atlantic City is, because I think if the Senators from some of the dry and arid States of the far West could come over and get some of the blessings and benedictions from Atlantic City and our wonderful seacoast they would feel a little more liberal.

I want the Senator to realize that Atlantic City has a population of about 50,000, and a great portion of the year over 150,000 people. It is more than simply a seashore resort. Investments in hotels, mercantile interests, and other enterprises run into the millions.

I made some remarks yesterday regarding this matter, showing the effect of the improvement. While it is, in a degree, we will say, selfish, so with every one of the great improvements. A roadway is selfish in a degree. Yet, after all, I feel that we were elected for a bigger and a broader purpose than to simply stand for that which helps ourselves individually. I believe the effect of the ramifications and the improvements of these bays, waterways, and inlets accrues to the well-being and prosperity of the whole country, as does a roadway running through a country. Property immediately fronting it gets more benefit than the man who owns property behind it, and yet it is a blessing to the whole country.

Mr. KENYON. I am very glad to have the remarks of the Senator from New Jersey interpolated into my rather dry remarks. It gives them more of a zest and flavor. I was only referring to this to show how we had been spending money, not, perhaps, in any criticism of this project, because I wanted to put in the RECORD what the engineers have said about these various projects, in order that the thinking people of the country may in time wake up and smash this whole system of river and harbor appropriations and insist on some better plan, if it is possible to devise one.

Whatever case I make, I want to make from the Army engineers' report. The report on this creek, page 355 of the report for 1915, says:

This creek rises in and flows easterly through Atlantic County.

* * * * * * *

The creek was very crooked, obstructed by numerous shoals, and near its head by the ruins of an old dam. There was an available depth of 3½ feet in the creek and about 1 foot across Absecon Bay. The head of navigation is Absecon village, two miles above the mouth.

We had spent on the creek and on the inlet something like $320,000 up to 1915. That project originally was reported against by Chief Marshall but overruled by Chief Bixby. The commerce last year on the inlet was 13,413 tons. There has been no local cooperation. The engineers say as to Absecon Creek:

In addition to the above—

That is, seven motor boats—

there are a number of small boats that ply over this stream for pleasure purposes.

It is of course a very enjoyable thing to spend the public money in order that a few motor boats may ply along the stream for purposes of pleasure.

Another New Jersey creek is Mantua, a project that is 85 per cent completed, on which a considerable amount of money has been spent. The engineers say, page 2215:

No operations were in progress during the year as no dredging was necessary for maintenance in the portion of the improvements completed nor any repairs to the jetty, and the remainder of the project is unimportant.

This seems to be a proposition to put a channel of 12 feet up to some phosphate works. The engineers' report shows a loss in commerce of 45 per cent in the last two years.

Cold Spring Inlet is another proposition to which I invite the attention of the Senator from New Jersey. That is near Cape May. The engineers, as I understand their record, only recommended $20,000 for this project, but I think the bill carries $40,000. I will look at that and make certain.

That is a $1,311,000 project, of which $905,000 has been expended. The commerce in 1914 was 6,193 tons. It was estimated, when that project was originally in the river and harbor bill, that the valuation of the commerce would run up to $2,226,000. Capt. Lockwood, in an official document, said:

The project of improvement, if carried to completion, will be of material benefit to the city of Cape May as a pleasure resort by filling the adjacent swamp lands, obliterating mosquito-breeding beds, and furnishing opportunity for expansion of building sites.

That is a laudable purpose.

Mr. MARTINE of New Jersey. That certainly will be desirable.

Mr. KENYON. Certainly, if you could eradicate the New Jersey mosquitoes it would be worth the appropriation.

In that event a real estate company seems to have expended $100,000. Document No. 388, which is an official document, on page 5, states that that—

would also permit a resumption of the yacht races that were at one time sailed at Cape May and formed the most attractive event of the season.

The Cape May cup, an international trophy, I am informed, is now sailed at New York.

Mr. HUGHES. What is the Senator reading from? I am trying to follow him.

Mr. KENYON. I am reading from page 5, Document No. 388. It is a House document—a report on this project made some years ago.

Of course, Mr. President, since we have stricken out of this bill the improvement of the East River——

Mr. THOMAS. For trading purposes.

Mr. KENYON. For trading purposes, it will perhaps be a good thing to fix up Cold Spring Inlet so that the yacht races can take place there. And again:

Together with the project of real estate improvement at Cape May, the establishment of a secure harbor would, I am sure, largely increase the present patronage of summer visitors at this locality.

That is one of the things that no one must call attention to or say a word against or he is very unpatriotic.

The commerce is about 6,000 tons and there were a large number of passengers in and out.

The engineers' report states the general character of commerce for the current year to be fish, oysters, clams, agricultural products, coal, and general merchandise. I do not know why the bill carries as to this item more than the engineers have recommended.

I only refer to Oldmans Creek in passing. On that the commerce has gone down from 88,000 short tons in 1913 to 25,000 tons in 1914. That is true of almost all of these various creeks and rivers.

Tuckerton Creek: The short tons have decreased from 16,755 in 1913 to 8,818 in 1914.

Tyaskin Creek: Navigable portion about three-fourths of a mile. The Government has expended $27,000 on that creek. Commerce has gone down from 10,000 tons in 1912 to 3,987 tons in 1914. Another creek that the Senator referred to yesterday was Woodbury Creek.

Mr. MARTINE of New Jersey. I beg pardon. What is the name of that creek?

Mr. KENYON. Woodbury Creek.

Mr. MARTINE of New Jersey. Woodbridge Creek, was it not?

Mr. KENYON. There is a Woodbury Creek and also a Woodbridge Creek. I understood the Senator to say "Woodbury Creek." I call attention to that only as to its commerce. In 1912 there seemed to be no statistics as to the commerce, nor in 1913, but in 1914 there were 11,279 short tons. If this improvement is for commerce, it has not been a great success, although the expenditures have not been large in comparison with the expenditures for other creeks and rivers. So I do not offer serious criticism as to that. I merely cite it to show the decline of commerce.

Mr. MARTINE of New Jersey. Mr. President, I can not understand just what the Senator from Iowa is reading. I have here Calendar No. 384, river and harbor appropriation bill, being the report made on May 5, 1916, by Mr. CLARKE of Arkansas, from the Committee on Commerce, and so forth, and I read from it with regard to the effect of the improvement of Woodbury Creek, as follows:

> Effect of improvement.—The improvement, although not completed, has already facilitated the movement of vessels. It is reported that upon the completion of the work a steamboat line for both passengers and freight will be established between Woodbury and Philadelphia.

Mr. KENYON. Now, if the Senator will just run his eye down that page, he will find the statement as to commerce, from which I have been briefly quoting on the same page.

Mr. MARTINE of New Jersey. It says:

> Commercial statistics. The general character of commerce for the current year was coal, manure, agricultural products, building material, and miscellaneous merchandise.

Mr. KENYON. Now, read just below that.

Mr. MARTINE of New Jersey. I find this further:

> The commerce for 1914 amounted to 11,279 tons, valued at $3,839.

That is doubtless true, for the creek was in an almost impassable condition.

Mr. KENYON. What was the matter with the creek?

Mr. MARTINE of New Jersey. If the creek had been improved, the commerce would have been multiplied.

Mr. KENYON. What was the matter with the creek which made it impassable—lack of water or lack of appropriations?

Mr. MARTINE of New Jersey. It was not necessarily the lack of water. We have got more water in that section than anything else except air. The impassable condition of the creek was due to the silt, the sand, if you choose, which formed a bar in the creek. I know the Senator from Iowa holds these little creeks up to ridicule, but I wish to say that that section is a veritable hive and is inhabited by a populous and busy mass of people. There are many factories located there, and, of course, there is much of agriculture. These highways facilitate trade and commerce and make cheaper the transportation of coal; they make cheaper the transportation of freights of all kinds to the average householder and builder and farmer, and in the opposite direction afford cheaper freight and cheaper produce to be sent to the great marts of New York and Philadelphia.

Mr. THOMAS. Mr. President——

Mr. KENYON. I yield to the Senator from Colorado.

Mr. THOMAS. The Senator from Iowa has perhaps given more study and more attention to this bill than has any other Member of this body. I speak, of course, with regard to its details. I am curious to know whether there are any of these projects outside, of course, of the great harbors and highways like New York and the Sault Ste. Marie Canal—whether there are any of these projects which show an increase in their traffic instead of a decrease of the tonnage?

Mr. KENYON. I think there are one or two that show a slight increase, but they are very few.

Mr. THOMAS. Merely one or two?

Mr. KENYON. I would say not over five of all of them, and I think that would be a perfectly safe estimate.

Mr. THOMAS. The others showing a tendency——

Mr. KENYON. To a constant decrease.

Mr. THOMAS. To a constant decrease. Then is it not true, generally speaking, that as the appropriations for the improvement of these projects increase the tonnage which passes through them seems to decrease?

Mr. KENYON. That seems to be true.

Mr. THOMAS. Well, I should like to inquire if the Senator has made any estimate as to what the amount of our appropriations will have to be to bring about a total cessation of business?

Mr. KENYON. To bring about a condition where there will be no commerce?

Mr. THOMAS. Yes.

Mr. KENYON. We have appropriated about $850,000,000 in the last 40 years. I suppose the river traffic has gone down now 80 per cent; and if the Senator will take those figures—he is as good a mathematician as am I—he will find, I suppose, that in 20 years more we shall not have any tonnage.

Mr. THOMAS. That we shall not have any?

Mr. KENYON. And also that in 20 years more we shall not have much money left in the Treasury at the rate we are going. I do not know, indeed, whether the statue of Freedom will be left on the dome of the Capitol.

Mr. THOMAS. Or the dome, either.

Mr. KENYON. Matawan Creek is another New Jersey project. I see my friend (Mr. MARTINE of New Jersey) has gone, and I am sorry for that. This creek has a little more water and a little more commerce than some of the others. If any of the projects for these creeks are justifiable, possibly this one is. We have spent some $90,122.99 on it, and the commercial statistics as to that show that it has been a decreasing commerce.

I only want to refer to one more river in New Jersey, and that is Toms River. I do not know Tom who, but it is Toms River. Most of these rivers, I have understood, in the Committee on Commerce, were some Senator's rivers or some Representative's rivers; but this is Tom's River. That river at some places has a depth of two and a half feet, according to the engineers' report, and they recite:

> Increased transportation facilities are afforded, resulting in a large increase of traffic, particularly of pleasure craft, and passenger business. No effect on freight rates is shown, as there is no competition.

Last year there were 92 tons of commerce, valued at $2,714. In 1912 there was no commerce, so far as the records of the engineers show; in 1913 there was no commerce. Possibly I should revise my statement to the Senator from Colorado. This mighty stream in 1914 had increased in commerce to 92 tons.

Mr. THOMAS. What was the appropriation?

Mr. KENYON. We have made for that river not heavy appropriations—$10,171.73.

Mr. THOMAS. That is encouraging.

Mr. KENYON. There were two railroads there in 1907. These railroads carried from fifteen to twenty thousand tons of freight. Maj. Flagler said in the document upon that subject—and this is very important—

> Toms River is located upon one of the three principal automobile lines of travel and has a large and increasing business from this source. Stable depth in the river would increase this traffic, owing to the ease with which owners could communicate with their yachts at this point.

The enterprising engineers have thus given us a new reason for river and harbor improvements, and let no one in the future be heard to question the Toms River project. Tom may come to Congress some day. [Laughter.]

Now, Mr. President, I pass to a more important project, the Norfolk and Beaufort Canal. I rather dislike to discuss this project in the absence of my friend from North Carolina [Mr. SIMMONS]. This bill carries an appropriation of $1,000,000 for the Norfolk and Beaufort Canal. This is a $5,400,000 canal project. It is part of the great intercoastal waterway, which is to be constructed some time from Boston on down the coast, paralleling the ocean, and across the Gulf of Mexico to the Rio Grande, and I suppose on down to the city of Mexico.

Mr. SHERMAN. Including the Trinity River.

Mr. KENYON. Possibly this may be justified, on account of the present condition of affairs in Mexico, as a war preparedness measure.

This is part of a great dream and scheme to parallel the ocean with a series of canals. I wonder sometimes why it is that anybody wants to parallel the ocean with a canal. Why not transport the commerce on the ocean? We have been told—and I think the engineers discuss that feature—that this canal will

be valuable in times of war, although it is not deep enough yet for that; but when one of these canals is once started with a 6 or a 9-foot depth, it does not take long or require many dinners or banquets to get people thinking it ought to be a 15-foot or a 35-foot waterway. The Norfolk and Beaufort canal project is a part of the great scheme, which is held in abeyance for a while, of canalizing the whole country, paralleling the ocean, and to cost some $300,000,000.

Col. Taylor stated to the committee of the House that private contractors who had been doing the work charged nearly double what it cost the Government for the dredging. Further, he said that $200,000 would keep the Government dredging crews busy during the year; but we are appropriating in this bill a million dollars for that project. If we can not save anywhere else a little money, why would it not be a good idea, if the whole project is not abandoned, to cut the appropriation to $200,000? We have already cut out of this bill, as I understand, $3,000 for the Cache River, and if we could cut a little more out we would not feel that we had wasted all our time.

In Document No. 1478, Sixty-third Congress, $2,000,000 more is asked for, and $40,000 for maintenance for Pungo River and Goose Creek Canal somewhere in that same section of the country.

The excavations of which Col. Taylor speaks have cost, when carried on by the Government, about $0.043 per cubic foot, while under private contract it has cost practically twice that ($0.0752).

According to the report of the engineers for 1915, the total commerce through this canal was 229,047 tons. Of that there were 48,900 tons of logs, 34,178 tons of lumber, 44,000 tons of piling, 29,000 tons of wood, 1,000 tons of ties, and 3,000 tons of staves, making a total of 163,000 tons of that class of commerce, which does not need any canal or any locks or dams. Take that away from the total of 229,047 tons, and it leaves 66,000 tons of commerce through that canal last year.

In 1914, according to the engineers' report, there was $647,000 worth of work done on this canal, and there was a decrease of tonnage compared with 1913 of over 29,000 tons. This is a $5,400,000 project, to which the engineers last year allotted $400,000.

Col. Black, on page 27 of House Document No. 391, Sixty-second Congress, shows that the depth from Norfolk to Beaufort is sufficient for navigation, and that for the movement of troops water transportation affords many advantages over rail, and he says that to move a division of troops it would take 12 ships of 20-foot draft or 22 ships of 16-foot draft, and, of course, that is what is proposed for this canal.

On page 117 of the same document I find this:

> The possible danger of interruption to traffic via the Albemarle & Chesapeake Canal route by the forces of the enemy has been suggested as a reason why this route should not be chosen. At its nearest point this route is distant fully 6½ miles from the seashore, and some 8 miles from the 6-fathom curve in the ocean.

What a ridiculous proposition to build a canal 6½ miles from the ocean. Why have an ocean? We have spent now on this project $1,800,000, approximately, and it is claimed that the million dollars provided for in this bill will complete the section from Norfolk to Albemarle Sound, leaving $2,000,000 to be hereafter appropriated.

I hold in my hand a report on the Intercoastal Waterway. That portion of it from Beaufort to Key West, Fla., with a 10-foot depth is to cost $31,054,000, while for a 7-foot depth the cost will be $18,995,063.46.

It is somewhat interesting to note the hearings and the arguments that were advanced at the hearings concerning this great canal scheme—this wild canal scheme. The Boston to Narragansett Bay section, with a depth of 25 feet, is to cost $43,000,000; the Narragansett Bay-Long Island Sound section, with a depth of 25 feet, is to cost $24,736,635.

New York Bay and Delaware River section, 25 feet, cost $45,000,000.

Delaware River and Chesapeake Bay, cost $9,910,000.

Norfolk and Beaufort Inlet——

Mr. THOMAS. Mr. President, does that include the purchase price of the Delaware & Chesapeake Canal?

Mr. KENYON. It could not.

Mr. THOMAS. Or is that designed merely for its improvement after we purchase it?

Mr. KENYON. Its improvement after we purchase it. It could not include the purchase price of the Delaware & Chesapeake Canal, because, as I understand, the plans for the purchase of the canal contemplated the expenditure of $20,000,000.

Mr. THOMAS. Something like that amount, as I remember.

Mr. KENYON. Yes; but that is a part of this great general plan.

Mr. THOMAS. I know it is. That is the reason for my query.

Mr. KENYON. Norfolk and Beaufort Inlet—which is the proposition before us now—estimated cost, $5,401,580. The Army engineers recommended that the Delaware River and Chesapeake Bay section, which carried an estimated cost of $9,910,210, should be started and pushed to a termination at the earliest practicable date.

There seems to have been an investigation as to the projects of the Albemarle & Chesapeake Canal Co. and the Dismal Swamp Canal Co. The Albemarle Canal route was offered for $500,000 and the Dismal Swamp route for $1,750,000. As I understand, the project was adopted by Congress, and the Albemarle & Chesapeake Canal was purchased for $500,000. The Dismal Swamp advocates laid great stress on their route, owing to the fact that it would drain a great many thousand acres of land and increase its value. In this document of the hearings, at page 112, they show that while the Albemarle & Chesapeake is the longer of the two, it was the route which the Army engineers decided it was best to improve. They claim that the excavated channel would be exposed to cross winds and currents.

Mr. Calvin Tompkins, who is commissioner of the department of docks and ferries, city of New York, as appears on page 228 of House document 391—which is the document to which I have been calling attention—construing terminal facilities to mean such facilities as are afforded by car floats, transfer bridges, and railroad connections, practically showed that there was nothing of that kind at New York; and it was also shown, from the Board of Trade of the City of Newark, that all of the available frontage on the Passaic River was occupied by private corporations. I am not quite clear as to why that was presented with reference to this canal, and I will not spend any time on that.

I just want to call attention in passing, in order that I may place them in the RECORD, to some of the arguments that were made at that time against the particular canal route that was established and in favor of the Dismal Swamp route.

Mr. Lamb, of Elizabeth City, made a strong argument against the Albemarle & Chesapeake Canal, and in favor of the Dismal Swamp Canal. He says on page 257:

> The Dismal Swamp Canal was the keystone to the arch upon which we built. Since the ditch that first floated the logs that were used by the Government to construct a Navy, we have drained the lands, shipped the timber, builded cities and villages, and established homes that vie in comfort and elegance with the best settlements of North Carolina and Virginia.
>
> All of which was made possible by the use of the Dismal Swamp Canal. The Dismal Swamp Canal is ours by right. * * *
>
> Our enemies they are who charge that we are delaying this great project that has been the dream of legislators for years. That charge is a stab from the hands of a Brutus who has fed at our breast.
>
> Take hold of this canal—

Says another—

> and maintain it, for its services are needed not only to develop this wonderland but to assist in bearing the "white wings of commerce" over peaceful waters through the inside route to pour their valuable cargoes in the lap of trade, escaping the tortuous Hatteras where death and destruction constantly await a victim.

And then this further argument is presented by Mr. Lamb:

> Our forest products handled in Elizabeth City during the past year foots up 242,990 tons. The farm products 55,079 tons. The water products 28,262 tons, giving credit to us for the contribution to the three great essentials of life—food, shelter, and raiment—the sum total of 326,336 tons. May it please the court, I can not omit to add, we have 400 tons of holly and mistletoe to our credit, and that we are contributing our share to the joys and pleasures of our fellow man and to the happiness of the children of this great country, to whose welfare you have devoted your lives.

I do not know how they resisted such a powerful argument as that and decided on the other canal.

Mr. Lindsey also says—I will only refer briefly to these arguments:

> I represent the community of Deep Creek, with a population of about 100 thriving and thrifty farmers, people representing 10,000 acres of cultivated land.

He said that if the canal is built—

> It will bring under cultivation a great quantity of land and reduce the cost of living one-half; it will bring into cultivation the greatest garden spot of the word—not of America, but of the world. I can state that at my own expense I have built a dredge to drain my land to act in conjunction with the Dismal Swamp Canal Co., and this year's increase will pay for it. That is based on the present level of the land, by lowering the water in my ditches.

This man is a great find. He can reduce the cost of living by these canals one-half. He ought to be commended to our good

Democratic friends and brought to Washington at once, because I omitted the other day, in discussing the platform, to refer to that part of your platform where you are going to reduce the high cost of living. Mr. Lindsey can do it, so he says, by the construction of these canals. Of course it ought to be said in your favor that you have reduced the high cost of living on certain things—golf balls and Edam cheeses, but nothing else that anyone has ever been able to discover.

So we go ahead, now, with this million-dollar expenditure on this project of a decreasing commerce. I hope to present a motion at the proper time that will enable the Senate to go on record as to whether that appropriation should be made and whether, if the project should stand, the amount should not be reduced to that which Col. Taylor says can be spent by the Government in doing its own work.

I refer in passing, and hurriedly, to a number of smaller projects.

Mr. NORRIS. Mr. President, before the Senator leaves those projects I should like to ask him a question. I notice that in one of the projects he said that the engineers recommended $200,000, and the committee placed a million dollars in the bill.

Mr. KENYON. No; the Senator misunderstood me. I did not say that.

Mr. NORRIS. What were the facts?

Mr. KENYON. I said that Col. Taylor, before the House committee, stated, in substance, that $200,000 would cover the work which the Government could do with its own dredges, and that work is done for at least half the expense of the contract work. That led to an amendment on this bill which provides:

That no part of the funds herein appropriated shall be used to pay for any work done by private contract if the contract price is more than 25 per cent in excess of the estimated cost of doing the work by Government plant.

But there is no recommendation of the Army engineers to that effect.

Mr. TAGGART. Mr. President——

Mr. KENYON. Just a minute. Col. Black wrote a letter about this, which I have somewhere in my papers, that tended in favor of the contract system, and that said, in substance, that the profit was not too large a profit. I judge that is true, from the easy way in which the Army engineers can handle public money.

Mr. NORRIS. The point I wanted to have the Senator elucidate was, how did the committee arrive at the amount of $1,000,000?

Mr. KENYON. That is the recommendation of the Army engineers—a million dollars.

Mr. NORRIS. Oh, yes.

Mr. TAGGART. That was virtually the question I wanted to ask the Senator, except that I wanted to ask how the committee arrived at the various amounts under the various items. Was it through the advice of an expert engineer? How did they arrive at the conclusions and the amounts which they set opposite the items, as a rule?

Mr. KENYON. I think the Senator probably is familiar with the system.

Mr. TAGGART. No; I am not.

Mr. KENYON. We have a board of Army engineers to pass on these questions. There is a division engineer and a district engineer. They pass on these questions, and from them the matter goes to the Board of Army Engineers constituted for this purpose, consisting of men in the Army, of which Col. Kingman is now the chief. They pass on those matters and make the recommendations in their reports which are the basis for the committee's action.

Mr. TAGGART. Does the committee usually follow their recommendations?

Mr. KENYON. I think so, in most cases; though I will say to the Senator that there are some projects in this bill that have been condemned by the Army engineers.

Mr. TAGGART. That was the question I wanted to ask the Senator.

Mr. KENYON. I do not say there are very many of those. I think generally the plan of the Army engineers is followed.

I only refer in passing to a number of these smaller matters as bearing on this question of commerce.

The appropriation for the Meherrin River is not a large one, nor are the sums that have been appropriated particularly large. The commerce on that river is small, but the proposition would be justified if these smaller propositions are to be carried out. The commerce on that river has gone down from 27,258 tons in 1912 to 16,640 tons in 1914. The expenditures have been only about $10,000 on that stream.

One of the smaller projects, and one that has always seemed to me rather indefensible, is Fishing Creek, in North Carolina. The commerce on that stream has gone down from 2,763 tons in 1912 to 1,096 tons in 1914. The Government has expended about $30,000 on that project; and last year, under the act of 1914, the engineers allotted $1,000. I want to read just a little that the engineers say about that stream:

Before improvement the stream was badly obstructed by masses of fallen timber, overhanging trees, and snags, and was navigable by rafts only a few miles above the mouth. Depth, about 4 feet at ordinary stages; width, 40 to 100 feet. Coffields Bridge, 21 miles from the mouth, is the present head of navigation. Logging and rafting can be carried on for some distance above.

Present project: The original project, adopted by Congress under the river and harbor act approved September 19, 1890, * * * was to clear the stream of logs, snags, trees, etc., up to Bellamy's mill, about 50 miles above its mouth, so as to give a minimum low-water depth of 20 inches and a minimum width of 40 feet, at an estimated cost of $25,000.

Think of spending money to get a depth of 20 inches in Fishing Creek!

Mr. NORRIS. Would not that improve it for fishing, and make it a better place for the fish?

Mr. KENYON. I do not know just what kind of fish could exist in that amount of water. The commerce for the calendar year 1914 was 1,096 short tons; in 1912 there had been 2,763 short tons, and in 1913, 2,459 short tons.

Mr. NORRIS. Mr. President, can the Senator tell what effect this improvement did have, if any, on the production of fish?

Mr. KENYON. No; I do not know anything about that. It is one of the small matters to which we ought not to refer. If we do, it is a small piece of business, and all that; but it simply illustrates, if we are to go on with this system of appropriating where it is desired by certain communities to fix up certain creeks or small rivers, what it will lead to—taking the public money and using it to get 20 inches of water. Of course, 20 inches of water might be the salvation, at certain times, of certain places.

Pamlico and Tar Rivers are not subject, it seems to me, to particular criticism in themselves, just as a part of the general system, showing commerce has gone down from 354,000 tons in 1912 to 288,000 tons in 1914. I refer to only one thing in connection with them in the report of the engineers, and I am taking everything from those reports.

There were removed last year 608 snags, stumps, logs, and so forth, giving a unit cost of $6.33 per obstruction. The project is 99 per cent completed. I do not know why commerce has so decreased on these rivers.

The hoister *Contentnia* started active operations on Tar River on October 13, 1914, beginning at the twenty-third milepost and working up to the fifty-seventh milepost, the mouth of Fishing Creek. She discontinued operations on this stream on December 3, 1914, having removed from the channel 95 snags, 33 stumps, 37 logs, 7 saw logs, 23 trees, and one-half cord of small snags, besides having cut and hauled back from the banks 35 overhanging or leaning trees.

Then the snag boat *Trent* also seems to have been put on Tar River and Pamlico River, with a record of 42 snags and 266 stumps and 36 saw logs and 18 trees from the channel, cutting back from the bank 15 overhanging or leaning trees. I do not know, Mr. President, whether those kind of improvements are good or not, or whether they are justified.

I only refer to the Bay River to call attention to the commerce there. In 1912, the short tons were 17,733; in 1913, they were 16,047; in 1914, they were 8,089 tons; and there has been expended on this project $22,796.86. Of this commerce, a large portion of it was timber, also fertilizer, fish, groceries, hardware, and lumber.

Another one of these small projects that discredit the bill is Swift Creek. I want to read just a little to place in the RECORD from the engineer's report.

Mr. NORRIS. The Senator did not state what State the river is in.

Mr. KENYON. It is in North Carolina.

The hoister *Contentnia* started work on this stream on June 4 and completed her work on June 15, having snagged the creek from the mouth to the fifteenth milepost, removing from the channel 21 snags, 10 stumps, 9 logs, 36 saw logs, and 3 trees, as well as cutting and hauling from the banks 10 overhanging or leaning trees. The cost being $292.32, gives a unit cost to the United States of $3.28 per obstruction, or threatened obstruction, removed.

Now as to the commerce. Upstream, there were 3,656 short tons; downstream, 11,996 short tons, of which 11,600 were wood, lumber, and timber, leaving only a few hundred tons of what you could call traffic that ordinarily needed water improvement, unless we are to say that the floating of logs and lumber is such

as to warrant the expenditure of sums of money. The Army engineers assigned last year $500 to Swift Creek.

Cape Fear River above and below Wilmington has so far cost the Government, I think, in the neighborhood of $7,000,000. The project in the upper part of the river is an 8-foot project. There has been some modification, I think from an 8-foot project to a 4-foot project and from $1,350,000 to $615,000. The river and harbor act of 1910 provided for 8 feet of navigation to cost $615,000 with $85,000 for maintenance, and I think that $85,000 is the amount that is carried in this bill.

Above Wilmington up to last year we had spent $183,000 on the Cape Fear River. Seventy thousand dollars was allotted for locks and dams, and $175,000 was allotted under the act of either October, 1914, or March 4, 1915.

Below Wilmington there was allotted $115,000 in the act of October, 1914, and $150,000 below Wilmington. I am not certain as to those figures. The engineers say that $10,000 can be profitably spent.

I want to read a little about this project for the RECORD. The Engineer's Office of the United States Army, November 24, 1911, Document No. 1356 of the Sixty-second Congress, third session, on page 5, set forth some matters concerning this northeast Cape Fear River:

Northeast Cape Fear River rises in the extreme northern part of Duplin County, flows in a general southerly direction through Pender and New Hanover Counties, and empties into the main Cape Fear River at Wilmington. It has a total length of about 130 miles—70 miles in a straight line. In its upper portion it is about 12 miles distant from the Atlantic Coast Line Railroad; during the lower 90 miles it is never more than 6 miles away from this railroad.

At ordinary low water a draft of 8 feet can be carried to Rocky Point Landing, 35 miles above Wilmington; 6 feet to Smiths Bridge, 52 miles above Wilmington; and 3 feet to Crooms Bridge, 56 miles above Wilmington. The next 24 miles—from Crooms Bridge to Chinquepin—is navigable for boats drawing 3 feet for about eight months during the year, when the water is up. For the next 8 miles—up to Hallsville—the stream is narrow, shallow, and crooked, and is suitable mainly for the use of the pole boats and rafts, but steamboats drawing 3 feet occasionally reach this point during high stages. Between Hallsville and Kornegays Bridge, 103 miles above Wilmington, it is only suitable for pole boats and rafts during freshet stages. The minimum low-water depth to Rocky Point Landing is 8 feet; to Smiths Bridge, 6 feet; to Crooms Bridge, 3 feet; to Chinquepin, less than 1 foot; to Hallsville, 0.5 foot; and to Kornegays Bridge, about 0.1 foot.

It may be the proper expenditure of public money to improve streams in order to get one-tenth of a foot of water, and it may not be.

I want to refer now to the Great Peedee River in South Carolina. I believe I have no more observations to make concerning the North Carolina projects at this time.

Mr. SIMMONS. The Senator has finished the discussion of the North Carolina items. I have no dispositon to interrupt him and I shall not interrupt him, but at some time later I shall probably take occasion to discuss the various items he has discussed to-day.

Mr. KENYON. I have no more references, I will say to the Senator, to the North Carolina items.

Mr. SIMMONS. I just stated that I understood the Senator had finished them.

Mr. KENYON. I have.

Mr. SIMMONS. I would not now interrupt the Senator for the purpose of answering any of his arguments as against these projects, but at some time hereafter I shall probably discuss them.

Mr. KENYON. I assumed that possibly the Senator wanted to go out, so I was simply comforting him by saying that I was through and that he need not wait.

Mr. SIMMONS. I have been listening to the Senator.

Mr. KENYON. The work of improvement, the Army engineers say—

has consisted in snagging and dredging with Government plant and hired labor. The river had been cleared of snags from the mouth to the Wilmington, Columbia & Augusta Railroad bridge (now the Atlantic Coast Line Railroad), 103 miles, and between that bridge and Cheraw, 167 miles, a 3½-foot channel had been formed; but as there has been no navigation lately above Caines Landing (mile 86), the upper portion of the river is blocked again. About 9 feet can be carried to Smiths Mills and about 3 feet to Caines Landing, the present head of navigation.

The total amount expended on existing, which is also the original, project up to June 30, 1914, was $328,609.25, of which $183,712.41 was for original work and $144,896.84 for maintenance.

Now, what about the commerce on this stream where we have spent practically $330,000? For the year 1912 it was 20,094 short tons; for 1913, 13,945 short tons; in 1914, 17,461 short tons, with an investment of $330,000. There were removed from this river during the year 161 trees, 220 logs, 166 stumps, 247 snags, a total of 794 obstructions. What a tremendous river that must be, Mr. President.

Another instance, in order to secure very little commerce almost negligible.

Now, with the apportionments that have been made, $340,000. Of course those things are funny, jokes. The taxpayers of this country seem to be a good deal of a joke anyhow, as far as Congress is concerned, like the ultimate consumers who are declared to be a myth. But the myth will become a reality one of these times.

Santee, Wateree, and Congeree Rivers. The bill carries $55,000 for this aggregation. I should like to have somebody defend the expenditure of public money on those rivers. We have expended on the Santee now, approximately—I may be a few thousand out of the way, but approximately—$272,245.74; we have expended on the Congeree $599,029.01; on the Wateree, that has not water in it except in its name, $195,000, or practically $1,000,000 on these three affiliated propositions. Now let us see what they are. As to the Santee, I read from the engineers' report, volume 2, page 2397, reports of 1915:

Snagging was begun August 14, 1914, by the U. S. snag boat *Wateree*, and up to and including October 10, 1914, there were removed from the upper end of the river, between miles 120 and 143, 2,374 obstructions from the channel and 188 trees from the banks of the river. The U. S. snag boat *Pedee* on one day removed 31 obstructions and 7 trees.

Some day for the snag boat *Peedee!* The appropriations for the Santee have been, according to that report, $393,727.35, including one transfer of allotment of $15,000.

What has been the commerce on this great stream of snags and stumps? Fifty-five thousand six hundred and forty-two short tons. That seems a good deal, but of that there were 31,286 tons of logs, 5,000 of cordwood, leaving less than 20,000 short tons of freight.

Vessels going on this stream during the year were three steamers of 141 and 133 and 344 net tons, small sailing vessels, tugs, and gasoline tugs. How they ever got around the snags and stumps is not recorded.

The Wateree work was done during nine months, and for three months, January, April, and June, the snag boat worked for short periods only. In July and January much loss of time was caused by high water. The snag boat was laid up January 27. There were 6,584 obstructions removed from the channel and 821 trees cut from the banks. Many of these obstructions were very large trees. The narrowness and crookedness of the river necessitated cleaning out the usual width of the stream and removal of overhanging trees on both banks.

On the Wateree we have appropriated $204,600.44. I will have a little more to say of the Wateree in a moment.

Congaree. The dredge *Congaree* started to work April, 1913, at Gills Creek Shoals and was continued until June 15. A short cut was made at Seegers Shoal and this dredge was sent to the Southern Railway bridge. The U. S. snag boat *Wateree* worked until August, 1913, when it was sent to the Santee River. Work was resumed but was interrupted by working five days at the locks on the gates. During November only five days were spent in snagging. The snag boat *Peedee* worked a few days in August near the mouth of the river.

On the Congaree we have appropriated, according to these reports, $618,000, and in 1914 there were carried 6,077 short tons of freight—another joke.

Again, as to the Santee, on page 565 of the Engineers' Report, volume 1, it is stated—and I am reading this so that it may be in the RECORD for the people in the future to read, after these streams have completely dried up and blown away:

This river was originally much obstructed throughout its length by snags, logs, and overhanging trees. The width ranged from 200 to 500 feet, and the least depth was 3 feet. Its bar entrance was narrow, crooked, and shifting, and so situated as to be very difficult and expensive to improve. It had less than 5 feet of depth at low tide. The river was navigated by several small steamers (drawing 4 feet or less) from the sea to the junction of the rivers and thence to Columbia on the Congaree or to Camden on the Wateree River.

The original estimated cost of the present project was $350,000.

Again, as to the Wateree. I have here the commercial statistics for the Wateree on which we have expended $200,000 and on which we ought to have some commerce. What was it?

Commercial statistics: None reported for the year. A few logs were floated, and some shingles and staves were hauled by a gasoline boat.

Mr. President, that is a good deal worse than anything New Jersey ever had. I am glad to have the Senator from New Jersey [Mr. MARTINE] in the chair now, where he can not say anything back. But think of it! That is one of the propositions for which money, collected by taxation, goes; and anybody who says anything about it is a crank, a reformer, an uplifter, and is putting himself up as the only honest person in the country, for it seems almost to be a breach of senatorial

dignity or courtesy to question appropriations of that character.

Then, again, in reference to the Congaree:

Prior to Federal improvement, begun in 1886, this stream had a low-water depth of 3 to 4 feet from its mouth to the railroad bridge at Columbia; thence 1 foot low-water depth 2 miles farther to its head. Navigation of the lower 47 miles was blocked at all stages of water by the South Carolina (now the Southern Railway Co.) railroad bridge, 5 miles from the mouth, and by sunken logs, snags, and overhanging trees. The navigation of the remaining 2 miles was prevented by swift currents and numerous rock ledges and bowlders.

The present project provided for a 4-foot navigation over the lower 47 miles, at a cost of $54,500. Then, subsequently, under the river and harbor act of March 3, 1899, it was raised to $250,000. The total expenditures on the existing, which was also the original, project were $599,029.01. No change in freight rates has been made by the railroads. Complaints made by the Columbia merchants of discrimination have caused the Interstate Commerce Commission to order a reduction in certain rates, thus giving Columbia some advantage of water transportation.

So there has been some little advantage in the Congaree which I have not heretofore noticed. Now, what was the commerce of this mighty river on which we have spent half a million dollars? Six thousand and seventy-seven short tons in 1914; 4,307 tons in 1912; 3,631 tons in 1913. I must say to the Senator from Colorado that there is an instance of where commerce has increased, just as if you had at first one ton and then subsequently two tons on one of the rivers, it would be a tremendous increase. It increased there from 3,631 tons to 6,077 tons.

Here is House Document No. 805, of the Sixty-fourth Congress, first session, on the Wateree River, submitting some examinations. The engineer, Gen. Kingman, says:

Up to June 30, 1915, the total expenditures amounted to $195,343.99, of which $60,000 had been applied to new work, and the balance, $135,343.99, to maintenance. Since 1900 rafting has been the only business on the river, and since 1908 this commerce has practically ceased. The district officer states that there appear to be no prospects of any increase of commerce in the near future, and he is of opinion that neither existing nor prospective conditions warrant continuation of this project by the United States. The division engineer and the Board of Engineers for Rivers and Harbors concur in this opinion.

Says Col. Biddle, of the Corps of Engineers:

2. The river is very crooked and its banks generally low and subject to overflow. There are no towns and but few habitations visible from the river, and aside from the small amount of remaining marketable timber there is little to suggest possible commerce.

* * * * * * *

4. The commerce, which has consisted almost entirely of rafted timber and its products, decreased from 93,000 tons in 1900 to 3,400 tons in 1909, since which time there has been practically none, although there has been an average annual expenditure of about $5,700 in the removal of obstructions.

* * * * * * *

5. It will be seen that the commerce on this river declined as better railroad facilities were afforded and with the cutting of the best timber in the immediate vicinity of the river. At present there is no commerce, and the condition of the adjacent country is such that but little, if any, can reasonably be expected.

I do not believe that anyone in this Chamber will get up here and defend these three projects. The Army engineers allotted in 1914 $30,000 to these projects and in 1915 they allotted $15,000 to them. Are we going to keep on pouring money into streams of that character, with a commerce that is nil absolutely as to one of them and nearly so as to the other two?

Mr. President, is the business of taxing the people of this country, who have to work and toil and save, a cloakroom joke or is it a serious matter?

I pass now to another trinity that is as nearly as bad. I refer to the Altamaha, the Oconee, and the Ocmulgee Rivers. I hardly know how to pronounce the names of those rivers.

Mr. THOMAS. I can inform the Senator as to their pronunciation, for my mother's plantation was on the Ocmulgee, and I was born on the Altamaha.

Mr. KENYON. I hesitate to say anything about them since I have learned that the Senator was born on one of these rivers. That is the greatest distinction, I am sure, that any of those rivers has. [Laughter.]

Mr. THOMAS. That is my reason for being here to hear what the Senator has to say.

Mr. KENYON. Possibly, then, I will try to be a little milder in what I have to say about those rivers.

Mr. THOMAS. I hope the Senator will not do that on my account.

Mr. KENYON. I have such great regard for the birthplace of the Senator from Colorado that I should not want to say anything hostile to it.

Mr. President, we have expended on these three streams up to 1914 approximately $878,000. The engineers allotted $40,000 in 1914 and $40,000 under the act of March, 1915, to these streams, making approximately $958,000.

Now, let us see what these streams are, and then I wish to read after that a most interesting statement about these streams taken from the House committee hearings. First, the Altamaha. The report of the Chief of Engineers, 1915, on page 1815 says:

The first project for this river was submitted November 27, 1881 (Annual Report for 1881, p. 1107), and the first appropriation for it was made by the river and harbor act of March 3, 1881. This project provided for securing a 3-foot channel, not less than 80 feet wide, by the excavation of rocks shoals, dredging, and the removal of snags and other obstructions, at an estimated cost of $60,000. * * * Under this project there were removed 3 rock shoals, 10 sand bars, numerous snags, sunken logs, stumps, and overhanging trees, and the river was straightened at several points by cut-offs.

Concerning the Oconee, I quote from the same report, as follows:

The first appropriation for this river was made by the river and harbor act of June 18, 1878, a project having been submitted January 29, 1875, to secure a low-water channel 3 feet in depth from the confluence of the Oconee and Ocmulgee Rivers to Milledgeville, by removing rock ledges, shoals, snags, logs, and overhanging trees, at an estimated cost of $10,150. (Annual Report for 1875, Part II, p. 44.) This estimate was increased to $15,000 in 1878 (Annual Report for 1878, p. 768); to $50,000 in 1880 (Annual Report for 1888, p. 1704); and in 1888 to $100,000, with $5,000 annually for maintenance. (Annual Report for 1888, p. 1171.) Operations were carried on at irregular intervals as funds permitted commencing in 1878. A small amount of work was done in June, 1888, near the mouth of the river. A specific appropriation of $1,500 in the river and harbor act of August 5, 1886, for improving the section of the river between Skull Shoals and the Georgia Railroad bridge was expended so as to give a least depth in that reach of 20 inches at extreme low water. In all, there were removed from the river 2,234 snags and logs, 1,552 overhanging trees, and 487 cubic yards of rock. There were also some small brush jetties built. The expenditures under this project amounted to $44,822.18.

The river and harbor act of September 19, 1890, adopted a project for establishing a navigable steamboat channel 3 feet deep at ordinary summer low water from Milledgeville to the forks, by removing rafts, rock shoals, and sand bars; enlarging portions of the river; revetting caving banks; closing incipient cut-offs; removing snags and logs from the channel, and overhanging trees from the bank of the stream, at an estimated cost of $171,000; with from $3,000 to $5,000 for annual maintenance. (H. Doc. No. 211, 51st Cong., 1st sess., reprinted without maps or profile in Annual Report for 1890, p. 1430.) Under this project numerous logs, snags, stumps, bowlders, and overhanging trees were removed; several threatened cut-offs closed and others opened; 6 training dikes; 1 spur dam, and 900 feet of shore protection built; 23 rock shoals and several sand shoals removed, all below Milledgeville.

As to the Ocmulgee the report says:

The first appropriation for the Ocmulgee River was made by the river and harbor act of August 14, 1876, which adopted a project for a 4-foot channel 80 feet wide from the forks to Macon at a cost estimated at $112,480. (Annual Report for 1875, Pt. II, p. 671.) This channel was to be obtained by the excavation of sand and rock shoals and the removal of sunken rafts, snags, logs, overhanging trees, and other obstructions. Under this project there were removed from the river 7,705 snags and stumps, 13,144 overhanging trees, 359 cubic yards of rock, and 1,869 cubic yards of earth; 112 logs were cut up on the bank, 801 trees were girdled, 2 jetties were built at Tillmans Bar, 2 snag dams were built at Ashleys Landing and 1 at Indian Timber Landing.

* * * * * * *

The river and harbor act of September 19, 1890, adopted a project establishing a navigable steamboat channel 3 feet deep at ordinary summer low water from the forks to Macon at an estimated cost of $210,000 for original work and an annual cost of maintenance of from $3,000 to $5,000. (H. Doc. No. 215, 51st Cong., 1st sess., reprinted without maps in Annual Report for 1890, p. 1455.) The channel was to be obtained by removing rock shoals and sand bars, closing incipient cut-offs, revetting caving banks, removing snags and logs from the channel and overhanging trees from the banks of the stream.

Under this project there were removed from the channel 27,332 snags, logs, and stumps, 8 wrecks, and 2 old bridge piers; 1,722 trees were girdled and 121,143 overhanging trees, saplings, and logs were cut on the banks; 12 spur dikes were built at Tillmans Bar; 3 spur dikes aggregating 400 feet in length were built at Macon Bar; 1 spur dike was repaired; Atwoods Jetty was extended 155 feet; training dikes were built in the vicinity of Macon with an aggregate length of 8,089 feet—

And so forth.

The appropriations, I think, covering all of these streams up to March 4, 1915, and, including the allotment made then, amounted to $259,951.35. As to the commercial statistics the report of the Chief of Engineers states:

There is in regular operation on this river one steamboat, which made during the year 65 trips from Doctortown to the forks, a distance of 77 miles. The commerce for the calendar year 1914 was as follows: * * * Total by boats, 13,666 short tons.

To which was added "lumber rafted, 89,640 short tons," making a total, with the lumber rafted, of 103,306 short tons.

The appropriation that I gave was simply as to the one river. As to the next one, the appropriations have been $286,515.70, and the commerce of that river is set forth on page 2425 of volume 2. A steamboat made about 85 trips between the Cen-

tral of Georgia Railroad and Darien, a distance of 244 miles. The commerce for the calendar year 1914 was 22,542 short tons; lumber rafted, 15,700 tons. In the case of the other river, I have heretofore given the appropriations.

Now, Mr. President, I want to read a little from the hearings of the House committee on these streams—these streams with very little commerce, as has been shown, outside of lumber. Here is Mr. Walter De Four, who appears before the House committee at page 7 of division 7. This book is not indexed or consecutively paged. It runs by divisions. I give those pages in order to assist the reporter.

Speaking of these streams, he said:

The shallow water made it necessary for us to get together all the information that it was possible to get and then, in addition to all the information we could get from the outside, to apply a little ingenuity of our own and develop a boat about which Mr. Long will tell you later on—a boat with which we are able to navigate the river. We can now navigate this river, which is something we were never able to do before, notwithstanding the fact that the people of Macon had spent more than $100,000 in the building of boats. This $100,000 to which I have referred was spent by the people of Macon mainly in building boats along the old lines. After spending that amount of money we saw that we were going in the wrong direction and that in order to navigate the shallow river we would have to build boats on different lines, on different principles, on principles other than those that had been governing the construction of boats heretofore. Realizing this, we have done that; we have a boat now on the river that will carry 100 tons of freight and draw, probably, less than 3 feet of water. That boat is now in actual operation, Mr. Chairman. When we appeared here in 1914 we promised to build a boat and put it in operation on the river if given the necessary appropriation. We did not give up, but we have built the boat. * * * In building this first boat and operating it since July 20 last, we have learned more about navigation than we knew when we undertook to build that boat.

* * * * * * *

We desire that the committee be placed in full possession of all these facts, because when this second boat is built, with the appropriation that we have had heretofore, we will be enabled to get along, but we can not make the time and get the transportation or tonnage that we could if the appropriation was increased.

Certainly not; but there is encouragement in the fact that there is to be a second boat built by these people.

Mr. Long said, speaking of their boat:

We therefore determined to build a steel boat. That was the first thing we arrived at. The second question was how large a boat should we build and how should that boat be equipped, and so forth. That required considerable investigation, because we did not want to make a mistake, and we have not made a mistake. We finally settled upon a steel boat 120 feet long and 24 feet wide and 5 feet deep, built throughout of steel. There is not a piece of wood in this boat as big as your lead pencil, except what went into the screens to keep the mosquitoes from biting the crew and what went into the construction of the ice box. I have a photoghaphic history of the construction, and I will be glad to pass these photographs around to the different members of the committee in order that they may see just what we are doing.

I recommend the screens to the distinguished Senator from New Jersey [Mr. MARTINE].

He says:

We put an electric plant on this boat.

Listen to this great work of navigation, for which we are spending hundreds of thousands of dollars:

We can blow a horn—

There never was anybody advocating these appropriations who could not blow a horn for them—

or rather—

he says—

a whistle by electricity, and do various other things. We have a number of conveniences and so on. Our boat carries 83 tons on a 30-inch draft; 160 tons on 48 inches. We can load that boat down as low as 54 inches. When those photographs get back to me I will go into detail, because there are some points that are very important. It requires a crew of 10 men on this boat to run it night and day. We do run it night and day. By the way, it is the first boat that was ever installed on that system of rivers that runs night and day. It is the first boat that ever made the trip between Hawkinsville and Macon in less than 40 hours' running time.

Some boat, that! One of the members of the committee asked Mr. Long:

As a general proposition, was it not unwise to start in a 36-inch river with a 30-inch boat?

The witness replied:

I am very glad to answer that question. I will say that we were very cautious.

We must have been.

When we reached Brunswick, knowing our capacity, we met one of the chief assistants of the engineer or the division engineer. We told him about the freight that we had waiting for us, and asked his judgment as to whether we should take it on or leave part of it there.

There is another part of the description of that boat that I should like to find. Mr. Long further says, in describing this wonderful boat:

The propellers are all submerged. Say, for instance, that you are going around a bend. It is practically impossible for the stern to follow the bow.

[Laughter.]

Why, Mr. President, that is a serious thing with a boat. But these people are not dismayed by the fact that the stern of their boat will not follow the bow around the bends of that mighty river.

This part here [indicating] comes in contact with a side obstruction, and it is this that gives us trouble. We have no trouble navigating straight runs, because the bow is of sufficient strength, if it comes in contact with an obstruction, to force it out of the way, but because the stern can not follow the bow it is the cause of practically all the trouble we have with these boats.

That boat needs a surgical operation. [Laughter.]

Now, is not that ridiculous? We laugh about it, but it is a fine way to spend public money.

The Chairman asked Mr. Long:

Suppose we appropriate $40,000. Would that give you all-year-around navigation for boats now being constructed for use on the river?

Mr. LONG. I rather think it would, Mr. Chairman, but $40,000 is not going to be sufficient, if we may judge by the past, to make any permanent improvement at all, and I do not believe it will be sufficient to keep the river clean, because we found that river in a horrible condition.

Mr. Waterman also submits some very interesting matters. He says:

As Mr. Long has suggested, even now with this ordinary appropriation, as it has been for the last two years, so much will be spent for a new boat that it will do us very little good. It reminds me of my boyhood days, when we used to go to the branch and stick our toes down in the mud and pour water in to fill up the holes. Most of these improvements on the river have been made in that way. So much has been spent in equipment that after this money was expended there was just a small amount left that could go for small improvements, and this water has come up and filled the improvements with sand. These boats have been tied up, and they are practically useless to-day.

Mr. SMALL. In view of the fact that the Chief of Engineers recommends only $43,000 and the committee is in the habit of following or not exceeding the estimate of the Chief of Engineers, how are you going to meet that appropriation?

Mr. Weatherly, on this same proposition, says, on page 25:

I do not think our present method of improving our rivers and of appropriating money is the best method, by any means. I do not agree that the method of appropriating just a small amount for each river for each year is the best one. I do believe that a large bond issue, to be applied to a thoroughly mapped out scheme, is a proper one.

He says the Government should issue $2,000,000,000 worth of bonds.

A Member of Congress before that committee says:

We have not stopped spending money. We have not stopped in our exertions. We have gone back and raised more money, some $80,000, and put it into the hands of this company. We bought a boat and tried to navigate the river, and we came here to tell the committee that the people of Macon and this section of the country have made up their minds to build boats that can navigate that river. They have built a boat that will navigate it and they have another one under construction.

Here is a very interesting telegram from the secretary of the Dublin Chamber of Commerce, Mr. Charles P. Caldwell, in relation to these rivers:

Re Altamaha system appropriation, you have detailed explanation of our position as far as those who can and should be served by the Government under this enterprise are concerned. A local boat captain here with 100 pounds of dynamite has effected as much real improvement on our river as has ever come out of our share of the appropriation for the Oconee. Present practice is for a Savannah crew to go to Dublin once or twice a year on high water. This is exactly the time when they can not accomplish anything. Instead of this desultory work our full share of the appropriation for the Oconee should be spent through a substation, under Savannah office, located here in Dublin, with equipment working systematically up and down the river, particularly at low-water stages, when something worth while can be done. Our local boat lines will cooperate liberally with such a plant, depending upon you to defend our rights.

Then there is a letter to the Congressman as to what is necessary to put these rivers in condition. Here are some extracts from it, appearing on page 33:

First. Remove leaning trees at Toms Point. Stop up old suck with a jetty 100 feet long.

Second. Snag the river from this point to Parsons Shoals.

Third. Remove rocks on east side of river in the gap at this point.

Fourth. Snag from this point to Deep Creek; remove the rock on the point and clean out the gap at this point.

Fifth. Clean out the bight at Gum Spring, also Dry Creek bight, and the one bight below Gum Springs, and snag from this point to the boat yard.

Sixth. Clean out the gaps above the boat yard and one below; also clean old Blackshears Ferry Gap.
Seventh. Remove rock at upper end of Car Shoals and clean out all the gaps in the shoals to Dublin.

It does not take much to make a river out of this. [Laughter.]

Eighth. Clean out the river at Dublin.
Ninth. Complete the unfinished job of removing rock at Rattle Snakes Shoals.
Tenth. Build a jetty at Buzzard Bar 400 feet long.
Eleventh. Extend the jetty at Fish Trap Cut and snag to Troup Spring Lake.
Twelfth. Take the rock out of the middle of the river at this point.
Thirteenth. Snag from this point to just below Ann Smith Landing. Build a jetty 400 feet long at this point.
Fourteenth. Snag the river from this point to B. C. Bluff; fill up jetties at this point.

This is a bluff, all right.

Fifteenth. Snag river from this point to Rassle Jack, then put a jetty across Old River.
Sixteenth. Build a jetty at Troups Ferry.

There is nothing much to do to make a river out of this.

Seventeenth. Build a jetty at the bight just below Loose Bluff.
Eighteenth. Clean the snags to the bight just above Silver Bluff. Build a jetty at this bight.
Nineteenth. Clean snags from this point to the mouth of Old River; stop up Old River with jetties, then snag to Stalings Bluffs, and some snagging to be done between this point and Frying Pan.
Twentieth. Build a jetty across the suck at this point.
Twenty-first. Build a jetty across Old River and snag to Bells Ferry; fill up the old jetties at this point.
Estimated cost of this work, $50,000.

* * * * * * *

It seems to me that a light barge with proper machinery on it would accomplish much more for the river, as it could be handled during low-water periods.
Trusting that you may be able to do something for us, and wishing you a merry Christmas and a happy New Year, I am,
Yours, truly.

That is a fine proposition! I hope somebody will defend it before we vote any more money in addition to the million dollars of waste that has already occurred.

The Chattahoochee River: We have expended over a million dollars on this stream. The project is about 90 per cent completed. The commerce has gone from 100,122 tons in 1912 to 93,442 tons in 1914. There is apparently some considerable commerce on that river.

I think I will not spend any time on the Oklawaha River. It carries a very small appropriation in this bill. It carried some $733,000 in one of the former bills. It is a proposition that has always seemed to me absolutely indefensible, but probably to others it seemed to be perfectly proper.

The Orange River is another of the smaller propositions. I want to put in the RECORD just a few words about that.

Before improvement the river was obstructed by snags and overhanging trees and by nine shoals, all of small extent, consisting of sand and mud, with some bowlders and loose rock. The limiting depth over the shoals was 2½ feet, though elsewhere depths of from 6 to 21 feet were found. The width of the stream was about 90 feet at its mouth and 50 feet at Buckingham. The usable width of the available channel was about 30 feet. The head of navigation is the iron bridge at Buckingham, 5.7 miles above the mouth. The length of the navigable portion of the river is 5.7 miles.

There appears to be considerable water, however, on that river. During the fiscal year snags and overhanging trees were removed, and cuts made through obstructive shoals, making a continuous channel 4 feet deep, 50 feet wide for the lower 2½ miles and 40 feet wide in the upper 3 miles, where the banks limit the width to about 40 feet.

The commerce for the year 1912 was 9,930 tons; for 1913, 13,196 tons; for 1914, 4,100 tons. Of the 4,100 short tons, citrus fruits and fertilizer were the main products. It is one of the very small projects. If we are to go into the small-project proposition it has as much merit as many, many others in the bill.

The Anclote River in Florida received an appropriation in this bill. It is 3½ miles long. Outside of lumber the commerce is 2,470 tons. Tarpon Springs is located on this river. It is the great sponge center, perhaps, of the whole country, and we have spent on it $56,725. I believe that a transfer of fund was made last year or else an allotment of about $5,000 more.

The reports of the Army engineers give one launch as the number of regular steamers in the trade.

Crystal River, Fla., I have before referred to, and I will not take the time to do so again.

Withlacoochee River: There are three launches in this stream—4 miles. We have spent $339,000. Commerce seems to be largely for a phosphate establishment. The commerce fell off something like 50 per cent last year, one concern furnishing the bulk of the commerce. The tons last year were 96,778.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Iowa yield to the Senator from Florida?

Mr. KENYON. I do.

Mr. FLETCHER. If the Senator will permit me, I desire to state that a large portion of the tonnage on this river was phosphate rock, but by reason of the falling off of shipments of the rock the tonnage has decreased from 1914; and this decrease in the shipment of phosphate rock was due to the war, because it had previously been largely sold in Germany. That has been the case with all phosphate shipments from Florida since the war. The freight rates have been practically prohibitory, in the first place, and, in the next place, the market has been largely closed because Germany was the chief purchaser abroad.

Mr. KENYON. I suppose everything that happens can be blamed on the war.

Mr. FLETCHER. It is not a question of blaming anything. The statement I make is a statement of fact. It is not an excuse that I am making. I am simply stating the fact. The Senator will find in the report, the official statement, on page 189, the following:

The large decrease in commerce for the year was due to the suspension of phosphate shipments in consequence of the European war.

Mr. KENYON. I know that is in the report, and I have no reason to question it. This project has the advantage of most of the other projects in having some real excuse for the decrease of commerce. The engineers say the improvement of the upper river has no appreciable effect on freight rates, and other observations which they make I will not take the time to read.

An interesting proposition is the appropriations for removing water hyacinths. We have in this bill two of these propositions. I wish that we could in some way devise a plan whereby we might use these water hyacinths for the free bulb or free seed distribution. It seems strange that it may be absolutely necessary to spend large amounts of money to get hyacinths out of streams in order to make them navigable. I assume that the Army engineers, however, consider that that is important.

The Apalachicola River is another one of these medium streams, the improvement of which is justifiable if improvements of the smaller streams are to be carried on. We have appropriated some $226,000 for that stream. The commerce downstream, according to the engineer's last report, was 67,000 tons, of which 22,000 tons were logs and lumber. This bill carries $6,000 for that stream. It is a stream that is badly obstructed by logs, snags, trees, and other matters. During the year 1914 there were removed in the way of obstructions 431 snags from the channel, 139 logs, 537 trees, and 96 overhanging trees. The appropriations have run $226,250. I have given the freight traffic as reported by the engineers.

The Choctawhatchee River is one that I hope may be explained and defended by somebody. It seems to me to be a good deal of a farce to keep on appropriating money for a river of this character. The bill carries $20,000. I want to read from parts of the engineers' reports and have them in the RECORD.

For the year 1914 there were removed from the channel snags above Geneva 3,818, and below 860; saw logs above Geneva 775, below Geneva 573; trees above Geneva 2,259, below Geneva 814; stumps, 41 above Geneva and 42 below. Then, they removed from the banks trees and brush and wood.

We have altogether either appropriated or expended or had alloted for that stream $278,208.12. For the year 1914 the traffic upstream was 5,994 tons and downstream 19,446 tons, of which lumber and timber constituted some 8,000 tons, leaving about 11,000 tons of what could be called commercial traffic.

I do not know whether this results in any regulation of freight rates. I think the engineers' reports do not state it, but the expenditure of such a sum of money for the development of such a commerce can not be defended, in my judgment.

Mr. FLETCHER. Will the Senator allow me?

Mr. KENYON. I yield to the Senator.

Mr. FLETCHER. I call the Senator's attention to the report, which says:

At present, in connection was the Holmes River, it affords transportation to a large section of Florida without other means. Its restoration to good condition will probably result in the lowering of freight rates by rail to Geneva.

Mr. KENYON. It will probably result?

Mr. FLETCHER. Yes.

Mr. KENYON. It is always the prediction, Mr. President. But this project has been established for some time. I do not remember the exact year when it was started. We have certainly spent enough money to commence pretty soon to see some return in the regulation of freight rates.

The Alabama River. The appropriations for that river have reached $1,289,000. This bill calls for $100,000 more. Excluding logs and timber, there are about 41,000 tons of commerce. Previous project carried $419,445.69, the present one carrying $720,895.50. Commerce has gone down from 153,295 tons in 1913 to 112,345 tons in 1914. Fifty thousand dollars was allotted in 1914 by the Army engineers and $75,000 in 1915. So we have outside of logs and timber and the things that float without any particular work a very small commerce.

The Coosa River is a project upon which a large amount of money has been expended, a project of some eight locks and dams. The engineers tell us now that one of the dams is about 99 per cent completed. I assume that it would be rather wasteful not to complete that particular project, if anything ever was going to be done. The bill carries $98,000 for the Coosa River. We have expended heretofore $2,482,252. Forty thousand dollars was allotted to this stream by the engineers in 1914 and $186,000 in 1915. The scheme involves some $10,000,000 before it is completed.

The 1912 commerce was reduced about 45 per cent up to 1914. Here is a river improvement commenced in 1876 where the commerce, exclusive of timber and those matters, is less than 28,000 tons in 1914, and the Engineer's Report for 1915, on page 749, states that the decrease from last year is probably permanent. Only one boat is operating on this improvement, and that is not proving a paying investment. We have expended $2,500,000 on this proposition, and are going on now until we spend $10,000,000 on it.

In the House hearings it was stated by witnesses that the commerce on this stream for the calendar year 1914 consisted principally of fertilizers, general merchandise, timber products, and groceries, amounting to 28,751 short tons. The report does say that freight rates have been reduced for navigation from Rome down to Lock and Dam No. 4, and the same argument is presented that the commerce has been reduced on account of the war. But Maj. Brown, on page 8 of subdivision 22 of the hearings, throws some rather interesting light upon that subject and upon the question as to whether or not the people of the vicinity of those streams are supporting river navigation. He says:

> That little boat is only a gasoline affair, and although it may be carrying general commerce now, it was not at the time this report was submitted. Referring to the regular commercial boat, I have talked with the owners of the boat line a great deal. They were very much discouraged at the prospects. They say that the merchants at Gadsden and Rome are not supporting them as they should and that business is constantly falling off. They also have trouble in getting through the shoals. There are some bad shoals which are now under improvement.

The chairman asked him:

> You do not think the possibility—

That is, of the development of commerce—

> is very flattering now?
> Maj. BROWN. It did not look very flattering to me. Of course, there is at present something like $1,500,000 worth of local commerce, but it will always be of that local character.

So, Mr. President, we may well pause, it seems to me, and consider whether, having spent two and a half million dollars and a development of practically no commerce, we are going on with a scheme that involves $10,000,000.

I now pass for a moment to the Tombigbee and Warrior Rivers. We have spent $9,901,295 on these. There are only a few tons of commerce outside of timber; 56,000 tons in 1914, outside of timber, was averaged at the 17 locks, 95 per cent of which was coal.

The Black Warrior is not in this bill, and I only refer to it as one of the wasteful projects that has been passed by Congress, carrying nearly $10,000,000. It has a very small commerce.

On the Tombigbee we have spent $367,858.22. The commerce above Demopolis, according to the engineer's last report, was 29,000 tons, of which 21,000 tons was lumber and logs; commerce below, 299,000 tons, over 100,000 tons of which was logs.

I place in the RECORD some statistics as to another proposition covered in this bill—Pearl River and East Pearl River. The engineer's reports tell us as to the Pearl River below Rockford, Miss., that during the fiscal year ending June 30, 1915, the United States snag boat carried on snagging operations, struck a snag and sank, but a bank party was clearing the banks of overhanging trees; and overhanging trees felled and cut up numbered 1,185; logs cut up or stumps leveled on the banks, 1,869; stumps removed from river, 1,276; snags removed from the river, 5,457; logs removed from the river, 1,747.

Our appropriations have been something like $311,000. The project is about 43 per cent completed. A maximum channel 3 feet deep and 50 feet wide at low water now exists for 145 miles above the mouth of the river; and thence to Columbia, a distance of 10 miles, the maximum low-water depth is 1½ feet.

What about the commerce? There has been considerable commerce. In 1912, 191,173 short tons had decreased in 1914 to 111,497 short tons, the decrease being due principally to the lumber market. The Pearl River commerce is, I think, shown by the reports as being entirely timber, logs, and lumber, and not being rafted for over 1 or 2 miles, and the Government spends its time and its money in taking out all the snags in this river.

The complaints or criticism on Pearl River do not apply in the same way to the East Pearl River, which seems to have considerable commerce, but not very much outside of the question of lumber.

I do not believe, Mr. President, that any business man handling his own money would feel justified in spending it on that kind of a proposition.

I had intended to comment a little on the Yazoo River, but will not do so, as I should like to get through.

Bear Creek merely exhibits how things have been done. It is a very small affair. There is no local cooperation. It is proposed to remove snags and shoals and leaning trees. There was no commerce in 1913 and no commerce in 1914 and 187 tons in 1915. Freight is carried on in private gasoline launches by the owners, and they keep no records of the reports.

I take up for a moment the Big Sunflower proposition. On the previous project we have spent $224,000 and on the present project $149,000. The estimate to complete it is some $500,000. The commerce, except lumber, is about 16,000 short tons. But this work, according to the Army engineers, has reduced freight rates about 33⅓ per cent. So it has accomplished something locally for the good of the community.

The amount expended on all projects connected with this, including maintenance, was $472,749.27.

Another appropriation in the bill to get rid of water hyacinths I pass.

Mr. President, I will not be able, I think, to finish what I have to say to-night. I had hoped to finish, but I find myself very weary. The Senator from Illinois [Mr. SHERMAN] desires to occupy the floor for some time, and I think, therefore, I will stop at this point and resume my remarks at some later time.

*Friday, May 12, 1916.*

Mr. KENYON. Mr. President, I think the Senator from Illinois [Mr. SHERMAN] and the Senator from Iowa are not particularly to be criticized for discussing somewhat deliberately this important bill. It is a bill that ought to be discussed thoroughly, possibly not item by item, but at least items which we find objection to, and while that discussion we realize does not change any vote in this Chamber, and receives scarcely any attention in this Chamber, it is the discussion of matters that we believe the people of the country will pay some attention to.

Nor do I think we should be criticized for occupying the time of the Senate, because the Senate apparently has nothing of importance in the way of business to transact. The President on his western trip told the people that he wanted them to vocalize. We are trying to do that in a mild way. While the President urged upon the people that they should try and stimulate Congress in the way of preparedness, we find ourselves two and a half months after that time, with troubles on our border and other matters of an acute nature, absolutely doing nothing. So long as the time is not to be occupied in these important things it is well to discuss this bill very thoroughly. That we are trying to do with the hope that when the bill is put to a square vote with a motion to recommit it, or on a substitute for one-half, we may have interested enough Senators to make a fairly respectable showing on those propositions.

I wish to put in the RECORD some figures which I referred to the other day, but I did not very accurately state them. Those were the appropriations in the Sixty-first, Sixty-second, and Sixty-third Congresses, showing, as the Senator from Illinois has referred to the fact, that from the expenditures of the Sixty-first Congress of $1,956,125,776.99, came in the Sixty-third Congress to $2,231,055,150.57. I ask permission to insert that table for these three Congresses in the RECORD without reading.

The PRESIDING OFFICER (Mr. HUSTING in the chair). Without objection, it is so ordered.

The table referred to is as follows:

*Appropriations—fiscal years 1875 to 1916, inclusive.*

[Prepared by the clerk to the Committees on Appropriations of the Senate and House of Representatives.]

[Footnotes at end of table.]

| Title. | Forty-third Congress. | | Forty-fourth Congress. | | Forty-fifth Congress.[a] | |
|---|---|---|---|---|---|---|
| | Appropriations, 1875. | Appropriations, 1876. | Appropriations, 1877. | Appropriations, 1878. | Appropriations, 1879. | Appropriations, 1880. |
| Army | $27,788,500.00 | $27,933,830.00 | [b]$27,621,867.90 | [a]$25,812,500.00 | $25,593,486.01 | [b]$26,797,300.00 |
| Diplomatic and consular | [2] 3,404,804.00 | 1,374,985.00 | 1,187,197.50 | 1,138,374.50 | 1,077,635.00 | 1,087,835.00 |
| Fortifications | 904,000.00 | 850,000.00 | 315,000.00 | 275,000.00 | 275,000.00 | 275,000.00 |
| Indian | 5,680,651.96 | 5,360,554.55 | 4,572,762.01 | 4,829,865.69 | 4,746,275.70 | 4,713,478.58 |
| Legislative, etc | 20,783,900.80 | 18,902,236.99 | 15,417,933.33 | 15,450,345.30 | 15,271,251.30 | [b]16,287,457.73 |
| Military Academy | 339,835.00 | 364,740.00 | 290,065.00 | 286,604.00 | 292,805.00 | 319,547.33 |
| Navy | [4] 20,813,946.20 | 17,001,006.40 | 12,742,155.40 | 13,541,024.40 | 14,152,603.70 | 14,029,968.95 |
| Pension (including deficiencies therefor) | 29,980,000.00 | 30,000,000.00 | 29,533,500.00 | 28,533,000.00 | 29,371,574.00 | [7] 56,233,200.00 |
| Post Office[2] | 35,756,091.00 | 37,524,361.00 | 34,585,701.00 | 33,584,143.00 | 33,256,373.00 | 36,121,400.00 |
| River and harbor (including amounts in sundry civil, deficiency, and special acts) | 5,218,000.00 | 6,643,517.50 | 5,015,000.00 | | 8,201,700.00 | 7,846,600.00 |
| Sundry civil (exclusive of amounts for rivers and harbors) | 27,009,744.81 | 26,644,350.09 | 16,351,474.58 | 17,133,750.06 | [6] 26,004,409.26 | [8] 21,656,340.06 |
| Deficiencies (exclusive of amounts for pensions and rivers and harbors) | 4,083,914.26 | 4,703,699.18 | 2,908,177.09 | 2,745,480.97 | 14,138,742.29 | 3,163,297.15 |
| Total | 181,763,388.03 | 177,303,280.71 | 150,540,833.81 | 143,330,087.92 | 172,381,855.26 | 188,531,424.80 |
| Miscellaneous | 1,921,614.13 | 1,862,929.19 | 4,012,805.84 | 1,262,061.31 | 2,049,638.61 | 1,926,020.26 |
| Total regular annual appropriations | 183,685,002.16 | 179,166,209.90 | 154,553,639.65 | 144,592,149.23 | 174,431,493.87 | 190,457,445.06 |
| Permanent annual appropriations | 141,981,789.73 | 148,961,989.42 | 145,037,498.42 | 151,414,544.98 | 157,976,282.81 | 181,662,184.24 |
| Grand total | 325,666,791.89 | 328,128,199.32 | 299,591,138.07 | 296,006,694.21 | 332,407,776.68 | 372,119,629.30 |
| Total appropriations by Congresses | 653,794,991.21 | | 595,597,832.28 | | 704,527,405.98 | |

| Title. | Forty-sixth Congress.[b] | | Forty-seventh Congress. | | Forty-eighth Congress. | |
|---|---|---|---|---|---|---|
| | Appropriations, 1881. | Appropriations, 1882. | Appropriations, 1883. | Appropriations, 1884. | Appropriations, 1885. | Appropriations, 1886. |
| Agricultural | [9] $253,300.00 | $335,500.00 | $427,280.00 | $405,640.00 | $480,190.00 | $585,790.00 |
| Army | 26,425,800.00 | 26,687,800.00 | 27,258,000.00 | 24,681,250.00 | 24,454,450.00 | 24,014,052.50 |
| Diplomatic and consular | 1,180,335.00 | 1,192,435.00 | 1,256,655.00 | 1,296,755.00 | 1,219,390.00 | 1,242,925.00 |
| District of Columbia[1] | 3,425,997.35 | 3,378,617.44 | 3,496,060.47 | 3,507,247.96 | 3,559,835.54 | 3,622,683.20 |
| Fortifications | 550,000.00 | 575,000.00 | 375,000.00 | 670,000.00 | 700,000.00 | 725,000.00 |
| Indian | 4,657,262.72 | 4,587,866.80 | 5,229,374.01 | 5,358,655.91 | 5,859,402.91 | 5,762,512.70 |
| Legislative, etc | 16,274,023.59 | 17,678,508.99 | 20,038,000.65 | 20,454,246.22 | 21,393,141.85 | 21,376,708.70 |
| Military Academy | 316,234.28 | 322,435.37 | 335,557.04 | 318,657.50 | 314,563.50 | 310,021.64 |
| Navy | 14,405,797.70 | 14,566,037.55 | 14,819,976.80 | 15,894,434.23 | 14,980,472.59 | 15,070,837.95 |
| Pension (including deficiencies therefor) | [10] 41,644,000.00 | [12] 68,282,306.68 | [13] 116,000,000.00 | [14] 86,575,000.00 | [15] 20,810,000.00 | 60,000,000.00 |
| Post Office[2] | 39,093,420.00 | 40,957,432.00 | 44,643,900.00 | 44,489,520.00 | 49,040,400.00 | 53,700,990.00 |
| River and harbor (including amounts in sundry civil, deficiency, and special acts) | 8,951,500.00 | 11,441,300.00 | 18,738,875.00 | | 13,949,200.00 | |
| Sundry civil (exclusive of amounts for rivers and harbors) | 22,515,428.91 | 21,984,194.12 | 25,589,358.06 | 23,679,575.44 | 22,299,434.30 | 26,079,257.49 |
| Deficiencies (exclusive of amounts for pensions and rivers and harbors) | 4,207,226.44 | 5,092,138.92 | 12,992,025.16 | 2,749,941.49 | 7,057,509.00 | 4,926,855.80 |
| Total | 183,900,325.99 | 217,081,572.87 | 291,200,062.19 | 230,080,923.75 | 186,117,989.69 | 217,417,634.98 |
| Miscellaneous | [11] 5,618,865.22 | 1,072,933.64 | 6,111,540.10 | 1,912,723.88 | [16] 9,592,598.40 | 2,177,648.20 |
| Total regular annual appropriations | 189,519,191.21 | 218,154,506.51 | 297,311,602.29 | 231,993,647.63 | 195,710,588.09 | 219,595,283.18 |
| Permanent annual appropriations | 172,053,013.18 | 147,810,973.32 | 124,826,471.02 | 123,304,227.60 | 123,118,901.04 | 116,844,630.02 |
| Grand total | 361,572,204.39 | 365,965,479.83 | 422,138,073.31 | 355,297,875.23 | 318,829,489.13 | 336,439,913.20 |
| Total appropriations by Congresses | 727,537,684.22 | | 777,435,948.54 | | 655,269,402.33 | |

| Title. | Forty-ninth Congress. | | Fiftieth Congress. | | Fifty-first Congress. | |
|---|---|---|---|---|---|---|
| | Appropriations, 1887. | Appropriations, 1888. | Appropriations, 1889. | Appropriations, 1890. | Appropriations, 1891. | Appropriations, 1892. |
| Agricultural | $654,715.00 | $1,028,730.00 | $1,716,010.00 | $1,669,770.00 | $1,799,100.00 | [31] $3,028,153.50 |
| Army | 23,753,057.21 | 23,724,718.69 | 24,471,300.00 | 24,316,615.73 | 24,206,471.79 | 24,613,529.19 |
| Diplomatic and consular | 1,364,065.00 | 1,429,942.44 | 1,428,465.00 | 1,980,025.00 | 1,710,815.00 | 1,656,925.00 |
| District of Columbia[1] | 3,721,050.99 | 4,284,590.66 | 5,046,410.32 | 5,682,409.91 | 5,769,544.15 | 5,597,125.17 |
| Fortifications | | | 3,972,000.00 | 1,233,594.00 | 4,232,935.00 | 3,774,803.00 |
| Indian | 5,546,262.84 | 5,226,897.66 | [21] 8,263,700.79 | [25] 8,077,453.39 | 7,262,016.02 | [32] 16,386,284.86 |
| Legislative, etc | 20,654,346.37 | 20,745,023.67 | 20,758,178.07 | 20,843,615.81 | 21,030,752.75 | 22,027,674.75 |
| Military Academy | 297,805.00 | 419,936.93 | 315,043.81 | 902,766.69 | 435,296.11 | 402,064.64 |
| Navy | [17] 16,489,907.20 | 25,767,348.19 | 19,942,835.35 | 21,692,510.27 | [28] 24,136,035.53 | [33] 32,541,654.78 |
| Pension (including deficiencies therefor) | [18] 82,075,200.00 | [20] 83,152,500.00 | [22] 85,258,700.00 | [26] 89,758,700.00 | [29] 123,779,368.35 | [34] 164,550,383.34 |
| Post Office[2] | 54,365,863.25 | 55,694,650.15 | 60,860,233.74 | 66,605,344.28 | 72,226,698.99 | 77,907,222.61 |
| River and harbor (including amounts in sundry civil, deficiency, and special acts) | 14,473,900.00 | | 22,397,616.90 | | 25,136,295.00 | [35] 2,951,200.00 |
| Sundry civil (exclusive of amounts for rivers and harbors) | 22,662,310.58 | 22,386,540.96 | 26,320,804.84 | 25,297,341.65 | 29,738,282.22 | 35,459,163.99 |
| Deficiencies (exclusive of amounts for pensions and rivers and harbors) | 7,866,719.62 | | [23] 16,063,383.26 | 8,330,518.30 | 13,295,541.61 | 8,364,148.62 |
| Total | 253,925,203.06 | 243,860,879.35 | 296,814,682.08 | 276,390,665.03 | 354,759,152.52 | 399,260,333.45 |
| Miscellaneous | [19] 9,989,410.19 | 4,811,991.49 | [24] 10,170,862.55 | [27] 10,255,795.29 | [30] 7,010,905.27 | 3,271,531.10 |
| Total regular annual appropriations | 263,914,613.25 | 248,672,870.84 | 306,985,544.63 | 286,646,460.32 | 361,770,057.79 | 402,531,864.55 |
| Permanent annual appropriations | 123,416,358.74 | 110,338,652.68 | 101,638,512.74 | 98,875,907.29 | 147,598,288.07 | 111,892,154.94 |
| Grand total | 387,330,971.99 | 359,011,523.52 | 408,624,057.37 | 385,522,367.61 | 509,368,345.86 | 514,424,019.49 |
| Total appropriations by Congresses | 746,342,495.51 | | 794,146,424.98 | | 1,023,792,365.35 | |

*Appropriations—fiscal years 1875 to 1916, inclusive*—Continued.

| Title. | Fifty-second Congress. | | Fifty-third Congress. | | Fifty-fourth Congress. | |
|---|---|---|---|---|---|---|
| | Appropriations, 1893. | Appropriations, 1894. | Appropriations, 1895. | Appropriations, 1896. | Appropriations, 1897. | Appropriations, 1898. |
| Agricultural | $3,232,995.50 | $3,323,500.00 | $3,223,623.06 | $3,303,750.00 | $3,255,532.00 | c $3,182,902.00 |
| Army | 24,308,499.82 | 24,225,639.78 | 23,592,884.68 | 23,252,608.09 | 23,278,402.73 | 23,129,344.30 |
| Diplomatic and consular | 1,604,045.00 | 1,357,445.00 | 1,563,918.76 | 1,574,458.76 | 1,642,558.76 | 1,695,308.76 |
| District of Columbia [1] | 5,317,973.27 | 5,413,223.91 | 5,545,678.57 | 5,745,443.25 | 5,900,319.48 | 6,186,991.06 |
| Fortifications | 2,734,276.00 | 2,210,055.00 | 2,427,004.00 | 1,904,557.50 | 7,377,888.00 | 9,517,141.00 |
| Indian | 7,664,047.84 | 7,854,240.38 | [40] 10,659,565.16 | 8,762,751.24 | 7,390,496.79 | c 7,674,120.89 |
| Legislative, etc | 21,900,132.97 | 21,865,802.81 | 21,305,583.29 | 21,891,718.08 | 21,519,324.71 | 21,690,766.90 |
| Military Academy | 428,917.33 | 432,556.12 | 406,535.08 | 564,261.66 | 449,525.61 | 479,572.83 |
| Navy | 23,543,385.00 | 22,104,061.38 | 25,327,126.72 | 29,416,245.31 | 30,562,660.95 | 33,003,234.19 |
| Pension (including deficiencies therefor) | [39] 154,411,682.00 | [39] 180,681,074.85 | 151,581,570.00 | 141,381,570.00 | 141,328,580.00 | 141,263,880.00 |
| Post Office [2] | 80,331,276.73 | 84,004,314.22 | 87,236,599.55 | 89,545,997.86 | 92,571,564.22 | 95,665,338.75 |
| River and harbor (including amounts in sundry civil, deficiency, and special acts) | [37] 21,968,218.00 | [39] 14,166,153.00 | [41] 20,043,180.00 | [42] 11,462,115.00 | [43] 16,244,147.00 | [44] 20,832,412.91 |
| Sundry civil (exclusive of amounts for rivers and harbors) | 26,851,076.93 | 27,550,158.15 | 25,853,775.55 | 35,106,045.40 | 29,812,113.19 | c 34,490,370.47 |
| Deficiencies (exclusive of amounts for pensions and rivers and harbors) | 8,230,859.50 | 8,127,361.51 | 11,811,004.06 | 9,825,374.82 | 15,041,911.07 | c 9,096,417.34 |
| Total | 382,527,385.89 | 403,515,586.11 | 390,578,048.48 | 383,636,896.97 | 396,375,024.51 | 407,907,801.40 |
| Miscellaneous | 3,208,922.82 | 520,499.18 | 577,956.55 | 297,667.37 | 416,010.06 | 749,057.90 |
| Total regular annual appropriations | 385,736,308.71 | 404,036,085.29 | 391,156,005.03 | 383,934,564.34 | 396,791,034.57 | 408,656,859.30 |
| Permanent annual appropriations | 77,948,076.49 | 75,896,581.79 | 68,769,173.59 | 73,153,780.38 | 72,702,975.84 | 76,345,185.42 |
| Grand total | 463,684,385.20 | 479,932,667.08 | 459,925,178.62 | 457,088,344.72 | 469,494,010.41 | 485,002,044.72 |
| Total appropriations by Congresses | 943,617,052.28 | | 917,013,523.34 | | 954,496,055.13 | |

| Title. | Fifty-fifth Congress. [c] | | Fifty-sixth Congress. | | Fifty-seventh Congress. | |
|---|---|---|---|---|---|---|
| | Appropriations, 1899. | Appropriations, 1900. | Appropriations, 1901. | Appropriations, 1902. | Appropriations, 1903. | Appropriations 1904. |
| Agricultural | $3,509,202.00 | $3,726,022.00 | $4,023,500.00 | $4,582,420.00 | $5,208,960.00 | $5,978,160.00 |
| Army | 23,193,392.00 | 80,430,204.06 | 114,220,095.55 | 115,734,049.10 | 91,730,136.41 | 77,888,752.83 |
| Diplomatic and consular | 1,752,208.76 | 1,714,533.76 | 1,771,168.76 | 1,849,428.76 | 1,957,925.69 | 1,968,250.69 |
| District of Columbia [1] | 6,426,880.07 | 6,834,535.77 | 7,577,369.31 | 8,502,269.94 | 8,544,469.97 | 8,638,097.00 |
| Fortifications | 9,377,494.00 | 4,909,902.00 | 7,383,628.00 | 7,364,011.00 | 7,298,955.00 | 7,188,416.22 |
| Indian | 7,673,854.90 | 7,504,775.81 | 8,197,989.24 | 9,747,471.09 | 8,986,028.10 | 8,540,406.77 |
| Legislative, etc | 21,625,846.65 | 23,410,840.79 | 24,175,652.53 | 24,594,968.85 | 25,396,681.50 | 27,598,653.66 |
| Military Academy | 458,689.23 | 575,774.47 | 674,306.67 | 772,653.68 | 2,627,324.42 | 652,748.67 |
| Navy | 56,098,783.68 | 48,099,969.58 | 65,140,916.67 | 78,101,791.00 | 78,856,363.13 | 81,876,791.43 |
| Pension (including deficiencies therefor) | [45] 149,304,702.46 | 145,233,830.00 | 145,245,230.00 | 145,245,230.00 | 139,842,230.00 | 139,847,600.00 |
| Post Office [2] | 99,222,300.75 | 105,634,138.75 | 113,658,238.75 | 123,782,688.75 | 138,416,598.75 | 153,511,549.75 |
| River and harbor (including amounts in sundry civil, deficiency, and special acts) | [46] 14,627,449.56 | [48] 25,110,038.94 | [52] 16,285,605.75 | [53] 7,046,623.00 | [55] 32,540,199.50 | [58] 20,233,150.00 |
| Sundry civil (exclusive of amounts for rivers and harbors) | 34,222,762.70 | 39,467,733.86 | 49,594,309.70 | 54,749,285.21 | 54,394,601.63 | 62,139,210.10 |
| Deficiencies (exclusive of amounts for pensions and rivers and harbors) | [47] 341,341,517.50 | [50] 24,905,912.26 | 15,688,330.61 | 15,917,446.94 | [56] 28,050,007.32 | [59] 21,465,660.25 |
| Total | 768,835,084.26 | 517,558,212.05 | 573,636,341.54 | 597,990,337.32 | 623,850,481.42 | 617,527,447.37 |
| Miscellaneous | 6,560,311.29 | [51] 28,744,590.24 | 3,802,301.34 | [54] 7,990,018.67 | [57] 52,852,795.13 | 2,941,238.65 |
| Total regular annual appropriations | [49] 775,395,395.55 | 546,302,802.29 | 577,438,642.88 | 605,980,355.99 | 676,703,276.55 | 620,468,686.02 |
| Permanent annual appropriations | 87,287,091.51 | 144,364,386.25 | 141,840,184.01 | 151,627,108.73 | 119,930,588.24 | 116,109,716.74 |
| Grand total | 862,682,487.06 | 690,667,188.54 | 719,278,826.89 | 757,607,464.72 | 796,633,864.79 | 736,578,402.76 |
| Total appropriations by Congresses | 1,553,349,675.60 | | 1,476,886,291.61 | | 1,533,212,267.55 | |

| Title. | Fifty-eighth Congress. | | Fifty-ninth Congress. | | Sixtieth Congress. (d) | |
|---|---|---|---|---|---|---|
| | Appropriations, 1905. | Appropriations, 1906. | Appropriations, 1907. | Appropriations, 1908. | Appropriations, 1909. | Appropriations, 1910. |
| Agricultural | $5,902,040.00 | $6,882,690.00 | $9,930,440.00 | $9,447,290.00 | $11,672,106.00 | $12,995,036.00 |
| Army | 77,070,300.88 | 70,396,631.64 | 71,817,165.08 | 78,634,582.75 | 95,382,247.61 | 101,195,883.24 |
| Diplomatic and consular | 2,020,100.69 | 2,123,047.72 | 3,091,094.17 | 3,092,333.72 | 3,538,852.72 | 3,613,861.67 |
| District of Columbia [1] | 11,018,540.00 | 9,801,197.62 | 10,138,672.16 | 10,440,598.63 | 10,001,888.85 | 10,699,531.49 |
| Fortifications | 7,518,192.00 | 6,747,893.00 | 5,053,993.00 | 6,898,011.00 | 9,316,745.00 | 8,170,111.00 |
| Indian | 9,447,961.40 | 7,923,814.34 | 9,260,599.98 | 10,125,076.15 | 9,253,347.87 | 11,854,982.48 |
| Legislative, etc | 28,558,258.22 | 29,136,752.06 | 29,681,919.30 | 32,126,333.80 | 32,832,913.50 | 32,007,049.00 |
| Military Academy | 973,947.26 | 673,713.38 | 1,664,707.67 | 1,929,703.42 | 845,634.87 | 2,531,521.33 |
| Navy | 97,505,140.94 | 100,336,679.94 | 102,091,670.27 | 98,958,507.50 | 122,663,885.47 | 136,935,199.05 |
| Pension (including deficiencies therefor) | [60] 142,360,700.00 | [63] 142,750,100.00 | [66] 143,745,500.00 | [71] 147,143,000.00 | [75] 173,053,000.00 | 160,908,000.00 |
| Post Office [2] | 172,545,998.75 | 181,022,093.75 | 191,695,998.75 | 212,091,193.00 | 222,970,892.00 | 234,692,370.00 |
| River and harbor (including amounts in sundry civil, deficiency, and special acts) | [61] 10,872,200.00 | [64] 28,726,007.41 | [67] 17,254,050.04 | [72] 43,500,813.00 | [76] 18,092,945.00 | [80] 29,190,264.00 |
| Sundry civil (exclusive of amounts for rivers and harbors) | 49,968,011.34 | 56,269,318.66 | [68] 81,284,720.28 | [73] 104,376,481.30 | [77] 93,865,143.23 | [81] 117,942,109.36 |
| Deficiencies (exclusive of amounts for pensions and rivers and harbors) | [62] 22,771,890.18 | [65] 27,183,288.72 | [69] 35,629,035.45 | [74] 11,408,998.91 | [78] 46,702,309.06 | d [82] 31,571,750.68 |
| Total | 638,533,281.66 | 669,973,228.24 | 712,339,566.15 | 770,172,923.18 | 850,191,911.18 | 894,307,669.40 |
| Miscellaneous | 1,167,273.52 | 3,375,086.72 | [70] 27,173,299.01 | 738,900.62 | [79] 4,011,337.26 | [83] 1,259,515.96 |
| Total regular annual appropriations | 639,700,555.18 | 673,348,314.96 | 739,512,865.16 | 770,911,823.80 | 854,203,248.44 | 895,567,185.36 |
| Permanent annual appropriations | 92,497,300.66 | 92,205,305.10 | 131,528,982.24 | 147,450,505.27 | 132,048,409.16 | 132,939,385.58 |
| Grand total | 732,197,855.84 | 765,553,620.06 | 871,041,847.40 | 918,362,329.07 | 986,251,657.60 | d 1,028,506,570.94 |
| Total appropriations by Congresses | 1,497,751,475.90 | | 1,789,404,176.47 | | d 2,014,758,228.54 | |

*Appropriations—fiscal years 1875 to 1916, inclusive*—Continued.

| Title. | Sixty-first Congress.[e] | | Sixty-second Congress.[f] | | Sixty-third Congress.[g] | |
|---|---|---|---|---|---|---|
| | Appropriations, 1911. | Appropriations, 1912. | Appropriations, 1913. | Appropriations, 1914. | Appropriations, 1915. | Appropriations, 1916. |
| Agricultural | $13,487,636.00 | $16,900,016.00 | $16,651,496.00 | $17,986,945.00 | $19,865,832.00 | $22,971,782.00 |
| Army | 95,440,567.55 | 93,374,755.97 | [92] 90,958,712.98 | 94,266,145.51 | 101,019,212.50 | 101,974,195.87 |
| Diplomatic and consular | 4,116,081.41 | 3,988,516.41 | 3,638,047.41 | 3,730,642.66 | 4,309,856.66 | 4,061,280.01 |
| District of Columbia[1] | 10,608,045.99 | 12,056,786.50 | 10,670,733.00 | 11,383,739.00 | 12,172,539.49 | 11,859,584.45 |
| Fortifications | 5,617,200.00 | 5,473,707.00 | 4,036,235.00 | 5,218,250.00 | 5,627,700.00 | 6,060,216.90 |
| Indian | 9,266,528.00 | 8,842,136.37 | 8,920,970.66 | [g] 9,486,819.67 | 9,771,902.76 | [h] 9,771,902.76 |
| Legislative, etc | 34,158,767.00 | 35,378,149.85 | 34,216,463.38 | 35,172,434.50 | 37,630,229.70 | 36,904,799.75 |
| Military Academy | 1,856,249.87 | 1,163,424.07 | 1,064,668.26 | 1,099,302.87 | 997,899.54 | 1,069,813.37 |
| Navy | 131,350,854.38 | 126,478,338.24 | 123,225,007.76 | 140,800,643.53 | [101]144,868,716.61 | 149,661,864.88 |
| Pensions (including deficiencies therefor) | 155,758,000.00 | 156,182,000.00 | 165,146,145.84 | [97] 195,400,000.00 | 169,150,000.00 | 164,100,000.00 |
| Post Office[2] | 243,907,020.00 | 259,134,463.00 | 271,429,599.00 | 285,376,271.00 | 313,364,667.00 | [h] 313,364,667.00 |
| River and harbor (including amounts in sundry civil, deficiency, and special acts) | [84] 49,380,541.50 | [88] 30,883,419.00 | [93] 41,259,620.50 | [98] 51,118,889.00 | [102]26,988,500.00 | [107] 33,982,000.00 |
| Sundry civil (exclusive of amounts for rivers and harbors) | [85] 106,015,198.82 | [89] 135,236,967.14 | [94] 102,538,934.40 | [g 99]106,749,532.01 | [103]103,081,727.39 | [108]122,940,750.79 |
| Deficiencies (exclusive of amounts for pensions and rivers and harbors) | [86] 12,729,214.80 | [e 90] 7,542,823.44 | [95] 9,700,939.67 | [f 100]18,310,749.73 | [104]23,363,586.61 | [109] 12,316,343.90 |
| Total | 873,691,905.32 | 892,635,502.99 | 883,457,573.86 | 976,100,364.48 | 972,212,370.26 | 991,039,201.68 |
| Miscellaneous | [87] 23,275,128.74 | [e 91] 4,923,306.81 | [96] 2,748,712.93 | [f] 1,380,597.22 | [105]12,709,361.29 | [110] 2,330,603.34 |
| Total regular annual appropriations | 896,967,034.06 | 897,558,809.80 | 886,206,286.79 | 977,480,961.70 | 984,921,731.55 | 993,369,805.02 |
| Permanent annual appropriations | 79,775,890.40 | 81,824,042.73 | 80,917,072.27 | 76,062,019.71 | [106]131,196,407.00 | [106]121,567,207.00 |
| Grand total | 976,742,924.46 | [e] 979,382,852.53 | 967,123,359.06 | [f]1,053,542,981.41 | 1,116,118,138.55 | 1,114,937,012.02 |
| Total appropriations by Congress | [e] 1,956,125,776.99 | | [f] 2,020,666,340.47 | | 2,231,055,150.57 | |

[a] The Army appropriation act for 1878 was passed during the special session of the Forty-fifth Congress, but for purposes of comparison is included under appropriations by the Forty-fourth Congress.

[b] The Army and legislative appropriation acts for 1880 were passed during the special session of the Forty-sixth Congress, but for purposes of comparison are included under appropriations by the Forty-fifth Congress.

[c] The agricultural, Indian, and sundry civil appropriation acts for 1898 and the general deficiency appropriation act for 1897 and prior years were passed during the special session of the Fifty-fifth Congress, but for purposes of comparison are included under appropriations by the Fifty-fourth Congress.

[d] There is in the total of appropriations for 1910 the sum of $11,261,410.76 passed during the first or extra session of the Sixty-first Congress as deficiency appropriations, including $10,000,000 for the Thirteenth Census for 1910, which failed to be appropriated at the last session of the Sixtieth Congress.

[e] There is in the total of appropriations for the fiscal year 1912 the sum of $451,852.20 passed during the first or extra session of the Sixty-second Congress. Of this amount $301,852.20 constitute deficiencies and $150,000 is a miscellaneous item.

[f] There is in the total of appropriations for 1914 the sum of $6,327,837.42 passed during the first or extra session of the Sixty-third Congress. Of this amount $5,335,837.42 constitute deficiencies and $992,000 are miscellaneous items.

[g] The Indian appropriation bill for 1914 failed of final agreement between the House and Senate at the third and last session of the Sixty-second Congress and the sundry civil bill for 1914 was vetoed by the President on Mar. 4, 1913. Both were passed at the first or extra session of the Sixty-third Congress, but for purposes of comparison are included under appropriations by the Sixty-second Congress.

[h] The Indian and Post Office appropriation bills failed of enactment at the third and final session of the Sixty-third Congress. A separate joint resolution was passed for each service continuing and making available for 1916 the appropriations made for the respective services for 1915 not to exceed in the aggregate the respective totals appropriated for 1915.

[1] Fifty per centum of the amounts appropriated for the District of Columbia are paid by the United States, except the amount for the water department, which is paid out of the revenues of that department, and was first included in the bill for 1883.

[2] The appropriations for the Postal Service are paid out of the postal revenues, and any deficiency in the revenues is provided for out of the Treasury of the United States.

[3] Includes award of $1,929,819 to British subjects under treaty of May 8, 1871.

[4] Includes $4,000,000 for extraordinary expenses of the naval service, appropriated by special act.

[5] Includes $1,634,700 in special act to increase the Cavalry force of the United States to aid in suppressing Indian hostilities.

[6] Includes $5,500,000 for Halifax fishery award.

[7] Includes $26,887,200 in special act for pension arrears.

[8] Includes $2,090,000 by special act for expenses of the United States courts omitted from the sundry civil act for 1880.

[9] Prior to 1881 appropriations for the Agricultural Department were provided for in the legislative acts.

[10] Includes $9,240,000 by special act for arrears and pension deficiencies for 1880.

[11] Includes $1,250,000 for additional Postal (star route) Service.

[12] Includes $18,282,306.68, pension deficiencies for 1881.

[13] Includes $16,000,000 by special act for pension deficiencies for 1882.

[14] In addition to this amount for pensions for 1884, and unexpended balance of about $38,000,000 was reappropriated and made available for that fiscal year.

[15] In addition to this amount for pensions for 1885, an unexpended balance of about $66,000,000 was reappropriated and made available for that fiscal year.

[16] Includes the following items: Tobacco-tax rebate, $3,791,965; Mississippi River improvements, $1,000,000; New Orleans Exposition, $1,000,000; District of Columbia sewerage, $500,000; and Ohio River overflow sufferers, $500,000.

[17] Includes $3,500,000 by special act for "increase of the Navy."

[18] Includes $6,000,000 by special act for pension deficiencies for 1886.

[19] Includes $5,769,015.28 for payment of Alabama claims awards.

[20] Includes $6,900,000 for Mexican War pensions, appropriated by special act.

[21] Includes $2,858,798.62 for payment of judgment of Court of Claims in favor of the Choctaw Nation.

[22] Includes $3,500,000, pension deficiencies for 1888, appropriated by special act.

[23] This is the aggregate amount of the deficiency acts passed during the first session of the Fiftieth Congress, exclusive of $3,500,000 for pensions. No deficiency act was passed during the second session of the Forty-ninth Congress.

[24] Includes the following: Public buildings, $4,727,000; establishing quarantine stations, $542,500; and procuring division of Sioux Reservation, $1,018,000.

[25] Includes $1,912,942.02 for payment to Seminole Indians for lands.

[26] Includes $8,000,000 in general deficiency act for pension deficiencies for 1889.

[27] Includes the following: Milwaukee public building, $1,200,000; Omaha public building, $600,000; payment to Creek Indians for land, $2,280,857.10; expense of Eleventh Census, $1,000,000; and to procure division of Sioux Reservation, $3,153,200.

[28] Includes $1,000,000 appropriated by joint resolution Sept. 29, 1890, for nickel ore or nickel matte for naval purposes.

[29] Includes $25,321,907.35, pension deficiencies for 1890.

[30] Includes $1,000,000 for procuring farm-mortgage and other statistics, $1,364,000 for aid to agricultural colleges, $1,200,000 for Rock Creek Park, and $598,085.81 for additional clerical force for Pension and other offices.

[31] Includes $889,753.50 for the Weather Bureau, heretofore in the sundry civil act under the War Department.

[32] Includes special appropriations for ratifying agreements with various Indian tribes, together with a payment of $2,991,450 to the Choctaw and Chickasaw Nations of Indians; in all, $8,617,740.75.

[33] Includes $1,000,000 by deficiency act to carry on work on new naval vessels.

[34] Includes $29,335,598.34, pension deficiencies for 1891.

[35] No general river and harbor appropriation act was passed for 1892, but an appropriation of $1,000,000 for the improvement of the Mississippi River was made by joint resolution approved Mar. 3, 1891, and appropriations amounting to $1,951,200 for the improvement of certain harbors and rivers under contracts were included in the sundry civil act, making in all for 1892, $2,951,200.

[36] Includes $7,674,332, pension deficiencies for 1892.

[37] Includes $814,000 in the sundry civil act for harbor and river contract work.

[38] Includes $14,149,724.85, pension deficiencies for 1893.

[39] No general river and harbor appropriation act was passed for 1894, but appropriations amounting to $14,166,153 for the improvement of certain harbors and rivers, under contracts, were included in the sundry civil act.

[40] Includes $1,330,666.67 to be placed to the credit of certain Indians for the face value of certain nonpaying State bonds or stocks, including certain abstracted bonds described on pages 153 and 154 of the Book of Estimates for 1895, and which become the property of the United States; also $2,472,697 to carry out agreements with various Indian tribes ratified by the Indian appropriation act for 1895.

[41] Includes $8,400,000 for harbor and river contract work appropriated by the sundry civil act.

[Footnotes—Continued.]

[42] No general river and harbor appropriation act was passed for 1896, but appropriations amounting to $11,462,115 for the improvement of certain harbors and rivers, under contracts, were included in the sundry civil act.

[43] Includes $3,284,597, appropriated by the sundry civil act, and $200,000, appropriated by a deficiency act, for harbor and river contract work.

[44] No general river and harbor appropriation act was passed for 1898, but the sum of $18,578,412.91 was appropriated in the sundry civil act to carry out contracts authorized by law, and $543,000 additional for river and harbor improvements for 1898; in all, $19,121,412.91. The general deficiency act also appropriated $1,200,000 to carry out contracts authorized by law and $11,000 additional for river and harbor improvements, and the joint resolution of Mar. 31, 1897, appropriated $250,000 for the improvement of the Mississippi River to carry out contracts authorized by law, and the joint resolution of Feb. 26, 1897, appropriated $250,000 for closing the crevasse in Pass a Loutre, an outlet of the Mississippi River, making in all for river and harbor improvements in sundry civil act for 1898, in general deficiency act, and in joint resolutions, $20,832,412.91.

[45] Includes $8,070,872.46, pension deficiencies for 1898.

[46] No general river and harbor appropriation act was passed for 1899, but the sum of $14,031,613.56 was appropriated in the sundry civil act to carry out contracts authorized by law, and $235,836 additional, and $360,000 in the general deficiency act, for river and harbor improvements for 1899; in all, $14,627,449.56.

[47] Includes $329,661,795.77 on account of expenses of War with Spain.

[48] Includes $361,879,927.26 on account of expenses of War with Spain.

[49] Includes $8,918,197, appropriated by the sundry civil act, and $100,000, appropriated by a deficiency act, for harbor and river contract work.

[50] Includes $15,140,464.70 on account of the Military Establishment.

[51] Includes $20,000,000 to carry out the obligations of the treaty between the United States and Spain concluded Dec. 10, 1898, and $3,146,143.97 for payment of claims under the Bowman and Tucker Acts and French spoliation and other claims.

[52] Includes $12,200,605.75 appropriated in the sundry civil act to carry out contracts authorized by law for harbor and river improvements for 1901, and $3,500,000 additional for harbor and river improvements for 1901, made in said act.

[53] No general river and harbor appropriation act was passed for 1902, but appropriations amounting to $7,046,623 for the improvement of certain harbors and rivers under contracts, were included in the sundry civil act.

[54] Includes $1,500,000 for payment to Baltimore & Ohio Railroad Co. toward cost of elimination of grade crossings in Washington, D. C., and $5,000,000 in aid of the Louisiana Purchase Exposition.

[55] Includes $5,768,757.50 for harbor and river contract work appropriated in sundry civil act.

[56] Includes $3,218,586.91 for refunding to States expenses incurred in raising volunteers, $1,860,000 for collecting revenue from customs, $3,150,000 for rebate of tobacco tax, and $4,000,000 for armor and armament of new ships of the Navy.

[57] Includes $50,130,000 for Isthmian Canal.

[58] No general river and harbor appropriation act was passed for 1904, but appropriations amounting to $20,233,150 for the improvement of certain harbors and rivers, under contracts, were included in the sundry civil act.

[59] Includes $2,300,000 for collecting revenue from customs, $2,065,850 toward construction of new public buildings, $1,370,000 for rebate of tobacco tax, $946,083.89 prize money, battle of Manila Bay, and $3,301,475.96 for refunding to States expenses incurred in raising volunteers.

[60] Includes $4,000,000 pension deficiencies for 1904.

[61] Includes $7,872,200 for harbor and river contract work appropriated in sundry civil act.

[62] Includes $4,600,000 loan to Louisiana Purchase Exposition, $2,400,000 for collecting revenue from customs, $570,000 for House of Representatives Office Building, and $921,134.36 for refunding to State expenses incurred in raising volunteers.

[63] Includes $4,500,000 pension deficiencies for 1905.

[64] Includes $10,544,132 for harbor and river contract work appropriated in sundry civil act.

[65] Includes $4,500,000 for collecting revenue from customs, and $14,962,466.77 for the Naval Establishment.

[66] Includes $3,500,000 for pension deficiencies for 1906.

[67] No general river and harbor appropriation act passed for 1907, but appropriations amounting to $17,254,050.04 for the improvement of certain harbors and rivers, under contracts, were included in the sundry civil act.

[68] Includes $25,456,415.08 for the construction of the Isthmian Canal.

[69] Includes $16,990,786 for the construction of the Isthmian Canal, $4,500,000 for the collection of revenue from customs, $2,214,920.80 for the Naval Establishment, $1,940,386.50 for the Military Establishment, and $601,717 for construction or repair of buildings on the Pacific coast damaged by earthquake.

[70] Includes $10,306,600 toward construction of public buildings, $10,000,000 for the use and benefit of the common schools of Arizona and Oklahoma, $2,500,000 for the relief of sufferers from earthquake and conflagration on the Pacific coast, and $1,000,000 to increase the efficiency of the militia.

[71] Includes $1,000,000 pension deficiency for 1907.

[72] Includes $6,392,730 for river and harbor contract work appropriated for in sundry civil act.

[73] Includes $27,161,367.50 for the construction of the Isthmian Canal.

[74] Includes $4,714,018.50 for the Military Establishment, $538,069.41 for the Naval Establishment, $1,000,000 to the Jamestown Exposition, and $1,921,866.40 for the Postal Service.

[75] Includes $10,000,000 pension deficiency for 1908.

[76] No general river and harbor appropriation act was passed for 1909, but appropriations amounting to $18,092,995 for the improvement of certain harbors and rivers, under contracts, were included in the sundry civil act.

[77] Includes $29,177,000 for the construction of the Isthmian Canal.

[78] Includes $12,431,250 toward the construction of public buildings, $5,021,814.19 for the Military Establishment, $5,207,275.87 for the Naval Establishment, $12,178,900 for the construction of the Isthmian Canal, $950,000 for the collection of revenue from customs, and $1,760,293.01 for the Postal Service.

[79] Includes $2,000,000 to promote the efficiency of the militia.

[80] Includes $19,754,514 for river and harbor contract work appropriated for in sundry civil act.

[81] Includes $33,638,000 for the construction of the Isthmian Canal.

[82] Includes $500,000 for payment to the Republic of Colombia under treaty agreement, $500,000 for the collection of revenue from customs, $5,299,358.72 for the Military Establishment, $2,201,843.74 for the Naval Establishment, $5,458,000 for the construction of the Isthmian Canal, $1,453,493.86 for the Postal Service, and $10,000,000 for the Thirteenth Census.

[83] Includes $800,000 for the relief of the citizens of Italy.

[84] Includes $8,051,428 for river and harbor contract work appropriated for in sundry civil act.

[85] Includes $37,855,000 for the construction of the Isthmian Canal.

[86] Includes $250,000 for the collection of revenue from customs, $2,430,678.91 for the Military Establishment, $1,569,195.19 for the Naval Establishment, and $983,207.05 for the Postal Service.

[87] Includes $20,020,000 for advances to reclamation fund, reimbursable from receipts of reclamation fund.

[88] Includes $7,028,077 for river and harbor contract work appropriated for in sundry civil act.

[89] Includes $48,560,000 for construction and fortification of the Isthmian Canal.

[90] Includes $500,000 for the collection of revenue from customs, $801,703.33 for the Military Establishment, $1,059,699.37 for the Naval Establishment, $490,000 for Meridian Hill Park, District of Columbia, and $900,000 for general expenses, Forest Service.

[91] Includes $4,200,000 to protect watershed of navigable rivers from fire, and for examination, survey, and acquirement of lands on headwaters of navigable streams for development for navigable purposes.

[92] Includes $1,350,000 appropriated in a joint resolution, approved July 8, 1912, for the Organized Militia.

[93] Includes $9,500,250 for river and harbor contract work appropriated for in sundry civil act and $700,000 in various special acts for flood protection along the Missouri and Mississippi Rivers.

[94] Includes $31,786,950 for the construction and fortification of the Panama Canal.

[95] Includes $350,000 for the Customs Service, $2,434,693.52 for the Military Establishment, $596,113.37 for the Naval Establishment, $201,752.25 for United States courts, $1,056,789.17 for Postal Service, $379,000 for Lighthouse Service, $370,000 for engraving and printing, $500,000 for expenses of Thirteenth Census, and $350,000 for Revenue-Cutter Service.

[96] Includes $300,000 for equipment of Army transports with life-saving appliances, $1,239,179.65 for relief of flood sufferers of the Mississippi and Ohio Valleys, and $400,000 for the protection of fur seal and sea otter.

[97] Includes $15,100,000 pension deficiency for 1913.

[98] Includes $10,045,795 for river and harbor contract work appropriated for in sundry civil act.

[99] Includes $21,135,393 for construction and fortification of the Panama Canal, $5,500,000 for the Customs Service, heretofore a permanent annual appropriation, and $500,000 for participation by the Government at the Panama-Pacific International Exposition.

[100] Includes $250,000 for payment to Panama under treaty requirements, $850,000 for the Customs Service, $796,890 for public buildings, $4,611,679.51 for the Military Establishment, $1,271,082.40 for the Naval Establishment, $405,000 for the Interstate Commerce Commission, $1,607,854.26 for the Postal Service, $722,600 for the Lighthouse Service, $682,614.09 for United States courts, and $3,305,257.19 for payment of a judgment of the Court of Claims in favor of the Confederated Band of Ute Indians.

[101] Includes $4,635,000 out of proceeds of sale of battleships Idaho and Mississippi.

[102] Includes $6,988,500 for river and harbor contract work appropriated for in sundry civil act.

[103] Includes $21,842,525 for construction and fortification of the Panama Canal, $500,000 for a Government building at the Panama-Pacific International Exposition, and $55,000 for the exposition to celebrate the fiftieth anniversary of the emancipation of the Negro.

[104] Includes $3,125,810 for public buildings, $475,150 for engraving and printing, $300,000 for Customs Service, $7,088,932.24 for Military Establishment, $1,980,931.79 for Naval Establishment, $484,746.70 for United States courts, $3,348,219.96 for Postal Service, $250,000 for payment to Panama under treaty requirements, and $2,699,350 for construction and fortification of Panama Canal.

[105] Includes $5,100,000 for War Risk Insurance Bureau, $1,000,000 for railroads in Alaska, $2,750,000 for relief of American citizens in Europe, and $1,000,000 for representation of foreign Governments incident to the European war.

[106] This is the amount originally submitted to Congress by the Secretary of the Treasury as estimated to be necessary under permanent specific and indefinite appropriations. For the fiscal year 1914 and preceding years the amounts are those reported by the Treasury as having been actually appropriated and expended.

[107] Includes $3,982,000 for river and harbor contract work appropriated for in sundry civil act.

[108] Includes $19,579,048.30 for construction, maintenance and operation, and fortification of the Panama Canal and $13,530,000 for the Reclamation Service, heretofore paid from a permanent annual appropriation.

[109] Includes $500,000 for the Interstate Commerce Commission, $3,801,141.34 for Military Establishment, $985,616.65 for Naval Establishment, $303,283.72 for United States courts, $880,971.39 for Postal Service, $250,000 for payment to Panama under treaty requirements, $2,500,000 for eradication of foot-and-mouth disease, and $349,243 for general expenses of the Forest Service.

[110] Includes $1,866,255.04 in omnibus claims act.

Mr. LEWIS. Will it interfere with the Senator from Iowa if I make some momentary allusion to his observation about our doing nothing respecting the trouble on the border of Mexico?

Mr. KENYON. I do not think we had better go into that. I do not mean doing nothing as to those troubles. What I referred to is the Army appropriation bill and the naval appropriation bill.

Mr. LEWIS. I only desire to say——

Mr. KENYON. I will say to the Senator I did not mean to raise the Mexican question.

Mr. LEWIS. I am gratified the Senator did not mean to raise the Mexican question, but this much, Mr. President, in the able Senator's observation that we had troubles on the border and that nothing was being done, might be construed when reported in public as meaning that nothing was being done to meet those troubles.

For myself, Mr. President, if the Senator will allow an interpolation, and the only one I shall make in his speech——

Mr. KENYON. If the Senator will pardon me, I do not want to be put in the position of claiming that. I was talking about the question of preparedness in relation to the Army and Navy bill. I realize that the guard is being called out and that something is being done.

Mr. LEWIS. I accept, Mr. President, the able Senator's qualification that he did not mean to intimate that nothing was being done by the Government to protect the condition that he referred to, but that nothing adequate was being done for general preparedness for the Navy and Army.

I may be permitted at this point, if the Senator will allow me a second observation. For myself on the floor of the Senate some time ago I there stated that the duty of the Government was to send soldiers in multiplied numbers to Mexico in order to meet those conditions, not parley with it nor falter, and that the guards of the border States should be called out and put on duty as a border patrol.

For myself I want to say that I regret that there has been any delay in taking this course. I deplore to say that the delay that has transpired in failing to add to those troops the reenforcement I then stated on this floor was necessary and calling out the State Guard as a border patrol has to a great degree, I fear, been responsible for those very conditions to which the Senator from Iowa alludes.

At this point, for myself and not further taking time, speaking as much as I can in conjunction with my colleague for my constituents, I will never lend my voice in any consent to withdrawing that support which we are now giving to the American soldiers in Mexico. I shall never give my consent to the withdrawal of any support in Mexico until there has been a proper and adequate punishment of the wrongs inflicted upon America and the murder of her citzens.

I will go further. I would not only continue the addition of these reenforcements, but I would continue them despite any protest that may come from any people anywhere who are themselves the source, direct or indirect, of the murder of American citizens.

I say to the able Senator from Iowa I am glad to have his observations, and that he did not mean that we were doing nothing, and that he only meant to infer that we were doing nothing that he regards adequate. For myself I am sure I join him, and I feel the whole Senate will be found unanimous behind what the President or any other force of this Government that will promptly, hastily, and efficiently reenforce and continue to reenforce in Mexico sufficient numbers to execute the object of our going there, and to do this despite any form of opposition which may come from Mexico and to meet the opposition, whatever it is, as an exhibition of enmity to the United States, if that opposition is against the United States carrying out the policy of punishing those who murdered American citizens.

I thank the Senator for allowing this interpolation in reference to his remarks, which I now understand differently, with his explanation, than I did at the time he uttered it.

Mr. KENYON. I am very glad, indeed, to have the remarks of the distinguished Senator interpolated in mine. I thoroughly agree with him. I did not say anything, I am sure, that could be construed as a criticism. I had not intended to. I have believed that in the difficult task the President was handling he was entitled to the support of Congress in whatever he might do, and criticism shall not come from me on the floor. I had in mind that it would seem more appropriate to be considering the Army appropriation bill or the naval appropriation bill at this time instead of the river and harbor bill.

Mr. President, I pointed out on yesterday a number of rivers in this country, two sets of three each that were woven together, where we had expended in one instance practically a million dollars and in the other $500,000, and on which there was scarcely any commerce at all. I pointed out that in the hearings before the House committee the ridiculous assertions of men who came before that committee, and it seems difficult to believe that they were solemn about it, when they set forth that on one of those streams where we had spent $500,000 as a great triumph that they had one boat, but there were difficulties, they said, about navigating the boat, because the stern would not follow the bow around the bend. That is the kind of ridiculous thing that we are fighting in this bill; and there are many other similar instances.

I was proceeding with the different projects, and I did discuss briefly about 20 of them. I want, if I can reach them this afternoon, to discuss others, worse if possible, and some where the appropriation is carried in this bill, as it comes from the Committee on Commerce of the Senate, raising the amount of the House appropriation for a project that has been condemned by the division engineer, by the Board of Army Engineers, and by the Chief of the Army Engineers. That proposition is the hardest one in the bill to object to, or it is the hardest one for me, for the reason that it is in the State of the distinguished chairman of the committee [Mr. CLARKE of Arkansas], for whom I have a very great respect, and whom I honor as I have seldom respected or honored any man I have ever known. That item, however, ought to be put up to the Senate for a straight vote. If the Senate votes to include that item in the bill, against the recommendations of the division engineer, the district engineer, the Board of Army Engineers, and the Chief of the Board of Army Engineers, then, of course, there is no use of making any motions as to any of the other items in this bill. But I shall reach that a little later on.

I want to follow along some of the bayous in Louisiana, not anywhere nearly in the same class as the instance that I have cited, but one of them, where the testimony before the House committee was that you could not tell when you got into it and you could not tell when you got across it; that the weeds grew up some 12 or 14 feet; and that was a kind of a stream for which there is an appropriation in this bill; yet Senators will stand up here and say that this is a splendid bill. The Senator from Michigan said of the last bill that every item in it was all right, and he gloried in the man from Peachtree Creek standing by the Peachtree Creek proposition. Passing along, I simply want to put in the RECORD, from public documents, some statements by the Army engineers. I want to observe, however, before taking up these bayous, just this as to the Kentucky River:

The Kentucky River is now improved by 13 locks and dams for a distance of 239 miles. It shows considerable commerce through some of the locks. That stream, it was pointed out in the discussion of 1910, on the river and harbor bill of that year, with 11 locks in 1909 carried less traffic than it did with 5 locks in 1889. The tonnage for 1914 amounted to 204,696 tons, excluding logs, lumber, timber, and things of that character.

The Bayou Vermilion is not a very bad project, but simply one of these useless ways of wasting public money. As to that the Army engineers say, on page 845:

> Original condition: Prior to improvement it was navigable at its higher stages to a point 49 miles above its mouth, but was obstructed, principally in the upper reaches, with snags, logs, fallen and overhanging trees, and shoals over which a depth of only 2 feet existed at low water. It was also obstructed by a bar at its mouth, over which there was a depth at low tide of only 2 feet.

Its commerce in 1912 was 25,687 short tons; in 1913 it was 35,369 short tons; and in 1914 it was 27,915 short tons, or a decrease from 1913. We have spent on this small stream some $38,000 in the last few years. In 1912 there seems to have been no record of commerce, because there had not been sufficient work to permit navigation.

For the Bayou Grossetete we have appropriated some $30,000, and the tonnage in 1914 amounted to about 8,000 tons—another one of these "miniature" propositions.

Another one along the same line is the Bayou Queue de Tortue. We have appropriated over $13,000 for that. There was a large balance on July 1, 1915, for use. The commerce there was almost nothing in that year.

Mr. CURTIS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. KENYON. Yes.

Mr. CURTIS. Does the Senator from Iowa mean that there was an unexpended balance that might be used?

Mr. KENYON. Yes; an unexpended balance. In the description of this stream the engineers say:

The stream has been surveyed from mouth to a point 23.9 miles above, the distance being measured along the bayou. Above this point the stream consists of short open stretches of water and straight sections of swamp, thickly covered by timber.

A very remarkable stream. The work of removing overhanging trees and other obstructions was begun in 1913 by hired plant, and was practically completed. The commerce in 1912 was 6,739 tons; in 1913 it was 7,382 tons; and in 1914 it was 6,752 tons. The decrease of commerce during the fiscal year is attributed to unusual international conditions, superinduced by the European war. If there is anything that can not be attributed to the European war, it has not yet been discovered.

Johnsons Bayou is another little affair; but it illustrates the ridiculousness of some of the projects. We have not spent very much money on that—something like $7,000. It has had a commerce of 2,214 tons in 1914. The engineers say as to that:

Prior to its improvement the minimum usable low-water depth across the bar was approximately 2½ feet. Above the bar to Deep Bayou there was a minimum usable low-water depth of about 5 feet, mean low Gulf level. The minimum usable low-water depth in Shallow Bayou was about 2½ feet.

So it runs on up to 6 feet.

Effect of improvement: This waterway affords the only outlet for the commerce of the locality. The work of improvement has facilitated navigation across the bar.

The commerce for the year 1912 amounted to 6,941 tons; for 1914, 2,214 tons.

What justification can there be for the development of a waterway that carries only 2,000 tons a year? There may be some justification, but it is difficult to understand just what it can be.

Another item in this bill covers the Bayous Bartholomew, Macon, D'Arbonne, and Corney, and Boeuf and Tensas Rivers, La. This is one of the items, it seems to me, that makes a river and harbor bill ridiculous.

We have expended on this combination of bayous $283,955.50, and there is scarcely any commerce on them. The engineers report that some of these bayous have a depth of 1 foot. Let us take up Bayou Bartholomew first. I quote from the report of the Chief of Engineers:

Original condition: Before improvement the bayou was navigable for light-draft boats to Baxter, Ark., 182 miles, about three months of the year, but the passage was difficult and dangerous on account of snags and leaning timber. The channel in the section included in the project was from 100 to 200 feet wide with minimum usable low-water depth of 1 foot.

* * * * * * *

Operations and results prior to the fiscal year: Snags and sunken logs were removed and overhanging trees cut from time to time as necessary, thus keeping the channel free from such obstructions and making its navigation easy at medium and high stages. The amount expended on the present project prior to the beginning of the fiscal year was $77,705.35, of which amount $45,873.53 may be regarded as for original work and $31,831.32 for maintenance. In view of the nature of the work it is impracticable to accurately separate these two items, and it is probable that the former item included some operations for maintenance.

* * * * * * *

Condition at the end of fiscal year: The channel is reasonably free from snags. The maximum draft that can be carried over the shoalest part of the channel in the section under improvement at medium and high stages is about 8 feet, and at low water about 1 foot. The total expenditures under the existing project to June 30, 1915, were $80,353.13, of which amount approximately $45,873.53 was for original work and $34,479.60 was for maintenance.

Local cooperation: None.

Effect of the improvement: The work done has reduced freight rates about 50 per cent.

That is always the argument that is used in connection with these matters.

Proposed operations: With the funds for which estimate is submitted it is proposed to maintain the improvement by removing snags, sunken logs, and leaning trees when they obstruct or threaten to obstruct the channel.

The commercial statistics show that for 1913, 396 tons were moved, while in 1915, 533 tons were moved, consisting of farm products and general merchandise.

Mr. BRANDEGEE. Mr. President, has the Senator the information to give as to what amount of money is appropriated for these bayous in this bill? The reason I ask the question is because the Senator is giving the amounts that have been expended on these bayous in the past, but he does not state how much it is proposed to expend on them this year.

Mr. KENYON. The amount appropriated, as shown by the bill, is $10,000 in all.

Mr. RANSDELL. Mr. President, will not the Senator please read the item?

Mr. KENYON. "For maintenance, $10,000."

Mr. RANSDELL. I ask the Senator to read the whole item so that we may understand what it is.

Mr. KENYON. It is on page 21 of the bill, and reads as follows:

Bayous Bartholomew, Macon, D'Arbonne, and Corney, and Boeuf and Tensas Rivers, La.: For maintenance, $10,000.

Mr. RANSDELL. There are six projects included in the item, are there not?

Mr. KENYON. Yes.

Mr. BRANDEGEE. The Senator has evidently examined the House hearings with some care.

Mr. KENYON. Yes.

Mr. BRANDEGEE. What statement was made in those hearings as to why this sum should be appropriated or as to the commercial value of the development of these projects? What is it supposed that they will accomplish in the way of aiding commerce and navigation?

Mr. KENYON. I will say to the Senator that, as I remember the House hearings, there was nothing whatever said about these projects.

On Bayou Bartholomew we have spent some $80,000, as I read this record.

Mr. BRANDEGEE. I understood the Senator to say that on the group of bayous we have heretofore appropriated altogether about $280,000.

Mr. KENYON. Two hundred and eighty-three thousand dollars.

Mr. BRANDEGEE. And the depth of water is only 1 foot at low water?

Mr. KENYON. At low water. That is true as to several of them. It was so stated in what I read as to one, and I am going to read concerning the others in order that the matter may be put in the RECORD. I quote the following concerning Boeuf River:

Original condition: Before improvement the river was navigable at high stages to Point Jefferson, La., 150.8 miles, but passage was difficult and dangerous on account of snags, logs, and leaning timber. The channel in the section included in the project was from 20 to 500 feet wide, with minimum usable low-water depth of 1½ feet.

That is a little deeper stream—

Operations and results prior to the fiscal year: Snags, sunken logs, and overhanging trees have been removed from time to time, as necessary, and the channel has been thus kept free from such obstructions and rendered navigable at medium and high stages.

* * * * * * *

Condition at the end of fiscal year: The work in progress is maintenance and is indefinite in extent. The channel is reasonably free from snags and sunken logs. The maximum draft that can be carried over the shoalest part of the channel in the section under improvement at medium and high stages is about 8 feet, and at low stages about 1½ feet. The total expenditures under the existing project prior to June 30, 1915, were $84,787.13, of which amount it is estimated about $30,000 was expended on original work and $54,787.13 on maintenance.

Mr. NORRIS. Mr. President——

Mr. KENYON. I yield to the Senator.

Mr. NORRIS. As I understand, these are completed projects.

Mr. KENYON. They are completed projects.

Mr. NORRIS. And the appropriation in this bill is for maintenance.

Mr. KENYON. It is for maintenance; that is true.

Mr. NORRIS. Has the Senator any statistics as to the passenger traffic on these various bayous?

Mr. KENYON. There is no passenger traffic on them.

Mr. NORRIS. I can not quite understand that. I should think there would be a great deal, because travel ought to be very safe on those bayous. There would not be any danger of drowning if the ship were blown up by a submarine.

Mr. KENYON. I presume it is like some of the other rivers which are too crooked and snaggy and winding for one end of the boat to follow the other.

Mr. NORRIS. A passenger could get on the rear end of the boat and get there first.

Mr. KENYON. That would sink the boat, I will say to the Senator, so that it would hit bottom, the bottom being only a foot and a half away.

Mr. NORRIS. But the boat could not sink. In that lies the safety of travel; and that is what I was calling attention to.

Mr. KENYON. I thank the Senator. That is one of the strongest arguments I have heard in favor of the appropriation.

But, listen to the commerce! In 1913 it amounted to 7,293 tons and in 1915 to 8,986 tons, consisting of lumber, logs, farm products, and general merchandise, and when you take away the lumber and the logs there is practically nothing left.

Mr. NORRIS. Does the Senator know whether the boats on this stream carry life preservers?

Mr. KENYON. I do not know about that, I will say to the Senator; but I think a good many of these appropriations are life preservers for Members of Congress. Tensas River is an-

other one of these streams concerning which I desire to quote the following:

Original conditions: Before improvement both streams were navigable at high stages, but passage was difficult and dangerous on account of snags and leaning timber. Westwood Place, 81 miles above the mouth, was the head of navigation on Tensas River; and Floyd, 112 miles above the mouth, on Bayou Macon. The channel in the section of the streams included in the project varied from 75 to 500 feet in width, with minimum usable low-water depth of 1 foot.

There is a stream, I will say to the Senator from Connecticut, in the same class as Bayou Bartholomew.

Operations and results prior to the fiscal year: Snags, sunken logs, and leaning trees have been removed from time to time, and the channels have thus been kept free from such obstructions and rendered safely navigable at medium and high stages. Owing to there being no demand for improvement of the Tensas above Westwood Place, 81 miles above the mouth, work on the Tensas has been limited to the portion of the river below this point. The amount expended on the present project prior to the beginning of the fiscal year was $71,420.06, of which amount it is estimated $32,862.44 was for new work and $38,557.62 was for maintenance.

* * * * * * *

Local cooperation: None.

Effect of the improvement: The work done has reduced freight rates about 35 per cent.

It will be seen that all of this work and the expenditure of these sums is to reduce freight rates for a few communities. The commerce in 1915 was 6,940 tons, consisting principally of lumber and farm products.

Next I will take up the Bayous D'Arbonne and Corney, La.:

The channel in the section included in the project varied from 50 to 150 feet in width, with a minimum usuable low-water depth of 1 foot.

Snags, sunken logs, and overhanging trees have been removed from time to time, as necessary.

It all sounds very much alike.

The amount expended on the present project prior to the beginning of the fiscal year was $22,828.59, of which amount $8,125.06 was for original work and $14,703.53 was for maintenance.

It is said that this improvement has reduced the freight rates.

Commercial statistics: In the year 1915 there were 4,855 tons, and we have expended on the stream the amount I have heretofore stated.

I want to call attention now to the Bayou Bartholomew, as to which the engineers say:

A party equipped with tools, tackle, and explosives, and housed in United States quarterboat *No. 10*, began work on this bayou at Ohio Landing, Ark., August 10, 1914, and continued operations downstream to the mouth of the bayou, which was reached October 27.

Here is the work of destruction that this party, armed with explosives, did:

Snags cut and destroyed, 1,843.
Shore snags cut, 2,647.
Logs removed from channel, 700.
Leaning trees cut, 878.
Trees girdled, 2,972.
Jams removed, 2.
Square yards willows and brush cut, 325.
After completion of this work the party was transferred for work in Ouachita River.

I should think they would have been. That is the kind of a proposition on which we have been spending money all these years, and it needs a complete and thorough airing.

Mr. BRANDEGEE. Mr. President, when these engineers' reports state that the improvement has had the effect of reducing freight rates, does the Senator happen to know whether it was by actual competition or whether it was simply because there was a potential or possible water competition that enabled the railroad to reduce the rate and have it sustained on the theory that the Interstate Commerce Commission has adopted—that where there is a possibility of water competition, the rate may be justified?

Mr. KENYON. I want to be perfectly fair about that, and say that in most instances the latter suggestion of the Senator is the one that seems to have been taken into consideration by the engineers.

Mr. NORRIS. Can the Senator state the nature of this freight—whether it was logs or cordwood?

Mr. KENYON. That is what I was trying to do. Here in the 533 tons that I have referred to on one of these streams there were 25 bales of cotton, 5,935 sacks of cotton seed, 150 sacks of grain, 334 bundles of shingles, 80 bales of hay, and 534 packages. They may have been packages of garden seed. It does not state.

Mr. NORRIS. Do those boats carry the mail? Does the Senator know about that?

Mr. KENYON. I do not know.

Mr. NORRIS. Does the Senator believe that the carrying of a few dozen bunches of shingles and two or three hundred packages would have the effect of reducing freight rates? Can the Senator tell us about the towns and the settlements along these streams?

Mr. KENYON. Certainly there can not be very many if the commerce is carried along these streams. No; I can not. I have never been down these streams.

Mr. NORRIS. Does the Senator know whether there are any railroads in this vicinity?

Mr. KENYON. I do not, as to these particular ones.

Now as to the boats: In the case of one of these bayous, there was one steamboat, three gasoline boats, and two unregistered barges. That was the mighty fleet of commerce!

On the Bouef River the commerce was 8,986 tons. Of that, about 5,000 tons was timber and staves and lumber barged.

Mr. SHEPPARD. Mr. President, do the figures show the value of the tonnage?

Mr. KENYON. They do.

Mr. SHEPPARD. Will the Senator add the value of the tonnage to the number of tons?

Mr. KENYON. I have given a good many figures. I will say to the Senator that if he will specify the particular ones he desires, I will give the value. As to the last, the value is $215,877. As to the 533 tons, the value is given as $22,582; average haul, 68 miles; rate per ton per mile, $1.66.

That is somewhat in keeping with my reference on yesterday to the Sabine. I want to put in the RECORD a letter from the Sabine Tram Co., of Beaumont, Tex., to Maj. Jackson. That is in Document No. 668, a letter from the Secretary of War, and accompanying suggestions:

We are in receipt of yours of the 29th relative to the Sabine River, Tex. and La., to Logansport, La., and note contents.

We have some 50 miles of river front along the Sabine River in Newton County, Tex. At this time we think it would do harm to the river instead of benefit for the reason that whenever the logs are cleaned out it will result in lowering the water by letting it run off. This is shown north and south of our mill at Deweyville, Tex. By taking the logs and obstructions out it caused the river to get shallower each year the logs were removed. Mr. Axtell, while with the Government, was up at our mill while it was low. We think he was of the same opinion.

For the above reason, and for the reason there is but little traffic on the river, we think it would be a waste of money to attempt to clean the channel.

We have the largest mill on the river, and it would not benefit us in the least to have it cleaned out, as none of our incoming or outgoing traffic would move by water; further, as above stated, we believe the river would be less in shape for navigation than it is now were all obstructions cleaned out.

In other words, here is a river that we have been contributing to, full of logs, and they urge the people along there not to take the logs out of the river, because if they do the water will run out. That is the same proposition where the wise Army Engineers recommended taking the logs and selling them to pay for the improvement of the river.

Mr. BRADY. Mr. President——

Mr. KENYON. I yield to the Senator from Idaho.

Mr. BRADY. Was there an appropriation made for that?

Mr. KENYON. Not in this bill. There is not an appropriation in this bill for that. I am citing and have cited that simply as a sample of governmental waste.

Now, Mr. President, I want to refer to the Brazos River. I would not want to do it in the absence of the Senator from Texas. If he is going out, I will take up something else.

Mr. SHEPPARD. I have just been called out of the Senate Chamber temporarily.

Mr. KENYON. Yes; I will say to the Senator that I will take up something else.

Mr. SHEPPARD. I will return in a few minutes.

Mr. KENYON. The Red River is one that I approach with some hesitancy because of its being one of the rivers of the distinguished chairman of the committee. The Red River is a rather interesting stream. We have appropriated for the Red River over $2,800,000. The report for 1914 shows commerce, not including logs and timber, reaching about 1,694 tons, and the commerce there has gone up some. In 1912, excluding the valuable timber, it reached 1,227 tons. At the time Senator Burton filed his minority report he stated that on the Red River below Fulton, covering a distance of 475.4 miles, there was in the year 1912 a total tonnage of 44,967 tons, and of that 42,640 tons were saw logs, of which the average haul was 131 miles; and up to that time we had appropriated for that stream $2,768,377.

This project was adopted in 1892, and there has been a cost of $100,000 annually for maintenance. The present bill carries an appropriation for this river. The district engineer has recommended the abandonment of the project. The division engineer has concurred with the view of the Board of Engineers.

Now, I want to call attention to some facts about this river.

From below Fulton, and also from Fulton to the mouth of the Washita—it is treated in two divisions—the engineers say, on page 948, that—

The present project was adopted by the river and harbor act of July 25, 1912, and has for its object to facilitate navigation by light-draft boats at medium and high stages from Fulton to the mouth of

the Washita River by the removal of snags, logs, and drift, the clearing of timber on caving banks—

And so forth.

* * * * * * *

The total expenditure under the existing adopted project up to the end of the fiscal year was $96,254.33, of which $19,790 was for new work on the combined dredge and snag boat *Denison* and $76,464.33 for maintenance.

* * * * * * *

Navigation on the Red River above Fulton has practically ceased. No steamboats are now in operation, and the rafting of logs has been reduced to an almost negligible quantity.

Below Fulton, on page 953 of volume 1 of the engineers' reports for 1915, it is stated:

Prior to improvement the entire channel of the river for 92 miles from Loggy Bayou to Hurricane Bluffs was filled by a mass of sunken logs and stumps which was known as the great raft. The head of navigation was at the foot of this raft, 257 miles above the mouth. The river everywhere was obstructed by snags and drift, and at Alexandria, La., by a ledge of rock. * * * The low-water depth on many shoals was 1½ feet and the width 90 feet.

* * * * * * *

The project has until recently given river towns freight rates about 25 per cent lower than towns not on the river.

The commerce for the fiscal year ending June 30, 1915, was 47,351 tons; and the appropriations on that river, as I have heretofore indicated, have run to an enormous amount.

The Secretary of War transmitted to the Committee on Rivers and Harbors of the House a document known as Document 947, and I want to read some parts of this document for the RECORD.

Col. Black, Chief of Engineers, discusses the river in this report as to the two projects above Fulton and from Fulton to the mouth of the Washita. Below Fulton, first:

The amount expended on this and previous projects to June 30, 1915, is $2,763,896.40. As a result of the work done the channel has been greatly improved, especially in the lower part of the river, but notwithstanding the improved navigation conditions, water-borne commerce has decreased until it has now nearly disappeared. The decline of water-borne commerce has been due in large measure to the better transportation and terminal facilities provided by the railroads, and the district officer doubts whether the river can be adequately improved so as to be fitted to the needs of modern transportation for any sum at all commensurate with the commerce of the present or near future. He finds, however, that there is a demand for Federal assistance in levee building and bank revetment.

I think there is no doubt of that; and this proposition ought to be urged as a flood-control proposition, and not as a navigation proposition.

The division engineer recommends that future work be confined to snagging and the prevention of cut-offs.

On the same river, from Fulton to the mouth of the Washita:

The amount expended on this and previous projects to November 30, 1915, is $487,400.95. * * * The commerce on this section of the Red River is very small. No steamboats are now in operation, and the rafting of logs has been reduced to an almost negligible quantity. Navigation may be said to have practically ceased, although the facilities for navigation at medium and high stages are greater than they were in the past, when the river was more generally used. No project of greater scope would be warranted and no lesser improvement would provide useful navigation. For these and other reasons, the district officer expresses the opinion that further work of improvement is not worthy of being carried on by the United States and that the present project should be abandoned. The division engineer concurs in these views.

Col. Black says:

After due consideration of the above-mentioned reports, I concur in the views of the Board of Engineers for Rivers and Harbors, and therefore report that it is deemed advisable to discontinue work under the present projects for improvement of Red River, La., Ark., Tex., and Okla.

Mr. SHERMAN. Mr. President, will the Senator yield for a moment?

Mr. KENYON. I yield.

Mr. SHERMAN. The Senator himself referred to some matters of flood control, and in the document he read there are certain portions relating to flood control. I wish to inquire if the flood-control question, properly operated and handled, will, so far as navigation can be made useful, also develop navigation by preparing these channels and utilizing the water?

Mr. KENYON. I should hope so, and I believe so.

Mr. SHERMAN. And this duplication of effort will result in duplication of the cost?

Mr. KENYON. Well, we have a $45,000,000 flood-control bill on its way over here, where all those questions can be discussed; but, of course, as a proposition of navigation, the Red River proposition is simply ridiculous. If it is not needed for flood control, so far as the commerce is concerned, and the reduction of freight rates, and all of that, the money seems to have been practically wasted.

Between Shreveport and Fulton, the report says, 2 feet can ordinarily be carried, but even this depth is not always available.

When this report was made it seems that there was a public hearing attended by Senator RANSDELL and Members of Congress and citizens protesting, but it does not seem to have had the usual effect, for Col. Black says:

The physical conditions of the Red River are such that no material increase in depth has been secured, and this is not practicable at reasonable expense. The stream has been kept fairly clear of snags, however, thus making the natural depths available, and this is all that can be accomplished at anything like justifiable expense.

I see also a communication was received from the Senator from Texas [Mr. SHEPPARD] by the Board of Army Engineers in reference to this stream.

I wish to refer in this connection to the public hearings which are found in Document 947, page 44. The Senator from Louisiana [Mr. RANSDELL], making speeches there, and he always makes a good speech, said to the Board of Engineers:

You have come here to examine into one of the great rivers not only of our State but of the Nation. Red River is one of the longest rivers on the continent.

Then he goes ahead and describes that river.

Representatives in Congress appeared before them. One of them said:

We have had in mind for a great many years actual transportation or the actual use of the river and the transportation of traffic on the river, and it is not for the purpose of simply and purely reducing rates, as some of the engineers may think. But just a few years ago a boat was put in the river. Navigation had suspended. The boat was put in the river and snags knocked the bottom out of it.

The shippers, it seems, have not patronized it.

The Senator from Louisiana goes into an interesting observation in that speech concerning the acts of Congress in ordering a resurvey, urging upon the board that the power of Congress ordering a resurvey should have no effect upon them at all; that the resurvey was put in by the act of one man taking Congress by the throat and forcing this legislation.

Mr. President, I do not know whether, with the Army engineers reporting against the further carrying on of this improvement——

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Texas?

Mr. KENYON. Yes.

Mr. SHEPPARD. The engineers recommended a further appropriation in the case of the lower Red River.

Mr. KENYON. Yes; in the case of the lower river.

Mr. SHEPPARD. I understood the Senator to state that they reported adversely.

Mr. KENYON. I say they recommended the abandonment of certain parts of the project. Does the Senator say they did not?

Mr. SHEPPARD. They did not recommend the abandonment of the lower section from Fulton to the mouth, and they did not recommend the entire abandonment of the upper section.

Mr. KENYON. They recommended as follows:

5. After due consideration of the above-mentioned reports, I concur in the views of the Board of Engineers for Rivers and Harbors, and therefore report that it is deemed advisable to discontinue work under the present projects for improvement of Red River, La., Ark., Tex., and Okla., and to adopt the provisional modified project recommended by the board and described above, subject to the conditions specified.

Mr. SHEPPARD. That is it; they modified the project.

Mr. KENYON. I agree with the Senator. They did not recommend a complete abandonment as to the river from Fulton to the mouth.

Mr. SHEPPARD. They did not recommend the complete abandonment of any portion.

Mr. KENYON. They recommended a very material modification of the project.

Mr. SHEPPARD. They recommended a modification of the project on both sections.

Mr. KENYON. Yes; they did.

Mr. SHEPPARD. On the lower section they recommend an appropriation of $55,000 a year for three years, giving the people a chance there to show that they are in earnest in the matter of navigation, and on the river above Fulton they recommend a continuing appropriation for the sole purpose of preventing an accumulation of rafts.

Mr. KENYON. We have spent over $2,000,000 giving them a chance to ascertain whether or not there could be any navigation on the river, with apparently no substantial results, so far as commerce is concerned, there being merely a negligible commerce.

Mr. SHEPPARD. The Senator is mistaken in that assertion. There has been a large navigation on the river for many years.

Mr. KENYON. There may have been in the past, but according to the engineers' report there has not been a large navigation for the last few years.

Mr. SHEPPARD. Oh, yes. In 1915 the Senator will find there was a large amount of tonnage on the lower river.

Mr. KENYON. Not if you exclude the timber and logs, which can merely float along without any particular work being done.

Then the Senator will find the commerce is very small. I will put in the RECORD exactly what those figures are, but there are only a few thousand tons.

Mr. SHEPPARD. Will the Senator permit me to quote from page 245 of the report?

Mr. KENYON. What report is it?

Mr. SHEPPARD. The report of the Senate Committee on Commerce accompanying the river and harbor bill. On page 245 there is found a statement to the effect that for the fiscal year ending June 30, 1915, the navigation amounted to 47,351 short tons, of a value of nearly $3,000,000.

Mr. KENYON. Forty-four thousand nine hundred and sixty-seven tons.

Mr. SHEPPARD. Forty-seven thousand three hundred and fifty-one tons.

Mr. KENYON. That proportion will run just the same, I assume, as in 1912. I have the figures for 1912 before me. I assume the Senator's figures are correct. There was a total tonnage of 44,960 tons, of which 42,642 were saw logs; the average haul, 171 miles; leaving only about 1,000 tons of really what you would call commercial traffic. That proportion was in 1912, and it is undoubtedly about the same in 1914. I claim without fear of successful challenge that when the figures are analyzed and the saw logs and the floatable lumber are taken out the commerce is practically negligible.

Mr. SHEPPARD. The Senator was never more mistaken in his life.

Mr. KENYON. I am different from the Senator from Texas. I have been mistaken many times.

I will put in the RECORD the exact figures in the morning. I thought I had them here, but have them for 1912 instead of for 1914.

In getting at this commerce these figures should be analyzed as to how far the different tons have moved. For instance, on the Mississippi River the average haul is 30 miles. On some of these streams the engineers have counted the tonnage through various locks and dams; every time it goes through they are counted again, the same as counting passengers on a street car at every corner of the block.

Mr. SHEPPARD. There are no locks and dams on the Red River.

Mr. KENYON. I am not talking about the Red River; I am talking about the Ohio and the Tennessee. I know there are no locks and dams on the Red River. There is not enough water there for any.

*Saturday, May 13, 1916.*

Mr. KENYON. Mr. President, at the time of the recess last evening a controversy had arisen concerning the increase of commerce on the Red River and just what has been the recommendation of the engineers. I wish to straighten that matter out so that it may not be subject to any controversy in the future.

As to the Red River below Fulton, where we have expended $2,700,000, the engineer recommends in Document No. 947, Sixty-fourth Congress, first session, page 3:

10. It is therefore recommended that further work on the Red River in the interest of navigation be discontinued, but that in the interest of conservation of national resources snagging operations on a reduced scale be carried on, levee building be participated in to the extent of 25 per cent of the cost of such levees as follow the meanders of the channel, and such spur levees and revetments be constructed as necessary to prevent cut-offs.

On the part of the Red River from Fulton to the mouth of the Ouachita, on which we have expended $487,000, the engineers recommend as follows, on page 3 of the same document from which I have quoted:

After due consideration of the above-mentioned reports, I concur in the views of the Board of Engineers for Rivers and Harbors, and therefore report that it is deemed advisable to discontinue work under the present projects for improvement of Red River, La., Ark., Tex., and Okla., and to adopt the provisional modified project recommended by the board and described above, subject to the conditions specified.

That modified project is also included on page 3.

Now, Mr. President, as to the commerce here is the amount of it given. I think I will also put in the RECORD the commerce on the Red River during the last year.

Snags destroyed, 3,610; stumps destroyed, 361; shore snags cut, 6,146; logs removed from channel, 1,038; drift burned, 67; leaning trees cut, 34,410.

Here is the commerce above Fulton: Lumber, 840 tons; miscellaneous, 5 tons; saw logs by raft, 473 tons; making 1,318 tons of commerce for the last year on the river above Fulton.

Below Fulton the work done by the snag boat during the fiscal year was as follows:

Snags pulled, 1,872; stumps pulled and destroyed, 1,850; shore snags cut, 1,144; leaning trees cut, 6,549; side jams removed, 10; brush cut, 30; people removed from overflow, live stock removed from overflow.

The commerce upon this part of the river, which is the important part, was 47,351 tons. That is a matter concerning which there was some dispute yesterday between the Senator from Texas [Mr. SHEPPARD] and myself. That would seem to be commerce which hardly justifies the tremendous amount of money which has been spent on this river.

When we analyze that commerce we find that 2,000 of those tons was lumber. Timber rafted, 7,500 tons. Timber barged, 9,875 tons. So of that sum 18,000 tons is lumber barged and otherwise, leaving about 29,000 tons of commercial traffic, 30,000 tons, including the river above and below, and on that project there has been spent over $2,000,000.

Of course it is wrong to question a thing of that kind, because the spending of the money of the people is a delightful pursuit.

What the engineers recommend as to the river above Fulton is a conservation proposition. They themselves say it is not at all a proposition of navigation, and that raises the question as to what Congress should do in matters of that character.

The National Waterways Commission, which was established along about 1910 to examine the waterways in this country and in Europe, laid down certain fundamental principles that it is well to consider at this time. They said in relation to this navigation proposition, on page 3 of House Document 254, part 2:

It should always be borne in mind that the waterway improvements made by the Federal Government under the exercise of its authority should be restricted to navigation. Whenever bank protection or flood prevention or the clarification of water is the sole object of improvements the question presents little difficulty in its solution. Such projects are not a proper charge upon the Federal Treasury. * * * In many instances proposed improvements have as their main object the protection or benefit of private property. In such cases there is a distinct benefit conferred upon individuals or localities which is only of remote or very indirect benefit to the country as a whole. Lands subject to periodical overflow or lands of uncertain value because of the danger of erosion, when improved are multiplied many times in value, and there is a constant danger that such improvements will be advocated under the guise of river and harbor legislation framed to benefit navigation when the real object is the benefit which will accrue to individuals or localities. * * * The line should be carefully drawn between improvements which, in whole or in part, are for the protection or development of private property and those which are made in the sole interest of navigation.

That report is signed by Theodore E. Burton, J. H. Gallinger, S. H. Piles, William Alden Smith, F. M. Simmons, James P. Clarke, William Lorimer, D. S. Alexander, Frederick C. Stevens, Irving P. Wanger, S. M. Sparkman, and J. A. Moon.

I pass, then, from the Red River, with the claim that the figures I gave last night are substantiated by the record I have produced this morning, and take up another interesting river, known as the Ouachita.

I hope, Mr. President, before we get through, that somebody will rise in this Chamber and defend the Ouachita River, on which we have expended $3,700,000. Certain recommendations are made by the Chief of Engineers, this project having been resurveyed under an act of Congress; but this bill goes further than the Army engineers in any way recommend. The most that they recommended was money for the completion of Lock and Dam No. 3. They had money on hand, they say, for Lock No. 2, and that was $234,000 that they recommended. This bill carries $474,000 for the construction of locks and dams.

Now, let us see what this Ouachita River is. I should like to know how anybody, with any regard for the Public Treasury or with any regard for the people of this country, who have got to pay for these things, can vote for this Ouachita River item. You will have a chance to go on record about it, and I hope the constituents of every Senator who votes for that proposition will study the figures and study the record of a traffickless stream, with no commerce to amount to anything, sinking nearly $4,000,000 on a project that has run for 20 years, and which will run for 20 years more.

Mr. TOWNSEND. Where is that river?

Mr. KENYON. It is in Arkansas and Louisiana.

Three locks have been completed of this construction and two are under way. Work has been going on for nearly 30 years. The commerce, according to the engineers' report, which I shall discuss later, comes up to about 70,000 tons a year. In the year 1913 there were removed from this remarkable stream 14,840 snags, leaning trees, and deadheads. I want to put a little history in relation to this stream into the RECORD in order that perhaps some time around the quiet firesides of the country a few people may study how their money is going.

Original condition: Prior to improvement navigation was much obstructed at all stages by snags, logs, wrecks, and leaning trees, and was rendered practically impossible at low stages by these obstructions,

together with sand and gravel bars. The minimum usable water depth in the portion covered by the project was 15 inches. Low-water channels varied from 150 to 500 feet in width. The streams were navigable in fact during high water from mouth of Black River, La., to 10 miles above Camden, Ark., a distance of 360 miles.

Previous projects: The date of the original project was March 3, 1871. Subsequent modifications were made June 10, 1872; August 14, 1876; and July 5, 1884. The amount expended under these projects was $614,802.19. For scope of previous projects, see Appendix, page 1869.

Present project: The present project is based on plan contained in House Document No. 448, Fifty-seventh Congress, first session (Annual Report for 1902, p. 1435), which proposes to obtain a navigable depth of 6½ feet at low water from the mouth of Black River, La., to a point about 10 miles above Camden, Ark., a distance of 360 miles, by the construction of nine locks and movable dams, with available horizontal lock-chamber dimensions of 268 by 55 feet, and with low-water depth of 6½ feet over miter sills, at an estimated cost (as revised) of $4,876,654.35.

From the manner in which appropriations have been made for this improvement it has been held that the project has never been adopted in its entirety by Congress.

And it never has been approved, as projects generally are, by the engineers before they are commenced. Different river and harbor acts have provided for locks and dams, and the work has been carried on as the funds were provided.

Condition at end of fiscal year: The project for constructing locks and dams is 46¼ per cent completed. Maintenance by snagging work will have to be continued indefinitely. Locks and Dams Nos. 4, 6, and 8 have been completed and are in operation, but as the pools are not continuous little benefit has been obtained. The maximum draft that can be carried at low water over the shoalest part of the section under improvement is 8 inches. The total expended under the existing project to the end of the fiscal year was $2,447,936.32 for new work and $267,121.67 for maintenance, a total of $2,715,057.99.

* * * * * * *

Effect of improvement: The project has caused considerable reduction in freight rates.

It has been a help in that respect.

Commercial statistics: These statistics were compiled for the fiscal instead of the calendar year, because the former more nearly coincides with the commercial year, and the period of navigation ordinarily closes in June.

*Comparative statement.*

| Fiscal year ending June 30. | Short tons. | Value. |
|---|---|---|
| 1913 | 48,222 | $1,894,939 |
| 1914 | 64,874 | 1,923,231 |
| 1915 | 70,619 | 3,074,465 |

Apparently a considerable increase in commerce.

The freight carried during the last fiscal year consisted of lumber and logs, farm products, and general merchandise.

I will analyze that commerce in a moment or two. I now read from page 2693 of the Engineers Report:

Operations were suspended on account of lack of funds from July 1 to October 21, 1914. The U. S. snag boat *Jos. E. Ransdell* began work at Jonesville, La., October 22, 1914.

Some Senators are famous for having cigars named after them and others for having snag boats named after them. This is what this particular snag boat accomplished:

| | |
|---|---|
| Snags pulled | 1,711 |
| Stumps pulled and destroyed | 830 |
| Leaning trees cut | 2,151 |

Destroyed cylinder timbers and part of hull of wrecked steamer *Poplar Bluff* (sunk December, 1894) with dynamite December 2, 1914.

When snagging operations were suspended the *Ransdell* was employed in towing material barges for the lock and dam construction work on this river until March 17, 1915.

And continued to get out a few more snags.

Mr. WORKS. Are their dimensions given?

Mr. KENYON. The dimensions of the river?

Mr. WORKS. No; the dimensions of the snags.

Mr. KENYON. I think not. Here is another summary of the work that this boat did:

| | |
|---|---|
| Snags cut and destroyed | 715 |
| Shore snags cut | 1,871 |
| Logs removed from channel | 378 |
| Leaning trees cut | 4,540 |
| Trees girdled | 69 |

The total amount of appropriations I think I have given—$3,741,616.45—and the commerce on this river was 70,619 short tons, 4,655 tons of staves, 509 of timber, timber rafted 7,515 tons, timber barged 18,956 tons, cross ties 3,444. So, taking out these things that certainly do not need locks and dams or all of this work to float, leaves about 38,000 tons as the commerce on this river, upon which we have spent over $3,000,000 and on which we propose to spend millions more.

As to the river above Camden, the statistics are that there was no commerce reported for that portion of the Ouachita River during the fiscal year.

Now, I want to read a little, Mr. President, from the Army Engineer's report. The last river and harbor act provided for a resurvey of this river. I read now from House Document No. 979, Sixty-fourth Congress, page 2:

Two projects are now in force for the improvement of this river. One provides in part for the construction of 8 locks and dams with a view to securing a channel 6½ feet deep from the mouth of Black River to a point 10 miles above Camden, Ark., while the other provides for removing snags, leaning trees, and other obstructions between Camden and Arkadelphia. In addition, the removal of obstructions below Camden is continued under an earlier project.

Here is the point I want to direct attention to: "Nos. 2 and 3 are under construction," and it is urged by many that it would be wasteful not to go ahead and complete those locks.

The engineer, Col. Black, continues:

Funds on hand are sufficient to complete No. 2, but it is estimated that an additional amount of $234,000 will be required to complete No. 3, and $1,804,000 to complete Nos. 5, 7, and 9. The district officer is of opinion that the resources of the adjacent country are sufficient to justify further work on the lock and dam project to and including Lock and Dam No. 8, but that the building of No. 9 should be postponed until the development of traffic on the canalized river indicates the necessity of its construction. He believes that it is advisable to undertake such open-channel work between Lock No. 8 and Camden as may be necessary to maintain existing conditions, and that the project for open-channel improvement above Camden should be abandoned. The division engineer is of opinion that Locks and Dams Nos. 2 and 3 should be finished in order to complete the canalization of the river below Monroe, and that the construction of additional locks should be deferred until the influence of the improvement below Monroe has been determined, work being confined meanwhile to operating the completed locks and snagging.

* * * * * * *

4. After due consideration of the above-mentioned reports, I concur in the views of the division engineer and the Board of Engineers for Rivers and Harbors, and therefore report that it is deemed advisable to discontinue the project for improvement of Ouachita River between Camden and Arkadelphia, and to modify the project for improvement below Camden to provide for the completion of Locks and Dams Nos. 2 and 3, and their operation when completed, and continuing the operation of Nos. 4, 6, and 8, together with such snagging as may be necessary to facilitate navigation up to Camden. An appropriation of $234,000 should be provided in one sum for completion of Lock and Dam No. 3.

Let us see what the Army engineer, who, we are told, is practically infallible, asks for and what the bill provides. He asks for the completion of Locks Nos. 2 and 3, but says that they have money on hand for the completion of No. 2, and need $234,000 to complete No. 3. The bill, on page 24, provides:

Continuing the improvement for construction of locks and dams heretofore authorized, $474,000.

Of course, the increase involves only a little matter of $230,000 or $240,000, which is perfectly trifling, of course, when it comes to the appropriation of public money.

Col. Abbot, one of the Corps of Army Engineers, submits some observations also as to the Ouachita River, which I want to put in the RECORD. He says:

Ouachita River above Camden to Arkadelphia, Ark.: This project, adopted by the river and harbor act of June 25, 1910, provides for removing snags, leaning trees, and other obstructions between Camden and Arkadelphia, a distance of 90 miles. The amount expended under this project to June 30, 1915, was $22,500, resulting in a channel reasonably free from obstructions. No commerce has been reported on this section of the river for the past three years, and there is no evidence that any is in prospect.

As to commerce on the river the engineer says:

Of 70,619 tons in 1915, over 35,000 tons were timber products and 8,768 tons were sand and gravel. Local interests claim that commercial developments would justify the completion of the project. Moreover, it has been stated that the United States is under moral obligations to complete the work on account of private investments made under this expectation.

* * * * * * *

7. At the request of interested parties a hearing was given at the office of the board on March 7, 1916, at which Senator J. E. RANSDELL, Hon. W. S. GOODWIN, M. C., Hon. R. J. WILSON, M. C., and a delegation from the locality appeared in favor of the continuation of the lock-and-dam project.

Col. Abbot continues:

8. This canalization project was not preceded by the usual form of investigation to determine its advisability. An item of the river and harbor act of August 18, 1894, directed the Secretary of War to submit plans and estimates for improvement of the Ouachita River by locks and dams, "to give slack-water navigation as far above its mouth as in his judgment such improvement is practicable."

So it has grown.

9. The present commerce, consisting largely of timber products, is not extensive, and owing to the character of the adjacent country, which is devoid of large commercial, mining, or manufacturing industries, the river traffic can not reasonably be expected to assume the magnitude considered essential to warrant the construction and maintenance of an expensive system of locks and dams. The question is now complicated, however, by the work already done, and it must be decided to what extent the unexecuted portion of the project should be continued or abandoned.

10. Below Monroe, where, apparently, is the more important general commerce, one lock and dam have been completed and the remaining two are well advanced, and if left in their present condition they will not only be of no value, but will form obstructions to navigation. It therefore seems desirable to finish these structures which will complete the slack-water improvement up to Monroe. Above Monroe two locks and dams have been completed, and practically nothing

has been done on the remaining three, which would require, as now estimated, $1,804,000 to complete. In the opinion of the board there is not sufficient commerce, present and prospective, to justify the expenditure of this amount. The board therefore concurs with the division engineer and reports that, in its opinion, it is advisable in the interests of general commerce and navigation to modify the existing projects for the improvement of the Ouachita River, Ark. and La., so as to provide only for the completion of Locks and Dams Nos. 2 and 3, and the operation of these when completed, and of Nos. 4, 6, and 8, together with such snagging as may be necessary to facilitate navigation up to Camden. The advisability of further lock-and-dam construction (Nos. 5, 7, and 9) should be investigated again after there has been an opportunity to note the results of the complete canalization below Monroe.

There may be some reason, although I do not know what it is, when the Army engineers recommend $234,000 that the bill should carry $474,000.

Capt. Fiske says in this same document, consisting of a number of reports made by the Government since 1871:

Due to the improvements made by the Government since 1871 the river is now practically free from snags, overhanging trees, etc., and can be navigated safely at any point below Arkadelphia where there is sufficient depth of water.

A very necessary requisite for navigation, of course.

Further in the statement of Capt. Fiske:

If much freight can be found here, it will be due to the increased use of a section now but little developed, and it is in part for the purpose of developing this section that the improvement of the Ouachita is sought.

I have already, I think, referred to the commerce, consisting largely of lumber and staves and crossties and shingles.

Col. Townsend, who is the division engineer, in passing, passed also on this matter. He says:

The district officer has based his recommendations on an existing river tonnage of about 70,000, of which 50 per cent consists of logs or similar timber products, and over 10 per cent of sand dredged from the river and merely transported to the nearest landing for further shipment by rail.

* * * * * * *

Below Monroe the construction of the locks and dams has progressed to such an extent that they can not be abandoned without the works already built causing serious obstructions to navigation. As the district officer estimates that they can be completed for an additional appropriation of $234,000, and the commerce which does not consist of timber products is generally confined to the lower portions of the river, the completion of Dams Nos. 2 and 3 is recommended.

Above Monroe work has not been begun on three of the dams, whose estimated cost is $1,804,000.

The hearings which took place after this recommendation were somewhat interesting. I want to quote in a few minutes, on the Arkansas hearings, some statements by the chairman of this committee which are about the best thing along this line that I have heard from any one. I do not know whether he will stay and hear them. I hope he will.

At the hearings at Monroe there were present Senator JOSEPH E. RANSDELL; Hon. RILEY J. WILSON, Member of Congress; ex-Senator Lorimer; and about 150 residents of Monroe. The district engineer explained the reason for calling the hearing and asked for information about a number of points:

Senator RANSDELL then gave a brief account of the history of the project, and urged its completion to Camden, as originally contemplated, in the interest of fair-play to those residing in Arkansas.

Senator Lorimer then spoke. He represented—

A large lumber corporation which had located its mill on the Ouachita because of the excellent transportation facilities that would exist when the project under way was completed. * * * It was impossible for his company to profitably market their oak and other hardwoods except by making use of water transportation. In conclusion, he stated that he was investing the money of the best set of friends that mortal man ever had on the face of God's green earth in this enterprise, the success of which largely depended upon the provision of an adequate channel in the river as at present contemplated.

Other hearings were held along the line; one at Felsenthal, where 50 persons were present, including Senator ROBINSON; Hon. W. S. GOODWIN, Member of Congress; and a delegation from El Dorado. The arguments were summed up by Senator ROBINSON on this occasion.

The Columbia hearing was held on board the snag boat *Ransdell* September 17. Twenty persons were present, and the large and increasing commerce of this river was gone into.

At Camden about 100 persons attended the hearings, and a United States Senator there presented the cause of this river. Mr. King gave some very interesting information:

He stated finally that the Standard Oil Co. had already built tanks at Camden with a view to making Camden its local distributing point, that the company's intention was to supply their tanks by means of a barge line operated between Baton Rouge and Camden as soon as the channel of the river was improved sufficiently to permit.

Another gentleman stated that—

There was 384,000 acres of bottom land bordering the river between Camden and Arkadelphia, much of it covered with green timber that can not be profitably moved until the river improvement is completed. * * *

Senator ROBINSON stated that Congress as a whole approved of the vast majority of projects recommended by the Engineer Department; that some few mistakes were believed to have been made by the department; that the action of Congress in calling for the reexamination of the Ouachita and other rivers was taken solely in order to get the last river and harbor bill through, and should not be construed as indicating a general doubt on the part of Congress as to the worthiness of even the streams specified.

Other gentlemen addressed this hearing, and Mr. King rather hit the nail on the head when he said:

As we understand the proposition down there, the chief trouble we have had with the Board of Army Engineers in considering the expenditure of Government money on the Ouachita River has been the fact that they do not see what we have done with the work already accomplished. They do not see, if we are so interested in the river, if the people are so interested in the river and consider that their commercial destiny is tied up in the river, why we do not use the river.

Senator RANSDELL stated that this was a project—and so, I assume, he will defend this project—with which he had been closely associated during 17 years of congressional life, and he said:

You gentlemen are probably aware of the fact that the first estimate for this project was a fraction under $2,000,000, and now the estimated cost is considerably over $4,000,000, under the revisions which have been made from time to time.

And then there is some rather mild denunciation of ex-Senator Burton because of his work in defeating the last two river and harbor bills, which I think will stand to his credit as the best work of his life. In conclusion, he says:

It seems to me that the Ouachita River is one of the very few streams in this country in which, if I may say so, the Engineer Corps itself is on trial, because if this project is costing a great deal of money, and if we have spent considerably more already than it was thought the whole project would cost, it is the mistake of the Engineer Corps—

This was directed to the gentlemen—

$2,700,000 have already been expended, and you are less than 50 per cent finished. You have not quite completed 50 per cent of it. The original project, as stated, was to cost less than $2,000,000. It seems to me it is up to you to maintain the honor of the corps by saying, frankly, "Yes; we made some mistakes, like all human beings will make mistakes. It was a different river from any other river in the country, but we are going to stand by it and put it through. We are not going to yield to any sentimental cry against the 'pork barrel' and to the improper influence of one man forcing legislation of this kind upon a bill in the dying hours of the session."

That may be sentimental in a way, but you gentlemen are sentimental, just like all other human beings.

It is too bad that the sentiment did not move them to tears, and the tears fall in this river so as to increase its flow. [Laughter.]

Mr. President, that is one of the projects. While I know it can not happen, I wish that in every farm home of this country, and in every shop where men are working, and in every place where women are bending their backs and toiling to make a living the story of the Ouachita River could be told them, and that they could see the sneers and hear the laughter and the jokes about spending the people's money. You can delude yourselves that you can put that kind of business over on the American people. It has been done for a long while. The day is going to come when it will stop, and it will stop short, and the men who are responsible for it will terminate their careers in Congress. You can fool all the people, as Abraham Lincoln said, some of the time, and some of the people all the time, but you are not going to fool all of them all the time. They are "getting on to the curves" of these appropriations. You can hide your heads, ostrich-like, in the sand and say, "It does not affect us," but a day of reckoning is going to come.

I pass from that to a worse one, if it is possible.

Mr. NORRIS. Mr. President, did I understand the Senator to express the wish that some Senator would get up in this body and defend that proposition?

Mr. KENYON. I do. I wish that, with this great concourse of Senators here, some one would arise and defend it.

Mr. NORRIS. Why is the Senator so cruel as to wish such a difficult and impossible task on any of his colleagues?

Mr. KENYON. I should like to know what the defense is. I should like to know, when we come to vote on cutting down $474,000, which has not been recommended, to $234,000 how many votes will be for it. I wonder how many Senators will rush in and say, "What does the bill say? We vote for it." The degree of intelligence exhibited on some votes cast is remarkable.

Now I pass to a worse one—and I wish I did not have to discuss it, because it is the river which the distinguished chairman of this committee, I think, defended. I would be willing to stake my life or my hope of salvation on the honor and the rectitude of the chairman of this committee. I know this is right in his home country. That river is the Arkansas River.

We have expended over three and a half million dollars on the Arkansas River. It is as good a river, possibly, as some of the others. The commerce in 1913, excluding timber and sand, was almost nothing. The engineers in 1915 allotted $193,350. In 1913 and 1914 there were 44,127 snags removed from the river. The engineers, as I understand, recommended

the abandonment of the project; and I want to read a little for the RECORD about this river.

It has a length of 1,460 miles. There have been a number of previous projects on this river, running back to 1832. We have spent on previous projects up to June 30, 1902, $2,249,085.20, distributed as follows: Construction of permanent works, $903,311.93; maintenance of permanent works, $314,119.14; operating snag boats, $1,031,654.13, or a total of $2,249,085.20. Between July 1, 1902, and June 30, 1915, we have spent $1,153,844.35.

There has been no material effect—

The engineers say on page 989—

on freight rates. Snagging and dredging operations are of benefit through the low-water period, in which the work is performed, by reason of cleared channels and increased depth.

* * * * * * *

Commercial statitics: Plantation products and supplies made up 10 per cent, miscellaneous freights 30 per cent, and forest products 60 per cent of the commerce for the calendar year 1914.

The work altogether, including maintenance, amounts to $3,402,929.55.

Commerce, 79,169 short tons in 1914; of that, 35,000 tons were logs, 3,000 tons lumber, sand and gravel 17,000 tons hauled 7 miles. So that the actual commerce, as we understand commerce, was almost nothing on a project where we have spent over $3,000,000.

We talk a good deal about the Army engineers and following the Army engineers. We will have a chance to see on this project how many Senators will follow the Army engineers when it is a question of striking something out of a bill.

Let us see what the Army engineers report. This is Document No. 461. A resurvey was ordered of this river in the last river and harbor bill, and the Chief of Engineers, Gen. Kingman, reports as follows:

The Arkansas River has been under improvement by the United States since 1832, when snagging operations were inaugurated. The present project provides for improving the river from its mouth to the head of navigation by snagging operations, removing shoals by dredging and the use of contraction works, and holding the improved channel by revetment where necessary; the tentative use of two dredges on that part of the river between the mouth and Ozark, 318 miles; and the maintenance of existing works, including those at Pine Bluff, Ark. It was not expected that the operation of the two suction dredges between the mouth and Ozark would be able to maintain a navigable channel throughout that section, but these dredges were recommended for use in an experimental way to determine the practicability of improving the river by this method and at the same time to aid and encourage navigation. Experience has now demonstrated that no benefit commensurate with the cost can be expected from them, even if confined to the short reach below Pine Bluff, where they have been operated. The commerce has been decreasing and now amounts to only about 55,000 tons, a large part of which consists of forest products, which can usually be handled at medium and high stages without improvement. In view of the existing physical and commercial conditions the district officer thinks that the work of revetting the banks should be revived, and he recommends that the project be modified to provide for—

Certain improvements, and so forth.

After due consideration of the above-mentioned reports, I concur in the views of the division engineer and the Board of Engineers for Rivers and Harbors, and therefore recommend that legislation be enacted modifying the existing project for improvement of Arkansas River so as to limit the work to snagging the river from its mouth to the mouth of the Neosho, at an annual cost of about $35,000, and authorizing the transfer without charge of the dredges and other plant not required for snagging to such other works of improvement as the Chief of Engineers may designate.

There is a recommendation of the Chief of Engineers; and this bill carries $209,000 when he recommends $35,000.

Col. Black set forth in his report that there has been expended to June 30, 1914, a total of $3,243,650.91; that the snagging will cost $35,000 annually, and it will require $118,000 for the operation of two dredges. He says that the commerce has been decreasing, and now amounts to only about 55,000 tons, a large part of which consists of forest products.

* * * * * * *

The Arkansas River flows through an alluvial bed, and the channel is subject to unusually rapid changes in position and depth. Its banks are easily eroded, and experience has shown that no permanent improvement of channel can be expected unless the banks are protected by revetment. This would necessitate practically continuous work on one or both banks, similar in character to that being done on the Missouri River under the existing project for that stream. Such work on the Missouri River costs from $50,000 to $60,000 per mile, and is expected to result in a channel depth of 6 feet or more.

* * * * * * *

The board fully realizes the advantages of water transportation and the benefits that would result to a large section of the States of Arkansas and Oklahoma if a stable channel of good navigable depth were available. The physical conditions on this stream, however, and particularly its small low-water discharge, are such as to prevent any radical improvement except at a cost which is entirely disproportionate to resulting benefits, as far as they can now be foreseen. The removal of snags, at an estimated cost of $35,000 per year, will make the natural depths available and permit a light-draft navigation, such as has been carried on in the past. It is believed that this work should be continued.

In view of the foregoing, the board recommends legislation modifying the existing project so as to limit the work to snagging the rived from its mouth to the Neosho, at an annual cost of about $35,000, and authorizing the transfer without charge of the dredges and other plant not required for snagging to such other improvement as the Chief of Engineers may designate.

There is the recommendation of the Board of Army Engineers. And so I might go on.

I want to quote from Maj. Putnam the commerce on the river for the last few years. That appears in the document, page 10. In 1905, 86,000 short tons; in 1910, 59,516 short tons; in 1913, 55,228 short tons. Maj. Putnam advises a little more improvement than the balance do.

Col. Townsend also, who is the Chief of Engineers, stands for the same proposition as Col. Black and Gen. Kingman. Col. Townsend says on page 12 of the same document:

3. Whatever may be the causes of this decline of river traffic, they are of general application to all the western rivers, and the density of traffic on the Arkansas River is so small that there is no probability that the improvement of its channel will counteract this general law, particularly since the radical improvement of the Mississippi River from St. Louis to New Orleans, which has existed for the past 10 years, has had no appreciable effect upon it.

* * * * * * *

5. It is therefore recommended that the improvement of the Arkansas River be at present confined to snagging, which is warranted by the existing commerce, and that all attempts to permanently improve the river channel be deferred until there is an appreciable revival of commerce on the Mississippi River.

There was a very interesting hearing on this proposition by the people interested, which took place at Little Rock. The distinguished chairman of this committee spoke and I want to read something he said that is the eternal everlasting truth about some of these appropriations. He said in arguing this matter to the board—I am quoting what the chairman said to the board, and I quote it with my most euthusiastic approval:

There are millions of dollars scattered over the United States not doing any good except to improve the political prospects of some party. I have been aware that, whether from oversight or whatever it is, there comes up to our committee recommendations that seem to me to be discriminatory. Some things that are not half so worthy as other things are recommended where other things are not recommended. If it is the policy of this administration and of this board to adopt a more rational, businesslike system, I shall aid them in their efforts to do so, and if, after a fair test, the Arkansas River falls under the condemnation of any rule that has been adopted and will be uniformly applied, I will stand as religiously for that as any other; but, when I am backed by such reports as the two I have called your attention to—and the policy was reasonable of digging out this stretch of 173 miles of river from here to the Mississippi River—I believe I am justified in showing some earnestness and protesting with some emphasis against the report made, and which is now under consideration by you.

Before the House committee arguments were made by Members of Congress, a Member of the Senate, and other parties who claimed to be familiar with this river, and in some way the appropriation came back in the bill.

Mr. President, I expect when this question is reached to move to strike this item from the bill as a test at least whether anything can be stricken from a river and harbor bill, whether recommended by the engineers or not.

If this is a flood proposition, if it is to protect the people from floods, that is a very different matter. I should not feel like withholding my vote from assisting in all proper ways people who might be in distress from overflows for which they are in nowise responsible.

I wish for a moment to refer to our old friend, the Brazos River. My impression is that under the act of March 4, 1915, a reexamination was ordered of this river from Old Washington to Waco, a part for which $200,000 is appropriated in this bill. I should like to ask the Senator from Texas if that is not correct. Was not a reexamination ordered?

Mr. SHEPPARD. The Senator is correct.

Mr. KENYON. Has any report ever been filed?

Mr. SHEPPARD. The reexamination is in progress now on a very elaborate scale.

Mr. KENYON. It would seem that where a reexamination had been ordered of a project and the engineers were working on that reexamination and had not as yet filed their report the project could well await the report of the engineers. That would seem reasonable.

I want to refer to the engineers' report on this project, and I shall take but little time on it. I dislike to raise objection to it on account of the very great interest of my friend from Texas in it.

From Velasco to Old Washington is one of the divisions of the Brazos. The other is Old Washington to Waco. The Brazos is a very long stream at the entrance of the Gulf of Mexico 50 miles from Galveston.

For a distance of about 40 miles to the head of tidewater at Bolivar Landing the river had a depth of about 4 to 20 feet at mean low tide; thence up to Old Washington the depths were 1 to 3 feet at ordinary stage of water on the shoals; and the river was obstructed by snags and overhanging trees. The widths varied from 200 to 400 feet. It

had a small low-water discharge, and the flood discharge, though small, can not be carried in the channel and the banks are overflowed during all large floods. The banks erode readily, consequently the navigable channel is unstable.

Previous project: Adopted by river and harbor act approved June 3, 1896, for improvement between Velasco and Richmond only. A total of $123,676.79 was expended on these projects, all of which was for new work. (For scope of previous projects, see Appendix, p. 1860.)

Present project: The river and harbor act approved June 13, 1902, extended the improvement between Richmond and Old Washington, and the river and harbor act approved March 3, 1905, included all the river between Velasco and Old Washington, 254 miles. The project consists in the removal of snags and overhanging timber and in narrowing the river at its shoals by training walls and spur dikes, in order to concentrate the current and obtain greater depths, at an estimated cost of $225,000, with $20,000 annually for maintenance.

* * * * * * *

Operations and results during the fiscal year: Snagging work was carried on by U. S. snag boat *Waco* between 35 and 242½ miles above the mouth of the river, removing a total of 19,262 snags and overhanging trees, at a total cost of $16,567.88. Level lines to establish high-water marks were run at a cost of $208.57. Alterations to convert the snag boat *Guadalupe* to a suction dredge were made, and the sum of $5,939.28 charged to this work. A total of $21,925.33 was expended on the work, all for maintenance.

Condition at the end of fiscal year: The river has been fairly well cleared of snags and obstructions; those remaining were passed over while snag boat was working at higher stages of water. About 50 per cent of the bank trimming has been done, and the river has been deepened somewhat and bank caving has been reduced materially. A total of $275,814.85 has been expended on existing project, of which $93,312.69 was for new work and $182,502.16 was for maintenance.

Speaking now of the part from Velasco to Old Washington, page 913 of the volume of the report:

Commercial statistics: No record of commerce could be obtained for 1914. The record for 1913 shows 1,080 short tons, valued at $81,000. No record of commerce had been obtained for 1912. One boat makes weekly trips from Galveston to Columbia, but no record could be obtained.

And we have spent $399,491.64.

There has been allotted under the act of October, 1914, $10,000, and under the act of 1915, $10,000, making a total on that portion of the river of $419,814.85—one boat; a thousand tons of commerce!

Old Washington to Waco:

Original condition: The profile of this section of the river shows an alternating series of steep and gentle slopes, not navigable above Hidalgo Falls, 260 miles above the mouth of the river. The ordinary discharge is so small that open-river navigation is impracticable.

So March 3, 1905, was the date of the act for the improvement of this portion of the Brazos.

Under the provisions of this act the examination was made and report submitted for a project which contemplated securing a navigable depth of 4 feet at ordinary stage of water for four months and 3½ feet for six months of the year by constructing eight locks and dams and 103 miles of open-channel work, at a total estimated cost of $2,915,000.

* * * * * * *

Operations and results prior to the fiscal year: Lock No. 1, near Navasota, Tex., had been brought to 98 per cent of completion, and Lock No. 8, 7 miles below Waco, Tex., was 75 per cent completed. A total of $853,052.11 has been expended, of which $441,564.63 was expended at Lock No. 1, and $404,080.06 at Lock No. 8, near Waco, Tex., and $7,407.42 for investigating sites for two additional locks, preparing plans, etc.

* * * * * * *

Effect of improvement: There has not been any effect on freight rates, and none is expected until the improvement is completed.

* * * * * * *

Commercial statistics: No freight is now carried on this section of the river, nor can be economically until the improvement is completed.

We have spent on that part of the river $993,689. Twenty thousand dollars was allotted in 1914; $200,000 was allotted in 1915 after this Congress had passed an act for a resurvey, or a total altogether on the Brazos of $1,818,503.85—no commerce at all on one part of it and a thousand tons on the other. Go home and tell your people that you are spending their money and piling up taxes to dump into propositions like the Brazos River.

Not everybody in Texas is so enthusiastic about the Brazos River. Congressman CALLAWAY on the floor of the House—it may be violating the rule to refer to it, but there are not enough here to object to the violation—said that for a large part of the time there is no water in the river to furnish irrigation needs; that they had locks and dams; and you could not find water at times in the Brazos and the Trinity. It was the Trinity I was thinking of, the river where Col. Riché had recommended the sinking of artesian wells to get water. But that is the Trinity. The people laughed at that, and it seems funny for the Government to spend its money to sink artesian wells in the bottom of the river to get water. Let us go home and tell the folks that we are standing for that kind of a proposition, so they may give three extra cheers when they pay some of their war taxes.

But everybody in Texas is not afflicted with this desire to have something out of the Public Treasury. Another citizen of Texas, Mr. Guyler, has written a letter which was placed in the CONGRESSIONAL RECORD by Congressman FREAR. Congressman FREAR is entitled to the thanks of his countrymen for the fight he has made against this measure, resulting in the House of Representatives in nearly 150 votes cast against this bill. Mr. Guyler writes Congressman FREAR on January 26, as follows:

WALLIS, TEX., *January 26, 1916.*

Hon. JAMES A. FREAR,
*Washington, D. C.*

DEAR SIR: Noticing in the press your attitude respecting appropriations toward improvement of various streams, and more particularly those applying to the Brazos and Trinity Rivers of Texas, I felt constrained to write you expressing my complete approval of your course. I am a native Texan, born and raised within 2 miles of the Brazos River; am 50 years old. My father and myself have owned land bordering on the Brazos for 58 years. I now own one tract which borders river for about 3 miles. I beg your pardon for mentioning these items. It is done to evidence my familiarity with the subject. The Brazos is an alluvial-banked stream, easily caves in banks. The work the Government has done and is doing is so utterly useless that it is contemptible and farcical, and apart from the absolute, complete, total, utter waste of such appropriations engineers have made regulations which are costing the people along the banks of said streams large sums of money.

I will mention two. If I should put in a ferry, I have to raise my cable 60 feet above low water—40 feet ordinarily would do. This additional height necessitates longer cables and stronger and more costly posts for elevating. The same applies to bridges. It has cost the people of Fort Bend County at least $40,000 excess to erect four bridges across the river, and this same expense will apply to every bridge and ferry from the mouth to Waco. The reason given for this is to allow height sufficient to clear steamboats. Now, I have lived on Brazos for 50 years and my father since 1858, and never in all that time has there ever been a steamboat either up or down, except the Government snag boat and possibly one or two small gasoline launches sent out by Waco boosters to prove the navigability of the stream. I am not a civil engineer, but I believe it would be cheaper to dig a canal from the Gulf to Waco then attempt to deepen the Brazos; and if an honest, capable engineer would investigate without being wined and feted by those interested, it would be overwhelmingly defeated. Our politicians seemed to be governed by those who make the loudest noise and the common people have no horns or bands or champions—

They ought to take that boat that was navigating on the Altamaha with a loud horn—

I wish you every success. * * * You are welcome to use my name.

Yours, respectfully, R. W. GUYLER.

So we go on with $1,700,000 in this project, going on for a number of years, God knows when, and a number of millions more that are to be put into it.

I want in passing just to say a word or two about the Trinity River, which carries an appropriation of $250,000 for locks and dams. This is a 37-lock canalization project. There is not anything definite about it as to the time when it will be completed. One lock and dam is built one year and another lock and dam is built another year. It has been estimated that it will cost the Government $12,000,000. There is no commerce; and that is met by the statement that, of course, there can not be commerce until the project is completed. At the rate of progress at which it has been going on it will take somehting like a hundred years to complete it.

This is the stream I referred to where Col. Ritchie once recommended sinking artesian wells in order to get water. It should be remarked that the city of Dallas is to contribute $50,000 to this enterprise. Dallas at an early time in the history of this project contributed sixty or sixty-six thousand dollars to the enterprise. It is creditable, of course, that there is some cooperation, though undoubtedly it is more of a booster proposition, for Dallas is one of the liveliest places in the whole country.

Mr. SHEPPARD. Mr. President, the people of Dallas have contributed altogether over a million dollars in connection with the Trinity River.

Mr. KENYON. Dallas, of course, is one of the most enterprising places in the country.

Mr. SHEPPARD. And they have at this session offered to put up $3,000,000 if the Government will complete the project.

Mr. KENYON. I do not doubt it. Well, is this not assisting Dallas as a drainage proposition for their sewage?

Mr. SHEPPARD. Not at all.

Mr. KENYON. But if they are willing to put up $3,000,000, why do they not go ahead and build this thing themselves?

Mr. SHEPPARD. Because it will cost anywhere from $6,000,000 to $9,000,000; or probably more.

Mr. KENYON. Well, Dallas was enterprising enough to almost get the Democratic national convention, so I suppose the putting up of an amount of this kind is not at all troublesome to them.

Mr. SHEPPARD. Does not the Senator from Iowa think that the project evidently has some merit if the people interested offer to put up an amount of that kind?

Mr. KENYON. That is the first argument I have ever heard that would make me think at all that it did have some merit.

It would seem that the people there, at least, think it has some merit.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Iowa yield to the Senator from Massachusetts?

Mr. KENYON. I do.

Mr. LODGE. If I may ask the Senator from Iowa a question, Is not the real benefit obtained by these appropriations overlooked by him? Do they not promote and tend to the support of many worthy and deserving persons?

Mr. KENYON. Undoubtedly.

Mr. LODGE. I thought that had been overlooked.

Mr. KENYON. That is an argument. I thought I had covered the subject pretty completely, but I am sorry to say I omitted that.

Mr. SHEPPARD. We on this side could not hear the observation of the Senator from Massachusetts.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Texas?

Mr. KENYON. The "Senator from Iowa" will yield to the Senator from Texas.

Mr. LODGE. My observation was simply that the Senator from Iowa had overlooked one very important reason for these appropriations, and that is that their expenditure led to the support of a number of very deserving persons, whether the river was improved or not.

Mr. SHEPPARD. I will state, Mr. President, that there is *no such reason* in connection with any river that I know anything about.

Mr. LODGE. Somebody does the work.

Mr. SHEPPARD. A motive of that kind would be an essentially unworthy motive.

Mr. LODGE. I am delighted to hear the Senator say so.

Mr. SHEPPARD. And I would hesitate before I would intimate that anybody had an idea of that kind.

Mr. LODGE. That some deserving person would be supported by the work?

Mr. SHEPPARD. Yes, sir; before making any suggestion of that kind I should hesitate a long time; I certainly would not make it in connection with anything that the Senator from Massachusetts had anything to do with.

Mr. LODGE. The support of deserving persons is a very worthy object.

Mr. KENYON. Mr. President, I very much hope that this interesting discussion may proceed without any unusual friction. I want to place in the RECORD from the engineers' report what I may have to say about this project. I now quote from page 938:

Original condition: Prior to the beginning of improvement the river had a navigable depth of about 4 feet at ordinary low water from its mouth to Liberty (limit of tidal influence), a distance of approximately 40 miles. Rafting of logs could be carried on at ordinary low water to a point about 50 miles above the mouth. The river above tidal action is a narrow stream with a low-water depth insufficient for even light-draft navigation.

* * * * * * *

From the manner in which appropriations have been made for the improvement of the Trinity River, it has been held that the entire project outlined in House Document No. 409, Fifty-sixth Congress, first session, has never been adopted in its entirety by Congress, but that only such locks and dams have been authorized as have been specifically appropriated for. The report in question contemplated the construction of 37 locks and dams with incidental dredging and other open-channel work, at an estimated cost for a 6-foot navigation of $4,650,000 and $280,000 annually for maintenance after completion, but of this number only 7 locks and dams have been specifically appropriated for and the location of 2 others authorized.

The amount so far expended on this project is given on page 940, at the end of the fiscal year, as being $2,062,262.42.

Effect of improvement: Owing to the fact that the river is not yet navigable to Dallas, the only place at which it can come into active competition with the railroads, no effect on freight rates has been produced.

* * * * * * * *

Commercial statistics: The commerce transported during the calendar year 1914 consisted mainly of logs in rafts and of merchantable timber, with a small amount of cotton and other farm products.

*Comparative statement.*

| Calendar year. | Short tons. | Value. |
|---|---|---|
| 1912 | 60,677 | $768,115 |
| 1913 | 27,147 | 406,428 |
| 1914 | 12,610 | 102,394 |

All of the above tonnage, except the rafting of logs, originated at or below Liberty, Tex. In addition, during the calendar year 1914, 20 bales of botton and 300 passengers were carried by the light-draft gasoline boat *Commodore Duncan* between Dallas and Lock and Dam No. 2.

*Financial summary.*

| | |
|---|---|
| Amount expended on all projects to June 30, 1915: | |
| New work | $1,830,595.06 |
| Maintenance | 238,667.36 |
| Total | 2,069,262.42 |

As shown by the engineer's reports, volume 2, page 2677:

The snag boat *Trinity*—

The principal navigation on these rivers seems to be the navigation of snag boats—

The snag boat *Trinity* remained laid up at Liberty, Tex., from the beginning of the fiscal year until October 15, 1914, due to lack of funds. An allotment for this work having been made from the river and harbor act of October 2, 1914, the snag boat was placed in commission October 16, 1914, working down the river from Liberty, Tex., and continued work until February 10, 1915, on which date it was again laid up, due to shortage of funds. It resumed work on May 26, 1915, and worked from that date to the end of the fiscal year. The items of work performed were as follows:

| | |
|---|---|
| Number of miles worked over | 18 |
| Snags destroyed | 28 |
| Stumps destroyed | 4 |
| Shore snags cut | 758 |
| Logs removed from channel | 1,825 |
| Leaning trees cut | 7,509 |
| Trees girdled | 204 |

A very great work. What a farce!

There is all of that money so far expended; and, of course, when any objection is raised we are met by the argument, "Why, you would not spend all of this money and then waste it by doing nothing more?" So we go on and on, building more locks and more dams, until 37 are now to be completed. I suppose that that project will be defended. I know my good friend from Texas [Mr. SHEPPARD] thoroughly believes in it, and I thoroughly believe in the honesty of all of his purposes; but how people who are not in Texas—I mean it in no sectional way—can vote for this project with the showing made by the engineer's report as to the absolute lack of commerce and the millions so far expended I can not see, unless it be for one thing, and that is in time to give the people of that part of Texas a potent force to regulate railroad rates.

The Brazos appropriation and the Trinity appropriation certainly can not be defended on the ground of navigation. The defense must be that their improvement will give to the people along their banks actual water competition, which will reduce freight rates. That is a great big subject, which we have discussed here considerably in days gone by. Undoubtedly water transportation on the Lakes has resulted in a great deal of benefit to the people of the Middle West in giving actual water competition; but we are always confronted with that proposition, that people along the rivers are getting better rates. The truth is, however, that the whole people of the country are contributing to that end. If the people along these rivers are getting better rates, then somebody else has got to pay for it, and you are working an injustice to some one else.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. KENYON. I do.

Mr. NORRIS. What is the length of that river?

Mr. KENYON. The Trinity River?

Mr. NORRIS. Yes.

Mr. KENYON. "The Trinity River rises in north central Texas and flows approximately 650 miles southeasterly to Galveston Bay."

Mr. NORRIS. I mean that portion of it included in the provisions for improvement.

Mr. SHEPPARD. I will say that it is about 500 miles from Dallas to the mouth of the river.

Mr. KENYON. The Senator from Texas says about 500 miles.

Mr. SHEPPARD. A little over 500 miles from Dallas to its mouth.

Mr. KENYON. I see from the report of the Chief of Engineers that that stretch is 512½ miles long.

Mr. NORRIS. How many of the dams are now completed?

Mr. KENYON. Seven have been appropriated for and two others authorized. There have not been seven completed. I presume the Senator from Texas can state how many have been completed.

Mr. NORRIS. What is the maintenance cost, approximately, for each one of these dams, and how many of the employees of the Government have to stay there all the time to look after them?

Mr. KENYON. I can not tell the Senator that; I have not figured that out.

Mr. NORRIS. How many dams are there to be in all?

Mr. KENYON. There are to be 37 dams altogether; and I think four or five have been completed. I will ask the Senator from Texas whether that is correct?

Mr. SHEPPARD. About five have been completed, and the other two are almost completed.

Mr. NORRIS. What do they cost? Has the Senator that information?

Mr. KENYON. I have the figures somewhere as to the cost of these various dams, but the Senator asks questions so fast that it is hard to keep up with him. I think they cost in the neighborhood of $350,000 each.

Mr. NORRIS. And there are to be 37, the Senator says?

Mr. KENYON. There are to be 37.

Mr. NORRIS. The river will be dammed worse when it is completed than the Senator is damning it now.

Mr. KENYON. I do not know but that the people who make it possible will be damned worse than the river.

Now, I wish to put in the RECORD a couple of letters in regard to this river to a Member of the House of Representatives from Texas. Not all of the people of Texas are enthusiastic about this river, nor are all of the Members of Congress from that State. One Member of the House from Texas has fought this river; he has ridiculed it, and has said that the appropriations for this river were unjustifiable. He has exhibited a good deal of courage, as I understand he lives very near the river. Here is a letter to him which was placed in the CONGRESSIONAL RECORD in the other House, and which I wish to place in the Record here:

CITIZENS' NATIONAL BANK,
*Waxahachie, Tex., January 30, 1913.*

Hon. OSCAR CALLAWAY,
*Washington, D. C.*

DEAR SIR: I wish to commend you for your course on the rivers and harbors appropriation bill. That you are right in your position there can be no question. Money appropriated to make navigable dry creeks hundreds of miles away from tidewater is money wasted. How so-called engineers can make favorable reports on such schemes is past comprehension. But they do it. Many seem to think the Government a big institution, with money without limit, and that every dollar they can get from the Government by any means is fair, and that the people are gainers to that extent, when in truth all governments as purely governments are paupers. Every dollar the Government has must come from the people. If all these foolish appropriations were placed where good results would follow, it would be commended. Why Congressmen will vote for such wild, foolish appropriations is passing strange.

I will not read the reasons he assigns—

It can only be assigned to ignorance or insincerity. The people are getting tired of such foolishness. I have heard many commend you for your stand.

Yours, truly, O. E. DUNLAP.

I read another letter from the same town:

THE CITIZENS' NATIONAL BANK,
*Waxahachie, Tex., April 1, 1913.*

Hon. OSCAR CALLAWAY,
*Washington, D. C.*

DEAR SIR: From press reports I note that you have been opposed to further appropriations for the furtherance of the proposed navigation of the Trinity River. I do not think this a practical project at all, and I wish to congratulate you on the fair, unprejudiced stand you have taken, especially so in the face of all the opposition and criticism this stand has brought upon you. Personally the cleaning and clearing of the underbrush along the river would be of much personal benefit to me, as I have considerable land adjoining same, but I do not think it right that the funds of the Federal Government should be used in bringing this about, although, as stated, should the Trinity be made a navigable stream it would be of considerable benefit to me and a project which would meet with my hearty support could I conscientiously believe it practicable, which I do not.

With best wishes to yourself, I am,

Yours, very truly, R. W. GETZENDANER.

I am not acquainted with these gentlemen, but I assume the Representative from Texas must be, and in placing their letters in the RECORD he vouches for their standing and probity.

So we have this proposition, Mr. President, that on a stream with about 12,000 tons of commerce, over $2,000,000 have been expended, and millions more are yet to come.

I will take up now for a moment the Black and Current Rivers. They are not particularly important; and the commerce on them, after the exclusion of logs and timber rafted, is practically nothing. For the Black River we have appropriated $257,457.96, and for the Current River $77,043.24 have been appropriated. I will read just one brief statement from the engineers with regard to these rivers:

The low-water widths—

Referring to the Black River—

of Buttermilk Bend are 120 and 140 feet. Its low-water depths are uniformly 8 feet. The corresponding depths in the reach and crossing immediately below the bend are 3 feet. There are no shoals immediately above or below the bend that interfere with navigation, the controlling shoal above being the Indian Ford, 3 miles upstream, where a low-water depth of 18 inches obtains, and the controlling one below being Mussel Shoal, 4½ miles downstream, where a low-water depth of 2 feet obtains.

Eighteen inches of water in a stream, and yet we are asked to make appropriations for it!

Now, I come to a very interesting stream, upon which there were some illuminating hearings in the House. I refer to the St. Francis River. This is one of the streams where a witness testified in the House that you did not know when you got to it and you did not know when you got across it.

In its original condition—

Say the engineers in their report, on page 1006, volume 1—

this stream was not navigable above Lesters Landing (190 miles above the mouth) at any stage. Between Lesters Landing and Marked Tree, 41 miles below, navigation was possible at high stages only, and below Marked Tree to the mouth, 149 miles, it was difficult at medium and ordinary low stages and impossible at extreme low water. The minimum usable depths below Marked Tree were 10 to 12 inches for a width of 30 feet. Above Marked Tree the depths and widths were 6 inches and 10 feet, respectively. Wappapello, Mo., 340 miles above the mouth, has been considered to be the head of steamboat navigation, and logs and ties are floated from about 40 miles farther up; however, by reason of the fact that a section of river below—Lesters Landing to head of Varney River—is navigable during high water only, and even then with great difficulty, Lesters Landing is the practicable head for any form of power-boat navigation from below.

Another one of the rivers included in this group is the L'Anguille, concerning which the report of the engineers, on page 1007, says:

During periods of no backwater the minimum usable depths are but 6 to 8 inches, with a channel width of 10 to 20 feet.

Six to 8 inches of water!

Neither of the tributary streams are navigable—

Say the engineers' reports, on page 2729—

during low water, and the main stream—the St. Francis—is navigable by only very light-draft boats at that time. During the calendar year 1914 the St. Francis River in the vicinity of Madison was too low for navigation purposes from June 17 to December 29, and in the vicinity of Marked Tree from June 14 to December 31.

And so it runs.

Freight traffic: Logs and lumber are practically all the freight traffic. They amount to 294,000 tons, and the balance of the traffic amounts to but a few hundreds. But I want to call attention more especially to some of the hearings in the House.

The St. Francis River—

Says Mr. CARAWAY, in the House hearings—

for 81 miles has no defined channel or banks. It varies in width—that is, the sunk lands—from a quarter of a mile to about 7 miles. I notice that in the report the engineer states that it is from one-fourth to 2½ miles, but, having lived for quite a while in the so-called lake or sunk-land section, I am entirely familiar with it, and know that he is in error somewhat. The channel of the river, or what used to be the channel, has almost entirely disappeared. When I first knew the river, as far up as Lake City, through the sunk lands, steamboats of considerable size ran. That was only 15 years ago. Where the wagon and railway bridges cross the lake at Lake City, and which have draws, and were built within the last six or seven years, under these draws there are now islands and willow trees growing, which are tall enough to reach from this floor to the ceiling. The channel is choked with a growth which we locally call smartweed. It grows to a height of 15 or 20 feet, and at places I have seen it so thick that it appeared to be land on which you might walk, but if you attempted to do so you would sink in 10 or 15 feet. I knew a very estimable gentleman to lose his life because he mistook that formation of weeds for land. He walked out on it and was drowned.

He says, further:

With all due deference to the chairman, I understand that a great deal of the river and harbor improvement work has commerce only as a secondary incident, though it is the alleged reason for the improvement.

This is the part I especially call attention to, as a stream for which we are appropriating money, and, further, carrying a survey in this bill for some more of it beyond the line of anybody dreaming, I should think, of navigation:

Sixteen miles above the head of the sunk lands the St. Francis River has a channel with banks 17 feet above the low-water state; 9 miles below the sunk lands, at Marked Tree, it has 18 feet, and a short distance below that, at Madison, in St. Francis County, it has 38-foot banks. Through the sunk lands, in some places, it has a well-defined bank on one side, but on the other the average above low water, I should think, was not over 18 inches, and it may be less than that. In fact, when you approach it at many place you will not know when you reach the river, and the channel winds around through logs and growth and this smartweed, as we call it, and you can actually cross the river and never know it. As I said, where they have built the railroad bridge and wagon bridge at Lake City, and where I have seen steamboats at least 30 or 40 feet in length, there are willows growing up, in some places coming through the flooring of the bridges. There is no sign of a river there, and for three-quarters of a mile up and down stream, where I used to see the river, there is nothing now to be seen but vegetation. However, there is water there, and if you should probe down through this growth you would be apt to find water anywhere from 18 inches to 10 feet deep. If you canalize this river, you make it a continuous navigable stream for whatever uses it may be put, and I think the reports will show that this river carries about as much commerce as the ordinary streams.

So we have a river as to which the witnesses testify that you do not know when you reach it and when you cross it.

Now, as to the surveys in this bill, the committee seemed to have a rule that anybody wanting a survey could have it put on, because surveys do not cost much, although the Commerce Committee of the Senate increased this appropriation by $100,000 to cover surveys, and there is one survey which runs up into these sunken lands. As to that, the engineers say that in this section there is a low-water depth of about 2½ feet, with many logs, snags, and overhanging trees and a discharge of about 170 cubic feet per second. The commerce consists mainly of logs and mill supplies. In the sunken lands for 81 miles the banks are usually submerged and the stream divided into a number of poorly defined channels, having a depth of not more than 15 inches at average stage and but 8 to 10 inches at low water. If we are going as a business proposition to consider anything, I think we should hesitate somewhat about extending any surveys to that kind of a proposition. The controlling depth at ordinary low water, the engineers say, is about 12 inches, while in dry years it is as little as 8 inches.

So much for the St. Francis.

I only want to refer, in order that I may have it in the RECORD, to the Cumberland River, which carries a very heavy appropriation in this bill. The continuing improvement provided for in this bill is below Nashville, and only maintenance is carried in the bill above Nashville. There are two projects on the Cumberland—the upper Cumberland, extending from Nashville to the headwaters of navigation, and the lower Cumberland, extending from Nashville to the Ohio River. The appropriation is to carry on the work on the lower Cumberland, providing for seven locks and dams.

We have spent on the Cumberland River about $5,000,000. The commerce amounts to about 130,000 tons. When one of the projects, either above or below Nashville—I think above Nashville—was up for consideration the Army engineers recommended the cooperation of the States of Kentucky and Tennessee, and that a portion of the money should be contributed by those States; but it was stated in that hearing that the State of Kentucky could not contribute, owing to her constitutional provisions. In any event, the Army engineers recommending that, it would seem that if we intend to follow the Army engineers we should make that kind of a provision.

This bill carries $710,000 for that river, in addition to over $5,000,000 heretofore appropriated; and if the valuable wood, timber, and sand is deducted it would leave a traffic of around 100,000 tons in 1914. The amount expended above Nashville is $3,295,640.73. Under the allotment of March 4 there was allotted $378,000. Below Nashville the amount expended has been $1,214,801; the allotment of October, 1914, was $210,000, making a total of $5,088,441.30.

Now, let us see a little about the commerce.

The commerce looks large in some of these reports. There are great duplications of commerce. Logs and lumber and sand and gravel hauled only a few miles are put in to swell the commercial statistics, but on careful analysis and an exclusion of these matters the ordinary statistics in few cases amount to very much.

Above Nashville, as given on page 2847 of volume 2, the short tons for the year 1914 were 314,028. Upon analyzing that we find that 68,583 tons was logs, 20,656 tons lumber, 60,240 tons railroad ties, 100,925 tons sand and gravel, which was hauled about 12 miles. So, excluding those matters which do not require any canalization or any large channel, there would not be to exceed 100,000 short tons.

Below Nashville there is apparently 153,458 short tons of commerce for the year 1914. Of that, sand and gravel, hauled an average of 12 miles, constitute 38,976 tons; railroad ties, 96,092 tons; lumber, 580 tons; logs, 2,903 tons. So if that was deducted we would have a commerce that would not amount to over 20,000 or 25,000 tons.

I make this estimate, so that it may go in the RECORD, from the engineers' report of 1915, volume 2, page 2847:

Above Nashville, 314,028 tons, as follows: Sand and gravel hauled 12 miles, 100,925 tons; logs, ties, and lumber, 172,507 tons; or a total of 273,432 tons, which, deducted, leaves a net amount of 40,596 tons.

Below Nashville, 153,458 tons, as follows: Sand and gravel, 38,976 tons; logs, ties, and lumber, 102,024 tons; making 141,000 tons, or a net amount of 12,458 tons as the commerce on this stream, where we have expended $5,000,000!

The engineers say, as I understand their record, that the appropriation should be $340,000. This bill carries $705,000. In 1914 there was $210,000 allotted for the Cumberland River below Nashville, and in 1915, $378,000. I shall offer an amendment as to this at the proper time, for which I shall ask consideration, reducing that appropriation.

I want to place in the RECORD some facts as to the Tennessee River. That is given $944,000 in this bill. About $11,000,000 has been appropriated for this river. Deducting sand, gravel, and valuable timber, the commerce in 1914 reached about 186,000 tons. That included ore and marble hauled from 5 to 15 miles, amounting to about 78,000 tons. Of that, it seems almost impossible from the engineers' reports to determine just what is for maintenance and what is to continue the project; and it must always be borne in mind, in the discussion of the commerce on the Tennessee, that the coal and marble were hauled a very short distance, and that is a factor to take into account.

I want to analyze the commerce a little.

The commerce for the year 1914 above Chattanooga would appear to be rather large—305,616 short tons. Of that, 5,000 tons was logs in barges, 25,000 rafted; lumber towed, 8,000; ties, 18,000; and sand hauled 27 miles, 145,000, which, when deducted, leaves rather a small commerce in consideration of the large amount expended.

Between Chattanooga and Florence the engineers give us, on page 2871, 124,872 tons for the year 1914; but of that 15,000 tons is logs towed in barges, 1,000 rafted, 10,000 lumber, ties 2,000, sand hauled 25 miles, 54,000; and if that should be deducted there would be a very trivial commerce left. Between Florence and Paducah, applying the same rule, the same result would follow. So the commerce, if we are to justify these expenditures in that way, certainly would not warrant the large expense.

I ask permission to place in the RECORD an analysis of the commerce on that river which I do not want to take the time to read.

The PRESIDING OFFICER (Mr. HUSTING in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

TENNESSEE RIVER ABOVE CHATTANOOGA.

Season of navigation, year 1914: Closed June 10, 1914; opened December 2, 1914.

*Vessel classification.*

| | |
|---|---|
| American registered steamers | 14 |
| Net registered tonnage | 764 |
| Unregistered rafts | Not reported. |

About 46 barges, with a total capacity estimated at 3,795 tons, were employed by the steamboats operating in this section.

*Freight traffic.*

| Articles. | Amount. | | Valuation. | Average haul or distance freight was carried. | Average rate per ton-mile. |
|---|---|---|---|---|---|
| | Customary units. | Short tons. | | | |
| | | | | *Miles.* | *Cents.* |
| Cotton | 500 bales | 125 | $25,000 | 60 | 5.0 |
| Grain | 392,012 bushels | 10,696 | 308,886 | 48 | 2.3 |
| Hay | 67,773 bales | 3,388 | 67,760 | 49 | 2.6 |
| Live stock: | | | | | |
| Large | 280 head | 140 | 30,200 | 49 | 8.6 |
| Small | 1,259 head | 126 | 17,626 | 46 | 9.8 |
| Other farm products | | 634 | 36,642 | 55 | 5.2 |
| Logs: | | | | | |
| Towed in barges | 1,811,000 feet b. m. | 5,435 | 43,480 | 32 | 3.2 |
| Rafted | 8,379,436 feet b. m. | 25,138 | 201,108 | | |
| Lumber: | | | | | |
| Towed in barges | 4,155,127 feet b. m. | 8,310 | 141,274 | 35 | 2.8 |
| Rafted | 100,000 feet b. m. | 200 | 3,400 | | |
| Ties | 215,424 | 18,850 | 107,712 | 21 | 5.9 |
| Other timber products | | 34 | 1,020 | 30 | 4.2 |
| Fertilizer | | 601 | 15,025 | 62 | 2.8 |
| Flour | 1,395 barrels | 140 | 7,700 | 46 | 5.7 |
| Merchandise | | 4,839 | 725,850 | 63 | 7.6 |
| Machinery | | 196 | 58,800 | 70 | 8.8 |
| Miscellaneous | | 2,514 | 8,825 | 19 | 1.9 |
| Marble | 12,630 cubic yards | 28,418 | 426,270 | 5 | 7.9 |
| Sand | 97,228 cubic yards | 145,832 | 72,916 | 27 | [1].09 |
| Iron ore | | 50,000 | 57,500 | 15 | 1.7 |
| Total | | 305,616 | 2,356,992 | 24 | 2.1 |

[1] Part transported by owners.

Number of passengers carried, 5,741.

TENNESSEE RIVER BETWEEN CHATTANOOGA AND FLORENCE.

Season of navigation, year 1914: Open all the year between Bridgeport and Decatur. Between Chattanooga and Bridgeport and between Decatur and Florence navigation was suspended from June 15 to December 1, though light-draft traffic was carried on during the low-water season between Lambs Ferry and Lock 6, Muscle Shoals Canal.

*Vessel classification.*

| | |
|---|---|
| American registered steamers | 20 |
| Net registered tonnage | 1,373 |
| Unregistered rafts | Not reported. |

About 30 barges, with a total capacity estimated at 5,069 tons, were employed by the steamboats operating in this section.

*Freight traffic.*

| Article. | Amount. Customary units. | Amount. Short tons. | Valuation. | Average haul or distance freight was carried. | Average rate per ton-mile. |
|---|---|---|---|---|---|
| | | | | *Miles.* | *Cents.* |
| Cotton | 18,102 bales | 4,626 | $525,200 | 44 | 6.8 |
| Cotton seed | | 3,080 | 80,800 | 73 | 2.5 |
| Grain | 184,558 bushels | 5,095 | 140,301 | 74 | 1.6 |
| Hay | 6,831 bales | 342 | 6,840 | 53 | 3.0 |
| Live stock: | | | | | |
| Large | 1,712 head | 857 | 104,725 | 78 | 3.7 |
| Small | 700 head | 70 | 9,800 | 80 | 6.3 |
| Other farm products | | 102 | 16,485 | 82 | 6.3 |
| Logs: | | | | | |
| Towed in barges | 5,104,804 feet b. m. | 15,314 | 122,515 | 35 | 3.0 |
| Rafted | 477,310 feet b. m. | 1,432 | 11,455 | | |
| Lumber | 5,464,450 feet b. m. | 10,933 | 185,791 | 39 | 2.0 |
| Ties | 31,971 | 2,798 | 15,985 | 50 | 2.1 |
| Other timber products | | 202 | 2,114 | 5 | 20.0 |
| Fertilizer | | 11,623 | 290,573 | 76 | 2.3 |
| Flour | 7,565 barrels | 757 | 41,635 | 77 | 3.3 |
| Merchandise | | 10,559 | 1,583,850 | 70 | 6.3 |
| Miscellaneous | | 419 | 2,390 | 64 | 2.8 |
| Sand | 36,472 cubic yards | 54,708 | 27,354 | 25 | [1] 1.6 |
| Machinery | | 1,955 | 586,500 | 80 | 8.7 |
| Total | | 124,872 | 3,754,313 | 42 | 3.1 |

[1] Part transported by owners.

Number of passengers carried, 3,182.

The foregoing tabulation does not include the freight transferred between the Nashville, Chattanooga & St. Louis Railway Co.'s terminals at Hobbs Island and Guntersville, Ala. Two towboats, handling large transfer barges that accommodate from 8 to 10 freight cars each, are employed by the railway company as a connecting link between its lines on the north and south banks of the river. Freight is not unloaded from the cars, and the railroad keeps no separate traffic records pertaining to this car ferry, but regards it in the same light as any ordinary crossing, although the terminals are 22 miles apart. It is considered that this business is not altogether in the nature of actual river traffic, but inasmuch as the statistics heretofore compiled for this section have included the commerce thus handled, a condensation of the railroad company's report for the last calendar year is given on next page.

*Traffic handled in 1914 by railway transfer boats between Hobbs Island and Guntersville, Ala. (22 miles).*

| Class of commodities. | Quantity. | Estimated value. |
|---|---|---|
| | *Tons.* | |
| Farm products | 12,544 | $1,379,840 |
| Timber products | 4,267 | 64,105 |
| Merchandise | 44,838 | 6,725,700 |
| Miscellaneous | 20,711 | 410,665 |
| Total | 82,360 | 8,580,310 |

With the addition of this business the total traffic for the year 1914 amounts to 207,232 tons, valued at about $12,334,623. These totals should be employed in any comparison of the commerce of this section for 1914 with that reported for years previous to 1910.

TENNESSEE RIVER BETWEEN FLORENCE AND PADUCAH.

Season of navigation, year 1914: Navigation was continuous throughout the year from Paducah to Hamburg. From Hamburg to Riverton navigation was interrupted during the months of June, July, August, and September, though vessels drawing less than 24 inches could pass over the shoalest sections above Hamburg at all times during the year.

*Vessel classification.*

American registered steamers ..... 25
Net registered tonnage ..... 2,534
Unregistered rafts ..... Not reported.

About 95 barges, with a total capacity estimated at 39,380 tons, were employed by steamboats operating in this section.

*Freight traffic.*

| Articles. | Amount. Customary units. | Amount. Short tons. | Valuation. | Average haul or distance freight was carried. | Average rate per ton-mile. |
|---|---|---|---|---|---|
| | | | | *Miles.* | *Cents.* |
| Cotton | 7,126 bales | 1,782 | $356,400 | 100 | 5.0 |
| Cotton seed | | 3,106 | 80,756 | 86 | 2.9 |
| Grain | 223,541 bushels | 5,994 | 180,418 | 126 | 1.6 |
| Hay | 18,140 bales | 907 | 18,140 | 171 | 1.9 |
| Live stock: | | | | | |
| Large | 6,681 head | 3,042 | 924,975 | 188 | 1.5 |
| Small | 7,016 head | 589 | 97,936 | 121 | 2.5 |
| Peanuts | 91,403 bags | 4,570 | 22,850 | 155 | 1.9 |
| Other farm products | | 1,395 | 257,420 | 73 | 3.3 |
| Logs: | | | | | |
| Towed in barges | 4,131,161 feet b. m. | 12,394 | 99,148 | 124 | 1.3 |
| Rafted | 9,969,476 feet b. m. | 29,818 | 238,547 | | |
| Lumber: | | | | | |
| Towed in barges | 5,630,538 feet b. m. | 11,261 | 191,438 | 163 | 1.2 |
| Rafted | 500,000 feet b. m. | 1,000 | 17,000 | | |

*Freight traffic*—Continued.

| Articles. | Amount. Customary units. | Amount. Short tons. | Valuation. | Average haul or distance freight was carried. | Average rate per ton-mile. |
|---|---|---|---|---|---|
| | | | | *Miles.* | *Cents.* |
| Ties: | | | | | |
| Towed in barges | 2,286,044 | 200,029 | $1,143,022 | 168 | [1] .5 |
| Rafted | 1,489,677 | 130,347 | 744,839 | | |
| Poles, telegraph and telephone (rafted). | 50,000 | 20,000 | 87,500 | | |
| Other timber products | | 3,934 | 302,690 | 195 | [1] 1.0 |
| Fertilizer | | 1,822 | 45,550 | 121 | 1.6 |
| Flour | 34,258 barrels | 3,426 | 188,430 | 174 | 1.6 |
| Merchandise | | 9,357 | 1,374,102 | 192 | 1.6 |
| Miscellaneous | | 5,077 | 56,123 | 145 | 1.9 |
| Marble | 47 cubic yards | 106 | 1,590 | 200 | 1.0 |
| Total | | 449,956 | 6,428,874 | 164 | .7 |

[1] Part transported by owners.

Number of passengers carried, 21,561.

Mr. KENYON. I refer for just a moment, as not so particularly important, to the harbor of Ontonagon, Mich., where they have expended large sums of money, and the tonnage last year was 12,032 short tons.

Grand River, Mich., is one of the wasteful projects, where we have appropriated $518,000. The commerce has been a decreasing commerce, until it is down to 49,000 tons, and the work is practically abandoned in that river.

On Clinton River we have expended $99,000. There is a small tonnage. About all there seems to be there is a few gasoline boats. The tons last year were 14,108. We expended $72,919.57. It seems to be more of a pleasure resort than anything else.

On the Fox River, Minn., which I will not take the time to go into, we have made large expenditures. There is a very small traffic. It seems to have benefited the people by making a good place for skating on in the wintertime.

The Sacramento and Feather Rivers are put into this bill, carrying appropriations of, I think, $75,000, but committing us to an expenditure of $5,860,000. I am not sufficiently familiar with that to go into it.

I want to refer now to the Ohio River. The Ohio River is the most expensive project that is being carried by the Government. It has cost millions and will cost millions more. It has a large tonnage, and if any improvement of this character can be justified as an experiment it would probably be the Ohio River.

Some years ago there was an examination of the Ohio River by the War Department, with a view to obtaining a channel depth of 6 and 9 feet, respectively, and that Board of Army Engineers, through Gen. Mackenzie, made a most interesting report. They found that a 6-foot navigation at low water could be established from Pittsburgh to Cairo by the construction of 45 locks and movable dams, at a cost of fifty million nine hundred and sixty-two thousand and some odd dollars, and a 9-foot channel at a cost of $63,731,488, with a cost of maintenance of $15,000 for each lock and dam, a total of $675,000 for the 6-foot project and $810,000 for the 9-foot project.

These projects were outside of terminals, which do not seem to have been considered by the board, so that the cost combined is $63,731,488 and $1,000,000 a year for maintenance.

There has been considerable of that work done. The question is whether it should be abandoned or not. The Ohio River has some advantages in being the great industrial center of Pittsburgh and the fact that it flows through a country that has a large population, many manufacturing plants and coal interests. The traffic on the Ohio River is largely coal, and the difficulty with the situation is that you get your movement only in one direction; there is not much to come up the river.

The Ohio Valley Improvement Association has for years besieged the Government for appropriations with which to deepen the Ohio River to 9 feet. The present plan was adopted in 1910 and involved, as I have said, an expenditure of about $63,000,000, but if the terminals are included which are necessary in any plan of river improvement to be successful the project would come closer to $70,000,000.

The Ohio is one of the few American rivers that has retained any large traffic in recent years. At Cincinnati there has been an increase of over 56,000,000 bushels of coal in 1893 to 62,000,000 bushels in 1906. It is not a large increase but is more substantial than on any of the other rivers.

As I have said, the Ohio River has some advantages that other rivers do not have. Its headwater is the great industrial center

of Pittsburgh and there are various industrial towns along the river. It is perhaps the best river on which to attempt any scheme of canalization.

The Board of Army Engineers were of the conclusion that there would be a tremendous traffic on the Ohio River, agricultural products and coal and raw material of all kind. Perhaps the traffic on the Ohio River will be, if anything, the raw material that enters into the many industrial enterprises along the line.

Lumber traffic presents no prospect along the Ohio River, because the forests are cut down, sand and gravel are hauled but a short distance, and what is to be hoped for would be the raw material entering into manufactures, because the Ohio Valley is becoming a very great manufacturing center.

The board estimated the cost of necessary dredging, in addition to the $63,000,000, to be about $5,000,000, and, as I have said, that does not include the cost of the terminals, which would run the project over $70,000,000.

The board believes that the traffic of 3,500,000 tons of coal may be moved from Pittsburgh to Cairo in a year, and there would be a profit in that for the boat company. It has to be borne in mind that the river line is generally farther than the railroad. For instance, along the Ohio the distance from Pittsburgh to Cincinnati is 468 miles on the river, while on the railroad it is 326 miles. Whether the average rate per haul per ton-mile by water can be made less than by railroad is, of course, problematical. If the Government furnishes the waterway entirely free to boatmen and we did not take into consideration at all the capital invested in making the river navigable, then the water transportation will, of course, be lower.

There now are about 100,000 tons of continuous commerce apart from soft coal that has always floated down the river. It reached a very large sum in 1914. One-half of the valuation of the commerce is from trade ferried across the river.

I do not know, Mr. President, whether the Ohio River plan warrants further expenditures or not.

I had expected to take up the Missouri River project and the Mississippi, but the junior Senator from Missouri [Mr. REED] is not present, who desired to be here; and I think I will discuss what I have to say about the Missouri River when we reach that item in the bill, and also the Mississippi River.

Mr. President, I have covered—in I know a very uninteresting way—some of the projects in this bill which have led my mind to the conclusion that the bill ought not to be passed by Congress, even in different times from those we are now engaged in, but that especially at a time when there are so many necessary expenses, apparently this is certainly an indefensible bill. I have said very frankly that if there were enough Senators who would enter into a legislative fight—proper legislative tactics—to defeat this bill I would be glad to join in that kind of a movement. There are not, and, so far as I am concerned, I am going to criticize this bill all the way through, and fight it all the way through, and offer amendments to these various projects, and try and have half the amount substituted, and put these matters up to the judgment of each individual Senator and let all these questions be voted on.

I hope the bill will have a full and free discussion from both sides. I have tried to discuss it in a fair way without any insinuations or reflections upon anybody. I feel deeply that this system of appropriations is going to stop before many years, and that the real friends of river and harbor legislation have to get rid of all the little indefensible schemes that are placed in this bill, and that the awakened conscience in this country is going to demand that Congress, not only in this but in other measures, shall have some regard for the people who have to pay the bills.

I shall discuss other features of the bill as the consideration of the measure proceeds.

## HOUSE OF REPRESENTATIVES.

### TUESDAY, *May 9, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, Almighty God, our heavenly Father, for the spirit of evolution potent in the mind of man from the beginning, leading him from savagery to civilization, the earnest of the grander possibilities which lie with us all. Help us, therefore, to be earnest, to be faithful, to be true to ourselves and true to Thee, until we all come unto the measure of the stature of the fullness of Christ; and Thine shall be the praise forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### LEAVE TO EXTEND REMARKS.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech on the subject of Our Merchant Marine, by Mr. Andrew Furuseth, before the Economic Club of Boston, on February 23.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by printing a speech on the subject of Our Merchant Marine, delivered by Mr. Andrew Furuseth in Boston last February. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Philippine bill.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent to extend his remarks in the RECORD on the Philippine question. Is there objection?

Mr. FITZGERALD. We all have 10 days to print on that subject. That time is not up yet. I think there ought to be a limit on the gentleman from Illinois. There is on the rest of us.

Mr. STAFFORD. There is no limit on the gentleman from Illinois. He is limitless in his activities.

Mr. FITZGERALD. Five legislative days.

Mr. SLAYDEN. Make it ten.

Mr. FITZGERALD. The gentleman from Illinois is not so busy that he can not write his remarks within five days.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] proposes to limit the time of the gentleman from Illinois to extend his remarks to five legislative days.

Mr. MANN. I ask that my request be submitted.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the Philippine bill. Is there objection?

Mr. FITZGERALD. Reserving the right to object, Mr. Speaker, I wish to say that I think five days are enough. There is no reason why the gentleman should have unlimited time, and I will object. I ask unanimous consent that the gentleman have five legislative days.

Mr. MANN. The gentleman need not ask unanimous consent for me. I am able to ask my own unanimous consent.

The SPEAKER. The gentleman from New York objects to the request of the gentleman from Illinois, and that is the end of it.

Mr. FITZGERALD. I ask unanimous consent that the gentleman from Illinois may have five legislative days.

The SPEAKER. No; he does not want it.

Mr. KITCHIN. I withdraw the objection of the gentleman from New York. [Laughter.]

The SPEAKER. The gentleman from North Carolina withdraws the objection of the gentleman from New York, and the gentleman from Illinois gets his chance to print his speech, anyway.

Subsequently,

Mr. FITZGERALD. Mr. Speaker, was my objection to the request of the gentleman from Illinois withdrawn?

The SPEAKER. Yes; it was withdrawn by the gentleman from North Carolina [Mr. KITCHIN].

Mr. FITZGERALD. I wanted to know, because I wanted to see how easy it was to make the gentleman from Illinois petulant.

The SPEAKER. The objection was withdrawn by the gentleman from North Carolina.

Mr. MANN. I did not hear the remark of the gentleman from New York.

Mr. FITZGERALD. The gentleman can read it in the RECORD to-morrow.

#### DIXIE HIGHWAY BRIDGE.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent for my colleague from Georgia [Mr. WALKER], who has an emergency bridge bill, that it may be considered by the House.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill (H. R. 14771) granting the consent of Congress to commissioners of Charlton County, Ga., and Nassau County, Fla., to construct a bridge across the St. Marys River, to be known as the Dixie Highway Bridge.

Mr. ADAMSON. I ask unanimous consent for the present consideration of this bill, because it is an emergency matter.

Mr. GLASS. I ask for the regular order.

#### RURAL CREDITS.

The SPEAKER. The gentleman from Virginia demands the regular order, and the House automatically resolves itself into

the Committee of the Whole House on the state of the Union for the further consideration of the rural-credit bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes, with Mr. GARNER in the chair.

Mr. GLASS. Mr. Chairman, I would like to inquire how much time remains for general debate.

The CHAIRMAN. The gentleman from Virginia has used 55 minutes and the gentleman from California [Mr. HAYES] 1 hour and 47 minutes.

Mr. GLASS. I yield five minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, the importance of this bill can not be overestimated. In my judgment, no bill which is likely to be considered by this Congress will have more far-reaching and beneficial effect. While the European countries have had a system of rural credits for a great number of years, it is new legislation, so far as the United States is concerned.

By the act of March 4, 1913, Congress authorized the appointment of a commission to visit Europe and make a study of this great question. Under this act a commission was duly appointed by the President, made a trip to Europe, collected and compiled valuable information, made an exhaustive study of the subject, and submitted a comprehensive report.

A number of rural-credit bills were introduced in the last session of Congress, referred to the respective committees, reported back to the House and Senate, and some consideration given them. However, it was finally decided to defer action upon the matter. The whole subject was referred later on to a joint subcommittee of both branches of Congress, with authority to hold hearings during the recess last summer, and instructed to report back by the 1st day of January, 1916. This was done by bills being introduced in both the Senate and the House and referred to the respective Banking and Currency Committees.

PURPOSE OF THE BILL.

We have just concluded consideration in the House of the Agricultural appropriation bill, which carries an appropriation of $24,501,093. Broadly speaking, the money appropriated by that bill is for the purpose of securing beneficial information for the use of farmers in applying scientific methods in planting and growing their crops and in caring for and marketing them. Farming has become a great industry, and to be carried on successfully it must be done along business lines. Everyone recognizes this. To do it the farmer must have money not only to buy land, but improve it, buy live stock, and purchase machinery in order to make it productive.

The accommodations offered by commercial banks do not meet the needs of the farmer, as they must always have quick assets with which to pay the checks of their depositors. The farmer should have a different system of credit. He requires loans upon longer terms and can not afford to pay the interest rates charged by commercial banks.

The purpose of this bill is to create a means whereby he may secure loans upon long terms at the lowest possible rate of interest and payable in small amortization payments.

It is only in exceptional cases where a farmer can borrow money at commercial rates, buy a farm, and pay his note within the time usually granted by commercial banks. If crops fail and he is unable to meet the interest and the installment when due, the mortgage is foreclosed and he loses his initial payment, together with the time and work he has expended upon it.

This bill makes it possible for him to secure money as a loan for 5 to 36 years and enables him to get it at a low rate of interest. If thrifty and industrious, he will be able to make the payments and ultimately own his home free from all incumbrances.

FARMING IS THE GREATEST INDUSTRY WE HAVE.

The census of 1910 shows the total area of the United States to be 1,903,269,000 acres, and of this 878,789,000 acres, or 46.2 per cent, is given as productive land. The amount actually cultivated is given as 478,451,750 acres. The total number of farmers is about 6,500,000. The size of the average farm is 138.1 acres, and of this the average acreage of improved farm land is 75.2 acres and the average of the unimproved is 62.9 acres.

The last census gives the number of farms in Oklahoma as 190,192 and the number of acres of farm land as 28,859,353. The size of the average farm in the State is 151.7 acres, and of this the number of productive acres is given as 92. The total value of farm property in Oklahoma in 1910 was $918,198,882.

The census shows the mortgage debt for the entire United States to be $1,726,172,851 for 1910, but exact figures are not thought to be available. The entire debt is variously estimated at between four and five billion dollars.

The rate of interest upon land mortgages varies in the different sections of the country, ranging from 6 to 10 per cent, including commissions. The average is given at 7.5 per cent. Dr. C. W. Thompson, in charge of rural organization in the Department of Agriculture, gives the average in Oklahoma, including commissions, as 8.4 per cent.

These figures impress us with the very great importance of enacting rural-credits legislation.

NECESSITY FOR LEGISLATION.

The Federal reserve act, approved December 23, 1913, encouraged short-time six months' loans to farmers and permitted national banks to make a limited amount of loans on first farm mortgage security for a period not to exceed five years. The time is too short, renewals are too frequent, and the interest rates of commercial banks are too high. The threat of foreclosure is always hanging over the farmer, who is dependent upon the seasons. In the event of a drought, a total or a partial failure follows. Excessive rains cause a loss of time, and often subject him to great damage and financial loss by ruining his grain. Every one who grew up on the farm as I have, has an intimate knowledge of farm life. He knows that the farmer runs more risk of losing his year's labor than any other class of producers. He works longer hours and gets smaller compensation.

During the consideration of the Agricultural appropriation bill it was stated that the average farmer, after deducting 5 per cent upon his investment, received only $402 per annum for an average family of 4.6 persons, and yet the prosperity of the entire country is dependent upon him. Let there be a shortage in the wheat crop or an unusual demand for it, such as was occasioned by the European war, and the price of flour goes up. The increased cost is felt in every home throughout the land. On the other hand, let there be an abundant supply of all farm products, and the entire Nation is benefited.

The value of all farm products for the year 1914 aggregated the staggering total of $9,873,000,000, and the value of all the crops for 1915 perhaps exceeds this sum. These facts conclusively show the necessity for legislation to encourage and assist the farmer.

Reflect for a moment that only 46.2 per cent of the land in the United States—less than one-half capable of being cultivated—is actually producing. Because of insufficient improvements, poor live stock, lack of machinery, and other things necessary to make a crop, the land only yields one-half of what it is capable of producing. In other words, four times as much could be produced as is actually raised, or farm products of the value of $40,000,000,000 could be harvested yearly. This vast wealth turned into the channels of trade would bring unparalleled prosperity to the country and be felt by every citizen of this Republic. To help bring this condition about is the object of this legislation.

I would rather be the author of a real rural-credits bill, one that would meet the needs of the actual producers of this country, than of any other legislation.

Without financial assistance it is difficult to succeed in any occupation or profession. Every laborer must have tools. Every physician or lawyer must have instruments, books, and office equipment. No merchant can do business without money. The same is true of the farmer. [Applause.]

OTHER APPROPRIATIONS COMPARED.

We appropriate large sums of money for various purposes—more than a billion dollars for the present fiscal year ending June 30, 1916. There is now pending in this House a bill authorizing the expenditure of $45,000,000 for flood control. I am not criticising these appropriations, but only invite attention to them. This bill only appropriates $100,000 to pay the salaries and expenses of a part of the officers provided for, in addition to authorizing the Secretary of the Treasury to advance the initial capital of $750,000 for each of the 12 Federal land banks, to be repaid as the loans are made and the stock is subscribed for by the borrowers. To be more definite and lest I may not be understood, after subscriptions from national farm-loan associations to any Federal farm-land bank aggregate $750,000, thereafter 25 per cent of all subsequent subscriptions shall be semiannually applied to the retirement of the capital stock subscribed by the Government.

Complaint is voiced by a comparatively few against this small initial encouragement by the Government to the greatest

industry of the country. We appropriated $39,608,410 for rivers and harbors a few days ago. Perhaps it was all justified. I am not an expert on such matters. We will soon be called upon to appropriate large sums for other purposes. The small amount authorized, expended and advanced, by this bill is trifling, as compared with other appropriations and the beneficial results that will follow.

PROVISIONS OF THE BILL.

The administrative features of this bill are patterned after the Federal reserve act.

FEDERAL FARM-LOAN BOARD.

A nonpartisan Federal farm-loan board consisting of three members appointed by the President and confirmed by the Senate, with a salary of $7,500 each, having offices in the city of Washington, is charged with the general supervision of the system.

FEDERAL LAND BANKS.

The entire United States is to be divided by the farm-loan board into 12 Federal land-bank districts, and a temporary organization of the banks is provided for with a capital of $750,000 each, which is divided into shares of $5 each. In the event all or any part of this amount is not subscribed for within 90 days after the opening of the books for subscription, it is made the duty of the Secretary of the Treasury to subscribe for the balance of the stock unsubscribed for on behalf of the United States.

After $100,000 of the stock is subscribed for by national farm-loan associations, the bank is permanently organized with nine directors. Six directors are elected by the national farm-

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loan associations and three are appointed by the Federal farm-loan board to represent the public interest. Their salary and expenses are fixed by the directors subject to the approval of the board.

NATIONAL FARM-LOAN ASSOCIATIONS.

Local corporations known as national farm-loan associations are authorized to be organized and chartered upon the application of not less than 10 natural persons, who desire to borrow not less than $100 each and not more than $10,000, providing the aggregate amount desired to be borrowed is not less than $20,000. Each local association elects not less than five directors and a secretary-treasurer, none of whom receive any compensation except the secretary-treasurer, who is to be paid only such salary as the board of directors may determine. The other officers are a president, vice president, and a loan committee of three members, all serving without pay, except their actual expenses may be paid. Nobody but a borrower can become a member, and when his loan is paid he ceases to be a member.

HOW TO SECURE A LOAN.

There are three ways of securing a loan:

First. From Federal land banks through national farm-loan associations.

Second. From Federal land banks through agents.

Third. From joint-stock land banks.

Let us take them up in their order.

To secure a loan through a national farm-loan association the prospective borrower must become a member, either as a charter member or by a two-third vote of the directors, after the association is organized and chartered. In any event, he must be a prospective borrower. The members may borrow 60 per cent of the value of their farm lands and 20 per cent of their insured permanent inprovements through the association by subscribing for stock in the local association to the amount of 5 per cent of the desired loan. The local association in turn subscribes for a like amount in the Federal land bank. This stock is capable of paying dividends, and is paid off at par when the loan is paid. The stock held by the Government receives no dividends and is paid off as the stock is subscribed for by local associations by applying 25 per cent of the subscriptions after $750,000 has been subscribed. Ultimately all the stock in the Federal land bank will be owned by the local associations.

The application for a loan must be made out in proper form, prepared by the Federal farm-loan board, and must be accompanied by the abstract or evidence of title, as well as by an appraisement signed by the members of the loan committee of the local association and approved by the local directors. This application goes to the Federal land bank and an appraiser is sent to view the land. If the application is in proper form, the title good, and the appraiser's report favorable, the loan is made. Each loan must be indorsed by the local association.

To illustrate: If a farmer wants to borrow $500, he joins a local association, makes an application on proper form to the secretary-treasurer of the local association for a loan, and subscribes for 5 per cent, or $25 worth, of stock. This application is referred to the loan committee, who view the land and who must make a unanimous written detailed report to the directors of the local association. If they approve it, the loan is indorsed by the local association, the application is forwarded to the Federal land bank, and the local association subscribes for $25 worth of stock in the Federal land bank. The title is examined, and an appraiser is sent to view the land. If this report is favorable, the loan is made.

Each farmer will want to know to what extent he will become liable. His land will stand security for the amount of his loan, and he will be personally liable for all loans of the local association to an amount double the stock he holds, just as a director of any bank is now liable for the indebtedness of the bank.

No member need fear this liability, when it is remembered that no one can borrow more than 60 per cent of the value of his land and 20 per cent of the value of his insured permanent improvements; that the character of each borrower is vouched for by the association; that his land is appraised by the local loan committee of three; that their report must be unanimous; that it must be approved by the directors of the local association; that the proposed loans must receive favorable reports from the Government appraiser; and that the loans must meet with the approval of the directors of the Federal land bank.

It must be kept in mind that the cooperative spirit which will be developed by the formation of these local associations will be of great value to the farmer.

FOR WHAT PURPOSES LOANS ARE MADE.

Loans are only made on first mortgages on farm land for the following purposes:

To purchase land for agricultural uses, equipment and live stock necessary for the operation of the farm, and to provide buildings, and for the improvement of farm lands, and to liquidate existing indebtedness. The purpose of this legislation is to help real farmers and not speculators.

THE TERMS AND INTEREST.

The bill provides that loans may be made for 5 to 36 years, payable on the amortization plan. The rate of interest will be governed by the rate charged on bonds sold. The bill provides that the Federal land banks shall not charge more than 1 per cent upon farm loans in excess of the rate of interest borne on the last series of bonds sold. This 1 per cent is for administrative expenses. It is thought this much will not be needed, and that the rate will soon be greatly reduced. The bill provides that in no event shall interest be charged in excess of 6 per cent. Experts familiar with the price of securities testify that in their judgment the bonds authorized to be issued by Federal land banks will be so safeguarded that a 4 per cent bond will find ready sale at par. By adding not to exceed 1 per cent for administrative purposes and 1 per cent for the amortization payment the interest charged the farmer would be 6 per cent, which, in 36 years, would liquidate both the principal and interest.

The average rate of interest in Oklahoma, including commissions on mortgage loans, is 8.4 per cent. This bill would enable the farmers of Oklahoma to borrow money upon their farm lands and repay both principal and interest at 6 per cent.

When it is enacted into law the rate of interest throughout the United States will be uniform, because each Federal land bank is liable for the bonds of the other. Therefore, the bond of one land bank will be as attractive and secure and sell at as low a rate of interest as the bond of any other land bank. Hence, the farmers of Oklahoma would be able to borrow money at as low a rate of interest as those of New England.

The farmers not only want low rates of interest but they want a place where they can get money. This bill provides for both.

Any loan can be repaid in whole or in sums of $25, or any multiple thereof, after five years, at any interest-bearing date.

WHERE THE MONEY IS SECURED TO LOAN FARMERS.

One question that will be asked by every farmer throughout the country is, "Where will you get the money to loan farmers?"

In the first place, this bill authorizes the organization of 12 Federal land banks, with a capital stock of $750,000 each, and in the event this stock is not subscribed for in whole or in part the Secretary of the Treasury subscribes for the amount unsubscribed for on behalf of the United States. Loans are made upon farm lands to the amount of $50,000. Bonds may then be issued by the Federal land bank, and these bonds are secured, first, by first mortgages on land; second, the stock of the local loan associations; third, by the Federal land bank; fourth, by all the other 11 Federal land banks; and, fifth, by knowledge of the fact that authority for the issuance of these bonds was granted by the Federal farm-loan board, and they were regularly and legally issued, and that all of the requirements of the

law were complied with. This last will inspire confidence on behalf of investors.

It is believed that a ready market would be found for an unlimited amount of such bonds at a rate of interest not to exceed 4 per cent. In no event can the bonds bear a greater rate of interest than 5 per cent. In my judgment they would be as safe as Government bonds. It would bring the small investor in the East in touch with the borrowers throughout the country. The bonds are issued in denominations of from $20 to $1,000. As rapidly as loans to the amount of $50,000 were made bonds would be issued and sold, and the proceeds would then be used to make additional loans. In this way, ample funds would be secured to meet all the requirements of the farmers.

AGENTS.

Section 15 of this bill provides that in the event local associations are not formed in any locality the Federal farm-loan board may, in its discretion, authorize the appointment of State banks, trust companies, and mortgage companies to act as agents for the Federal land bank. They would be required to indorse each loan and become liable therefor and would be authorized to receive as compensation for their services not to exceed one-half of 1 per cent. It is not seriously contended by anyone that an agent under the terms of this bill would ever be appointed.

I attempted to amend this section in the committee by making it mandatory upon the Federal farm-loan board to appoint postmasters of the first, second, and third class agents in the various localities where local associations were not formed within 90 days after the organization of the Federal land bank of any district, giving the agents authority to administer oaths and attest their acts with a seal as well as to forward applications for loans without charge to the Federal land bank.

My fear has been that the farmers of Oklahoma would not readily understand the organization of local associations and that there might be delays incident to the organization of these associations, as well as in securing loans. If each prospective borrower could, through some local person appointed for the purpose, submit his application upon a form prescribed by the Federal farm-loan board, accompanied by a note and mortgage, with the affidavits of two of his neighbors acquainted with the land, whose reputation was vouched for by some responsible person, such as the postmaster, loans could be initiated in this way and forwarded to the Federal land bank. They would thereafter take the same course as if forwarded by a national farm-loan association. The abstract of title accompanying the application would be examined, and if found good the application for a loan would be submitted to an appraiser appointed by the Government, who would view and appraise the land before a loan was finally made, as is required where the application for the loan is forwarded through the local association.

I advocated the appointment of the postmaster, because he is a responsible Government official already paid a salary. He is acquainted with everyone in the community and could be required to perform this extra service free of charge to the farmers. What is most desired is to do away with the expense of conducting the local association and the delay. If this amendment is adopted, it will do both.

JOINT-STOCK LAND BANKS.

The bill also provides for the organization of joint-stock land banks. The stock in these corporations would be privately owned. Their capital could not be less than $250,000, and they would be authorized to make loans upon first mortgages and to issue bonds based upon said loans upon a form prescribed by the Federal farm-loan board. These banks can not charge the farmers more than 1 per cent in excess of the rate of interest established for the last series of farm-loan bonds issued by them.

It is urged by some that the joint-stock land banks will compete with the Federal land banks and that they should not be established. It is also contended that they would loan at a lower rate of interest than the Federal land banks, and in this way prevent the organization of the local loan associations.

What I am interested in is to get cheap accommodations for the farmers—whether they get it through the Federal land banks or the joint-stock land banks, as provided in this bill. For this reason I am willing to have both. They have both in Europe.

EXEMPTION FROM TAXATION.

The stock of the national farm-loan associations and Federal land banks, including reserve and surplus, and the mortgages executed to Federal land banks and to joint-stock land banks, as well as farm-loan bonds issued by them, are exempt from Federal, State, and local taxation. This is in the interest of the farmer.

The more secure and attractive you make the bond to the investor the more ready market the bonds will find, and the lower the interest for which the bonds will sell, the lower will be the rate at which the loans will be made to the farmers. For this reason I favor exempting them from taxation.

The question of the constitutionality of this provision has been argued at great length in the Senate. Upon the authorities there cited I have no doubt as to the constitutionality of the provision. See Owensboro National Bank against Owensboro, One hundred and seventy-third United States, page 664, and cases cited.

WHAT HELP THE GOVERNMENT GIVES THE FARMER IN THIS BILL.

It may be asked "What assistance does this bill give to the farmers of the country?" In the first place, it provides an agency by means of which the borrower and the investor are brought together. It enables the borrower to secure a loan upon long terms at a low rate of interest payable on the amortization plan. It provides initial capital of $9,000,000, or $750,000 for each of the 12 farm-land banks, to organize and begin making loans. It appropriates $100,000 to pay the salaries and expenses of the Federal farm-loan board, as well as all other officers whose salaries and expenses are provided in the bill to be paid by the Government. It exempts the stock of the local associations and Federal land banks and the mortgages and bonds of the Federal land banks and joint-stock land banks from taxation.

WILL AID FARMERS TO SECURE HOMES.

My earnest desire is to assist the man of small means to own his own home and to encourage and aid him in every way to buy a tract of land. When he becomes the owner of the land, he will necessarily become more deeply interested in permanently improving it. Crops will be rotated, fertilizers will be used, and the land will be made more productive. Every foot of it will be tilled, and nothing will go to waste about the premises.

He knows that good roads add value to the land and will feel justified in spending more time and money upon them. The same is true of schoolhouses and churches. As the country becomes more permanently settled and thickly populated there is more demand for rural mail delivery. Other conveniences will follow and all will have a tendency to stop the movement away from the farm to the towns and cities, greatly strengthening the citizenship of this Nation.

How will this bill assist the man without any money or land to secure a home? This question is an important one, and it will be asked by many, especially in a new State like Oklahoma.

Anyone who desires to purchase a home under the terms of this bill can borrow 60 per cent of the appraised value of the land on a long-time first mortgage at a low rate of interest, payable upon the amortization plan; and if he has a reputation for being honest, industrious, and economical, he can secure enough additional money on a second mortgage or other security from other sources to pay the balance of the purchase price. In this way this bill will assist the tenant farmer or the man without land to own a home.

SAVING TO FARMERS OF OKLAHOMA.

The total farm-mortgage debt of Oklahoma is given as $73,129,000. The interest on this sum at 8.4 per cent, the average farm-mortgage rate in Oklahoma, amounts annually to $6,142,836. Pass this bill and the farmers of Oklahoma, by paying $4,387,740 annually, or 6 per cent of the above amount, will save $1,755,096 each year in interest. In addition, they will pay the principal with the interest. If the bonds sell under 4 per cent the interest rate would be lower and a greater amount would be saved to the farmer. The certainty of being able to pay the debt when due, and the gradual reduction of the principal by including it in the interest, and providing an agency through which the farmers can get the money, will greatly relieve them in Oklahoma.

CONCLUSION.

On the whole, I think this is a splendid bill. With the exception of section 15, providing for the appointment of agents, and some other amendments which will be offered, it meets with my most hearty approval.

It is new legislation so far as this country is concerned. Its imperfections, if there be any, will soon be discovered and corrected by Congress. Every safeguard is thrown around the bonds. They are as good as Government bonds and should find as ready a market. The proceeds derived from their sale should amply meet the requirements of all prospective borrowers. The safer the bonds the lower will be the rate of interest they will bear, and a corresponding low rate will be given the farmer.

Rural-credits legislation was recommended by President Wilson and the principles of this bill are understood to meet his approval. It passed the Senate by a vote of 58 to 5. When it passes the House and finally becomes a law, history will record the verdict that this is the greatest piece of constructive legis-

lation enacted by this or any other Congress within the last half century. [Applause.]

OTHER LEGISLATION BY THIS CONGRESS.

No other Congress has considered or will have enacted so much beneficial legislation for the farmers of the country. The House has passed and there are pending in the Senate:

(1) A bill appropriating $25,000,000 in aid of good roads, and this bill has passed the Senate with amendments.

(2) The Post Office appropriation bill making an adequate appropriation for the parcel post and increasing the amount for the Rural Mail Delivery Service.

(3) The Agricultural appropriation bill appropriating $24,501,093 to enable the Department of Agriculture to experiment with every subject affecting farm life, including animal diseases, the testing of seeds and soils, and diseases of plant life, including cotton, corn, potatoes, wheat and forage crops, and the studying of diseases of fruit trees. Finally through bulletins, yearbooks, reports, books of various kinds, agricultural journals, and the press, as well as through farm demonstrators, the department will give this information to farmers for their use, so that great results will be obtained.

In addition, the Agricultural appropriation bill contains:

(a) An appropriation for a bureau of marketing, to assist the farmer in marketing his crops to the best advantage.

(b) The cotton-futures act is reenacted, to make its validity certain.

(c) The grain-grades act, to insure the uniform grading of grain, so that the farmer may sell his farm products upon the same grade for which they are sold elsewhere in the markets of the world.

(d) The warehouse act providing for establishing and licensing warehouses, the storing of grain, and the issuance of warehouse receipts in such a way as to enable the farmer to store and hold his crops for a better market and to use his receipts as collateral security.

(4) And this bill providing for a system of rural credits, which I have been attempting to analyze, and the importance of which I have been attempting to emphasize. [Applause.]

Mr. GLASS. Does my colleague Mr. HAYES desire to use any time right now?

Mr. HAYES. I can use time if the gentleman desires, but we have consumed considerably more of our time than the gentleman's side have consumed of their time.

Mr. GLASS. Very well. I yield 10 minutes to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Chairman, there is nothing that more vitally affects our prosperity than a highly developed agriculture. This interest not only lies deep at the foundation of our industrial progress and economic independence but it is inseparably interwoven with the promotion of that morality and patriotism, indispensable to a great civilization. [Applause.]

Let us look briefly into the tendencies that confront us. The rural population of the United States decreased from 70.5 per cent in 1880 to 53.7 per cent in 1910. The tenant farmers, in 1880 constituting 25 per cent of the total, in 1910 had increased to 37 per cent. No thoughtful man, solicitous for our future prosperity and happiness can look upon these figures without alarm. Indeed, they constitute an unerring prophecy of approaching evils that challenge the best effort of combined wisdom and patriotism, if we are to hand down to our children the freedom and independence we now enjoy. The lessons taught by these figures are embodied in the history of many of the greatest nations the world has known, but which, lacking the power to correct these tendencies, have passed away or sunk into comparative weakness and decay. As long as they had an enduring agriculture and independent rural citizenship they grew and prospered, drawing their strength in wealth and men from the farm; but as cities were built they drew from the farms the sturdiest and strongest characters; the products of the soil decreased; the cost of living ran higher and higher; and as idleness, and extravagance, and waste, and vice multiplied in the great centers of population, the nation, through inherent weakness—always more deadly and dangerous than any foreign foe—sickened and died or fell before some stronger people fresh in activity and free from the infirmities of age.

The young man who would attain his highest possibilities in life does well to inaugurate early the practice of conserving his physical, moral, mental, and financial resources. Only by steadfast adherence to this course of conduct may he hope to develop well-rounded strength or hold commanding station among his fellows. The prudent man keeps watch on his physical well-being. If dangers threaten, he seeks the cause, then applies a remedy. Even so, we who are charged with responsibility in this period of our country's youth and strength, seeking the conservation of the moral and material resources with which God has so abundantly blessed us, should extend our vision across the unfolding years of the future in search of every threatening danger, then seek in patience and prudence to apply a permanent remedy. [Applause.] The tendencies in our economic life to which I have pointed present an unhealthy symptom, manifestly serious and portentous.

Before seeking a remedy let us examine causes. Thus we may hope more directly to find a way of relief. A number of influences may have contributed to the growth of these unhealthy conditions. But undoubtedly they are chiefly the result of economic evils and injustice. It is estimated that the aggregate wealth of the farmers of the United States is about $40,000,000,000 and that their indebtedness totals about $6,000,000,000, approximately half of this amount being secured by mortgages. The estimated interest rate paid by the farmer averages about 8½ per cent, making a total of something like $500,000,000. Figures show that the fair earning capacity of money in this country is about 4 per cent. So we see that the farmer pays more than twice the rate at which it is possible for him to prosper. In other words, the farmers of the country pay in interest about one-quarter of a billion dollars more than they can successfully carry. One cause of this comparative injustice is found in the provision of the law by which the resources of the national banks have been denied to the farmers. The total resources of our national banks are about $10,000,000,000. This amount comprises about one-half of the banking funds of the country. This vast credit resource has by arbitrary provision of law been practically denied to the man having only land to offer as security.

Again, under the banking laws as they have existed the reserves provided for have been carried to the large financial centers and withheld from the great agricultural sections of the South and West. As a legitimate result of these unwise and unfair provisions of law the farmers in the vast undeveloped sections of our country—in the South and West—that stand most in need of capital with which to develop their marvelous resources, pay an interest rate vastly in excess of the older and less needful sections contiguous to financial centers where banking reserves are assembled. It can not be denied that it lies in our power to correct these inequalities and remedy these conditions. Just here it is only fair to say that this administration, in the passage of the great Federal reserve act—that splendid achievement that freed the banking and commercial interests of the Nation from the domination of the coterie of financiers who formerly controlled our supply of money—made provisions permitting loans by national banks on real estate. This measure, in a limited way, strikes down the discrimination against the farmer, but in the very nature of things complete and adequate relief is not afforded. The national-bank system after all remains a commercial system, not adapted to the practical use of the farmer offering real estate as security.

The farmer needs a system of credit adapted to agricultural development. This is not possible under the terms and customs that govern commercial transactions. His business is not the buy and sell sort where rapid exchanges take place, but is a sort of buy and build enterprise. The products of the soil are not forthcoming except at yearly stated periods. Whether the farmer's crop be grain or cotton or fruit or food or live stock, his business is not such as is suited to short-term and fast-maturing loans. He is entitled to a system adapted to his needs just as is provided for other classes; and he is entitled to have counted in the consideration the investment in land which is necessary to enable him to ply his trade. There can be no insistence that the farmer offering land upon reasonable valuation and limitation has not as good security as may be found. Moreover, it is indisputably true that as population increases, and the demands for the products of the soil multiply, land security must become stronger and stronger with the years. The commercial interests of the Nation are cared for under the laws by which security held by the banks are hypothecated to the Government, and currency issued upon it to the banks as middlemen. As for my part, I do not hesitate to say that it is the part of wisdom and statesmanship for the Government to lend its aid and control to a system that will make available to the farmer offering land and its improvement as security the same resources of credit now open to others.

Far-seeing men, who saw the unfortunate conditions to which I have alluded, began the agitation of a rural-credits system that would remove discrimination and give to the farmer the credit resources indispensable to his prosperity. This agitation began with us in 1912. In that year the Democratic Party, in its national convention, declared in favor of permitting national banks to loan a reasonable portion of their funds on real estate, and

pledged the people that, if intrusted with power, it would investigate the rural-credits system of the Old World with a view of establishing here a system suitable to conditions in the United States. In fulfillment of this promise an act was passed in 1913 authorizing the President to appoint such a commission. They conducted careful and extensive investigations in a number of the leading foreign countries and submitted reports to Congress. The bill now under consideration is in large part the product of that investigation.

The countries of the Old World have demonstrated that long-term land credits, such as is embodied in the landschaft of Germany and other systems can be made available to farmers at 3 and 4 per cent interest. If the farmers of those countries enjoy such a rate of interest, the farmers of this great Nation are not unreasonable in expecting their representatives to provide a system that will do the same for them. There is no difficulty in finding available capital in the United States at low rate of interest. There are $4,000,000,000 on deposit in the savings banks of the country drawing less than 4 per cent interest. In the State of New York depositors have loaned nearly $2,000,000,000 at less than 4 per cent. There are $3,000,000,000 invested in bonds and other securities that do not pay as much as 4 per cent. The farmer, whose security, if properly assembled and systematized, would be safer and more stable than these, pays an average of nearly 9 per cent, and in some sections often 10 and 15.

The bill under consideration seeks to vitalize and standardize the security of the landowner. The plan provides for the organization of 12 regional land banks with a capital of $750,000 subscribed by the Government. These banks are to be under rigid Government control and supervision through a Federal farm-loan board to be appointed by the President. In pursuance of the cooperative feature running through the plan, and to secure uniformity of rates throughout the different sections of the country, each of the 12 banks established is responsible for the obligations of all.

The bill provides for the organization of farm-loan associations whose capital stock shall be not less than $10,000 and whose stockholders shall be not less than 10 in number. No loan can be made for more than 60 per cent of the value of the land. The borrower executes to the farm-loan association a mortgage upon his land, and the farm-loan association indorses the mortgage to the land bank. Each borrower subscribes and pays 5 per cent of the amount of his loan to the capital stock of the Federal land bank, and is liable for a like amount in addition, just as are stockholders in national banks. The loan must be approved by the board of directors of the farm-loan association, by the appraiser, and by the Federal land bank. It is recognized that in order to obtain funds at the low rate desired the utmost caution and care prevail in the granting of loans. Upon these mortgages as security, the Federal land banks issue bonds, each Federal land bank, as before stated, being responsible for the bonds of the other Federal land banks. It seems to me that every possible safeguard short of Government indorsement has been thrown around these securities.

In Germany, in France, in Great Britain, such bonds have ranked in the money markets close to the Government bonds themselves. We often hear objection to the cooperative provisions of the bill, because one borrower is involved in the security for the debts of another, and, strange to say, this objection usually comes from those who insist that the bonds of the land banks should be secured by the Government. This is rather a remarkable argument. If the securities are not properly safeguarded, certainly the Government ought not to indorse them; and if they are safeguarded, no harm can come to the individual borrower by reason of his joint liability. Moreover, under the cooperative plan, the securities put on the market will be guarded by the judgment of individual borrowers in every community, who are in position to judge of the character of the applicant and the quality of his security. For my part, I believe in Government aid, but I would not advocate such a course unless convinced that the securities offered were absolutely sound. I represent a constituency among whom the need for credit of this character is so accentuated that I believe in the most liberal system consistent with safety, with the greatest amount of Government aid and encouragement.

The gentleman from Oklahoma [Mr. FERRIS] makes inquiry regarding the section of the bill which provides for loans to individuals without the organization and intervention of farm-loan associations. I will say to the gentleman that I have given careful study to this section of the bill, and my views are these: If the Government is to be involved in further liability than is provided by the bill as reported, I think the system ought to be limited in granting loans only through farm-loan associations. If there is to be no Government liability added to the provisions of the bill as framed, I should be glad to see the section providing for individual loans liberalized and made practicable. I am fully aware that as that section reads it can not meet the views of those who contend for a system providing for direct loans without the intervention of farm-loan associations. However, it is clearly erroneous to insist that there are no benefits whatsoever to come from that section of the bill. In the State of Alabama—and I have no doubt the same conditions exist in other States—there is such great demand for money and the banks are so strained in the effort to accommodate their customers that I have no doubt many of them would gladly avail themselves of the provisions of this section in order to enable their patrons to secure additional accommodations. The truth is, speaking for the section that I represent, I believe this bill will carry benefits that will be felt by the small bankers. I have no doubt they will welcome its passage.

Not only the safeguards enumerated have been thrown around the bonds of the land banks, but the bill exempts the bonds from taxation of every sort. This makes the difference of fully 1 per cent in itself. It is thought not unreasonable to expect that under the practical operation of the system the bonds will find ready sale at less than 4 per cent. If this be true, the farmer will be enabled to borrow money at less than 5 per cent, because the bill provides that the farmer can not be charged more than 1 per cent above the rate on the bond. In no case can the interest rate exceed 6 per cent. The minimum loan permitted is $100 and the maximum $10,000, and improvements on land are recognized in the valuation to be taken.

Not only does the farmer need a reasonable interest rate as compared to others, but in the very nature of things any system to afford relief must provide for long-term credit. The bill before the House provides for the amortization plan of payment, the minimum period being 5 and the maximum 36 years. Under this plan it is estimated that a loan of $1,000 at 5 per cent would be extinguished in 20 years by payment of $80.24 each year. If the rate to the farmer is as low as 5 per cent, which it is hoped may be the case, the farmers of the district that I represent could by paying 8½ per cent annually—which is less than the amount of interest at which they are now permitted to obtain money—extinguish the entire debt, including principal and interest, in 20 years.

The long-term provision eliminates the expenses involved in annual payment and renewal, removes the constant dread of foreclosure, gives a permanent basis upon which to base calculations and activities, and will stimulate hope, economy, and thrift.

A most serious aspect of agricultural conditions is found in the swelling swarm of tenants, now numbering nearly 3,000,000, the percentage of whom is increasing with such alarming rapidity. It is not unusual to hear expressions of concern for the welfare of the negro here in these parts. I do not object to that, though I believe with all my heart that many men who would be his friends have proven his worst enemies; but all good men everywhere are desirous of his improvement. The greatest man that race has ever given to the world taught his people just as their white neighbors have always contended—that their proper sphere of real growth and usefulness lies along industrial lines and in their increased capacity in the production of wealth. A large percentage of our tenants are negroes. No man, white or black, living upon another's land, sleeping under another's roof, and whose toil is sold or mortgaged in advance can ever find heart and hope and stimulus to build a permanent prosperity or an enduring civilization. I know of no legislation ever attempted for the negro's uplift that carried so much of practical benefit to him as will, in my judgment, be accomplished by the passage of this bill. It will throw the light of hope across the darkened path of every tenant in this land, white or black, and quicken the step and brighten the face of every man who tills the soil and bring to the American people a richer yield from every field and farm. This system will constitute an effective call upon every man who toils to put forth his best effort and practice utmost economy. It will point the way by which, when once able to make the beginning, he may borrow money at low rates upon long terms and complete his plan for becoming an independent landowner.

The opposition to the bill is based in large part upon inconsistent and antagonistic contentions. On the one hand we find those who tremble at the suggestion of paternalism, and at the same time objection is made because the bill does not go far enough in its provisions for Government aid. For my part, I think there is much greater support for the latter view. The cry of paternalism has lost much of its force. The Government in the Federal reserve act provides for loaning its credit to the banks. Government credit and Government funds are expended

in the organization of the Bureau of War-Risk Insurance. The Government has been using its funds in the construction of a railroad in Alaska and the development of the Panama Railway, and it is proposed that the Government shall purchase ships for the development of a merchant marine. These efforts, like the purpose of the rural-credits bill, are the promotion of the welfare of the people as a whole.

But, after all, the measure before the House does not seriously involve the Government in gifts nor make it a lender. It only provides the machinery to organize and vitalize the security of the farmer to enable him to compete upon fair terms with others in reaching the money supply of the country. I do not suppose the present bill embodies entirely the views of any man on the subject of rural credits. Even the pioneers in this great work, the learned gentlemen of the recess committee, were never able to agree as to all details of any particular bill. The measure is, in plain truth, like every great scheme of its kind, a compromise. It is not to be expected that in a matter to us new and untried Congress could in its first attempt construct a bill free from every imperfection. But the passage of the present bill will insure rural-credits legislation by the present Congress. It is at least a long step in the right direction. To defeat it would defer this reform indefinitely and disappoint deeply those who expect relief at our hands. If the system proposed shall prove destructive in its operation, as feared by some, I believe we may trust the wisdom and patriotism of a subsequent Congress to repeal it. If it shall prove unsatisfactory and insufficient in the measure of relief sought to be accomplished, we may trust those who come after us to amend and perfect it. I repeat that it is at least a good beginning, a step in the right direction, that ought not to be defeated or delayed. The passage of the Federal reserve act has freed the banking and commercial interests from the few so-called financiers, too long allowed to control the supply of money and, under threats of panic, dictate legislation or defeat the administration of law. A greater achievement will crown our efforts in the passage of this bill that will enable the farmers of the country to secure credit upon equal advantages with the commercial, industrial, and manufacturing interests.

This step must be taken not only out of consideration for the future of the farmer; general economic necessity demands it. If delayed, the time will come when the interests of our population not engaged in agricultural pursuits must compel it.

From 1900 to 1910 the crop production in the United States increased only 10 per cent, while the population increased more than twice that rate. The cost of food increased 80 per cent from 1896 to 1912. Every rule of common sense and economic necessity calls upon us to open the way for the highest agricultural productiveness. There can be no doubt that Germany's military efficiency, of which we hear so much, is in large part the outgrowth of her agricultural forces, through which her powers of production have been perfected. This forms the basis of her military superiority. Under her splendid system of agricultural development and intensification her crop yields are 80 per cent more to the acre than the same crops in the United States. This Nation's greatest asset is peace, and her greatest source of defense in war is her army of skilled, educated, independent farmers. Their products command the world's gold in time of peace and sustain those who defend the flag in time of war.

Some one has said that "the man who kindles a fire upon a free and independent hearthstone burns the best incense to liberty." Domestic environment is a controlling factor in the development of character; love of home constitutes the basis of real patriotism; and from the home life of the masses spring the lofty ideals upon which must rest the perpetuity of our institutions. As the years come and go, with the swelling tide of irresponsible immigration sweeping upon our shores, as our cities grow and multiply, with their vexing problems of want and vice, it is from the pure sunlight and free fresh air of the farm that must come the strong young men who are to sustain this Republic. In promoting their interest and providing for their future we further the fulfillment of its mission. [Applause.]

Mr. GLASS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. HENRY].

Mr. HENRY. Mr. Chairman, I am glad of the opportunity to address the committee for a few moments touching the merits of this bill. In my opinion, the Federal reserve act will stand as a monument to the constructive wisdom and patriotism of the Democratic Party. [Applause on the Democratic side.]

This measure will prove to be an efficient system in behalf of the farmers of the country if certain amendments are adopted. When we passed the Federal reserve act it was then promised by this administration that a rural-credit bill would be given to the agricultural population of the country, and now such measure is pending before this body. The fundamental principles are good, and I regard it as most admirable in many features. It does not contain all that I would have in such a measure, but the underlying principles of it are sound.

Let us analyze it. In the first place it, provides a separate and distinct system for the benefit of the farmer. That is essential, because the commercial banking system is not adequate to the needs of the farmer. The farmer requires a long-time loan. Here we have a measure modeled after the Federal reserve act. It is constructed on the same foundation and around that framework. We have the Federal farm-loan board to supervise this system, and it is set up separately from the banking system. [Applause.]

Mr. Chairman, that is a feature commending itself to me. Another good thing is that it provides for 12 Federal land banks. The Government comes to the aid of the farmers here. It is provided that the Government shall supply the capital for the farmers, and extends Government aid and provides for the capitalization of $750,000 for each one of the banks. This is Government aid, but, in my opinion, does not go quite far enough. I believe in addition to the Government providing the capital for the 12 Federal land banks and allowing them to issue debentures or farm-loan bonds, we should go further and provide that the Federal Government guarantee every one of these farm-loan bonds issued by each and every one of the 12 Federal land banks.

In my opinion we would do no more than we have for the business world, because when we set up the Federal Reserve System we provided that the merchant, the business man, the corporation could bring their assets to the 12 Federal reserve banks and deposit them as collateral and have advanced on the collateral by the Federal reserve banks obligations of the United States redeemable in gold—Federal reserve notes. Therefore I say that by the same logic we should place the credit of this Government behind the farmers' system, and we should guarantee every one of the farm-loan bonds issued upon the farm mortgages of the country, just as we have guaranteed every Federal reserve note issued against the assets of the bankers and merchants and business men of the country.

And I believe the time will come when we will pursue the same course in regard to this system pursued for the benefit of the commercial world. Individually I would go further than that. I would provide that this Government should purchase every year at least $50,000,000 of these farm-loan bonds, so as to give them a marketable status throughout the world. In my opinion under the system as it is drawn here these bonds will be salable and this system will be workable; but I would make "assurance doubly sure" by writing into the law that the Federal Government will purchase $50,000,000 or $100,000,000 of these bonds every year, and then they will sell throughout the world and never go below par. [Applause.] I shall certainly vote for such an amendment. I would vote for the proposition to guarantee all of these bonds.

Another splendid feature is the provision for the national farm-loan associations, the initial units to be organized with Federal charters for the benefit of the farmers, in order that they may begin the operation of the system and assemble the mortgages given on farm lands and such mortgages to be deposited in the 12 Federal land banks and on which the loans are to be advanced by those banks. I think that is a workable plan and believe the bill, after the Government has supplied the capital to organize the 12 banks, will from the beginning prove a practical and efficient measure with the suggested amendments. [Applause.] We should have no doubt upon that subject. We should at least do as much for the farmer as we have done for the business world. The farmer asks no more at the hands of this Government.

When we placed the credit of the Government behind the commercial world we made it possible for the farmer to knock at the doors of the American Congress for legislation in his behalf, and we should give him no less than we have given the business world. [Applause.]

This bill is a thing of tremendous importance and will be of great benefit to the American farmer. *It undoubtedly reduces the rate of interest to 6 per cent on long-time loans.* It ought to go below that, but that is the maximum rate fixed here. At the present time in many States of the Union the interest rate ranges from 6 per cent up and in some States the average rate is over 8 per cent on long-time loans. Indeed the average in all of the States in the Union is more than 8 per cent on long-time loans. This is a crying shame and a disgrace. In Europe the farmer can have his needs financed, and they never think of paying more than 3 per cent on long-time loans.

And I am glad we can hail the day when the interest rate is to be reduced for the benefit of the farmer. [Applause.] I predict that after this bill is passed under this administration, and the system is organized, it will be perfected and will prove to be a worthy companion piece to that other great constructive legislation, the Federal reserve act, and bring untold blessings to the farmers of America.

And, Mr. Chairman, this bill should be further amended by raising the capital stock of the 12 Federal land banks to $1,000,000 each, and thus require the Government to subscribe the $12,000,000 capital stock and place Government aid of substantial value in the act. We should also make these farm-loan bonds rediscountable at the Federal reserve banks.

The postal savings funds to a very liberal degree should be made available for investment in the farm-loan bonds.

And, Mr. Chairman, I would provide that immediately the Government should deposit $12,000,000 public funds from the United States Treasury in the Federal land banks—$1,000,000 in each land bank.

With these amendments we will establish a very strong farm-loan banking system. I hope and believe the bill will be thus bettered and perfected.

The day of reckoning is here, and I shall continue to fight for the toiler, the producer, and the farmer until he is placed on an equality with every other citizen.

Mr. HAYES. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. PLATT].

Mr. PLATT. Mr. Chairman, the bill before us is comparatively simple in its main outlines, though it creates a rather complicated cooperative system fostered by Government capital, and also authorizes alongside of it a system of joint-stock mortgage banks, direct and plain in their operation. The joint-stock banks make loans directly to the farmers and sell their own bonds based on the mortgages taken. They may not operate, however, beyond State lines. The Federal land banks of the cooperative system are to be 12 in number, one for each district, the districts to be similar to but not coterminous with the Federal reserve districts. The Government is authorized to furnish $750,000 to each of these Federal land banks for so long a time as may be necessary without dividends or interest, but no money may be paid to any Federal land bank until at least 10 farm-loan associations have been organized in its district. The Federal farm-loan associations are expected to be organized in small districts, perhaps one for each county, and are to be wholly associations of borrowers, every borrower subscribing an amount equal to 5 per cent of the amount of his loan to the stock of the association, which in turn subscribes to the stock of the Federal land bank of its district to which it passes up its mortgages after indorsing them and from which it receives the money to be loaned. The land bank sells bonds, based on the mortgages, to get more money, and that in turn is loaned again. This process it may repeat up to twenty times its capital of $750,000. Theoretically, each Federal land bank might, therefore, loan $15,000,000 without increasing its capital, but when the subscriptions from borrowers reach $750,000, the capital subscribed by the Government or by private individuals or corporations shall begin to be refunded and their stock canceled, so that ultimately the borrowers shall be in full control.

The salient features of the system are the exemptions from taxation, the long-time amortized loans, and the selling of bonds based on the mortgages received, so that the money first loaned comes back and can be loaned over and over again.

Mr. Chairman, it seems to me that a brief story of the evolution of this bill may be of service. President Taft started the ball rolling when he called upon American representatives abroad to report upon European institutions that make a specialty of the financial needs of the farmers and landowners. One of our representatives, Hon. Myron T. Herrick, ambassador to France, became greatly interested, and wrote what is probably the best book on the subject. The discussion in our own country practically began with the publication of the reports received, and was gathering much force when President Wilson's administration began. As a first result two commissions went abroad in 1913 to study further the foreign farm-credit institutions. Senator FLETCHER of Florida and Representative RALPH Moss of Indiana were members of the United States commission, and on their return began the preparation of bills providing for a new system of farm-mortgage banks. Senator FLETCHER was at first strongly in favor of a central banking institution, and a bill was drawn embodying that idea. This bill, with some modifications, has been introduced in the House by the gentleman from Georgia [Mr. HOWARD]. It deserves more attention than it has received from the various committees and joint commissions that have worked upon the question since. The United States commission itself, however, soon abandoned the central-bank plan, and the final ideas of the commission were embodied in the report of January 29, 1914, Senate Document No. 389, and in the Moss-Fletcher bill of the Sixty-third Congress—an excellent measure worked out in its details by the gentleman from Indiana [Mr. Moss].

This Moss bill I still believe the best rural-credits bill that has been presented to Congress. It provided for a simple system of joint-stock mortgage banks under supervision of the United States Government, the banks to issue bonds upon the security of the mortgages taken, with provision for the exemption of the mortgages and the bonds from taxation. There were some rather serious defects in the plan, defects clearly recognized by Mr. Moss, and afterwards corrected by him, the chief of which was the small minimum capitalization of the banks. These defects could easily have been remedied, but instead of trying to remedy them the joint subcommittees of the House and Senate Banking and Currency Committees of the Sixty-third Congress started, de novo and without consulting Mr. Moss, in the construction of a bill, the chairman of the subcommittee of which I was made a member being Mr. Bulkley, of Cleveland, Ohio. This subcommittee had the almost constant advice and expert help of Mr. Willis, now secretary of the Federal Reserve Board, and it was he who embodied in writing many, if not most, of the ideas developed at the discussions. In a general way the Moss bill was used as a starting point, but the Bulkley-Hollis bill developed into something very different. It created small incorporated farm-credit associations—the idea being that one would be located in each county—but following the too easy analogy of the new Federal Reserve System made them subsidiary to central land banks, one in each of the Federal reserve districts. These land banks were private corporations, but again on the too easy analogy of the Federal Reserve System the Government was to subscribe to the capital—$500,000 for each—if private capital should not be forthcoming.

In the original Moss bill there was only one set of institutions, which might be organized with as small a capital as $10,000, but they were not expected to remain small in capitalization. In the Bulkley bill the farm-loan associations were capitalized as separate institutions at the same minimum but were expected to remain small and were not allowed to sell bonds. They were required to send their mortgages up to the land banks, which in turn were to sell the bonds. The farm-loan associations might be cooperative, but were not compelled to be. The whole system under the terms of the bill might have been conducted by private capital under Government supervision. Private capital was welcomed. This plan was workable, but in order to satisfy the agitators for Government aid a section was added permitting, practically requiring, the Government to purchase not to exceed $50,000,000 of the bonds issued by the land banks each year. To that the Secretary of Agriculture and President Wilson objected—rightly in my judgment—and the sound-money Democrats and Republicans in the House committee stood together and prevented the reporting of the bill.

The matter came before the House nevertheless in the closing days of the long session through a freak Government-aid bill passed with very little consideration in the Senate, as a rider on the Agricultural appropriation bill, and was only sidetracked by the authorization of the appointment of the joint commission which prepared the main outlines of the bill now before us.

Right here I want to say a few words about the predicaments that good people sometimes get into by compromising with evil. The way of the transgressor is hard, and the Democratic Party has brought upon itself the difficulties it has encountered in formulating and passing a sound rural-credits bill by its transgressions in framing and passing the Federal reserve act. That act by its express terms gives, or appears to give, an enormous special privilege to the commercial national banks. Section 16 provides that Federal reserve notes are to be issued "for the purpose of making advances to Federal reserve banks," by which they are in turn advanced to the member banks. "The said notes shall be the obligations of the United States." They are by these words made practically greenbacks to be loaned to the banks upon collateral security, and to the extent that applications for these greenbacks are granted by the Government "the Federal Reserve Board shall supply Federal reserve notes so issued to the bank so applying, and such banks shall be charged with the amount of such notes, and shall pay such rate of interest on said amount as may be established by the Federal Reserve Board." One draft of the bill said at not less than one-half of 1 per cent. There you have what appears on its face to be an enormous special privilege for the bankers and great moneyed interests of the country. Naturally every farm-credit agitator

and many politicians ask why the same privilege can not be extended to the farmers. I pointed out in some remarks made when the Federal reserve bill was under discussion in September, 1913, that the farmers would ask just that question, and stated that they would be entirely justified in so doing. And they have asked it. We heard it just now from the gentleman from Texas [Mr. HENRY].

The only defense anyone can make with regard to the words quoted about the Federal reserve notes is that they are false words put into the act to deceive that great and good man, William Jennings Bryan, without whose support the bill never could have been put through the Democratic caucus. The Federal reserve notes, whatever the act may say of them, are not greenbacks but are bank notes and some day, when the Republicans get into power, we are going to amend the act so as to make it say what it means, and take the deception out of it.

Mr. PHELAN. Mr. Chairman, will the gentleman yield?

Mr. PLATT. I can not yield just now to my Democratic colleague on the committee. I know what the gentleman wants to say, and I know that he agrees with me.

Mr. PHELAN. I was just going to ask if he would not have that remedy applied sooner than when the Republicans get into power?

Mr. MANN. Oh, that would not be practicable; we will be in so soon.

Mr. PLATT. I should be very glad to cooperate with my colleague from Massachusetts in amending the Federal reserve act now, if he thinks it can be done in a Democratic Congress.

One of the immediate results of the false statement in the Federal reserve act was the introduction of a great crop of bills, calculated to make the Government "do for the farmers what it has done for Wall Street and the bankers." One of these bills introduced in the last Congress by Hon. Elsworth R. Bathrick, a Democrat from Ohio, a bald scheme for loaning money from the Treasury of the United States to the farmers, was given very wide circulation and was indorsed by the National Grange, by the Farmers' Union, and by nearly every farmers' organization in the country. That bill did more, perhaps, to poison the public mind on the subject of rural credits than any other, and the Bulkley-Hollis bill with its Government bond purchase feature added to the disturbance.

It was with this accumulation of difficulties, and after fighting off—with the aid of Republicans near the close of the last Congress—the McCumber scheme, which was about as bad as either of the others, that the joint rural credits commission, appointed then, began its work, and I must frankly say that it deserves some credit for making the bill before us as good as it is.

If it remains as it is I intend to vote for it, although I disagree with some of its provisions and believe that it would be much wiser to enact the United States commission or Moss bill, as reintroduced by Mr. Moss in January, 1915, than to attempt to enact at this time such an elaborate scheme of Government-forced cooperation.

The bill before us establishes a cooperative system, not under the Federal Reserve Board but under a new board, which will give at least two deserving Democrats and presumably one deserving Republican $10,000 jobs, with a whole army of subordinates—examiners and appraisers—all to be appointed without civil-service examination.

Mr. MADDEN. And all paid out of the Federal Treasury.

Mr. PLATT. Most of them. The Federal land banks are to be organized with Government capital, which is to receive no dividends, unlike the similar institutions of the Bulkley bill. Private capital is discouraged from participation, as it is given no voice in the management whatever. Now, I do not subscribe at all to the distrust of private capital shown in the provisions with regard to the Federal land banks. I believe that economic laws are superior to statute laws in the long run, and I think that the joint-stock banks, which are also provided for in this bill, with the exemptions from taxation of mortgages and of bonds, would work a solution of the whole question of land credits.

After all, it is largely a question of taxation. Many States require high interest rates by law. What, you say, do not all States have usury laws to prevent high interest rates? Oh, yes; they have usury laws, which are easily evaded, and then they turn right around and compel high interest rates by taxing mortgages and other instruments of credit at local general property rates. If money is normally worth 5 per cent on good security and I borrow $1,000 from a man who lives in a place where the local tax rate is 2½ per cent, the lender would net only 2½ per cent on the loan if he has to pay the full tax on the note or mortgage. Naturally he would not loan money at such a ridiculously low rate. There are too many other profitable ways for the employment of his money. If he has to pay such a tax he will make his loan at 7½ per cent, which is the average rate on farm mortgages in this country, according to the gentleman from Indiana [Mr. Moss].

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes; I yield to the gentleman from Nebraska.

Mr. SLOAN. I would like to ask the gentleman from New York if the average farm rates are as high as 7½ per cent in this country for long-time loans?

Mr. PLATT. There are no long-time loans now to any extent.

Mr. SLOAN. On five-year loans.

Mr. PLATT. Those are the figures which the gentleman from Indiana [Mr. Moss] obtained from the Department of Agriculture.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes; I yield to my colleague on the Banking and Currency Committee.

Mr. MOSS of Indiana. Those are the figures given by Prof. Thompson, of the Department of Agriculture, who has just made a study of that matter, and he gave them before the joint committee in his report. Of course, I arrived at the figures by adding together the rates in the different States to get the average rate. I did not take the amount of loans in each State.

Mr. SLOAN. That is the point I desire to make—that that is an average of the State rates rather than an average of the loan rates.

Mr. PLATT. Yes; I think that is true. The average rate is probably a little lower on the total of nearly $4,000,000,000 of farm mortgages in the country.

Mr. SLOAN. It leaves a wide way open for a difference.

Mr. PLATT. That is true. Now, apart from the risks of depreciation of value, this matter of local taxation is about all there is of it. If the exemptions from taxation in this bill are constitutional they will work great good in forcing the States to abolish antiquated uneconomic systems of taxation. We do not tax mortgages in New York, and that is one chief reason for our low interest rates.

The joint-stock land banks provided for in this bill will pay their fair share of taxation in the localities in which they will be established. Their stock will be taxable, while the stock of the Federal land banks will go free, and I believe they will be able to serve the farmers just as well as the more elaborate cooperative Government-forced Federal land banks. They are not required to pry into the reasons why a farmer wants a loan. They are far simpler in organization and will go after business instead of waiting for business to come to them. When once fairly established, probably their bonds will sell as well as those of the Federal land banks, because there will be less red tape about collecting their money. In my opinion they will be in many sections the most valuable institutions established under this bill and will render excellent service to the farmers.

Certainly there can be no valid objection to the inclusion of this system of joint-stock banks, adapted from the original Moss-Fletcher bill, in this bill. To say that they will interfere with the establishment of the larger cooperative system, which has the enormous and really unfair advantage of Government capital furnished without interest, is idiotic. The cooperative system provided is carefully safeguarded, and in my opinion is wholly workable. If the farmers of any section do not organize under it, it will be because they can obtain equally low rates elsewhere or because they do not want to cooperate. What can they ask more than the free loan of $9,000,000 from the Government to start the system? What right have they really to ask that? It is an enormous special privilege, and given to a class which does not need it. There never was a time, Mr. Chariman, when agriculture in this country was more prosperous than it is at the present time. The very fact that the average rate on farm mortgages in this country is 7½ per cent—if that really is a fact—is evidence of prosperity. Generally speaking, farming is most profitable in the sections where the interest rates are highest. It is in our hilly, rocky eastern country—a country won from the woods with infinite labor in clearing—that farming is least prosperous and that interest rates are lowest. I greatly doubt whether any system of farm-mortgage banks can be of much influence in lowering interest rates in the East; but I do believe that it may be a marked advantage to popularize long-time loans, to be paid on an amortization plan. To some extent this has already been done by the savings and loan associations. They are purely cooperative, and might cover the field; but the competition of the institutions created under this bill may be of some assistance. Then, I believe, further, that the farm-loan and joint-stock bonds created under this bill may become a popular form of investment, and in some sections of the country, notably in the Middle West, the real problem of farm

credits is to find some safe and popular form of investment for the farmer's savings.

For the reasons stated I shall vote for the House bill, which is not unreasonably unsound for a Democratic measure. If, however, any of the sound features should be stricken out, or if any of the foolishness of the Senate bill should be put in, I shall vote against the final passage and urge others to do the same. [Applause.]

Mr. HAYES. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. McFADDEN]. [Applause.]

Mr. McFADDEN. Mr. Chairman, the present bill, S. 2986, which has been reported from the Committee on Banking and Currency, is created for the purpose of providing capital for agricultural development, to create standard forms of investment based upon farm mortgages, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create financial agents for the United States, and for other purposes.

These epitomes contain two opposite proposals—of providing capital for farm-credit purposes and to furnish a market for United States bonds. They are competitors in the world of finance, and it is difficult to see how their interests can be served by the same agency, and it is an undisputed fact that the United States Government will be furnishing aid to the farmer at the expense of the Government, its Treasury, and its bonded indebtedness, and this money, therefore, is derived from taxes paid by the whole people. This bill is subject to criticism in the following respects. It creates a separate system of banks in the United States devoted entirely to the interests of the farmer.

The operation of the system in its present form has many complications and might, under certain conditions, become unworkable. In its present form the Federal reserve system of establishing 12 district banks throughout the United States has been copied, and it will only benefit well-to-do farmers but furnish no help for the worthy farmer who has no capital and desires to follow farming as an occupation, and thus divides the farming community into two classes.

There is no crying need among the farmers, who are to be benefited most, for this kind of legislation. The operation of the system as proposed might develop into a political machine.

Nothing, in my opinion, could work greater injury to the progress that agriculture is making than to legalize any plan which would make easy the obtaining of credit or money through Government aid. I wish to be understood as favoring legislation which will positively aid the farmers of our country and those who desire to engage in agriculture to finance their operations on as favorable a basis as possible, for their highest success, but to preserve for them their integrity and their independence. In other words, the real credit system, to render satisfactory service, should have for its purpose the creation of more individually owned farms. The men who own their farms are seldom in need of long-time credit, and what credit they do need is usually available through their banks.

The trouble about rural-credit plans heretofore, and even now, is that the idea developed is usually too lofty. Practically any farmer in good standing in his community can borrow 50 per cent of the value of his own land on very reasonable terms at any time that he wishes to do so; but if an effective rural-credit plan is to be devised it must come upon a more liberal basis to reach the nonlandowner who wishes to acquire his farm for a home and livelihood. This bill, in my judgment, does not answer this question, and I challenge anyone to prove that it does.

And if this present bill is adopted I am practically certain now that it will not open a way for landless men without capital to become landowners; and the real important thing is to stimulate and encourage the acquirement of land, to make more home-owning farmers, and thus increase the number of farmers and the tilling of the soil.

Section 1 of this bill provides for the administration of this act under the direction and control of the Federal farm-loan board and contemplates the creation of an agency similar in form to the Federal Reserve Board, of which it is a direct imitation. The difference between the two creations is this: The Federal Reserve Board was created upon the superstructure of six thousand and odd prosperous national banks.

On the other hand, this farm-loan act proposes to begin by creating a head resting upon nothing tangible. This head must produce its own body by using the funds of the United States Government to create Federal land banks and then this body must create its foundation.

There can be no farm loans until there are farmers' local societies. There can not be adequate support for that body until there is an adequate number of farmers' societies carrying on business of sufficient volume to bear the weight of the burden first created.

The Federal Reserve System was built upon an existing foundation. This bill is an experiment and has no foundation. A genuine foundation is a prospective contingency. This, however, is certain—once it is created with the United States money to the extent of $9,000,000, or $750,000 for each of the 12 district banks, it is bound to remain a burden on the United States Government; and the wisdom or need of 12 district banks, with their separate and expensive organizations, has never been explained satisfactorily and is entirely uncalled for. One bank would be sufficient for its purposes and less expensive to operate, and should be centrally located.

If the United States Government can and should afford the expense of conducting the Federal farm-loan board, and go without a dividend or any interest whatever upon its $9,000,000 investment in the capital of the proposed land bank for an indefinite period of time, while national farm-loan associations are being organized, and in addition pay the salaries and expenses of many lawyers, appraisers, courts, and laborers in all States of the Union, there might be no criticism. It would seem to me, however, that if proper consideration could be given, that some system could be devised that would be less expensive, and that some plan might be worked out whereby present organizations or banks or societies, of which there are a very large number in this country in existence at the present time, and some plan might be worked out that would parallel the Federal reserve law as a superstructure upon the national-bank foundation; some such plan is outlined in the Hill bill recently introduced in Congress.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. For a question.

Mr. GREEN of Iowa. If I understand the gentleman correctly, he does not think the scheme is workable, or would the gentleman go to that extent?

Mr. McFADDEN. I do not know I would go to that extent entirely; no, sir.

Mr. GREEN of Iowa. Well, if the plan was worked out, does the gentleman think it would reduce the rate of interest to the farmer?

Mr. McFADDEN. On the average it might.

Mr. GREEN of Iowa. Would it reduce the rate of interest relatively? The gentleman is in the banking business, I understand. Now, has the Federal Reserve System decreased the rate of interest relatively between the East and the West, or has it remained substantially the same difference in interest rates?

Mr. McFADDEN. Why, I think they are probably the same. Of course rates at the present time are low, because of the fact there is an overabundance of available funds for loaning purposes. I think this, in answer to the gentleman's question, that the probabilities are that the South and the West might be helped somewhat in the rate of interest.

Mr. MOORE of Pennsylvania. Will my colleague yield?

Mr. McFADDEN. For a question.

Mr. MOORE of Pennsylvania. Under this plan will Government funds be used to pay the overhead—that is to say, the maintenance of the various institutions, clerk hire, and things of that kind?

Mr. McFADDEN. They will; and if the gentleman will wait a moment I can make that perfectly clear to him.

The present situation as regards the need for a land credit system is not much different than when the Federal Reserve System was created. All farmers are not suffering any more than all business men were suffering, and the Federal Reserve System was created simply to meet those conditions that needed correction, and the existing machinery was utilized for this correction. It would seem to me that some of the existing systems could be adapted in a corrective way for the operation of a proper rural-credit system.

Now, if this act becomes a law, a grave situation arises. The United States Government is about to engage in one feature of the banking business of this country, and is bound under this bill to pay the overhead charges, which at a conservative estimate will cost the United States annually $500,000. The query might well arise, How long will it be before it engages in other forms of business and commerce? And the question might properly be raised, Is this country preparing to pay the overhead charges of all the various industries of the country? And will such other institutions as are injured by this novel institution have no redress, when the money to pay the expenses of this institution is procured from revenues derived from taxes paid by the people, and is it not a bad practice and tendency to expect so much from the Federal Government, and

are we not drifting away from the real functions of government?

Independent shareholders have no voice in the management of these Federal land banks, notwithstanding the fact that the Government of the United States must furnish the capital of these land banks. While the Government funds are in control its own appointees will hold office. It is therefore clear that the managers of these institutions will so conduct the business that as much as possible of the capital stock shall be permanently held by the United States Government and as little of the capital as possible shall be entitled to dividends. And the institution remains a political factor. While under this bill having consideration by this House at this time it is not permissible to receive deposits from the public, it does appear that the Federal land banks are to be permitted, under certain conditions, to hold Government funds. And under what conditions and for what purpose are these funds to be so used? We are assured that these Government funds are not to be asked for except in an emergency. It would therefore seem perfectly logical that if the Federal land banks are permitted to call upon the Treasury of the United States for funds in an emergency, that the United States is bound to respond. And the query naturally arises, in view of this fact, whether or not the United States is not assuming a further burden and responsibility in addition to the $9,000,000 appropriation provided for in this bill.

Mr. MOSS of Indiana. What provision of the House bill asks for deposits from the Treasury?

Mr. McFADDEN. That provision permitting deposits by the Secretary of the Treasury.

Mr. MOSS of Indiana. But not at any solicitation on the part of the system. It is only in case the Secretary of the Treasury requests them to do it.

Mr. McFADDEN. That is very true; but when Wall Street has been in trouble it has generally been quite apt to come down and ask Washington to help out, and I think that case will apply as much to this bank as the other permits already given.

And whether by this very action, in case of a crisis, the United States will be not only morally but legally bound to protect and maintain the credit and stability of these 12 land banks. And might not this also include the responsibility of maintaining the market value of the securities sold to the public, or redeem such securities during a critical period? No provision is outlined in this measure, and the act is not clear in this respect, whether or not any portion of these funds shall be used to erect beautiful office buildings to house these institutions.

It is true that these banks are required to pay only such interest as the Secretary of the Treasury may require. And if the Government is paying the overhead charges and expenses and receives no interest or remuneration on its capital-stock investment, is it not fair to assume that it will be treated in respect to interest upon the same liberal plan? And is it not a fact that Government money at 2 per cent will be used to buy farm-land bonds and the money loaned to farmers at from 4 to 6 per cent? And if that is the case, why not loan the Government money direct to the farmers at 3 or 4 per cent?

The Federal land banks must create "national farm-loan associations" as channels for investment, and by the terms of the act these societies "may be organized by persons desiring to borrow money on farm-mortgage security." It is quite clear that the effect will be a speculative rise in farm-land prices as a result of this inflation. Inflation it is, when the entire country is covered by the agents of the Federal land banks, engaged as a business in urging farmers to organize associations for the purpose of putting themselves in debt.

Mr. MOON. Mr. Chairman, will the gentleman yield for a question?

Mr. McFADDEN I have only a limited time and prefer not to yield.

Mr. MOON. Very well.

Mr. McFADDEN. I shall not consider details of the management of these farm-loan associations and the irresponsible character of their officers and directors, naturally selected politically. The power granted these associations to levy an assessment on "members and prospective members" to liquidate the debts and current expenses of the concern should and probably will be its death stroke.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. McFADDEN. I have only a few minutes remaining.

Mr. MOSS of Indiana. But the gentleman does not want to state a provision in the bill that is not in there. There is no provision in the House bill to levy assessments on prospective members. The gentleman is well aware of that.

Mr. McFADDEN. There is a provision permitting the levying of assessments for expenses of investigation of land.

Mr. MOSS of Indiana. There is a provision for assessment of members, but not of prospective members.

Mr. CANNON. Mr. Chairman, this is very interesting, but I wish the gentlemen would either whisper lower or elevate their voices.

Mr. MOORE of Pennsylvania. The gentleman is making an interesting speech.

Mr. CANNON. Yes.

Mr. McFADDEN. What sensible man would borrow from it under such circumstances? If the alternative be followed, the Federal land banks will pay the current expenses of the associations, and the cost will ultimately fall upon the United States Government or its nondividend receiving capital. It is quite clear that with such backing the expenses of these associations will not be curbed, there being Federal supervision over no such expense except the salaries of its officers.

The membership of these farm-loan associations is confined to farmers, prospective farmers, and speculative owners of farm lands. Anyone acquainted with the qualifications for banking possessed by this class of our people must be aware that the organizations will be permanently in the hands of the speculators and manipulators of farm lands. The other capable men of the community are excluded.

The qualifications for membership are further reduced. Membership is confined to farmers, prospective farmers, speculators, and munipulators of farm lands who are borrowers from the Federal land bank. The prosperous, capable, businesslike farmer is excluded.

Then follows a peculiar provision. Every borrower from the Federal land bank is compelled to apply for and receive, include in his mortgage, and pay interest upon, a larger sum of money than he actually needs. This is vicious inflation. The section requires that every borrower shall pay in cash through the association to the capital stock of the Federal land bank to remain there "as collateral security for the payment of said loan" 5 per cent of its amount.

What will happen in practice is this: The borrower does not have 5 per cent in cash and must borrow it in addition to his need. That is, if the borrower needs $10,000 and must pay $500 to the capital of the land bank, he will borrow it in excess of $10,000. This additional loan may be added to the mortgage, increasing it to $10,500; at least this seems to be the meaning of the provision of section 12 which reads: "The borrower may use part of said loan to repay any sum borrowed to pay for his stock in the farm-loan association."

It is self-evident, therefore, that if he needed $10,000 and could not pay 5 per cent to the capital stock of the land bank, he would borrow $10,500. The so-called "collateral security" of this stock is therefore a fiction. It is a forced increase of the amount of the loan, and nothing more. It is based upon a misconception of facts, a false doctrine exploded when the so-called "national building-loan associations" were swept out of existence by their unwise methods of inflation. To bolster up the proposition with some sort of color, it is provided that "in the discretion of the directors" such stock "may be paid off at par and retired," but whether this can be done during the lifetime of the loan is doubtful. It is not likely to be done so long as it pays the land bank to make the farmer pay interest on $10,500 when he has received only $10,000.

As a matter of simple fact, the land is the sole collateral security for the loan, and it is a plain proposition that the mortgage on a farm for $10,000 and interest is a better collateral security than one for $10,500 and interest, nothwithstanding the fact that $500 has not been paid over to the borrower. Either way you look at it the value of the land is not increased, and no fiction regarding shares of capital can increase its value intrinsically or as collateral security. The man is a plain, ordinary debtor of the land bank, and his debt can not be diminished by manipulation. He is not a capitalist, nor will any transaction of this sort do anything more than confuse the individual. The fiction of his holding a share of stock and the land bank itself providing the money to give him some shadow of title to it is an absurdity.

The land bank must provide its own capital. The idea that after the land bank has provided its capital funds it lends them to the stockholders so that they must pay interest upon them and then takes these funds back so that the names of the borrowers may be registered as stockholders is a technical way of making a great show, but getting nowhere. It runs contrary to all sound banking.

It would occur to the casual observer that the machinery to be set in motion by this bill is complicated and hard to understand by the average farmer, and the necessary time consumed after the farmer has made up his mind to enjoy the benefits under this act will be found to be quite discouraging to the

average farmer; and, when it is taken into consideration that loans to the extent of $20,000 must be applied for, and that Federal land banks can not be established until 10 associations have been formed, might it not prove that many worthy borrowers would become discouraged and abandon their hope of relief? Might they not also become discouraged when they must subscribe to the stock of loan associations to the extent of 5 per cent when making an application for a loan, and when also informed that they must pay interest on this amount or run the chance of receiving dividends on this amount, providing the bank earns a dividend over and above the operating expenses?

Might not the right of the associations to levy additional assessments or collect fees from the members of the association for necessary operating expenses also prove disconcerting to the timid or prospective borrower, and the fact that the applicants are to be held as permanent stockholders, and that many complications would arise in case of a sale or transfer of these mortgaged lands?

The methods proposed defining the powers of the association under certain regulations, referring solely to the Federal land banks, and under it the farm-loan associations, have the practical power, first, to sell land-bank bonds and receive other moneys and deliver the same to the Federal land banks; and, second, to indorse mortgages which they have no power either to make or prevent the making, and thus the indorsement would become questionable. And whether or not any official responsibility is present is a question.

And the methods proposed of handling the funds by and between the association under the amortization plans of payments might work out a decided hardship. And the method of redemption of bonds or the cancellation of mortgages by payment might also well be questioned. And there can be no substantial reason why the cancellation of the mortgage would not be effected by the free purchase of any bond by the land bank upon the same basis as their purchase and tender by the mortgagor. Authority is also given to the Federal land bank to engage others than farm-loan associations and joint-stock associations to act as duly authorized agents, and various powers and authorities are given in this respect. The agents are, however, to be empowered to collect and immediately pay over to said bank the dues, interest, amortization instalments, and so forth, under the terms and conditions under which the loans are made. A broad construction of this special clause of this bill might mean that the mortgagor could be burdened with a good many legal fees and charges.

In my judgment the whole labored effort to create farm-loan associations is most feeble. They are endowed with many features condemned by sound banking judgment, such as irresponsible dummy directors, the powers to exact undefined sums of money in excess of the interest rate, provided it is stipulated in the mortgages, and the power to assess its members. The whole routine is very cumbersome, and, in my judgment, few borrowers will wait the length of time contemplated in this act. There is altogether too much red tape, and, in my judgment, the system will be found to be useless except to aid well-to-do farmers and expensive to operate, and is without corresponding practical value to the poor farmer, who is the real man that we are trying to help.

The farm-loan-association scheme herein proposed is a useless proposition. It has no real earning power or responsibility, and it subserves no useful purpose; and, in my judgment, the joint-stock part of this bill so far outshines the association plan that if any portion of this act becomes operative it will be the joint-stock system or that portion operated under the agency plan. I believe that no mortgage taken by these land banks should be permitted to exact any payment beyond principal, interest, taxes, and insurance, and that the regulations regarding the securities of both Federal land banks and joint-stock land banks should be similar. And it must be borne in mind at all times that all of the expenses and charges of the farm-loan commissioner, farm-loan board, farm-loan registrar, special appraisers, attorneys, special attorneys, experts, assistants, clerks, laborers, other employees, examiners, printing, appraising, and, in fact, all other expenses, amounting in all to an excess of $500,000 a year, is to be paid by the United States, to say nothing of loss of interest on $9,000,000 invested, thus making a total cost to the United States annually of about $1,000,000. And there can be no justification for the use of Government funds as capital in these Federal land banks without a participation, at least, in the dividends, if the banks earn a dividend.

The United States is entitled to its share, and the dividend so earned should not be used to swell the returns upon the private capital invested side by side with it.

One of the most serious features of this measure is the fact that the laws regarding land titles and foreclosures, and so forth, affecting the security back of the bonds which are proposed to be sold to the investing public, are so varied, unsatisfactory, uncertain in the various States that it might become a serious menace to the whole stability of the security back of these bonds. And, in my judgment, a uniform system of laws should be enacted throughout this country before an institution of this kind is authorized to do business, because no investor wants to feel when he buys a bond for investment purposes that he is buying a lawsuit or a litigation. And it would therefore seem to me that if loans are made under existing laws, that it might be that the United States was assuming a still further burden—that of the guaranteeing of titles—and as a defender in the courts defending its banks in litigation suits of foreclosure, titles, and so forth, and as the laws of the various States now exist, this act is an unwarranted interference with the land laws of the various States, wherein the farm-loan board is charged with the duty of challenging and interfering with these laws. The use of United States Government money in banking in competition with that of its citizens is revolutionary. And when it is further provided that Government money may be used as capital in that competition and without just compensation, the whole banking world is put in jeopardy.

I do not believe there can ever be a thoroughly safe credit system based upon the special-class idea; and the greatest need which it is sought to correct by this bill is the personal-credit system, because I fully believe that the farmers of this country who will be benefited by this bill are not seeking this special privilege, but are fully capable and able with the facilities at hand, to take care of their needs quite satisfactorily; and I believe that these bills now before Congress have not inspired a definite or well-defined demand either for or against; and I believe it would be much better to postpone action now than to force a system upon the people before the laws of our country have been unified or are ready for it. And I believe there are plenty of facilities afforded by the Federal reserve act and existing institutions, already equipped when properly understood and fully worked out, to take care of the pressing needs of the farmers of the United States. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. McFADDEN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none.

Mr. GLASS. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SHOUSE].

Mr. SHOUSE. Mr. Chairman, the rural-credits bill, or the Federal land-bank act as it will be called, is the most important new legislation before the present Congress. Indeed, when passed, and its passage is assured, it will take rank with the Federal reserve act, and the two will be considered in history the most important pieces of constructive legislation in 50 years.

For two decades the need of a comprehensive system of rural credits in this country has been strikingly apparent. During 16 years of that time the Republican Party was in power. It got no further in its alleged efforts to take care of land credits than it got in its promised reform of the antiquated and inadequate currency system, and it has remained for the Democratic Party to give the people of the Nation the relief they have needed so seriously along both lines.

A number of diverse rural-credits bills were presented in the Sixty-third Congress. No agreement was had on any one, and it was finally determined to appoint a joint committee from the Senate and House to devote themselves to framing, for presentation to the Sixty-fourth Congress, a measure that would embody the best ideas that had been advanced on the subject. That committee agreed on a bill that was introduced into the House by Mr. Moss of Indiana and into the Senate by Senator HOLLIS, of New Hampshire. It was reported by the Senate committee and passed the Senate last week practically as introduced. In the House, however, a different course has been pursued. Our Committee on Banking and Currency held daily meetings for three months, devoting itself exclusively to this bill, and then a subcommittee of five was named to rewrite the measure entirely. As a member of that subcommittee, I can attest that its task was well performed. We worked day and night, eliminating, condensing, improving, elaborating, developing the matter that the bill contained, and when final draft of the bill was reported out by our committee it was in many essentials an entirely new measure and admittedly in all respects a great improvement over the original bill.

It will be noted that the bill provides a Federal farm-loan board at Washington, which is directed to divide the Conti-

nental United States, exclusive of Alaska, into 12 districts and to establish in each of these district a Federal land bank—a plan similar to that followed in the Federal reserve act, which provided for the establishment of 12 reserve banks. Each of these banks must have in the beginning a capital of $750,000, to be subscribed by the Government pending the development of the system which provides for ultimate and absolute control by the borrowers themselves. The borrowers will band themselves together into organizations knows as national farm-loan associations, and through these local association will apply for loans to the Federal land bank established for the territory in which they are respectively located. The Federal land bank will issue bonds based on the first-mortgage security taken from the borrowers.

In order that existing agencies may not be injured and, further, that the farmer may have a choice of methods whereby to secure a loan, the bill provides for the organization and charter of joint-stock land banks under Government supervision, but owned and controlled by private capital. These joint-stock land banks also are authorized to issue bonds based on first-mortgage securities.

The provisions of this bill and a summary of it have been outlined by several members of the Committee on Banking and Currency. It is not necessary to go over the ground already well covered by Mr. Moss of Indiana for the majority and Mr. HAYES, of California, for the minority, and I shall attempt to devote the time allotted to me to answering some of the objections that have been raised against the bill and to making clear as best I can the provisions of the bill, which of themselves, in my judgment, entirely overcome those objections.

The gentleman from New York [Mr. PLATT], who has been one of the most valuable members of the Banking and Currency Committee in framing this measure, raised an objection a while ago on the ground that the Government subscription to these various Federal land banks will discriminate against private capital and will shut out the possibility of the investment of private capital. It was so intended, and I believe that is one of the wisest provisions of this bill, because if we did not shut out private capital from the original subscription to the stock of these Federal land banks we could not possibly place the system under the control and in the hands of the borrowers themselves, and that is one of the very strongest features of the system. The provisions of the bill make it possible, make it mandatory, indeed, for the Government to organize the system, but just as soon as the borrowers themselves have sufficient capital of the banks to control the system, the entire control is passed from the Government into the hands of the borrowers, and there is no opportunity for private capital to reap the benefits which it might attempt to reap at the expense of the borrowers.

The gentleman from Pennsylvania [Mr. MCFADDEN], another member of the committee, who just addressed the House, raised various objections. One of them was that the bill would help only the well-to-do farmer. In answer to that I want to call attention to the fact that under the Federal land-bank plan, worked out for the individual communities through the national farm-loan associations, it is not possible for one individual to borrow more than $10,000, and the objects for which that money may be used are very specifically set forth in the bill and the use of the money confined entirely to those objects, which must be stated by the borrower in his application for the loan. Instead of helping only the well-to-do farmer, this cooperative feature of the bill, extended through the local associations and the Federal land bank, is intended to help the farmer who is not well to do; is intended to help the tenant farmer to get a home; is intended to help the man who is struggling to gain a foothold and to put live stock on his farm. It discriminates not on behalf of the well-to-do farmer, but, on the contrary, it discriminates against the well-to-do farmer, because a large number of the well-to-do farmers of the country, if they want to borrow money at all, want to borrow more than $10,000.

Yet I want to direct attention to the fact that there is no discrimination in the bill itself against any class of farmers. The bill provides two agencies through which money may be loaned, both of them under Government supervision. For the class to which I have referred there is the Federal land bank and the local association—the national farm-loan association. For the other class there are the joint-stock land banks, which are organizations of private capital to be run by private capital for profit, and this private capital, against which the gentleman from New York [Mr. PLATT] said the bill discriminated, has every opportunity to come in under the provisions of the bill, and to come under it, we believe, in a way which will prove vastly beneficial to the farmers of the country; because a man, for instance, who wants to borrow $20,000 or $25,000 or $50,000, as the case may be, shut out as he is from joining a national farm-loan association and from getting the benefits of the cooperative features of the bill through the Federal land bank, has every opportunity to borrow through the joint-stock bank.

Mr. MOORE of Pennsylvania. Mr. Chairman——

The CHAIRMAN. Will the gentleman yield to the gentleman from Pennsylvania?

Mr. SHOUSE. My time is limited and I prefer not to yield.

There is another consideration in connection with these joint-stock land banks that I will try to make clear. We have now a large number of existing agencies through which money is being loaned to the farmers. The joint-stock land-bank feature of the bill will take care of those existing agencies and will make it possible for every one of them, if they so desire, to come under the provisions of this bill, to continue their business along the lines on which it is now being conducted, and to continue it under Government supervision, with certain very distinct and very marked benefits which these joint-stock banks do not have now.

On account of those benefits, particularly the exemption of the bonds from taxation, the joint-stock land bank will be enabled to make a very much lower rate of interest than it is at present enabled to do, and in order to get the business it will be compelled to make a lower rate of interest, because it will be directly in competition with the system which is operated through the Federal land banks.

Now, the gentleman from Pennsylvania [Mr. MCFADDEN] raises objection to the fact that there are going to be 12 Federal land banks under this system instead of just 1. I would call his attention, and I would call the attention of the House, to the reason in the minds of the authors of the bill. It is obvious that this is a new system, practically a new thing, a thing up to which the farmers of the country have to be educated. The closer you can bring the system down to the individual farmer, the more interest the individual farmer is going to take in it and the sooner the individual farmer is going to take advantage of it; and it was with the very definite idea of spreading and propagating the system over the entire country that the committee agreed that 12 Federal land banks are in every way infinitely more to be desired than 1.

The gentleman from Pennsylvania [Mr. MCFADDEN] also raises various other objections to the bill. He states that all the overhead charges of the system are to be borne by the Government. He asserts that these charges will amount to more than a half million dollars annually, and that they, together with loss of interest on $9,000,000 subscribed to the capital of the land banks, will make the cost to the Government about $1,000,000 a year. Surely the gentleman can not intend such an alleged estimate to be taken seriously. The only salary expenses borne by the Government are for members of the farm-loan board at Washington, the 12 farm-loan registrars, and the examiners appointed by the board. The various other employees are paid by the individual banks with which they are connected or in the territory of which they perform their duties. For my own part I think it a wise provision that the Government should pay such salaries as it will pay under this bill.

The Federal reserve act, in my judgment, would be strengthened if the salaries of the Federal Reserve Board were a Government expense instead of being placed on the member banks with which the board deals. Nor do I feel that the Government is doing one whit more than its duty when it bears this part of the expense involved in the establishment of a credit system for the great agricultural interests of the country.

The gentleman from Pennsylvania takes alarm at the possibilities of inflated land values which will follow the passage of this measure. If through some wise instrumentality interest rates on farm land can be reduced one-half, if the possibility of profit to the farmer can thus be greatly increased, if his condition can be made more tolerable and his future more promising, if the tenant can be given legitimate assistance toward the ownership of land, and if, as a result, land values increase, as they assuredly will, is the gentleman justified in designating such increase as an alarming inflation? I say, let us have such inflation, if inflation it be, and let it extend to every corner of these United States.

The gentleman also decries the provision which enables the farmer to add to the face of his loan the 5 per cent necessary to pay for his stock in the Federal land bank. Mr. Chairman, I think I may claim entire responsibility for the insertion of that provision in this bill. I am proud of its authorship. I have desired from the beginning to make it as easy as possible for the man with small resources to take advantage of this proposed new system and that is a liberalizing feature which will be of real service to many borrowers.

Some even find fault with the requirement of a 5 per cent stock subscription by the borrowers, claiming it is a hardship

which should not be imposed. Now, what is this provision? If a farmer wishes to borrow $1,000 he gives his note for $1,050; he receives $1,000 in cash and stock in the land bank for $50. This $50 is secured to the bank by the sale of bonds precisely as the $1,000 which is loaned to the farmer. In other words, the bank sells $1,050 worth of bonds; it gives the farmer $1,000 of the proceeds and keeps $50 in its treasury. This $50 is invested in interest-bearing securities and the farmer who holds the stock receives the dividends. As the land bonds will bear a lower rate of interest than the securities in which the $50 is invested, the bank will make a profit on the transaction. The farmer loses nothing, because he pays interest on his note and receives dividends on his bank stock. The one offsets the other. When he pays off his thousand-dollar note the bank cancels the mortgage and cancels the bank stock at the same time. The farmer has borrowed $1,000 and has paid back the same sum. He did not pay in the $50 which the bank holds, and he does not get the $50 when he pays his debt in full.

This $50 represents the proportion of control which the farmer has over the management of the bank; it makes it a mutual system; it places the control absolutely in the hands of the borrowers. Admittedly some one must control the system. The authors of the bill believe that control should be lodged in the borrowers. Through what means other than the ownership of stock by the borrowers could that result be brought about? If there be a better plan, let some man suggest it. But let him withhold criticism until he can improve upon the method outlined.

Other critics claim that the borrowers who form the local associations, which we call national farm-loan associations, should not be liable for twice the amount of their stock, or 10 per cent of their respective loans, for the debts of these associations. Do these gentlemen realize that under the German system, conceded to be the most successful land-credit system in the world, there is unlimited liability among all borrowers? Have they taken into account the necessity for a check, a safeguard against the admission of undesirable parties into the local associations? Entirely apart from these two features, let us see just how great is the risk. The local association, through its loan committee, first makes appraisal of the land on which a loan is sought. Report of that appraisal is sent to the Federal land bank. An employee of the bank then visits the land and submits his report. The bank finally decides how large a loan it will grant after checking over all this information. In no case can the loan be in excess of 60 per cent of the appraisal. Suppose the farmer defaults in his interest. Immediate foreclosure is neither desired nor attempted. The bank has a reserve account out of which it can pay interest on its bonds pending the receipt of interest due to it. The farmer is encouraged and assisted to adjust his affairs so that he can meet his obligations. If in spite of the help given him no satisfactory adjustment can be arranged and foreclosure becomes necessary, the land bank acquires a farm on which not more than 60 per cent of a fair valuation was loaned in the beginning, with the face of the loan reduced by every payment that has subsequently been made. The farm need not be sold immediately. It can be kept by the bank for five years if desired. And only in case it is finally disposed of for less than the amount of the loan and interest due and unpaid at the time of foreclosure, will the other members of the local association suffer loss through their liability for a fellow member. If this system is properly and honestly managed, as it will be, the possibility of such loss is so small as to be negligible.

The very basis of the bill is cooperation among farm borrowers. We seek to create an agency, under benevolent Government supervision, which is owned and controlled absolutely by the borrowers, an agency which can work to promote only the interests of its owners—the borrowers—to whom all the benefits accrue and to whom every cent of dividends earned must be paid. Some gentlemen claim that the cooperative feature will not appeal to the farmers; that they are suspicious of and unfamiliar with cooperative methods, and hence will not care to join the organization. Little do these gentlemen realize to what extent cooperative agencies have already been established nor what excellent results have been achieved through cooperation. In the United States to-day there are more than 11,000 farm organizations, conducting a mutual business for their membership, and in the year 1914 this business amounted approximately to $1,400,000,000, as shown by the testimony of Mr. Bassett before the Agricultural Committee of the House in the present Congress.

Along cooperative lines will come the greatest development and the greatest benefit to the farmer in the future, and I, for one, believe that among the strongest features of our bill is its cooperative foundation. No system could be more strictly mutual than the one we propose. No individual can own a share of stock in the land bank, cast a vote in its management, or draw a cent of its dividends except he be an actual farm borrower. The borrowers will employ the help, the borrowers will receive the benefits—in short, the borrowers have absolute control from bottom to top, from beginning to end.

Now, Mr. Chairman, it is an old but a very true proverb that the proof of the pudding is in the eating. This bill is valuable only as it will work out to the benefit of the farmers of the country. If it helps them it does what we claim for it. If it does not help them it fails of its object. The encouragement of cooperation, with whatever indirect benefits that may carry, will be conceded. Let us see whether the bill will reduce interest charges. In conjunction with the gentleman from Indiana [Mr. Moss], with whom it has been a pleasure and a great benefit to be associated in the work of the Banking and Currency Committee, I have outlined the practical application of this bill to my own home State, the State of Kansas. The last census gives the mortgage indebtedness of Kansas as $70,819,736. This is only a partial estimate, as all farms in the State are not included in the computation.

The average rate of interest on these mortgages, including commissions, is estimated by the Department of Agriculture as 6.9 per cent. These figures were obtained by Prof. Thompson after special inquiry and study of this subject during the past year. Accepting both estimates as nearest the actual condition, the farmers of Kansas are paying annually $4,886,561 in interest charges, with no reduction in the principal sum. I feel perfectly confident that these estimates are too small. President Taft stated that the average rate of interest on all farm mortgages in the United States, including commissions, was 8.5 per cent, and he was nearer right than is Prof. Thompson.

Our bill has been drawn so as to secure a national rate of interest below 5 per cent, with earnings on all annual payments computed at compound interest rates and returned to the borrower to shorten his debt-paying period. Assuming that the rate is maintained at 5 per cent to the borrower, and the amortization payments are compounded according to standard tables of amortization, what will be the actual result to a Kansas borrower as compared with his present system? Accepting Prof. Thompson's estimate of an average interest rate of 6.9 per cent and a mortgage indebtedness of $70,819,736, Kansas farmers, as stated above, are now paying annually $4,886,561, with no reduction in their principal; but if this debt were to be refunded under the proposed plan of our bill at 5 per cent interest, and the farmers of Kansas would continue to pay annually the same amount as at present, $4,886,561, they would pay off the entire sum, interest and principal, in 26 years. This is no mere estimate or guess—it is a computation made from Fisher's tables of amortization. Any Kansas school boy or girl who has learned to compute simple interest will tell you that this is giving a rate of interest only a shade above 3 per cent—to be exact, 3.1 per cent—if the computation is made as we now compute payments on mortgage indebtedness. This reduction from a nominal rate of 5 per cent to the real rate of 3 per cent is what is meant by the investment of the interest payments at compound interest by what is technically known as the "amortization" plan of making mortgage loans.

The basic rate of 5 per cent depends upon the sale of land bonds at 4 per cent. These bonds are made free from all forms of taxation—income, State, and local. They are made legal investments for all trust funds. They are secured by the mortgaged real estate, by the capital of the land bank issuing them, and by the combined assets of all 12 land banks in the United States. These bonds will be as safe as our Government bonds. They are as free from taxation. They are made security for all trust funds where Government bonds can be tendered as collateral. In every other country such bonds are sold at as low a rate of interest as Government bonds, and we have been assured by bankers and other investors in high-grade securities that bonds issued under the safeguards contained in our bill will command a ready and practically unlimited sale at 3½ per cent. The estimate given you, however, is based on bonds at 4 per cent; this will mean the retirement of all Kansas mortgages in 26 years without any increased rate of payment, which is a reduction in rate to a 3 per cent basis. If the bonds command the more favorable price—that is, if they should sell for par at 3½ per cent rate, as many expert financiers think is possible—it will mean a corresponding reduction in the rate. It will mean that the debt would be paid off in 23 years instead of 26.

This result is absolutely assured if the bill becomes a law. Is it a fair statement to call such a bill a "fake rural-credit" measure? If enacted into law, it will reduce the annual interest charge now paid by Kansas farmers from $4,886,561 to $2,241,281. If the computation be extended to include the 48 States

of the Union, the results are truly staggering. Is it any wonder that we find certain powerful interests opposed to the bill? Is it surprising that those who have selfish ambitions to serve are attempting to cast discredit upon it and to fool the farmers into believing that they are not getting what they should? Were a more liberal bill introduced, these gentlemen would be the first to oppose it. The plain truth is that they want no system of rural credits, but they lack the courage to say so.

It is true that this bill does not go as far in some respects as it might. I may say that it does not go as far as I would have it if I could consider only my own personal views and predilections. But beyond doubt it is a great piece of constructive legislation, a measure that will work to the vast benefit of the agricultural sections of the country and thereby will add to the prosperity of every other interest of the Nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHOUSE. Mr. Chairman, may I have two minutes more?

Mr. GLASS. Mr. Chairman, I yield two minutes more to the gentleman.

Mr. SHOUSE. Now let me summarize briefly what the bill will accomplish:

It will reduce interest rates on farm loans by an average of 50 per cent or more throughout the United States.

It will provide loans for as long as 36 years.

It will offer a system of amortization payments for the steady reduction of the principal on each interest payment date.

It will place in the hands of the borrowers themselves absolute control over the system.

It will teach the value of cooperation among farmers and will encourage all undertakings for mutual benefit.

It will standardize the farm loans of the country.

It will provide a uniform rate of interest for all sections of each State.

It will reduce the weight of debt upon the farmers of the country, will offer hope to the man who is struggling for a foothold, will hold out promise to the tenant who would acquire land of his own, and will add vastly to the prosperity of the entire Nation, which, in the last analysis, always depends upon the prosperity of the farmer.

Mr. Chairman, the easiest thing in the world is to criticize, to find fault, to tear down. This bill is not perfect. True, it represents the best thought, the most diligent and devoted and prolonged work of one of the important committees of this House. True, it embodies the ideas and the study and the development of rural credits during the past quarter of a century. And yet, no doubt, within the next decade amendments will be added which will make it of greater value. It is not perfect. We do not say that it is. But we know it will accomplish what we claim for it. If any man can improve it, let him come forward. If any man has a better plan, let him present it. But let us have no more of the carping criticism which would attempt merely to destroy without offering any sure foundation on which to build. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SAUNDERS having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had disagreed to the second report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, had further insisted upon its amendments and asked a further conference with the House on the disagreeing votes thereon, and had appointed Mr. ASHURST, Mr. MYERS, and Mr. CLAPP as the conferees on the part of the Senate at the further conference.

The message also announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 7617. An act to provide that in order to promote agriculture, afford better facilities for rural transportation and marketing farm products, and encourage the development of a general system of improved highways, the Secretary of Agriculture, on behalf of the United States, shall in certain cases aid the States in the construction, improvement, and maintenance of roads which may be used in the transportation of interstate commerce, military supplies, or postal matter.

The message also announced that the President had approved and signed bills and joint resolution of the following titles:

On May 4, 1916:

S. 3769. An act to amend section 3 of an act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; and

S. 4876. An act to provide for an increase in the number of cadets at the United States Military Academy.

On May 8, 1916:

S. J. Res. 63. Joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial fountain to Alfred Noble; and

S. 2290. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elsie McCaulley from Glenwood Cemetery, District of Columbia, to Philadelphia, Pa.

RURAL CREDITS.

The committee resumed its session.

Mr. HAYES. I yield 20 minutes to the gentleman from Oregon [Mr. HAWLEY].

The CHAIRMAN. The gentleman from Oregon [Mr. HAWLEY] is recognized for 20 minutes.

Mr. HAWLEY. Mr. Chairman and gentlemen of the committee, it is my intention during the time I shall speak to discuss the bond features of the bill. The success of the system as at present planned depends upon the ability of the several banks to sell the bonds which they are authorized to issue.

There has never been—at least in recent years—any system like this undertaken by Congress, by the experience of which we might be guided in determining what features the bonds should possess. So in this matter we are necessarily constrained to turn to the results of experience in the sale of municipal bonds, and to inquire what are the factors in municipal bonds that make them salable—why some sell for 6 per cent in the market and some will sell in the same market at 3 per cent, and with varying prices between.

There are several essentials of a good municipal bond. The first is its physical basis. There must be property in evidence—taxable—which can be assessed and on which taxes can be collected to pay the interest as it accrues and the bonds as they mature. If there is any doubt in the mind of the purchaser whether the physical basis is adequate, that doubt becomes a speculative element and will be reflected in the price of the bonds. They will go down one or more points below par, depending on how great the doubt in the mind of the purchaser is.

There are several kinds of bonds in the market. There are bonds that have a speculative value, but these are not municipal bonds, speaking generally. Such bonds are dependent on the earnings of companies or corporations for the payment of the interest charges and matured bonds. Anyone may buy bonds of that character and earn 6 or 7 or 8 per cent in interest, it may be, depending upon the amount of risk he is willing to assume, both in the possible loss of interest and of a portion of his investment due to decline in price of the bonds. There are municipal bonds that have a speculative element in them, and that is reflected in a higher rate of interest that the sellers of the bonds must offer and a lower price that the buyer will pay. Then there are municipal bonds and school bonds from which the element of speculation or risk has been very largely eliminated; the bonds of great cities, well-established communities, strictly or considerably within the limit fixed by law to which they can incur indebtedness and where the authorized tax levy will amply provide for the payment of the interest charges and the bonds when matured. Such municipal bonds and school bonds will sell in the market on their value with the speculative element eliminated.

Now, in this system we have endeavored to prepare a regular plan by which a good bond will be offered to the investing public without risk. I say "we," and speak in that sense because I have the honor to be a member of the Joint Committee on Rural Credits of the Senate and House that framed the bill which has been used as a basis by the House committee, and I will say in passing that I speak on the subject of bonds because for the past 15 years I have been one of a board of five, and for a considerable period its chairman, buying bonds to the extent of many millions of dollars for the investment of the surplus and reserve funds of a great fraternal association—the Pacific jurisdiction, Woodmen of the World—and I have had experience in buying many millions of bonds and in the selection of those bonds from some hundreds of millions.

Mr. MOORE of Pennsylvania and Mr. GLASS rose.

The CHAIRMAN. Does the gentleman yield; and if so, to whom?

Mr. HAWLEY. I will yield first to the gentleman from Virginia [Mr. GLASS].

Mr. GLASS. I would like to say, with the assent of the House also, that there are few men I have come in contact with who have rendered more valuable service in the solution of this ques-

tion than the gentleman who is now addressing the House. [Applause.]

Mr. HAWLEY. I am grateful to the gentleman for his remark.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. MOORE of Pennsylvania. In view of the gentleman's experience in buying municipal or city bonds, I will ask him whether such a bond, a municipal bond, does not measure the strength of the municipality's credit or strength in property, and so forth? There is tangible property behind that bond, is there not?

Mr. HAWLEY. Yes. I spoke of that a few minutes ago, when I referred to the physical basis; and that physical basis is available for purposes of taxation for the payment of the interest and the bonds as they mature, up to the limit of authority to levy taxes conferred on the municipality by the State. If the tax limit is 7 per cent and the amount necessary required a levy of 9 per cent, a portion of the municipal bonds would go unpaid as they matured and wait until the taxing power might be able to pay them.

Mr. MOORE of Pennsylvania. We have in the municipal bond the strength of the municipality?

Mr. HAWLEY. Yes; the strength of the municipality, up to their authority to levy taxes to pay.

Mr. MOORE of Pennsylvania. And that is the limit?

Mr. HAWLEY. Yes; without further legislation.

Mr. MOORE of Pennsylvania. There is no Government security there at all?

Mr. HAWLEY. No.

Mr. MOORE of Pennsylvania. Now, what is there behind these farm-loan bonds?

Mr. HAWLEY. I will tell the gentleman in the course of my remarks.

Mr. MOORE of Pennsylvania. Is there any Government security behind them?

Mr. HAWLEY. I will tell the gentleman later. I prefer not now to interrupt the course of my remarks further than to say that the bill as reported provides no Government guaranty.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. SMITH of Michigan. I am interested in the experience of the gentleman, which is valuable in the discussion of this question. Has the gentleman ever purchased a bond when he has any question about the principal at all, because it offers a high or low rate of interest?

Mr. HAWLEY. I might for my own personal account, but I would not for a trust fund.

Mr. SMITH of Michigan. Such bonds as those, if there was any question as to the principal, would not be purchased?

Mr. HAWLEY. No.

Mr. SMITH of Michigan. Just a question further.

Mr. HAWLEY. Very well.

Mr. SMITH of Michigan. There are a great number of highway bonds sold throughout the United States at the present time, and they are bringing a rate of 5 per cent. Will these bonds be better secured than the highway bonds that are assessed on the whole property of the township, county, or district?

Mr. HAWLEY. Much better; and I will proceed with that later, if the gentleman will permit. We have endeavored, as I say, to prepare a system under which bonds can be issued that will offer to the investing public a good bond without the element of risk, amply secured in physical basis, legal and regular in issue, and possessing all other requisites of a good bond; bonds that will be the best in the market.

Mr. MOON. Mr. Chairman, will the gentleman allow me to ask him a question?

Mr. HAWLEY. If the gentleman will be brief, I will.

Mr. MOON. I wanted to ask the gentleman what is the maximum rate of interest that can be charged under this bill?

Mr. HAWLEY. The maximum rate of interest under this bill is 5 per cent on the mortgage loan as interest, and 1 per cent on the mortgage loan for purposes of administration. That is, the rate the mortgagor will pay as interest will not exceed 5 per cent, and I expect that it will be materially less than 5 per cent; then he will pay an administration charge of not to exceed 1 per cent. The amortization payment which he will pay, being payment on the principal sum, can not be considered as interest. Also he will pay these rates at any time only on the unpaid portion of his mortgage, as the amortization payments and advance payments are deducted semiannually from the face of the mortgage.

Mr. MOON. Is that all it pays?

Mr. HAWLEY. There is an additional charge to be added to that, not in the nature of interest, but for the amortization of the loan.

Mr. MOON. Does the Government furnish any money to constitute the basis of this loan?

Mr. HAWLEY. The Government advances, or may advance, $750,000 for each of the 12 banks as an initial capital.

Mr. MOON. I want to ask the gentleman if he has considered the fact that money in the greater part of the United States can be obtained by farmers on good farms to the extent of 75 per cent of their value, at 6 per cent per annum.

Mr. HAMILTON of Michigan. I will say to the gentleman that that is true in Michigan.

Mr. MOON. I mention that because I want to suggest to the gentleman that it has occurred to me that this measure, while proper, perhaps, for us to vote for as a beginning of legislation of this sort, will not afford any great relief or benefit to a farmer who under the terms of the bill has to pay 7 per cent for the money that he borrows.

Mr. HAWLEY. I will speak of that in a moment. I would like to continue my argument, as I have it in mind.

The rate of interest is the next essential factor in the sale of a bond. Of two bonds that are equally good, one bearing 4½ per cent and the other 5 per cent, the 5 per cent bond at the same price, of course, would sell more readily; and even on an equalized basis, equalizing the cost as between premiums, the 5 per cent bond would probably sell the best, for the reason that bonds usually have an optional period, and after the beginning of the optional period, the owner receives the rate of interest specified in the face of the bond. In the case of all bonds sold at a premium the interest earning will be greater after the beginning of the optional period than before.

Bonds are known by the periods they run as serial where certain portions of an issue become due at specified times, as without option, where they all become due at one time, and as optional, which may best be explained by an illustration as in the case of a bond called a 20-30, which means that the issuer can not call it for payment nor the holder demand payment for a period of 20 years, except by mutual consent, and that for a period of 10 years the issuer can call any or all of them for payment at his option, but must pay them all at the end of 30 years. After they become optional the rate of interest prescribed in the bond is the only interest that can be earned. After a bond becomes due or optional it never has a premium. I should like to emphasize that fact a little more and make it a little stronger if I can, as it has a very essential bearing on one feature of the bill. A bond never carries a premium after it becomes due or payable. Neither does it sell below par. It goes to par and stays there after the optional period has run.

The essential features of municipal bonds which give them marketable values are good physical basis, rate of interest, length of term before the optional period, where payable, the reputation of the place of issue for paying its obligations, character of the people, sources of prosperity, developments, financial resources of community issuing them, location, transportation facilities, nature and diversity of business enterprises, with other elements. The investor demands, unless he is willing to take speculative risks, certainty in the payment of interest as accrued and principal as the bonds mature, convenient and inexpensive conditions of collection of interest and principal, and then the best possible interest return consistent with the above.

The length of the term of the loan is a factor in the sale of a bond. Corporations and associations desiring to invest trust funds, or persons desiring to make an investment, prefer a bond running for a long period at a fixed rate of interest rather than to buy bonds running five, six, or seven years, with the necessity of reinvesting at the end of a short period, with the probability of finding no satisfactory investment and the loss of interest that would accrue between the termination of one investment and the reinvestment of the funds. Now, applying these last two remarks to the bill before us, it provides in section 19, page 114, of the House print of the bill that the bonds shall run for a maximum and a minimum period—

> They shall run for specified maximum and minimum periods, subject to payment or retirement at the option of the land bank issuing them at any time after five years from the date of issue.

That is, at the end of five years any land bank can call in any series of bonds that it has out, or any bond of any series. That makes the optional period five years. That makes the life of the bond, during which it may bear a premium that may be reflected in the interest rate, five years.

Now, if we provide that there shall be a longer period before any bond can be called we increase its value. A bond running for five years without option, bearing semiannual interest at

the rate of 5 per cent per annum, let us say, sells for 102.22 and earns interest at the rate of 4½ per cent on the investment. In the same market this bond would sell, if it ran for 10 years without option, for 103.99, and would earn 4½ per cent. That is, the additional period of five years before the optional period has increased the value of the bond 1.77 cents for each dollar of the face value of the bond, or would increase the value of a $1,000 bond by $17.70. Take another instance. In the market of last February any municipal bond at all comparable in value with the bonds which will be issued under this system, bearing interest at 5 per cent, running for 10 years, would have sold, I think, at better than 106.06, or on a 4¼ interest-earning basis. The same bond, running for a period of five years to earn the same rate of 4¼ per cent, in such a market would have sold for 103.35. That is, this bond on a 10-year basis was worth $27.10 more than a five-year bond for each $1,000 of face value. This is a conservative statement, and I think the difference would have been greater, as I recall the quotations. If in the above illustrations, the term prior to the optional period were 15 years, in the first case the bonds would have sold for 105.41, or at a premium of $31.90 for each $1,000 bond in excess of that received for the same bond on a five-year basis, and in the second case for 108.26, or at a premium of $49.10 for each $1,000 bond, in excess of that received for a five-year bond. If the term were 20 years, the differences would have been $43.30 and $66.90, respectively. I think these illustrations will suffice to show the extent to which added years, prior to the optional period, increase the value of a bond.

The above figures are taken from standard bond tables. The result is this: By lengthening the period during which the bonds can not be called you increase the value of the bond. This increase in value will enable you to sell the bond for a lower rate of interest, and therefore makes it possible to reduce the rate of interest to be charged under the system to the farmer borrowers. Practical experience proves that investors will take a lower rate of interest on long-term bonds than they will on short-term bonds.

A bond running for a very short period will sell but little, if any, above par, no matter what interest rate it bears, because the time is too short to amortize much premium in the interest rate received. The market is unable to indicate properly the real intrinsic value of the bond. The longer the period the bond has to run prior to being called the more fully the market is able to express by the premium offered the strength and value of the bond.

When a 4½ per cent bond sells for 105.60, to earn 4 per cent prior to the optional period, it is apparent that the same bond, if it had borne 4 per cent interest, would have sold at par. It is desirable that the bonds proposed in this system should be sold at par or nearly at par. Doubtless at times they will bear premiums, owing to fluctuations in the market. Since the interest rate in the mortgages is to be based upon the interest rate at which preceding sales of bonds were floated, if the rate is so high in the bonds as to entitle them to be sold at any considerable premium, then we would be charging the farmers too high an interest rate in their mortgages. There is a great deal of difference between a premium arising out of a high interest rate and one due of the length of the life of the bond. A high interest rate may be an indication of some weakness, and part of that rate is in the nature of insurance against risk or uncertainty of some kind. A long life, prior to the optional period, strengthens the bond. It adds also to its salability. These bonds, I think, will be distributed to the ultimate purchasers, by banks, bond dealers, and others, who must have opportunity to find a market, which they would not have if the period is very short. The market for bonds which mature in short periods is not large or certain enough to be of much value to us in selling bonds under this system.

I believe we can safely provide that the term of the bonds prior to their becoming subject to call shall be 10 or more years.

But the rate of premium on any five-year bond will be very small, for the reason that the time is coming, and not far distant, when the man must take back his money and reinvest it. He runs the risk of having no satisfactory investment at hand, and while waiting to find a satisfactory investment he loses interest during that period, and in a short period but little premium can be amortized in the interest rate.

There are several other objections that I will not take the time at this moment to raise. I want to submit this to the distinguished gentleman from Virginia [Mr. GLASS] and the other members of the Banking and Currency Committee and the Members of the House, that every year you can add to the life of these bonds prior to their optional period you reflect that added year in a decrease of the interest rate. For that very reason it was fixed at 10 years in the bill reported by the joint committee and in the bill passed by the Senate.

The place of payment is an important factor in the price of the bonds. Most municipal bonds are made payable in some great financial center like New York, Chicago, or some other large financial center. They are, however, usually made payable at the place of issue and a great financial center, so that if the bonds are taken up locally, interest and matured bonds can be paid locally; but if they must seek a general market, like the bonds of a State, or road-construction bonds, such as California issued last year, or if they are bonds of a great city like Chicago, Cincinnati, or St. Louis, then they must be payable at a financial center.

The reason for that is this: If I should be fortunate enough to own $50,000 of the bonds of the city of St. Louis while living in the city of Washington, when the coupons for accrued interest were cut off I could take them to a bank to be collected through the regular channels, and they would charge me with collection charges, express, and insurance, because the coupons are like money. They can be collected by anyone into whose possession they may chance to fall. Consequently they must go by insured express, and those charges would be a reduction from the amount I would receive in interest, and in the course of a year, on any considerable sum, those charges amount to a very great deal. Or I could take them myself to the express office and send them to the bank in St. Louis or to the city treasurer in St. Louis, pay the express charges and insurance myself, and have the money sent back to me in the form of a draft. The same conditions apply also to the collection of matured bonds. And in any event the insurance, express, and collection charges must be paid. So that large issues of bonds are usually made payable at some large financial center. To provide otherwise would decrease their desirability.

The bill provides that the coupons, accrued interest on registered bonds, and matured bonds are payable by any bank in the Federal land-bank system without collection charges, express or insurance charges. It is an excellent provision. The purpose of that is this: The great proportion of the bonds sold in the United States are purchased by buyers living in the territory east of the Mississippi River, north of the Ohio, to the Atlantic Ocean. If this system works, a great proportion of the bonds will be absorbed by an investing public in that section of the country.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. HAYES. I yield the gentleman five minutes more.

Mr. HAWLEY. For instance, there is a widow living in New England who has received $10,000 insurance money on account of the death of her husband. The bonds of the rural-credit system, being recommended to her as safe bonds and earning more than the savings bank will pay, will cause her to invest her $10,000 in these bonds. If she can take these bonds to the nearest correspondent of the Federal land bank and get the face value of them as they mature and of the interest coupons as they mature, she will be more strongly than ever induced to purchase the bonds. But if she must pay collection, express, and insurance charges, the reduction on the amount she expects to receive from her investment will disincline her to make the purchase. The bill provides that these should be paid for at the bank in the locality where presented, and lets the 12 banks iron out the difficulties and settle the balances between themselves.

And it must be always remembered that these bonds must be sold in competition in the market with all other kinds of bonds and with rates paid by banks on deposits.

Now, during the two or three minutes that remain I want to speak of the character of the bonds. Who will buy them? Who can afford to buy them? Can a business man intrusted with the administration of trust funds, a trustee appointed by the court, boards engaged in the management of insurance organizations, houses dealing in bonds, the men engaged in the management of banks which have surplus funds from time to time they need to invest in order to keep them working, and others—can they safely buy the bonds? What is back of the bonds? Beginning with the way in which it will appeal to the person who has money to invest, this is the situation.

Suppose I should own $50,000 of these rural-credit bonds. I go to the land bank which issued the bonds and present my coupons or matured bonds. I know that they have coming in in interest on mortgages and mortgages maturing an amount equal to or in excess of the interest and principal sums due me and all bondholders; that these mortgages are on land the loan on which was made at 60 per cent of the appraised value, with a 40 per cent surplus over in the real value of the land and an

80 per cent surplus over in the value of the improvements; that they are not subject to taxation; that there is an association of individuals which have 5 per cent of the face of their loans put up in stock of the bank, with an equal additional liability that can be taken to meet the payment of coupons and bonds if not paid when due; that if the bank to which I apply can not pay them out of the interest and amortization payments they have received, then the capital, surplus, earnings, and all other funds of that bank are liable for the payment of these interest coupons and bonds that I have presented. If that does not suffice to pay what I have presented, an equal general liability to pay exists on the other 11 banks. So that behind any issue stands the individual liability of the bank of issue, the general liability of the other 11 banks, the certificate of the board in Washington that the physical basis is good, that the bonds are legal and regular in form and issue, the liability of members of the local association, the liability of the farm lands on which mortgages have been taken; that for every $60,000,000 of mortgages there are $100,000,000 of real estate at a fair appraisement, and for every $20,000,000 of improvements on which mortgages are based there are $100,000,000 improvements standing behind the mortgages.

So it seems to me, and I have thought it over very carefully, that, as a member of a board charged with great responsibility, I would be willing to buy the bonds provided for in this system as a perfectly safe investment for trust funds. [Applause.] It would be difficult to conceive of a safer bond or one offering a more attractive investment, subject to the suggestions I have made.

Under the provisions of the bill as they now stand the interest rate in each Federal land-bank district will depend upon the success that bank has in marketing its bonds. And under this arrangement there is likely to be a difference of interest rates in the 12 districts. The newer and less developed sections of the country may have to pay higher rates of interest. It is important, if it can be arranged, that the interest rates to farmers should be as nearly uniform as possible over the entire country. For this reason the board in Washington is given control of interest rates that they may be made as nearly uniform as possible. [Applause.]

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

Mr. GLASS. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. MCKELLAR].

Mr. MCKELLAR. Mr. Chairman, I am going to vote for this bill, regardless of the form it may take, because it will at least be a first step toward an American rural credits system, so much needed by the farmers of our country. The bill as it has been reported by the committee does not have my unqualified approval, and there are some defects in it that I desire very briefly to point out, with the hope that they may be corrected by amendment before the bill is finally passed.

Since I have been in Congress the subject of rural credits has greatly interested me, and I have given to it considerable study. Having been a farmer in early life myself, naturally I have looked at the question from the farmer's standpoint. I still look at it from the farmer's point of view, and I believe after an examination of this bill that it is seriously defective, and I sincerely hope that we may so amend it as to make it of genuine value to the farmers of the United States.

The provisions providing for a Federal farm-loan board at Washington, for 12 regional banks, for the Government to buy stock in these land banks, for the exemption from all kinds of taxes are essentially all right and have my approval. But the provisions creating national farm-loan associations, joint-stock banks, other profit-making governmental agencies, and the provisions requiring 5 per cent stock subscriptions by borrowers and binding each borrower for 10 per cent of his loan to secure better other loans of his neighbors are, in my judgment, cumbersome, impracticable, and not to the best interest of the farmers, and I hope these provisions will be stricken out by amendment. I am not going into these matters in detail, because I have not the time, but I want to discuss the glaring defects.

The provision requiring the farmer to buy 5 per cent of the amount of his loan in the national farm-loan association and pay for it in cash, or have it deducted from his loan, is not to the best interest of the farmer. It is too much like private loan companies, of which it has been said, it takes 15 minutes to get in, 15 per cent to stay in, and 15 years to get out. The farmer wants a simple method of borrowing money. He will be perfectly willing to pay the expense of having his lands examined and appraised, and having the titles to the same examined. This bill ought to provide that these things should be done in the most direct and in the cheapest way, and charge the farmer for them and for nothing else. When you require him to take stock, which may or may not be valuable, he will look upon it as a charge of commission for letting him have the money. It is a tax on him that is unnecessary to levy and it ought not to be levied.

In the next place, the provision requiring him to guarantee to the extent of 10 per cent of his loan, all the loans in his association, is one that he will not want to agree to, and one that he should not be required to agree to. I am fully aware that this system of cooperative associations has worked well in Germany and in other European countries, but I do not believe it will work well in this country. Individualism is so strong in this country, and especially so with the farmers, that any system that makes them bound for each others debt, in whole or in part, will not, in my judgment, be a workable measure, and that when it is explained to the farmer that he has not only to buy stock to the extent of 5 per cent of his loan, but he has to become obligated for his neighbor's debt to the extent of 10 per cent of his loan, I do not believe that the great mass of them will be willing to go into such a scheme. If we enact these provisions into law they will have, in my judgment, to be changed, and if they are not voted out, while I will vote for the measure, I hope in the future to change them by amendment. What we want to do is to make a start on this law, and if this or other provisions are found to be erroneous, we should change them.

In the next place, I am opposed to building up a large number of corporations in our country, whether they be called national farm-loan associations, joint-stock banks, or agencies; all of which will make money out of the funds that we intend to provide for the farmers. Of course, I know that there must be agencies, but I believe that these agencies should be the direct agencies of the land banks, and not intermediate profit-making corporations or agencies. There is no demand in this country for more banks.

The country is not demanding the building up of a new system of profit-making banks. What we want to do is to provide the simplest means by which farmers can get long-time loans on the amortization plan at low rates of interest, and with the least possible red tape. Every other consideration should be made secondary to this main purpose if we want to make the rural-credits system a success. If the land banks are authorized to issue bonds upon the security of farm first-mortgages, taken after inspection, appraisal, examination of title, and further guaranteed by the capital and surplus of the land banks, as provided in this bill, they will be amply secured, and there will be no trouble about obtaining purchasers therefor. The guarantee of farm-loan associations will not add anything to their market value, and these farm-loan associations will be very expensive if practical at all. If they are found impracticable and the joint-stock banks found practicable, then the Government will be placed in the attitude of building up a large system of joint-stock banks at its own expense, or at the expense of the farmers, because, whatever profits are made by these farm-loan associations, or joint-stock banks, or the agencies provided for in the bill, will be made out of the money furnished by the Government to the farmers.

I approve very heartily the provision exempting these bonds from National, State, and local taxation, because it will make the bonds more easily salable and at a low rate of interest; so that the farmers will in turn get their money at a smaller rate of interest. [Applause.]

I would much prefer that the details of the agencies through which these mortgages are taken should be left to the several farm-loan banks, allowing them to take the mortgage agents in their employ or through creating nonprofit-making branch banks in each State if they saw fit to do so. This would be a much simpler plan, and would do away with the necessity of the farmers taking stock in the national farm-loan associations and becoming liable in part for his neighbor's debts. It would also greatly lessen the cost of the system.

Mr. Chairman, in our platform we promised the farmers a rural-credits system, and they undestood this meant money on long time at small rates of interest. They thought it meant a system for the farmers and not one for the benefit of the banks. Let us give them what we promised. Let us not institute a system that will create a large number of banking associations at the expense of the Government or at the expense of the farmers. But, let us institute a simple system, making it as direct as possible, make it as plain as possible, make it as individual as possible. Take out all the red tape; take out all requirements about buying stock; take out all requirements about guaranteeing in part his neighbor's debts; take out every middleman possible, and let us make this a real farmer's measure, not a banker's measure. Then, and not till then, will we have fully

complied with out promise to furnish a rural-credits system for the farmers. [Applause.]

Mr. GLASS. Mr. Chairman, I yield to the gentleman from Mississippi, Mr. VENABLE.

Mr. VENABLE. Mr. Chairman, in any kind of legislation we have to make compromises. In a sense, all legislation is the result of a compromise of individual opinions. I intend to support this measure even though it is not modified, for the reason that I believe it is the beginning of a policy of aid to the agricultural interests of this country which have been neglected for a long time. I trust that I can say that without any charge of demagogy being brought against me.

There are some features of the bill, however, that I would like to see changed, or some features added. I personally would be in favor of the Government guaranteeing the payment of the land-bank bonds. I can see no objection to this either in principle or in policy. It is absolutely no new thing for the Government to lend financial aid to various interests when it is considered to be to the interest of the entire body of the citizenship so to do. We have countless illustrations of that in the economic history of this country. In fact, this very bill itself provides that the Government, to the extent of practically $9,000,000, shall extend aid to those land banks which are to be established. Another thing that I do not think is wise is the establishment of two sets of machinery, the public banking system of the national land banks and the private land associations. I understood that the gentleman from New York said that anyone who had the idea that these two institutions might militate the one against the other was *guilty of* a piece of idiocy or asininity. I do not remember which word was used, but if it be that such a charge can be brought, I solace myself with the reflection that we have the authority of Holy Writ that at least on one occasion the ass was wiser than the prophet.

I do not see how two institutions can occupy the same field at the same time, imposing different liabilities on those who deal with them, without the stronger eventually hurting the weaker. It seems to me that is true according to the laws of competition. The borrower, for instance, who can go to the private land association and borrow money without assuming the 10 per cent liability will certainly go there in preference to your land banks where he does assume such a liability. Be that as it may, however, it seems to me to be wiser, or would be wiser, to concentrate all of our efforts on constructing one piece of machinery, surrounding that with wise regulations, making that universal in its operation and making it efficient to do the work in hand. However, as I said, regardless of these two objections, and others which have arisen in my mind and which I believe can be sustained by at least plausible argument, I shall support the measure even if unmodified, because it is a very far step, in my opinion, in the economic practice and theory of this Government. [Applause.]

The conditions out of which the demand for a rural-credit system arose are well known. From the very nature of the case the commercial banks of the country were unable to extend the credit to the agricultural interests that is necessary to prosperity. By reason of the fact that the commercial bank must pay each depositor on demand, it is necessary that the assets of the bank be kept in the most liquid form and that the credits extended be short as to term. In addition to this, in many parts of the country, the commercial interests could and now do use almost the entire amount of money commanded by the commercial banks; and since the collateral security which they are in a position to offer is more liquid than that which can be offered by the agricultural interests it is but natural that the commercial interests are taken care of to the exclusion of the agricultural.

In addition to this, the commercial bank being an institution designed to make money for its stockholders, charges the rate of interest that is current in the local market, and this is almost always prohibitive, as far as profitable borrowing for the farmer is concerned, even if the farmer felt justified in borrowing the money for the short period of time that the bank demands as one of the conditions of lending. This being true, the farmer who desires money for the improvement of his farm and the equipment of his farm plant for profitable production is forced to seek funds from individual lenders, with the result that he finds conditions in many parts of the country in no wise improved.

The individual lender, being in business for profit, charges the highest rate of interest obtainable, as they have the right to do, and loans are necessarily made for short periods—so short, in fact, that the farmer can not from his improved plant make the profit to discharge the debt and keep up the interest, and always has the fear before him that at the expiration of the short term, if unable to reborrow the money or to negotiate a new loan from another, with all of its expense for abstract fees, and so forth, his mortgage will be foreclosed.

This situation has resulted in a stagnation of agricultural progress in the proper equipment of farm plants for profitable production. And out of this condition has grown the need for some system which would supply a simple and inexpensive method by which the farmer can borrow money at a low rate of interest and for long terms for farm improvement or farm purchase.

It is apparent that when anyone has something that he wishes to dispose of the price at which he can sell it depends upon the ratio of his anxiety to sell to the purchaser's anxiety to buy. If a farmer wishes to give security in the form of a farm mortgage and his promise to pay interest at certain periods on money borrowed, the rate of interest that will be charged depends upon the degree of anxiety of lenders to invest. In short, where money is plentiful and is seeking investment the rate of interest is less than where money is scarce and the borrowers many. Under present conditions the individual farmer can not take his security to the cheapest money market. The security is too far away for inspection and suspicion of title and the very human inertia that we are all heir to prevents the lender from making the loan, the security for which he is not familiar with and with which he could not become familiar without expense and trouble. As a result from these and other conditions not necessary to mention the farmer is confined in his borrowing to his local community where capital is scarce and interest rates high.

It is thus apparent that if any relief is to be given the farmer a system must be devised whereby money can be obtained at a low rate of interest for a long term.

Since the high rate of interest that has been demanded is due to the fact that the farmer has been confined to his local community for his borrowing, where the money was either entirely or nearly absent and where the interest rates were high and the terms of lending short, it is apparent that the remedy lies in devising a scheme whereby the security that the farmer offers may be sold in the market where money is cheapest and investors most anxious to invest and also whereby the security may be surrounded with such guaranties of soundness that the interest rate will be low. It is a well-known economic principle that the higher the risk the higher the interest, and vice versa. In short, the problem is to transmute the farmers' security that now has only a local market and is subject to suspicion on the part of the foreign investor into such form as to make it marketable everywhere and to make it so sound and secure that it will be taken and money advanced thereon at low interest rates.

In this bill this is sought to be done by providing a system of national land banks, not less than 12 in number, under Government control through a general board, capitalized at not less than $750,000 each, the stock of which shall be owned eventually by national farm-loan associations composed as to membership of borrowers who shall own the stock of the association to an amount equal to 5 per cent of the amount borrowed. The national land banks have power to issue bonds equal to twenty times their capital and to sell these in the market for the purpose of procuring additional money to lend to farmers. Each loan made is secured by a first mortgage on real estate, and the loan is not to exceed 60 per cent of the value of the land and 20 per cent of the value of permanent improvements. Each Federal farm-loan bond is secured by the capital, reserves, and earnings of the land bank which issued it; by the capital, reserves, and earnings of all the other land banks; by the collective security of all the mortgages pledged, which must be equal in amount to the outstanding bonds unless replaced by United States bonds or cash. Each land bank issuing a bond is protected, and hence the bond is protected by the personal undertaking of the borrower; by the security of the mortgaged land; by the capital, reserves, and earnings of the local association of borrowers indorsing the loan; and by the individual liability of the members of the farm-loan association, which is fixed at twice the amount of their stock in the association, or 10 per cent of their loans.

It is thus seen that the scheme is to establish land banks with a stipulated minimum capital, stock in which shall be owned by various farm-loan associations, and the stock of these farm-loan associations shall be owned by borrowers who compose the membership. Each borrower who joins a farm-loan association takes stock in it to the amount of 5 per cent of the amount that he borrows from the Federal land bank, the amount being deducted from his loan, and the farm-loan association in turn takes the same amount of stock in the Federal land bank. The sum borrowed is secured by a first mortgage given to the farm-loan association, appraised by it, and approved

by a Federal appraiser, and subject to such regulations as the Federal farm-loan board shall prescribe and such as are prescribed by this bill.

It is thus seen that a cooperative system is provided, the work being done largely by borrowers, expenses reduced, and all profits being returned eventually to the borrowers. In short, the securities of the various individual farmers is collected, surrounded by guaranties, and the credit thus provided is transmuted into the form of bonds with the purpose that the security in this form may be salable anywhere in the United States where money is cheapest, with the result that money for lending to the farmer may be obtained at the lowest possible rate of interest for long terms; the greatest length of time allowed being 36 years on the amortization plan. That is, that the borrower may pay in installments, principal and interest, by such yearly payments that at the expiration of the term of the loan both principal and interest are discharged, thus enabling him from his improved plant to make the money with which to discharge the debt—a result impossible with a short-term loan.

So far, so good. The principle of the bill is good. It is a sound method to collect credit and to make it mobile. But, Mr. Chairman, my objection is that it does not go far enough. I do not mean to say that as a matter of fact it is not sufficient. I do not know. I think that possibly it is. This is a question that the actual operation of the measure can alone disclose. But I wish to make assurance doubly sure.

Mr. Chairman, no measure before the House at the present session of Congress is as important, in my opinion, as is this. The need of a rural-credits system is imperative, and we wish to provide one that will be efficient to accomplish the purposes sought. The farmers of the country need it. Justice demands that we give it to them. Not only justice, but our own interests dictate its enactment. When we make the farmer prosperous, we make the Nation prosperous.

I believe that there is a virtue of honesty and strength in the soil that is infused into those who live near to it. The rural communities are the great reservoir from which we must draw the man power so needed and to be needed in this Government. That our citizens shall stay in the rural communities, rural life must be made prosperous and happy. Maybe I am radical on this subject. I try not to be radical about anything, but I believe that we should omit no step to make this bill the means for the establishment of a rural-credits system that will be successful without doubt.

The bill provides a method by which the individual security of the individual farmer is collected, merged, transformed into bonds, and thus made mobile enough to travel for purposes of sale to any part of the United States where money is cheapest.

It is seen from the provisions of this measure that the method by which money additional to the capital of the various land banks is to be obtained for lending to the farmer is by the sale of these bonds. So it is not enough that the security of the farmers' lands should be made mobile by transmutation into bonds, but, if the money is to be obtained, it is further necessary that the bonds should be made so secure as to be in demand for investment purposes and should bear a low rate of interest. The higher the rate that the bonds bear, the higher the rate that must be charged the farmer for the money lent to him by the banks. It is said that the bonds, secured as they are under the provisions of this bill, are so secure that the demand for them will be instant and immediate, and that the interest rate will be low. As I have said, this may be. Experience alone can demonstrate this. It yet remains to be seen whether the land-bank bonds will compete successfully with the bonds of private corporations, municipalities, and so forth, which are considered as good investments by the investing public. Under the provisions of this bill the Federal land banks are really private cooperative lending corporations, under Government supervision, it is true, but still having no greater strength than would any other corporation whose business was surrounded with equally wise regulations. This being true, the investing public will consider investments in the bonds of this corporation from the same viewpoint as it would other private corporations in whose management and securities it has confidence.

This being true, from the very nature of the case the purchasers of securities will not buy the land-bank bonds at a low rate of interest when they can buy the bonds of some private corporation in whose financial integrity they have equal or almost equal confidence. This will force the land-bank bonds to bear the same rate of interest as the bonds of those corporations, which means a higher rate than would be required by the purchasers if the safety of the bonds were beyond all doubt.

It seems thus apparent that if these land-bank bonds are to be made salable at the lowest possible rate of interest, and thus enabling the banks to lend to the farmer at a correspondingly low rate, and also, if the money is to be provided instantly by the sale of bonds when needed, it is apparent that this requisite certainty of soundness should be supplied.

As far as I know, there is one way, and one way only, to do this, and that is for the Federal Government to guarantee the payment of these obligations. This would mean that the Federal land-bank bond would sell instantly as soon as placed upon the market, and since it would be a perfectly secure investment, it would bear a very low rate of interest. The result would be that those investors who desire certainty rather than large profits would buy. The millions of fiduciary funds of the Nation would seek this investment, as well as those millions of other characters who desire certainty and safety rather than large profits.

It would provide money in unlimited quantities, as far as the ability of each bank to issue bonds on mortgage securities, and so forth, was concerned, for lending to the farmer; and, indeed, the land-bank bond would be the standard investment of this country.

It is urged, however, that for the Federal Government to guarantee the land-bank bonds would do violence to what is called a sound governmental theory that no direct aid should be extended to a particular class of persons; that so to do is essentially unjust and an invidious discrimination against others. If there be such a sound governmental theory, it is already violated in this measure, for we are possibly appropriating approximately $9,000,000 toward the capital of the several land banks in the provision that the Secretary of the Treasury shall subscribe for all of the capital stock to this amount not taken by individuals or others authorized to subscribe. There is no such theory, however, nor is any such rule demanded by a sound governmental policy. All Governments, in all ages, this one included, have extended governmental aid to particular classes of people whenever so to do was thought to be beneficial to all the people of the Nation. Our Republican friends can not complain, for they advocate a protective tariff, a system of direct aid or, rather, gift to that class of citizenship engaged in manufacture. The sending of garden seed to the farmer is a direct Government aid, as likewise river and harbor improvement is in the sense that it directly benefits those people owning lands adjoining these waterways. The illustrations and precedents of direct Government aid are countless, or nearly so, and it is needless to enumerate them.

But assuming that direct Government aid to a particular class is generally wrong and that a sound public policy should, as a rule, preclude it, it is nevertheless true, in my opinion, that it should be extended as far as guaranteeing the land-bank bonds are concerned. All rules of life are the outgrowth of the usual and the ordinary; they are the precepts that experience, with constantly recurring phenomena or happenings, has fashioned into guides for conduct. This is true, and for the very reason that these rules are the outgrowth of the usual and the ordinary they can have no application as guides when we are confronted with the unusual and the occasional. In emergencies and in the face of necessities the general rule must give way. Recognizing this rule, those who oppose direct Government aid in any form as a general rule have agreed to support that provision of this bill providing that the Government, if necessary, should take stock in the land banks, for the reason that such a provision was necessary to guarantee the institution of the system. I say that the necessity goes further than this. It is not only necessary to institute the system but it is necessary to make the system adequate to do the work; and to absolutely assure this the Government should guarantee the bonds of the various banks. Even though we be opposed to direct Federal aid, as a rule, if such be our position, the need is vital to furnish the farmers a system under which they may obtain money on the security of farm lands for a long term at a low rate of interest for farm improvement, and this necessity justifies the action on the part of the Government that I advocate.

Normal rules of life can not be applied in emergencies. He who seeks to do so meets with disaster or causes it. An Englishman with a monocle in his eye stood on a swimming raft, and, stooping over, saw a companion go down three times and never come up. A hardy swimmer trying to reach and save the drowning man finally reached the raft, but too late. "My God!" said he, "couldn't you save the man?" "Ah, I rawther think I could, old top, but really I had never been introduced to the gentleman, and of course could take no liberties with his person."

Mr. Chairman, the farmer has gone down twice; he now has his hands in the air and is sinking for the third time. I trust

that we will not stand with our monocles in our eyes and see him drown simply because some of us are trying to apply a normal rule to an abnormal situation.

Permit me to say, in conclusion, that what I have said is not in criticism of the especially able committee who prepared this measure. They doubtless have brought in the measure which they thought that current sentiment would sustain. It may do all that they claim for it. This nothing but actual experience can demonstrate, but these considerations do not relieve me of the duty of contending for and supporting that amendment which, in my opinion, will place the success of the rural-credits system beyond doubt of success. It is said that the land bonds are so secure that the Government's guaranty is unnecessary. May be not, as far as the question of security is concerned, but the bonds to sell must not only be secure as a matter of fact, but the public must believe them so. Government guaranty supplies this public confidence. If they be secure, and I believe they are, the Government can not suffer loss. It simply lends its credit without danger of having to pay its money.

I have not the time to discuss the other objection to the bill that I have mentioned, and permit me to say that even though the measure is passed without the amendments that I favor, I will rejoice, for, as I have said, it is a recognition of the need of the farmer and an attempt to meet it—a far step in the economic progress of our country.

Mr. GLASS. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. EAGLE].

Mr. EAGLE. Mr. Chairman, I really wish I had an hour, so that I might thoroughly discuss this bill, the general principles which, in my opinion, ought to underlie a proper system of rural-credits legislation, the history of the movement during the Sixty-third and Sixty-fourth Congresses, and the facts and figures upon which the committee which framed the bill has been acting, as a basis of stating the particular reasons why I intend to give my whole-hearted and undivided support to this particular measure. But at least in these five minutes I can say that I have no divided allegiance and make no conditions upon which I propose to vote for this measure, but will wholeheartedly give it my support. It is so much a better measure, in the interest of the farmers, than I ever heretofore hoped would be formulated by a committee of this House that I am deeply gratified by the opportunity to vote for it. [Applause.]

Mr. Chairman, it is easy enough for me or for any other Member of this House to point out particular reasons why we should object to a measure and to suggest amendments here and amendments there; and in due course we hope we shall have opportunity to vote for those amendments which seem to us to make it better. But I want to say that during the Sixty-third Congress the Federal reserve act, which was framed by the committee on which I have the honor to serve—the Banking and Currency Committee—received painstaking, deliberate, earnest attention; and while a hundred changes were proposed by as many men, mutual concessions resulted in a measure so splendid that, in the wreck and chaos of international war, in the confusion of industrial and financial conditions the like of which this world has not heretofore seen, it was so noble a measure as it finally went through the House of Representatives, with finally a few i's dotted and t's crossed by the Senate, without amending in any material respect what the Banking and Currency Committee of the House, and later the caucus, and later still the House of Representatives did, that it has enabled this country to withstand the shock of war and its financial institutions to stand steady like the Rock of Gibraltar. And I want to say that my deliberate judgment is that the Banking and Currency Committee of the House of Representatives in the Sixty-fourth Congress have labored with not only the same zeal but with the same intelligence, and the same industry, and the same common sense, and the same mastery of national agricultural needs and conditions in the formation of this rural-credits bill that it did with reference to the Federal reserve act. [Applause.] There is not a man in this House on any side of the Chamber, from any section of the country, whether he be a representative of a rural constituency or a representative of the great industrial, manufacturing, and financial cities of the country, who may not feel, in justice to his judgment and in justice to his conscience, that he will do no harm to any interest in this Nation by voting unreservedly for this bill, but that he will thereby help lift the oppressive burden from the shoulders of the farming and producing classes of this Nation, who owe now between four and five billions of dollars of farm-mortgage debt bearing more than 9 per cent interest every year, and that he will make it possible for the farmers of the United States, within 10 or 15 years, to change that present gigantic total of debt, bearing such present oppressive burdens of interest, into a bonded indebtedness with amortization features, so that it may be paid in due course by an annual payment of not exceeding 6 per cent, to include payment of both principal and interest. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GLASS. Mr. Chairman, I yield five minutes to the gentleman from Arkansas [Mr. CARAWAY].

Mr. CARAWAY. Mr. Chairman, the Democratic Party in its platform adopted at Baltimore pledged the farmers an adequate and just rural-credits law. Relying on that promise, they returned our party to power. To-day we are endeavoring to redeem that pledge. It is, however, with much misgiving that I shall support this bill, unless it is amended in many particulars. I should not do so at all were it not that in some respects it may tend to relieve the farmers of this country of burdens and discriminations from which they have long suffered. I feel certain that the farmers will not accept this proposed measure in full satisfaction of our promise. I am frank to say that I should cast my vote against this bill were it possible at this session of Congress to secure consideration of any other dealing with this subject. With all deference to the Committee on Banking and Currency, which reported out this measure, I feel that it has not been altogether sympathetic with the farmers in drafting this proposed law. If so, I know it did not understand the difficulties under which the farmers of my section labor, and it can not, therefore, know the disappointment which they will feel when asked to accept this instead of the law for which they had long labored and hoped. I am sure that no farm organization anywhere—I know no farm organization in the section from whence I come—was consulted in the drafting of the provisions of this bill. I know that no one who appreciates the difficulties that have for long beset the southern farmer will ask him to accept this bill as an adequate and comprehensive rural-credits law.

I shall refer but briefly in the time allowed me to some of its many defects, the most glaring and unjust, as they appear to me. Then I shall with pleasure set out some of its many splendid provisions. I shall point out its defects with no desire to criticize either the measure or its proponents, but solely with the hope that its framers may consent to modifications that will to some extent, at least, make it the more acceptable to the people in whose interest it was framed. In the beginning I am pleased to say that this is a much better bill than the one prepared and introduced on behalf of the special committee appointed at the conclusion of the Sixty-third Congress to investigate this subject, and it is by far a better bill than the one recently passed by the Senate. I shall, therefore, vote for it, notwithstanding the misgivings I entertain and the objections which I shall endeavor to point out.

In the first place, this bill has too much machinery. There are too many provisions which serve no purpose except to puzzle, confuse, and discourage farmers seeking relief under its provisions. As a consequence there are too many places to be filled by high-salaried officials, the burden of which eventually must fall upon the farmer. It seems to me the makers of this bill have ignored the fact that a rural credits system has nothing in common with banking. A rural credits system, as the term implies, is a system of credits devised to meet the needs of agriculture. These are a low rate of interest and a long-time repayment plan. There are no necessities for the organization of banks, and the system is only crippled and weighed down by these provisions, and they confer no corresponding benefits.

This bill provides that there shall be organized a board to be known as the Federal farm-loan board. It shall consist of three members, who are to be appointed by the President, by and with the consent of the Senate. Each member is to receive a salary of $10,000 per annum. Neither is required to possess any knowledge of agriculture or the conditions which confront farmers. These commissioners, when organized into a board, are to divide the continental United States, excluding Alaska, into 12 districts. In each of these districts is to be organized a Federal land bank. Each of these Federal land banks is to be controlled by a board of directors of nine members. Six of these are to be elected by the stockholders and three to be appointed by the Federal farm-loan board. These directors shall receive such salaries as the Federal farm-loan board may approve. They are to have the power to employ attorneys, clerks, agents, appraisers, and all necessary help to transact the business of the Federal land bank over which they preside. Incidentally the salaries and the expenses of all these employees will rest upon the farmers, who become borrowers under the system. Farmers who seek to borrow money under the organization must form what is known as a national farm-loan association. This is to be a corporation. It is to be controlled by a board of directors of not less than five members. This board of directors shall elect their officers and appoint a loan committee of three members. It shall also employ a secretary-treasurer, whose duties

it shall be to keep the books, have charge of all papers and securities, collect all moneys due the association, and transmit the same to the Federal land bank, to see that no borrower shall appropriate the money for any other purpose than that for which it was borrowed, and to do all the things necessary in the interest of the Federal farm association. Of course, he is to receive a salary and expenses. This salary and these expenses are to be paid by the farmers who form the association.

No association will be formed having less than 10 members, and they must in the aggregate borrow not less than $20,000. Each borrower must subscribe and pay for stock in the association equal to 5 per cent of the amount that he wishes to borrow. This stock he must carry as long as he is indebted to the association. When he shall have paid his debt and canceled out his mortgage, the stock is canceled, and he is returned its par value. It is true the bill provides that he shall share in the dividends on this stock. However, another provision of the bill makes it apparent there can be no dividends. In the first place, the Federal land bank is allowed for the purpose of administration and other expenses a sum not in excess of 1 per cent per annum on the amount borrowed. After all the expenses are paid 25 per cent of the net earnings is carried to the reserve until that reserve shall equal 20 per cent of the capital stock of the bank, which is never to be less than $750,000. When the individual farmer cancels out his loan he is not to be permitted to share in this reserve. There are other provisions that are required to be met also before any dividends can be paid, and I think a careful reading of the bill will convince anyone that no dividend will ever be paid on the stock held by the farmer.

In addition to this, when a farmer applies for a loan the three appraisers appointed by his association appraise the lands and furnish to the Federal land bank of his district a written and comprehensive report. The Federal land bank thereupon sends down one or more appraisers to reappraise the lands and make a written report thereon. Unless all these appraisements agree that the farmer is entitled to borrow, his application is rejected. If it is accepted, he must furnish an abstract of title, for which, of course, he must pay. The Federal land bank will have the abstract examined, for which the farmer is to pay. If all these are approved, then a mortgage will be made out, for which the farmer must pay, and will be recorded, for which the farmer also must pay. The expense incident to a loan is apparently burdensome. For illustration, let us suppose a farmer wishes to borrow $1,000, to run for a period of 36 years. He must take out stock in the farm association of $50—which, by the way, is never delivered to him—and carry that for a period of 36 years. He must then have the lands appraised by the local appraisement committee, consisting of three men. He must bear the expense of this. Then the Federal land bank will send down one or more appraisers from the Federal land bank, which is located in some city, possibly 500 miles away. The appraiser or appraisers will again appraise his lands, the expense of which he must bear. I think we might reasonably say that will not be less than $50.

The farmer must then have prepared an abstract of title at whatever exorbitant price the abstractor may see fit to charge him—I should think not less than $25. An attorney appointed by the Federal land bank must then pass upon this abstract. For this service the farmer must pay, and I should think not less than $10. The farmer must then pay for the execution of a mortgage and its recording—I should think not less than $5. To sum it up, he would pay $50 for stock, $50 for appraisement, $25 for the abstract, $10 for the examination of the abstract, and $5 for executing and recording the mortgage, making a total of $140. This will be taken from his $1,000, or he will receive, we will say, $860. He must pay interest, however, on the entire $1,000, which is not to be in excess of 5 per cent. That will be $50. Then he is compelled to contribute toward the expense of the Federal land bank, which is not to be in excess of 1 per cent, or $10, per annum on his $1,000. Then he must bear his proportional part of maintaining and paying a secretary-treasurer, which will possibly be not less than 1 per cent, or $10, per year. The farmer, therefore, will receive $860, which is $1,000 less the expense incident to making the loan. He will be compelled to pay on this $70 per annum as interest, which is a rate of little more than 8½ per cent per annum. This he can not afford to pay, and should not be asked to do so.

In addition to all this he is compelled to assume a liability of twice his stock for all other members of his association. This is to guarantee that all other subscribers will pay their interest and debt upon maturity. He should not be required to become responsible for another's default. No one supposes that when you go to a bank to borrow money you ought to be compelled to subscribe for any part of its stock or to become liable for the obligations of anyone else who may also be a borrower of the bank in order to procure a loan. No merchant would do business with a bank that restricted him in any such way. Why, then, should the farmer be required, if he is to receive any of the benefits of this law, to subject himself to such unjust burdens and discriminations?

The bill provides the uses for which money may be borrowed under its provisions. First, to purchase farm lands. Second, to buy equipment for the farm. Third, to erect buildings and make improvements. Fourth, to liquidate any debt owing by the borrower at the time the first Federal farm association within and for his county was organized. This right named in the fourth subdivision is denied him if the debt he wishes to pay has been contracted after the organization of first farm loan association in his county. In other words, after the farm association had been organized the farmer can borrow money only for the first three purposes, and is denied the right to borrow on his lands for any other purpose. I feel that this is an unjust and unnecessary restriction. Farmers are intelligent and certainly they are as much entitled to the use of their credit based on their lands for any legitimate purpose as the business or professional man is to his. Yet under the provisions of this bill, even if the farmer be honest, intelligent, economical, and progressive, he can use his lands only to borrow money for the purpose of purchasing farm lands, buying equipment, and to erect buildings and make improvements thereon. He can not use it, for instance, to educate his children, contribute to any public benefit, to have the care and skill of a physician, or for any other legitimate purpose for which farmers, like other people, may find it necessary to borrow money.

There is a provision in the bill, and with it I am in thorough accord, that prohibits anyone from borrowing money under this system unless he is a farmer or shortly to become one. The system is devised to promote the ownership of lands by farmers, not the building up of vast estates by the speculators. This certainly is a most desired result, for no country has ever prospered as it should where the lands are held by the few and the great masses of the people are tenants. Not that tenants are not good men, but the very conditions under which they labor prevent them from developing the best there is within them and withholds from their families the fruits of their toil. Now, under this system, however, which permits no one but a farmer to borrow, and he not more than $10,000, and permits him to sell the lands to whomsoever he pleases, and the purchaser, though he be a nonresident, a corporation, or a speculator, may within 60 days make known his intention of carrying out the provisions of the loan and thereby secure all the advantages that the original borrower possessed. By this means of evasion the speculator has but to use an agent to be able to do what he is denied to do directly—that is, to borrow money under the provisions of this bill and build up large estates, on which he does not live, and thereby, instead of reducing the number of tenants, increase them. I believe this section should be amended so that when the lands pass into the hands of one not a farmer the sum for which the lands are mortgaged should at once become due and payable, or if one who is a farmer should acquire lands on which the aggregate loans are in excess of $10,000 that this excess should be due and payable. The result of this law, if it succeeds in bringing cheap money, will increase rather than decrease the number of tenants. It will foster the building up of larger landed estates instead of placing the lands in the hands of the small farmers, which is, or should be, the end sought.

Another provision equally unfair and dangerous is that upon a farmer's failure to pay the interest or any other obligation when due, whether the failure is the result of his own misconduct or an act of God, the bank has the power to declare the entire debt due and payable, and the farmer may be dispossessed of his lands, although the amount that he was in arrears may be but a few dollars. I know it is within the discretion of the bank to waive this forfeiture, and in many instances, and perhaps in most of them, the bank will do so. However, there are possibilities under the very organization of the scheme that will make temptation sometimes great and the consequences disastrous. For instance, some borrower under the system becomes distasteful to the others of his association. They dislike either his religion or his politics, or for any other reason. Misfortune overtakes him, his crops are blighted, or his health fails, unlooked for and unforeseen expenses are laid upon him. He makes default in some payment, possibly but a trifle. The opportunity is at hand to get rid of him. The directors of the association make representation to the Federal farm bank. A forfeiture is declared. All of his obligations are required to be met at once when, in fact, he is unable to meet even a part thereof. The result is his lands are sold at a forced sale.

They bring but possibly a fraction of what they are worth. The unfortunate man is from that day homeless. The accumulations of a lifetime are swept away in an hour. You say this will not happen. It may not, but that possibility is in the law. It should not be.

There are many other provisions with which I do not agree. However, I do not think they are more serious than the ones pointed out.

I shall not discuss at all the purpose of the joint-stock land banks. I do not believe that any under this system will be organized. I am sure none will be in the section with which I am familiar.

I shall not undertake to refer to some of the wholesome provisions of this bill, and some of the conditions they are meant to remedy. This is an effort to mobilize the credits of the farmers and to provide them an avenue through which they may sell these credits in a market where there is money seeking an investment at a low rate of interest and long-time repayment if the security is ample. If it meets the expectation of those who drew it, it will bring to the farmer money at a rate sufficiently low for him to pay and prosper. I know it would do it if it were so amended as to get rid of the unnecessary burdens and expenses incident to its administration. Its intention to make it possible for tenants to become farm owners meets with the approval of all of us, and if it is so amended as suggested it will accomplish this result.

A further provision, which provides a loan value on the buildings, is also to be commended. Both of these provisions were contained for the first time in any rural-credits bills, so far as I know, in the one I introduced in the Sixty-third Congress. I think that the most important provision of the bill. While 40 acres of land, or any other number, will produce as much corn or as many bushels of wheat or pounds of cotton, with a shed in which a family may exist, and without any shelter for live stock, yet it does not meet the requirements nor the deserts of the producers of America's wealth. Therefore, not only to encourage the erection of comfortable homes and adequate outbuildings but to make possible these improvements, a loan value for that purpose is provided in this measure.

There are other features of the bill that I approve. However, these are the ones most to be commended. This bill is evidently a compromise between those who favor governmental aid to establish and maintain a system of rural credits and those who oppose that assistance. I have believed that the Government is as much obligated to support agriculture by this method as it it is to promote trade and industry. The reasons for its doing so to me are most apparent. To the makers of this bill, however, I am sure those reasons did not appeal. The measure, as I have said, is a compromise between the two. It provides that the Government may subscribe to the capital stock of the 12 Federal loan banks all or any part thereof. Should the Government subscribe and pay for all this stock, it would have invested in the system $9,000,000. A provision of the bill, however, provides that after the borrowers—that is, the farmers—have subscribed for the capital stock equal to the $750,000 necessary to be subscribed before the banks are opened for business, 25 per cent of all sums paid in for stock thereafter shall be applied to cancel out all of the original stock. Under that provision the Government will at once go out of the system—I feel certain within a year after its organization. It is true after that it contributes toward the expense of the administration by paying the salaries of the members of the Federal farm commission and certain other employees. This may require $100,000 per annum, but very likely not exceeding 50 per cent of that amount. This is a much less contribution than it makes to the Federal Reserve Banking System. In addition to that, it guarantees the redemption in gold of all the circulating medium of the regional banks under the Federal reserve act, while it guarantees nothing for this system under this bill.

In other words, for commercial banking the credit of the United States is available, while for farm credits there is nothing. I know that those who oppose governmental aid for a rural-credit system think that we who advocate it are seeking undue advantages, and special legislation for farmers. They forget, or seem to forget, what we have done for the bankers, the merchants, and the manufacturers. Since I have been a Member of this Congress we have provided by law for commercial agents at big salaries to tour the world and hunt out markets for the merchants and the manufacturers. The salaries and expenses are paid by the Federal Government. We have poured millions of dollars into industrial centers to prevent panics, and have deposited other millions in banks without interest, and we are now about to appropriate other millions to build or buy ships to transport the goods and wares of the merchants and manufacturers to the markets beyond the seas, and all of these are thought to be entirely proper expenditures for the Federal Government. No one declaimed against them, nor do I, but on the other hand, when we seek to have included the laborer and farmer in the same class, and to share the same benefits, we are denounced upon the floor of the House as if we were seeking to despoil the Treasury. I contend that legislation that promotes agriculture is the only legislation that is free of any taint of class legislation. All that men eat or wear, wherever they may live, or whatever occupation they may follow, is produced by farmers. This cost of production depends to some extent on the interest rate the farmer has to pay. Since then the cost to the consumer is affected by the interest rate charged farmers for production, necessarily the lowering of the interest rate will result in a lower cost of living, and therefore all will share alike, be he farmer or man of any other calling. Therefore it is not class legislation to directly appropriate public moneys to establish and maintain a rural-credit system that would give the farmer an interest rate so low that he could pay it and prosper.

There are 12,000,000 farmers in these United States. Their aggregate wealth, including all property, is $41,000,000,000. They owe $6,000,000,000. Their farms are mortgaged for $3,000,000,000 of this sum. Annually they pay interest amounting to $510,000,000, an average interest rate of 8½ per cent. Statistics show they can pay only 5½ per cent and prosper. They could pay, therefore, if they are to prosper, instead of $510,000,000 annually for interest, only $330,000,000 on their borrowed money. In other words, there is wrung from the farmers an annual interest charge of $180,000,000 in excess of what they can afford to pay. Industrial 5 per cent bonds now sell at par. Panama 3 per cent bonds are quoted at 99. The farmer, notwithstanding he produces all the wealth, and in the last analysis possesses it, pays 8½ per cent interest. This he can not afford to do, and under just economic laws would not be required to do. For that reason they demand of us, their Representatives in the American Congress, and have the right to demand of us, the enactment of a law to right this wrong. I myself am glad to acknowledge this obligation, and here and now pledge myself to that service. When we shall have dealt justly with the farmers of this country they will have had their interest rate for agricultural enterprises reduced from 8½ per cent, the present rate, to not to exceed 3½ per cent, and thereby retain for themselves and their families $300,000,000 annually which they now unjustly are compelled to pay as excess interest on this borrowed money. This is the sum they now pay to a system which is not adapted to their needs and which the enactment of a just rural-credit law would avoid.

Of all persons the farmer is the most exposed to conditions over which he has no control. He plants and cultivates his crop subject to conditions of season; he markets it at the mercy of the speculator. And so great has been this burden that the number who own the land they till have considerably decreased until now more than 37 per cent of our farmers are tenants. Let us so amend this bill that it will make it possible for every man to own the field that he tills. When he shall have done this we shall have discharged our duty to the farmers of this country, and until we have done that this great body of American citizens will have just cause for complaint.

Mr. GLASS. Mr. Chairman, I yield five minutes to the gentleman from South Carolina [Mr. RAGSDALE].

Mr. RAGSDALE. Mr. Chairman, four years ago when the Democratic Party wrote the plank in its platform promising the people of this country to bring about rural-credits legislation I think it was one of the promises that made us as strong as we were before the country. It was a matter that had not been fully discussed at that time, and when I became a Member of this body it was practically an unknown subject here. My efforts at that time, along with the efforts of other gentlemen, to secure congressional aid for a project of this kind seemed to meet with general disfavor, and it was only after a long effort here that people became even partially reconciled to the idea of governmental aid. This bill that we have before us today does not go as far in some sections as I would like to see it, but certainly it does more for the farmer in furnishing long-time loans at a reasonable rate of interest than any piece of legislation that has ever been written upon the statute books of our country [Applause.] While I should like to see it amended in some particulars, still even without any amendment if this bill, or the Senate bill that is under the same cover here, comes to a final vote, with or without amendments, I will vote for it. To my mind we all want to see these bonds made safe. The safety of the bonds, the security of the bonds in the public mind is of prime importance.

One of the things in my mind that we ought to do to make them safe is to require the sum of $1,000,000 dollars per annum

to be deposited in each one of these 12 land banks in order that, if there be a drought, if there be good reason for holding crops, if there be reason for taking the commodities, the products of the farmer, off the market for a period of time, the Government may make these deposits in these land banks just as they do in Federal reserve banks when there are great disturbances in New York and elsewhere, and thereby guarantee that those banks will annually pay the sums of money that may be due by way of interest on these bonds. I wish to congratulate the gentleman who prepared this report [Mr. PHELAN] upon his splendid presentation of this bill, the real necessity for this legislation, and the justification of governmental aid.

Mr. HAUGEN. Will the gentleman yield for one question?

Mr. RAGSDALE. I have only five minutes. I am very sorry, but I can not yield. In his report, Mr. PHELAN has called attention to the absolute safety of these bonds. There can be no loss, as he wisely points out, on the part of the holders. There is only the possibility that there may come times when this interest payment may not be made promptly by individuals. That, to my mind, is the only consideration the public is going to have in the purchase of these bonds. If commercial corporations, electric-light plants, municipalities, and great railroad companies have a falling off in earnings they can issue their own short-time notes and get the amount necessary, but this could not be true in reference to these mortgaged farmers; they would be put in a position where they might default and thereby create necessity for foreclosure. If these deposits can be made and the interest payments tided over, they could meet them later, and thereby the whole system would be strengthened. We realize that the stronger the bonds the greater the certainty of prompt payment of interest, the greater would be the demand for them, and the more readily they would be absorbed by the public, and necessarily, therefore, the lower would be the interest rate to the borrowing farmer and the greater the benefit he would enjoy.

It seems to me that there ought to be a provision by which the Government could make these deposits in these 12 regional land banks in order that they might take care temporarily of these default payments that come due. The same security would be held by them. The same mortgages would be held by them. There would not be any greater risk anywhere. It would merely provide an absolute certainty that this interest, falling due year after year, would be paid promptly. These bonds would certainly then be salable, and if we provide a safe and salable bond it seems to me we are going to reduce the rates of interest in rural communities, and make it possible for men who are now tenants to be landowners, make it possible for this country to be a greater producer of the things on the farm than it ever has been, and create an economic condition that this country certainly needs in view of the conditions that now exist throughout the world. [Applause.]

Mr. GLASS. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. FERRIS].

Mr. FERRIS. Mr. Chairman, there are many weird rural-credit proposals now pending before the Congress. There is much misinformation abroad both here and elsewhere about this subject. Still in the wide discussion which has been given rural credits there has developed no serious disagreement as to the urgent necessity for legislation that will, first, reduce the interest rates to the farmer, and second, make it possible for him to secure loans for long tenure, which will enable him to repay without bankruptcy and foreclosure.

I am convinced that I am speaking for every thoughtful citizen of my State, who is not in some way selfishly interested, when I say that the farmers of Oklahoma need and deserve, first, lower rates of interest; second, longer tenure to repay the loan; and that they need this relief not next year but now.

SYNOPSIS OF PENDING BILL.

What is it we ask the Congress to do this day? Simply to do what every civilized country of the world has done—establish an adequate, workable, feasible, sensible, rural-credit system that will enable the American farmer with adequate security to borrow money on liberal terms at a low rate of interest with which to remove his present indebtedness and relieve him from exorbitant rates of interest, and to better enable him to purchase a home that he can exist upon while here and to bequeath to the loved ones who are to follow him when he has gone.

You ask me if rural credits and agitation about it is not new in this country, and I answer you that in this country it is new. The agitation concerning it has covered a period of from four to eight years, but in Europe it began in 1848 and both there and elsewhere it has grown like a weed in fallow soil.

You ask me if the bill under consideration is a perfect bill. I answer you, with such limited information as I have at my command, it is not. You ask me if the rural routes provided for in 1890 with an appropriation of $40,000 were adequate and free from fault at that time. I answer you they were not, but they were the beginning of a great system that has grown and developed and scattered its blessings generally throughout the homes of the 100,000,000 American citizens more than any other governmental agency.

What does this bill actually do that will be of benefit to the American farmer? What are its provisions that shall serve as a foundation of a great system that will be of help to all our people and lend strength and lift aloft the welfare of the producer and all other citizens? Stripped of all details, stripped of all complications, the salient features of the bill now before us are as follows:

First. It establishes 12 farm-land banks equitably distributed over the United States, whose duty it shall be to lend money to the American farmers on farms or for the purpose of purchasing farms upon which they are to reside.

Second. The bill before us appropriates and provides for the disposition of Government money out of the Treasury of the United States of $750,000 in each of the 12 land banks to install them, start them off, and to make the transaction of business possible at the beginning.

Third. The bill we are now considering, and that I hope we will to-day pass by an overwhelming majority, exempts all mortgages and bonds issued upon such mortgages from taxation of any sort. This is a distinct help to the farmer; this is a great advantage given to the system; this will help beat down interest rates on loans made through these institutions.

Fourth. The farm-loan board, the members of which are appointed by the President and who are Government men, determines the rate of interest to be charged and the price at which the bonds shall be sold. This insures to the farmer a decent rate of interest and assures him that the bonds issued upon the mortgages shall not be sacrificed.

Fifth. Loans may be made in amounts ranging from $1,000 to $10,000.

Sixth. Banks may loan only 60 per cent of the farm value. This is thought to be a proper amount on a fair valuation. No good man wants the Government to lose its money or its confidence in the American farmers, and this makes due allowance for depreciation in farms from lack of management, fire, floods, and other disasters that may sweep away farm values.

Seventh. These banks may make loans for periods of time ranging from 5 to 36 years.

Eighth. These 12 banks may make loans for four purposes only: (a) Mortgages on farm lands; (b) money with which to buy land; (c) to make permanent improvements, such as buildings, fences, orchards, and so forth; (d) to buy live stock to stock the farms, to the amount of 50 per cent of their value.

Ninth. Each of the 12 Federal land banks indorse every bond issued upon the mortgages as they are collected in, and this is thought to be a highly desirable feature of the legislation, due to the fact that it will make uniform the value of the bonds and make a bond issued on Oklahoma or Texas mortgages as valuable as one issued on Illinois or Ohio mortgages, and it is thought this will make uniform the farm-loan rate throughout the United States. This will put an end to 10 per cent in Oklahoma and 5 per cent in Ohio and Vermont. This will equalize the rate as it should be.

TENANTRY INCREASING TO ALARMING DEGREE.

In 1880, 25.6 per cent of the farms of this Nation were farmed by tenants; in 1890, 28.4 per cent of the farms were farmed by tenants; in 1900, 35.3 per cent of the farms were farmed by tenants; in 1910, 37.1 per cent were farmed by tenants. These facts can to the thoughtful man leave but one thought behind, and that is that the farmers of the country are gradually withdrawing from the farm and engaging in a more lucrative business and the still less unfortunate man who has no more lucrative business to engage in must of necessity become an actual farmer and farm the farm. I maintain in earnestness and good faith that these figures disclose a somber fact which should appeal to every thoughtful Congressman and Senator that something should be done to prevent this most undesirable trend of affairs.

OKLAHOMA'S TENANTRY NEEDS ATTENTION.

For example, in my own State, which was formed and made up from the twin Territories of Oklahoma Territory and the Indian Territory, respectively, and was formally admitted to the Union on November 16, 1907, the startling facts regarding tenantry are as follows: The total number of farms is 190,192; the total number of farms occupied by owners is 85,404; the total number of farms occupied by tenants is 104,137. These amazing figures regarding my own State come from the fact that the great bulk of the State is Indian land and by Federal statutes

exempted from sale, and much of it exempted from taxation; but I present the figures for what they are worth and assert them to be no less than astounding.

TENANTRY ON INCREASE—HOME OWNERSHIP AT STANDSTILL.

From 1890 to 1910 tenantry in the United States increased 16.3 per cent and home ownership increased only eight-tenths of 1 per cent. Can figures so conclusive as these go unnoticed? Can we close our eyes to the fact that this condition of affairs needs and deserves attention? Can Members from the city districts in the East, who consume more than they produce, longer insist that the farmer has had more than his share? I can not believe that Members from the East who represent manufacturing districts and consuming districts, as distinguished from producing districts, can afford to longer stand in the way of legislation that will right and adjust this great wrong. To do so longer is but to stand in their own light; to prevent us of the producing section from this just recognition is but to cripple and hamper your own endeavors, though they be in an independent and different field. We of the West are proud of you and your factories, and delight to see you prosper and improve, but in humbleness and in simplicity we insist that neither your cities nor your factories would long thrive were it not for the products of the mine, the field, and the forest.

MORTGAGES INCREASING ON AMERICAN FARMS.

In 1890 only 28.2 per cent of American farms carried mortgages; in 1900, 31.6 per cent carried mortgages; in 1910, 33.6 per cent of the farms carried mortgages. Let us pause for a moment and consider what is the real reason for this undesirable trend. Can it be said that the American farmer is mortgaging his farm for reasons other than necessity? In the main, I can not believe that such is the case. I full well appreciate that there will be notable exceptions where farmers mortgage their farms as a result of indolence, idleness, lack of thrift, and management. I full well understand there will be other notable cases where farmers mortgage their farms for extravagance and luxuries that are not necessary for the station in which he lives. I am also full well aware that there will be some exceptions in certain sections of the country which are due to drouth, hot winds, crop failure, and other disasters that befall a properly planted and cultivated crop. But I still insist that these cases are exceptions to the rule rather than the rule.

While it is eminently true that no legislation that this Congress can pass can legislate away indolence, extravagance, or crop failure occasioned by climatic conditions, still this Congress has in its power and, I believe, the solemn duty resting upon it to help, in so far as possible, to reduce the interest the farmer must pay and liberalize the loans that he must execute, to the end that he may retain his homestead, educate his children, and properly care for himself and his family in the station in which the American farmer deserves to live.

IN 20 YEARS MORTGAGES ON FARMS INCREASED $640,257,001.

The total amount of mortgages on farms in 1890 was $1,085,915,850; in 1910 it was $1,726,172,851. This discloses an increase in the mortgages on American farms in a single 20-year period of $640,257,001. I can not believe that I am in error in thinking that this increase in the mortgage debt is but an increase of the farmer's burden, is but an additional load for him to carry, is but a further bending him down under a load that is already too heavy for him to carry. For me and for mine, I would much prefer to use the strength, the credit, the stability, and even, if necessary, the revenues, of the Government to reduce, to lower, and, if necessary, to sweep away this John Bunyon load upon the back of the American farmer than to bond the Nation for arms and armament that is not now and in all probability will not be needed. The one will instill hope, comfort, education, and prosperity in the American citizen, while the other, at best, can only be defended as a burden that necessity drives us to endure. The man or the political party who can emancipate the American farmer from this turmoil of exorbitant interest and debt is greater and will live longer in the hearts of the people than will he who engulfs them in debt and bondage for fears of an imaginary war and conflict that are not well grounded and scepticism of intrigue that will never come true.

AVERAGE LOAN PER FARM LARGER EACH YEAR.

The population of this Republic in 1890 was 62,947,714, but the average mortgage of the several farms covered thereby in that year was $1,224, while in 1910, with a population of 91,972,266, it had increased to $1,715 per farm. Those opposed to this legislation will assert and do assert that farm lands have increased in value, and therefore may properly carry the increased burden. No successful denial can be made of this statement; but away and beyond all this is the incontrovertible fact that the mortgage debt, both in the aggregate and per farm, is gradually increasing. This, I assert, is not as it should be; this, I assert, deserves the attention of this Congress; this, I assert, demands renewed energy and activity on the part of Congress; this should even tug at the heartstrings of the gentlemen in and out of this House who are opposing this measure by means fair or foul. These stubborn facts should at least ameliorate your feelings, and let us remedy this unhealthy trend of affairs that abides among us.

ACREAGE PER FARM DECREASING.

The average acreage of the 5,737,372 farms in the United States in 1900 was 146.2, while in 1910 it was diminished to 138.1 acres to each of the 6,361,502 farms of the American Republic. Can we close our eyes to the fact that while the acreage is diminishing the mortgages are increasing? Unless something is done to equalize interest rates and reduce the same as well I fear this unwholesome and abnormal situation will go on and on to the very great impairment of home ownership. Can a true American, full of hope, patriotism, and love of country, sit idly by, unabashed and inactive? For me and mine, as one who loves the Republic well and as one who would uphold the flag and the country in all that upholding it means, I say these ills shall not go on without attention, these conditions shall not prevail without protest and restraint.

CITY POPULATION INCREASES 100 PER CENT WHILE FARM POPULATION INCREASES ONLY 20 PER CENT.

From 1890 to 1910, a short period of 20 years, within the memory of every man who sits in this Hall to-day, cities increased in population 100 per cent, while the farm population increased only 20 per cent. This makes the growth of the Republic produce five men who are destined to reside within the city for every man who shall reside upon the farm. I assert the fact to be that all that our Republic is to-day, all that it can ever hope to be, must in one form or another spring from the very loins of the field, forest, and mine. [Applause.] This trend of American boyhood rushing to the city and abandoning the farm renders it necessary for one farmer to produce enough to support five residents of the city, which is all out of proportion, all wrong, and should be remedied by this Congress, as distinguished from the next. You of the East—of the crowded centers engaged in business other than agriculture—complain of the high cost of living and assert that your living expenses are more than you can bear. Can there be a better panacea for this ill than to improve the conditions on the farm, enable the farmer to secure better credit and enable him to enjoy more of the good things of life, so that the boy who has abandoned the homestead and gone to the city may return and again take up his abode in the rural community? Can you of the East and you Congressmen representing manufacturing districts longer be upheld even in your own districts, much less in the Republic, by thwarting and opposing us in legislation that we believe will improve us, will help us? I again assert that this rural-credit legislation before Congress is not a local matter, is not a sectional matter, is not class legislation, but is strictly in the interest of the development of a great Republic, whose teeming millions only ask a chance at the race of life and a willingness to help provide for this Republic in peace and to defend her in case of adversity. These, and many things more, are some of the things that make me so hopeful that we may secure now rural-credit legislation that will be of benefit not alone to the farmer but to the health, wealth, and progress of this great and prosperous Nation in its entirety, and that she may go on in peace, prosperity, and development until she is the foremost nation in all the world.

RURAL-CREDIT SYSTEM WILL SAVE ANNUALLY $120,000,000 IN INTEREST TO AMERICAN FARMERS.

The total farm mortgages on American farms to-day amount to almost $4,000,000,000. The interest on this amount at 8 per cent would amount to $320,000,000. I pause to note that the exacting of this enormous sum annually from the American farmers denies many promising boys and girls education, and is a load extremely hard to bear. If by the legislation under consideration we can reduce the interest rate to 5 per cent, the drain in interest upon American farmers would be only $200,000,000, a saving to them of $120,000,000 annually. Who is there present who would not delight if he could help to save the American farmer this $120,000,000 annually? Who is there present who would not be willing to say that the lifting of this partial load from the back of the farmer would be an inducement to the boy who has left the farm to return to it and try again?

To withhold credit from a business man is but to stifle his efforts and bankrupt both him and his business. To withhold credit from the American farmer by extortionate rates of interest on loans has been but to pile up his burdens, to press down

upon his hopes and ambitions, and make life on the farm more intolerable than attractive as the years have sped by.

The average rate of interest in Vermont is 5 per cent, and this low rate largely prevails in the other Eastern States. The rate of interest in Montana is 10 per cent, and throughout the West that is but little, if any, in excess of the amount the western and southern farmers pay. I know of no good reason why one section should be favored with 5 per cent and another tortured with 10 per cent. Surely our patriotism, our industry, our love of country is equal to that of Vermont and the East. Surely our farm lands, that are not depleted by centuries of use, are as valuable and as good a risk as theirs. Surely, then, the legislation provided for in this bill would tend to make the mortgages and the bonds issued upon them uniform in value and make the rate of interest uniform, which is bound to be of help to all States suffering from extortionate rates of interest.

I want to say that section 23, which makes the bonds exempt from taxation, is a distinct recognition of the farmer's claim and will be a distinct help to him. This can not be questioned by anyone. No one can deny it is a help to the farmer; no one can deny it is an aid to the system.

The 36-year period is a long-time credit. In order to accomplish anything the farmer must have a long time in which to pay the original debt. He, of necessity, earns slowly and must have a long time to repay the principal. Now, the $9,000,000 provided for maintains firm the principle of Government aid. There may be more polite names for it than that, but it is the name I will give it, and I am heartily in favor of it. The only trouble with it is that it is not enough to satisfy me. It is more than the Senate allowed—the Senate provided only $6,000,000. I think it ought to be amended so as to make it $25,000,000. I know the chairman of the committee will say it is useless to try to have that much put in this bill. I see that the gentleman from Indiana [Mr. Moss] is indulging in great glee at such a suggestion, but I call his attention to something that I think will make him change his mind about that. We appropriated on yesterday $20,000,000 for a nitrate plant on one branch of one river in one State, and which I presume was necessary and all right. We appropriated $40,000,000 for river and harbor improvement this year, which a great majority of the House voted for, and probably properly, but it only affected a small part of the people.

Mr. MOSS of Indiana. And the gentleman will remember that we appropriated $25,000,000 on the Agricultural bill.

Mr. FERRIS. Yes; and we appropriated $40,000,000 for rivers and harbors, and $20,000,000 for a nitrate plant, and we have a bill pending, which will be considered to-morrow by the Flood Committee, appropriating about $55,000,000 for flood control on the Mississippi River.

Mr. RUSSELL. But that is in five years.

Mr. FERRIS. I understand. Who is there here in the face of those appropriations who will say that $9,000,000, as provided for by the House bill, or $6,000,000, as provided for by the Senate bill, is enough to start off a great national system like this? Now, you can not say that is not a fair comparison, because it is one. Within the last few days we have, and within the next few days we will, appropriate for more specific propositions, affecting only a few of the people, four or five times what we appropriate for this great system, affecting all the people.

Mr. CALLAWAY. Does not the gentleman think that we ought to save this and put it into battleships? We only appropriate about $400,000,000 for those things.

Mr. FERRIS. The gentleman will pardon me for not going into that. It involves the question of national defense that I do not wish to refer to. I presume the gentleman from Texas and I are not so far apart in our views on battleships.

During this debate many Members hostile to this legislation have asserted that it was unsound to have the Government lend its credit and deposit its money in these 12 land banks, to the end that it might be loaned to farmers. I can not agree with these gentlemen in either their analysis or their logic. Since the birth of the Republic Government funds have from time to time been deposited in commercial banks, usually without security, and until recently without interest. If this has been done for 140 years with safety and impunity, why is it now so unsound and unsafe to loan faith and credit to these farm-loan banks, which in turn are to loan to farmers only upon the most stable of all security, the soil itself? How can it be so safe and sound to lend to commercial banks without security and without interest and so totally wanting in soundness and feasibility to lend to these land banks for interest and with the very best of security? No; I can not think it is unsound; I can not think your objections are other than the usual objections made to any new Government agency, however just and beneficial that agency may be. For me and for mine, I believe this is an earnest, honest effort on the part of an honest Congress to afford to the American people a system of rural credits that will benefit the farmers and the farms; that will beget farmers with farms; that will instill greater hope in the hopeful, greater zeal in the zealous, and bring good results to the teeming millions of America. The American farmer, who cries aloud for this legislation, has been the true builder of the proudest Republic in all the world, and I can not in justice remain silent while his cause is in the balance. Each year I have journeyed among the industrious, brave, and heroic people of my district, have journeyed among these builders of an empire, and each time I have faithfully promised them to help them secure a system of rural credits that would help them beat down interest rates and give them ample time for repayment. I am so happy that I have lived long enough and remained their servant long enough to be able this day, first, to speak in their behalf, and, second, to cast one vote in their behalf, for a bill that I believe will be of towering strength and help to them. It pleases me more than I am able to tell to be able to aid in doing in office the thing I promised to do while securing office—the enactment of a feasible, reasonable, sensible, workable rural-credits law. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GLASS. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Chairman, to-day will witness in this House the fulfillment of another very important pledge made to the American farmer in the last national Democratic platform. In that platform, legislation, giving to the agricultural classes of America a system of rural credits, was pledged.

It has been stated by a Member on the Republican side of the House that this is not a party measure. Of course it is not, and it should be considered in an entirely nonpartisan manner. However, the fact will neither be overlooked nor forgotten that the Democratic Party is responsible for legislation in this Congress, and it is the first party ever to make manifest in substantial form and to recognize the need of this legislation, which the farmer has so often requested and for which he has waited so long and patiently.

It will be remembered that in considering the Federal reserve act, at the first session of the Sixty-third Congress, its passage was long delayed by those on that side of the aisle and especially by the Republicans at the other end of the Capitol. It was filibustered against for months and when a vote was finally taken only 35 Republicans could be found in this body and only three at the other end of the Capitol who would give it their support. Yet, it is now admitted by all sane, fair-minded men everywhere, in Europe as well as in America, that the Federal reserve act is the greatest masterpiece of financial legislation ever enacted by any legislative body. [Applause.] It has been characterized as a miracle in legislation. Under its wholesome operation money panics are impossible and the control of credit is removed from Wall Street, where it had been left by the Republican Party for 50 years, and is now placed in the hands of the Government and the people.

When the legislation which we are to-day considering is placed upon the statute books and the farmers are given the same opportunity for obtaining credit that the commercial interests of the country have, agriculture will celebrate its emancipation and henceforth be free from the thraldom that has kept it enslaved so long. Since the time when the memory of man runneth not to the contrary, the Republican Party has told the farmer that if the Democratic Party should come into power and apply its policies the farmer would be ruined. Yes; the farmer was told that if the high protective tariff was lowered the price of his crops—produce, live stock, and so forth—would drop to nothing; that his land values would depreciate; that he would be reduced to the state of the common beggar and walk the earth in poverty's embrace, and many honest farmers believed this fabrication. They believed that in some way the tariff and the value of farm products were inseparably linked together and that lower customs duties meant a corresponding lowering of farm products and stagnation and death to the farming industry. But that deception can no longer control. The farmer has been shown by actual results that he has too long been the victim of misrepresentation. He is to-day receiving larger prices for his products than ever before in the history of the country and enjoying the greatest season of prosperity. But what is now coming his way is only an earnest of the additional advantages and blessings that are to be his when our entire legislative program for his benefit has been completed.

Farming is as much a business as manufacturing or merchandising is a business, and can only be successfully operated and managed when given adequate facilities for credit, such as are

necessary for the successful operation of any other business. While there are a few individuals here and there who have ample funds for the operation of their business enterprises, yet the undeniable fact remains that practically all business is done on a credit. Deny manufacturing, merchandising, railroading, or any other business adequate credit facilities and you plunge the dagger to its heart. Credit is the foundation of our whole commercial and industrial structure, and the same is true of agriculture. Therefore it can not develop and flourish without adequate credit.

This bill is intended to provide Federal land banks whose sole purpose and function shall be to serve the farmer and furnish him money on long time, at a low rate of interest, and payable on the installment or amortization plan. The farmer has the best of all security with which to make safe his loans—something that fire can not consume, rogues can not steal, nor floods wash away. Therefore he should be able to procure the use of money on the same terms and at as low rate of interest as any corporation or even the Government of the United States itself.

Under the present conditions, when the farmer can borrow money at all, the terms are so unreasonable and work such extreme hardships upon him that once he becomes a victim of the policy he remains a slave to it the remainder of his natural life. Interest rates are so high and the time of maturity of his paper so short and often the uncertainty of being able to renew is so great that it is impossible for him to save himself from the viciousness of the system, and weaker he grows and poorer he becomes until he finally winds up in bankruptcy. The last state of the man is worse than the first. But under the system that we are soon to write upon the statute books, the man who has land and character can secure long-time, low-rate loans, payable on the amortization plan—that is, the interest and a certain part of the principal annually, making his payments small and due only as his crops are ready for market. He will be free from the ever-present nightmare of foreclosure, which obtains under the present system. No longer will he be at the mercy of the heartless Shylock, who would arbitrarily and mercilessly sell him into poverty's bondage.

This system provides an American plan of finance, adapted and dedicated especially to the peculiar needs of agriculture and for the direct needs of the American farmer. It is so arranged as to give immediate and permanent relief to our struggling agricultural population. Of course the system will not be perfect to begin with, but it is the result of the combined wisdom and thought of the best American experts on the subject.

At the inception of his administration, President Wilson appointed a commission to work in conjunction with the committees appointed in the various States to make a study of the subject of rural credits in all of the countries of Europe. Then a special subcommittee in both the House and the Senate were appointed and after careful study of the report made by the commission appointed by the President and after months of careful investigation evolved the plan now presented to Congress. When it is written into law, as it soon will be, and the test of operation is applied and such amendments as experience demonstrates to be necessary are added, a blessing will come to agriculture, such as the American farmers have never known.

Added to this legislation and to its benefits is a bill providing for Federal aid to good roads and also the Smith-Lever bill, which appropriates thousands of dollars annually for farm demonstration work, and carries direct to the farmer all the scientific discoveries made by the various specialists of the Department of Agriculture. In addition to this, the Democratic Party has given the parcel-post legislation, which carries to rural life the benefits of transportation as well as greatly extending the Rural Free Delivery System throughout the country. And the farming classes who are intelligent and have long memories are not apt soon to forget what party brought them these substantial reforms in the way of legislation, nor, on the other hand, what party it was that fed them so long on promises and hypocrisy. [Applause.]

Mr. GLASS. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Chairman, the farmers of this country have been knocking at the doors of Congress for a long time trying to get a rural-credit bill. They asked for fish and were always handed a serpent. I am proud that this committee has brought them out at least an eel, and I hope in the course of a few years that Congress will develop it into a speckled trout, because we realize that the proposition is going to help the farmers of this country. I know that the poor farmer of this country is not going to get money under this bill, because there is too much machinery about organizing banks and associations, but it is a recognition of a system that will develop into a rural-credit bill that will let the 40-acre farmer get money from this Government at a low rate of interest for a long term of years. That is what the American farmer must have.

The gentleman from Michigan [Mr. SMITH] the other afternoon stated that the banks in his country, three-fourths of them, loan money at long time at a low rate of interest. It is not true in the southern portion of this Union. I do not think it is true in the southwestern portion. We can not get money there except for a short period of time and at a high rate of interest, and it is proper, because the commercial banks of this country are not presumed to make long-time loans at a low rate of interest. It is not in their line.

Under those circumstances, the Government ought to back the rural-credit system with national aid. I favor the Government of the United States being responsible for every dollar of the bonds. Then the farmer could get his money at a decent rate of interest. If the Government of the United States stands behind the national banks, if we have the Federal Government backing the national reserve banks for $800,000,000 under the currency act, why is it not proper for the Government itself to be behind the great rural-credit system of this country, to back the farm, the best security on earth? [Applause.]

It strikes me that the $9,000,000 proposed in this bill is nothing but a bagatelle. Still it is a good start. Nine million dollars is a mere trifle compared with the Army and Navy expenses, and yet for the great industrial business of the Republic the agricultural class must depend for its starter upon this bill, and it is finally going to develop into a real rural-credit bill, under which the average farmer can go and get his money at a low rate of interest for a long term of years up to 50 per cent of the value of his farm.

I congratulate the Committee on Banking and Currency for bringing out what it has. The great banking interests of this country have never wanted a rural-credit system put in operation. This committee, as I say, has brought in a bill that is a starter, and to the credit of this committee be it said that they have done more than any other committee has ever done in aiding the farmer to get a credit-banking system. We can not hope that the farmer will compete with the commercial enterprises, because the rate of interest for 90 days or 60 days is low.

The farmer must have his money for no shorter period than 12 months, and he needs it for several years, during a period of amortization, where he can make a small payment and an interest payment that will not hamper his business. But no business can succeed that must borrow half of its capital for 12 months at 8 or 12 per cent interest and pay it back at the end of the year. He can not pay it back unless he sells some of his resources. If the farmer could get the profit of his farm and pay back half the value of that farm in 12 months, all of us would be engaged in that business.

I am in favor of the McCumber bill in the interest of the farmers of this country. [Applause.] That bill has a simple method by which the farmer could get his money direct from the Government—the Government guaranteeing the bonds that would be issued for every deed-of-trust note up to half the value of the land covered by the deed of trust. Gentlemen talk about paternalism, but you forget that the agricultural business is the backbone of our Nation. All other types of industry and enterprise depend at last on the products of the farm. You can have no prosperity in this country unless the agricultural business is prosperous.

It has always been my contention that the Federal Government, even from the standpoint of economic reasons, ought to do more for the farmers than any other class in our country. Ask yourself the simple question, How can farm products necessary to feed and clothe the people be secured unless you have the requisite number of people engaged in farming to produce what our people must have? How do you expect to keep people engaged in the farming business if that business continues to prove unprofitable? Congress is doing a great deal in teaching the farmers scientific methods of farming—how to enrich impoverished soil and crop diversification, all of which is very valuable. We are also on the road to help him sell his products under a national marketing system, but we have not given him the benefit of any banking system adapted to his business. The farmer must have aid through some system to finance his farming operations. The bill we are considering to-day is intended for that purpose. I feel that it will not be of any especial benefit to the small farmers. Mr. Chairman, I voted for the McCumber bill in the closing days of the last Congress, and was sorry we failed to get it enacted into law.

The present bill, the joint work of the committees, is the best that could be reported, and if it fails to work after it becomes

a law public sentiment throughout this great country will force Congress to pass a rural-credit bill with sure enough Government aid in it. I am going to vote to amend this bill, and if we fail, then I will stand by the measure in its present form and do all I can to secure its passage, because I realize it is a long step in the right direction and an unmistakable recognition of the principle of Government aid in a banking system for the American farmer.

Gentlemen, I feel that sentiment is going to ripen, and in a very few years Congress will pass the real rural-credit bill, which the farmers need and to which they are entitled. This bill we are discussing is only the beginning of the legislation which I see in sight. The great city banks of America have been standing in the way of a rural-credit bill. We have knocked down their barriers and started on the road to rural-credit legislation. The farmers are not going to let Congress stop. They are going to elect men to this body from all over the country who will stand up for their rights. It took them a long time to overcome the forces of the railroads and express companies in the fight for the parcel post. Yet they finally won; but they still have a fight to keep that splendid blessing in operation.

By some great power the Madden amendment was tacked on the Post Office appropriation bill that reduced the weight from 100 to 50 pounds for a package. I was greatly surprised when the vote was announced that the amendment had carried. I did not criticize anyone for voting that way. I was simply astounded, and wondered why the people had such a hard time getting and maintaining their rights in legislative bodies.

Mr. Chairman, while this bill may not be of much real value to the farmer in need of money, yet it is the first thing of its kind ever passed by Congress, and marks the dawn of a brighter day for the American farmer. All of the real friends of the farmer know that we will keep improving on it until in a very few years we will get through this body the bill we know the farmers ought to have. I for one shall keep on fighting his battles. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. GLASS. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. DOOLITTLE].

The CHAIRMAN. The gentleman from Kansas [Mr. DOOLITTLE] is recognized for five minutes.

Mr. DOOLITTLE. Mr. Chairman and gentlemen, I am an exponent of direct Government loans. I have talked that in this House during the time I have been in Congress.

This bill, while it does not provide for a direct loan, and has an amount of machinery in it which, in my opinion, is not a matter of necessity, nevertheless recognizes the feature which those believers in Government loans have thought necessary to reduce the interest rate paid by borrowers in that this bill recognizes and incorporates the Government-aid feature. The bill is a compromise between direct Government-loan advocates and private-capital advocates. If we can not get a whole loaf, we better take a half and continue our efforts toward a perfect measure.

The people of the State of Kansas, a part of whom I have the honor to represent on this floor, have gone on record, through a joint resolution of the House of Representatives and Senate of the State of Kansas, as favoring direct loans. And when the bill is read for amendment I shall offer the so-called Doolittle farm-loan bill as a substitute. I can foresee now that you will reject it, but the advocacy of direct loans as provided by my bill has not been all in vain. It is one extreme—and the proper one, I think—and the private-capital bills without any Federal aid are the other extreme.

It is a purely nonpartisan proposition, this matter of rural credits, and the resolution I have just referred to was passed by a Republican house of representatives and by a Democratic senate and was signed by a Republican governor.

It has been, indeed, a gratification and a pleasure to me to listen during the hours of debate on the measure before us to statements made by Representatives on this floor who at a former time had denounced or favored other rural-credit bills which had appeared before the House for consideration, but who to-day and on other days when this bill was under consideration have, I believe, unanimously expressed themselves as favoring the bill now under consideration. This is the best rural-credit bill ever favorably reported by the committee, and is the first one to contain any Federal-aid feature. At this time, Mr. Chairman, it looks as though this measure will pass the House unanimously—a wonderful expression of confidence in the Committee on Banking and Currency. I shall support the measure. It does not meet my approval in whole, but——

Mr. HAUGEN. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Kansas yield to the gentleman from Iowa?

Mr. DOOLITTLE. I yield to the gentleman.

Mr. HAUGEN. The gentleman has given this subject a great deal of study, and his judgment I greatly respect. In what respect is our section of the country to be benefited by this bill? That is, the gentleman's State and the State of Iowa, or the corn belt, where money is loaned at a low rate of interest?

Mr. DOOLITTLE. I will be candid in the expression of my opinion by saying that the eastern part of Kansas and the State of Iowa, as I understand the State to be developed in an agricultural way, will not materially benefit, so far as the rate of interest is concerned. There is much 5 per cent money to be had there now, but it may advance again. Other States and in the western part of Kansas, where the interest rate is higher than it is in the gentleman's State and in the eastern part of Kansas, will benefit in that respect.

Mr. HAUGEN. The high rate of interest is due, however, to the security offered?

Mr. DOOLITTLE. In a way; yes.

Mr. HAUGEN. And the productiveness of the soil and the safety of the guarantee are taken into consideration?

Mr. DOOLITTLE. Yes. But under this bill we will have this advantage that we do not now have under the private loaning system, namely, the amortization and the long time [applause], and those two items alone, coupled up with the Federal aid features of this bill, will be, in my opinion, sufficient to make it appeal to the vote of every man in this House who wants something better for the borrower than the private loan companies. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. GLASS. I yield two minutes to the gentleman from Missouri [Mr. RUSSELL].

Mr. RUSSELL of Missouri. Mr. Chairman, there is a great demand throughout the country, and especially among farmers, for the enactment by this Congress of a rural-credit or a farm-loan bill, and I am glad to know that President Wilson desires and has asked Congress to pass such a bill as promptly as possible.

I am not a member of the Currency Committee, that has reported this bill to the House, but as a member of four other important committees I have been so very busy considering bills before them that I have not been able to give to this proposed legislation as careful attention as I would like to have done under different circumstances. I have great confidence in the chairman, in fact all of the members of the Currency Committee that have considered and approved this bill, and especially have great confidence in the judgment of the gentleman from Indiana [Mr. Moss], who is himself a practical farmer and who is, as I understand, the author of the bill now before the House. He has given much time and attention to this important question from the standpoint of the farmers and for the protection of their best interests. The bill as it is written may not be perfect, and I think probably should be amended in some particulars. However, it is a step in the right direction, and I will be glad to give it my support, but will be glad to vote for such amendments as may be offered that I think will improve its present provisions.

This and the last Congress have made splendid records for constructive legislation in the interest of the people, and I know of none that is more desirable or that will do more good to a greater number than a reasonable, a practical, and an effective farm-loan law, that we hope will enable the farmers of the country to borrow money for longer terms and at a lower rate of interest than they can at this time.

The Federal reserve act passed by the last Congress is and, I believe, will be a fitting monument to the efficiency and the wisdom of that Democratic Congress, and that law is to-day almost universally approved by the business and commercial interests of the country. This bill, if it becomes a law, will be a fitting companion to the currency law, and we hope and believe will give great assistance to many people.

I sincerely hope the bill will pass and prove to be a great benefit to the entire country, and especially to the farmers of the country, many of whom are among the constituency that I have the honor to represent. [Applause.]

Mr. GLASS. I yield one minute to the gentleman from Missouri [Mr. ALEXANDER].

[Mr. ALEXANDER addressed the committee. See Appendix.]

Mr. GLASS. Will the other side use some of their time?

Mr. MANN. How does the time stand, Mr. Chairman?

The CHAIRMAN (Mr. FOSTER). The gentleman from Virginia has 39 minutes and the gentleman from California 19 minutes.

Mr. GLASS. There will be only one more speech on this side.

Mr. MANN. I yield nine minutes to the gentleman from Washington [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. Mr. Chairman, I am in favor of a rural credit bill. I have listened to the gentlemen on the other side felicitating themselves that they are about to carry out the Democratic platform; but I am a little fearful that the farmers will find that the gentlemen who are giving them this rural credit bill, instead of giving bread to the farmers are handing them a stone. I hope it may be amended and materially perfected.

I realize that this is bound to be to some extent experimental legislation. We have not had anything of this character in this country. Probably the country is to be congratulated that it has not had anything of exactly this kind. There are a great many different features of this bill that are worthy of consideration, and no man can digest it and it can not be argued and all the points brought out in five or six hours' debate.

I will say for this particular bill that I think it is one of the best that has been introduced into the Congress since I have been a Member of the House. I have studied all the bills with some degree of care, but I am afraid that this will not be workable, and that you have put in a private banking provision that is going to militate against the success of your principal plan. You will start a lot of banks that, for the sake of making profit, will make concessions to the best people of the particular neighborhood in which they have established their bank, and will in that way prevent a great many neighborhoods from forming associations and getting the benefit of the new law. I do not consider it wise or expedient to inaugurate a business that is largely experimental and make provision under the same bill for establishing competition against the enterprise, and that is what the joint-stock land bank does.

It would naturally cater to the better and most prosperous would-be borrowers, and leave the less desirable risks for the Federal land banks to serve. The ability of the wealthier farmer to procure money at practically as low a rate through the joint-stock bank without buying stock or assuming any liability will induce him to do so, thus preventing in many instances the formation of associations that would have served his less fortunate neighbors.

Mr. TILSON. Will the gentleman yield for a question?

Mr. LA FOLLETTE. I will.

Mr. TILSON. From the gentleman's study of the bill does he conclude that farmers generally will be able to get money more readily and at a better rate than they are already able to secure money now?

Mr. LA FOLLETTE. I think the farmers in the better localities of the East and Middle West can get money more cheaply and to better advantage now than they can get it under this bill.

Mr. TILSON. Then the thing that it surely does is that it provides very expensive machinery and some very high-priced officials, and so far as we can be to any degree certain it will not benefit the farmer at all.

Mr. LA FOLLETTE. I would not go that far. I think it will benefit some farmers and in some localities, but I think it is not going to help the class of farmers who really need the help, because these private banks will take the best risks, and that will prevent those who can not get money easily from forming associations and getting the benefit of this principal plan. I think, if they are going to have this private banking feature, they should at least wait until they have established the principal banking plan, and then if they see that the other is needed provide it later. There has for many years been a demand and a need for rural-credit legislation, and, in my judgment, each year we have neglected and delayed the passage of a practical and efficient rural-credit law has added to the number of our tenant farmers, and is fast perpetuating a system that is extremely unwise and deleterious to the best interests of our country. No nation can have as high an order of citizenship or the same degree of patriotism in a land tilled by tenant farmers as it would have from a land of home owners, and I think the children raised under the two conditions would develop very different ideals and conceptions of country surrounded by the two environments. God grant that tenantry will never predominate in our beloved country.

Mr. MILLER of Pennsylvania. Will the gentleman permit a question?

Mr. LA FOLLETTE. I will.

Mr. MILLER of Pennsylvania. I have heard it spoken of that this will benefit the tenant farmer. If a tenant farmer has nothing but his team and farm implements, how can he borrow money under this bill?

Mr. LA FOLLETTE. He may.

Mr. MILLER of Pennsylvania. How?

Mr. LA FOLLETTE. If he can get some one to agree to sell him a piece of land, and then if his neighbors will take him into the association, and he is satisfactory to the board of appraisers, and all of the rest of the red tape that has to be cut before he can borrow the money, why, he will get it.

Mr. MILLER of Pennsylvania. He can only get 60 per cent, then, of the value. What becomes of the other 40 per cent?

Mr. LA FOLLETTE. He gets 60 per cent of the value of the land, and he can borrow 20 per cent on such improvement as he can carry full insurance on. The landowner can take the money thus borrowed as first payment and take a second mortgage to secure him on the balance.

Mr. MILLER of Pennsylvania. I should like to know how this bill benefits the tenant farmer, who has not got anything.

Mr. LA FOLLETTE. I think that is one of the weaknesses of this bill—that it does not look after the man who really needs assistance.

Mr. GLASS. I will say that if the gentleman will devise some scheme that will give something to a man who has not got anything I will be obliged to him if he will tell how to do it.

Mr. LA FOLLETTE. That would, of course, be a hard proposition; but I think it can be made possible for men with but very small holdings in property to become home owners and acquire that independence and feeling of security in their present and future that only abide with those "who can sit under their own vine and fig tree and no man can make them afraid." It is a difficult matter to help those who have nothing.

Mr. MILLER of Pennsylvania. If a man has got nothing, he can get nothing.

Mr. LA FOLLETTE. I will say to the gentleman that we have got to devise some plan in this country to assist those who practically have but little or else we will be a land of tenant farmers in a short time, and the country will be in the condition that some of the old countries in Europe were a few years ago.

Mr. CLINE. Does not the gentleman think that the bank where anybody could get something for nothing would be the best patronized bank in the country?

Mr. LA FOLLETTE. Yes; but if anybody can borrow money on land at a reasonable appraisement of its value, the loaner is liable to come out safe in the long run. What the Government needs to-day is to make provision for taking care of those who really need assistance and not to fix it so that people who do not need assistance can get money on land at any time. I realize that there has been a lot of study and investigation given to this matter by the framers of the bill, and that the intention of the proponents is good, but I am inclined to think that it will not work out for the benefit of the class of farmers that I mention and that the rate of interest is not going to be as low in the near future as gentlemen think it will be.

Mr. SWITZER. Will the gentleman yield?

Mr. LA FOLLETTE. Certainly.

Mr. SWITZER. What rate of interest does the gentleman think has to be paid under this bill.

Mr. LA FOLLETTE. Well, the gentleman from Arkansas [Mr. CARAWAY] figured out that it would cost the farmer 7 per cent, and I agree with him fully. The committee figures on 6 per cent as the maximum.

Mr. Chairman, I have had many letters in regard to this bill as it was originally introduced into the House. Many have asked me to vote against it, saying it would be of no practical benefit. I am loth to do that.

I have said that I hope this bill may be amended, although I am afraid that the committee, through pride of authorship, will be slow to accept amendment. The committee lays great stress on the time it has taken to investigate the various propositions incident to the legislation and the deep study given to the matter. Its members forget that other gentlemen have likewise given much thought to the subject and that more than two score of rural-credit bills have been introduced into the two branches of Congress, all of them containing more or less of real merit.

Mr. Chairman, I am not one of those who would turn down a measure, even though it had merit, because it had originated in committee where the control rested with my opponents politically. I have never been that narrow; I hope I may never be. Neither will I vote against a proposition that has merit simply because I think it does not go far enough in the right direction. I think it wiser to enact the law and trust it to be amended for the better after there has been some chance to demonstrate its shortcomings by its operation. He who expects

or waits for perfection before enactment is doomed to wait forever.

Mr. Chairman, I think it is time for this country to enact some rural-credit legislation. I can but think it will eventually prove to be of great benefit to our country. Some localities will naturally benefit more than others, because the relief is needed to a much larger degree in some sections of our country than it is in other communities. If it is beneficial to any considerable proportion of the United States, it is indirectly beneficial to all parts. I hope that by rural-credit legislation we may add to our home owners and to our rural prosperity.

If the investing public once acquires confidence in the securities offered by the Federal land bank, there is no doubt but that their bonds will be taken readily; and it is to be hoped that the bonds can be placed at 4 per cent or lower in a short time, and in all probability they will find a ready market in time at as low a rate as 3 per cent. This would give the borrower a maximum rate, covering all expenses, not exceeding 4 per cent. It will be that low, and, in my opinion, lower in time, but not in the near future. The main thing is to get the system firmly established; improvements and betterments will then naturally follow.

Mr. MANN. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. KINKAID].

Mr. KINKAID. Mr. Chairman, the friends of a rural-credit system, for the last three Congresses, including the present, each successive session, have been promised an opportunity to vote upon such a measure. I am glad that finally we are to realize the privilege long delayed.

Mr. Chairman, I shall vote for the bill in order that rural-credits legislation, so important to the farming industry, shall be accorded a commencement. The bill is not acceptable to me, but I trust amendments may be secured before it shall be passed which will make it less objectionable. I shall work and vote for amendments which, in my judgment, are calculated to improve its provisions, and, in the end, shall vote for the bill on the ground that it will be the best measure now obtainable. My objection, in the main, is to the kind of a rural-credits system provided for rather than to the construction of the bill as a matter of form. I am frank to say, if the system or basic principle were acceptable to me I should not cavil about the form; in fact, I think the committee is entitled to credit so far as construction goes, and I wish to accord special credit to the distinguished and able gentleman from Indiana [Mr. Moss], who has performed so large a part in the make-up of the measure, as he was entitled to do, being a member of the commission sent to European countries to investigate rural-credit systems there. But the gentleman from Indiana was peculiarly well adapted for the great task independently of the trip made by the commission.

Mr. Chairman, the fundamentals of the bill, I fear, will not be acceptable to my constituents and the farmers in general throughout the United States. A very conspicuous objection to me is the top-heaviness of the system; the official machinery is too much extended, too complex, too many smaller wheels within the larger wheels, all of which amounts necessarily to the making of many steps to reach the goal of the granting of a loan. For instance, the intended borrower must first get himself initiated a member of a national farm-loan association, which will be attended with perhaps as much routine and scrutiny as if he were joining a fraternal or insurance society. He must first pass the requirements of this organization, then that of the Federal land bank, and even then the consummation, including the issuance of the bonds, must be approved by the Federal farm-loan board.

Mr. Chairman, why make the process of securing a loan so extended? In the first place, why have 12 regional Federal land banks? One would do better and cost less. In any event, before bonds can be issued the action of the Federal farm-loan board, sitting in Washington, will be required. Why not cut across the lots and allow the application to go direct to the final authority at the start? It is plain that much time would be saved in this way. It is now a matter of legislative and administrative history, well established by many years of experience which was very expensive to the Government, that the former policy of establishing district pension agencies here and there throughout the United States to cooperate with the Bureau of Pensions at Washington was uneconomical. It became so manifest that these district agencies were cumbersome and superfluous that session after session this body voted a repeal of the law creating them, but for many years the repeal was not adopted by the Senate. While the district pension agencies lasted it took longer to secure the payment of pensions than it does now, because now the bureau here at Washington communicates directly with the pensioner, while under the district system the Washington bureau first reported to the district agency and then the agency to the pensioner. It will be apparent to anyone that the time in which the pensioner would ordinarily receive his quarterly pay was at least doubled, and I have personal knowledge of many instances where, by reason of this complicated system, mistakes arose resulting in weeks and months of delay in the pensioner receiving his pension, which would not have occurred had he been communicated with directly by the bureau from Washington. It was a waste of time and money, with the likelihood of mistakes increased. I maintain there is even less excuse for the maintaining of the 12 regional banks than there was for the keeping up of these district pension agencies.

Assuming the bill will become law, I anticipate it will soon become the practice that the commercial banks will dispose of the bonds. It will be found as a fact that they will find most of the buyers of the bonds. One strong reason for this is that the business in general of the communities is transacted with commercial banks, while the province of the Federal land banks is so narrow and restricted as not to bring them in close touch with many persons having money with which to buy the bonds. It is very plain that if they should receive deposits subject to check, which very properly they will not be permitted to do, this would place them on a more nearly equal footing with the banks doing a commercial business with would-be bond investors.

The scheme is, of course, European and not American, in that it operates so directly against the single effort of one borrower. Individualism has been a strong characteristic of our American people, and, in my judgment, it has been one of the principal causes of the greater relative advancement made in our country than in European countries in all the walks of life. Under the system provided by the bill this single handedness, this individual independence concerning one's business transactions must be greatly impaired. The borrower can not make a start toward a loan without combining with nine of his neighbors and knowledge of the transaction becomes the common property of the whole neighborhood before anything has been accomplished. The news will travel from Dan to Beersheba before the loan has gotten started. The loan accomplished, it constitutes a very tangling alliance, for the borrower has tied himself up with nine other borrowers, and, while their interdependency is complete, the benefits and responsibilities are not necessarily to be equal; the loans are certain to differ greatly in amount. This combination of loans essentially creates a community of interest between the mutual borrowers; each is interested in the prosperity of the other nine, to the end that the loans may be paid and the legal individual liability therefor thereby become discharged. I do not argue that there is anything morally wrong in such a system, but it will constitute a great change fundamentally in the manner of doing business in our United States of America. It will inculcate and operate for dependence and against independent endeavor.

Mr. Chairman, so far I have not referred to the joint-stock banks provided for by the bill. These banks are not to be capitalized by Government funds, as are the Federal land banks. Ten or more individuals may secure a charter for one of these banks when they have paid in capital of at least $250,000. In some respects these banks are provided the same advantages and privileges as are accorded the Federal land banks, likewise in some respects are subject to the same restrictions, but in the main the two systems differ materially. Under the joint-stock bank system each borrower constitutes a tub standing on its own bottom, secures his own loan, and is responsible for the payment thereof independently of third persons. Like the Federal land bank, joint-stock banks are entitled to issue bonds representing the mortgages they hold and to place the same in the markets, the bonds not to draw interest at a greater rate than 5 per cent and, in effect, the mortgage made by the borrower to draw interest at a rate not to exceed 6 per cent. But much greater latitude is allowed these banks, and consequently a greater latitude will be afforded borrowers than is permitted Federal land banks. For this reason some of the Members view it that the joint-stock bank will militate against the successful operation of the Federal land bank; therefore, that it is not wise to create the joint-stock bank system, assuming that the Federal land bank is to be preferred as a system.

Mr. Chairman, why originate two different systems at the same time? Why not experiment with one system singly to begin with? It is plain to me as a mathematical proposition that the securing of a trial of the merits of the Federal land banks is diminished at least 50 per cent, maybe 75 per cent, by placing them in competition with the joint-stock land-bank system provided for in this bill.

Mr. Chairman, I beg to recall to the memory of the membership the McCumber bill, which was adopted in the Senate as an amendment to the Federal reserve act passed in 1913, but which the joint conference discarded. The essential part of the first section of that bill reads as follows:

*Be it enacted, etc.,* That there is hereby created in the Treasury Department a bureau to be known as the bureau of farm credits.

Mr. Chairman, these two lines constitute the foundation of a rural-credits system which it would be so easy for farmers to avail themselves of. It would establish a bureau of farm credits here in Washington to be presided over by an officer to be designated commissioner of farm credits. The bill further provides that National and State banks may become the agents of the bureau in taking applications for loans, examining and appraising farms, and examining the abstracts and sending all such papers to the commissioner here in Washington. Ten million dollars was to be appropriated for the purpose of purchasing the mortgages given, and the issuance of bonds representing the amount of the mortgages was authorized. The provisions of the bill are brief, simple, and practicable and easy of administration, mutually to borrowers and to the Government.

Mr. Chairman, the McCumber bill, instead of providing for a complicated system, is simplicity itself. Instead of employing language covering 60 pages, like the pending bill, the foundation of the bill is contained in 2 lines, and, with all details, covers but 8 pages. Instead of providing for 12 regional farm-land banks and authorizing in addition thereto joint-stock banks and providing national farm-loan associations, in addition to the farm-loan board to be established at Washington to govern all, the McCumber bill provides for only a farm-loan bureau, which would constitute a branch of the Treasury Department, with one chief officer at the head, to be named farm-loan commissioner. Instead of farm-loan applications having to pass the muster of two separate appraisals, action by two separate loan committees, and still await the final action of the farm-loan board at Washington, under the McCumber bill the application could be made to the nearest National or State bank acting as the agent of the bureau of farm credits at Washington; and the application being found acceptable, it would be forwarded by the bank to the bureau and the loan there consummated without further red tape or routine. Instead of paying 6 per cent interest semiannually, as the present bill provides, the McCumber bill requires the payment of but 4½ per cent annually. And instead of being tied up with nine other borrowers, each holden for each and all, under the McCumber bill each borrower acts independently of all others and he, individually, and his property are holden only for the amount he borrows. This bill was offered in the Senate as a substitute for the pending bill, but was voted down; and, without going into details, all the membership know it would not be practicable to secure its adoption in this body.

Mr. Chairman, I said at the start that I was going to vote for the bill in order to secure a commencement of rural-credits legislation, and I contemplate that the experience with the operation of the law which will be passed will commend further legislation as improvements upon the system. I shall vote for every amendment offered which I think will improve the bill as now formed and shall finally vote for the passage of the bill, because I am convinced of the great necessity for providing for the farming industry a means of securing long-time loans at low rates of interest to be paid on the amortization plan. Any amendments which may simplify the operation of the act or which may tend to add value to the bonds issued, anything which may improve their negotiability, to make them a gilt-edge security, in the estimation of the buyer, I shall deem it my duty to vote for for the mutual interests of both borrowers and the purchasers of the bonds. The more reliable the investment the easier it will be to sell the bonds and the bigger prices they will bring; hence the lower rate of interest it will be necessary for borrowers to pay. [Applause.]

Mr. MANN. Mr. Chairman, how much time remains to this side?

The CHAIRMAN. Ten minutes.

Mr. MANN. Mr. Chairman, I had not intended to discuss this bill at this time, not having been allowed any time, but one or two gentlemen who have been promised time are not here, and the gentleman from California turned the time over to me.

I want to ask a question or two of some one who has the knowledge and can answer. I will ask the gentleman from Virginia what rate of interest under this bill can be charged on the farm mortgages provided for in the bill?

Mr. GLASS. The limit of interest is 6 per cent.

Mr. MANN. Very well. I read in the bill, in reference to bonds, that the bonds shall bear a rate of interest not to exceed 5 per cent per annum. That seems very clear. That is on page 115:

Second. Every such mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a given number of annual or semiannual installments sufficient in amount to cover, first, interest on the loan at a rate which shall be the same as that of the last series of farm-loan bonds issued by the bank making the loan.

The limit of interest on the bonds being 5 per cent, the last series could not have exceeded 5 per cent; and, as the bill says, the rate of interest on mortgages can not exceed that of the rate of interest on the last series of farm-loan bonds, apparently it would provide that the rate of interest on the mortgage could not exceed 5 per cent. This is as clear as can be. It is true that there is a provision for a charge for administration of 1 per cent, but that is not interest.

Mr. PHELAN. I can explain that, if the gentleman desires me to in his time.

Mr. MANN. If the gentleman will be brief; I can not yield for a speech.

Mr. PHELAN. I will point out that the first money that is loaned is not determined as to its rate, because no bonds will be issued. So it is possible to loan under the bill at 6 per cent.

Mr. MANN. Before any bonds are issued?

Mr. PHELAN. Yes.

Mr. MANN. Why did not somebody say that instead of saying that the rate of interest on the mortgages might be 6 per cent?

Mr. PHELAN. I will explain that, but it will take too long now.

Mr. MANN. It could not be 6 per cent.

Mr. GLASS. What it was intended to mean was that the rate of interest and the expense charges involved would be 6 per cent.

Mr. MANN. That is an explanation. I think the gentleman from Virginia is correct that that was what was meant to be said, but what was said was something different, because the two provisions are as contradictory as 5 and 6 trying to be made equal each other.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. MANN. Briefly.

Mr. MOSS of Indiana. The point that the gentleman raises is not a new one in the committee.

Mr. MANN. I had hoped that it was.

Mr. MOSS of Indiana. The best information that we can get is that the rate of interest includes not only the rate of interest but that which the bank charges for expenses.

Mr. MANN. That is no explanation. That does not explain, because the bill says that the rate of interest shall not exceed that on the last series of farm-loan bonds issued by the bank. That rate of interest could not exceed 5 per cent. According to the gentleman from Indiana [Mr. Moss] the 5 per cent includes 1 per cent administration charges, which would bring the real rate of interest down to 4 per cent, and nobody has claimed that.

Mr. MOSS of Indiana. The gentleman from Indiana never said any such thing.

Mr. MANN. That is exactly what the gentleman just said. He said that the rate of interest was supposed to include the administration charges—at least that is what I understood him to say.

Mr. MOSS of Indiana. I said that on the subject of mortgage banking Prof. Thompson——

Mr. MANN. Oh, I am not discussing mortgage banking. I am discussing this bill. There is one other thing to which I desire to call attention, because it seems to me to be amusing, and there is nothing like getting a little fun as you go along. How much time have I left, Mr. Chairman?

The CHAIRMAN. The gentleman has used six minutes.

Mr. MANN. Good. I can do this in four minutes. There is a provision for agents of Federal land banks. The Federal land bank can employ an agent to loan money. The Federal land bank may pay to the agent the actual money expended by him for expenses, and, in addition, may allow said agent not to exceed one-half of 1 per cent per annum upon the unpaid principal of the loan. That is the commission—one-half of 1 per cent per annum upon the unpaid principal of said loan. That is not an excessive rate of commission, just for attending to the business, but the agent, in addition to that, must collect the interest and the principal and forward it without charge, which probably would not entice the agents to do it, and, in addition to that, any agent negotiating any such loan shall indorse the same and become liable for the payment thereof. [Laughter.] I can just imagine these bankers in the country, who are intended to be the agents, lining up in solid phalanx, pushing to get into a Federal land bank for the opportunity to make a loan, attend to all

of the business for one-half of 1 per cent, and guarantee the payment of the loan!

Mr. MILLER of Pennsylvania. Supposing the agent is worth nothing, then what?

Mr. MANN. That is the only kind that would ever guarantee the loan. [Laughter.] How anyone could expect to find an agent who would attend to the business of loaning money on farm mortgages, investigating the security, drawing the papers, looking after the title, for one-half of 1 per cent, and then in addition to that collecting the interest twice a year and forwarding it without expense—if there be any expense he pays the charges—and in addition indorsing the paper and guaranteeing its payment, beats me. I would like to find that kind of "suckers" in Chicago. [Laughter.] It may be that nobody will ever borrow money in this way—I do not know; that is not the only method provided, and it may be that my distinguished friend from Indiana [Mr. Moss], who has given great study to this subject, can fully explain the matter, which I hope he will do when we reach it under the five-minute rule.

Mr. MOSS of Indiana. There are plenty of banks that do that for one-third of 1 per cent, who do not charge the one-half.

Mr. MANN. There may be. I would like to know some of them.

Mr. MOSS of Indiana. The Crédit Français, in France.

Mr. MANN. Oh, in some other country! Always when you can not give the information cite some place where you can not go. It is a wonder to me that they have not told us that that is the way they do it in heaven, for some day we may go there; but we can not get the information now.

Mr. GOOD. Does the gentleman from Illinois think that the indorsement of a person who would accept that kind of employment would add anything to the value of the paper?

Mr. MANN. I do not think that anybody will ever guarantee such paper who has any care at all for his own reputation, much less his own property.

Mr. MILLER of Pennsylvania. If he had nothing, he could afford to do it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GLASS. Mr. Chairman, do I understand that all time on that side has expired?

The CHAIRMAN. Yes.

Mr. GLASS. I yield the balance of my time to the gentleman from Massachusetts [Mr. PHELAN]. [Applause.]

The CHAIRMAN. The gentleman from Massachusetts is recognized for 39 minutes.

[Mr. PHELAN addressed the committee. See Appendix.]

The CHAIRMAN. General debate being concluded, the Clerk will read the bill.

Mr. LA FOLLETTE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LA FOLLETTE. At what time can we offer a substitute for the committee amendment?

The CHAIRMAN. By a rule which the House adopted, the Chair understands that we will now read the House bill section by section for amendment.

Mr. MANN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. As I recollect, the other day while I was eating lunch with the Speaker the rule was changed so as to provide that the House substitute should be read section by section, but I think nothing was said in reference to the status of it, whether it should be read section by section as an original bill or section by section as an amendment, to which only one other amendment could be offered. It seems to me that it ought to be considered as though it were an original bill, so that an amendment to it might itself be amended.

Mr. WINGO. I think if the gentleman from Illinois will refer to the agreement that was adopted by unanimous consent——

Mr. MANN. I have referred to it.

Mr. WINGO. It provides for doing the very thing that the gentleman suggests.

Mr. MANN. I think not.

The CHAIRMAN. The Chair has examined this rule, and evidently the intention of the House was that we should read the House bill as an original proposition.

Mr. MANN. It did not so state. Let us have an understanding about it.

Mr. GLASS. I hope that will be done.

Mr. MANN. Let us agree by unanimous consent.

The CHAIRMAN. Without objection, the bill will be considered as an original proposition.

Mr. MANN. To be read section by section.

The CHAIRMAN. The Chair hears no objection.

Mr. MANN. That was not what the rule stated.

The CHAIRMAN. The Chair hears no objection, and it is so ordered.

Mr. MORGAN of Oklahoma. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MORGAN of Oklahoma. Will it be proper for me to offer an amendment?

The CHAIRMAN. At the end of the section.

The Clerk read as follows:

*Be it enacted, etc.*, That the short title of this act shall be "The Federal farm-loan act." Its administration shall be under the direction and control of the Federal farm-loan board hereinafter created.

Mr. DOOLITTLE. Mr. Chairman, I offer a substitute for the section just read.

The Clerk read as follows:

Strike out the section read and substitute the following:

That a bureau is hereby created to be known as the bureau of farm loans, which is to be conducted under the control and direction of the Secretary of the Treasury, for the purpose of loaning money to bona fide tillers of the soil, taking as security for the repayment of said loans farm mortgages. Said Secretary of the Treasury is hereby authorized to prescribe and publish such rules and regulations, not inconsistent with the provisions of this act, as are necessary to put into force and effect the purposes and intent of this act.

SEC. 2. That the President of the United States shall, by and with the advice and consent of the Senate, appoint for a term of four years, at a salary of $6,000 per annum, a commissioner, who shall have, with the limitations herein stipulated, full charge of said bureau. The commissioner is hereby authorized to appoint one assistant commissioner, at an annual salary of $4,000 per annum, engage other employees, and incur other expenses necessary to establish, organize, and maintain said bureau, but the total preliminary and other expenditures for the fiscal year next succeeding the passage of this act shall not exceed the sum appropriated herein.

SEC. 3. That the President of the United States shall, by and with the advice and consent of the Senate, appoint an assistant commissioner for each State of the Union, whose term of office shall be for four years, or until his successor shall have been appointed and qualified, and his compensation shall be $4,000 per annum. The official title of such assistant commissioner shall be assistant commissioner of the bureau of farm loans, and the said assistant commissioner shall be a citizen of the State in which he is to serve as such assistant commissioner at the time of his appointment. He shall be well acquainted with the farming interests and the farm-land values of the State, and he shall maintain an office at the capital of said State. He is hereby authorized to employ such persons to aid him in and about the duties of his office as shall be actually necessary to carry on and perform the duties of his office.

SEC. 4. That whenever the said assistant commissioner of any State shall have ascertained that the value of the farm land offered as security is sufficient, and that the applicant or applicants are possessed of a good and sufficient title to the said property and are otherwise legally competent to execute a mortgage deed thereto, he shall, in writing, recommend to the commissioner of the bureau of farm loans at Washington, D. C., that the loan be made to said applicant or applicants, and thereupon the said commissioner of the bureau of farm loans, if he shall find that all the proceedings had in connection with the application for said loan were had and done in due form, shall, upon receipt of the mortgage deed properly drawn in favor of the Treasurer of the United States, pay over to the mortgagor or mortgagors the sum specified in said mortgage deed, but no loan shall be made in excess of 65 per cent of the value of the property, and the rate of interest on said loans shall not exceed 3 per cent per annum: *Provided*, That all loans shall be made for a period of 50 years, payable at the expiration of said time, or at any interest-paying period prior thereto at the option of the borrower: *Provided further*, That the borrower shall have the option of paying 2 per cent of the whole loan each year, and interest shall cease on the sums so paid from the date of payment, and at the expiration of said loan period of 50 years or upon repayment of all of said loan and interest the Secretary of the Treasury shall execute and deliver to the said mortgagor, his successor, heirs, administrators, devisees, trustees, or assigns, a good and sufficient receipt and release of said mortgage, provided all the conditions of said mortgage shall have been fulfilled by said mortgagor, his successors, heirs, executors, administrators, devisees, trustees, or assigns: *And provided further*, That no loans under this act shall be made for any other purpose than for the purchase of real estate to be actually occupied and used as indicated in section 1 by the borrower as a home, or for the erection, maintenance, or repair of permanent improvements on real estate owned by the borrower and occupied by him as a home, or for the repayment of prior outstanding indebtedness contracted for the purchase price of the real estate or for permanent improvements thereon.

SEC. 5. That each applicant for loans under the provisions of this act shall make written application therefor to the assistant farm-loan commissioner of the State where the land is situated and where the applicant is a resident, and shall state under oath in writing the true purpose for which said loan is desired. The taxable value as stated in the last local assessment of the land shall be considered the actual value thereof for the purposes of this act. Any false statement in the application for said loan shall, at the option of said assistant commissioner, notwithstanding any contract previously entered into, render the whole principal and interest on said loan immediately due and payable and subject to all legal processes for collection: *Provided*, That no person shall be permitted to borrow more than $12,000 regardless of the value of his land.

SEC. 6. That in order to provide the funds for said loans the Secretary of the Treasury of the United States of America is hereby authorized to have engraved and printed Treasury certificates to be designated Government currency of the United States, payable to bearer, which is hereby declared lawful money and legal tender in payment of all debts, public and private, taxes, excises, and dues to the United States, except duties on imports, and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on the public debt. The quantity and amounts of said Government cur-

rency shall be equal to the loans made under the provisions of this act, and in such denominations as may be determined by the Secretary of the Treasury: *Provided*, That as said loans and mortgages are repaid said Treasury certificates issued under this act shall be retired and canceled by the Secretary of the Treasury in amounts equal to the loans and parts thereof repaid. The mortgage deeds to farm lands accepted by the bureau of farm loans shall be held and deposited with the Secretary of the Treasury of the United States as security for said Treasury certificates.

SEC. 7. That any person or persons who shall make false representations respecting the value or title of any property with intent to procure a loan from said bureau of farm loans for more than 65 per cent of the value of the land or any person making a false statement as to the uses for which the funds borrowed under this act are to be employed shall be subject to a fine to be paid into the farm-loan fund of not exceeding $5,000 or subject to imprisonment for a term not exceeding five years at hard labor, or both such fine and imprisonment, within the discretion of the court.

SEC. 8. That the sum of $500,000 is hereby appropriated from any unexpended balance in the Treasury of the United States for the purpose of carrying out the provisions of this act.

Mr. MORGAN of Oklahoma. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MORGAN of Oklahoma. Is this a substitute for the section or for the entire bill?

The CHAIRMAN. The gentleman from Kansas offers it as a substitute for section 1.

Mr. DOOLITTLE. I will say to the gentleman that if the substitute is accepted, I shall move to strike out the rest of the committee bill.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this proposition be closed in 5 minutes.

Mr. DOOLITTLE. Reserving the right to object, Mr. Chairman, it might not be that any further discussion will be desired, but will not the gentleman withhold the request until after the 5 minutes have expired.

Mr. GLASS. I will.

Mr. DOOLITTLE. Mr. Chairman, during the time in the last two sessions of Congress when this House has been considering rural-credit legislation there has been a demand for direct Government loans and to do away with cumbersome and what some gentlemen deem unnecessary machinery, for the enactment of a bill that will reduce the interest rates to the borrower. This bill, in almost precisely its same form, was introduced by me during the Sixty-third Congress (H. R. 11755). It was reintroduced in this Congress last December (H. R. 4697).

The bill provides, as you have heard read from the Clerk's desk, for the establishment of a bureau of farm loans in the Treasury Department of the Government, to make loans on real estate as security to benefit the tillers and prospective tillers of the soil.

It is a home builder's bill, and will put a family on every quarter section in the Middle West, and insists that borrowers shall be residents of the farm to obtain the benefits of its provisions. It provides for the appointment of an assistant farm loan commissioner in each State, whose office shall be at the State capital. This is done to make the department easier of access and to expedite business. This commissioner is to pass on the title and see that all applications are made in due form; if he finds everything correct, he recommends the making of the loan to the bureau in Washington, who in turn instructs the preparation of the funds, and the money is sent to the borrower through the proper State commissioner. The loan can not exceed 65 per cent of the taxable value of the land nor more than $12,000 in any event. This limitation is made for safety, and the tax value is taken as the real value to do away with the necessity of a lot of appraisers and the chance for any favoritism. The loan can only be made for the purposes of purchasing land, permanently improving it, or paying off indebtedness for prior incumbrances contracted for the purchase price or improvements. This limitation is to prevent speculation. All loans are made for 50 years at not exceeding 3 per cent interest, payable at any time, and provides that 2 per cent per year may be paid on the principal sum—amortization it is called—thus wiping out the whole debt by paying 5 per cent, which includes interest and principal each year. As the mortgages are paid, just so is the currency issued on them retired and canceled. When the mortgage is all paid it is canceled and release recorded. And in the concluding section a penalty is provided for false statements and breach of conditions.

Could anything be more simple or of more merit?

Gentlemen, we have had a contest for many months during the last two sessions of Congress between those gentlemen opposed to any sort of Federal aid and those who believe in direct loans or some sort of Federal aid that will decrease the rates of interest. It has been my contention, and I believe the contention is still good, that so long as we have to rely on private capital to loan to borrowers, that the interest rate will not be materially lessened. It is nothing more than natural that a man or a company fortunate enough to have money to loan will loan it at the best rate of interest that he can get.

The money loaner is entitled to a reasonable rate of interest, and when the Government itself borrows money at 2 per cent, and these same capitalists furnish it, is it not time that we make a successful effort to have the United States to do this kind of loaning? There are more than enough other opportunities for the investment of capital. Good bonds and stocks are plentiful. If the facilities for procuring the cheapest loans are in the Government, as they are, why can not the citizens who compose it use it to supply their needs? Personally I am opposed to bonding the Government to raise funds for any purpose when it is possible to realize funds from any other legitimate source. We can make it unnecessary for the Government to issue bonds to loan to home builders. To avoid a bond issue, or, in other words, to avoid the necessity of the Government borrowing money to loan again, why not let the borrower execute his first mortgage to the Government and the Government issue the money required to him direct or through the proper intermediaries, and hold the mortgage for security? Is there any better security? I know of none. When any person desires to go to the farm to farm or to make improvements on his farm is there any reason why the interest rates should be so high that he can not, with all his effort and good seasons, make ends meet? And when the harvest comes after the year of toil and waiting should he not have the right to pay off so much of this mortgage as he wants to? And if he can not pay, because of crop failure or sickness or other misfortune, should he not have such a long-time loan that he need not be worried? And should not he be able to pay it off in installments without paying as much altogether as he now has to pay for interest alone? Of course. And this is brought about in my substitute. It is what we need. People the country over are interested in Government loans. It is before you now.

My bill provides for a larger scope. It goes on the theory that profit to the lender is not the prime consideration. It takes into consideration the welfare of the man who is to borrow, and the question of profit is not a consideration in the bill. I hope, Mr. Chairman, to have the expression from the House as to whether we are in favor of a direct loan or whether we are not in favor of a direct loan——

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DOOLITTLE. Mr. Chairman, I ask for three minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOWARD. Will the gentleman yield?

Mr. DOOLITTLE. Yes.

Mr. HOWARD. If under your bill we give the farmers the right to take their land mortgages to the Federal Treasury and get money on them, by what process of reasoning can you deprive the industrial toiler from bringing up his security, his little house and lot he owns in the city, and getting his money from the Treasury?

Mr. DOOLITTLE. That has been a question which it will take some time to answer; but to be brief, I will say that other countries recognize that the farmer is at the mercy of the elements always.

Mr. HOWARD. Not any more than the industrial toiler.

Mr. DOOLITTLE. I have the resolution of the Kansas Legislature I referred to a while ago in my pocket—and I propose to put it into the RECORD—favoring this legislation and this particular bill:

House concurrent resolution No. 23.

A resolution requesting the Senators and Representatives from the State of Kansas in the United States Congress to vote for and to use their influence to secure the passage of a resolution entitled "A bill to establish a Government bureau to loan money on agricultural land as security," by Hon. DUDLEY DOOLITTLE.

Whereas the Hon. DUDLEY DOOLITTLE, Representative from the fourth congressional district of the State of Kansas, introduced in the National House of Representatives on January 16, 1914, H. R. 11755, a resolution entitled "A bill to establish a Government bureau to loan money on agricultural lands as security"; and

Whereas the said resolution or bill is in the interests of the agricultural classes of Kansas; and

Whereas this State prospers as the farm interests prosper: Therefore be it

*Resolved, by the House of Representatives of the State of Kansas, the senate concurring therein:*

SECTION 1. That the Senators and Representatives in Congress from the State of Kansas are requested and urged to give not only their votes but their undivided support and entire influence to this measure, and to inform the people of Kansas and the members of this legislature

of anything that can be done, either by the people or by their representative law-making bodies, to secure the passage of this beneficent legislation.

SEC. 2. That the Kansas delegation in Congress are hereby requested to unite in an energetic and vigorous effort to secure from the Congress of the United States this just recognition of the great agricultural interests of this State.

SEC. 3. That the chief clerk of the house and the secretary of the senate be instructed to prepare certified copies of this resolution and send one of such copies to each Member from the State of Kansas in the House of the National Congress.

SEC. 4. That a copy of this resolution be spread upon the journal of the house and of the senate.

I hereby certify that the above concurrent resolution originated in the house and passed that body February 5, 1915.

ROBERT STONE,
*Speaker of the House.*
I. E. LAMBERT,
*Chief Clerk of the House.*

Passed the senate March 12, 1915, as amended.

W. Y. MORGAN,
*President of the Senate.*
BURT E. BROWN,
*Secretary of the Senate.*

House concurred in senate amendment March 13, 1915.
Approved March 17, 1915.

ARTHUR CAPPER, *Governor.*

The bill appeals to these Members of Congress who would have the welfare of the borrower at heart as distinct from the matter of profit for the lender. It provides a sure and simple and an absolute way of reducing the interest rate, so that the farmer, or the man who would go to farming, may sometime be able to own his home. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken, and the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read, it being in the nature of a substitute for the bill.

Mr. GLASS. Mr. Chairman, the amendment is very long, and I suggest that the gentleman from Oklahoma might take up a reasonable amount of time to explain his bill. As I have examined it, about 90 per cent of it is the verbiage of the bill reported by the Committee on Banking and Currency, and I think that we would make progress if he would explain the differences between his bill and that before the committee.

The CHAIRMAN. Does the Chair understand that the gentleman desires to ask unanimous consent that the amendment be not read but printed in the RECORD and that the gentleman from Oklahoma explain his amendment?

Mr. GLASS. I would like to take that course.

Mr. MANN. Mr. Chairman, I am not willing to vote against an amendment without first hearing it read.

Mr. MADDEN. I think it ought to be read.

Mr. MORGAN of Oklahoma. I would be very glad to do that.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the amendment referred to be printed in the RECORD and be considered as read pending the explanation of the gentleman from Oklahoma. Is there objection?

Mr. MANN. Mr. Chairman, I ask for the reading of the amendment.

The CHAIRMAN. The gentleman from Illinois objects, and the Clerk will read.

Mr. SMITH of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Michigan. During the reading of this amendment, which is a long bill, is it to be subject to the five-minute rule?

The CHAIRMAN. It is but one amendment, and the amendment must be reported.

The Clerk read as follows:

That the short title of this act shall be "The Federal land-credit act."

DEFINITIONS.

SEC. 2. That wherever the word "county" is used in this act it shall be held to include any civil division of a State corresponding to a county. The term "Federal land-bank bonds" shall be held to include all bonds secured by farm mortgages or other collateral deposited with a Federal fiduciary agent under the provisions of this act. Wherever the term "first mortgage" is used in this act it shall be held to include any instrument in writing which gives a Federal land bank a first lien upon a farm to secure a loan thereon, together with the notes or other credit instruments secured thereby.

FEDERAL FARM-LOAN BOARD.

SEC. 3. That there is hereby created at Washington, D. C., a Federal farm-loan board, which shall be charged with the administration and execution of this act and of all acts supplementary or amendatory thereof.

The Federal farm-loan board shall consist of three members, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate. Before appointing said board the President shall divide continental United States, excluding Alaska, into five districts, which he shall designate by number. He shall certify said districts to said board, which shall cause the same to be made of record. One member of said board shall be appointed for each of said districts, and the person so appointed shall have been an actual resident of said district at the time of his appointment for more than two years immediately prior thereto. Thereafter not more than one member of said board shall be a resident of any one of said districts. Not more than three of said members shall be appointed from one political party. They shall be citizens of the United States and shall devote their entire time to the business of the Federal farm-loan board and shall each receive an annual salary of $7,500, payable monthly, together with actual necessary traveling expenses.

One member of said board shall be designated by the President to serve for 2 years, one for 4 years, and one for 6 years, and thereafter each member so appointed shall serve for a term of 10 years, unless sooner removed for cause by the President. One of the members shall be designated by the President as the farm-loan commissioner, who shall be the chairman and the active executive officer of said board. Each member of the Federal farm-loan board shall within 15 days after notice of his appointment take and subscribe to the oath of office.

The first meeting of the Federal farm-loan board shall be held in Washington as soon as may be after the passage of this act, at a date and place to be fixed by the chairman of said board.

No member of the Federal farm-loan board shall be an officer or director of any institution, association, or partnership engaged in banking. Before entering upon his duties as a member of the Federal farm-loan board, each member shall certify under oath to the President that he is eligible under this section.

The President shall have the power, by and with the advice and consent of the Senate, to fill any vacancy occurring in the membership of the Federal farm-loan board; if such vacancy shall be filled during the recess of the Senate a commission shall be granted, which shall expire 30 days after the Senate convenes.

The Federal farm-loan board shall appoint one Federal fiduciary agent, one or more Federal land-bank appraisers for each land-bank district and as many special appraisers as it shall deem necessary. Federal fiduciary agents and Federal land-bank appraisers and special appraisers appointed under this section shall be public officials and shall have no connection with or interest in any institution, association, or partnership engaged in banking.

The salaries and expenses of the Federal farm-loan board and of Federal fiduciary agents and special appraisers authorized under this section shall be paid out of any moneys in the Treasury of the United States not otherwise appropriated. Federal land-bank appraisers shall receive such compensation as the Federal farm-loan board shall fix, and shall be paid by the Federal lank banks which they serve in such proportion and in such manner as the Federal farm-loan board shall order.

The Federal farm-loan board shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said board. All salaries and fees authorized in this section and not otherwise provided for shall be fixed in advance by said board and shall be paid in the same manner as the salaries of the Federal farm-loan board. All such attorneys, experts, assistants, clerks, laborers, and other employees, and all appraisers, shall be appointed without regard to the provisions of the act of January 16, 1883 (vol. 22, U. S. Stat. L., p. 403), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided,* That nothing herein shall prevent the President from placing said employees in the classified service.

Every Federal land bank shall semiannually submit to the Federal farm-loan board a schedule showing the salaries or rates of compensation paid to its officers and employees, and said board shall have power to disapprove such schedule or any item in it and to alter any or all salaries therein shown.

The Federal farm-loan board shall from time to time require examinations and reports of condition of all Federal land banks established under the provisions of this act, and shall publish consolidated statements of the results thereof. It shall cause to be made appraisals of farm lands as provided by this act, and shall prepare and publish amortization tables which shall be used by banks under its supervision.

The Federal farm-loan board shall prescribe a form for the statement of condition of banks under its supervision, which shall be filled out quarterly by each such bank and transmitted to said board.

POWERS OF FEDERAL FARM-LOAN BOARD.

SEC. 4. That the Federal farm-loan board shall have power—

(a) To organize and charter the united Federal land bank, Federal land banks, and national farm-loan associations, subject to the provisions of this act.

(b) To establish, in connection with the united Federal land bank, the rate of interest to be charged by Federal land banks for loans made by them under the provisions of this act and the rate of interest farm-loan bonds shall bear.

(c) To grant or refuse to Federal land banks authority to make any specific issue of farm-loan bonds.

(d) To make rules and regulations respecting the charges made to borrowers on loans under this act for expenses in appraisal, examining title, drawing legal papers, recording, and similar services.

(e) To require reports and statements of condition and to make examinations of all banks or associations doing business under the provisions of this act.

(f) To prescribe the form and terms of farm-loan bonds, and the form, terms, and penal sum of all surety bonds required under this act and of such other surety bonds as they shall deem necessary, such surety bonds to cover financial loss as well as faithful performance of duty.

(g) To exercise such incidental powers as shall be necessary or requisite to fulfill their duties and carry out the purposes of this act.

THE UNITED FEDERAL LAND BANK.

SEC. 5. That the united Federal land bank is hereby created. It shall be located in such State and at such city as shall be determined by the board of directors of such bank, subject to the approval of the Federal farm-loan board. Said bank shall have no capital stock or shareholders and no funds except such as shall be contributed by Federal land banks. It shall not be conducted for profit. Its chief work shall be to issue Federal farm-loan bonds for and in behalf of Federal land banks, to aid Federal land banks in the sale of their bonds, and to act for such banks, subject to the approval of the Federal farm-loan board, in all matters which will contribute to the unity of such banks, to the standardization of their business methods, to their economical administration, to the strengthening of their credit, or to the success in general of the land-credit system hereby established. The united Federal land bank shall be controlled by a board of 12 directors. Each Federal land bank shall elect one of said di-

rectors. At the time of his election such director must be a director of the bank by which he is elected. Should a director of the united Federal land bank cease to be a director of the bank by which he was elected, he shall thereby cease to be a director of the united Federal land bank. The terms of office of such directors and the officers of such bank shall be fixed by the Federal farm-loan board. The board of directors of the united Federal land bank shall elect a president, vice president, secretary, and treasurer. Such officers shall be directors of such bank at the time of their election.

The officers of such bank shall give their entire time to the business thereof, and shall receive such compensation as shall be fixed by the Federal farm-loan board. The board of directors may employ all the necessary assistants for the proper transaction of the business of such bank and fix their compensation, subject to the approval of the Federal farm-loan board. Within 90 days after its organization each Federal land bank, through its board of directors, shall elect one of its directors as a director of the united Federal land bank. Such directors, under a call or notice issued by the farm-loan commissioner, shall under their hands forthwith make an organization certificate containing such statements as shall be prescribed by the Federal farm-loan board, and file the same with said board, where it shall be preserved and made of record. The certificate shall be acknowledged before the judge of a court of record or a notary public.

Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.

Second. To have succession until it is dissolved by act of Congress, or under the provisions of this act.

Third. To make contracts.

Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.

Fifth. To elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure, and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal farm-loan board, by-laws not inconsistent with law, regulating the manner in which its officers shall be elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To establish a uniform rate of interest which every Federal land bank shall charge upon farm loans for the ensuing year and until otherwise ordered by said bank; to fix a uniform rate of interest which Federal farm-loan bonds issued under the provisions of this act shall bear, and a uniform rate of discount at which such bonds may be sold by any Federal land bank until otherwise changed by said bank, and to fix uniform fees or commissions which Federal land banks shall pay agents for receiving applications for farm loans and services connected therewith, and for the sale of farm-loan bonds, all of which shall be subject to the approval of the Federal farm-loan board and within the limitation and restrictions of the law.

Eighth. It shall have power, subject to the approval of the Federal farm-loan board, to act upon all propositions which will aid the Federal land banks to cooperate in conducting the business which they are authorized by this act to perform, with a view to standardizing business methods, appraisements, bookkeeping, forms, records, and any other things which will contribute to the economical administration of such banks, the welfare of borrowers, the security of investors, and to the prosperity of agriculture.

Ninth. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

The funds necessary for the operation of the united Federal land bank shall be contributed by the Federal land banks in such proportions as shall be fixed by the Federal farm-loan board, based upon the amount of loans made by such bank.

FEDERAL LAND BANKS.

SEC. 6. That within 30 days after the passage of this act the Federal farm-loan board shall divide the continental United States, excluding Alaska, into 12 districts, which shall be known as Federal land-bank districts, and shall be designated by number. Said districts shall be apportioned with due regard to the farm-loan needs of the country, the conveniences of borrowers, and the economical administration of Federal land banks. No such district shall contain a fractional part of any State. Said districts may be changed by an act of Congress.

The Federal farm-loan board shall establish in each Federal land-bank district a Federal land bank, with its principal office located in such city within the district as said board shall designate. Each land bank shall include in its title the number of the district in which it is located, as Federal land bank No. 1, Federal land bank No. 2, and so on, and there shall be no other distinguishing feature in the names of Federal land banks.

Each Federal land bank shall be managed by nine directors. Three of these shall be appointed by the Federal farm-loan board and shall be known as public directors; three shall be elected by the shareholders of the founders' capital stock and shall be known as founders' directors; and three shall be elected by the advisory council of each Federal land bank and shall be known as borrowers' directors: *Provided*, That borrowers' directors shall be appointed in the first instance by the Federal farm-loan board and shall continue in office until their successors shall be elected by the advisory council of each Federal land bank. Not more than one borrowers' director or one public director shall be a resident, when appointed, of any one State, except in case a Federal land-bank district shall contain less than three States.

No person shall be eligible to the office of borrowers' director unless he shall be experienced in practical farming and at the time of his appointment actually engaged in farming operations within the State of which he is a resident. No director of a Federal land bank shall act as an officer, director, or employee of any other bank.

Directors of Federal land banks shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their respective boards, to be paid by the respective Federal land banks. Any compensation that may be provided by boards of directors of Federal land banks for directors, officers, or employees shall be subject to the approval of the Federal farm-loan board.

When $500,000 shall have been subscribed to the founders' shares of the operating capital stock of a Federal land bank, the Federal farm-loan board shall appoint three of such subscribers to constitute an organization committee, one of whom said board shall designate as chairman and another as secretary of such committee. The chairman shall call a meeting of the persons whose subscriptions to such stock shall have been accepted by the Federal farm-loan board and give notice to each subscriber by registered letter, addressed to the post office given in making such subscription. Such letter shall be mailed at least 10 days before the time set for such meeting. The chairman and secretary of such organization committee shall act as chairman and secretary, respectively, of the meeting of subscribers to such capital stock. Every subscriber shall have votes in proportion to the number of shares of stock for which he has subscribed. At such meeting the subscribers shall elect three directors of such bank. Within 10 days after the election and appointment of said nine directors they shall meet at such time and place as shall be fixed by the Federal farm-loan board and elect, from their number, a president, vice president, secretary, and treasurer.

The organization committee shall receive such compensation as shall be fixed by the Federal farm-loan board and the same shall be paid by the Federal land bank organized by it.

That at any time after its organization any person may make application to the Federal farm-loan board to become subscribers to the founders' shares of the operating capital stock of any Federal land bank at not less than the par value thereof in lieu of any portion of such stock held by the United States. Should such application be approved by the Federal farm-loan board the Secretary of the Treasury shall surrender to such bank such portion of its stock as the applicant applied to purchase, on the payment to such bank the price therefor, which shall be approved by the Federal farm-loan board. Thereupon the stock of the United States to the amount so surrendered shall be canceled, reissued, and delivered to such applicant. The said bank shall thereupon pay to the Secretary of the Treasury the par value of said stock. Any premium paid on said stock to said bank shall be placed in the guaranty capital thereof.

Said directors shall, under their hands, forthwith make an organization certificate, which shall specifically state—

First. The name assumed by such bank.

Second. The district within which its operations are to be carried on, and the particular city in which its principal office is to be located.

Third. The amount of capital stock and the number of shares into which the same is to be divided.

Fourth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

The organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, transmitted to the farm-loan commissioner, who shall record and carefully preserve the same in his office, where it shall be at all times open to public inspection.

The Federal farm-loan board is authorized to direct such changes in or additions to any such organization certificate as it may deem necessary or expedient.

Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.

Second. To have succession until it is dissolved by act of Congress or under the provisions of this act.

Third. To make contracts.

Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.

Fifth. To elect or appoint directors, and by its board of directors to elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure, and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal farm-loan board, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected, its officers elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To do such other acts as shall be authorized by law and exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

POWERS OF FEDERAL LAND BANKS.

SEC. 7. That every Federal land bank shall have power, subject to the limitations and requirements of this act—

First. To issue through the United Federal Land Bank, subject to the approval of the Federal farm-loan board, and to sell, farm-loan bonds of the kinds authorized in this act, to buy the same for its own account, and to retire the same at or before maturity.

Second. To invest such funds as may be in its possession in the purchase of qualified first mortgages on farm lands situated within the Federal land-bank district within which it is organized or for which it is acting.

Third. To receive and to deposit in trust with the Federal fiduciary agent for the district, to be by him held as collateral security for farm-loan bonds, first mortgages upon farm land qualified under section 12 of this act, and to collect the dues, interest, amortization installments, and other sums payable under the terms, conditions, and covenants of the mortgages and of the bonds secured thereby.

Fourth. To receive and to set apart for expenses and profits the excess of interest payments on mortgages above the interest payments on farm-loan bonds for which said mortgages are held as collateral security.

Fifth. To acquire and dispose of—

(a) Such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be in part leased to others for revenue purposes.

(b) Parcels of land mortgaged to it as security.

(c) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debt due to it for a longer period than five years, except with the special approval of the Federal farm-loan board in writing.

Sixth. To deposit its securities and its current funds subject to check with its depository or depositories as prescribed by this act, and to receive interest on the same as may be agreed.

Seventh. To buy and sell United States bonds.

RESTRICTIONS ON FEDERAL LAND BANKS.

SEC. 14. That no Federal land bank shall have power—

First. To accept deposits or to transact any banking or other business not expressly authorized by the provisions of this act.

Second. To loan on first mortgage except as provided in this act.

Third. To accept any mortgages on real estate except first mortgages created subject to all limitations imposed by this act.

CAPITAL OF FEDERAL LAND BANKS.

SEC. 8. That every Federal land bank shall have three kinds of capital, namely: Operating capital, reserve capital, and guaranty capital.

First. Every Federal land bank shall have operating capital stock of $1,000,000, which shall be divided into 100,000 shares of $10 each. Fifty thousand shares shall be known and designated as founders' shares and 50,000 shares shall be known and designated as public shares. Founders' shares may be subscribed for by any individual or by the United States. Public shares may be subscribed for only by the United States. The Secretary of the Treasury is hereby authorized and directed for, and in behalf of, the United States to subscribe for 50,000 public shares in the operating capital stock of every Federal land bank, and pay for the same out of any funds in the Treasury not otherwise appropriated, and there is hereby appropriated $6,000,000 for such purpose.

Within 30 days after organization of the Federal farm-loan board it shall open books of subscription for founders' shares of the operating capital stock of every Federal land bank. If within 90 days thereafter 50,000 shares of such stock shall not have been subscribed, the Secretary of the Treasury, for the United States, shall subscribe for the remainder thereof. He shall pay for the same out of any funds in the Treasury not otherwise appropriated.

No dividends shall be paid upon the public shares of stock owned by the Government of the United States. Dividends upon the founders' shares of stock shall be paid in the same amount as shall be paid upon shares of stock in the reserve capital of each Federal land bank.

The operating capital of any Federal land bank may be increased on petition of its directors and on the approval of the Federal farm-loan board: *Provided*, That said board shall not authorize the increase of the operating capital stock of any such bank to an amount that shall be more than one-twentieth of the reserve capital stock of said bank: *Provided further*, That should said board at any time authorize the increase of the operating capital stock of any Federal land bank, the original subscribers to such stock shall have a preferred right to subscribe for any increase in such stock under such rules and regulations as shall be prescribed by said board.

The Federal farm-loan board is authorized to prescribe the times and conditions of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof.

Founders' shares of stock owned by the United States shall be voted by the farm-loan commissioner, as directed by the Federal farm-loan board.

Second. Every Federal land bank shall have a reserve capital equal to at least 5 per cent of its outstanding loans. Every person applying for a loan from any Federal land bank shall also apply for the purchase of stock in said bank in an amount equal to 5 per cent of the amount of his loan. He shall also authorize the bank to retain out of the proceeds of his loan, in full payment for such stock, a sum of money equal to 5 per cent of the amount of the loan granted under said application and shall authorize the bank to cancel such stock on the payment of his loan. The reserve capital stock of every Federal land bank shall be divided into shares of $1 each, which shall not be assigned or hypothecated in any manner whatever. Said stock shall be held by said bank as collateral security for the payment of said loan and for the payment of the loans of others, as provided in this act. When any loan is paid in full, the reserve stock held by the borrower shall be canceled and retired, and the borrower shall be paid the face value thereof. Semiannual dividends shall be paid on reserve capital stock in an amount equal to the semiannual interest rate on the loan of the holder of the stock, which dividend shall be cumulative.

The reserve capital and the guaranty capital of every Federal land bank shall be managed separately and apart from other funds and shall constitute a trust fund for the use and benefit of the owners of Federal land-bank bonds and to secure the payment of such bonds, together with the interest thereon. Should any borrower fail to pay when due the interest on his loan, or the principal thereof, the Federal land bank in which said borrower holds reserve stock may enforce the lien on the reserve capital stock held by such borrower. Should such borrower at any time thereafter meet his obligations to said bank in full, so far as they may be due at any time, the said bank shall restore to said borrower such portion of his reserve capital stock which had been used to make good his defaults as aforesaid.

The reserve capital stock held by any borrower in a Federal land bank shall not be utilized to meet the default or defaults of other borrowers until said bank shall have first used its entire guaranty capital stock in making good its obligation due on farm-mortgage bonds.

When any portion of the reserve capital or of the guaranty capital of any Federal land bank has been used to pay the interest or principal on any mortgage or mortgages upon which the borrower or borrowers are in default and thereafter such borrower or borrowers shall meet such default or defaults through voluntary payment or foreclosure proceedings, the sum or sums so paid or so recovered shall be credited to the guaranty capital or reserve capital of such bank in proper proportion, and each borrower whose reserve capital stock may have been used in part to meet the original default in such cases shall be given due credit on the reserve capital stock held by him in such bank.

Third. That every Federal land bank shall have guaranty capital as follows:

First. Every Federal land bank shall set aside as a part of its guaranty capital, from the annual interest payment of each borrower, a sum equal to one-fourth of 1 per cent of the amount of each loan until the operating capital, the reserve capital, and the guaranty capital of such bank combined shall be a sum equal to 10 per cent of the outstanding bonds of such bank, and thereafter only when necessary to maintain a like ratio between the outstanding bonds of such bank and the total amount of its operating capital, reserve capital, and guaranty capital.

Second. Six millions of dollars is hereby appropriated, out of any funds not otherwise appropriated, which shall become a part of the guaranty capital of the 12 Federal land banks created by this act, which sum shall be divided equally between said banks. The Secretary of the Treasury is hereby authorized and directed to pay to each Federal land bank $500,000, which shall become a part of the guaranty capital of said bank.

The guaranty capital shall be a trust fund to insure the payment of the farm-mortgage bonds issued by each Federal land bank and for the use and benefit of owners of such bonds who shall have a first and prior lien thereon over all other creditors of such bank. It shall be deposited in one or more of the depositaries of the Federal land bank, secured by an equal amount of farm-loan bonds or United States bonds, and as soon thereafter as possible shall be invested in farm-loan bonds or United States bonds, which shall be deposited for safekeeping in such way as shall be prescribed by the Federal farm-loan board. The funds constituting the reserve capital of any Federal land bank shall be under the joint control of such bank and the Federal fiduciary agent for such bank.

The guaranty capital of every Federal land bank shall constitute the first and primary fund upon which such bank shall draw to meet the payments of any bond or interest thereon issued for it when such payments can not be met through funds otherwise provided herein. After any Federal land bank has exhausted its guaranty capital in the payment of its bonds and interest thereon, it may then use its reserve capital to meet any of its obligations due on farm-mortgage bonds.

It shall be unlawful for any Federal land bank, or any officer, director, or employee thereof, to use or appropriate any part or portion of the funds constituting the reserve capital or the guaranty capital of any Federal land bank for any other purpose than herein provided. It shall be the duty of the Federal land-bank board to provide special rules and regulations for safeguarding the reserve capital and the guaranty capital: *Provided*, That when the reserve capital, the guaranty capital, and the operating capital of any Federal land bank combined shall be equal to 10 per cent of the outstanding bonds of any Federal land bank, and so long as the same shall remain equal to 10 per cent of the outstanding bonds of any Federal land bank, the annual contributions of borrowers to the guaranty capital shall be placed in the general fund of such bank and be used in the payment of dividends on founders' shares and shares in the reserve capital, or for any other purpose for which such fund may be used under the terms of this act.

FEDERAL LAND-BANK ADVISORY BOARDS.

SEC. 9. That an advisory board for each Federal land bank is hereby created. Each State council of Federal land-bank associations shall elect three members of such advisory boards. The advisory board of each Federal land bank shall meet annually at the office of the Federal land bank of such district unless otherwise ordered by such bank and the chairman of the board of directors of such bank, or in his absence some other director of such bank shall act as chairman of the advisory council, and said council shall consider matters which have for their object the success of the land-credit system hereby established and the welfare of the borrowers of such banks. It shall be the special duty of members of said advisory council to present matters which are of special interest or importance to the borrowers in the States they represent. The advisory council may be in session three days, unless additional time be granted by the Federal farm-loan board. The Federal land bank shall pay the reasonable expenses of the members of such council in coming from their homes to attend such meetings, and also in returning thereto, and in addition thereto shall pay to such members a reasonable per diem for the time occupied in attending such meetings.

Should the advisory council make any recommendation to such bank in the interest of the borrowers from said bank which shall not be followed by said bank, the council, through its vice chairman, may appeal the matter to the Federal farm-loan board. If the matter appealed from be within the power of the Federal farm-loan board, or something over which it has jurisdiction, it may by order require the Federal land bank to comply with the recommendation of the advisory council.

FEDERAL LAND-BANK DEPOSITORIES.

SEC. 10. That prior to commencing business as herein provided every Federal land bank shall select one or more Federal reserve banks, or member banks thereof, or other banks or trust companies, to be approved by the Federal farm-loan board, as a depository or depositories, in which the said Federal land bank shall deposit all its funds of every kind and character, and no part or portion of such fund shall be withdrawn from such depository or depositories except on check or order signed by the secretary of such bank and countersigned by the president of such bank: *Provided*, That any funds which are, by the terms of this act, designated as trust funds shall not be withdrawn from any such depository or depositories except on check or order signed by the secretary of such bank and countersigned by both the president of such bank and the Federal fiduciary agent for such Federal land-bank district. From time to time additional depositories may be designated on the approval of the Federal farm-loan board. Every bank or other institution acting as a depository for the funds of any Federal land bank shall pay interest upon such deposits, payable semiannually, based upon the average daily balances. Every such depository shall secure the deposits of Federal land banks by delivering to such banks United States Government bonds, Federal farm-loan bonds, or other collateral security approved by the Federal farm-loan board. Such security in amount shall be such as shall be required by the Federal farm-loan board.

BANKS AUTHORIZED AGENCIES OF FEDERAL LAND BANKS.

SEC. 11. That all national banks and all State banks, including trust companies and savings banks, are hereby authorized to act as agencies for Federal land banks in receiving and transmitting applications for loans, in furnishing information as to the value of lands covered by applications for loans or other information relative thereto; to receive from Federal land banks the proceeds of any loan and pay the same to mortgagors or to the order of mortgagors, to sell Federal farm-loan bonds, and to do such other acts as shall be authorized by any Federal land bank, subject to the approval of the Federal farm-loan board: *Provided*, That every such bank authorized to act as aforesaid as the agent of any Federal land bank shall furnish such security to the Federal land bank for which it may act as shall be prescribed by the Federal farm-loan board.

For services rendered by any bank under the foregoing provisions Federal land banks are authorized to pay to such bank such sum as shall be fixed by the general council of Federal land banks, subject to approval by the Federal farm-loan board.

It shall be unlawful for any director, officer, or employee of any bank to make any charge or to receive or accept any pay whatsoever from

any person who is an applicant for a loan from a Federal land bank in securing such loan.

It shall be unlawful for any director, clerk, officer, or employee of any Federal land bank, either directly or indirectly, to secure loans from any Federal land bank, or to be interested financially therein, or to have any interest whatever in any bond or other security issued under the provisions of this act, or to be in any way personally interested in any of the business transactions of any Federal land bank. No bank shall be held responsible for any information he may give to any Federal land bank as to the value of any tract of land upon which an application for loan is pending, unless it shall be shown that such bank did not furnish such information in good faith, but with the intention of defrauding the Federal land bank for which it was furnished.

FEDERAL FARM-LOAN ASSOCIATIONS.

SEC. 12. That corporations to be known as Federal farm-loan associations shall be organized as hereinafter prescribed. When five or more persons in any county shall have secured loans from any Federal land bank, such bank shall appoint three of such persons as directors of the Federal farm-loan association of such county. Such directors shall hold their offices until their successors shall be duly elected at any regular meeting of the members of such association. The Federal farm-loan board shall prepare a form of an organization certificate to be used in the incorporation of Federal farm-loan associations. At least two of such forms shall be transmitted to the persons so appointed as directors by the Federal land bank. Such directors shall sign such organization certificate and duly acknowledge the same before a notary public or some other officer duly authorized in such county to administer oaths. Such certificate shall be transmitted to the Federal farm-loan board, and a copy thereof shall be transmitted to the Federal land bank of such district.

If the Federal farm-loan board shall find that such organization certificate shall be duly executed and in proper form, it shall approve the same and issue to said association a charter or certificate of its incorporation, and said Federal farm-loan association shall become a corporation as of the date of the acknowledgment of its organization certificate.

Every person who shall obtain a loan from any Federal land bank shall thereby become a member of the Federal farm-loan association of the county in which the land mortgaged to secure such loan shall be located, and in his application for loan he shall accept membership in such association, under the terms and conditions as prescribed in this act. He shall also, in such application, agree to assume all of the responsibilities and liabilities of such membership. He shall be entitled to all the advantages and benefits of membership in such association without the payment of any fee, commission, or assessment of any kind or character, except as provided in this act. His membership in such association shall continue until the payment in full of his loan, at which time his membership therein shall cease.

Federal farm-loan associations shall have no capital stock and shall not be conducted for profit. Their objects shall be to assist in the administration of the system of land credits established by this act, to assist Federal land banks in conducting their business, and to provide an organization through which and by which the members thereof shall cooperate with each other in securing credits, in the payment of their loans and in other proper lines for their mutual benefit and for the promotion of agricultural development.

The directors elected at the first election of any Federal farm-loan association shall hold their offices for one, two, and three years, respectively. Thereafter directors shall hold office for terms of three years each. The directors shall serve without pay. Any Federal land bank may, however, employ any director or member of any Federal farm-loan association and pay him for such service. One of the directors shall be designated as chairman, one as vice chairman, and one as secretary-treasurer. Such officers shall perform such duties as are customary for such officers to perform and such other duties as may be prescribed by such association.

Every Federal farm-loan association shall adopt by-laws and rules for its government on such form as shall be prepared and approved by the Federal farm-loan board.

Every farm-loan association shall appoint one or more appraisement committees consisting of three members, who shall perform such duties in the appraisement of land offered as security for loans in said county as shall be prescribed by the Federal farm-loan board.

Federal farm-loan associations shall have power to adopt and use a corporate seal, to have succession until dissolved by act of Congress or under the provisions of this act, to sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons, to do any other act prescribed by law, and to make such contracts as may be prescribed by the Federal farm-loan board.

The directors of Federal farm-loan associations shall meet at such time and place as shall be designated by the chairman of the board. A majority of such board shall constitute a quorum for the transaction of such business.

The members of every Federal land-bank association shall meet every three months in regular meeting. Special meetings may be called by the chairman of the board of directors. A majority of such members shall constitute a quorum. The officers of the board of directors shall be the officers of the general assembly of the members of the Federal farm-loan association. In all meetings of Federal farm-loan associations each member thereof shall have one vote.

Until such time as borrowers in any county or parish shall be organized as provided in this section, the individual borrowers in such county shall be regarded as a national farm-loan association, and all the provisions in this act in any way referring to national farm-loan associations shall be held to refer to individual borrowers in any county before organized as herein provided.

Where it shall be determined by any Federal land bank that a county includes a larger area than should be included in a single national farm-loan association, such county may be subdivided into more than one district, and a national farm-loan association may be organized in each of said subdivisions, and each of such subdivisions shall be held to constitute a county, so far as the provisions of this act shall relate to the organization and administration of national farm-loan associations and the liabilities of the members thereof.

MUTUAL PROTECTIVE FUND.

SEC. 13. That a separate account shall be kept by every Federal land bank of dividends due to the members of each Federal land-bank association. The dividends due any borrower shall not be paid to him in cash until such dividend shall be an amount equal to 1 per cent of the face value of his loan, but shall be placed to the credit of the member, and also to the credit of such Federal land-bank association, and so remain until the loan of such member shall be paid, unless paid out as herein provided. The amounts so credited shall be known as the mutual protective fund. Such dividends shall draw interest in favor of the member at the annual rate the bank receives thereon from its depository or depositories. Should any member of any Federal land-bank association at any time be in default in the payment of interest due on his loan he may apply to his association for financial assistance, and should the said association by majority vote of its members act favorably thereon said association shall direct the Federal land bank holding such loan to pay the interest in default as aforesaid and charge the same to the mutual protective fund of such association.

ASSOCIATION DISTRICTS.

SEC. 14. That every Federal land bank shall divide each State included in the Federal land-bank district in which it is located into as many divisions as there shall be congressional districts in said State at the time of the passage of this act, and said districts shall be known as "association districts." They shall be formed with a view to the convenience of members of Federal land-bank associations and with a view to providing facilities of transportation for such members in attending meetings of the district council of such associations, but no association district shall contain a fractional part of a county. The chairmen of the board of directors of the Federal land-bank associations within each association district shall constitute the district council of Federal land-bank associations. The district council of each Federal bank association shall meet annually at such time and place as shall be designated by the Federal land bank of the Federal bank district in which such association is located. One of the directors of such Federal land bank shall meet with the district council of Federal land-bank associations and shall act as chairman of such council. Such district council may take under consideration any matter which may aid borrowers in the payment of their obligations to the Federal land bank or that may in any way contribute to the well-being of such borrowers or to the success of the land-credit system established by this act. It shall be the duty of every Federal land bank, through the district councils of Federal land-bank associations, to render every assistance possible to the borrowers of such bank and to encourage and enable such borrowers to use the system of land credit established by this act for the promotion of agricultural expansion and prosperity and to contribute to the welfare of its borrowers.

The Federal land bank of such district shall pay the chairman of the board of directors of each Federal land-bank association his reasonable expenses in attending such meetings and may also pay him reasonable compensation for the time necessarily occupied. District associations may be in session three days.

STATE COUNCILS OF ASSOCIATIONS.

SEC. 15. That there is hereby established in each State a State council of Federal land-bank associations, which shall be composed of two delegates from each district council of Federal land-bank associations. State councils shall be held at such time and place as shall be fixed by the Federal land bank of each district. At the annual meeting of the district councils of Federal land-bank associations such councils shall each elect two delegates to the State council of the Federal land-bank associations of such State. When practicable, one of the directors of the Federal land bank of the district shall attend each State council of Federal land-bank associations, and when so attending shall act as chairman of said council. It shall be the duty of said chairman to bring before the council such matters as in his judgment will contribute to the success of the land-credit system established by this act, that will contribute to the agricultural development of such State, to the prosperity of the borrowers from the Federal land bank, or that will enable such borrowers to meet their obligations to such bank or add to their general welfare. Each State council of Federal land-bank associations shall elect two members of the advisory board of each Federal land bank. The Federal land bank shall pay the reasonable expenses of the delegates to the State council of the Federal land-bank association and allow them a reasonable compensation for the time occupied in attending the meetings of the said association.

RESPONSIBILITY OF BORROWERS.

SEC. 16. That the responsibility of borrowers from Federal land banks shall be as follows:

First. Every borrower from any Federal land bank shall be held individually responsible, equally and ratably and not one for another, for all contracts, debts, and engagements of every other borrower from said land bank to the amount of his stock in the reserve capital thereof. Such stock shall be held as collateral security for the responsibility herein prescribed: *Provided*, That the responsibility of one borrower for another, as prescribed in this section, shall be limited, restricted, and enforced as hereinafter set forth.

Second. Primarily the responsibility of one borrower for another or others as set forth in this section shall be held to apply and shall be enforced as follows:

First, as between members of each Federal land-bank association;

Second, as between members of Federal land-bank associations comprised in each association district;

Third, as between members of Federal land-bank associations in each State;

Fourth, as between members of all the Federal land-bank associations in each Federal land-bank district.

INTEREST ON BONDS AND MORTGAGES.

SEC. 17. That the rate of interest charged by Federal land banks on farm loans shall be uniform throughout the United States. The rate of interest which farm-loan bonds bear shall be uniform.

Before any Federal land bank shall make any farm loan the board of directors of the United Federal Land Bank, with the approval of the Federal farm-loan board, shall establish a uniform rate of interest which every Federal land bank shall charge on farm loans until such time as the said board of directors, with the approval of the Federal farm-loan board, shall establish a different uniform rate of interest which Federal land banks shall charge upon farm loans. Neither the board of directors of the United Federal Land Bank nor the Federal farm-loan board shall have power to authorize any Federal land bank to charge a rate of interest on farm loans which in any way varies from the uniform rate charged by other Federal land banks established under the foregoing provisions.

Before the united Federal land bank shall issue any farm-loan bond the board of directors thereof, with the approval of the Federal farm-loan board, shall establish a uniform rate of interest which all farm mortgage bonds issued for and in behalf of Federal land banks shall bear, until such time as the directors of the united Federal loan bank and said board shall establish another or different rate of interest which farm-loan bonds issued by such bank shall bear. Neither the

board of directors of the united Federal land bank nor the Federal farm-loan board shall have power to authorize any Federal land bank to issue farm-loan bonds bearing any other interest rate than the uniform rate established aforesaid. No farm mortgage bond shall bear interest in excess of 4 per cent per annum.

The annual interest charge, including amortization payments, upon any farm loan made by any Federal land bank shall not exceed 5 per cent upon the face of the loan. Interest shall be paid semiannually. From the annual interest payment of every borrower from any Federal land bank, such bank shall set aside an amount equal to at least one-half of 1 per cent of the face of the loan as a payment on the principal, which amount shall be placed in the sinking fund and used as provided in this act.

From the annual interest payment of every borrower from a Federal land bank an amount equal to one-fourth of 1 per cent of the face of the loan shall be placed in the guaranty capital as provided in this act.

From the annual interest payment of every borrower from a Federal land bank an amount equal to one-fourth of 1 per cent of the face of the loan shall be set aside by such bank to be used in the payment of the administration expenses of such bank, in the payment of dividends, and for any other purpose that may be authorized by law.

No Federal land bank shall sell its farm loan bonds at less than par value unless authorized to do so by the united Federal land bank, with the approval of the Federal farm-loan board.

Should it be necessary at any time, in order to secure the proper sale of farm-loan bonds, that such bonds shall be sold at less than their par value, the united Federal land bank, by its board of directors, may, with the approval of the Federal farm-loan board, establish an uniform rate of discount at which every Federal land bank shall sell farm-loan bonds issued for and in its behalf and thereafter, until otherwise ordered by the united Federal land bank, with the approval of the Federal farm-loan board, every Federal land bank shall sell such bonds so issued for it at the rate of discount so fixed.

SINKING FUND.

SEC. 18. That all amortization payments on the principal of any mortgage shall be set apart into a separate fund, to be known as the sinking fund, and is hereby declared to be a trust fund. The sinking fund shall be used for no purpose except for the payment, redemption, and retirement of the Federal farm-loan bonds issued by Federal land banks. The sinking fund of every Federal land bank shall be deposited in one or more of the depositories thereof, which shall pay interest thereon, payable semiannually, said interest to be paid upon the average daily balances in such fund for the six months immediately preceding the interest payment. Such interest shall be credited to such fund and become a part thereof. Such deposits shall be secured by United States Government bonds or Federal farm-loan bonds equal in amount to the sinking fund on deposit in any such depository.

The Federal farm-loan board shall prescribe rules and regulations which shall control every Federal land bank in its method and manner of selecting Federal farm-loan bonds for retirement or payment.

Every six months every Federal land bank shall call for payment or retirement Federal land-bank bonds equal in amount to the total sinking fund on hand at that time.

FARM-LOAN BONDS.

SEC. 19. That farm-loan bonds shall be issued in the name of the united Federal land bank for and in behalf of the Federal land bank asking for their issue, and the name of such bank shall plainly appear on the face thereof. All farm-loan bonds shall be secured as hereinafter provided in this section, and the facts showing such security shall be clearly stated on the face of said bond.

Farm-loan bonds issued by the united Federal land bank for and in behalf of any Federal land bank shall be secured—

First. By the farm mortgages deposited as collateral security therefor and by the reserve capital, the guaranty capital, and the operating capital of such bank; and the owners of farm-loan bonds issued for and in behalf of any Federal land bank shall have a first and prior lien over all other creditors upon farm mortgages so deposited and subject to the proviso next following, upon such reserve capital, guaranty capital, and operating capital for the payment of said bonds: *Provided*, That the foregoing provision shall be subject to the right of any Federal land bank to use any part or portion of its reserve capital, guaranty capital, and operating capital, or any other fund or asset it may have, except farm mortgages deposited as collateral security for the payment of any issue of farm-mortgage bonds, to meet the default in the interest payment on the bonds of any other Federal land bank and to meet the obligations, contracts, and debts of any other Federal land bank, in case of the insolvency thereof, as provided hereinafter in this section.

Second. By any other fund, capital, or asset of such Federal land bank in common with the claims of other creditors.

Third. By the reserve capital, the guaranty capital, the operating capital, and other assets of all other Federal land banks; and the owners of farm-loan bonds issued for and in behalf of one Federal land bank shall have a first and prior lien over all other creditors, except the owners of the farm-loan bonds of such banks, upon the operating capital, the reserve capital, and the guaranty of all other Federal land banks for the payment of such bonds.

Fourth. Every Federal land bank shall be primarily liable for farm-loan bonds issued for it and in its behalf and shall also be liable, upon presentation of farm-loan bond coupons, for interest payments due upon any farm-loan bonds issued by other Federal land banks and remaining unpaid in consequence of the default of such other land banks; and every such bank shall likewise be liable for such portion of the principal of farm-loan bonds so issued as shall not be paid after the assets of any such other land banks shall have been liquidated and distributed: *Provided*, That such losses, if any, either of interest or of principal, shall be assessed by the Federal farm-loan board against solvent land banks liable therefor in proportion to the amount of farm-loan bonds which each may have outstanding at the time of such assessment.

In the organization certificate of every Federal land bank the subscribers shall set forth that the liabilities prescribed in this section are fully assumed as one of the conditions upon which said bank shall be organized.

Every Federal land bank before commencing business shall, by appropriate action of its board of directors, in such form as shall be prescribed by the Federal farm-loan board, duly recorded in its minutes, obligate itself to become liable on farm-loan bonds as prescribed in this section.

The form of farm-loan bonds issued by a Federal land bank shall include, among other provisions, a copy or synopsis of this section of this act and a statement that the assets of all the Federal land banks are jointly and severally liable for the payment of each bond, and shall further state the physical basis of such bonds in farm lands and such other information as may be prescribed by the Federal farm-loan board.

APPLICATIONS FOR FARM-LOAN BONDS.

SEC. 20. That any Federal land bank which shall have voted to issue farm-loan bonds under this act shall make written application to the Federal farm-loan board, through the Federal fiduciary agent of the district, for approval of such issue. With said application said land bank shall tender to said agent as collateral security first mortgages on farm lands qualified under the provisions of section 12 or section 17 of this act, or United States Government bonds, not less in aggregate amount than the sum of the bonds proposed to be issued. Said bank shall furnish with such mortgages a schedule containing a description thereof and such further information as may be prescribed by the Federal farm-loan board.

Upon receipt of such application said agent shall verify said schedule and shall transmit said application and said schedule to the Federal farm-loan board, giving such further information pertaining thereto as he may possess. The Federal farm-loan board shall forthwith cause one or more special appraisers to make such investigation and appraisement of the securities tendered as it shall deem wise, and upon receiving a report from said special appraiser or appraisers it shall grant in whole or in part, or reject entirely, such application.

The Federal farm-loan board shall promptly transmit its decision as to any issue of farm-loan bonds to the united Federal land bank, to the land bank applying for the same, and to the Federal fiduciary agent of the district. Said agent shall furnish, in writing, such information regarding any issue of farm-loan bonds as the Federal farm-loan board may at any time require.

ISSUE OF FARM-LOAN BONDS.

SEC. 21. That whenever any Federal fiduciary agent shall receive from the Federal farm-loan board notice that it has approved any issue of farm-loan bonds he shall forthwith take such steps as may be necessary, in accordance with the provisions of this act, to insure the prompt execution of said bonds and the delivery of the same to the land bank applying therefor.

Whenever the Federal farm-loan board shall reject entirely any application for an issue of farm-loan bonds, the first mortgages tendered to the Federal fiduciary agent as collateral security therefor shall be forthwith returned to said land bank by him.

Whenever the Federal farm-loan board shall approve an issue of farm-loan bonds, the Federal fiduciary agent having the custody of the first mortgages and bonds tendered as collateral security for such issue of bonds shall retain in his custody those first mortgages and bonds which are to be held as collateral security, and shall return to the bank owning the same any of said mortgages and bonds which are not to be held by him as collateral security. The land bank which is to issue said farm-loan bonds shall transfer to said Federal fiduciary agent, by assignment in trust, all first mortgages and bonds which are to be held by said agent as collateral security, said assignment providing for the right of redemption at any time by payment as provided in this act and reserving the right of substitution of other mortgages qualified under section 12 or section 17 of this act. Said mortgages shall be deposited in such deposit vault or bank as the Federal farm-loan board shall approve, subject to the control of said agent and in his name as trustee for the bank issuing the farm-loan bonds and for the prospective holders of said farm-loan bonds.

No mortgage shall be accepted by a Federal fiduciary agent from a Federal land bank as part of an offering to secure an issue of farm-loan bonds, either originally or by substitution, except grst mortgages made subject to the conditions prescribed in said sections 12 or 17.

It shall be the duty of each Federal fiduciary agent to see that the farm-loan bonds delivered by him and outstanding do not exceed the amount of collateral security pledged therefor. Such agent may, in his discretion, temporarily accept in place of mortgages withdrawn United States Government bonds, farm-loan bonds, or cash.

The Federal farm-loan board may, at any time, call upon any land bank for additional security to protect the bonds issued by it.

FORM OF FARM-LOAN BONDS.

SEC. 22. That all bonds provided for in this act shall be issued under the authority and by the direction of the Federal farm-loan board. They shall be issued in denominations of $25, $50, $100, $500, and $1,000. They shall run for specified minimum and maximum periods, subject to be paid and retired at the option of the land bank at any time after their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than $50,000, whose amount and term shall be fixed by the Federal farm-loan board. They shall bear a rate of interest not to exceed 4 per cent per annum.

The Federal farm-loan board shall prescribe rules and regulations concerning the circumstances and manner in which farm-loan bonds shall be paid and retired under the provisions of this act.

Farm-loan bonds shall be delivered through the Federal fiduciary agent of the district to the bank applying for the same.

In order to furnish suitably engraved bonds for delivery to Federal land banks and joint-stock land banks, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such bonds of the denominations of $25, $50, $100, $500, and $1,000 as may be required to supply such land banks. Such bonds shall be in form and tenor as directed by the Federal farm-loan board under the provisions of this act, and shall bear the distinctive numbers and names of the several land banks by which they are issued. They may be exchanged into registered bonds of any amount and reexchanged into coupon bonds, at the option of the holder, under rules and regulations to be prescribed by the Federal farm-loan board.

When such bonds have been prepared they shall be deposited in the Treasury, or in the subtreasury or mint of the United States nearest the place of business of each land bank, and shall be held for the use of such bank, subject to the order of the farm-loan registrar of the district.

The plates and dies to be procured by the Comptroller of the Currency for the printing of such bonds shall remain under his control and direction, and the expenses necessarily incurred in executing the laws relating to the preparation of such bonds and all other expenses incidental to their issue and retirement shall be paid by the land banks. The Federal farm-loan board shall levy semiannually against the respective Federal land banks, in proportion to the issue of bonds by each, a sufficient amount to cover such expenses.

The examination of plates, dies, bed pieces, etc., and regulations relating to such examination of plates, dies, etc., of national-bank notes provided for in section 5174, Revised Statutes, are hereby extended to include bonds herein provided for.

Any appropriation heretofore made out of the general fund of the Treasury for engraving plates and dies, for the purchase of distinctive paper, or to cover any other expense in connection with the printing of paper currency, and any distinctive paper that may be on hand at the time of the passage of this act may be used in the discretion of the Secretary of the Treasury for the purposes of this act, and should the appropriations heretofore made be insufficient to meet the requirements of this act, the Secretary is hereby authorized to use so much of any funds in the Treasury not otherwise appropriated as may be required for the purpose of furnishing the bonds aforesaid, adequate reimbursement being duly made therefor under the provisions of this section.

SEC. 23. That the form of farm-loan bonds issued under this act shall be prepared by the Federal farm-loan board.

Each bond shall contain a certificate in the face thereof, signed by the farm-loan commissioner, to the effect that this bond has the approval in form and issue of the Federal farm-loan board and is legal and regular in all respects. It shall be signed by the president of the united Federal land bank and attested by its secretary. It shall contain in the face thereof a certificate, in such form as shall be prescribed by the Federal farm-loan board, signed by the president of the Federal land bank for which and in whose behalf said bond was issued, showing in effect that such bond was issued for and in behalf of said bank, and the said bank is bound primarily as prescribed by law for the payment thereof.

Each Federal land bank shall be held to be bound in all respects by the acts of its president in signing farm-loan bonds as prescribed in the foregoing paragraph and by the acts of the Federal farm-loan board in authorizing their issue, and every Federal land bank shall be held to be bound in all respects by the acts of the president of the united Federal land bank in signing farm-loan bonds.

There shall appear on the face of each farm-loan bond provided in this act the statement that such a bond is not taxable by National, State, or municipal authority.

AMORTIZATION AND INTEREST PAYMENTS.

SEC. 24. That whenever any Federal land bank shall receive any interest, amortization, or other payment upon any first mortgage pledged as collateral security for the issue of farm-loan bonds, it shall forthwith notify the Federal fiduciary agent of the items so received. Said agent shall forthwith cause such payment to be duly credited upon the mortgage entitled to such credit. Whenever any such mortgage is paid in full, said agent shall cause the same to be canceled and delivered to the proper land bank for transmission to the original maker thereof, or his heirs, administrators, or assigns.

Upon written application by any Federal land bank to the Federal fiduciary agent, it may be permitted, in the discretion of said agent, to withdraw any mortgages or bonds pledged as collateral security under this act, and to substitute therefor other mortgages or United States Government bonds not less in amount than the mortgages or bonds desired to be withdrawn, such substituted mortgages being qualified under section 12 or section 17 of this act.

Whenever any farm loan bonds, or coupons, or interest payments of such bonds, are due under their terms, they shall be payable at the land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the Federal farm loan board, payment of any farm loan bond or coupon or interest payment may, however, be authorized to be made at any Federal land bank or any other bank under rules and regulations to be prescribed by the Federal farm loan board.

When any Federal land bank shall surrender to the proper Federal fiduciary agent any farm loan bonds of any series, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds pledged as collateral security for any of said series of farm loan bonds to an amount equal to the farm loan bonds so surrendered, and it shall be the duty of said agent to permit and direct the delivery of such mortgages and bonds to such land bank.

Interest payments on hypothecated first mortgages shall be at the disposal of the land bank pledging the same, and shall be available for the payment of coupons and the interest of farm loan bonds as they become due.

Whenever any bond matures, or the interest on any registered bond is due, or the coupon on any coupon bond matures, and the same shall be presented for payment as provided in this act, the full face value thereof shall be paid to the holder.

Amortization or other payments on the principal of first mortgages held as collateral security for the issue of farm loan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same, and shall be applied or employed as follows:

(a) To pay off farm loan bonds issued by said bank as they mature or as they shall be called for payment by any Federal land bank.

(b) To convert said payment into gold or lawful money.

(c) To deposit in the depository or depositories of such bank on interest, subject to the provisions of this act, until the same shall be used in the payment of farm loan bonds.

Federal land banks, in the order of their applications, shall have a preference over other subscribers in purchasing the whole or any part of an issue of farm loan bonds.

Every Federal land bank shall notify the Federal fiduciary agent of the disposition of all payments made on the principal of mortgages held as collateral security for an issue of farm loan bonds, and said agent is authorized, at his discretion, to order any of such payments or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid.

SEC. 25. That the board of directors of every Federal farm loan association shall appoint one or more appraisement committees, consisting of three persons, which committees may be designated by number. Every application for a loan must be accompanied with an appraisement of the land offered as security by one of such appraisement committees.

Said appraisement committee shall examine the land which is offered as security for the desired loan and shall make a detailed written report, signed by all three members, giving the appraisal of said land as determined by them and such other information as may be required by rules and regulations to be prescribed by the Federal farm loan board.

The written report of said appraisement committee shall be submitted to the Federal land bank, together with the affidavit provided for in this act, and the directors of said land bank shall examine said written report when they pass upon the loan application which it accompanies, but they shall not be bound by said appraisal.

Before any mortgage loan is made by any Federal land bank it shall refer the application, affidavit, and written report of the loan committee to one or more of the land bank appraisers appointed under the authority of this act, and such appraiser or appraisers shall investigate and make a written report upon the land offered as security for said loan. No such loan shall be made by said land bank unless said written report is favorable.

Whenever any Federal land bank shall desire to issue farm loan bonds under the provisions of this act, the Federal farm loan board shall refer the application of such land bank to one or more of the special appraisers appointed under the authority of section 3 of this act. Such special appraiser or appraisers shall make such examination and appraisal of the mortgages offered as collateral security for such bonds as the Federal farm loan board shall direct, and shall make a written report to said board. No issue of farm loan bonds shall be authorized unless the Federal farm loan board shall approve such issue in writing.

Forms for appraisal reports for farm-loan associations and land banks shall be prescribed by the Federal farm-loan board.

Land-bank appraisers and special appraisers shall make such examinations and appraisals and conduct such investigations, concerning farm-loan bonds and first mortgages, as the Federal farm-loan board shall direct.

No borrower under this act shall be eligible as an appraiser under this section, but borrowers may act as members of an appraisal committee in any case where they are not personally interested in the loan under consideration. When any member of an appraisal committee or of a board of directors is interested, directly or indirectly, in a loan, a majority of the board of directors of any farm-loan association shall appoint a substitute to act in his place in passing upon such loan.

RESTRICTIONS ON LOANS BASED ON FIRST MORTGAGES.

SEC. 26. That no Federal land bank organized under this act shall make loans except upon the following terms and conditions:

First. Said loans shall be secured by duly recorded first mortgages on farm land within the land-bank district in which the bank shall be situated.

Second. Every such mortgage shall contain an agreement for the payment of interest, and for the payment of a fixed number of semiannual installments sufficient to provide for an agreed rate of interest during the term and for the payment of the principal during and at the end of the term, on what is known as the amortization plan.

Third. Every such mortgage shall run for a period of at least 5 years and not exceeding 60 years.

Fourth. Every mortgage loan made under this act, for whatever period, shall provide for its extinguishment, at the option of the borrower, in whole or in part, at any date set for the payment of interest after one year from the date upon which said loan was made, as follows:

(a) By the tender at their face value of farm-loan bonds issued by the land bank holding such mortgage, all unmatured coupons being attached to said bonds.

(b) By advance payments in cash in sums of $25, or any multiple thereof. In such case the Federal land bank receiving such payments shall purchase for its own account, and credit at par upon the mortgage, farm-loan bonds in suitable amounts and of the proper series; said land bank may call, as may be necessary, farm-loan bonds in suitable amounts and of the proper series, and when such calls shall have become effective shall credit such payments on such mortgage.

Fifth. The rate of interest charged for such loans, including the annual amortization payment and all other annual or semiannual charges thereon, shall not exceed 5 per cent per annum.

Sixth. No such loan shall exceed 55 per cent of the value of the land mortgaged, said value to be ascertained by appraisal, as provided in this act.

In making said appraisal the actual earning power of said land shall be a principal factor. A reappraisal may be permitted at any time in the discretion of the Federal land bank, and such additional loan may be granted as such reappraisal will warrant under the provisions of this paragraph. Whenever the amount of the loan applied for exceeds the amount that may be loaned under the appraisal as herein limited, such loan may be granted to the amount permitted under the terms of this paragraph without requiring a new application or appraisal.

Seventh. The amount of loans to any one borrower shall in no case exceed a maximum of $10,000.

Eighth. Every applicant for a loan under the terms of this act shall make application on a form to be prescribed for that purpose by the Federal farm-loan board, and such applicant shall state the objects to which the proceeds of said loan are to be applied and shall afford such other information as may be required.

Ninth. Every borrower shall undertake to pay when due all taxes which may be lawfully assessed against the land mortgaged.

EXEMPTION FROM TAXATION.

SEC. 27. That every Federal land bank and every national farm-loan association, including the capital stock and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of section 11 and section 13 of this act. First mortgages executed to Federal land banks under the provisions of this act shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation.

Farm-loan bonds issued under the provisions of this act and the income derived therefrom shall be exempt from Federal, State, and local taxation.

INVESTMENT IN FARM-LOAN BONDS.

SEC. 28. That farm-loan bonds issued under the provisions of this act by Federal land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

Any member bank of the Federal Reserve System may buy or sell farm-loan bonds issued under the authority of this act and accept them as collateral security for any loans made.

STATE LEGISLATION.

SEC. 29. That it shall be the duty of the farm-loan commissioner to make examination of the laws of every State of the United States and to inform the Federal farm-loan board as rapidly as may be whether in his judgment the laws of each State relating to the conveying and recording of land titles, and the foreclosure of mortgages or other instruments securing loans, as well as providing homestead and other exemptions and granting the power to waive such exemptions as respects first mortgages, are such as to assure the holder thereof adequate safeguards

against loss in the event of default on loans secured by any such mortgages.

Pending the making of such examination in the case of any State, the Federal farm-loan board may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm-loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this act, the said Federal farm-loan board may declare said first mortgages on land situated in such State ineligible during the continuance of the laws in question. In making his examination of the laws of the several States and forming his conclusions thereon said farm-loan commissioner may call upon the office of the Attorney General of the United States for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary.

At the request of the executive of any State the Federal farm-loan board shall prepare a statement setting forth in what respects the requirements of said board can not be complied with under the existing laws of such State.

EXAMINATIONS.

SEC. 30. That the Federal farm-loan board shall appoint as many land-bank examiners as in its judgment may be required to make careful examinations of the banks permitted to do business under this act.

Said examiners shall be subject to the same requirements, responsibilities, and penalties as are applicable to national bank examiners under the national bank act, the Federal reserve act, and other provisions of law. Said examiners shall be required to examine and report the condition of every Federal land bank at least twice each year.

Said examiners shall receive salaries to be fixed by the Federal farm-loan board, which shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated.

PENALTIES.

SEC. 31. That any applicant for a loan from a Federal land bank who shall knowingly make any false statements in his application for such loan, and any member of an appraisement committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act, shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than $5,000, or both. Any examiner appointed under this act who shall accept a loan or gratuity from any bank examined by him, or from any person connected with any such bank in any capacity, shall be deemed guilty of a misdemeanor, and shall be imprisoned not exceeding one year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this act. No examiner shall perform any other service for compensation while holding such office, for any bank or banking or loan association, or for any person connected therewith in any capacity.

Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any bond, coupon, or paper in imitation of, or purporting to be in imitation of, the bonds or coupons issued by any Federal land bank, now or hereafter authorized and acting under the laws of the United States; or any person who shall pass, utter, or publish, or attempt to pass, utter, or publish any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by any such bank, knowing the same to be falsely made, forged, or counterfeited; or whoever shall falsely alter, or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such bond, coupon, or paper, or shall pass, utter, or publish as true any falsely altered or spurious bond, coupon, or paper issued, or purporting to have been issued, by any such bank or association, knowing the same to be falsely altered or spurious, shall be deemed guilty of a misdemeanor and shall be fined not exceeding $5,000 or imprisoned not exceeding five years, or both.

Other than the usual salary or director's fee paid to any officer, director, or employee of a national farm-loan association or a Federal land bank, and other than a reasonable fee paid by such association or bank to any officer, director, attorney, or employee for services rendered, no officer, director, attorney, or employee, of an association or bank organized under this act shall be a beneficiary of or receive, directly or indirectly, any fee, commission, gift, or other consideration for or in connection with any transaction or business of such association or bank. No bank or association organized under this act shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized. No examiner, public or private, shall disclose the names of borrowers to other than the proper officers of a Federal land bank without first having obtained express permission in writing from the farm-loan commissioner or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress or of either House duly authorized. Any person violating any provision of this paragraph shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding one year, or both.

Any person connected in any capacity with any farm-loan association or Federal land bank who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits, or who without authority from the directors draws any order, assigns any note, bond, draft, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such association or land bank with intent in either case to defraud such institution or any other company, body politic or corporate, or any individual person, or to deceive any officer of a farm-loan association or land bank or any agent appointed to examine into the affairs of any such association or bank, and every person who with like intent aids or abets any officer, clerk, or agent in any violation of this section, shall be deemed guilty of a misdemeanor, and shall be fined not exceeding $5,000 or imprisoned not exceeding five years, or both.

Any person who shall deceive, defraud, or impose upon, or who shall attempt to deceive, defraud, or impose upon, any person, firm, or corporation by making any false pretense or representation regarding the character, issue, security, or terms of any farm-loan bond, or coupon, issued under the terms of this act; or by falsely pretending or representing that any farm-loan bond, or coupon, issued under the terms of this act by one class of land banks is a farm-loan bond, or coupon, issued by another class of banks; or by falsely pretending or representing that any farm-loan bond, or coupon, issued under the terms of this act, or anything contained in said farm-loan bond, or coupon, is anything other than, or different from, what it purports to be on the face of said bond, or coupon, shall be deemed guilty of a misdemeanor, and shall be fined not exceeding $5,000 or imprisoned not exceeding five years, or both.

DISSOLUTION AND APPOINTMENT OF RECEIVERS.

SEC. 32. That upon becoming satisfied that any Federal land bank has failed to meet its outstanding obligations of any description whatever when due, and is in default, the Federal farm-loan board may forthwith declare such bank insolvent and appoint a receiver and require of him such bond and security as it deems proper. Such receiver, under the direction of the Federal farm-loan board, shall take possession of the books, records, and assets of every description of such bank, collect all debts, dues, and claims belonging to it, and, with the approval of the Federal farm-loan board, or upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like approval or order, may sell all the real and personal property of such bank, on such terms as the Federal farm-loan board or said court shall direct. Such receiver shall pay over all money so collected to the Treasurer of the United States, subject to the order of the Federal farm-loan board, and also make report to said board of all his acts and proceedings.

No national farm-loan association, Federal land bank, or joint-stock land bank shall be dissolved without the written consent of the Federal farm-loan board.

ORGANIZATION EXPENSES.

SEC. 33. That the sum of $100,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Federal farm-loan board for the purpose of carrying into effect the provisions of this act.

LIMITATION OF COURT DECISIONS.

SEC. 34. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

REPEALING CLAUSE.

SEC. 35. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask unanimous consent that I may proceed for 30 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that he may address the committee for 30 minutes. Is there objection?

Mr. GLASS. Mr. Chairman, I object.

Mr. MORGAN of Oklahoma. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Oklahoma makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and three members present, a quorum.

Mr. MORGAN of Oklahoma. Mr. Chairman, I regret very much that I could not have been granted 30 minutes in which to explain this measure.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from Oklahoma may proceed for 10 minutes. Is there objection.

There was no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman, I am very glad, while we are under the five-minute rule, to have been allotted even 10 minutes in which to explain this bill. I called attention a few weeks ago to the fact that the Committee on Banking and Currency had made no report, although it had had the bill reported by the joint committee for several months, and if I remember correctly the chairman of the Banking and Currency Committee said at that time that there would be ample time for debate. Under the special rule adopted for this bill we were given only three hours on a side for general debate. I do not think there has been ample time given for discussion of this great problem.

Mr. MADDEN. How much time would the gentleman consider proper for an important matter like this?

Mr. MORGAN of Oklahoma. Mr. Chairman, so far as that is concerned, when we considered the bill to provide for the banking, commercial, and financial interests of the country a new currency and a new banking system, we had almost unlimited time. If I remember, the majority were weeks in the preparation of the bill in caucus, and we had a week, I think, for general debate—ample time. We considered the bill at a special session of Congress, when no other matters were before the Congress. The Members of the House had an abundance of time to study the bill. Now, when we have a bill in the interest of agriculture, in the interest of 6,500,000 farmers, we are cut off from proper time for discussion. The bill is taken up only a few days after it has been reported. We are given only six hours of general debate. We are then placed under the five-minute rule. We are allowed only five minutes to discuss an important amendment. Do you tell me that is ample time

for deliberation? Do you tell me that is sufficient time for proper consideration? Do you tell me that is fair to the farmers of the Nation? Not at all. It looks to me as though an effort was being made here to put through this bill without giving proper time in which to discuss it and to point out its defects. Why was not this bill reported here months ago?

When the Senate bill was sent over here a few days ago immediately the Committee on Banking and Currency comes into the House with a report substituting the Banking and Currency Committee's bill for the Senate bill. The committee could not have had time to give any serious thought to the important provisions in the Senate bill. So after months of delay the bill is to be rushed through the House without careful and deliberate discussion. I do not care for myself individually, I care nothing about this bill so far as my party is concerned. I have given the very best effort I could to contribute my mite to the proper solution of this great problem—not in the interest of my party or myself—and not alone in the interest of the farmer, but, as I believe, in the interest of the whole country. [Applause.] Yet when I ask for 30 minutes the chairman of the Banking and Currency Committee objected, which, under the rule, he has the right to do, but I say that that is not giving proper time for the explanation of the bill which I have offered as a substitute for the committee bill, neither is it giving the time that a subject of this importance deserves.

Mr. GLASS. Will the gentleman permit an interruption?

Mr. MORGAN of Oklahoma. Certainly; I will be very glad to do so.

Mr. GLASS. I will say to the gentleman that he has had more time than any gentleman on the Republican side. He has had 20 minutes more than the chairman of the Banking and Currency Committee, and furthermore I will say to the gentleman that when the question of time originally came up I consulted, as I always do, the senior Republican member of the Banking and Currency Committee and he suggested that three hours was ample time for general debate. Instead of three hours I asked for eight hours, and the Committee on Rules gave six hours, which is twice what the senior Republican member thought was sufficient. [Applause on the Democratic side.]

Mr. MORGAN of Oklahoma. I do not know, but I would like to hear from the senior member of the Banking and Currency Committee on the Republican side, who can answer for himself, and if he thought three hours was sufficient for the entire debate I differ from him very materially.

Mr. HEFLIN. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will be glad to do so.

Mr. HEFLIN. The gentleman complains about not having time enough to discuss the bill. We have given the gentleman by unanimous consent 10 minutes, and the gentleman seems to be opposing the bill and not telling anything about its provisions or anything that is to take the place of them.

Mr. MORGAN of Oklahoma. Well, if I knew no more about it than some gentlemen I could tell all I knew in five minutes. [Applause on Republican side.]

Mr. HEFLIN. I judge that the gentleman knows very little about it because he is not now telling us anything about it.

Mr. MORGAN of Oklahoma. I can not yield further. I have offered a substitute here for the bill. In the few minutes I have left I will try to explain what it is. In the first place there is no provision which authorizes the formation of joint-stock banks. As you know, I think that is one of the great defects in the bill reported by the committee, and I hope when the proper time comes some gentleman will move to strike it out, and if no other person does so I shall try to do so myself, and I hope that provision will be stricken out. I believe with the provision stricken out the bill on the whole is a good measure and I expect to vote for this bill [applause], even if it is not amended in any particular. I think it can be amended in many particulars to help it, and I hope as we go along I will be able to show some of those points.

In the first place, I would strike out the profit-sharing joint-stock banks and give to the farmers of this Nation an institution which they will own and to whom all the profits will go, if there are any profits. This bill proposes that the Government shall help the farmers establish a great land-credit system. It proposes—and I think wisely—to use Government funds to aid in establishing these institutions. I believe if you will eliminate the joint-stock banks you will give to the farmers of this Nation a land-credit system that is surpassed by the land-credit system of no other nation in the world. Still, I think there are other important amendments which should be made. The bill which I have offered as a substitute for the committee bill creates the 12 district banks, following the system provided in the committee bill, and in addition to that it creates a central bank called the united Federal land bank.

Mr. HOWARD. Will the gentleman yield there?

Mr. MORGAN of Oklahoma. I will.

Mr. HOWARD. Why does the gentleman adopt the 12 regional banks for land-mortgage credit? What was the gentleman's object in doing so?

Mr. MORGAN of Oklahoma. Here is the point: I think the gentleman from Georgia and I have always agreed upon one thing, namely, that the bond-issuing power should be centralized in one institution; that is what I believe. But when the proposition was made to create 12 banks and make them responsible for each other's obligations, each other's bonds, I accepted the proposition as meeting the idea of centralization in the bond-issuing power.

Mr. HOWARD. Will the gentleman yield right there? Does not the gentleman think if that is true he has created eleven times more machinery than is necessary to run this system, and has made it much more expensive than it should be?

Mr. MORGAN of Oklahoma. I thought I would go that far with them, but my bill creates the united Federal land bank, which would be controlled by 12 directors, each one of those 12 banks electing one of the directors. Now, this united Federal land bank would not have any capital stock. It would not be a money-making institution, but it would be a legal corporation through which and by which and with which these 12 banks could carry out the purposes for which they are created.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN of Oklahoma. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GLASS. I was just about to make the same request.

The CHAIRMAN. The Chair hears no objection and the gentleman is recognized for five additional minutes.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will.

Mr. MOSS of Indiana. The gentleman also in his bill adopts the farm loan association?

Mr. MORGAN of Oklahoma. Yes, sir.

Mr. MOSS of Indiana. Will the gentleman kindly tell the committee why he adopts the farm loan association?

Mr. MORGAN of Oklahoma. The gentleman wants to know why I adopt the farm loan association. My bill does provide for this association, but there is a very important difference between the farm loan association in my bill and the committee bill. In my bill these farm loan associations do not make loans. They are organizations by which and through which the borrowers can act in their own interests and for their own mutual benefit and to help the Federal land banks carry on their work. They have no power to make loans. They can not employ salaried officials. They are not allowed to make assessments and fines, as they are allowed to do in the committee bill; and, in other words, they are an organization which will accomplish all the farm loan associations will accomplish as constituted under the committee bill, and without any expense. And I warn the gentleman that the farm loan associations under his bill will be expensive to operate and largely increase the expense of the Government in their supervision.

Mr. MOSS of Indiana. Now, do you understand that the farm-loan association has the power to make any loans?

Mr. MORGAN of Oklahoma. I know this——

Mr. MOSS of Indiana. Does not the gentleman know that they do not have the power to make any loans?

Mr. MORGAN of Oklahoma. I know this, that in the bill the application to make loans is to the local association. I know that the money is transmitted through the local association. I know the profits that are made are transmitted to the stockholders of those associations. I know those associations are allowed to employ a salaried secretary and treasurer. I know they are allowed to make an assessment and a fine upon the members of that association. I know there is no limit to the expense which those associations may be to the borrowers, while under my bill there can be no expense. [Applause.] There is simplicity, there is economy; and one of the real objections to this 12-district bank system, with their farm-loan associations, is that it can not be economically administered.

Mr. MOSS of Indiana. How can the land bank, under your bill, make a loan, providing one of the national banks or State banks should refuse to act as agent?

Mr. MORGAN of Oklahoma. Under my bill all that is necessary is for the farmer in the least improved county of Indiana, or in that splendid county which the gentleman so ably represents in this House, or out on the prairies of northwestern Okla-

homa, or in New Mexico, to sit down at his table, around his own fireside, and address a postal card to the Federal bank, and it will bring a blank application for a loan. He will not need to intercede through a local association.

Mr. MOSS of Indiana. Do you mean to tell me that you can get the loan to the borrower without the intervention of an agent?

Mr. MORGAN of Oklahoma. I make that assertion. Cut out this red tape, cut out these formalities. Give the right to the bank to send an appraiser down there and appraise that land.

Mr. MOSS of Indiana. I am afraid the gentleman is not familiar with his own bill; that is all.

Mr. MORGAN of Oklahoma. Now, let us take the question of Government aid. There is more Government aid in my bill than in the bill that is pending.

Mr. MADDEN. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will.

Mr. MADDEN. The advantage of the gentleman's bill over the bill pending in the House would be that all the man who wanted to make a loan would have to have would be a postal card, pen and ink, and a fireside? [Laughter.]

Mr. MORGAN of Oklahoma. Before he could get that loan he would have to furnish the required security.

I provide for three kinds of capital stock—operating capital stock, and reserve capital stock, and a guaranty capital stock. The operating capital of each bank will be $1,000,000, one-half furnished by the Government and one-half by private individuals.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Michigan. Mr. Chairman, I ask that the gentleman have 10 minutes more. He has devoted months to this, where other people have devoted hours.

Mr. MADDEN. To the substitute?

Mr. SMITH of Michigan. To the one that we are considering. It was introduced last Saturday only.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the gentleman from Oklahoma may proceed for 10 minutes. Is there objection?

Mr. GLASS. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 10 minutes and that at the end of 10 minutes we vote on the proposition.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this proposition close in 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MORGAN of Oklahoma. Mr. Chairman, I certainly thank the gentleman, the chairman of the committee.

The guaranty capital of each bank is to consist, first, of $520,000 subscribed by the Government.

Mr. MADDEN. In which bank? The one referred to in the gentleman's bill?

Mr. MORGAN of Oklahoma. Yes. Five hundred thousand dollars contributed to each bank by the Government.

Mr. MOORE of Pennsylvania. And that means a total of $6,000,000?

Mr. MORGAN of Oklahoma. Then I provide that there shall be $500,000 additional operating capital, which shall be subscribed by individuals and, if not subscribed by individuals, to be subscribed by the Government, but I give them representation on the board under such conditions that I believe private capital would subscribe that other $500,000.

Mr. MADDEN. The gentleman stated a moment ago that the capital in each one of the regional banks in his bill would be $500,000?

Mr. MORGAN of Oklahoma. It would be $1,000,000.

Mr. MADDEN. But the Government contribution?

Mr. MORGAN of Oklahoma. Yes; $500,000.

Mr. MADDEN. Whereas in the pending bill it is $750,000?

Mr. MORGAN of Oklahoma. It is just a loan in the present bill. There is no gift at all.

Mr. MADDEN. It will be a gift. There is no question about that.

In the gentleman's bill the regional banks save $12,000,000 to the people to start off with.

Mr. CARAWAY. The gentleman from Illinois says that under the pending bill $750,000 would be a gift. He overlooks the provision in the bill where private capital comes into the system, and 25 per cent of other stock subscribed is devoted to retire the Government loan.

Mr. MORGAN of Oklahoma. There is $1,000,000 in each bank for operating the bank. We have them make the loan and sell the bonds and turn the money over and over. I provide in my bill that when a man applies for a loan he shall also apply to purchase stock in the Federal land bank equal to 5 per cent of his loan. In that respect, while my system is more direct and plain, it really corresponds with what they contend for in this system. I require the farmer to put up 5 per cent, and that is what I call a reserve capital; and I require it to be set aside and be invested in Government bonds and be placed in trust funds to guarantee the payment of the bonds of the bank.

Mr. SMITH of Michigan. I am very much interested in the furnishing of this money. They have already stated in the pending measure that the Government is to furnish $9,000,000. Is that right?

Mr. MORGAN of Oklahoma. Yes, sir.

Mr. SMITH of Michigan. Now, I would like to inquire whether that is the Government's money or the people's money?

Mr. MORGAN of Oklahoma. The Government loaned it to start on.

Mr. SMITH of Michigan. Whose money is it—the Government's or the people's?

Mr. MORGAN of Oklahoma. The people gave it to the Government—paid it in.

Now, then, I provide, in addition to the operating capital, the reserve capital, which would always equal 5 per cent of the loans and 5 per cent of the bonds. Then I would provide for a guarantee capital. The guarantee capital is secured in this way: Every borrower out of his annual interest sets aside one-fourth of 1 per cent, which is placed in the guarantee capital. In addition to that I require the National Government to contribute $500,000 to the guarantee capital of each Federal land bank. Then I provide that that one-fourth of 1 per cent shall be continually paid until the operating capital, the reserve capital, and the guarantee capital shall equal 10 per cent of the bonds in circulation.

Now, gentlemen, after all is said and done, the most important feature of our land credit system is——

Mr. MADDEN. Mr. Chairman, will the gentlemen yield there?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Illinois?

Mr. MORGAN of Oklahoma. Yes.

Mr. MADDEN. What will become of the 10 per cent, and how will it be utilized?

Mr. MORGAN of Oklahoma. That will be invested in farm-mortgage bonds or Government bonds, and held as a trust fund to secure the payment.

Now, what I was going to say is, that after all the most important feature for the success of this system is that the bonds shall be secured beyond the peradventure of a doubt. I do not care what other fault your bill may have, what other imperfections there may be in it, if your bond issue is secured beyond doubt, and if there are proper reserves for its protection and payment, then your system of land credit is bound to be a success. You go back to the old Landschaften, the oldest institution of its kind in the world, running for 150 years. The fact that their bonds are absolutely secure is the one thing that gave them the best credit that has ever been secured by a land-credit institution.

I believe the one great defect of this bill is that you have not properly safeguarded the reserves. I believe the reserves in your bill are not sufficient. I believe you are building up here an extension of credit that is not sound, and I shall try, as amendments are offered, to point out those defects, not to destroy the bill, not to prevent its passage, but to contribute all I can to make our land-credit system secure and sound, because when we are creating instruments of credit, manufacturing securities to go out and represent the farmers of this country, we owe it to the farmers that these securities shall be good beyond all question. And, on the other hand, in the interest of our Nation, in the interest of the thousands of investors, rich people and poor people, widows and orphans, whose funds will go into those bonds, we owe it to them that these bonds shall be made secure, and we can hardly go too far in creating a reserve fund that shall be ample to meet every loss. While it will take a little more funds and not be quite so active or productive, the benefits of that will be reflected back in the form of lower interest rates given to millions of farmers that will borrow money under this system. I believe, if you create these Federal land banks, if you take from the farm-loan association the power to make loans and make expenses that are bound to come through their operation, and increase to a certain extent the amount of funds to be furnished by the Government for operating capital, you will strengthen the reserve and make a better bill and confer more credit on Congress and on the party in power.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield there?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. As a student of economics and banking, the gentleman ought to know that under this bill the loan

associations have no power to make loans, and therefore you can not take that power away from them.

Mr. MORGAN of Oklahoma. I have heard it repeatedly stated, and I think the gentleman himself stated to me, that loan associations have no power to make loans; and yet I have read that section over and over again, and I still believe I am right. I will take the opportunity to read it when we come to that section. Is it not a fact that they make collections?

Mr. MOSS of Indiana. Not the farm-loan associations. The secretary-treasurer may, as he may be authorized by the land bank.

Mr. MORGAN of Oklahoma. Does not the farm-loan association distribute whatever dividends the borrowers get?

Mr MOSS of Indiana. The farm-loan association distributes dividends on its own stock.

Mr. MORGAN of Oklahoma. That is all there is to distribute dividends on—their own stock.

Mr. MOSS of Indiana. The only function that the farm-loan association has under this bill in making a loan is that the farm-loan association, through its directors, passes upon the character of the borrower, and through the loan committee makes the first estimate on the value of the land. It has nothing more to do but to transmit that information, and the whole subsequent transaction is with the land bank.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MORGAN of Oklahoma. Mr. Chairman, I want to thank the committee for its indulgence and courtesy.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

The question was taken, and the Chairman announced that the "noes" seemed to have it.

Mr. MORGAN of Oklahoma. I ask for a division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 25, noes 59.

So the amendment was rejected.

Mr. NORTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from North Dakota [Mr. NORTON].

The Clerk read as follows:

Mr. NORTON offers as a substitute the following:

"A bill for the establishment of a farm credit bureau in the Department of Agriculture, to reduce the rate of interest of farm mortgages, and to encourage agriculture and the ownership of farm homes.

"*Be it enacted, etc.*, That there is hereby established in the Department of Agriculture a bureau to be known as the farm credit bureau. The said bureau shall be in charge of a commissioner, to be appointed by the President of the United States, by and with the consent of the Senate. The commissioner shall hold office for a term of 10 years, and shall be removed from office during such term only for cause. He shall receive a salary of $8,000 per annum. The commissioner may be removed from office by the Secretary of Agriculture for violation of law or neglect of duty, but only after a public charge duly made, of which he shall have reasonable notice, and then only upon approval in writing by the President of the United States."

Mr. GLASS. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that it be printed in the RECORD, and that the gentleman from North Dakota [Mr. NORTON] be permitted in 10 minutes to state the substance of it.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent to dispense with the further reading of the amendment, and that the gentleman from North Dakota [Mr. NORTON] be permitted for 10 minutes to discuss the amendment. Is there amendment?

Mr. MANN. Reserving the right to object, Mr. Chairman——

Mr. MADDEN. I object, Mr. Chairman. I would not want to vote against an amendment which had not been read.

The CHAIRMAN. The gentleman from Illinois objects.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. CULLOP having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 6099. An act to amend section 72 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12766) entitled "An act to increase the Military Establishment of the United States," and had further insisted upon its amendments to the bill, had agreed to the further conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. CHAMBERLAIN, Mr. BECKHAM, Mr. BROUSSARD, Mr. DU PONT, and Mr. WARREN as the conferees on the part of the Senate.

RURAL CREDITS.

The committee resumed its session.

The Clerk read as follows:

There shall also be in said bureau a chief clerk and such other clerks, agents, and employees as are provided for in this act, or as may be hereafter authorized by law or as may be authorized by the farm-credit board hereinafter provided for.

SEC. 2. That the said commissioner shall appoint a chief clerk, chief examiner, and a treasurer as officers of the bureau. This chief clerk shall receive a salary of $5,000 per year. The treasurer shall receive a salary of $4,000 per year, and each shall give bond in such sum and terms as shall be prescribed by the board hereinafter provided for. The commissioner shall engage such employees as shall be necessary, appoint appraisers and administrative agents of the bureau, and shall have charge of all employees and conduct of the business of the bureau. The commissioner shall have power to dismiss any of said officers, and is hereby authorized to incur all expenses necessary to the establishment, organization, and maintenance of the said bureau.

In the absence or disability of the commissioner the chief clerk shall act as deputy commissioner, and during the time he so acts shall perform the duties of the said commissioner, and no legal action shall rest upon a question of the authority of the said deputy commissioner to perform such duties.

Mr. MOORES of Indiana. Mr. Chairman, I ask unanimous consent that the further reading of this amendment be discontinued, and that the gentleman from North Dakota be given 10 minutes.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to discontinue the reading and that the gentleman from North Dakota [Mr. NORTON] be given 10 minutes. Is there objection?

Mr. MANN. Reserving the right to object, I do not think the crime of seventy-three ought to be repeated.

Mr. COX. I object to dispensing with the reading.

The CHAIRMAN. The gentleman from Indiana objects.

The Clerk read as follows:

SEC. 3. That the purpose of this act shall be to loan money upon the security of farm first mortgages direct to farmers, to farmers through the agency of farm credit associations, or as hereinafter provided. The term "farmer" for the purpose of this act shall be construed to mean any person, firm, or corporation engaged exclusively in the business of tilling the soil and raising farm products, or that shall hereafter engage in the said business.

The term "farm credit association" shall be construed to mean any association of farmers who actually reside upon and operate farms organized for the purpose of procuring better credit facilities with which to conduct the business of raising farm produce, and which shall comply with regulations prescribed by the board hereinafter created.

SEC. 4. That there is hereby created a board to be known as the farm credit board, hereinafter referred to as the board. This board shall consist of the Secretary of the Treasury, the Secretary of Agriculture, and the Postmaster General of the United States, who shall act without additional compensation, and two citizens of the United States, who are farmers within the meaning of this act, and who shall fairly represent the agricultural interest of the different sections of the country. The said farmers shall be appointed by the President, by and with the consent of the Senate, for a term of three years. Said farmers shall receive a per diem of $20 for each day their services are required by the board, together with their actual necessary traveling expenses between their homes and the place where the board may convene.

The board is hereby authorized and directed to prescribe procedure, regulations, and forms, not otherwise herein prescribed, and to provide, if at any time found necessary, for the establishment of branch bureaus in each of the several States for the best means of carrying out this act.

The Secretary of Agriculture shall be president of the board. Within 30 days after appointment, as hereinbefore provided, of the commissioner and chief clerk of the bureau, the board shall meet in the city of Washington, D. C., at a place designated by its president, and perform the duties herein provided, and shall hold further meetings upon the call of its president. The chief clerk of the bureau shall be secretary of the board without additional compensation. The secretary of the board shall keep a record of all its proceedings, and all rules and regulations which shall be preserved in the archives of the Department of Agriculture, and copies thereof shall be transmitted to the commissioner of the bureau. All decisions on matters coming before the board shall be by vote of the majority, each member having one vote, and three members present shall constitute a quorum for the transaction of business.

SEC. 5. That the commissioner of the bureau shall receive applications for loans, supervise collections, keep a correct registry of all securities, and, by his direction, all disbursements from the funds of the bureau necessary to carry out this act shall be made. He shall keep correct account of the loans, sales, investments, receipts, expenditures, profit and loss, and make a report of these and other work of the bureau to Congress at the end of the fiscal year.

SEC. 6. That the commissioner, chief clerk, and the treasurer of the bureau shall constitute the staff of the bureau before which all applicants for loans may appear personally or by attorney, and present additional evidence if their application shall have been denied in whole or in part. The decision of the majority of the said staff shall be final.

SEC. 7. That the commissioner of the bureau, by himself or his agent, duly appointed for such purpose, for and on behalf of the Government of the United States, is hereby authorized and empowered to appear in any United States court, or State, Territory, or District court in the United States in any legal procedure on any question arising from the making or collecting of loans, sales, or purchase made under the provisions of this act. The said commissioner may designate, under regulations prescribed by the board, any farm credit or financial association as loan agent, but farm credit association shall be preferred.

SEC. 8. That to secure money for the purpose of making the loans, as herein provided, and for the carrying out of the provisions of this act, the Secretary of the Treasury is hereby authorized and directed to

borrow money on the credit of the United States, as may be directed and under the terms and conditions prescribed by the board, and from time to time he shall, as may be requested, issue registered bonds to the United States, which shall be duly countersigned by the Comptroller of the Treasury. If so directed by the board the said Secretary of the Treasury shall issue registered bonds of one series to redeem the bonds of another series. All the bonds provided by this act shall bear interest not in excess of 3½ per cent per annum, payable semiannually, and shall be exempt from taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority. The bonds issued under this act shall be issued for a term of 20 years and with the privilege of paying the same upon the date of maturity of any interest payment after 5 years. The bonds so issued shall not be sold at less than par, and shall be of such maximum and minimum denominations and terms not herein provided for as shall appear to the board to secure the best market among all the citizens of the United States, and the Treasurer shall give notice of his intention to issue bonds, and shall invite from the public generally subscriptions to said bonds. If the amount of said subscriptions shall exceed the amount of bonds to be issued, he shall give preference in accepting money for said bonds to those offered in the smallest amounts, the intention being to give as wide circulation and distribution to said bonds throughout the country as possible: *Provided*, That the total sum of bonds outstanding shall bear as close relation as possible to the sum of securities and accepted applications for loans held by the bureau: *Provided*, That after this act shall have been in active operation for one year said board shall have authority to reduce the rate of interest charged for farm loans thereafter made, and so also reduce the rate of interest upon the bonds herein provided for thereafter issued. It being the object of this act to pay as low a rate of interest upon said bonds as will float said bonds at par and to charge as low a rate of interest upon the farm loans herein provided for as will bring a sufficient revenue to pay said bonds, the interest thereon, and expenses connected with the making of said loans and losses, if any, incurred therein.

SEC. 9. That each day all sums of money procured by the sale of bonds, together with all receipts of the bureau, shall be covered into the Treasury of the United States, and it shall be the duty of the Treasurer of the United States to keep an account of such sums in his charge, and they shall not be used for any purpose other than as herein provided. With the exception of such part of this fund as shall be required to pay the running expenses of the bureau, the accrued interest on outstanding bonds, and the amount of bonds as they may mature, the fund so provided shall constitute a loan fund which shall be loaned or invested with as little delay as possible as herein provided.

SEC. 10. That the treasurer of the bureau is hereby authorized to draw warrants, which shall be countersigned by the commissioner, against the said loan fund, and the said treasurer shall keep account of such moneys in manner as shall be prescribed by the commissioner, and all accounts of the bureau shall be audited by the Auditor for the Department of Agriculture in the Department of the Treasury.

SEC. 11. That the bureau shall make to farmers loans on farm lands located in any of the States in the Union or in the District of Columbia, under rules and regulations made by the board and in accordance with the provisions herein. Said loans shall be secured by first mortgages made payable to the bureau, and shall bear interest at the rate of 4 per cent per annum, payable annually. That the terms of every loan extending for more than five years shall contain a mandatory provision for its amortization or reduction by annual or semiannual payments on account of the principal, and the terms of every loan shall provide that at any interest-due date the mortgagor or his grantee shall have the right to pay the entire loan or to make payment of $100 or any multiple thereof on the principal thereof, and upon such payment being made the interest on the amount so paid shall thereon cease. Said mortgage shall provide that both the principal and interest shall draw interest at the rate of 6 per cent per annum from maturity.

That the bureau shall make loans to farmers upon farms (first mortgages), through farm-credit associations or designated financial associations acting as agents of the bureau, under regulations prescribed by the board, upon the same terms as prescribed in the preceding paragraph of this section, and the commissioner shall pay to the said association a commission annually of not in excess of one-half of 1 per cent on said loans: *Provided*, That said associations shall become security for all mortgages upon which loans are made through them.

SEC. 12. That no person shall be entitled to a loan of money from the bureau until he has made application therefor under oath upon blanks to be furnished by the bureau. Such application can be sworn to before any person authorized to administer an oath, and all postmasters and their deputies in the United States are hereby authorized to administer oaths to applicants making application for loans under this act, and to administer oaths to such applicants or other persons to any other affidavits made necessary by the rules and regulations of the board. Whenever any oath is administered by a postmaster or deputy postmaster no charge shall be made therefor. No person shall be entitled to a loan under this act who is not of good moral character and who does not establish to the satisfaction of said bureau that he is honest and bears a good reputation in the neighborhood where he resides. No loan shall be made to any person who is not an actual resident and engaged in the cultivation of the land offered as security: *Provided*, That where the applicant for the loan is endeavoring to secure the money for the purpose of building a house upon the land, or for the purpose of making part payment upon the purchase price thereof, the bureau can waive the stipulation if convinced that it is the intention of the applicant as soon as possible to reside upon the land and to cultivate the same, the intention of this act being to provide money only for persons who intend to reside upon and cultivate the land which they offer as security. No loans shall be made for more than 60 per cent of the value of the land offered as security, and only for one or more of the following purposes:

First. To make practical improvements on the land to be mortgaged.

Second. To aid in increased production of said land.

Third. To make payment of the part of the purchase money of the land to be mortgaged, or to pay off an indebtedness already existing against said land: *Provided*, That 50 per cent of any loan may be used for the purchase of stock and farm implements. No loan shall be made upon the security of a single mortgage for an amount in excess of $15,000 and no loan shall be made for less than $200, and loans upon single mortgages for amounts less than $6,000 shall receive the preference. No loans shall be made in any case for an amount in excess of 60 per cent of the value of the property offered as security.

SEC. 13. That it shall be the duty of every postmaster, deputy postmaster, or other employee or official of the Government, without fee or pay therefor, to make confidential reports to said bureau, upon request therefor, upon anything pertaining to any loan and upon the character or standing of any applicant or witness. Such postmaster, deputy postmaster, or other officer shall also, when requested by said bureau, appoint appraisers to appraise the land offered for security under the regulations of and upon the blanks furnished by said bureau.

SEC. 14. That any person applying for a loan shall furnish to said bureau an abstract of title to the land offered as security and shall pay all the necessary expenses connected with the making of said loan. Such applicant shall furnish conveyance for the appraisers appointed to fix a value upon the land offered for the loan, or shall pay for the transportation of said appraisers to and from said land, and if required by said appraisers he shall pay a fee to each of them, not exceeding two in all, which fee shall be ascertained in advance and fixed by the official appointing said appraisers. It shall be the duty of said bureau and the officials appointing said appraisers to select efficient, qualified, and unbiased persons, but at the same time to regulate any fee that they may charge for such service so as to make the same as small as possible. Such appraisers shall make return upon blanks provided by the bureau, and shall swear to the same before some person qualified under this act to administer an oath.

SEC. 15. That it shall be the duty of every United States district attorney or deputy district attorney, upon request from said bureau, to examine the abstract of title to any land offered as security under this act, and to make return thereof to the said bureau. It shall likewise be the duty of any district attorney or deputy district attorney, when requested by the bureau, to foreclose any mortgage taken as security for a loan under this act and to prosecute the same to final judgment. All such services so rendered by an attorney connected with the Department of Justice shall be a part of his official duty and shall be rendered without pay, but said bureau shall pay in all cases the actual expenses of any such attorney in connection with such litigation.

SEC. 16. That it shall be the duty of any post-office inspector, United States marshal, deputy United States marshal, or other employee or inspector of any other department when engaged in official business in the vicinity of any land mortgaged to said bureau, upon request of said bureau, to make a personal inspection of the same and to report thereon to said bureau. Such inspection shall be made without charge, but said bureau shall pay the actual expenses, if any, made necessary thereby. It shall likewise be the duty of any postmaster, deputy postmaster, or other governmental official residing or doing business in the vicinity of any land that has been mortgaged to said bureau, upon requestion of said bureau, to make a report upon said loan or as to whether the money borrowed upon said land has been expended or is being expended in accordance with the purposes for which the same was loaned, and in making any loan under this act the said bureau can withhold, under such rules and regulations as the board may prescribe, any part of the same for the purpose of insuring the application of said loan to the purposes for which the same was made.

SEC. 17. That should the owner of any land mortgaged to said bureau fail or neglect to pay the interest thereon at or before the time when the same is due, or permit the taxes on the land to become delinquent, or neglect or refuse, without the consent of the bureau, to apply the money borrowed in accordance with the statements made in the application for the loan, or if he has made any false statement as to the material matter in said application, or if he neglects to properly care for the improvements on said land, or if he do any other act that materially injures the value of the security, either by overt act or by neglect and inattention, or should said land, without the consent of the bureau, cease to be farmed and cultivated, then the said bureau shall have the right at its election and without notice to declare the entire amount secured by said mortgage due and payable, and may take any steps necessary for the foreclosure of said mortgage and the collection of said loan, and from and after said election so made by the bureau the amount secured by said mortgage shall bear interest at the rate of 6 per cent per annum.

That in making any payment of interest or payment of the principal, or part payment of the same, upon any loan made under this act the person making such payment can pay the same to any postmaster designated by said bureau, and such postmaster shall immediately notify the bureau of such payment, and the transmission of the money so paid, and thereupon credit shall be given for the payment of such money as of the date the same was paid to the postmaster. The said bureau shall notify each person to whom a loan has been made as to the post office where payments upon this loan can be made. The bureau may make such designation by general circular or by specific notice in writing, and can designate by such notice a post office within a county or other district to which all payments within such district can be made.

SEC. 18. That the bureau shall have power to sue and to be sued, to complain and defend in any court of law or equity having jurisdiction of the subject matter in litigation. To protect any loan it may pay the taxes or any other prior lien due and unpaid against the land securing said loan, and in such case the amount paid in liquidation of such taxes or lien shall be added to and become a part of its mortgage on said real estate, and from the date of such payment shall bear interest at the rate of 6 per cent per annum. It shall have the right and authority to purchase at sale under judgments or decrees of court rendered in foreclosure proceedings of any mortgage it owns the land so mortgaged, but in such case it shall not bid a greater amount for such land at such sale than the amount due in such proceedings, together with costs and expenses expended in relation to said loan. In case the bureau obtains title as set forth in this section to any real estate, it shall have authority to sell the same at such price as may be for the best interests of said bureau, in the judgment of the commissioner, and to convey title to the purchaser thereof by deed signed and acknowledged by the commissioner. In making such sale it shall be authorized to make a return mortgage from the purchaser for part of the purchase price thereof in accordance with the provision of this act.

SEC. 19. That it shall be unlawful for any Senator, Member of the House of Representatives, or any other official of the Government of the United States to use or attempt to use political or any other influence to induce said bureau to make or refuse to make any loan or loans. Any person found guilty of the conduct in this section prohibited shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $2,000, and in addition thereto shall be removed from office.

That it shall be unlawful for any official of any State or any officer or member of any political committee to use or attempt to use any political or other influence to induce said bureau to make or refuse

to make any loan or loans. Any person found guilty of the conduct in this section prohibited shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000 or be imprisoned for a term of not exceeding one year, or both such fine and imprisonment, in the discretion of the court.

SEC. 20. That any person or persons who shall make any false representation to said bureau in connection with the making of any loan or in connection with the investigation of any application for a loan, shall be guilty of a felony, and upon conviction shall be fined not more than $5,000, which fine shall be paid into the loan fund, or shall be imprisoned for a term of not exceeding five years, or shall be sentenced to both such fine and imprisonment, in the discretion of the court.

SEC. 21. That there is hereby appropriated from any unexpended balance in the Treasury of the United States, the sum of $100,000 for the purpose of carrying out the provisions of this act pertaining to preliminary expenses and organization.

Mr. NORTON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. GLASS. Reserving the right to object, I ask unanimous consent that debate on this section and all amendments thereto conclude in 10 minutes.

Mr. CARAWAY. Make it 25 minutes.

Mr. MANN. This is the day we long have waited for, you know.

Mr. GLASS. At the request of several gentlemen I revise my request and ask unanimous consent that debate on this section and all amendments thereto close in 25 minutes.

Mr. MANN. I hope the gentleman will make his request as to this amendment only. Other Members want to offer amendments, and it will be of some advantage to them.

Mr. GLASS. I will ask the gentleman from Illinois how long does he think we are to be—well, I will not say afflicted with this sort of thing—how long is it to go on?

Mr. MANN. I do not think it will be very long.

Mr. GLASS. It may be that I am too serious a man, but I have not much toleration for quixotic performances.

Mr. MANN. The gentleman is in favor of this bill?

Mr. GLASS. Yes; I am.

Mr. MANN. I do not know whether that it quixotic or not.

Mr. GLASS. I rather think not.

Mr. MANN. I think the gentleman and I have about the same impression, but I will not ask him to state what he really thinks.

Mr. GLASS. I want to know how long this is to continue.

Mr. MANN. Let us try it for a little while and see.

Mr. GLASS. Very well, Mr. Chairman, I will test it a little longer. I ask that all debate on this particular amendment close in 10 minutes.

Mr. MADDEN. May I ask the gentleman a question?

Mr. GLASS. Certainly.

Mr. MADDEN. Does the gentleman from Virginia want to cut off amendments to this section of the bill?

Mr. GLASS. The gentleman knows very well that I do not want to cut off any serious amendment to this section of the bill, or to any other section of the bill for that matter, but we want to get to work on this bill. That is what we want to do.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia that debate on this amendment close in 10 minutes?

There was no objection.

Mr. MANN. Now, I ask unanimous consent that the gentleman from North Dakota [Mr. NORTON] have the entire 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NORTON. Mr. Chairman and gentlemen of the committee, in my judgment this legislation that we are now considering is the most important legislation that has been before this or any Congress during the past quarter of a century. I have offered this substitute in all seriousness, realizing, with regret, however, that it will not be adopted by the committee.

This substitute includes what I believe would be the most desirable character of Federal legislation on this subject, as far as the interest of the farmer is concerned. Gentlemen of the committee know there are in this country two quite distinct schools of thought on the subject of Federal rural-credit legislation. One proposes that the loans be made directly by the Government from a fund supplied by the issuance and sale of bonds of the Government. That is not a new idea. It is a system that is being carried out to-day and one that has been carried out for several years by other nations. It is a system that has, after years of trial, proven itself highly successful in its operation and in its beneficial results; but after the consideration that has been given this subject by the present and the preceding Congress it has been determined by the committees of the House and Senate that such a system shall not be adopted by this Government at this time.

Legislation for a system of rural credits providing for direct loans by the Government out of a fund provided by the issuance and sale of Government bonds has been opposed in this Congress by a majority of the Banking and Currency Committees of both the House and the Senate, and has in this and in the Sixty-third Congress met with the determined and unyielding opposition of President Wilson.

The other school of thought on the question of Federal rural-credit legislation is opposed to direct Government aid to the system, and maintains that the problem of a safe and efficient rural-credit system can be best solved by a system of private land banks under Government supervision and without assistance of Government funds or Government credit.

The bill introduced by Representative Moss, which the House Committee on Banking and Currency has reported favorably as a substitute for the bill introduced by Senator HOLLIS—Senate 2986—which was passed by the Senate last Thursday, is a cumbersome compromise between the direct government-aid system and the private land-bank system for rural credits. The organization provided in the Moss bill for its operation is unnecessarily complex and costly and will tend in a large measure to defeat the fundamental purpose of this legislation.

The substitute that I have offered for the Moss bill is based on the idea of direct Government aid. The organization provided for carrying out the purposes of the legislation is safe, simple, and comparatively inexpensive. The substitute is the same as the bill which I introduced on this subject in the Sixty-third Congress and which I at another time discussed at length before the House. Under its provisions Government bonds bearing a rate of 3½ per cent would be issued and sold to provide a fund for making loans direct to farmers through agents of the Government or through cooperative farm-loan associations at a rate of 4 per cent per annum. While I have no mere personal pride or desire to have the legislation which I have proposed enacted into law, my study of this important economic question had led me firmly to believe that the adoption of a system of rural credits, such as provided for in the substitute I have offered, would, with all proper degree of safety to the interests of the Federal Government, better and more satisfactorily and efficiently meet the needs of the farmers of this country for a rural-credit system than the legislation proposed in the pending bill and recommended by the Committee on Banking and Currency. I was particularly interested in the question that was asked by the gentleman from Illinois [Mr. CANNON], "Why should not the present bill be enlarged so as to take in workers in factories, those who live in the cities, and provide aid for them in the erection of their homes, and so forth?" As to that, I must say that I feel that one who asks that question misses the very gist and purpose of this legislation, at least as I undertand it. I undertand this legislation to be intended to increase the number of our population who are engaged in farming, in producing the things we eat and the material for the things we wear—to aid in having those things produced in larger quantities, thereby reducing the cost of living for all our people and making more permanent and stable our Government.

The farming industry in this country, as in any country, is of the greatest importance. It is the industry upon which all others are founded.

Mr. MADDEN. Will the gentleman yield?

Mr. NORTON. I will.

Mr. MADDEN. Has the factory worker anything to do with the economical production of agricultural products?

Mr. NORTON. Why, Mr. Chairman, I will say to the gentleman from Illinois that I recognize that he has. But does the gentleman from Illinois think that this country or any country could exist solely with the manufacturing industry? This country and other countries could exist, while not in the highly developed condition we have to-day, still with the farming industry alone. There is a very clear distinction between the importance of the industries of manufacturing and farming.

Mr. MADDEN. The gentleman would not want to go back to that period?

Mr. NORTON. No; I would not want to go back to that period. I maintain, however, that if this Nation owes assistance to any of the industries of the country, it owes it to the farming industry more than to any other.

Mr. STEENERSON. Will the gentleman yield?

Mr. NORTON. I shall be pleased to yield to the gentleman.

Mr. STEENERSON. Does the gentleman think that the farmers of North Dakota are interested in reducing the cost of living?

Mr. NORTON. I will say to the gentleman from Minnesota that the farmers of North Dakota are very much interested in reducing the cost of living.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. NORTON. Certainly.

Mr. SMITH of Michigan. I take it that the gentleman has had considerable experience in loaning money on real estate.

Mr. NORTON. Yes; I have had some experience in making farm loans.

Mr. SMITH of Michigan. Would the gentleman make it a rule to loan money on real estate on 60 per cent of the value plus 20 per cent of the value of the buildings? Would he make that a rule, or does anyone else who loans money that he knows of make as broad a rule as that?

Mr. NORTON. I think that as a rule that loans in my section of the country, the Northwest, are made for the most part to equal about 50 per cent of the value of the farm property, including buildings. In the richer and more prosperous parts of the State the loans run sometimes as high as 80 or 90 per cent of the value of the farm property.

Mr. CULLOP. Will the gentleman yield?

Mr. NORTON. I shall be pleased to yield to the gentleman.

Mr. CULLOP. Does not the gentleman in determining the amount loaned take into consideration the way and manner in which the value of the property has been fixed?

Mr. NORTON. Certainly; that must always be taken into consideration.

I observe that my time has expired and I regret that the gentleman in charge of the bill [Mr. GLASS] is not disposed to grant more time for present discussion of the bill before us. I shall, however, discuss different objectional features of the bill recommended by the Banking and Currency Committee when the several paragraphs of the bill are read.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. NORTON].

The question was taken, and the amendment was rejected.

Mr. CARAWAY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Insert the following as a substitute for the first section:

"That the short title of this act shall be 'A rural-credits act.'

"SEC. 2. That there is hereby created in the Department of the Treasury at Washington, D. C., a commission to be known as a rural-credits commission, said commission to be composed of five members appointed by the President, by and with the advice and consent of the Senate. These commissioners shall be selected from the various sections of the United States, and three of whom shall be actual bona fide farmers, who reside upon their farms and have no other occupations. Two shall be men of business affairs and recognized financial ability. The said rural-credits commission shall herein be referred to as the commission. They shall elect one of their members chairman.

"SEC. 3. That at first said commissioners shall be appointed for one, two, three, four, and five years, respectively, and after that their terms of office shall be for five years each unless removed by the President for cause. The salary shall be $6,000 each, payable quarterly.

"SEC. 4. That the Secretary of the Treasury shall assign them rooms for the conduct of their business, and they shall have power to appoint clerks and employ assistants that may be necessary for the transaction of the business of the department.

"SEC. 5. That said commission shall have power to prescribe all rules and regulations necessary for carrying into effect the provisions of this act and for the conduct of the business of the department.

Mr. GLASS. Mr. Chairman, I ask that the further reading of the amendment be dispensed with and that the gentleman from Arkansas have 10 minutes to explain the difference in the bill.

The CHAIRMAN. The gentleman from Virginia asks unanimouse consent that the further reading of the amendment be dispensed with and that the gentleman from Arkansas have 10 minutes to explain the provisions of the amendment. Is there objection?

Mr. TRIBBLE. Reserving the right to object, Mr. Chairman, I urge the passage of this bill as a substitute. I think it is well enough for the House to know that this is a bill that was framed by the Farmers' Union, Charles S. Barrett, president. I am for this bill and insist upon a vote. The bill should be read, and I insist upon reading and voting on it. Therefore, I object.

The CHAIRMAN. The gentleman from Georgia objects, and the Clerk will continue.

The Clerk continued the reading of the amendment, as follows:

SEC. 6. That all postmasters throughout the United States and Territories thereof and the District of Columbia, for the purpose of carrying this act into effect, and for the proper conduct of its business, shall be the agents of the commission and perform whatever services may be required of them without pay.

SEC. 7. That the purpose of this act shall be to enable farmers to procure long-time loans at low rate of interest to purchase farms or to develop and extend their agricultural productiveness. The word "farmer" as herein used shall mean one who actually resides upon his farm and is engaged in the business of farming, and the benefits of this bill shall be applicable to farmers residing in any State or Territory of the United States of America or the District of Columbia. The loans herein contemplated shall run in series of 5, 10, 15, 20, 25, and 30 years, at the option of the borrower, interest to be payable annually. The terms of such loan shall provide that at any interest-paying date beyond five years the borrower shall have the option to pay the principal, or to make payment of $100, or any multiple thereof, and upon such payment being made the interest on the amount so paid shall cease. Payment may be made at any post office or national bank. No person shall be entitled to a loan unless he actually resides upon his farm, or shall use the loan in payment of lands upon which he shall immediately fix his home. The amount of the loan shall be determined by the commission herein created, except anyone applying who is entitled to the loan, shall, if he desires, receives a loan as much as 50 per cent of the actual value of the improvements thereon, and as much more as may, in the judgment of the commission, be safe and prudent to extend him.

SEC. 8. That all securities or deeds of trust executed by anyone to secure a loan hereunder shall be made payable to the chairman of the commission as the trustee for the United States of America. Said instrument shall recite the amount of the loan and date of maturity, but shall not name the rate of interest to be paid thereon. Said instrument must be executed by the borrower according to forms of the State or Territory in which the lands are situated and in conformity with the rules and regulations prescribed by the commission. In addition to executing the said instrument herein referred to the borrower shall execute notes with coupons attached for interest periods named in said deed of trust and in the form that may be prescribed by the commission. These coupons are redeemable or payable at any national bank or any post office of the first, second, or third class. These notes, securities, coupons, and obligations and funds shall not be subject to taxation, municipal, State or national. The title to said lands shall be shown by a suitable abstract, which shall be forwarded with the application for the loan, except in those States where the Torrens system may prevail, and in those States the certificate of the State shall be sufficient evidence of title. There shall be proper officers appointed for the examination of titles, for which services no fee shall be charged.

SEC. 9. That a farmer desiring to avail himself of the provisions of this act shall file with the local postmaster a written application under oath, setting forth the security he has to offer, the amount of the loan he desires, and the purposes for which he desires it, and such other facts as may be desired by the commission. Whereupon the postmaster shall appoint two committees consisting of three members each; the first named of each shall act as chairman of his committee. The first committee shall consist of three farmers residing in the immediate vicinity of the farm upon which the loan is desired and who shall be familiar with its value, and they shall make an appraisement of the value of the lands and the improvements thereon separately. Said appraisements shall be under oath and secret and shall be filed with the postmaster appointing said committee. The second committee shall consist of three men of affairs who are familiar with the land and improvements upon which the loan is sought and with the general conditions in that vicinity, as to whether values of real estate are advancing or declining, and whether the applicant is a progressive farmer or otherwise. They shall likewise appraise the farm and improvements and give whatever other information may be necessary to determine the hazard of the loan. These appraisements shall likewise be secret and made under oath and filed with the postmaster appointing said committees. When these appraisements are received by the postmaster, the postmaster and the chairmen of the two committees shall proceed to open the appraisements and to make therefrom a just and accurate appraisement of the property, both lands and improvements, and transmit the same to the chairman of the said commission at Washington, together with whatever other information may be necessary with reference to the applicant in the loan sought to enable the commission to determine the amount to be loaned, if any. When the application is received and approved by the said commission it shall cause to be forwarded to the postmaster from whom it was received the necessary notes and instruments to be executed by the borrower, who shall execute them in the manner prescribed by the commission and return to said commission. Thereupon said notes and instruments for the loan shall be sold in the open market for par at the lowest rate of interest procurable. The proceeds of said sale shall be transmitted to the borrower. The borrower shall not only pay the rate of interest agreed upon in said sale but shall pay whatever per cent may be necessary for the amortization of said loan at maturity thereof. The per cent of amortization shall be fixed by the commission.

SEC. 10. That the moneys paid in under amortization herein provided for shall be a trust fund available for the payment of any interest that may be due and unpaid on any loan made under the provisions of this act, and shall be deposited in the Treasury of the United States or put out at interest, as may be determined by said commission.

SEC. 11. That if any borrower shall make default in the payment of principal or interest under the provisions of his loan, then, under such rules and regulations as the commission may prescribe, his lands shall be seized and sold subject to the terms of the loan, and for the purpose of said seizure and sale suit may be brought in the name of the commission, and all district attorneys are hereby authorized and commanded to prosecute said suits without fee. Said suits shall be in the United States district court for the district in which the lands are situated. From the proceeds of said sale all costs shall be first paid and accrued interest and principal, if due, and the residue, if any, shall be paid to the borrower. Real estate sold under the provisions of this act may be redeemed from said sale by anyone holding the equity therein within one year from the date of sale.

SEC. 12. That the United States of America shall guarantee the payment of all interest and principal of loans procured under the provisions of this act.

SEC. 13. That no loan shall be in excess of $5,000. If the premises mortgaged under the provisions of this act shall pass into the ownership of anyone who is not a bona fide farmer, the indebtedness shall at once become due and payable. If anyone shall acquire lands upon which there is a loan under the provisions of this act in excess of $5,000, the excess of $5,000 shall at once become due and payable.

SEC. 14. That this act shall be in force from and after its passage.

Mr. WINGO. Mr. Chairman, I ask unanimous consent that my colleague [Mr. CARAWAY] may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent that the gentleman from Arkansas [Mr. CARAWAY] may proceed for 10 minutes. Is there objection?

There was no objection.

Mr. CARAWAY. Mr. Chairman and gentlemen of the committee, I realize that all the bankers and all the "shade-tree" farmers in this House will oppose my amendment. I am conscious they will oppose any amendment that will give to the farmers of this country any kind of assistance from the Federal Government. The present bill that we are considering is proof of that. While apparently it contains Government aid, it is only in appearance. We have extended aid to practically every other line of industry, and it seems with everybody's approval, but the instant anyone seeks to get legislation through this House that is designed directly or indirectly to extend Federal assistance to the farmers somebody rises up and objects.

Most people seem to think the farmer is prosperous, that he needs no assistance, that he has always cared for himself, and that the future offers no greater difficulty than the past. But conditions have changed for the farmer as well as for everyone else. He is now paying interest on $6,000,000,000, and is paying at the rate of 8½ per cent. Investigation has shown that he can not afford to pay in excess of 5 per cent.

Mr. PLATT. Will the gentleman yield?

Mr. CARAWAY. Yes.

Mr. PLATT. How does he manage to pay it if he can not afford it?

Mr. CARAWAY. By providing less for the support of his family than many gentlemen in this House spend for luxuries. No man should compel his family to live under conditions that do not provide equal opportunities of education and other advantages that the children of those in other callings enjoy.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

Mr. CARAWAY. Yes.

Mr. PLATT. How does it happen if that is true there are so many farmers in this House that did not get all of these advantages?

Mr. CARAWAY. Oh, all of the farmers in this House are shade-tree farmers. They farmed with their mouths. They have farmed the farmer. That is the reason.

Mr. MANN. And that is what they are attempting to do now.

Mr. CARAWAY. Yes; and that is what the gentleman from Illinois [Mr. MANN] has been doing ever since I have known him.

Mr. MANN. But the gentleman has not known me very long.

Mr. CARAWAY. I have known him long enough to know that.

Mr. MANN. But I am not doing it now, as the gentleman is.

Mr. CARAWAY. You are not, because I have the floor, and that is the only reason. As I said, all who think a banker is entitled to Federal aid but want a farmer denied the same privilege will oppose my amendment, and I know they are going to vote against it; but I owe an obligation to my people and I am going to represent them here as I think they should be as long as I hold a seat in this House. [Applause.]

I realize that 10 minutes is too short a time in which to explain any rural-credit system, but if you will let me explain one feature of it that is all I can expect to do. Under this proposed bill for which I am offering my substitute every farmer must become a banker. He must organize a corporation. He must subscribe to its capital stock, on which he will never realize a cent. There is no use of all this machinery and expense. I fear under this present bill that no farmer can borrow money at a rate of interest less than 8 per cent. The bill I have offered is stripped of all that machinery. The one provision which I think the most important I can explain, and no other, and that is this: It is a Government guaranty of both the principal and the interest, but in this way: It provides that the board that is appointed by the President shall prepare an amortization table that will show how much is necessary to pay the interest charge and the amortization of these bonds, and take into consideration whatever may be the probable loss to the system. This is done by the same method that insurance companies use in lending money. It is a calculation of the probability that some one may fail to pay. If he does not each of the borrowers has a bonus coming to him at the maturity of his loan. The Government guarantees that the borrower will perform his agreement, and charges to all the borrowers that fraction of a per cent which will produce a fund sufficient to meet any probable loss. It also collects all interest and principal and pays all interest coupons and the bond itself at maturity. It takes the borrower's bond and sells it with this guaranty back of it. All of us know there is magic in the Government's guaranty.

People do not trust private institutions. I do not know why, but they will not do it. For instance, in a town in my district the post office and the First National Bank are situated almost opposite each other. On the window of this national bank is a sign saying that that bank pays 4 per cent interest semiannually on time deposits. The post office pays but 2 per cent, and yet people will deposit in the postal savings bank. They will deposit their money in the post office and get but 2 per cent, and then the postmaster takes it immediately across the street to that bank where the sign says that 4 per cent is paid and redeposit it. The bank is solvent, and we know that and everyone else knows it, but there is something about the Government's guaranty that makes people prefer to have 2 per cent from the Government rather than 4 per cent from a national bank.

Mr. PLATT. Do they really do that in any considerable number in the gentleman's town?

Mr. CARAWAY. They do it in every man's town to the limit of the provisions of the law. It is necessary to place a limit on the amount any one person is permitted to carry in a postal savings bank. They would otherwise strip the banks.

Mr. TRIBBLE. Will the gentleman yield?

Mr. CARAWAY. I will.

Mr. TRIBBLE. As I understand the gentleman's bill, in short it provides that no obligation is assumed by the borrower for a loss?

Mr. CARAWAY. Only in this way——

Mr. TRIBBLE. And that the collateral offered is sold in the markets of the world just the same as the collateral provided for in this bill?

Mr. CARAWAY. That is true, and I hope to explain that. Under the provisions of this bill a bond that rests primarily for the redemption on the land is sold by the agents of the Government in the open market. The interest and amortization fund is paid by the borrower directly to the Federal Treasury. Out of the Federal Treasury the interest and principal is then paid the lender. The lender is not concerned with the borrower or his security. He is paid out of this amortization fund. This would, in my judgment, make the borrower obtain money at almost as low interest rate as the Government. It would also make the interest rate uniform throughout all the States. The necessity for this is illustrated near where I live. I live south of the Missouri line. I have a friend, a man by the name of Hill, who owns a farm that lies on both sides of the State line—Missouri and Arkansas. The State line there runs east and west. We cotton growers, under the belief that sunshine helps open the cotton, run our cotton rows north and south. The rows of this man's cotton cross the State line. You may stand in his field with one foot in Missouri and one in Arkansas. This man has two loans on his land. The one in Arkansas at 8½ per cent on a valuation of $60 an acre, and the one in Missouri, with a valuation of $140, on which he pays but 5½ per cent; and yet there is not any difference in soil or production nor the width of an inch between the land lying in Arkansas and the land lying in Missouri. This difference in valuation and interest rate illustrate the need of a just rural-credits bill. The produce of these lands must be sold in the same market. The difference is not artificial. My amendment would correct this injustice.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken, and the Chairman announced that the noes appeared to have it.

On a division (demanded by Mr. WINGO) there were—ayes 48, noes 27.

Mr. GLASS. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided, and the tellers (Mr. GLASS and Mr. CARAWAY) reported that there were—ayes 28, noes 46.

So the amendment was rejected.

The Clerk began the reading of the bill.

Mr. HAWLEY. Mr. Chairman, I move to correct the spelling of the first word in line 10, page 75.

Mr. CULLOP. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CULLOP. I understand that under the rule the whole section has to be read before an amendment can be offered.

The CHAIRMAN. The Chair did not know but what the section had been read. The Clerk will finish reading the section.

Mr. CANNON. Is that true?

Mr. CULLOP. The section has not been finished yet.

Mr. CANNON. That the special rule so provides?

Mr. CULLOP. The special rule so provides that it shall be read by sections and not by paragraphs.

The Clerk read as follows:

FEDERAL FARM-LOAN BOARD.

SEC. 3. That there shall be established at the seat of government a Federal farm-loan board, which shall be charged with the execution of this act and of all acts amendatory thereof.

The Federal farm-loan board shall consist of three members, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate. Not more than two of said members shall be appointed from one political party. They shall be citizens of the United States and shall devote their entire time to the business of the Federal farm-loan board and shall each receive an annual salary of $10,000, payable monthly, together with actual necessary traveling expenses.

One member of said board shall be designated by the President to serve for three years, one for six years, and one for nine years, and thereafter each member so appointed shall serve for a term of nine years, unless sooner removed for cause by the President. One of the members shall be designated by the President as the farm-loan commissioner, who shall be the chairman and the active executive officer of said board. Each member of the Federal farm-loan board shall within 15 days after notice of his appointment take and subscribe to the oath of office.

The first meeting of the Federal farm-loan board shall be held in Washington as soon as may be after the passage of this act, at a date and place to be fixed by the chairman of said board.

No member of the Federal farm-loan board shall, during his continuance in office, be an officer or director of any other institution, association, or partnership engaged in banking, or in the business of making land-mortgage loans or selling land mortgages. Before entering upon his duties as a member of the Federal farm-loan board each member shall certify under oath to the President that he is eligible under this section.

The President shall have the power, by and with the advice and consent of the Senate, to fill any vacancy occurring in the membership of the Federal farm-loan board; if such vacancy shall be filled during the recess of the Senate a commission shall be granted which shall expire 30 days after the Senate convenes.

The Federal farm-loan board shall appoint a farm-loan registrar in each land-bank district to receive applications for issues of farm-loan bonds and to perform such other services as are prescribed by this act. It shall also appoint one or more appraisers for each land-bank district and as many examiners as it shall deem necessary. Farm-loan registrars, appraisers, and examiners appointed under this section shall be public officials and shall, during their continuance in office, have no connection with or interest in any other institution, association, or partnership engaged in banking or in the business of making land-mortgage loans or selling land mortgages: *Provided*, That this limitation shall not apply to persons employed by the board temporarily to do special work.

The salaries and expenses of the Federal farm-loan board and of farm-loan registrars and examiners authorized under this section shall be paid out of any moneys in the Treasury of the United States not otherwise appropriated. Appraisers shall receive such compensation as the Federal farm-loan board shall fix, and shall be paid by the Federal land banks and the joint-stock land banks created under this act, which they serve, in such proportion and in such manner as the Federal farm-loan board shall order.

The Federal farm-loan board shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said board. All salaries and fees authorized in this section and not otherwise provided for shall be fixed in advance by said board and shall be paid in the same manner as the salaries of the Federal farm-loan board. All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed without regard to the provisions of the act of January 16, 1883 (vol. 22, U. S. Stat. L., p. 403), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service.

The Federal farm-loan board shall from time to time require examinations and reports of condition of all land banks established under the provisions of this act, and shall publish consolidated statements of the results thereof. It shall cause to be made appraisals of farm lands, as provided by this act, and shall prepare and publish amortization tables which shall be used by national farm-loan associations and land banks organized under this act.

The Federal farm-loan board shall prescribe a form for the statement of condition of national farm-loan associations and land banks under its supervision, which shall be filled out quarterly by each such association or bank and transmitted to said board.

Mr. PHELAN, Mr. CULLOP, and Mr. MANN rose.

The CHAIRMAN. The gentleman from Massachusetts [Mr. PHELAN].

Mr. PHELAN. Mr. Chairman, I desire to offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 75, lines 23 and 24, amend by striking out all after the word "expire," in line 23, and insert the following: "at the end of their next session."

Mr. PHELAN. Mr. Chairman, it was called to the attention of the committee that the wording there provides if the commission given by the President during the recess of the Senate should expire 30 days after the Senate convenes it would not be consistent with the provision in the United States Constitution, so those words are copied out of the Constitution of the United States in order that no question may be raised.

Mr. MURRAY. In other words, the gentleman wants to ratify the Constitution.

Mr. MANN. Mr. Chairman, the amendment offered by the gentleman from Massachusetts is quite proper, although I am not at all sure it remedies all the defects of this paragraph. The provision of the Constitution is that the President shall have power to fill all vacancies which may occur during a recess of the Senate by granting a commission which shall expire at the end of their next session. It is not necessary to put anything in this bill on the subject at all.

I think what the gentleman ought to do is to strike out the whole paragraph. The President would have power, by and with the advice and consent of the Senate, to fill any vacancies by nomination to the Senate, without anything in the bill on the subject at all. Now, the paragraph undertakes to say that the President shall have the power, by and with the advice and consent of the Senate, to fill any vacancy occurring in the membership of the board, and so forth. That would appear to be by the terms of the bill an exclusive power, that he could only fill vacancies by and with the advice and consent of the Senate, but that is contrary to the Constitution, because the Constitution provides that he can fill vacancies without regard to the consent of the Senate until the Senate has had a chance to meet. I do not suppose that putting this in the bill would change the Constitution.

Mr. CULLOP. Will the gentleman yield?

Mr. MANN. But there is no occasion for putting it in at all. I yield to the gentleman from Indiana.

Mr. CULLOP. There would not be any necessity for having the Senate confirm the appointee. This is a statutory act, and if the law did not provide that the Senate was to confirm the appointment, that could be made by the President without the advice and consent of the Senate.

Mr. MANN. The gentleman has not read the bill; that is the trouble. The prior part of the bill provides that this board shall be appointed by and with the advice and consent of the Senate. That is already in the bill. Now, to say that vacancies can only be filled by and with the advice and consent of the Senate is contrary to the Constitution, so far as vacancies occur while the Senate is not in session, but at any other time, under the other language of the bill, appointments would have to be made by and with the advice and consent of the Senate. I suppose, Mr. Chairman, the truth is—and I called this to the attention of the gentleman from Massachusetts [Mr. PHELAN] a few days ago, and which I think was quite apt then and is quite apt now—the gentlemen drawing this bill, knowing there was no warrant in the Constitution for most and probably all of its provisions, did not dare to read the Constitution for some time before drawing the bill, and hence they neglected to have called to their attention this provision of the Constitution. I do not wonder that the gentlemen who drew the bill did not want to read the Constitution in connection with it.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Massachusetts.

Mr. CULLOP. Mr. Chairman——

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. CULLOP. It would not be necessary to have this provision in the bill at all. The Constitution does not require all the officers appointed by the President to be confirmed by the Senate, and I call attention to this paragraph of the Constitution:

> He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur, and he shall nominate and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for and which shall be established by law, but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

The appointment of every one of the officers provided for in this bill or any other statute relative to this matter could be made by the President without the advice and consent of the Senate. And it is only such officers as are created by statute that the statute must provide in order to have them confirmed by the Senate. If it does not specifically require it, then it does not have to be so done. Otherwise the President could appoint and fill the office without referring the matter for confirmation to the Senate or without consultation of the Senate at all.

The Constitution expressly provides what officers shall be confirmed by the Senate and all offices created by statute may all be filled, unless it is otherwise provided in the statute creating the office, without the advice and consent of the Senate. So it was not necessary in the creation of these offices for any provision to be placed in the bill whatever. And they can only be referred to the Senate for confirmation by the express provision of the statute creating the offices. Otherwise, the President would have the power to appoint the officer without any action of the Senate whatever, under the Constitution. These are statutory offices and the Constitution does not require the appointments to fill them to be with the advice and consent of the Senate. If it is done, it must be so because of the express provision of the law creating them. We have many offices which can be filled by the President and some by heads of departments which do not have to be confirmed by the Senate and are not because the statute creating them did not require

them to be so made. Doubtless it might tend to the betterment of the public service and the expediting of the same if more offices were exempt from this red-tape method. It was, in my judgment a useless provision here to fix such a requirement; it was not necessary; but doubtless the committee had some good reason for it, and in the end it may prove beneficial, but it was not essential to the appointment and there was no obligation it should be so done. The provision of the Constitution which I have read specifically names the offices for which the President must have the advice and consent of the Senate; all others he can appoint without such advice and consent, unless the statute creating them requires the appointment to be made in that way. It was not necessary to have that provision here.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Massachusetts [Mr. PHELAN].

The question was taken, and the amendment was agreed to.

Mr. CULLOP. Mr. Chairman, I offer the following amendment: On page 74, line 20, strike out "$10,000" and insert "$7,500."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Indiana [Mr. CULLOP].

The Clerk read as follows:

Amend, on page 74, line 20, by striking out "$10,000" and inserting "$7,500."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Indiana.

Mr. CULLOP. Mr. Chairman, I have offered this amendment with the hope that it would be adopted. The expenses of operating this system of rural-credit banks are fixed, so far as these salaries are concerned, unusually high. Competent men can be secured who will administer this law just as efficiently for $7,500 a year as for $10,000 a year.

I do not believe in the contention some have made that efficient men can not be had for these positions unless the salary is fixed at $10,000 per year. The terms of service are for nine years; a long term. There is no expense attached to the position, like an elective office, and it will be an easy matter to secure the very best of talent for these positions at the compensation named in the amendment I have just offered. No one is more interested than I in securing good talent for these positions and in seeing the law a great success.

I would reduce the salaries of officials proposed in the bill for the administration of this law and make the application of the reduction of them to the reduction of the interest rate which the farmer has to pay if the bill remains as it is written. If we are legislating here for the benefit of the farmer, let us by the law itself give him the benefit of it.

Six per cent is an unusually high rate of interest for good farm loans. It is too much, and if it remains in the law at that figure the banks will not be patronized, and the farmer will not be furnished the relief he expects, and the measure will therefore not perform the functions its promoters hope for it. The importance of this measure must not be underestimated, but if it is so written that it will not be patronized because farmers can secure better terms of private concerns, then all this work will be in vain, and the people who expect to be benefited by it will be disappointed, and it will become a matter of injury rather than benefit to those who are responsible for its enactment. We should endeavor, therefore, to work out a law that will stand the test and produce the splendid results expected of it.

The security that will be given to secure the payment of these loans is the best security that is offered in the world. The farm that has a loan upon it of 50 per cent of its actual value is worth 100 cents on the dollar in any market in the world, and if our Government bonds, if our drainage bonds, if our gravel-road bonds will sell on the market above par at 4 per cent annual interest, why will not the bonds upon the rich, fertile farms of this country, at 4 per cent interest, sell at par in any market in the country?

They will do so, will be in demand, as the investor is always looking for a bargain. He well knows such an investment is a good bargain, and he will be anxious to have such an investment. This is a question of great importance, and it is well worth the serious consideration of every man here. Let no one doubt but what every feature of this bill will be carefully scrutinized by the people who are expecting relief from it.

A number of the States issue gravel-road bonds, drainage bonds, which sell, every time they are offered, above par. They draw only 4 per cent interest; some draw less. When put up to the highest bidder the contest is spirited and the demand for them great. They are no better security than is provided for here. They are no better security than the bonds based on the farms of this country at 50 per cent of their value. Another reason: These bonds are exempted from taxation, and when we are putting them on the market at 6 per cent interest per annum it is equivalent to 8 or 9 per cent interest on these loans; and if we fix this rate at 6 per cent, we will find these farm mortgages readily taken at 50 per cent of the value of the farm on which the mortgage is placed if any farmer is so unfortunate as to have to patronize the system. Now, if private concerns will loan at 5 per cent interest, not exempt from taxation, as is being done in many parts of the country, how could anyone conclude that by this legislation any relief or assistance is being furnished the farmer? On the contrary, is it not creating a legalized institution for the money changer to employ to exploit the farmers of the country? Would he not, after its passage, refuse to loan to the farmer, join the organization created by this law and compel the farmer to accept its terms, and harness upon the farmer an additional burden? It seems to me that would be the natural result. If people will loan to banks, as they are doing, for 3 per cent, when such loans are subject to taxation, surely it would be no trouble to secure loans on farm mortgages at 4 per cent when such loans are exempted by law from taxation. No doubt the loan on the farm is just as secure as the one made to the bank.

The farm loan furnishes the best investment, the safest, the speculator can find. There is no better, and no man can anticipate a time when farm property will be worth less than it is to-day.

If the farm loan is exempt from taxation, the rate of interest should not be higher than 4 per cent; if it is, a great injustice is done the farmer, because by such procedure the volume of taxable property is lessened, and as the volume is reduced the rate necessarily must be increased. The farmer's property is visible property; it can not be hidden from the assessor, and hence he would have the burden thus increased to bear. Now, it is plain if the rate of 6 per cent, as written, is to remain in this bill, no help will by the measure be furnished the farmers of this country, and the only person assisted will be the money lender, and he is always prosperous and does not need it.

If we are legislating in the interest of the farmer, let us do it right. Give him a 4 per cent loan here. If we are exempting the mortgage from taxation, they can readily sell the bonds, as they can and do sell the drainage and gravel-road bonds, upon the market. Let us give the farmer the benefit of this, and not the speculator.

I hope the amendment will be adopted, because we can readily get men at $7,500 a year who will perform these duties just as satisfactorily as if they were paid a salary of $10,000. Let us reduce the salaries and reduce the rate of interest and really help the farmer by the adoption of this legislation.

Some will doubtless contend here that to reduce the salaries of the officials will not help the farmer, because all such salaries are paid out of the Public Treasury; but it is well enough to remind all who make such a claim that every dollar of money in the Public Treasury has been collected from the people through some method or another and the farmer has paid his share, and the less taken out of the Treasury the less will have to be paid in, and hence the farmer will be the beneficiary as well as all other business men. One thing certain, every dollar expended in the administration of this law will be charged up to the business by the Government, and the higher the expenses of administration the higher the rate of interest will be, and hence the reverse, the lower the cost of administration the lower the rate of interest can be made. The adoption of this amendment will be a step in the right direction and will inure to the benefit of the farmers, the class it is proposed to assist by the enactment of this legislation.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HOWARD rose.

The CHAIRMAN. Does the gentleman desire to oppose the amendment?

Mr. HOWARD. I do.

The CHAIRMAN. The gentleman from Georgia [Mr. HOWARD] is recognized.

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, I rise to oppose this amendment for this reason: I think the worst mistake on earth that any government can make is paying niggardly salaries to public officials. The three men who are to have charge of this system will in all probability, if it works as I hope it will, soon have the direct supervision of three to four billion dollars of loans, and probably more. These men ought to be the very highest-class men in the United States. We ought to provide salaries that will attract men of that character to these positions. I have always said when you pay a small salary as a government, or as a city,

or any other governmental institution, you can not attract the best men to these positions, and it is false economy not to obtain the most efficient.

Now, if you reduce this salary from $10,000 to $7,500, I admit you can get men to fill the jobs; but what I will be glad to see is that this system should start off with the very best experts that we can get in this country to take charge of it, because from my reading of this bill I am of opinion that this business is not going to start off with any great rush. There will not be anybody smothered to death around the doors of these banks to start with. [Laughter.] It is going to be a slow growth until our farmers learn to use it and understand it. It is going to take men of exceptional executive ability, men who know something about the finances and financial affairs of this country, to administer this great system that we are to-day inaugurating in the interest of the farmers of this country.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. HOWARD. With pleasure.

Mr. MADDEN. I understood from what the gentleman said who reported this bill that there was so much demand for farm loans that the board of managers would be swamped with business. Does the gentleman wish to have the House understand that they would have to go out and look for business and that the farmers do not want loans?

Mr. HOWARD. This is what I mean by that: This is like every other new thing. When a thing starts in, and it just bursts on the folks all at once as this is going to do, the people are a little inquisitive at first, then they are interested, and then they want to get into it. It is going to take some time to educate American farmers on the question of rural credits, because I am frank to say that I have been discussing this matter here for five years with Members of the House, those who are here now and those of blessed memory who have passed on; and I am frank to say that I have not met over 40 or 50 gentlemen in the House itself who had really devoted very much study to this question, and it is an intricate question.

Mr. MADDEN. I have been led to understand that the farmers all over the country were crying for this thing like children are supposed to cry for Mrs. Winslow's soothing syrup.

Mr. HOWARD. They do want it. The farmers demand a system by which they can mobilize their credit and procure money to meet their capital requirements at lower rates of interest. That is what they are demanding, and I believe this bill will give it to them if it falls into proper managerial hands. Without question the farmer is in great need of some relief from the land sharks and skinflints.

Mr. HEFLIN. Will the gentleman yield?

Mr. HOWARD. Yes; I yield to my friend.

Mr. HEFLIN. I will ask my friend if he does not think this agricultural banking system that we are about to inaugurate is of such great importance that the salaries of this board ought to be sufficient to attract the very best men in the country?

Mr. HOWARD. That is exactly what I said in the outset, that you can not attract men of great financial experience and ability to fill these places by paying them meager salaries.

Mr. MORGAN of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. GLASS. I ask unanimous consent that all debate on this amendment be limited to 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in 10 minutes. Is there objection?

Mr. MORGAN of Oklahoma. Reserving the right to object, may I be allowed five minutes of that?

Mr. GLASS. I have no objection.

The CHAIRMAN. The gentleman from Oklahoma was on his feet and will be recognized by the Chair.

Mr. GREEN of Iowa. Reserving the right to object, I should like at least one minute.

Mr. GLASS. That is with the Chair. There will be 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this amendment be limited to 10 minutes. Is there objection?

Mr. MANN. Reserving the right to object—I am not going to object to these requests—will we be likely to quit about half past 5 to-night?

Mr. GLASS. I should think so; yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman, I am in favor of this amendment. I believe, of course, that we should have competent men to protect the affairs of the institution which we are here creating, and I believe that such men can be secured at a salary of $7,500 per annum. Look at the salaries paid in the Department of State. The Secretary gets $12,000 a year; but there is only one other officer in the State Department who gets as high as $7,500. Then, there are only two officers who get $5,000, and there are only three who get as high as $4,500.

Take the Treasury Department. The Secretary of the Treasury gets $12,000. There are only three officers who get as high as $5,000 in the Treasury Department.

Take the Department of Justice. The Attorney General gets $12,000 and the Solicitor General $9,000, and the next highest is $3,500, and only two who get as high as $3,500.

In the Department of the Interior the Secretary gets $12,000, the next highest officer $5,000, and only one other gets $4,500, and one other $4,000.

In the Department of Agriculture the Secretary gets $12,000, the next highest officer gets $5,000, and only two get $5,000, and the next highest gets $3,500.

The Secretary of Commerce gets $12,000; only one other officer gets as high as $5,000.

The Department of Labor is the same rate.

Mr. SLOAN. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. SLOAN. Congressmen receive only $7,500.

Mr. MORGAN of Oklahoma. Only that.

Mr. SLOAN. Does the gentleman know of anybody that works harder or is more efficient than Members of Congress?

Mr. MORGAN of Oklahoma. I do not; and I know of no one here that is more efficient than the gentleman from Nebraska.

The judges of the United States circuit courts get $7,000 and judges of the United States district courts get $6,000. It is true that the members of the Federal Reserve Board get $12,000, and I believe the members of the Federal Trade Commission get $10,000. But those salaries were fixed since the Republican Party went out of power. It seems to me that my good friends on the other side of the aisle ought not to continue to create offices with extravagant salaries. I believe it is a bad policy and a bad precedent. My theory is that when a man accepts a high Federal position or a high position in any State, he ought to be like I believe the most of you are—not here entirely for the compensation you receive, but you are here because you want to serve your country and your constituents, and because you appreciate the high honor they have bestowed upon you. [Applause.]

Mr. STEAGALL. I desire to add my indorsement of all the gentleman from Georgia has just said. The salary of the members of the Federal Reserve Board is fixed at $12,000. The system provided for in the bill under consideration for the benefit of the farmers of this country is just as important, if not more so, as the Federal reserve act. I do not believe it unfair to ask that the men to be placed in charge of this great system of the farmers should be paid as much as the members of the Federal Reserve Board, though the bill provides for $2,000 less than is paid members of that board. I do not believe in poorly paid public officials. In my judgment it is a mistaken policy to allow only meager and insufficient salaries for public officials charged with great responsibility and called upon to discharge duties of vast importance. We ought to fix these salaries so as to command the services of the very best men to be had. Certainly the men in charge of this system of the farmers ought to be of the same high class and ought to be paid as high compensation as is the case with the commercial banking system.

I think it is safe to say that the only argument offered that is calculated to win support for the amendment is the suggestion made by the gentleman from Indiana [Mr. CULLOP] that the reduction in salaries sought to be accomplished be used in lowering the interest charges to the farmers on their mortgages. But there is nothing whatever in that argument, for the reason that the salaries of the members of the Federal farm-loan board provided for in this bill are to be paid by the Federal Government. So we see it necessarily follows that the reduction sought by the amendment could not be applied in that way. [Applause.]

Mr. CULLOP. Does the gentleman yield?

Mr. STEAGALL. I shall be glad to yield to my friend from Indiana.

Mr. CULLOP. Is it not true that the farmer pays the taxes that are to take care of the salaries of the members of the Federal farm-loan board; and if so, would they not be benefited by the reduction provided for in the amendment?

Mr. STEAGALL. Of course, it is true that the farmers pay taxes like others; and I am sure in many instances they pay more than their just proportion. But the gentleman sought to convey the impression that the amount attempted to be saved

on the salaries of the Federal farm-loan board would, under the provisions of the amendment offered by him, be expended in the reduction of interest charges to be paid by the farmers on their mortgages, when the fact is that under the provisions of the bill every dollar of these salaries is paid by the Federal Government, and not one single dollar of it could be expended to pay interest on loans to the farmers. [Applause.]

Again, Mr. Chairman, the system we are attempting to establish is new. It has to be inaugurated and set to going. The members of the Federal farm-loan board must put the system into operation and will have to deal with problems in finance not only embracing several billion dollars but extending to every acre of the area of this country. They will be called upon to travel extensively and to meet many demands necessarily incident to the discharge of the duties directly devolving upon them as members of that board. It is true that the bill provides that the Government shall pay their expenses, but no one could anticipate, and no high-minded man holding an important office would care to charge every item of expense that would be unavoidable to one engaged in such activities. The farmers of the country will not object—on the contrary, it is their desire—that the Government in the inauguration of this system place in charge only the best men that can be secured, and they know that the surest way to accomplish that is to make the salaries such as to attract the services of such men. What they really want and expect at the hands of the Government is a system of rural credits that will make available to them the vast credit resources of the Nation upon the same rates at which they are open to other interests, and upon terms suited to the requirements of their business. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I favor the amendment, and I favor it because I think I know something about the farm-loan business. I have had something to do with it in years past. What these men have to do is purely administrative. It is laid down by the provisions of the bill, and they have no business to deviate from it. They have but a very little discretion, and that is the discretion of the banker or the manager of the loan business that is carried on to a large extent in my State, where I regret to say we have $450,000,000 of mortgages on Iowa land. There are many men carrying on the land-mortgage business on a large scale who do not get the lower figure mentioned here. There are men who are presidents of great savings banks in New York that have deposits up in the hundreds of millions and who do not get any very large salary.

Mr. HARDY. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HARDY. Would it not be better to start these salaries at $7,500 and then raise them in the future if it is necessary, rather than to start them at $10,000 and then try to cut them down?

Mr. GREEN of Iowa. I think so. I have not been impressed with the success of paying enormous salaries in the beginning. I know of one railroad that went through my State where they made a contract with a man to act as president for $100,000 a year for four years, and after he had run it one year they were glad to pay him any price to get him out. Similar other cases are to be found. The price does not always fix the value of a man with respect to his understanding of his business. [Applause.]

Mr. RAGSDALE. Mr. Chairman, I think this amendment ought not to carry. Certainly it is going to be difficult to successfully inaugurate any farm-loan system. Men are not put in there, like the presidents of banks, to stay for a long period of time and serve as long as their services are satisfactory. These men, by change of administration, will lose their positions. They will give up their positions at home——

Mr. CULLOP. Mr. Chairman, will the gentleman yield?

Mr. RAGSDALE. No. They will give up their positions at home and come to Washington, where it is expensive to live, and they will have to maintain themselves here. They will not know how long they are going to be here. They will have to take up an entirely new idea and put it into use and make it practicable; and I say that by comparison with services being rendered by other men in other departments, that in no single department in the city of Washington will the people of the country, the producers of the raw wealth, the farmers, get more return than they will from this board at this salary.

The CHAIRMAN. The question is on agreeing to the admendment offered by the gentleman from Indiana.

The question was taken, and on a division, demanded by Mr. HOWARD, there were—ayes 50, noes 33.

Mr. GLASS. Mr. Chairman, I demand tellers.

Tellers were ordered, and Mr. CULLOP and Mr. GLASS took their places as tellers.

The committee again divided, and there were—ayes 56, noes 34.

So the amendment was agreed to.

Mr. McKELLAR. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Page 76, line 12, after the word "mortgage" insert "and shall not be pecuniarily interested directly or indirectly in any farm loan applied for under this act or in any farm loan association, joint stock bank, or Government agency provided for by this act."

Mr. McKELLAR. Mr. Chairman, may I have the attention of the chairman of the committee? Does the gentleman have any objection to that amendment?

Mr. GLASS. It is already covered in the bill.

Mr. HAYES. The penal sections cover that.

Mr. McKELLAR. I had overlooked that and I withdraw the amendment.

[Mr. CANNON addressed the committee. See Appendix.]

Mr. GLASS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee had had under consideration the bill S. 2986 and had come to no resolution thereon.

FEDERAL AID TO ROADS.

Mr. SAUNDERS. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Virginia rise?

Mr. SAUNDERS. Mr. Speaker, I would like to have unanimous consent to take from the Speaker's table the bill known as the Federal aid to roads bill, which came over from the Senate this morning, to disagree to the Senate amendment, and ask for a conference.

Mr. STAFFORD. Mr. Speaker, I ask that the gentleman postpone that request until to-morrow.

The SPEAKER. The Clerk informs the Chair that the bill has not come over.

Mr. SAUNDERS. Yes; it came over to-day, Mr. Speaker.

The SPEAKER. The gentleman from Virginia asks unanimous consent——

Mr. SAUNDERS. I withdraw that, Mr. Speaker.

The SPEAKER. The gentleman from Virginia withdraws his request.

EXTENSION OF REMARKS.

Mr. FESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of our rights upon the seas.

The SPEAKER. The gentleman from Ohio [Mr. FESS] asks unanimous consent to extend his remarks in the RECORD upon the subject of our rights upon the seas. Is there objection? [After a pause.] The Chair hears none.

Mr. McKELLAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the Army bill, which was before the House on yesterday.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks on the Army bill, which was before the House yesterday. Is there objection? [After a pause.] The Chair hears none.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 5172. An act to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.; to the Committee on the District of Columbia.

S. 1162. An act authorizing the President to appoint Col. James Jackson, United States Army, retired, to the rank of brigadier general on the retired list; to the Committee on Military Affairs.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes) the House adjourned to meet to-morrow, Wednesday, May 10, 1916, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of York Harbor, Me. (H. Doc. No. 1088); to the Committee on Rivers and Harbors, and ordered to be printed, with illustration.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Frankfort Harbor, Mich. (H. Doc. No. 1089); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Guadalupe River, Tex., to Victoria, with a view to improvement by locks and dams (H. Doc. No. 1090); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

4. A letter from the Secretary of the Treasury submitting estimates of deficiencies in appropriations required by the Treasury Department to complete the service of the fiscal year ending June 30, 1916, and for prior years (H. Doc. No. 1091); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes, reported the same without amendment, accompanied by a report (No. 659), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. MURRAY, from the Committee on Indian Affairs, to which was rreferred the bill (H. R. 10555) referring certain claims against the Choctaw and Chickasaw Nations of Indians to the Court of Claims, reported the same with amendment, accompanied by a report (No. 658), which said bill and report were referred to the Private Calendar.

Mr. SHOUSE, from the Committee on Invalid Pensions, to which was referred the bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, reported the same without amendment, accompanied by a report (No. 660), which said bill and report were referred to the Private Calendar.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 15492) authorizing the Secretary of War to donate condemned cannon and balls; to the Committee on Military Affairs.

By Mr. ADAIR: A bill (H. R. 15493) to authorize the erection of a public building at Decatur, Ind.; to the Committee on Public Buildings and Grounds.

By Mr. EMERSON: Joint resolution (H. J. Res. 221) to instruct the Commissioners of the District of Columbia to forbid the display of "The Birth of a Nation" in the District of Columbia; to the Committee on the District of Columbia.

By Mr. ALMON: Resolution (H. Res. 231) providing for printing additional copies of soil survey of Madison County, Ala.; to the Committee on Printing.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. SHOUSE [from the Committee on Invalid Pensions]: A bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee of the Whole House.

By Mr. ANTHONY: A bill (H. R. 15495) granting an increase of pension to Elmer S. Battin; to the Committee on Invalid Pensions.

By Mr. CANTRILL: A bill (H. R. 15496) granting an increase of pension to Mrs. Bettie Pinnell; to the Committee on Pensions.

By Mr. CARY: A bill (H. R. 15497) granting a pension to John Amberg; to the Committee on Invalid Pensions.

By Mr. CLINE: A bill (H. R. 15498) granting an increase of pension to William R. Gillespie; to the Committee on Invalid Pensions.

By Mr. CRISP: A bill (H. R. 15499) granting a pension to Donald E. Graham; to the Committee on Pensions.

By Mr. GUERNSEY: A bill (H. R. 15500) granting an increase of pension to Henry O. Nickerson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15501) granting an increase of pension to George W. Plummer; to the Committee on Invalid Pensions.

By Mr. HULBERT: A bill (H. R. 15502) granting an increase of pension to Siegmund Silberberg; to the Committee on Invalid Pensions.

By Mr. IGOE: A bill (H. R. 15503) granting a pension to James R. Milbee; to the Committee on Pensions.

By Mr. KELLEY: A bill (H. R. 15504) granting a pension to Augustus A. Bush; to the Committee on Pensions.

By Mr. LAFEAN: A bill (H. R. 15505) granting an increase of pension to Velma Lehr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15506) granting an increase of pension to Matilda Devenney; to the Committee on Invalid Pensions.

By Mr. LAZARO: A bill (H. R. 15507) to reimburse the postmaster at Bayou Chicot, La., for money taken by burglars; to the Committee on Claims.

By Mr. McARTHUR: A bill (H. R. 15508) granting a pension to Mary E. Steepy; to the Committee on Pensions.

By Mr. OAKEY: A bill (H. R. 15509) granting an increase of pension to Eliza N. Oliver; to the Committee on Invalid Pensions.

By Mr. PADGETT: A bill (H. R. 15510) granting a pension to Mrs. Susannah E. Martin; to the Committee on Invalid Pensions.

By Mr. PORTER: A bill (H. R. 15511) for the relief of Henry S. Stratton; to the Committee on Claims.

By Mr. RICKETTS: A bill (H. R. 15512) granting a pension to Mary A. Strawn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15513) granting an increase of pension to Andrew Rambo; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Missouri: A bill (H. R. 15514) granting a pension to Mary J. McGuire; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 15515) granting a pension to Jessie M. Engel; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 15516) granting an increase of pension to Nathan G. Martin; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Arkansas. A bill (H. R. 15517) for the relief of the estate of Francis Posey, deceased; to the Committee on Claims.

Also, a bill (H. R. 15518) for the relief of the estate of William A. Smith, deceased; to the Committee on Claims.

By Mr. TAYLOR of Colorado: A bill (H. R. 15519) granting an increase of pension to James Chalmers; to the Committee on Invalid Pensions.

By Mr. VINSON: A bill (H. R. 15520) granting a pension to Clark Brown; to the Committee on Pensions.

By Mr. WM. ELZA WILLIAMS: A bill (H. R. 15521) granting a pension to Joseph K. Bellemey; to the Committee on Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of mass meeting of citizens of Kentucky, in reference to our foreign relations, and favoring honorable peace with other countries; to the Committee on Foreign Affairs.

By Mr. BEALES: Papers to accompany House bill 15054, for relief of James O. Whorl; to the Committee on Invalid Pensions.

By Mr. BURKE: Memorials of members of the Emmanuel Lutheran Church of Watertown, Wis., protesting against war with Germany; to the Committee on Foreign Affairs.

Also, memorial of Reformed Church of Fillmore, Washington, Wis., protesting against war with Germany; to the Committee on Foreign Affairs.

By Mr. CAREW: Petition of National Security League, in re national defense; to the Committee on Military Affairs.

By Mr. CHARLES: Petitions of various residents of the thirtieth district of New York, against war with Germany because of the submarine issue; to the Committee on Foreign Affairs.

By Mr. COOPER of Wisconsin: Petition of residents of Franksville, Wis., protesting against enactment of House bill 6468 and like measures; to the Committee on the Post Office and Post Roads.

Also, petition of residents of Franksville, Wis., protesting against enactment of House bill 929; to the Committee on the District of Columbia.

Also, petition of members of Belle City Lodge, No. 437, International Association of Machinists, urging enactment of House bill 8665; to the Committee on Labor.

By Mr. CROSSER: Petition of sundry citizens of Cleveland, Ohio, against House bill 13048, for juvenile court in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CURRY: Memorial of Evangelical Association of Sacramento, Cal., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 34 citizens of Vallejo and Vallejo Trades and Labor Council, against Taylor system in Government shops; to the Committee on Labor.

Also, resolution by the Retail Merchants' Association of Richmond, Cal., protesting against any increase in revenue tax upon promissory notes, bank checks, and other commercial papers; to the Committee on Ways and Means.

Also (by request), petition by Mr. L. E. Davison and other citizens of Lodi, Woodbridge, Lakeside, and Acampo, all in the State of California, protesting against House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also (by request), petition by Mrs. A. A. Price and other citizens of Lodi, Cal., protesting against House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Petition of women voters of California and Washington, favoring woman suffrage; to the Committee on the Judiciary.

By Mr. DILL: Petition of Mr. Arthur Shore and other residents of Metaline, Wash., protesting against House bill 13048; to the Committee on the District of Columbia.

Also, petition of Rev. George W. Bailey and other residents of Spokane, Wash., protesting against the passage of House bill 13048; to the Committee on the District of Columbia.

By Mr. DILLON: Petition of sundry citizens of South Dakota, *against* war with Germany; to the Committee on Foreign Affairs.

By Mr. DOREMUS: Petition of citizens of Detroit, favoring Susan B. Anthony amendment; to the Committee on the Judiciary.

By Mr. ESCH: Memorial of citizens of New Orleans, La., against breaking with Germany; to the Committee on Foreign Affairs.

Also, memorial of National and State officials of the Farmers' Educational and Cooperative Union of America and of the National Grange, favoring legislation for using nitrogen, etc.; to the Committee on Military Affairs.

By Mr. FULLER: Petition of National and State officials of the Farmers' Educational and Cooperative Union of America and of the National Grange, for a Government nitrate plant; to the Committee on Military Affairs.

Also, petition of Citizens' Peace Committee of New Orleans, against severance of diplomatic relations, etc.; to the Committee on Foreign Affairs.

Also, petition of Juvenile Protective Association of Chicago, Ill., favoring House bill 13666, to provide for an institute for the feeble-minded in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GALLIVAN: Memorial of citizens of New Orleans, in reference to our foreign relations and opposing breaking off diplomatic relations with Germany; to the Committee on Foreign Affairs.

By Mr. GOOD: Petition of sundry citizens, favoring House bill 8665; to the Committee on Labor.

By Mr. GUERNSEY: Petition of citizens of Mapleton, Me., favoring national prohibition; to the Committee on the Judiciary.

By Mr. LINTHICUM: Memorial of Merchants and Manufacturers' Association of Baltimore, opposing House bills 8665 and 8677; to the Committee on Labor.

By Mr. LOUD: Petition of Mrs. J. B. Allen and Ladies' Aid Society of Sheridan, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MOORES of Indiana: Petition of 64 women of United States, against war with Germany or other nations; to the Committee on Foreign Affairs.

Also, petition of mass meeting of Irish citizens, Indianapolis, Ind., asking United States to investigate conditions in Ireland; to the Committee on Foreign Affairs.

By Mr. NOLAN: Resolutions by representative women of San Francisco, Los Angeles, San Diego, Santa Barbara, and San Luis Obispo, Cal., protesting against the unfair blocking of the Susan B. Anthony Federal suffrage amendment by the Judiciary Committee of the House of Representatives, and demanding that favorable action be taken thereon by the present Congress; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petition of a citizen of Providence, R. I., favoring the maintenance of friendly relations with Germany; to the Committee on Foreign Affairs.

Also, memorial of Utica (N. Y.) Chamber of Commerce, favoring the Pomerene bill-of-lading bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of B. A. Armstrong, of Providence, R. I., favoring House bill 8828; to the Committee on Appropriations.

By Mr. RAKER: Protest by the California Retail Dry Goods Association of Oakland, Cal., against the enactment of the Stephens-Ayres bill providing for price control by manufacturers after they have parted with ownership of merchandise; to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of Corning, Cal., against Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

By Mr. RICKETTS: Petition of millers of Ohio opposing the passage of House bill 9409—the Rainey bill; to the Committee on Ways and Means.

Also, petition of sundry citizens of Ohio favoring House bill 8665; to the Committee on Labor.

Also, petition of sundry citizens of Ohio opposing House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. SHOUSE: Several petitions of citizens of Ford County, Kans., for an amendment to the Constitution of the United States providing for national prohibition; to the Committee on the Judiciary.

By Mr. SULLOWAY: Petition of W. F. Alger and others, of Manchester, N. H., praying that this country may not be drawn into this war on account of the submarine issue; to the Committee on Foreign Affairs.

By Mr. TAYLOR of Colorado: Memorial of women's clubs, of Denver, Colo., against the Judiciary Committee reporting suffrage amendment; to the Committee on the Judiciary.

Also, petition of citizens of Grand Junction, Colo., favoring House bill 8665 to regulate working conditions of skilled labor on Government work; to the Committee on Labor.

By Mr. TILSON: Petition of New Haven (Conn.) Trades Council, favoring passage of House bill 8828, relative to wage scale on Panama Canal; to the Committee on Appropriations.

## SENATE.

### WEDNESDAY, *May 10, 1916.*

*(Legislative day of Tuesday, May 9, 1916.)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. CLARKE of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Hitchcock | Martine, N. J. | Smith, S. C. |
| Beckham | Husting | Myers | Smoot |
| Borah | James | Norris | Swanson |
| Broussard | Jones | Owen | Taggart |
| Catron | Kenyon | Page | Thomas |
| Chamberlain | Kern | Phelan | Tillman |
| Clapp | La Follette | Pittman | Underwood |
| Clarke, Ark. | Lane | Poindexter | Vardaman |
| Dillingham | Lea, Tenn. | Ransdell | Wadsworth |
| du Pont | Lee, Md. | Saulsbury | Warren |
| Gallinger | Lodge | Shafroth | Williams |
| Gore | McLean | Sheppard | |
| Gronna | Martin, Va. | Simmons | |

Mr. ASHURST. I have been requested to announce that the following Senators are detained from the Senate in the Judiciary Committee:

The Senator from Texas [Mr. CULBERSON], the Senator from North Carolina [Mr. OVERMAN], the Senator from West Virginia [Mr. CHILTON], the Senator from Florida [Mr. FLETCHER], the Senator from Missouri [Mr. REED], the Senator from Tennessee [Mr. SHIELDS], the Senator from Montana [Mr. WALSH], the Senator from Georgia [Mr. SMITH], the Senator from Min-

nesota [Mr. NELSON], the Senator from Utah [Mr. SUTHERLAND], the Senator from Connecticut [Mr. BRANDEGEE], and the Senator from California [Mr. WORKS].

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

EMPLOYMENT OF ADDITIONAL CLERK.

Mr. MYERS. I ask leave to submit a resolution for reference.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. MYERS submitted the following resolution (S. Res. 190), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Public Lands be authorized to employ an additional clerk, at a salary of $100 per month, for a period lasting until the end of the present session of the Sixty-fourth Congress, the same to be paid out of the contingent fund of the Senate.

PERSONAL EXPLANATION.

Mr. LANE. Mr. President, if the Senator from Iowa [Mr. KENYON] will permit me a moment for a personal explanation, I wish to state that I made a mistake in my vote yesterday. I find that I voted "yea" upon the motion to recommit House bill 655, to pension the survivors of certain Indian wars from January 1, 1859, to January 1, 1891, inclusive, and for other purposes. I voted under a misapprehension. I was called out of the Chamber, and when I came in I was not familiar with the question I was voting upon, and I made a mistake. My intention was to vote "nay" on the question instead of "yea."

I have always been in favor of the measure which was before the Senate at that time, but I did not understand that the question was on a motion to recommit it. I wish the fact to go upon record that had I been fully advised in regard to my vote I would have voted the other way.

RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. KENYON addressed the Senate in continuation of the speech begun by him yesterday. After having spoken, with interruptions, for five hours, he said:

I should like to say to the chairman of the committee that I have reached a point now where I will take up the specific items in the bill, and I would be very glad, if he is willing, to discontinue until to-morrow.

Mr. CLARKE of Arkansas. Very well. Unless there is some executive business to be disposed of——

Mr. STONE. There is.

Mr. CLARKE of Arkansas. I was going to move that the Senate take a recess until to-morrow, but I withhold the motion for the present.

[Mr. KENYON'S entire speech is printed in the Senate proceedings of May 9, 1916.]

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House further insists upon its disagreement to the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, agrees to the further conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. CARTER of Oklahoma, Mr. KONOP, Mr. HAYDEN, Mr. CAMPBELL, and Mr. NORTON managers at the conference on the part of the House.

PETITIONS AND MEMORIALS.

Mr. SMOOT. I present resolutions adopted by citizens of Utah assembled in mass meeting in Mackintosh Hall, Salt Lake City, May 1, 1916, to celebrate the anniversary of international labor day, which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

*Resolved*, That we, citizens of Utah, assembled in mass meeting in Mackintosh Hall, Salt Lake City, Utah, May 1, 1916, to celebrate the anniversary of international labor day, protest against this continued suppression of women's right to political recognition and demand an immediate report.

*Resolved further*, That copies of this resolution be sent to the President of the United States, the Speaker of the House, majority leader of the Senate, floor leader of the House, chairman of the Judiciary Committee, chairman of the Rules Committee, and Senator SMOOT and Representative MAYS, with instructions to the two latter to read the resolution into the CONGRESSIONAL RECORD.

Mr. SMOOT presented memorials of sundry citizens of Salt Lake City, Utah, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

Mr. THOMAS presented petitions of sundry citizens of Denver, Colo., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. SMITH of South Carolina presented a petition of the Foreign Missionary Societies of the First Methodist Church South of Dillon, S. C., praying for the enactment of legislation to prohibit the exportation of intoxicating liquors to Africa, which was referred to the Committee on the Judiciary.

Mr. PHELAN presented petitions of Camp No. 770, United Confederate Veterans, and of Wade Hampton Chapter, United Daughters of the Confederacy, of Los Angeles, Cal., praying for the enactment of legislation to grant pensions to Confederate veterans and widows of such veterans, which were referred to the Committee on Pensions.

He also presented a petition of sundry citizens of Madera County, Cal., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of the Chamber of Commerce of Northern San Joaquin County, Cal., praying for an appropriation of $300,000 for the improvement of the Yosemite National Park, and for the creation of a national-park service, which was referred to the Committee on Appropriations.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIELDS:

A bill (S. 5935) granting an increase of pension to Walter P. Norris (with accompanying papers); to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 5936) granting a pension to George D. Doble;

A bill (S. 5937) granting a pension to Moetia Atwater;

A bill (S. 5938) granting an increase of pension to John C. Johnson;

A bill (S. 5939) granting an increase of pension to Edmond de Jarnac; and

A bill (S. 5940) granting a pension to Benjamin F. Jenkins (with accompanying papers); to the Committee on Pensions.

By Mr. OLIVER:

A bill (S. 5941) granting a pension to Joseph E. Fulton (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL.

Mr. FLETCHER submitted an amendment providing that the unexpended balance on June 30, 1916, remaining to the credit of the appropriation authorized in the Agricultural act approved March 4, 1915, for the expenses of a commission to investigate and report to Congress on European cooperative land-mortgage banks and rural-credit unions, be appropriated and made available for the fiscal year 1917, etc., intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

INDIAN APPROPRIATIONS—CONFERENCE REPORT.

Mr. ASHURST. I submit the conference report on the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with the various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917. I ask that the report be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 6, 8, 11, 12, 15, 23, 30, 31, 32, 38, 40, 43, 44, 45, 49, 69, 73, 77, 88, 91, 92, 100, 108, 117, 118, 119, 120, 123, 133, 135, 147, and 149.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 9, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 28, 29, 33, 39, 46, 48, 50, 51, 52, 53, 54, 56, 58, 60, 61, 62, 63, 64, 66, 67, 68, 70, 71, 76, 80, 81, 85, 86, 89, 90, 93, 94, 96, 98, 99, 101, 103, 104, 106, 107, 109, 111, 112, 114, 115, 121, 122, 125, 126, 128, 130, 131, 134, 136, 138, 139, 140, 141, 143, 144, 145, 148, 150, 151, 152, 153, 154, and 155, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"The provisions of sections 2140 and 2141 of the Revised Statutes of the United States shall also apply to beer and other intoxicating liquors named in the act of January 30, 1897 (29 Stat. L., p. 506), and the possession by a person of intoxicating liquors in the country where the introduction is prohibited by treaty or Federal statute shall be prima facie evidence of unlawful introduction."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the word "to" and insert in lieu thereof the following: "$5,000 of which shall"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following: *"Provided further,* That not more than $200,000 of the amount herein appropriated may be expended for the tuition of Indian children enrolled in the public schools:"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "two permanent warehouses"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the words "which has been," and in line 2 of said amendment strike out the words "heretofore or"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For beginning the construction by the Indian Service, of a dam with a bridge superstructure and the necessary controlling works for diverting water from the Gila River for the irrigation of Indian land and Indian allotments on the Gila River Indian Reservation, Ariz., as recommended by the Board of Engineers of the United States Army in paragraph 217 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), $75,000, to be immediately available and to remain available until expended, reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522), the total cost not to exceed $200,000."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For beginning the construction by the Indian Service of a diversion dam and necessary controlling works for diverting water from the Gila River at a site above Florence, Ariz., as estimated by the Board of Engineer Officers of the United States Army in paragraph 138 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), $75,000, to remain available until expended, the total cost not to exceed $175,000: *Provided,* That said dam shall be constructed as a part of a project for the irrigation from the natural flow of the Gila River of Indian lands on the Gila River Indian Reservation and private and public lands in Pinal County, Ariz.: *And provided further,* That the water diverted from the Gila River by said diversion dam shall be distributed by the Secretary of the Interior to the Indian lands of said reservation and to the private and public lands in said county in accordance with the respective rights and priorities of such lands to the beneficial use of said water as may be determined by agreement of the owners thereof with the Secretary of the Interior or by a court of competent jurisdiction: *And provided further,* That the construction charge for the actual cost of said diversion dam and other works and rights shall be divided equitably by the Secretary of the Interior between the Indian lands and the private and public lands in said county; and said cost as fixed for said Indian lands shall be reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522); but the construction charge as fixed for the private and public lands in said county shall be paid by the owner or entryman in accordance with the terms of an act extending the period of payment under reclamation projects, approved August 13, 1914 (38 Stat. L., p. 686): *And provided further,* That said project shall only be undertaken if the Secretary of the Interior shall be able to make or provide for what he shall deem to be satisfactory adjustments of the rights to the water to be diverted by said diversion dam or carried in canals, and satisfactory arrangements for the inclusion of lands within said project and the purchase of property rights which he shall deem necessary to be acquired, and shall determine and declare said project to be feasible."

And the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For extension of the Ganado irrigation project on the Navajo Indian Reservation in Arizona for the irrigation of approximately 600 acres of land in addition to the area to be irrigated by said project, as authorized in section 2 of the act of August 24, 1912, $20,000; and for maintenance and operation of the project, $3,000; in all, $23,000, reimbursable and to remain available until expended."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In line 16 of said amendment strike out the figures "$15,000" and insert in lieu thereof the following: "$10,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 100 Indian pupils at the Greenville Indian School, California, including pay of superintendent, $18,400; for general repairs and improvements, including purchase of additional land for school farm, $8,000; in all, $26,400."

And the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For the improvement and construction of roads and bridges on the Yuma Indian Reservation in California, $10,000, to be immediately available, reimbursable to the United States by the Indians having tribal rights on said reservation."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $10,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Potawatomi Indians in the State of Kansas, and to be expended under his direction for the construction of bridges across the Big Soldier Creek and Little Soldier Creek, within the Potawatomi Indian Reservation, Jackson County, Kans.: *Provided,* That no part of the money herein appropriated shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the county of Jackson satisfactory guaranties of the payment by the said county of Jackson of at least one-half of the cost of said bridges, and that the said proper authorities of the said county of Jackson shall assume full responsibility for and will at all times maintain and repair said bridges: *And provided further,* That any and all expenses above the amount herein named in connection with the building and maintaining of said bridges shall be borne by the said county of Jackson: *And provided further,* That this appropriation shall not become effective until approved by an Indian council to be called for that purpose."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: Strike out the following language of the amendment: "Hereafter on ceded lands in the State of Minnesota embraced within the provisions of the law entitled 'An act for the relief and civilization of the Chippewa Indians in the State of Minnesota,' approved January 14, 1889, the minerals in and mineral rights pertaining to any of the lands, the cession of which was provided for in said act, and for which the United States has not conveyed title, shall be and remain in and are reserved for the use and benefit of the Chippewa Indians in the State of Minnesota"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In line 6 of said amendment strike out the following: "at Keewaton Academy, Wisconsin," and the comma; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In line 1 of said amendment, after the word "balance," insert the following: "of $3,436.03"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the word "section" and in line 3 strike out the word "one" and insert in lieu thereof the words "this act"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the figures "$50,000" and insert in lieu thereof "$25,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The work to be done with the amounts herein appropriated for the completion of the Blackfeet, Flathead, and Fort Peck projects may be done by the Reclamation Service on plans and estimates furnished by that service and approved by the Commissioner of Indian Affairs: *Provided*, That not to exceed $15,000 of applicable appropriations made for the Flathead, Blackfeet, and Fort Peck irrigation projects shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for official use upon the aforesaid irrigation projects: *Provided further*, That not to exceed $7,500 may be used for the purchase of horse-drawn passenger-carrying vehicles, and that not to exceed $1,500 may be used for the purchase of motor-propelled passenger-carrying vehicles."

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he is hereby, authorized and directed to announce, at such time as in his opinion seems proper, the charge for construction of irrigation systems on the Blackfeet, Flathead, and Fort Peck Indian Reservations in Montana, which shall be made against each acre of land irrigable by the systems on each of said reservations. Such charges shall be assessed against the land irrigable by the systems on each said reservation in the proportion of the total construction cost which each acre of such land bears to the whole area of irrigable land thereunder.

"On the 1st day of December after the announcement by the Secretary of the Interior of the construction charge the allottee, entryman, purchaser, or owner of such irrigable land which might have been furnished water for irrigation during the whole of the preceding irrigation season, from ditches actually constructed, shall pay to the superintendent of the reservation where the land is located, for deposit to the credit of the United States as a reimbursement of the appropriations made or to be made for construction of said irrigation systems, 5 per cent of the construction charge fixed for his land, as an initial installment, and shall pay the balance of the charge in 15 annual installments, the first 5 of which shall each be 5 per cent of the construction charge and the remainder shall each be 7 per cent of the construction charge. The first of the annual installments shall become due and payable on December 1 of the fifth calendar year after the initial installment: *Provided*, That any allottee, entryman, purchaser, or owner may, if he so elects, pay the whole or any part of the construction charges within any shorter period: *Provided further*, That the Secretary of the Interior may, in his discretion, grant such extension of the time for payments herein required from Indian allottees or their heirs as he may determine proper and necessary, so long as such land remains in Indian title.

"That the tribal funds heretofore covered into the Treasury of the United States in partial reimbursement of appropriations made for constructing irrigation systems on said reservations shall be placed to the credit of the tribe and be available for such expenditure for the benefit of the tribe as Congress may hereafter direct.

"The cost of constructing the irrigation systems to irrigate allotted lands of the Indians on these reservations shall be reimbursed to the United States as hereinbefore provided, and no further reimbursements from the tribal funds shall be made on account of said irrigation works except that all charges against Indian allottees or their heirs herein authorized, unless otherwise paid, may be paid from the individual shares in the tribal funds, when the same is available for distribution, in the discretion of the Secretary of the Interior.

"That in addition to the construction charges every allottee, entryman, purchaser, or owner shall pay to the superintendent of the reservation a maintenance and operation charge based upon the total cost of maintenance and operation of the systems on the several reservations, and the Secretary of the Interior is hereby authorized to fix such maintenance and operation charge upon such basis as shall be equitable to the owners of the irrigable land. Such charges when collected shall be available for expenditure in the maintenance and operation of the systems on the reservation where collected: *Provided*, That delivery of water to any tract of land may be refused on account of nonpayment of any charges herein authorized, and the same may, in the discretion of the Secretary of the Interior, be collected by a suit for money owed: *Provided further*, That the rights of the United States heretofore acquired, to water for Indian lands referred to in the foregoing provision, namely, the Blackfeet, Fort Peck, and Flathead reservation land, shall be continued in full force and effect until the Indian title to such land is extinguished.

"That the Secretary of the Interior be, and he is hereby, authorized to prescribe such rules and regulations and issue such notices as may be necessary to carry into effect the provisions of this act, and he is hereby authorized and directed to determine the area of land on each reservation which may be irrigated from constructed ditches and to determine what allowance, if any, shall be made for ditches constructed by individuals for the diversion and distribution of a partial or total water supply for allotted or surplus unallotted land: *Provided*, That if water be available prior to the announcement of the charge herein authorized, the Secretary of the Interior may furnish water to land under the systems on the said reservations, making a reasonable charge therefor, and such charges when collected may be used for construction or maintenance of the systems through which such water shall have been furnished."

And the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "For the purpose of making necessary repairs on the Government bridge across the Niobrara River near Niobrara, Nebr.; also to reconstruct one span of 90 feet over the back channel of the Niobrara River at the same point, the sum of $6,500; said sum to be expended under the direction of the Secretary of the Interior"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$91,100"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 290 Indian pupils at the Indian school at Carson City, Nev., including pay of superintendent, $50,430; for general repairs and improvements, $8,000; for irrigating school farm, $4,000; in all, $62,430."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In line 4 of the amendment, after the figures "$15,000" strike out the period and insert a colon and the following: "*Provided*, That no part of this appropriation shall be expended for mileage, salaries, or expenses of employees."; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In line 2 of the amendment strike out the following: "And to remain available until expended"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87,

and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 350 Indian pupils at the Indian school at Santa Fe, N. Mex., and for pay of superintendent, $59,550; for general repairs and improvements, $6,000; for water supply, $1,600; for the construction of an assembly hall and gymnasium, $25,000; in all, $92,150."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 220 Indian pupils at the Indian school, Wahpeton, N. Dak., and pay of superintendent, $38,540; for general repairs and improvements, $5,000; for new school building, $20,000; in all, $63,540."

And the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: Strike out all of said amendment and insert the following:

"To enable the Secretary of the Interior to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian, described as the northwest quarter of section 34, township 164 north, range 70 west, of the fifth principal meridian, North Dakota, $1,500, or so much thereof as may be necessary."

And the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the unexpended balance of $9,533.38 is hereby reappropriated and made available for continuing the relief and settlement of the Apache Indians formerly confined as prisoners of war on the Fort Sill Military Reservation, Okla., for the purchase of allotments in Oklahoma, as provided for in the act of June 30, 1913 (38 Stat. L., p. 77), for the three adult heads of families who have not heretofore received allotments."

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "except that the Secretary of the Interior is hereby authorized within 30 days after the passage of this act to investigate claims not to exceed $1,950 growing out of contracts alleged to be in existence between John Calvin Gray, William T. Lancaster, Arthur Jennings, and Clyde Jennings, as enrolled members of the Choctaw or Chickasaw Nations, and Henry W. Blair, Kappler and Merillat, James K. Jones, Charles M. Fechheimer, and Eugene Hamilton, as attorneys, and in case such claims are found to be valid and the contracts approved in accordance with existing law, the said Secretary of the Interior may, in his discretion, apply any amounts that may be found due under this paragraph to the aforesaid enrolled members of the Choctaw or Chickasaw Nations to the payment of such fee, but the amounts due hereunder to other enrolled members of the Choctaw and Chickasaw Nations shall not be held in abeyance to this claim, but shall be paid promptly without reference to same"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$15,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "$12,000; for remodeling sewer system, $5,000; for three high-pressure steam boilers, $7,200: *Provided*, That the unused balance of $9,830 of the amount appropriated by the act of August 1, 1914 (38 Stat. L., p. 602), and an additional amount of $2,500 may be expended for an addition to the assembly hall; in all, $128,700"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $3,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Klamath Indians of the State of Oregon, and use the same for the construction of a bridge across the Williamson River, on the Klamath Indian Reservation, Oreg., under such rules and regulations as he may prescribe."

And the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "$67,500: *Provided*, That the unexpended balance of $1,607.44 appropriated by the act approved August 1, 1914, for repairing buildings and replacing equipment destroyed or damaged by the tornado of June 10, 1914, at Flandreau Indian School, South Dakota, is hereby reappropriated and made immediately available for the purchase and installation of a water tank and the purchase of dairy cattle for said school"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized and directed to cause investigation to be made as to the probable cost of providing on the various Sioux Indian Reservations, adequate school facilities for the children of the Sioux Tribes who are now without Government or public-school facilities on the respective reservations, and to make a report thereof to Congress on or before the first Monday in January, 1917, together with a complete and detailed statement of the per capita cost per annum, including mileage paid, now expended for the education of the Sioux Indian children in all the schools, whether on or off the respective reservations, and there is hereby appropriated for the expense of such investigation and report the sum of $1,000, or so much thereof as may be necessary, to be immediately available."

And the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In line 7 of said amendment, after the word "highway," insert a comma and the following: "reimbursable out of any funds now or hereafter placed to the credit of said Indians in the Treasury of the United States"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $1,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Uintah Tribe of Indians, in the State of Utah, and to use the same to protect the north abutment of the Government bridge at Myton, Utah, under such rules and regulations as he may prescribe, said sum to be immediately available."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he hereby is, authorizd to sell and dispose of not to exceed 20 acres of that portion of the lands situated on the north side of and within the limits of the abandoned Fort Spokane Military Reservation, State of Washington, not necessary for hospital purposes, as provided for in the act approved August 1, 1914 (38 Stat. L., p. 584), at not less than the appraised value thereof, and to place the proceeds thereof in the Treasury of the United States to the credit of the Spokane Indians in said State."

And the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That without bias or prejudice to the rights or interests of any party to the litigation now pending, the Secretary of the Interior be, and he hereby is, authorized to sell the timber on the so-called 'school lands' and 'swamp lands' within the boundaries of the Bad River and Lac du Flambeau Indian Reservations in Wisconsin, and to which the State of Wisconsin has asserted a claim; to keep a separate account of the proceeds of such sale with each legal subdivision of such land and to deposit the

said proceeds at interest in a national bank, bonded for the safekeeping of individual Indian moneys, to be paid over, together with the interest thereon, to the party or parties who shall finally be adjudged to be entitled to such fund: *Provided*, That the consent of the State or parties claiming title therefrom be obtained before any such sale shall be made."

And the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter proposed, insert the following:

"SEC. 27. On the first Monday in December, 1917, and annually thereafter, the Secretary of the Treasury shall transmit to the Speaker of the House of Representatives estimates of the amounts of the receipts to, and expenditures which the Secretary of the Interior recommends to be made for the benefit of the Indians from, all tribal funds of Indians for the ensuing fiscal year; and such statement shall show (first) the total amounts estimated to be received from any and all sources whatsoever, which will be placed to the credit of each tribe of Indians, in trust or otherwise, at the close of the ensuing fiscal year, (second) an analysis showing the amounts which the Federal Government is directed and required by treaty stipulations and agreements to expend from each of said funds or from the Federal Treasury, giving references to the existing treaty or agreement or statute, (third) the amounts which the Secretary of the Interior recommends to be spent from each of the tribal funds held in trust or otherwise, and the purpose for which said amounts are to be expended, and said statement shall show the amounts which he recommends to be disbursed (a) for per capita payments in money to the Indians, (b) for salaries or compensation of officers and employees, (c) for compensation of counsel and attorney fees, and (d) for support and civilization: *Provided*, That thereafter no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: Equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: *Provided further*, That this shall not change existing law with reference to the Five Civilized Tribes."

And the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the amendment proposed, insert the following:

"SEC. 28. On or before the 31st day of December, 1916, the Bureau of Efficiency shall prepare and submit to the Secretary of the Interior a system of bookkeeping and accounting for the Bureau of Indian Affairs that will enable the said Secretary, on or before July 1, 1917, to meet the requirements of section 26 of the Indian appropriation act approved June 30, 1913 (38 Stat. L., p. 103)."

And the Senate agree to the same.

HENRY F. ASHURST,
H. L. MYERS,
MOSES E. CLAPP,
*Managers on the part of the Senate.*

C. D. CARTER,
THOMAS F. KONOP,
CARL HAYDEN,
P. P. CAMPBELL,
P. D. NORTON,
*Managers on the part of House.*

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 14 minutes p. m., Wednesday, May 10, 1916) the Senate took a recess until to-morrow, Thursday, May 11, 1916, at 12 o'clock meridian.

## NOMINATIONS.

*Executive nominations received by the Senate May 10 (legislative day of May 9), 1916.*

REGISTER OF LAND OFFICE.

William H. Canon, of Medford, Oreg., to be register of the land office at Roseburg, Oreg., vice James M. Upton, deceased.

APPOINTMENT IN THE ARMY.

DENTAL CORPS.

Acting Dental Surgeon Harry Morton Deiber to be dental surgeon with the rank of first lieutenant from May 7, 1916, to fill an original vacancy.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

First Lieut. David A. Henkes, Sixteenth Infantry, to be captain from May 5, 1916, vice Capt. Henry A. Wiegenstein, Twenty-fourth Infantry, who died May 4, 1916.

Second Lieut. James W. Peyton, Eleventh Infantry, to be first lieutenant from May 5, 1916, vice First Lieut. David A. Henkes, Sixteenth Infantry, promoted.

FIELD ARTILLERY ARM.

Second Lieut. Lucien H. Taliaferro, Sixth Field Artillery, to be first lieutenant from May 8, 1916, vice First Lieut. Edwin E. Pritchett, Fifth Field Artillery, who died May 7, 1916.

Second Lieut. Harold H. Bateman, Third Field Artillery, to be first lieutenant from May 8, 1916, vice First Lieut. Harold S. Naylor, Fifth Field Artillery, who died May 7, 1916.

TRANSFERS TO ACTIVE LIST OF THE ARMY.

MEDICAL CORPS.

Maj. William O. Owen, United States Army, retired, to the grade of colonel in the Medical Corps, with rank from April 12, 1912.

CAVALRY ARM.

Capt. Ben H. Dorcy, United States Army, retired, to the Cavalry Arm, with his present date of rank.

Second Lieut. Joseph I. McMullen, United States Army, retired, to the grade of first lieutenant in the Cavalry Arm, with rank from September 21, 1908.

INFANTRY ARM.

Maj. Lorenzo P. Davison, United States Army, retired, to the grade of colonel in the Infantry Arm, with rank from November 20, 1914.

Capt. Robert C. Williams, United States Army, retired, to the grade of lieutenant colonel in the Infantry Arm, with rank from October 2, 1915.

Capt. Harold L. Jackson, United States Army, retired, to the grade of major in the Infantry Arm, with rank from March 11, 1911.

POSTMASTERS.

NEW YORK.

Hugh C. Dever to be postmaster at South Glens Falls, N. Y., in place of Ernest H. Palmer. Incumbent's commission expired December 18, 1915.

Robert C. Halpin to be postmaster at Hyde Park, N. Y., in place of John Hopkins. Incumbent's commission expired April 17, 1916.

John C. McGreevy to be postmaster at Hornell, N. Y., in place of W. H. Prangen. Incumbent's commission expired January 29, 1916.

Charles P. Monro to be postmaster at De Ruyter, N. Y., in place of Warren W. Ames. Incumbent's commission expires May 24, 1916.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate May 10 (legislative day of May 9), 1916.*

UNITED STATES CIRCUIT JUDGE.

Evan A. Evans to be United States circuit judge, seventh circuit.

UNITED STATES MARSHAL.

William A. Shelton to be United States marshal, western district of Missouri.

SECRETARIES OF EMBASSIES OR LEGATIONS.

CLASS 3.

Frederic R. Dolbeare to be a secretary of embassy or legation of class 3.

Hallett Johnson to be a secretary of embassy or legation of class 3.

John Latta Ryan to be a secretary of embassy or legation of class 3.

Eugene C. Shoecraft to be a secretary of embassy or legation of class 3.

CLASS 4.

Oliver B. Harriman to be a secretary of embassy or legation of class 4.

Louis A. Sussdorff, jr., to be a secretary of embassy or legation of class 4.

Sumner Welles to be a secretary of embassy or legation of class 4.

L. Lanier Winslow to be a secretary of embassy or legation of class 4.

POSTMASTERS.

COLORADO.

J. O. Miller, Boulder.

MISSOURI.

Oliver P. Gentry, Liberty.
Sadocia B. Herndon, Fulton.
James S. Herrington, Valley Park.

NORTH DAKOTA.

S. K. Kringlie, Portland.

OHIO.

Franklin Harper, Mount Vernon.
Frank G. Henry, Marietta.

WISCONSIN.

Dennis F. Blewett, Fond du Lac.
Joseph Le Fevre, Pulaski.

WITHDRAWAL.

*Executive nomination withdrawn May 10 (legislative day of May 9), 1916.*

Ray S. Sherman to be postmaster at South Glens Falls, N. Y.

## HOUSE OF REPRESENTATIVES.

### WEDNESDAY, *May 10, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We praise Thee, O Lord God, our heavenly Father, for the light of this another day, which fills the earth with its glory and makes glad the heart of man. So flood our souls, we beseech Thee, with the light of truth, that with clear vision and earnest hearts we may strive to do Thy will in whatsoever our hands findeth to do, in the faith, grace, courage, and fortitude of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

EMBARGO ON SHIPMENT OF ARMS.

Mr. FLOOD. Mr. Speaker, some question has arisen about the position of the German Government in reference to an embargo upon the shipment of arms, ammunition, and munitions of war from that country during the Spanish-American War. It has been contended by some that such an embargo was placed by that Government upon such shipments, and statements in the autobiography of Andrew D. White, the American ambassador to Germany at that time, have been cited to sustain the contention that such an embargo existed.

This contention is not justified by the facts, and in order to put this matter right I ask unanimous consent to extend my remarks by the insertion in the RECORD of the following:

Extract from the autobiography of Andrew D. White (vol. 2, p. 168).
Letter written by Mr. White to Mr. W. B. Blake and published in the New York Times, Saturday, January 29, 1916.
Letter from Secretary of State Lansing to Rev. William E. Barton, of Oak Park, Ill., which appeared in the New York Times, January 29, 1916.

The SPEAKER. The gentleman from Virginia [Mr. FLOOD] asks unanimous consent to extend his remarks in the RECORD by publishing a letter from the Hon. Andrew D. White, at one time ambassador to Germany, and other documents and letters. Is there objection?

There was no objection.

Following are the documents and letters referred to:

THE AUTOBIOGRAPHY OF ANDREW D. WHITE.

[Vol. 2, p. 168.]

As to the conduct of Germany during our war with Spain, while the press, with two or three exceptions, was anything but friendly, and while a large majority of the people were hostile to us on account of the natural sympathy with a small power battling against a larger one, the course of the Imperial Government, especially of the foreign office under Count von Bulow and Baron von Richthofen, was all that could be desired. Indeed, they went so far on one occasion as almost to alarm us. The American consul at Hamburg having notified me by telephone that a Spanish vessel, supposed to be loaded with arms for use against us in Cuba, was about to leave that port. I hastened to the foreign office and urged that vigorous steps be taken, with the result that the vessel, which in the meantime had left Hamburg, was overhauled and searched at the mouth of the Elbe. The German Government might easily have pleaded in answer to my request that the American Government had generally shown itself opposed to any interference with the shipment of small arms to belligerents, and had contended that it was not obliged to search vessels to find such contraband of war, but that this duty was incumbent upon the belligerent nation concerned.

This evidence of the fairness of Germany I took pains to make known, and in my address at the American celebration in Leipzig on the Fourth of July declared my belief that the hostility of the German press and people at large was only temporary, and that the old, good relations would be restored.

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[From the New York Times, Saturday, Jan. 29, 1916.]

CORNELL UNIVERSITY,
*Ithaca, N. Y., October 6, 1915.*

W. B. BLAKE, Esq., *New York City.*

DEAR SIR: The simple facts in the case to which you refer are as follows:

Receiving a message by wire from our American consul at Hamburg early during the war, to the effect that a Spanish vessel, supposed to carry munitions for Spain, was just leaving Germany, I asked the foreign office that the vessel be searched before leaving, my purpose being not only to get such incidental information as possible regarding the contraband concerned but particulars as to the nature of the vessel—whether it was so fitted that it could be used with advantage by our adversaries against our merchant navy, as had happened during our Civil War, when Great Britain let out of her ports vessels fitted to prey upon our merchant ships.

The German Government was very courteous to us in the matter, and it was found that the Spanish ship concerned was not so fitted up, and that the contraband was of a very ordinary sort, such as could be obtained from various nations. The result was that the vessel, after a brief visit, proceeded on her way, and our agents at Hamburg informed me later that during the entire war vessels freely carried ammunition from German ports both to Spain and to the United States, and that neither of the belligerents made any remonstrance. Of course, I was aware that, under the usages of nations, I had, strictly speaking, no right to demand seizure of the contraband concerned; but it seemed my duty at least to secure the above information regarding it and the ship which carried it.

I remain, Dear Sir, etc., ANDREW D. WHITE.

LETTER OF SECRETARY OF STATE LANSING TO REV. WILLIAM E. BARTON, OF OAK PARK, ILL.

[New York Times, Jan. 29, 1916.]

The department has received your letter asking whether it is true that during the Spanish War this Government requested the Government of Germany not to sell ammunition to Spain, and that the Government of Germany acceded to its request. In reply to your inquiry I have to say that no such request was made by the Government of the United States.

ROBERT LANSING,
*Secretary of State.*

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 5886. An act extending the time for the completion of the bridge across the Mississippi River at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912"; and

S. 5839. An act to repeal paragraph 4 of section 21 of the public-buildings act approved March 4, 1913, providing for the construction of a national archives building.

The message also announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 655. An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 3575. An act to amend section 5234 of the Revised Statutes of the United States so as to permit the Comptroller of the Currency to deposit upon interest the assets of insolvent national banks in other national banks of the same or of an adjacent city or town.

WITHDRAWAL OF PAPERS.

Mr. CLARK of Missouri, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Jason L. Boyd, Sixty-third Congress, no adverse report having been made thereon.

CALL OF THE HOUSE.

The SPEAKER. This is Calendar Wednesday.

Mr. MOORE of Pennsylvania rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. MOORE of Pennsylvania. To make the point of no quorum.

The SPEAKER. The gentleman from Pennsylvania makes the point of no quorum. Evidently there is no quorum present.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

| | | | |
|---|---|---|---|
| Aiken | Drukker | James | Peters |
| Allen | Eagan | Johnson, S. Dak. | Pou |
| Anderson | Eagle | Jones | Pratt |
| Anthony | Edmonds | Kahn | Price |
| Austin | Fairchild | Keister | Ragsdale |
| Ayres | Farley | Kennedy, R. I. | Rowland |
| Bacharach | Finley | Kiess, Pa. | Sabath |
| Barchfeld | Flynn | Konop | Schall |
| Beales | Focht | Kreider | Scott, Pa. |
| Bennet | Fordney | Langley | Scully |
| Borland | Gardner | Lee | Sears |
| Brumbaugh | Godwin, N. C. | Lewis | Shackleford |
| Burnett | Gordon | Lieb | Sherley |
| Butler | Graham | Liebel | Siegel |
| Byrns, Tenn. | Griest | Lindbergh | Slemp |
| Capstick | Griffin | Lloyd | Smith, Minn. |
| Casey | Hamill | Loft | Snyder |
| Chiperfield | Hamilton, N. Y. | Longworth | Sparkman |
| Clark, Fla. | Hart | Loud | Steenerson |
| Coleman | Haskell | Maher | Stiness |
| Conry | Hay | Martin | Sutherland |
| Costello | Heaton | Montague | Taggart |
| Dale, N. Y. | Hill | Mooney | Taylor, Colo. |
| Danforth | Hilliard | Morin | Tinkham |
| Darrow | Hinds | Moss, W. Va. | Vare |
| Davis, Minn. | Hollingsworth | Nelson | Watkins |
| Dewalt | Hopwood | North | Whaley |
| Dooling | Houston | Overmyer | Williams, Ohio |
| Driscoll | Huddleston | Patten | Wilson, Fla. |

The SPEAKER. On this roll call 317 Members, a quorum, have answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

INDIAN APPROPRIATION BILL.

Mr. CARTER of Oklahoma rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. CARTER of Oklahoma. To ask unanimous consent to call up the bill H. R. 10385, the Indian appropriation bill, for the purpose of asking that the House further insist upon its disagreement to the Senate amendments and agree to a conference.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to call up the Indian appropriation bill, insist on the disagreement to the Senate amendments, and agree to a conference. Is there objection?

Mr. MANN. Mr. Speaker, I shall not object to the request, which would be in order to-morrow, and I would not object if it were not in order. I think it proper to call to the attention of the House, and possibly others, the fact that in violation of all parliamentary practice—and I am not sure but that it would be subject to a point of order—the distinguished body at the other end of the Capitol acted upon the conference report on the Indian appropriation bill while the papers were in the possession of the House.

It is not possible, Mr. Speaker, to keep track of proceedings with reference to a bill that has been passed by one body where there is only one official copy of the bill, unless the two bodies of Congress observe the parliamentary practice of taking action on a bill only when it has the physical possession of the papers. There have been some bills lost, and it puts a burden upon the enrolling clerk which is unjust to him and unfair to the House. If papers become lost and both bodies act upon a bill without having the papers, it gives an opportunity either to make a mistake by accident or intentionally, which would not be done by the present enrolling force of the House, but it is bad practice. I do not think the Senate had any right to act upon the conference report without having the papers in the Senate. The papers were in the House.

Mr. CARTER of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MANN. Yes; I yield.

The SPEAKER. The Chair desires, if the House will permit, to indorse the remarks of the gentleman from Illinois [Mr. MANN]. The handling of these conference reports, with papers in them, ought to be done very carefully. Now the gentleman from Oklahoma [Mr. CARTER] and the House Members are not to blame. The Senate just walked off and left these papers lying on the table. It was like that case in the experience of Mr. UNDERWOOD in his first conference.

Mr. MANN. The papers were properly in the possession of the House conferees. That is where they belong.

Mr. CARTER of Oklahoma. If the gentleman will permit, I will say that the House conferees understood perfectly, and so did the Senate conferees, that the papers were in the possession of the House conferees. That matter was thoroughly discussed by the conferees, and it was agreed that the House should and would act before action by the Senate. What precipitated action in the Senate I am unable to say.

Mr. MANN. Well, it was either bad parliamentary law or a total disregard of the rights of the House, I do not know which.

The SPEAKER. Is there objection?

There was no objection; and the Speaker appointed as conferees on the part of the House Mr. CARTER of Oklahoma, Mr. KONOP, Mr. HAYDEN, Mr. CAMPBELL, and Mr. NORTON.

LEAVE TO EXTEND REMARKS.

By unanimous consent, leave was granted to Mr. SNYDER to extend his remarks in the RECORD.

FLOOD CONTROL.

The SPEAKER. This is Calendar Wednesday, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the flood-control bill, H. R. 14777.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes, with Mr. CARAWAY in the chair.

The CHAIRMAN. There is an amendment pending, offered by the gentleman from Wisconsin [Mr. LENROOT]. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. LENROOT: On page 20, strike out the word "third" and insert the word "half."

Mr. LENROOT. Mr. Chairman, this is an amendment that was offered last Wednesday, which, if adopted by the committee, will compel the States or levee districts in the building and construction of levees to contribute $1 for every $2 contributed by the Federal Government under this bill.

As the bill now stands the Government will be compelled to contribute $3 in the building of these levees for every $1 contributed by the local interests.

Mr. Chairman, the report of this committee shows that in the levees constructed in the past the local interests have contributed $3 for every $1 that has been contributed by the Government. Now, it is proposed in this bill to go to the other extreme and have the Government contribute $3 for every $1 contributed by local interests, and I submit that that is entirely unfair and unjust. If they have been able in the past, as they have been, to contribute $3 for every $1 the Government has contributed, surely they will be able in the future to contribute $1 for every $2 that the Government contributes, which is my proposition.

Mr. Chairman, the chairman of the Committee on Flood Control has addressed a circular letter, which I suppose every Member of the House has received, urging the defeat of this amendment that I have proposed. In this letter he undertakes to show that even though my amendment is adopted, there will be a saving of only $3,000,000 to the Government. What is $3,000,000 to the Democratic majority? Only a bagatelle. Evidently the gentleman thinks it is so small that the committee should not consider such an infinitesmal sum as that, and therefore that the saving of $3,000,000 is not of the slightest importance.

Further than that, the gentleman goes on in his letter and says:

The money spent in revetment should not be charged against flood control, but should be charged against navigation.

Let me say here that the bill as it now stands proposes that $30,000,000 of the Government's money shall be contributed in the next five years to the building of levees, and that the balance of it, or $3,000,000 a year, shall be used for the building of revetments.

Mr. Chairman, the hearings before the committee show that, while upon the face of this bill an expenditure of only $45,000,000 upon the part of the Government is authorized, if these levees are built, it is expected that before they shall be fully protected by revetments instead of an expenditure of $45,000,000 there shall be an expenditure of $105,000,000.

The CHAIRMAN. The gentleman's time has expired.

Mr. LENROOT. I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Wisconsin [Mr. LENROOT] asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. LENROOT. It is expected that there will be an expenditure of $3,000,000 a year for the next 25 years to come. Now,

the gentleman from Mississippi [Mr. HUMPHREYS] in this circular says these revetments should not be charged against the levees, because they are for navigation only. Mr. Chairman, I want to read from the hearings before this committee from the testimony of Col. Townsend, so that we may see whether or not these revetments are a part of this reclamation proposition or whether they are solely for navigation, as the gentleman from Mississippi [Mr. HUMPHREYS] contends. He says, on page 247:

What we do first, we set aside a certain fund for dredging and the maintenance of the channel of the river. That sum will also include the funds for running the commission—for services. Then, within the last few years, we are setting aside a sum which will utilize our plant for revetment work; and that, as we are revetting the banks which are threatening the destruction of levees, is practically a levee proposition. Then the remainder of the funds goes to levee construction.

Again, he says:

As I say, the revetment work itself is absolutely going into levees; it is a protection of the levees. It is saving a levee that would cost more to rebuild than it would to build this revetment. So I consider really that the revetment is as much levee construction as the money that is spent directly upon the levee.

That is hardly in consonance with the letter that the gentleman from Mississippi [Mr. HUMPHREYS] sent to each Member of this House.

Another thing that probably is not known by this House concerning these levees upon which we propose to expend this enormous amount of money: The location of these levees is not determined by the Mississippi River Commission or by any agent of the Government. The location of these levees is determined by the States and the levee districts in which they are situated, but the Government spends the money upon them. Upon that proposition I want to read from Col. Townsend. On page 240 of the hearings he says:

Well, under our present arrangement the location of the levee line is decided by the local authorities, especially in the State of Louisiana; in fact, the levee line of the State of Louisiana is decided by the chief engineer of the State levee board. That is about the only authority in the State of Louisiana that can decide the question.

And again he says:

There is always a chance for friction where you have two independent bodies, but practically we have found that if we apply to a local board and say we desire to have such-and-such a levee line located that it will locate the line where we desire it. Theoretically I am willing to say that I can not indorse our methods at all, but practically they have not worked so badly as you would think.

In other words, we are spending this $30,000,000 on these levees without any agency of the Government determining where the levees shall be built. Yet gentlemen object to an amendment of this character that requires these levee districts to contribute $1 for every $2 that the Government expends upon them. Mr. Chairman, if justice should prevail there would at least be equal contributions upon the part of these levee districts, and I sincerely hope that this amendment will be adopted. And let me say one word to the Republican side of this House:

Many have been stampeded on the assertion that the Republican platform calls for a vote for this bill. I want to say that it does nothing of the kind. The Republican platform pledges only that the United States Government ought to contribute its proportional share toward the expense of flood control. No man can say that the provision in this bill is a fair or equitable share for the Government to contribute. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, I wish to say a word in opposition to the amendment offered by the gentleman from Wisconsin [Mr. LENROOT]. It occurs to me that the United States Government could well afford to pay for all the improvements of this country necessary to prevent these disastrous floods. The United States Government has expended $400,000,000 in completing the Panama Canal. Why did it build the Panama Canal? Was it deterred in that great project simply because it improved adjacent territory? Is there anyone here asking that the people who owned the land adjacent to this great waterway should contribute one farthing toward its building? There are slides constantly occurring which is taking millions and millions of dollars to clean them out, and that results in improvement to the adjacent territory. Is there anyone here claiming that the adjacent territory should be made to contribute for that purpose?

I wish to say that it is my opinion that the improvement of the Mississippi River, in caring for the flood waters emptying into the Mississippi River is of more commercial importance to the people of the United States than the digging and construction of the Panama Canal.

This is a United States waterway, it does not belong to those people down there, and they are in no way responsible for the condition that presents itself by reason of the floods.

The gentleman from Wisconsin would have you believe that it is only the immediate territory adjacent to the Mississippi that is damaged by the floods. That is not the case, for hundreds of miles back from the river every time that the river gets on a rampage the lands are inundated, property destroyed, and lives endangered. If we had a great foreign foe threatening this country, would we not think it part of our duty toward our fellow citizens that we should repel the foe and protect the citizenship from it? Here is a foe not only threatening but doing the work each year, and it is a foe that these people should not be made to defend themselves against alone. It should fall upon the entire United States.

The waters from the North—from Montana, from New York, and all those States—flow down upon these people, and they are absolutely helpless. So I say that this thing should not be narrowed down to individual localities, because it is national in its scope. From 1881 down to 1890 every provision that passed the House in reference to the floods had a provision in it that it should not be used to prevent floods in that section of the country, but was merely for aid to navigation. I want to say to you that in my opinion in the observations we made from Cairo to New Orleans the navigation is a mere incident in comparison with the greater work that will be done in saving the country down there from the ravages of the floods.

So I say that in fixing the amount that the people of the locality ought to pay we should take into consideration the reasonable amount that the people in that locality should bear by reason of these floods. If that were to be the rule, they would have to contribute but a very small part individually, for they are responsible for a very small part of the flood waters of that country. If that were the rule, the country at large should contribute nearly the entire amount of the expenditure. I do not know how the gentleman from Wisconsin arrived at the amount the locality should contribute as compared with the amount the United States Government should contribute. It is a mere arbitrary fixation.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. MOORES of Indiana and Mr. DUPRÉ asked that the time be extended five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD of Indiana. Mr. Chairman, as I said, it is a mere arbitrary fixation of the amount. You might as well say that they should contribute it all, or that they should contribute three-quarters, or that they should contribute any given amount.

Mr. SMITH of New York. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. SMITH of New York. Is it not a fact that the people in the vicinity of Dayton and Hamilton, Ohio, are arranging to pay all the expenses of preventing the floods on the Ohio River?

Mr. WOOD of Indiana. I do not understand that that is true. I know the people of the Miami country which was visited by the flood waters in 1913 were asking this committee that they be given relief. I know that by a recent petition that came from the people of that country that the Army engineers now are trying to work out a scheme and making plans to take care of the flood waters of the Miami River. I know that some rivers in my own State are included and in Ohio and Pennsylvania that will be taken care of in time.

Mr. GARD. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. GARD. For the information of the gentleman I will state that I hold in my hand a report of the engineer in charge of the improvement of the Miami Valley comprising a form of flood-control improvement, not an appropriation bill but a bill which seeks to have the land benefited take care of the needed improvement. [Applause.] I commend this to the gentleman and members of his committee.

Mr. WOOD of Indiana. Who is the author of the report that the gentleman has?

Mr. GARD. The author of the report is the man employed by the people, a commission employed by the people out there to take care of their own problem. [Applause.]

Mr. WOOD of Indiana. That may be true. I am not here for the purpose of disputing it, but I am here for the purpose of edifying the Members of this House upon the fact that there are gentlemen engaged in States, perhaps Ohio may be one of them, who are exploiting different kinds of interests for the purpose of forwarding their different selfish interests. I hope that is not true in the State of Ohio, but I do know that the people of the State of Ohio are asking relief from this committee and that we are receiving communications from them.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. FREAR. Is it not true in this case that 15,000,000 acres are reported by the committee to be reclaimed by this act, and, according to the testimony, they will be valued at about $100

an acre when reclaimed—not the testimony before the committee, but the testimony of those who have submitted statements?

Mr. WOOD of Indiana. I admit that is true, but what of it?

Mr. FREAR. The gentleman suggests private interests. That would amount to $1,500,000,000 in that one case; that ought to pay its fair share toward this reclamation project.

Mr. WOOD of Indiana. I admit that that is true, but what is its fair share? The same thing might be said with reference to the gentleman's country. If it had not been for Federal aid, if it had not been for the strong arm of the Government in developing his country by reason of putting the great railway systems through there, would the lands in his State have been worth a hundred dollars to-day? By reason of the fact that the railroads were put through and that millions and millions of dollars were expended in the improvement of the rivers and harbors in his State the lands there are worth what they are to-day.

Mr. FREAR. Every dollar of expense for the reclamation of lands in my State from swamps is borne by the property holders and those lands are just as valuable and important to the people of my State as are the lands along the Mississippi River important to the people who reside there.

Mr. WOOD of Indiana. Yes; and your streams are but little bits of branches that are within the confines of the State, rising there, perhaps, and having their outlets into other streams that are directly contributing to this great flood situation down in the Mississippi Valley. That is the reason I say the Members of this Congress should be broad-minded enough to know that in the improvement of our lands throughout the north country we are devastating the lands of the south country. Every string of pile put in in Indiana is precipitating that much more water into this flood situation down there.

Mr. FREAR. Has the gentleman studied the gauge reports at Cairo, which show that it is not the cultivation of the lands, it is not the drainage of the lands, that causes the floods, but the erection of levees, which are damming up the waters to-day, bringing the water from a distance of 70 miles at Vicksburg down to a distance of from 3 to 5 miles. It is the damming up of the waters.

Mr. DUPRÉ. Does not the gentleman know that that has been contradicted by every engineer of repute?

Mr. FREAR. I have quoted an engineer to that effect.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FREAR. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more. I took up a good deal of his time.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, before the gentleman proceeds, I wonder if we can not agree on some time for debate on this paragraph?

Mr. LENROOT. I have another amendment to the paragraph. I am willing to agree to close debate on this amendment.

Mr. GOOD. I want to offer another amendment to this paragraph.

Mr. HUMPHREYS of Mississippi. We ought to be able to agree on some time. We are reading this bill by paragraphs, gentlemen understand, and not by sections, on the assurance that we will be able to get through; that there would be no attempt to delay.

Mr. LENROOT. I suggest that we agree on time on this amendment and run on a while.

Mr. MANN. Let us agree on time on this amendment. I agree with the gentleman that there was the understanding in the House that we would endeavor to finish this bill to-day; that we would conclude the bill to-day, and I shall try to help the gentleman in that respect.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 50 minutes, one half of that time to be controlled by myself and the other half by the gentleman from Wisconsin [Mr. LENROOT].

The CHAIRMAN. Is there objection?

Mr. CULLOP. Mr. Chairman, I would like to inquire if the 50 minutes include the 5 minutes to be granted, I hope, to my colleague from Indiana [Mr. WOOD]?

Mr. FOSTER. Let the gentleman have 5 minutes additional to the 50 minutes.

Mr. HUMPHREYS of Mississippi. I understand the gentleman from Indiana to have five minutes in addition to that.

The CHAIRMAN. Is there objection?

Mr. SMALL. Mr. Chairman, I object.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I move that all debate on this amendment close in 55 minutes.

The CHAIRMAN. The gentleman from Mississippi moves that all debate on the amendment close in 55 minutes.

Mr. SMALL. Mr. Chairman, I move to amend by making it 60 minutes.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I will accept the amendment and modify my motion to make it 60 minutes.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Mississippi that all debate on the pending amendment close in 60 minutes.

The motion was agreed to.

Mr. WOOD of Indiana. Mr. Chairman, I will say only a few more words with reference to the suggestion of the gentleman from Wisconsin [Mr. FREAR] concerning what the engineer says about the floods and the increasing floods at Cairo. Those floods are shown to be increasing not only in frequency but in volume at Cairo. The devastation is below Cairo. The cause of the floods is attributed to a great many reasons. Some gentleman has figured out that it is caused entirely by the destruction of the forests, and we are told that one elm tree 2 feet in diameter drinks five hundred and sixty-odd gallons of water in a day. That may be true, but that is getting it down so fine that it is beyond my ken. But we are not confronting a theory, we are confronting a condition, and what is true with reference to the reclamation of those lands down there and their being made to bring forth material wealth to the country is a matter that is of importance to the United States, including all sections of the country.

And if the flood waters of this country, that come from more than three-fourths of the territory of the United States, are devastating that land there and keeping this 16,000,000 acres worthless, why is it not the part of economy for the United States to undertake to remedy the evil that is making this devastation possible? This is a project that belongs to the United States. It is a flood that is caused by the waters of the United States; not by the waters of Indiana or Ohio alone, but by the waters that come from far-away Montana and far-away New York, all of which spread themselves out over that country, and the North is precipitating its waters faster and faster each year onto this flood district.

Mr. FESS. Will the gentleman yield?

Mr. WOOD of Indiana. Yes, sir.

Mr. FESS. Conceding that deforestation and also drainage do put water in the channels quickly and produce this flood, is the gentleman satisfied that this inevitable flood that is bound at times to come down—is the gentleman satisfied that this method will remedy it?

Mr. WOOD of Indiana. Yes; I am satisfied that it will remedy it. I am satisfied that these engineers—Col. Townsend, who especially has spent more than half his lifetime in studying the problem, I believe that he, impartial as he is, fair-minded in all things as he is, will convince any man here if he will listen to him that this project is a feasible one and that it will reclaim the land which they are claiming it will reclaim.

Mr. FESS. Will the gentleman permit another interruption?

Mr. WOOD of Indiana. Yes.

Mr. FESS. The only concern I have in voting this money out of the Treasury is whether or not it will not be wasted. That is the only concern I have. I would vote for it quickly if it would do the work.

Mr. WOOD of Indiana. We do know that the levees will do it where the levees are made high and strong. We saw a demonstration of the practicability of the strong levee, and we saw a demonstration of the impracticability of the weak levee down there. We went about a distance of 35 miles, going from Greenville to Vicksburg, really 150 miles, but 35 miles of that distance was in 52 inches of water on top of the railroad iron, through which we were running with two engines. That water came by reason of a break in a levee that happened more than 60 miles away. Had that levee been intact and strong, as the Government levees have been, and they do not break, this country through which we were running would not have been flooded—there was water 40 miles on either side like that—and it would have been as dry as this floor is here to-day. So there was a demonstration of how the thing works; and the trouble about the whole business is there has been enough money wasted in work down there to have completed a flood-control scheme if it had been scientifically applied, if it had been invested under the direction of one central scheme and one supervising architect.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. MOORE of Pennsylvania. What difference is there in the method that has heretofore been employed and the method that is to be employed?

Mr. WOOD of Indiana. There is this difference in the method. These people when they depended entirely upon their own resources in building these levees built them low and narrow and they did not take pains to see that the rubbish was moved out from inside of the levees. In consequence of that as quickly as the rubbish on the inside began to rot away these breaks came in these levees, and they have been repairing them and repairing them and they have been making the best that they could out of the situation that has presented itself.

Mr. MOORE of Pennsylvania. The gentleman knows the Mississippi River Commission has been in operation since its creation in 1879 and that this bill proposes to continue its work. Now, if there has been waste in the past and this money has been misapplied, what is the advantage in continuing the system as proposed in this bill?

Mr. WOOD of Indiana. This advantage—and I am glad the gentleman asked the question. Heretofore they have been making these improvements as an incident to the navigation of the Mississippi River, and the flood control of the waters for the purpose of saving the devasted country was a mere incident. The prime purpose was that of navigation. Now, it is the purpose of this measure, and measures that are to follow it, to take up the thread of the work where it is left off and continue it and have the work continued. The trouble has been in times past that they have reached the end of their string and had to quit. They did not have any money with which to go on, and in that way a great amount of money was wasted. Now, it will be a continuous proposition until it is completed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLINE. Is it not true that the revetment of the levees constitutes a very material element in making the levees substantial enough to hold the water back?

Mr. WOOD of Indiana. Absolutely.

Mr. CLINE. And that is a new feature.

Mr. WOOD of Indiana. My time has expired.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. ADAMSON having taken the chair as Speaker pro tempore, a message from the President, by Mr. Sharkey, one of his secretaries, announced that the President had, on May 10, 1916, approved and signed bills of the following titles:

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes; and

H. R. 10750. An act permitting the Mondak Bridge Co. to construct, maintain, and operate a bridge across the Missouri River, in the State of Montana.

FLOOD CONTROL.

The committee resumed its session.

Mr. GARD. Mr. Chairman——

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. Is the gentleman from Ohio for or against the amendment?

Mr. GARD. Mr. Chairman, I speak for the Lenroot amendment.

Mr. Chairman and gentlemen of the committee, what I am about to say is not said in complaint or criticism, for I realize the fact that the lower part of the Mississippi River bears a great burden of flood waters and therefore it, of all parts of the United States, ought to be adequately protected. And I do not speak and shall not speak against any appropriation of necessary money for the protection of the lower part of the Mississippi River, but will gladly do all in my power to afford such protection.

I have been prompted to speak at this time because of the statement of the gentleman from Indiana [Mr. WOOD], who is a member of this newly created Committee on Flood Control, concerning the character of improvements for flood control in the State of Ohio. My only objection to this bill, which has been brought out from the Flood Control Committee, is that it is not a bill such as the House has been led to expect. When this committee was created, I think it was in the mind of every man who voted for the creation of the committee that this body of men would give their study to the problem of affording protection and control of flood waters as a nation-wide project. I am sorry that the committee has not approached it in that way, but has chosen instead to present a system of local improvements and appropriations for local improvements.

I realize that this is the big unit in flood control, but I feel that the plan which the committee was by the House invested with power to determine was greater than merely the consideration of the one largest unit. Therefore my regret, and I think the regret of the Members of the House, and I am sure the regret of the people of the United States, is that this committee has not tried to report to this House a comprehensive plan of flood control.

Mr. SWITZER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to his colleague?

Mr. GARD. I will momentarily. I have not much time.

Mr. SWITZER. Will the gentleman please state to the House the outline of the Ohio plan that he has in mind, in contradistinction to the plan embodied in this bill?

Mr. GARD. I was about to come to that, Mr. Chairman. On the Great Miami River in Ohio, which, of course, is inconsequential in comparison with the great Mississippi River, in a region typical of the average country damaged by flood, the people of Ohio have made through legislative provision a law which is State-wide in its aspect and its benefit, and as to that I shall endeavor briefly to advise this committee. This law was written largely by one man, the Hon. John A. McMahon, of Dayton, Ohio, the dean of the Ohio bar, and a man who saw honored service in this House of Representatives, and who, as the climax of a career of public service, has given his very best efforts in order that the people of his community and the State of Ohio may be protected, in so far as legislative enactments can protect, against damage by flood.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GARD. May I ask unanimous consent to proceed for five minutes?

The CHAIRMAN. The time has been allotted.

Mr. REAVIS. Mr. Chairman, I was given five minutes' time on this debate. I will yield my time to the gentleman.

Mr. GARD. I thank the gentleman.

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes more.

Mr. GARD. Coming immediately to the discussion of the way in which the State of Ohio takes care of its problem, I will say that in 1914 the Legislature of the State of Ohio passed what is called a "conservancy law," for the purpose, first, of controlling floods and regulating stream channels by widening and deepening the streams; second, of reclaiming and filling wet and overflowed land; third, of providing irrigation where it may be needed; and, fourth, of regulating the flow of streams by diverting in whole or part and eliminating watercourses, and so forth. In other words, it is a proposition that deals, not in a local way, but is beneficial to the people of the entire State and, indeed, Nation, in the solution of the problem of control of flood waters.

The distinction between the Ohio plan and the plan of the committee of which the gentleman from Mississippi [Mr. HUMPHREYS] is chairman is that the Ohio plan recognizes the necessity of a general plan for taking care of its flood waters and provides for the payment therefor by assessments. The land benefited by this improvement bears the cost of making the improvement.

I realize that this question of protection of the lower Mississippi Valley is, of course, necessarily on a scale of much greater magnitude than the protection afforded in any nonnavigable river such as the river I have spoken of, but the plan should be the same; and I think what the House has been led to expect from this committee is a plan which would extend all over the United States, which would preserve the property and lives of the people everywhere against the encroachment of floods.

That is what the House wants to know, and not merely that an appropriation of $45,000,000 is brought here for passage. That is not what this committee should have done, because I think everyone will vote, if it is deemed necessary to do so, for the appropriation of any amount of money for the protection of the lower Mississippi River. I am sure that I would do so.

Mr. SWITZER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. GARD. Yes. I have but a very short time, but I will yield.

Mr. SWITZER. By what method would you control the water of a flood according to the Ohio plan, and in what way does it differ from the method proposed for the control of the Mississippi? That is what I wanted the gentleman to point out.

Mr. GARD. The Ohio plan is a legislative enactment which provides that a board which is selected shall have the power to call before it competent engineers to determine the proper kind of protection for a given locality. Everyone knows that the question of flood protection depends on the locality, that one sort of protection may be properly afforded in the Mississippi Valley and another in the Missouri and another elsewhere. There is no one general plan of flood protection that you may lay down as

being right and another wrong. What the House wants here is a general plan of authorization to act. It wants information from the committee as to what it recommends as a constructive and general law. If the committee is to take the place of an appropriation committee and make local improvements, that is one thing; but I do not think that is what the House wants.

As I conclude, I wish to say again that I have no criticism against the members of the committee or against what they have done, except to regret that they have not done what the House desired them to do. I believe that in the matter of flood protection, if it is possible for the people of a locality to contribute according to the benefits derived, they should participate in the cost of that improvement. Unquestionably this should be done in any land-reclamation project where the value of adjacent lands is greatly increased, as it is said would be done by this bill. Therefore I shall vote in favor of the Lenroot amendment.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. HUSTED rose.

The CHAIRMAN. The gentleman from New York [Mr. HUSTED] is recognized.

Mr. HUSTED. Mr. Chairman, I sincerely trust that the amendment offered by the gentleman from Wisconsin [Mr. LENROOT] will not be adopted, because I believe that it is unnecessary and unjust and is fraught with a certain amount of danger to the success of this undertaking.

Since 1880, when the United States Government took charge of the matter of the construction of levees on the Mississippi River, $90,000,000, in round numbers, has been contributed by local interests and $30,000,000 by the Federal Government. The amount which has been contributed by local interests has been very largely, if not wholly, controlled by the Federal Government, because the Federal Government has been in a position to say that it will not extend any aid to any particular levee district unless the local interests contribute as much as in the opinion of the Mississippi River Commission is a just and fair share.

Many gentlemen seem to proceed upon the idea that under this bill, in the form in which it was introduced, the local interests would contribute only $10,000,000. That is not true, and it is only fair to assume that the Mississippi River Commission, which is an agency of the United States Government, will continue to compel the local interests to contribute as much as in their opinion is a just and equitable share, as they have done in the past, ever since 1880.

In my opinion, if this bill becomes a law in its original form, the local interests will contribute not $10,000,000, but at least $15,000,000.

Now, the territory along the Mississippi River on which these levees have been constructed and are to be constructed is divided into levee districts. There are some 22 of these levee districts. Some of them have a very large assessable area in proportion to their levee frontage; others have a very small assessable area in proportion to their levee frontage. Some of these districts are very prosperous; others are on the verge of bankruptcy.

Now, the reason why the committee provided in this bill that the local interests should contribute not less than one-third of the amount contributed by the Federal Government was because there are several of these levee districts which can not afford to contribute more than one-third toward the cost of the project. The question was put to Col. Townsend, the chairman of the Mississippi River Commission, "Colonel, what in your opinion is the most which the least financially able levee district could afford to contribute toward the cost of this improvement?" And Col. Townsend, in reply to that question, said that there were several districts that could not afford to put up $1 to the Government's $2, and that is the reason why the one-third ratio was fixed in the bill. Now, the gentleman from Wisconsin [Mr. LENROOT] says if these districts have contributed three times as much in the past as the Government has contributed, they certainly will be able to contribute one-half as much in the future; but the gentleman from Wisconsin fails to realize that while those levee districts were contributing three times as much as the Federal Government they were exhausting their ability to contribute, and some of these districts are now in such a condition that they could not raise enough money, unless you burdened them beyond the bounds of reason and beyond the bounds of justice. [Applause.]

Mr. GOOD. Mr. Chairman, in 1909 there were quite a number of the Members of Congress who took a trip down the Mississippi River from St. Louis to New Orleans. I had the good fortune to be in that party, and I do not believe that I understood the great problem of the control of the flood waters of the Mississippi before as I did after taking that trip. It is a great problem, and one that I believe should have the assistance of the National Government so far as paying for the control of the floods is concerned; but I believe the amendment offered by the gentleman from Wisconsin [Mr. LENROOT] is a reasonable amendment and should be adopted. I recall one day on that long trip down the river looking out over Arkansas, and as far as one could see there were no signs of habitation. The question was asked some of the Arkansas Members as to the reason for that lack of occupancy and cultivation of the soil, because the land seemed to be fertile. It was of that character described by the chairman of the committee, Mr. HUMPHREYS of Mississippi, in his speech, when he said:

> Sixteen million acres of the geological cream of the earth are awaiting the magic touch to spring into fields of waving beauty.

It did seem to us that that was the case, and the question was asked of the Members from Arkansas as to whom does that land belong and what its value was. The reply was that it was largely held in large holdings; that it had no value except a speculative value; that it is held by men who kept it for speculative purposes. If I understand these hearings correctly, there are 20,000,000 acres sought to be controlled in this way, 20,000,000 acres that we are going to reclaim. I do not believe this bill correctly states the amount of expense necessary for the redeeming of this land. Maj. West, an Army engineer, before the Committee on Rivers and Harbors a couple of years ago, said that it would cost $228,000,000 to revet and build levees for the Mississippi, and that did not include the revetting or building of levees on its tributaries. Now it is proposed here to do this work for $45,000,000. I do not believe the gentleman from Mississippi [Mr. HUMPHREYS], the chairman of this committee, will seriously contend that $45,000,000 will at all complete the great work and control the floods of the lower Mississippi. From my reading of the testimony I am satisfied that it will take a great deal more than that, and if that is not true then some of the Army engineers have laid themselves liable to severe censure by Congress.

What is the Lenroot amendment? The Lenroot amendment provides that one-third of the cost of this improvement shall be borne by the States and two-thirds by the Government. The States, through their legislatures, have a right to levy an assessment upon these large holdings of land for improvements that add to the value of the land. I will say that I have no doubt if floods could be prevented that land on the Arkansas side of the character I have described would actually sell for more than $100 an acre, and I was told at the time of my trip that that land was selling for speculative purposes at from $5 to $15 per acre. Are we not going to do something to prevent these land sharks from reaching their hands into the Federal Treasury and taking out large sums to make an improvement that is to add greatly to the value of their land, without in some way providing that they shall pay some adequate return for the benefits they receive? I think the gentleman from Ohio [Mr. GARD] has hit the nail on the head with regard to improvements of this kind. In practically every State of this Union, in making internal improvement of this kind, it is provided that at least a portion of the cost shall be assessed against the property that is benefited. We provide nothing of the kind here, and we hold out to the States whose lands are to be improved no inducement to pass that kind of legislation. Why adopt a plan of economy for expending State and municipal funds and one of extravagance for Government funds? I am sorry my Republican friend failed to read what the party said in its last platform with regard to an equitable division of the cost of this improvement. [Applause.]

Mr. DUPRÉ. Mr. Chairman, the people of Louisiana are watching with strained and eager eyes the proceedings of this House to-day, and praying with anxious hearts that before it adjourns this bill, which means so much to us and for which we have been working so long, will have passed and have been sent to another Chamber for consideration. Their interest and hopes are not limited to any class or section of our people. The sentiment for flood control, under Government auspices and with Government aid, is universal in our State, but I do not suppose that there is any part of it more vitally interested in and more anxious for its early consummation than the district that I represent, bisected as it is from end to end by the great Father of Waters. The city of New Orleans, which I have the honor in part to represent and beside whose doors flow the waters of 40 States, is especially concerned about this question and has a right to expect and believe, after the liberality with which it has taxed itself for protection, that the Government will do its share. It is not asking for aid for itself, for we, without any Government assistance and under a system of taxation which almost amounts to confiscation, have built a system of levee protection that will care for that city; but the

interests of the whole State and that of its great city are inseparably interwoven, and so the entire population of that metropolis is aroused to the greatest tension over what is being done here to-day.

In the four parishes which I represent—Jefferson, St. Charles, St. John, and St. James—however, the question is even nearer and a more personal one, involving as it does, every piece of property in those parishes, and the life of every man, woman, and child, for, sad to say, some of the worst crevasses in the whole history of levee breaking have taken place in those parishes. It is a long tragic roll—the crevasses at Bonnet Carre, Nita, Belmont, Ames, and Hymelia, the most recent and one of the most disastrous of all, which occurred in the terrible flood of 1912, and which, according to the hearings on this bill, caused a property loss of more than $5,000,000.

Our people, Mr. Chairman, want to thank this House for the way in which this measure has been received and for the nonpartisan character of support which it has obtained, and which, we trust, will be further evidenced on final passage. [Applause.]

It is, of course, discouraging to us that the gentleman from Wisconsin [Mr. LENROOT] has seen fit to offer an amendment to increase the proportion of local contribution that our people will have to make should this bill pass, over and beyond that suggested by the committee. We are not mendicants; we are willing to help ourselves, but after all we have done in that direction we had hoped that the relative basis of Government and local aid on a proportion of three to one would be recognized by all as fair and just.

The Government engineers, in their statement before the committee, thought that it would be reasonable and equitable, in view of the tremendous sums that the States of the Mississippi Valley have already contributed out of their own pockets, for the Government of the United States to contribute four dollars to every one tendered by the local communities. The committee modified the engineer's suggestion and adopted the plan of three to one. Now comes the gentleman from Wisconsin, and, I am sorry to say, in a sense, the gentleman from Illinois [Mr. MANN], suggesting that a further modification should be made, and that the levee tax-ridden people of Tennessee, Arkansas, Mississippi, and Louisiana must put up one dollar for every two that comes out of the Public Treasury. Oh, I suppose we will do it if you drive us to it. Certainly it will be better than what we have been doing in the past, putting up three dollars for every dollar that you, with niggardly and almost unwilling hand, have given us. But I do want to call your attention to the fact, for instance, that since 1880 my State has spent more than $45,000,000 in an effort to protect itself from the ravages of the river. Why, gentlemen, do you know that the levee tax in the city of New Orleans alone some years ago amounted to $675,000—3 mills on an assessed valuation of $225,000,000? The Orleans Levee Board is authorized by constitutional amendment to meet a bond issue, which was floated some years ago, to levy a tax of from 1 to 3 mills, as necessity required. Last year the tax was 2 mills, or $500,000. Is it right to ask one community to bear such a burden as that? And what is true of levee taxation in New Orleans is equally true in other levee districts, not so rich as ours and not so well able to bear the awful burden as we have been.

I plead to you gentlemen not to support the Lenroot amendment. Show that you realize the national character of the Mississippi River problem, and that you, even those who have never seen the river at flood time and have no knowledge of its horrible possibilities and of the awful feeling of insecurity that comes over our people every spring when a rise is anticipated, will stand by the committee's proposition, fair and just, and vote down the ungenerous and narrow and, I do not like to believe, sectional spirit that prompts the amendment of the gentleman from Wisconsin.

Mr. Chairman, I was not in the Chamber on last Wednesday when the other gentleman from Wisconsin [Mr. FREAR] made his speech, but, learning that he had made certain observations concerning Mr. John A. Fox, I watched with interest for its appearance in the CONGRESSIONAL RECORD. It finally appeared in Monday's publication, 20 pages of it—I suppose in the usual revised form that the gentleman makes a practice of indulging in—and to those who have any intention of reading it, if there be such, I will suggest that it is entirely worthy of its author.

The House knows the gentleman from Wisconsin, his characteristics and tendencies and obsessions on the subject of river and harbor matters, and so I will not undertake to answer any portion of his address save only to say a few words regarding Mr. John A. Fox, to whose open and active efforts in behalf of the Mississippi River he seeks, by innuendo and insinuation, to give a sinister aspect. It happens, gentlemen, that I have known Mr. Fox well and closely for more than 30 years. We were boys together in the same part of the State in which I was born and lived until I went to New Orleans. We were classmates at the Tulane University in that city during the entire four years of our college course, and we received our bachelor degree on the same day, back in June, 1892. Though our paths diverged for a while thereafter, I have always kept in touch with him and have renewed my close personal intimacy with him during the six years of my congressional service. When I first came to Washington he was connected with the National River and Harbors Congress, engaged in the same character of work which he has been latterly doing for the Mississippi River Levee Association. His work has always been in the open, his methods have been scrupulously honorable in every particular, and I regard his labors as one of the most effective factors in molding the public opinion that is compelling Congress to-day to take cognizance of the Mississippi River problem and to seek to solve it. John A. Fox was born on the river and lived on its banks below the city of New Orleans for a number of years. He was connected with the Louisiana State board of engineers and subsequently with levee work in the State of Arkansas, and his standing in his profession is attested by the fact that he is a member of the American Society of Civil Engineers. One of the reasons why he has been so effective is because his work has been a labor of love. He knew at first hand the conditions in the Mississippi Valley, and was able, through his own experiences and familiarity with the subject, to convince those who were in ignorance of them. Let the gentleman from Wisconsin call him what he cares to—lobbyist, publicity agent, universal legislator, or anything else that the gentleman wants to apply to him in an effort to discredit his activities—but I will tell you the people of the Mississippi Valley owe him a debt which never can be repaid. [Applause.] And I say now that in any element that goes to constitute a clean, high-minded, industrious, intelligent, honest man I would sooner take my chances with John A. Fox than with some Members of this House whom I know and might mention. [Applause.]

Mr. SMALL. Mr. Chairman, this paragraph under discussion relates to the construction of levees, and while it may be contended that there is some incidental benefit to the navigation of the river from the construction of the levees, the main, primary purpose is for land reclamation. This amendment has to do with the proportion of the contribution by the ownership of the land to be reclaimed. The amendment seeks to fix that proportion at one-half instead of one-third, as fixed in the bill. I think the amendment is wise, just to the United States, and just to the landowners. Out of the 77,000,000 acres of unreclaimed wet land in the United States, as reported by the Inland Waterways Commission, there are millions of acres of this land which, if ever reclaimed, will be reclaimed at the entire expense of the landowners. In the progressive States of this Union modern drainage laws have been enacted for reclamation of wet lands, the total expense being borne by the landowners themselves.

Now, we will all agree that exceptional conditions are presented as to these lands along the Mississippi River. As one Member of the House I am in favor of the United States contributing and aiding in their protection and reclamation, but one-half is a fair local contribution.

It is said, Mr. Chairman, that these levee districts have already paid large exactions in the form of assessments that in some instances they have become impoverished. Admit that, if you please, Mr. Chairman—and as to the truth of it, I know nothing except from the statements made here—and what is the inference from it? It is that the States in which these levee districts are situated are not contributing their share as States and are not looking upon this question from the broad viewpoint which they should. There is in this bill a provision for the protection of land in the Sacramento Valley and the San Joaquin Valley in California, but the State of California is to make a contribution dollar for dollar. The difficulty with these States along the lower Mississippi is that there is no unity of purpose, there is no cooperative spirit among their people. Only the State of Louisiana levies a State tax for levee purposes. In the river and harbor bill, where the Mississippi River has been provided for heretofore, both for land protection and for navigation, the delegation from the State of Mississippi has been divided. It is the duty of the great States lying along the lower Mississippi which are benefited, whose lands are reclaimed by this protection and which are benefited as a whole by this protection, to go to the rescue of these levee districts and by their aid contribute their proportion for their reclamation and protection.

I say again, Mr. Chairman, favoring as I do this idea of cooperation by the United States, believing that it is more than a

levee-district matter, more than a State matter, that after all the chief and primary benefits come to the lands to be reclaimed; and, secondarily, to the States in which they are located; and it is the duty of the several contiguous States to meet the United States fairly.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. SMALL. Just one moment. I would like to make one other suggestion. Was this Committee on Flood Control created entirely for the protection of wet and overflowed lands along the Mississippi and the Sacramento and San Joaquin Rivers, or are there other sections of the United States containing overflowed lands which are looking to this committee and to Congress in the future for legislation and appropriations for their reclamation? If there are, let me say to them that they will find the temper of the committee, as I believe, and I am sure the temper of the House, such that there shall be a larger proportionate cooperation than one-third—at least one-half—for we must treat every section alike. I now yield to the gentleman from Illinois.

Mr. DENISON. Mr. Chairman, the gentleman has spoken of State contribution. I assume he means the State government should contribute?

Mr. SMALL. Yes.

Mr. DENISON. I think we will all agree that the States ought to contribute, but if they are not in a financial condition to do so they can not, and if they can not do so for that reason, or if they refuse to do so for other reasons, then does the gentleman think that this Government ought not to step in and do anything for those people down there?

Mr. SMALL. Mr. Chairman, I do not believe the people of the United States should be penalized for a lack of public spirit and enterprise on the part of the people of those States primarily benefited. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. RUSSELL of Missouri. Mr. Chairman, the purpose of this amendment is to require the local districts along the Mississippi River to contribute one-half as much as the Government contributes of the necessary taxes to protect that country from floods of the Mississippi River. The bill, as it is written and now pending in the House, provides that the local levee districts shall pay not less than one-third the amount paid by the Government. That proportion is discretionary, I understand, or will be with the Mississippi River Commission. If in any case the Mississippi River Commission thinks the local authorities ought to pay more than one-third of what the Government pays, they will have the right to require them to do so.

Mr. RUCKER. One-fourth.

Mr. RUSSELL of Missouri. One-fourth of the entire amount, one-third of the amount the Government pays. I am very familiar with the Mississippi Valley, at least a part of the valley. I realize very well from practical experience and observation what floods in that country mean to the people and the great inconvenience suffered and damages sustained.

Mr. SWITZER. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL of Missouri. I have not the time. The floods that periodically come to the people of the Mississippi Valley are something not realized by people who do not live in that country or who have not given close attention to the subject. A commission was appointed by the governor in our State in 1912 to make a report of damages sustained by the people in five counties in my district during the flood of that year, and they reported that the damages by reason of that flood in one year were more than $13,000,000. The gentleman from North Carolina [Mr. SMALL] says that we should be willing to pay at least one-half of the amount the Government pays, and he thinks that would be a fair proportion for the local authorities to pay. He seems to forget that local levee districts have already paid more than three dollars to one on the levees that have been heretofore constructed, and if we carry out the provisions of this bill the Government will not then have paid one-half as much as the local authorities will have paid.

Mr. SMALL. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL of Missouri. I have not the time. I know very well that in the district which I represent we have already expended $3,500,000 in the construction of levees, while the Government has expended in that time about $1,200,000, only about one-third of what the local authorities have expended. The county in which I live, a small county, has already paid or obligated itself by bonds to pay $1,600,000 for the building of levees.

The Mississippi River is a great national stream that drains all or part of 31 States, and the entire country should help our people to secure protection from its flood waters.

The people of the Delta are now taxed almost to the limit of their capacity, and I hope this amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WILSON of Louisiana. Mr. Chairman, as has been stated, the ratio as fixed in this bill of three dollars by the Government to one by the local interests was not fixed except after a very close and deliberate consideration of the testimony adduced before the committee. The testimony showed that since 1880, since there had been any cooperation whatever between the Government and the local interests, the local interests have expended for levee construction $91,000,000 to the Government's $29,000,000. The ratio was fixed in the bill upon the basis of the financial condition of the levee boards to contribute to this work.

This has very often been referred to as a drainage or reclamation proposition. I want to say to the gentleman from Wisconsin [Mr. FREAR] that these levees are not built for the purpose of draining lands. There are drainage districts along the Mississippi Valley now bonded up to $40,000,000 for that purpose. The Government is not asked to contribute one dollar toward the drainage of the lands in this country, and I want to say, further, that while it is true that bank revetment often saves and protects a levee, yet the bank revetments are constructed solely for the purpose of preserving the integrity of the channel of the Mississippi River, and that should not be charged up to levee construction. Under the ratio as fixed in the bill, if the bill passes, the local interests will have contributed $106,000,000 while the Government will have contributed $56,000,000 toward levee construction. Col. Townsend knows more about the ability of these levee boards to pay than any other man, and, according to his testimony, a fair ratio of contribution would be $4 by the Federal Government to $1 by the local interests, and when the committee fixed the ratio at three dollars to one, it placed upon the local interests every dollar that they are able to contribute within five years for the completion of the levees.

Mr. REILLY. Mr. Chairman, the gentleman says that this is not a drainage proposition.

Mr. WILSON of Louisiana. It is not.

Mr. REILLY. Is it not a reclamation proposition?

Mr. WILSON of Louisiana. No; it is a protection proposition.

Mr. REILLY. Is it not for reclaiming lands?

Mr. WILSON of Louisiana. It is for preventing the flood waters of the Mississippi from going over the lands along the banks of the Mississippi; but it is not a reclamation; it is not a drainage proposition.

Mr. CHIPERFIELD. Mr. Chairman, I would like to have the gentleman yield for one question, even though the time has expired. I would ask unanimous consent for that purpose if it may be done.

The CHAIRMAN. There is no power in the Chair to do that.

Mr. CHIPERFIELD. Let me suggest that it is a matter concerning which I wish to inquire that we ought to have some information about, a matter which I think is highly essential, and I would like to have some Member give us some information upon it, as it will be a controlling factor in voting upon this section of the bill sought to be amended by the Lenroot amendment.

The CHAIRMAN. The Chair would suggest that there are other gentlemen to speak on either side.

Mr. CHIPERFIELD. But, Mr. Chairman, is it not in the power of this committee to allow a question to be answered that is of such importance that it may affect some votes?

The CHAIRMAN. The gentleman has not made any request of the Chair.

Mr. CHIPERFIELD. I asked unanimous consent, if the Chair will recollect.

The CHAIRMAN. The Chair begs the gentleman's pardon.

Mr. CHIPERFIELD. I am sure it was not intentional.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the time of the gentleman from Louisiana may be extended one minute. Is there objection? [After a pause.] The Chair hears none.

Mr. CHIPERFIELD. Mr. Chairman, the question I desired to ask the gentleman—and it is simply for the purpose of information and not to interfere in any way—was this: How will the sum be divided between the Government and the landowner, say, for instance, either under the plan of the present bill or the Lenroot amendment? There is a general plan in the river and harbor scheme to be worked out to control floods, but when it comes to a particular district or a particular locality how will the sum be apportioned?

Mr. WILSON of Louisiana. It is to be done by districts. For instance, it is under the control of the Mississippi River Commission, and they say there is so much levee line to be built and that the proper contribution of this levee district is the sum fixed by the commission, not less than $1 to $3 by the Government.

Mr. CHIPERFIELD. I understand that.

Mr. WILSON of Louisiana. And when that money is forthcoming they build that, and the levee is built under its direction.

Mr. CHIPERFIELD. That is as to a particular district, but if there be general work of a flood-control character that is not particularly connected with or chargeable to that district, where will that general charge fall?

Mr. WILSON of Louisiana. There is not any except the district in cooperation with the Government, as they do now, and there is not any friction.

Mr. CHIPERFIELD. The gentleman thinks there will not be any general work that does not apply particularly to a district where it may be apportioned either in the proportion which the bill fixes or in the proportion which the Lenroot amendment fixes?

Mr. WILSON of Louisiana. It might be fixed at one-half, but that is under the direction of the Mississippi River Commission.

Mr. CHIPERFIELD. Without regard to how it is fixed, will there be by this scheme, with which I am not sufficiently familiar to fully understand, a general expenditure that could not be properly chargeable to any particular district? That is the question upon which I desired information.

Mr. WILSON of Louisiana. Not for levee construction, it would not.

Mr. CHIPERFIELD. I thank the gentleman.

Mr. DENISON. Mr. Chairman and gentlemen of the committee. The strongest argument against this Lenroot amendment—the one, at least, that appeals to me—is the financial condition of a great many districts up and down the river.

Now, if the Members have read the evidence that was heard by the committee, they will see the condition that is presented there. I know how it is, particularly in the city of Cairo and in the levee districts just north of Cairo. The people of Cairo and in those levee districts have already expended for their protection the sum of about $2,000,000, and they can not raise another dollar by taxation. They have good levees that will protect them; but the river, by erosion, is eating into the levees and the levees will be destroyed unless they are protected by revetment and mattressing. Now, that will require a pretty large amount of money in those districts, and they can not raise the money by themselves to do this work; so that, to my mind, is sufficient justification for the proportion which is fixed here. There are a great many other districts up and down the river that need protection, and without some action——

Mr. REILLY. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. REILLY. How are the people going to raise what is required in this bill?

Mr. DENISON. By taxation.

Mr. REILLY. Why can not they raise the rest, then, by taxation?

Mr. DENISON. They can not raise it at once——

Mr. REILLY. But the gentleman made the statement they are unable to raise any more money.

Mr. DENISON. They can raise more by taxation in the course of years; but I meant they could not raise enough by taxation to go ahead and make these repairs now.

Mr. REILLY. Do some of these people own land to be reclaimed?

Mr. DENISON. Not in my district. Now, I am going to answer a point which was made. The argument has been that this is a reclamation project, and that there are millions of acres of swamp land that will be reclaimed. Now, if the unoccupied swamp land there was the only land that would be benefited by this bill, there would be some force to the argument of the gentleman from Wisconsin; but this money will be expended for the protection of the people up and down the Mississippi River, from Rock Island clear down to the Passes, and we want to take into consideration the other people as well as those who own these vacant or swamp lands. If we were going to ask Congress to appropriate this money simply to reclaim this swamp land, I would not be in favor of it.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Wisconsin?

Mr. DENISON. Yes.

Mr. REILLY. Will not the occupied land be increased in value?

Mr. DENISON. Yes; I presume it will be.

Mr. REILLY. Why should they not be required to contribute more?

Mr. DENISON. They have already paid $3 to $1 contributed by the Government.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield to the gentleman from Wisconsin?

Mr. DENISON. In one moment. If this bill is passed as it is introduced, then you take the two amounts that have been contributed by the Government before the bill was passed and afterwards and the amounts contributed by the local districts before the bill was passed and afterwards, and it will make it about half and half, as I understand it, which is not inequitable.

Mr. LENROOT. The gentleman states that $3 has been contributed by private interests. Does not the testimony show that where $3 have been contributed by the private interests those levees have been largely completed, and they will get no benefit from this bill at all?

Mr. DENISON. No, sir. I do not think that is true. There are just a few places where the levees have been completed in accordance with the specifications and requirements of the Government engineers, but those levees that have been completed to the required height have not been completed as will be required by the Mississippi River Commission, because that commission will require the strengthening of the levees by building embankments behind and revetments in front of them.

Mr. SMALL. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. SMALL. If these levee districts in the past have contributed $3 to $1 when there was no compulsion of law requiring them to make any particular contribution, why should they object now to paying $2 for $1, or $1 for $1?

Mr. DENISON. Simply for the same reason that the Irishman did not go to the Waldorf Hotel to stop; because, although perfectly willing, he did not have the money. And that is a good enough reason. [Applause.]

Mr. Chairman, last Wednesday I listened with a great deal of interest, and some surprise, to the discussion of this bill. I had expected that a bill of this kind, which represents the unanimous opinion of the committee after an exhaustive hearing, and which presents legislation upon a subject indorsed by the three great political parties in their national platforms, would meet with almost the unanimous approval of the Members of the House. Some objections to the bill have been seriously urged, while others have been presented in a spirit of humor. I hope this sense of humor may not sway our better judgments and lead us to fail in our duty toward those hundreds of thousands of our people whose homes are annually devastated or threatened by destructive floods.

This bill logically presents to Congress two important ques-questions:

First. Shall the Federal Government continue the policy of, and enter seriously upon plans for, the general control of floods, or shall it abandon what has already been done and renounce the policy?

Second. Does the bill reported by the committee present a wise and practicable solution of the problem?

These questions ought to be discussed and settled in the order named. It ought to be apparent that unless Congress is willing to adopt and vitalize its policy of national aid in the control of floods, any discussion of the relative merits of different plans for doing so is not only unnecessary but would be wholly inexcusable.

I thought that Congress had settled the question of whether or not it would continue its policy of flood control by appointing, after mature deliberation, a permanent Committee on Flood Control. I do not think there is any difference of opinion among the Members as to the general duty of the Government in this respect. There may be some difference of opinion as to the wisdom of continuing the policy at this time. I use the term "continuing," because this bill does not attempt to inaugurate any new policy. It only provides for a comprehensive and continuous plan for carrying to completion, with respect to the two rivers mentioned, the policy long ago adopted but heretofore unwisely executed by Congress.

Mr. Chairman, the problem of controlling the floods of the Mississippi River has been before Congress for almost a century. Since 1822 commissions have been appointed and engineers authorized by Congress to examine and report on its flood conditions. The people who settled and reclaimed that great valley have always appealed to the Government to help protect them from the floods which annually swept down upon them. It was

partly in response to these appeals that the Mississippi River Commission was created in 1879. And the act of Congress creating the commission and defining its powers made it the duty of the commission, among other things, "to prevent destructive floods." It was then that Congress recognized its duty to extend national aid in the control of floods. In 1880 Congress adopted this policy by making and expending an appropriation for that purpose, and since then Congress has appropriated and expended the sum of $29,000,000 for the construction and repair of levees to control the floods of the Mississippi River. But the trouble has been that this great problem of flood control has never heretofore been seriously and intelligently handled. Appropriations have been made at irregular intervals and in varying and uncertain amounts, and the money expended where urgently needed in particular places and for repairing broken levees, rather than with a view to carrying to completion a comprehensive plan for a complete project. Local levee boards have constructed levees with a view to their own interests alone, and without regard to the needs of those above and below them, while many have not been completed at all in such manner as to successfully resist the floods they were intended to provide against. There has never been a correlated plan for a complete levee system that would control the floods of the entire valley, and there has never been any legislation to provide for continuous work until the project was completed. In other words, Congress years ago recognized as a national problem the control of the floods of the Mississippi River and has made large appropriations for that purpose, but the aid given has been temporary and unsystematic, and has, in fact, amounted to nothing more than patchwork. The result is that the money appropriated by Congress has not always been wisely spent, and the work that has been done has cost the Government at least 20 per cent more than it would have cost if a connected plan had been adopted, and if provision had been made by Congress for continuous work until the project was completed.

Moreover, the jurisdiction of the Mississippi River Commission to construct levees for flood control has heretofore been limited to that part of the Mississippi River between the Head of Passes and the mouth of the Ohio River. There are parts of the Mississippi north of the mouth of the Ohio, as well as its tributaries and other rivers of the country, that are visited with destructive floods and are entitled to national aid in securing flood protection. Mr. Chairman, Congress has wisely recognized the national character of the flood problem, but has unwisely, and I may say unfairly, dealt with it.

The result has been neither satisfactory nor economical, and the time has come, it seems to me, when Congress should either abandon the policy entirely or deal with it intelligently. Year after year these appalling floods sweep down the Mississippi River from the 31 States that are drained by it, and the levees that have either been improperly located or insecurely constructed give way. Lives are lost, stock drowned, crops destroyed, homes ruined, and the country devastated to the amount of many millions of dollars. I learn from the estimate of the Mississippi River Commission that the destruction of property, not including the loss of crops, by the floods of 1912 and 1913 in the Mississippi Valley amounted to $61,000,000; that in 1912 there were 272,000 people who were fed by the Government after they were driven from their homes; all of which could have been prevented if the levees had been properly located and constructed. Losses of this magnitude in the Mississippi Valley, year after year, are economic losses of the Nation, and Congress should aid in preventing their recurrence. These floods will continue just as surely as the seasons return, and the people of that valley will continue to suffer losses, or be ever in danger of them, unless the levees are completed as the engineers say they should be completed. While they do come, and so long as the levees give way and the people are driven from their homes by the thousands, we have not heretofore and we can not hereafter disregard their appeals for help. Congress has already appropriated and expended $3,044,388 for the relief of victims of the floods of the Mississippi and other rivers. As a matter of economy merely, to say nothing of the duty we owe the people who live there, it is the course of wisdom for Congress to take hold of this flood problem and solve it. It is folly to continue the wasteful practice of spending millions for patching and repairing levees and relieving suffering people after the levees have been broken and the losses sustained.

Now, as to the wisdom or propriety of our doing so, the Members of the House need not worry nor suffer any pangs of conscience. We were all chosen by one or the other of the great political parties to which we claim allegiance. It was repeatedly stated here last Wednesday that the great political parties had indorsed the policy of national aid in controlling the floods of the Mississippi River in their national platforms. Mr. Chairman, that is true. And it is a matter of such significance to my mind that I am going to read those parts of the platforms, I will not say for the information, but for the satisfaction of the Members and for the information of the country.

Now, the Democratic national platform of 1912 contains this statement:

> We hold that the control of the Mississippi River is a national problem. The preservation of the depth of its water for the purpose of navigation, the building of levees to maintain the integrity of its channel, and the prevention of the overflow of the land and its consequent devastation, resulting in the interruption of interstate commerce, the disorganization of the mail service, and the enormous loss of life and property, impose an obligation which alone can be discharged by the General Government.

And now while I am reading from this important document I want to read this further concluding paragraph, for I know it sounds like sweet music to my Democratic friends and arouses noble impulses in their very souls:

> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

Now, there are some who do not have very deep respect for planks in a political platform. But, of course, there are none among the Democrats here who would take that view of it. I believe it was the President who said in a speech made soon after he was nominated that in this platform "there was no molasses to catch flies." I have always understood that by that the President intended to say that the planks in the Democratic platform were statements of principles in which that party believed and by which its representatives would be guided, and not mere empty phrases with which to win the support of the people at the polls.

In accepting the Democratic nomination upon this platform Mr. Wilson said:

> In the case of the Mississippi River, that great central artery of our trade, it is plain that the Federal Government must build and maintain levees and keep the great waters in harness for the general use.

Now, we have heard much during these late days about standing by the President. If there is any substance and virtue in this appeal to stand by the President, I commend it to our Democratic friends here with the hope that they will stand by the President in this expression of his policy, by supporting this bill, which will carry it into effect.

On the other hand, the Republican national platform of 1912 contains this declaration:

> The Mississippi River is the Nation's drainage ditch. Its flood waters, gathered from 31 States and the Dominion of Canada, constitute an overpowering force which breaks the levees and pours its torrents over many million acres of the richest land in the Union, stopping mails, impeding commerce, and causing great loss of life and property. These floods are national in scope, and the disasters they produce seriously affect the general welfare. The States, unaided, can not cope with this giant problem. Hence, we believe the Federal Government should assume a fair proportion of the burden of its control, so as to prevent the disasters from recurring floods.

President Taft, in speaking on one occasion about the flood problem of the Mississippi River, said:

> I am strongly in favor of spending the whole $50,000,000 to save that part of the country from floods in a reasonable time and to provide a proper levee system.

These provisions of the national platforms, Mr. Chairman, and these declarations of the party leaders ought to be sufficient to settle the first question involved and justify Congress in acting now and providing for the control of the rivers mentioned in this bill.

The history of the settlement and development of the Mississippi Valley is the history of a struggle as desperate as any ever waged by men against the forces of nature. Lured by the beauty of its scenery, the richness of its soil, and the commerce of its waters, men have from the beginning of the century gone to the valley of the Mississippi to build their homes and found their fortunes. Thriving cities sprang into existence, and years ago its commerce exceeded that of any other river in the world. Year after year these great floods came and left their ruin, but the people began building levees to keep them back; and with a sacrifice, fortitude, and perseverance unsurpassed anywhere among men they have continued the struggle, believing that the waters of the great river could be kept back. In order to build these levees the people have burdened themselves enormously with taxes. They have levied to the very limits of their constitutional rights and have issued bonds as long as bonds could be sold. And all this sacrifice has been made under the hope and belief that some day the National Government would awaken to its duties and aid in the construction of levees to protect them from the flood of waters that is drained by this great river from 40 per cent of the Nation's territory. The people along that river could not have made the sacrifice they have nor borrowed

the money they have with which to build their levees but for the hope that Congress would some day aid them.

Mr. Chairman, the people of the district I represent are peculiarly interested in this bill. They are threatened by the floods of the Mississippi on the west and those of the Ohio on the south and the east, and the people of Cairo and the drainage districts near there have taxed themselves with every dollar they can under constitutional limitations to build levees to protect them from these floods.

I know that the Members of the House who are opposing this bill do not appreciate the importance of it to the people of Cairo and of other cities and levee districts similarly situated in the Mississippi Valley. At Cairo and in the levee districts north of Cairo the people have had to raise their levees a little higher every few years in order to keep back the flood, which keeps rising higher and higher. As the country north is cleared and drained its waters come down upon us with greater volume and with greater rapidity; and as the levees are constructed to the south of us and across from us these waters are confined to a narrower channel and held back upon us, so that year after year my people have had to rebuild and raise their levees higher, until this burden is no longer a natural one, but is an added burden brought upon us by the drainage of the country above us and the building of levees below us. This past winter the water in the Mississippi River rose higher on the levees of Cairo than it had ever been known before; and the people who have their homes and their property there are wondering and fearing what the future will have in store for them unless the National Government takes charge of the levee system of the entire river and aids in their protection.

The perplexities of the levee system and the unnatural conditions which have been brought about by the drainage and reclamation of the swamp lands and the building of levees have made this, more than ever before, a problem for the National Government to handle. It would be a crime to withdraw from this work and abandon the people of that great valley to their fates. I have read the reported hearings, and I find abundant proof submitted to the effect that the levee districts themselves can not possibly raise enough money to complete their levees according to the specifications found by the Government engineers to be necessary to hold back the floods.

There is, then, to my mind, one paramount and sufficient reason why Congress ought to aid in the completion, and the rapid completion, of this work, and that is that either Congress must do so or the work will in all human probability not be done. The aid which Congress has heretofore given to the building of levees has accomplished more by giving hope and credit to the people than it has in actual levee building. This money has been spent in driblets here and there to strengthen weak places, repair breaks, and relieve sufferers, rather than in completing the levees so they would permanently resist the floods. If Congress will but rationally take hold of the problem and make it a national project, the Mississippi River can soon be harnessed so as to effectively control its floods and save to the Nation its most fertile and productive valley.

Mr. Chairman, I get the following facts from the reported hearings, which I wish to refer to briefly:

There are about 20,000,000 acres of land as fertile as there is in the world that is or can be protected from floods in the Mississippi Valley alone. This is an area equal to the combined States of Delaware, Massachusetts, Connecticut, Rhode Island, and Maryland. It is nearly four times the area of the Hawaiian Islands. It is seven times the area of the island of Porto Rico, more than half the size of the State of Pennsylvania, and more than one-fifth the size of the combined area of all the Philippine Islands, for which we have expended nearly a hundred million dollars.

Of the 20,000,000 acres there are 16,000,000 that are capable of cultivation, if properly protected, and on which there could be raised as much cotton as is to-day grown in all of the remainder of the United States, which, at 12 cents a pound, would be worth $960,000,000 per year.

In 1910 the population of the protected area was about 830,000. It is over a million now. Of the 16,000,000 acres that could be protected and cultivated, 4,000,000 acres are now under cultivation.

The farm value in the protected district in 1910 was about $175,000,000 and the value of personal property on these farms was over $50,000,000 more.

The Government has already spent $29,000,000 on these levees, while the local levee districts have spent about $90,000,000. A great deal of this money will have been spent in vain if the work is not completed. It can be completed, according to the estimates of the engineers, for $40,000,000, of which $30,000,000 is to be paid by the Government, according to this bill. The money that will be saved to the Government alone, to say nothing of the millions that will be saved to the people who live in the Mississippi Valley, is so out of proportion to the amount required to complete this project, it seems to me that Congress should not hesitate or longer delay.

I think the statements made by the Speaker, Mr. CLARK, while addressing the House on the resolution to create the Committee on Flood Control, is correct—that this question of controlling the floods of the Mississippi River is the greatest economic problem that is before the American people to-day. And I believe the time is coming, and now is, when Congress should solve it and solve it once for all.

There remains, then, the second question, whether this bill offers the most effective and most practical solution to the problem. Of course, we must try to find the best way to control these floods. But in doing so we must be practical; and we can not leave out of consideration the question of economy. We must understand, too, that any remedy proposed is no remedy at all unless it can be made available now. I find that Senator Percy, of Mississippi, made the following statement before the committee:

> If this work is going to be done at all, it ought to be done in the shortest time within which the amount of money necessary to do it can be expended economically and without waste. There isn't any other way to measure the time. Every year that the completion of the work is delayed means that your entire expenditure is jeopardized. A levee line is as strong as the weakest part in it, and the Government could pursue the course that it outlined in 1910 of giving $4,000,000 a year for levees and could give that for a hundred years, and your levees practically wouldn't be any better than they are to-day, because from 50 to 75 per cent of that would go in repair after disasters and not in strengthening your levee lines. We got $4,000,000 from the Government in 1912 for levees. More than 50 per cent of it went to fill in the crevasses made by the flood of 1912 and not to add one spadeful to the permanent levee system.

Last Wednesday the gentleman from South Dakota [Mr. DILLON] in opposing this bill advocated the theory of controlling floods by the construction of reservoirs. Mr. Speaker, this theory of controlling floods by storage reservoirs is, in my judgment, the most fantastic, the most impracticable, and absurd dream ever conceived to meet a serious situation. It is but the pipe dream of some ingenious theorist who never saw a real flood, at least such a flood as those of the Mississippi River. No one who has ever passed down the Mississippi River on the crest of a spring flood would seriously advocate reservoirs as a means of protection; at least no engineer has ever done so. Yet this theory has been suggested in times past and been given special investigation. It was found absolutely inapplicable to the conditions in the Mississippi Valley. Col. Townsend, one of the ablest engineers of this country and a member of the Mississippi River Commission for many years, said in one of his reports:

> In a mountainous country, where short, high dams can create reservoirs of great depth and volume, or in a comparatively level country where low dams can form lakes of large area, it may be practicable to control floods by means of reservoirs. There is but a comparatively small section of the Mississippi Basin that fulfills either of these conditions, and in such areas the rainfall is generally light. The rolling country, which forms the greater part of the Mississippi Valley and from which the water that produces its floods is derived, can be protected from floods by reservoirs only by an enormous expenditure.

Col. Bixby is reported to have made the statement before the Rivers and Harbors Committee that it would take a reservoir as large as the State of Kentucky to affect the flow of water in the Mississippi River appreciably. No engineer who has studied the flood problem of the Mississippi River has ever claimed that reservoirs could be used to control them, except possibly at an enormous expense. On the other hand, all the engineers who have made a study of this subject have discarded the reservoir theory as impracticable and prohibitive on account of the cost. It would bankrupt the Nation to try to store the flood waters that are discharged from 31 States through the Mississippi Valley. Rather than undertake such a titanic scheme it would be far better to remove the levees already built and let the Delta be a reservoir for the floods as it was in a state of nature.

The gentleman from Wisconsin [Mr. LENROOT] objects to the Government contributing $3 to every $1 contributed by the local districts to complete this project, and this amendment which he has proposed would reduce the proportion the Government is to pay. We must consider the proportion of contribution provided in the bill, in view of what the local authorities have already expended on their levees, and in view of their present financial condition. As I have already stated, Congress has already contributed about $29,000,000, while the local authorities have contributed about $90,000,000, or a proportion of about 1 to 3. As I stated in the beginning, this proportion, when considered in connection with the contribution provided by the bill, will make the Government and the local

authorities contributing about an equal amount for the completion of the levee project.

It is important, too, that we keep in mind the fact that these levee districts have resorted to every known method of taxation. Many of them have reached their constitutional limitations. It is impossible, according to the reported testimony, for the local authorities to raise more than $2,000,000 per year, which is not sufficient to complete the levees so as to prevent recurring disasters. While the people of the district I represent have raised all they can by taxation, and are willing to make every sacrifice necessary to make themselves secure, the preservation of their levees from the erosions of the river will require a large amount of money, and it is absolutely necessary that they have assistance from the Government in order to save what they have already expended and remove the danger with which they are constantly threatened. In this respect they are situated like many other districts that are annually exposed to these floods. I hope the House will vote down this amendment proposed by the gentleman from Wisconsin [Mr. LENROOT], because I do not believe the people there can raise the larger amount that will be required in order to complete the levee system as soon as it should be completed, if this amendment is adopted.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DUPRÉ. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. OAKEY. Mr. Chairman and gentlemen, there are, in my judgment, two or three objections to the passage of this bill. In the first place, it seems to me that this question of Government aid and Government help and Government control is becoming just a trifle too prevalent. I realize, as has been very forcibly and eloquently said here, particularly by the gentleman from Ohio, Judge GARD, that the Mississippi Valley is the greatest unit for such a proposition as is concerned in this bill; but the thought occurs to me, my colleagues, that in a proper and a real consideration of this problem all of the localities and all of the communities that are damaged by water running rampant should have been considered in this bill, rather than one or two or three units alone.

I live in a community where we have a little trouble of this nature. On the banks of the historic Connecticut we get a little trouble from the district of my colleague from Massachusetts [Mr. GILLETT] and from the district of my other colleague from Massachusetts [Mr. TREADWAY]. A part of their landscape and a lot of their water come down through our town and down through the Dardanelles of this hemisphere to the Sound. It causes us a lot of trouble. It takes away a lot of our property by the erosion of our banks, the filling up of our channels, the overflowing of our lands. But, like the great State of Ohio, we are trying as best we can to protect ourselves; but if this problem of river overflow and the damages incident thereto is to become a national problem, surely the valuable lands that are annually lost to their owners by erosion and floods on such rivers as the Connecticut, where only a little of the public fund would be needed for riprapping and protecting, such systematic scientific aid should be given where the expense would only be a trifle of the tremendous volume of Government help asked for in this and kindred bills.

I just wanted to say here, my friends, that in this discussion it struck me that in the consideration of this Mississippi Valley problem for 35 years it has been said here that all of the Government help and all of the Government assistance has been wasted. Does it not occur to you that we have not sufficient proof, that we have not sufficient knowledge as yet to know that this tremendous appropriation will not be wasted?

I think, my colleagues, that in these serious hours of our country's history, in these difficult moments of the world's progress, we ought to try and forget, for at least a part of one Congress, so much geography, so many congressional districts, and so many interested localities. [Applause.] And when so many of these important problems are knocking at our doors for consideration, problems that may concern our national safety, our national integrity, and our future welfare, can we not, I say, forget and forego at least for a little while geography, sectionalism, partisanship, or personal opportunity, that we may proceed to the consideration of more important legislation that we may protect as best we can our country and its highest and best ideals.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. OAKEY. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Chairman, I have made the point that the Mississippi River problem, so far as the expert engineering knowledge of the country goes, has been cared for in the river and harbor bill. That has been the practice heretofore, and it ought to be the practice now, so far as matters of navigation in the Mississippi are concerned.

There is positively nothing new in the bill that is presented by the Committee on Flood Control, so far as the matter of flood control is concerned. It involves the problem of navigation just the same as it has existed heretofore, and in its treatment of the flood-control problem conditions are just the same as heretofore. Witness the first paragraph of the bill, that "for controlling the floods of the Mississippi River and continuing its improvement," and so forth, "the Secretary of War is hereby empowered," and so forth, "to carry on continuously, by hired labor or otherwise, the plans of the Mississippi River Commission heretofore or hereafter adopted"; and then the appropriation is fixed at $45,000,000, which is to be expended in amounts not exceeding $10,000,000 per annum.

In the river and harbor bill, passed about a month ago by this House, provision was made for the improvement of the Mississippi River, by the construction of levees or otherwise, according to the plans of the Mississippi River Commission, to the extent of $6,000,000 direct for the section of the river referred to in this bill. Upward of $8,000,000 was appropriated altogether for the river.

Now, at the time the Flood Control Committee was organized the question was raised as to whether it would not duplicate the jurisdiction of the Committee on Rivers and Harbors, but we were told then that there was to be something new, some new method of treatment of the problem of flood control on the Mississippi. Remember that we have appropriated money to the extent of $168,000,000, I think, up to the present time in river and harbor bills for the improvement of this river by the construction of levees and otherwise.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I do.

Mr. COX. Is there a thing in this bill that could not have been taken care of by the Committee on Rivers and Harbors?

Mr. MOORE of Pennsylvania. Absolutely nothing. I have not heard a gentleman advocating this bill indicate that there was anything new whatever. A careful scrutiny of the report, which is lengthy and able, indicates that all the purposes of navigation are to go forward just as heretofore, and that all the purposes of flood control are to be conducted in accordance with the plans of the Mississippi River Commission, which was created in 1879, and which has been operating down to the present time according to the plans and specifications heretofore approved and approved in this flood-control bill.

Mr. GOOD. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. GOOD. Then this is just an addition to the river and harbor bill?

Mr. MOORE of Pennsylvania. The only difference between the plans herein presented and the plan presented in the river and harbor bill is that this guarantees a fixed sum of $45,000,000 at the rate of $10,000,000 per annum, whereas they have not been getting quite that much per annum in the river and harbor bill. It is a case of getting more money, and getting it more directly, and having it more sure, at the expense of all other projects in this country, than they could have obtained in the river and harbor bill.

Mr. FREAR. And it reduces the proportionate payment that is to be made by the locality under this bill.

Mr. MOORE of Pennsylvania. It does reduce the proportionate payment to be made by those who will be benefited.

Mr. DENISON. Does the gentleman know——

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman——

Mr. RUCKER. Mr. Chairman, I should like to be heard on this.

The CHAIRMAN. The time for debate on this amendment has been limited, and the Chair recognizes the gentleman from Mississippi [Mr. HUMPHREYS], chairman of the committee.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, the gentleman from Wisconsin [Mr. FREAR] just propounded an inqury to the gentleman from Pennsylvania [Mr. MOORE], which the gentleman from Pennsylvania answered incorrectly. He said that the proportion to be contributed by the local interests as provided for in the river and barbor bill is reduced under this

bill. That is not the fact. We have never required any contribution heretofore. This bill is the first one to require any contribution from local interests. It was because it was suggested to us that if the Federal Government makes this continuing contract some local interest might not contribute as much as has heretofore been contributed; that we put the provision in the bill that no money should be expended until local interests did make a contribution.

Mr. FREAR. Do not the Army engineers determine the proportion that shall be contributed by the localities in the St. Francis district and others? Have they not done so?

Mr. HUMPHREYS of Mississippi. They never have. The contribution is determined by the ability of the local interests to contribute. Nothing else has ever limited it. No people ever taxed themselves more than the people in those deltas have taxed themselves for this particular purpose. Since 1881 they have expended $91,000,000.

Mr. HUMPHREY of Washington rose.

Mr. HUMPHREYS of Mississippi. I yield to the gentleman from Washington, although all the time except 10 minutes has been taken up by those in favor of the amendment, and I hoped that I might get 5 minutes without interruption.

Mr. HUMPHREY of Washington. There is also something involved besides the ability to pay for this local benefit, is there not?

Mr. HUMPHREYS of Mississippi. With all due respect to my friend, I hope nobody else will ask a question that has no more direct bearing than that one. We have contributed $91,000,000.

Now, the gentleman from Wisconsin [Mr. LENROOT], as I understood him, said that it was not fair to consider all of that. Very well; suppose we consider half of it. That, perhaps, in his opinion, would be fair—half of the $91,000,000. Let us say $45,000,000 has been contributed. Under this bill they contribute $15,000,000 more. That makes $60,000,000. Under the bill, counting what the Government has heretofore contributed, the Government will have contributed $59,000,000, so that the local interests will have contributed, even under that arrangement, more than half. The gentleman from North Carolina [Mr. SMALL] says we ought to be required to put up more, because we are requiring it on the Sacramento. The Sacramento puts up half under this proposition. The local interests in the Mississippi Valley will have put up more than half, even if we count only half of the $91,000,000 that has been contributed since the Government and the local interests have been proceeding together.

Now, gentlemen, this is not a new project. This project was adopted by Congress many years ago. It has been carried on by haphazard appropriations—sometimes one sum, sometimes another. The engineers have told us that if we will adopt this particular plan of a continuing contract, authorizing them to go in there and complete this job in 5 years, instead of stringing it out over 10, 15, or 20 years, as they would have to do under the old plan, they will save somewhere between 10 and 20 per cent of the total cost to the Federal Government. So, whereas we increase the appropriation over those carried heretofore of $6,000,000, and make it $9,000,000, we do it upon the assurance of the most conservative of all the engineers who have estimated it that we will save thereby $1,000,000 a year. It is no new project.

Now, gentlemen have insisted that we have done nothing except take care of these two projects. We have taken care of these two projects because they were the only projects in the United States which have been certified in proper shape and were ready to be taken care of. When we reach section 3 I believe the committee will be able to answer many of the criticisms that we have heard of this bill. But so far the committee have tried to confine themselves to a discussion of the particular paragraph pending at the time. When we reach section 3 I have no doubt at all that I can explain to the perfect satisfaction of a great majority of the House that just as ample and just as wise provision has been made by which we can investigate the various flood problems throughout the country as ought to have been made.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The time has expired.

Mr. RUCKER. Mr. Chairman, I realize that the time is up, but I want to ask the committee for unanimous consent to speak for five minutes.

The CHAIRMAN. The gentleman from Missouri [Mr. RUCKER] asks unanimous consent to proceed for five minutes. Is there objection?

Mr. HUMPHREYS of Mississippi. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Mississippi objects. The question is on the amendment of the gentleman from Wisconsin.

The question being taken, on a division (demanded by Mr. LENROOT) there were—ayes 59, noes 63.

Mr. LENROOT. Tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. HUMPHREYS of Mississippi and Mr. LENROOT.

The committee again divided; and the tellers reported—ayes 65, noes 64.

Accordingly the amendment was agreed to.

Mr. WALSH. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 2, line 24, strike out all after the word "approved," down to and including the word "contributing," in line 2, on page 3.

Mr. WALSH. Mr. Chairman, the words which I seek to strike out seem to me to indicate the whole-hearted, unselfish spirit which prevails in the district seeking relief under this bill. They seek to contribute, but they do not care to have any of the money they contribute spent anywhere except upon their own lands. What a noble example of unselfish cooperation! I submit that that is only an example of the spirit prevailing in the section where the floods have done so much damage in the past, because, with one exception, not a single State through its legislature has appropriated money to remedy this condition, but they have sought to leave it to Federal aid or to the particular district which has been affected. I submit that if this condition is so terrible the State legislatures should take notice of it and some taxes should be imposed upon the people of those States.

I have been waiting for some of the gentlemen from that section to rise up and tell you that the poor farmers down there are interested and how they are crying for relief, but apparently the farmers own but a very little of the 16,000,000 acres which it is sought to reclaim. This paragraph, from all the arguments and explanations given on the part of the committee and of those interested in this project, is nothing but a reclamation project pure and simple, although perhaps I should eliminate the word "pure." It seems to me that the people down there object to having the money they contribute used anywhere but on their own property, because they are interested in benefiting or protecting their own property only, and they do not want to have the money that they contribute put into one common fund and have it expended throughout the entire portion of the State or section affected by the overflow of this great river.

Mr. DUPRÉ. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. DUPRÉ. May I say that every farmer in Louisiana is in favor of this legislation?

Mr. WALSH. I thought that that statement should have been made; it comes rather late, and I am sorry the oversight occurred. The farmers have not been brought into the discussion heretofore. We have passed bills for rural roads, for free seeds, for reclamation, census of cottonseed products, and now they seek to pass a navigation bill in the interests of the farmers of the South. [Laughter and applause.]

Mr. HUMPHREYS of Mississippi. Mr. Chairman, the State of Louisiana does—with all due respect to the gentleman from Massachusetts—spend money outside of the State of Louisiana. It spends money up in Arkansas in order, however, to protect the land in the State of Louisiana. This provision was put in so that the commission could not spend money outside of the levee district where it was contributed without the consent of the levee district. Of course nobody doubts that Louisiana would give its consent for the construction of levees in Arkansas to protect its own land.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was rejected.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 3, line 2, after the word "contributing," insert the following: "*And provided further*, That where the expenditure of money under this act directly or indirectly adds to the value of lands the owners of which have not contributed to the fund applied to the improvement herein provided for, such assessments shall be levied against the owners of such lands as the Mississippi River Commission may deem warranted by the benefits accruing to such noncontributing landowners."

Mr. MOORE of Pennsylvania. Mr. Chairman, it has been said several times in the course of the discussion of this bill that the small farmer along the Mississippi was not greatly concerned; that the lands were largely in the hands of operators; and that the general purpose of this scheme of taking the

appropriations away from the Rivers and Harbors Committee and putting them under the charge of the Committee on Flood Control was reclamation; that is to say, the making valuable of land which is not valuable; the protection of land which might be subject to overflow and which would be more valuable if floods were prevented.

Now, it is just possible, so far as the arrangement under the bill affecting the distribution of Federal money is concerned, that some landowners—large operators, not the small tenant farmers who have small interest in the matter—that some large operators might be largely benefited by the construction of levees, and that tremendous values would accrue to them by the expenditure of the Government money. When we consider that in sections of the country where reclamation has already proceeded and expenditure has been made by the State itself or by private enterprise, it seems a fair proposition that in the distribution of public money along the banks of this particular river there should be some assessment for the benefits actually accruing to the owners of property.

Mr. GARRETT. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will yield.

Mr. GARRETT. I will ask the gentleman if he has considered carefully the legal phase that is involved in his amendment. Does the gentleman think that this Congress could go about levying taxes in that way, delegating the taxing power to the Mississippi River Commission? Could the Congress itself lay a tax on land, so far as that is concerned?

Mr. MOORE of Pennsylvania. I submit that the section we are now considering proposes that what is to be done shall be done largely by agreement between the Mississippi River Commission and the levee association and the State. That is to say, if a levee breaks in a certain section, then by agreement between the States and the commission Federal money may be used. While that agreement is pending, I submit, it would be possible for the commission under the amendment I have proposed to say to the levee association or the State: "Yes; we will rebuild the levee, protect the land, provided that in the event of an increment accruing to the value of the property the men who derive the benefit shall contribute along with the Federal Government."

Mr. GARRETT. If the gentleman will permit, this fixes the proportion of the expenditure, and it provides for the enforcement of that proportion as fixed by withholding action on the part of the Federal Government, whereas the gentleman's amendment undertakes to put into operation a positive direction.

Mr. MOORE of Pennsylvania. Suppose it should develop that on the banks of the Mississippi somewhere you were about to start a large plantation corporation or a building operation or industrial improvement, and that thousands and tens of thousands of acres of land subject to overflow belonged to a great railroad corporation or some great lumber corporation or that it belonged to some great cotton corporation, would it not be in order to make these large owners pay something for the increment that must necessarily come to them as the result of the Government expenditure?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REAVIS rose.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, can we not come to some agreement about time for debate upon this amendment?

Mr. MANN. Gentlemen over here seem anxious to have 35 minutes more on the paragraph.

Mr. HUMPHREYS of Mississippi. Oh, I submit to the gentleman from Illinois that gentlemen on that side ought not to ask for 35 minutes on this paragraph. It is now half past 2 o'clock and we have not yet read one section of the bill.

Mr. MANN. I think we had better agree to that, and we will try to expedite the matter.

Mr. HUMPHREYS of Mississippi. Why not let us make it on the section, so that we will get along more quickly?

Mr. MANN. We have not yet read the section.

Mr. HUMPHREYS of Mississippi. I know; but we can agree upon time to debate it.

Mr. LENROOT. I think if we close on this paragraph that the gentleman will get along quite rapidly.

Mr. HUMPHREYS of Mississippi. If we are to debate an amendment such as the one the gentleman from Pennsylvania [Mr. MOORE] has proposed for 35 minutes, it will take three weeks to pass this bill.

Mr. MANN. This is a request as to the entire paragraph.

Mr. GARRETT. And all amendments thereto.

Mr. MANN. Yes.

Mr. FOSTER. Are there any more amendments to be offered to the section?

Mr. MANN. There are not very many, but there are some.

Mr. FOSTER. Why not 35 minutes on the section and then let the section be read?

Mr. LENROOT. I think we had better make it on the paragraph.

Mr. FOSTER. Let us be fair about it and try to get it through.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I would like to call the attention of the gentleman from Wisconsin [Mr. STAFFORD] to the fact that we gave up all of last Wednesday to general debate, practically, and agreed to consider it by paragraphs, upon his assurance that there would be no attempt to delay and that we should get a vote on the bill.

Mr. MANN. On the assurance of many Members that we would wind this bill up to-day.

Mr. STAFFORD. I wish to assure the gentleman——

Mr. HUMPHREYS of Mississippi. And I want to enlist the kindly offices of the gentleman from Wisconsin in our behalf with those on his side of the House who apparently are not willing to carry out that agreement.

Mr. STAFFORD. Mr. Chairman, when that agreement was made I stated that I would like to have 10 or 15 minutes for debate under the five-minute rule, and I would like now to speak upon this bill, but I am not pressing that. There are bona fide amendments offered on this side, and there is no intention as intimated by the gentleman's remarks to delay the consideration of the bill.

Mr. HUMPHREYS of Mississippi. We have now put in two days and have gotten only two pages.

Mr. MANN. Mr. Chairman, let us be absolutely fair about it. The gentleman from Mississippi [Mr. HUMPHREYS] was very lenient on last Wednesday, allowing practically general debate under the five-minute rule, upon the assurance, openly stated in the House by a number of gentlemen on this side of the House, that we would come to a final vote on this bill to-day, and if we can not do that I think we ought to have an understanding that we will make it in order again on another Wednesday, because otherwise it would not be fair to the gentleman. I think we ought to take the vote to-day if it is possible, but it would be contrary to good faith in the House if we did not carry out such understandings.

Mr. MOORE of Pennsylvania. Mr. Chairman, I wish to submit to the gentlemen who are now addressing each other on the floor that I did not hear that understanding and was not a party to that agreement. I respect the right of leadership, and I follow it, so far as I can, but here is a bill in which it is proposed to appropriate $50,000,000, which is a tax of 50 cents per head on every man, woman, and child in the United States, that we are expected to pass——

Mr. FOSTER. Mr. Chairman, I demand the regular order.

Mr. MOORE of Pennsylvania. Very well, the gentleman can go ahead.

Mr. FOSTER. If the gentleman is going to make a speech——

Mr. MOORE of Pennsylvania. Very well. The gentleman does not like certain kinds of speeches.

Mr. FOSTER. I like the gentleman's speeches when he makes one with sense in it.

Mr. MANN. Oh, withdraw the demand for the regular order.

Mr. FOSTER. I withdraw it. I do not think it is fair to make a speech of that kind on the floor, however.

Mr. MOORE of Pennsylvania. Mr. Chairman, have I the right to proceed? Here is a bill proposing to appropriate $50,000,000 of the people's money, a tax of 50 cents per head upon every man, woman, and child in the United States, being a bill that is brought in by a committee which with one or two exceptions is composed of gentlemen who come from the very territory concerned, which is being made the subject of an agreement between gentlemen who live in the Mississippi Valley.

Mr. MANN. I beg the gentleman's pardon. His geography is not good. I do not live in the Mississippi Valley.

Mr. MOORE of Pennsylvania. I was not referring specifically to the gentleman.

Mr. MANN. I was the one who made the agreement.

Mr. MOORE of Pennsylvania. The gentleman lives very close to the Mississippi River.

Mr. MANN. I do not live even close to the Mississippi River.

Mr. MOORE of Pennsylvania. Oh, the gentleman lives on high land, as high as can be found around about Lake Michigan; but what I wish to say is this, that I do not care to vote away $50,000,000 of the people's money without having a chance for discussion by Members from the various States of the Union, whose constituents have to pay the bill. There are other rivers in the country that need improvement; there are other rivers in the country subject to overflow; there are other areas in the country greater than this area, and they ought to be con-

sidered in the regular way. Here is a short cut to appropriations, vast appropriations, gentlemen having withdrawn from the River and Harbor Committee and from pursuing the usual course. I do not like to have legislation of this kind go through the House without the people being given a chance to know that they have to pay the bill.

Mr. MANN. Mr. Chairman, still reserving the right to object, the statements which were made upon the floor of the House last Wednesday were made openly in the House. I do not recall that the gentleman from Pennsylvania [Mr. MOORE] was absent, although he may have been, during the time those statements were made. They were made openly and loudly, and there was considerable discussion in the House at that time as to whether there should be an extension of general debate by unanimous consent over that allowed by the rule; and the statement was made from both sides of the House that if the gentleman from Mississippi [Mr. HUMPHREYS] was willing to allow generous debate on last Wednesday under the five-minute rule, both sides of the House would cooperate with him to bring this bill to a vote to-day. I am one of those who carry out their obligations, but I do not ask the gentleman from Pennsylvania or any other gentleman on this side of the House who has contrary scruples to stand by me upon that; but I will ask the Republican Members of the House to stand by their leader when he makes a binding obligation on the floor of the House. [Applause.]

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CARAWAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14777 and had come to no agreement thereon.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent that if no vote is had on this bill to-day that it be in order to further consider the bill on next Calendar Wednesday.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that if the consideration of this bill is not concluded to-day it shall be in order on next Wednesday. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, reserving the right to object, may I ask the gentleman from Mississippi whether he contemplates bringing in a rule to pass this bill on next Wednesday?

Mr. HUMPHREYS of Mississippi. Whether I contemplate bringing in a rule?

Mr. MOORE of Pennsylvania. Yes.

Mr. HUMPHREYS of Mississippi. No.

Mr. MOORE of Pennsylvania. Well, does the gentleman contemplate limiting debate at all next Wednesday? I submit to the gentleman that this is one of the most important bills that has come before the House this session. It involves a problem which I would like to see settled and also involves an enormous expenditure about which there ought to be a fair time for discussion.

Mr. HUMPHREYS of Mississippi. Well, Mr. Speaker, there has certainly been no disposition to cut off debate up to this hour.

Mr. MOORE of Pennsylvania. That is true. I think the gentleman has been fair; and yet I want to say it seems to me the regular course should be pursued.

Mr. HUMPHREYS of Mississippi. It is my hope to conclude the consideration of the bill to-day. It is my hope—I may be disappointed in it—that the House may be permitted to reach a vote to-day; but if it does not reach it to-day, it is my hope and expectation that on next Wedneday we will get to a vote.

Mr. MOORE of Pennsylvania. The gentleman expects to act on the bill to-day, to resume work in the Committee of the Whole House on the state of the Union?

Mr. HUMPHREYS of Mississippi. Yes; I expect to go back into the Committee of the Whole, and it is my hope we might complete its consideration.

Mr. MOORE of Pennsylvania. I have no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. MOORE of Pennsylvania. Mr. Speaker, if I may be permitted to do so, I will withdraw the point of order.

The SPEAKER. The gentleman withdraws the point of no quorum, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14777, the flood-control bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14777, with Mr. CARAWAY in the chair.

Mr. MANN. Mr. Chairman, will the gentleman from Mississippi ask unanimous consent to close debate on the pending amendment in 10 minutes, to be occupied by the gentleman from Nebraska [Mr. REAVIS]?

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I will ask unanimous consent that debate on the pending amendment be closed in 10 minutes, that time to occupied by the gentleman from Nebraska [Mr. REAVIS].

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on the pending amendment close in 10 minutes, that time to be given to the gentleman from Nebraska. Is there objection? [After a pause.] The Chair hears none.

Mr. REAVIS. Mr. Chairman, I want to supplement the remarks of the gentleman from Ohio [Mr. GARD] and to express my disappointment at the character of bill which has been returned to the House from the Committee on Flood Control. I had indulged the hope that this committee had some excuse for its very recent creation other than that of furnishing a method of appropriations for the same general purpose, but nevertheless additional to the appropriations returned by the Committee on Rivers and Harbors. I had hoped that it would formulate and return to this House some legislation, national in scope, that looked to the control of the flood waters, not in any given locality, but in the Nation at large.

Mr. Chairman, in my own State, as the product of some 8 or 10 years of development, there has been evolved a method of flood control similar in some of its aspects to the Ohio law as detailed by the gentleman from Ohio [Mr. GARD]. Whenever there is farm land subject to overflow a certain number of landowners, representing a specified number of acres, may, by petition to a court of record, report the fact that their land is subject to overflow and seek the incorporation of a company for the purpose of devising some means to control the flood waters. That petition is accompanied by the report of an engineer as to the benefit that will accrue to the land in case the overflow should cease, together with the proposed method of improvement and the probable cost of the same. If the benefit which will accrue to the land is greater than the cost of the proposed improvement, a company is incorporated and assessments are made against the land at so much per acre for the purpose of paying for the proposed improvement. Just this morning I received a notification of a drainage tax upon a small piece of land that I own within one of these districts. I am burdened with this assessment for the purpose of relieving my own land from overflow and am now brought face to face with a bill carrying appropriations running into the millions, putting the additional burden upon me and upon mine of preventing the overflow upon the land of somebody else. Within my own district within the past six years millions of dollars have been expended by the farmers for the purpose of preventing the overflow of their lands. They are carrying that burden to-day, and it is a heavy burden, some of them not financially able to bear it.

The National Congress now purposes that they must not only bear the burden of the reclamation of their own land, but that in addition they must bear the burden of reclaiming the lands of others. It was stated by the gentleman from Illinois [Mr. DENISON] that the argument which was persuasive with him was the fact that these landowners adjacent to the Mississippi River were poor and unable to bear the burdens that would fall upon them for the reclamation of their own land. Mr. Chairman, is this bill a matter of philanthropy? Is the Government of the United States to be turned into a charitable institution? Poor? Of course they are poor; many of my people are poor; but we bear our own burdens without complaint. This Congress, gentlemen, can not be just and generous at the same time. We have nothing of our own to give. If we are generous to those in one section of the country, we must take from those in another section of the country that which we have no right to take. If you pass this bill in its present form and contribute millions from the Treasury of the United States for the purpose of enhancing the value of the land adjacent to the Mississippi River, you must take the money from the other sections of the United States for that purpose. It is generous to one; it is unjust to the other. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

Mr. WALSH. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WALSH] offers an amendment, which the Clerk will report.

Mr. WOOD of Indiana. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WOOD of Indiana. An amendment is already pending, as I understand it.

The CHAIRMAN. No. The committee has voted on that amendment. It was not agreed to. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 3, line 2, after the word "contributing," insert the following:

*"And provided further,* That where the expenditure of money under this act directly or indirectly adds to the value of lands no part of the fund herein provided for shall be expended for the purposes herein provided unless the owners of such land shall have, either directly or through a local governmental authority having jurisdiction over such land or lands, contributed to the extent of the benefit so conferred."

Mr. HUMPHREYS of Mississippi. Mr. Chairman, can we agree upon time for the discussion of this amendment? I ask unanimous consent that debate on this amendment close in 10 minutes.

The CHAIRMAN. The gentleman from Mississippi [Mr. HUMPHREYS] asks unanimous consent that the debate on this amendment close in 10 minutes. Is there objection?

There was no objection.

Mr. WALSH. Mr. Chairman, the purpose of this amendment is to compel the people who are to be directly benefited, or whose lands are to be increased in value, to participate in the contribution of funds and to assume part of the expense of this work; and if, as has been said during the debate on this measure, there are vast tracts of land down there which are to be reclaimed and which are to be greatly increased in value, it seems only proper, before the Government should step in there, under this vast appropriation, that they should be required to contribute to the expense that is to be borne and that they should be asked to bear a proportional part of the burden by way of a betterment contribution that is placed upon the taxpayers throughout this entire country.

Mr. WILSON of Louisiana. Mr. Chairman, will the gentleman yield there?

Mr. WALSH. Yes.

Mr. WILSON of Louisiana. Is not the gentleman aware of the fact that they are contributing now, and that they have contributed in the past, $3 to every $1 that the Government has contributed?

Mr. WALSH. I understand the statement has been made that some of them have contributed and that some of them are contributing now; but by leaving that clause in the bill which I endeavored to strike out, which confines the expenditure and local contributions to the district where the local contributions are made, you will find that it will discourage rather than encourage local contributions in the future.

Mr. WILSON of Louisiana. Does not the gentleman know that there is not a section to be benefited by this bill but that has already contributed by the payment of taxes?

Mr. WALSH. I understand that certain persons down there are contributing and paying a tax, but no contributions have come from the State legislatures, with one exception.

Mr. WILSON of Louisiana. I want to say to the gentleman that all sections are doing it.

Mr. CROSSER. Mr. Chairman, will the gentleman yield?

Mr. WALSH. Yes.

Mr. CROSSER. If they are contributing $3, as the gentleman says, and are locally benefited to the extent of $75, that can not be considered as contributing according to the real benefits, can it?

Mr. WALSH. Not at all, Mr. Chairman; and this amendment which I have offered proposes to make them contribute in proportion to the benefits which they receive and in proportion to the increased value of the property which they hold.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

Mr. WALSH. Yes.

Mr. MEEKER. In case that were done and the levee should break, would the Government pay the damages?

Mr. WALSH. Of course not; not any more than if this amendment is not adopted and the levee should break would the Government pay damages. If you make a Government appropriation, it does not necessarily follow that it creates Federal liability.

Mr. MEEKER. Is the liability or risk of holding the land behind the levee to be considered in the matter?

Mr. WALSH. Apparently not. Mr. Chairman, if the words of the gentlemen proposing this measure are to be taken seriously, then there is no liability on the part of the gentlemen owning property behind the levee to be considered at all. They seek to impose the liability, though, upon each and every taxpayer throughout this country, and do not seek to take the taxes to themselves. There is only one State that has appropriated money. No State, except one, as the chairman of this committee has very well said, and that is the State of Louisiana, through its legislature, has appropriated a dollar to help remedy this condition. None of the other States through their legislatures have recognized this crying need for relief or have appropriated money. That certainly is not a sort of public spirit to be commended.

Mr. Chairman, I can not support the pending measure, which has been "benevolently" termed the flood-control (?) bill. The proponents would have us take our choice as to whether this bill is a navigation project, a reclamation matter, or an indorsement of a long-continued scheme, which has admittedly resulted in the waste of millions of dollars.

We were given to understand that the creation of this new committee was for the purpose of submitting measures of merit looking to the adoption of some new and comprehensive method or plan for the control of the flood waters of the great Mississippi and other rivers. But we find nothing new in this scheme; it is the same old story, only it appears on the scene under a new cognomen.

They take out of the rivers and harbors bill an item or two, dress them up a bit, ask for forty or fifty millions of dollars, and seek to have the approval of the House placed upon the measure. And from the sentiment as it has been expressed during the discussion of the bill, the House will approve it, but I submit in so doing it will swallow at one gulp the doctrine heretofore occasionally revered, or at least held in some degree of respect, that States owe some duties to remedy conditions arising within their boundaries from disasters and misfortune, and the expense of such remedial measures should be shared by the taxpayers within the borders of such States.

Hereafter this measure, as indeed other measures of like import, will be cited as precedents to encourage and support legislation seeking to shift to the Federal Government burdens and expenditures properly belonging to the several States. Why should not these States rise to the occasion and appropriate through their legislatures money to remedy the loss occurring. How easy it is to sit supinely by and wait, until by constant dinning and importuning the Federal Treasury is tapped and the taxes necessary for the acquisition of the funds appropriated are levied on the portions of the country that now pay the larger proportion of the revenues received from direct taxation.

You are lessening State responsibility. You are burdening the people of the country by legislation that is not planned with a view to equitable taxation.

You refuse to give consideration to the claims of sections where the need is equally as great; you seek to set apart a certain section to receive the special favor of an inequitable Federal appropriation; you make no provision for participation in the expense occasioned by the States where the moneys are to be expended; nor do you provide for any repayment or reimbursement by the sections or interests directly benefited.

It is only fair to note that the Sacramento Valley project does recognize the principle that the State owes some duty to the country to share the expense, and it is to be commended that the Federal Government is to have its appropriation supplemented by an equal sum appropriated by the State or parties interested.

But on the lower Mississippi no equitable participation is offered, and in view of the broad-visioned perspective of course ought not to be expected.

It is time to cry a halt. Congress ought not to be sledge hammered into appropriating millions of dollars for a project such as is here presented, particularly in view of the history of the plan, as related during the debate on the bill.

Mr. LOBECK. Mr. Chairman, will the gentleman yield?

Mr. WALSH. Yes.

Mr. LOBECK. How would you ascertain the value of these improvements?

Mr. WALSH. Well, you have the Mississippi River Commission and the Board of Engineers, that apparently has ascertained every other unsolved problem, whether connected with this matter or not, and it has also fixed the amount which should be contributed by local interests in the past before they would get Federal aid.

Mr. Chairman, I trust that this amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, the bill does provide that everybody must contribute. We just adopted an amendment, offered by the gentleman from Wisconsin [Mr. LENROOT], that none of this money shall be expended until there is contribution.

Now, gentlemen talk about reclamation by these drainage districts. The Federal Government is not asked to spend any money for the purpose of draining any land or reclaiming any land. There are now in process of construction drainage projects in the Deltas amounting to $40,000,000 in round figures, but it will take at least a hundred millions to drain those 16,000,000 acres, every dollar of it to be paid by local interests.

All this talk about the land being made worth $100 an acre by the construction of these levees is ridiculous. Nobody testified as to that except Members on the floor of this House. After the levees have been constructed, after the land has been drained at tremendous cost, after the country has been cleared of its undergrowth and underbrush, after it has been put under cultivation, after the houses have been built upon it and the fences constructed, you can not get $75 an acre for it if you are in luck. It will not average $50 an acre. I happen to know of a plantation in my county, one of the most progressive and best-developed counties in all of the Delta. It was a plantation of 1,200 acres, of which 1,000 acres were under cultivation and 200 acres woodland. It was in a drainage district, and with all the farming implements, stock, and everything else it was sold for $60,000, or $50 an acre, and the seller thought he was getting a good price for it. It is utterly ridiculous to talk about adding to the value of the wild land there $75 an acre by building levees. In the course of human events, if it is made possible by this work for the land to be reclaimed, if the people go in there and bear all the burden of the reclamation, after they have cut the trees down and built their houses and subjected that country to cultivation, possibly the land will be worth $75 an acre. I hope so; but certainly it is unfair for any man to say that this land will spring into values such as have been mentioned here by the mere construction of levees.

Mr. CROSSER. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I yield to the gentleman from Ohio.

Mr. CROSSER. If there is no benefit that actually accrues, then this amendment can not do any harm, can it; and if benefit does accrue, if this land is immediately raised $25 or $50 or $75 an acre in value, should it not pay accordingly?

Mr. HUMPHREYS of Mississippi. Nobody has ever said that no value would accrue. I can understand how the gentleman from Ohio could hold that opinion, of course; but this country has not come to that yet, and I think it will not come to the point where this unearned increment must be turned over to the Government. They do that in Germany. When they improve a canal in Germany, like the Delaware & Chesapeake Canal that my distinguished friends Mr. MOORE of Pennsylvania and Mr. SMALL are so much interested in, they buy up the land on either side of it, and the Government holds that land, so that when it enhances in value the Government gets the benefit of it. I dare say it is not in the contemplation of this Congress to embark upon any such legislation as that now, to buy up all the land, in order that when the land happens to increase in value as a result of any governmental improvement the Government, that does the work, shall get the benefit of it. I put in this report a speech made by Abraham Lincoln, which, it occurs to me, ought to convince any man who reads it of the futility of undertaking anything like that. I hope this amendment will not be agreed to.

The CHAIRMAN. The gentleman's time has expired. All time has expired. The question is on the amendment.

The amendment was rejected.

Mr. MOORE of Pennsylvania. I offer the following amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. MOORE of Pennsylvania: Page 3, line 8, after the word "and"——

Mr. HUMPHREYS of Mississippi. We have not reached that paragraph, Mr. Chairman.

Mr. MOORE of Pennsylvania. I withdraw the amendment.

Mr. LENROOT. I have an amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. LENROOT: Page 2, line 20, after the first word "sum," insert the words "which the commission shall determine to be just and equitable, but which shall be."

Mr. HUMPHREYS of Mississippi. We have no objection to that.

The CHAIRMAN. The question is on the amendment of the gentleman from Wisconsin [Mr. LENROOT].

The amendment was agreed to.

Mr. FREAR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. FREAR: Amend, lines 17, 18, 19, and 20, on page 2, by striking out the words "assurances have been given satisfactory to the commission that local interests protected thereby shall contribute for such construction and repair," and inserting in lieu thereof the following: "there shall have been raised and placed on deposit in a place designated by the Mississippi River Commission and to the credit of the commission."

Mr. FREAR. The purpose of this amendment is to make distinct one of the most important provisions which appears in the bill. The general provision now is that there shall be assurances given to the commission. There is nothing definite as to how long the assurances are to continue, or what kind of security, what kind of guaranty is to be afforded. So I have placed here practically the same condition as exists in the river and harbor bill, that when a contribution is required from any district the contribution shall be fixed and the money placed to the credit of the Secretary of War. In the amendment it is to be placed to the credit of the Mississippi River Commission.

Mr. HUMPHREYS of Mississippi. I think the gentleman is mistaken, and that it is a very unusual thing for any such provision as that to be in the river and harbor bill. The language carried in the river and harbor bill is "upon assurances given to the Secretary of War." That is the usual language. That is the reason we adopted it here.

Mr. FREAR. That may be the language used in some cases, but frequently I have seen the other—not exactly as it is here, but I am trying to make it definite, because this is a very important proposition that we have here. On the question of local contributions there ought not to be any objection to protecting the Government by placing an amount of money that is to be raised to the credit of the commission, so that it can be used. Otherwise assurances may be given and the Government money may be advanced. Then, when you are half way or a quarter of the way through with the construction of the levee, the local community fails to provide the money. The commission ought not to be embarrassed, but the money ought to be available so that they can enter into their contracts with perfect certainty, without any question. We are considering a bill that is direct in its provisions, and we are insisting that there shall be certan contributions made by the locality. In a case like this I can see no objection to requiring the locality to raise by taxation or otherwise the required amount and place it on deposit to the credit of the commission that is to make the expenditure.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, this matter was thrashed out thoroughly with the commission. We had the engineer's report. We wanted to make the matter safe, and this was the advice of the commission, just as it is now. As I said a few minutes ago, that is the language that is almost universally used in the river and harbor bill. Occasionally they require deposits, but that is unusual. Nearly always assurances are given that are satisfactory to the Secretary of War.

Mr. FREAR. What would be the objection to this amendment?

Mr. HUMPHREYS of Mississippi. I can conceive of several. It is necessary for these levee districts to maintain and keep in operation their force for the construction of levees. Because in times of flood when these emergency campaigns have to be made and which cost a tremendous lot of money in temporary work, the Government very largely, almost exclusively, relies on the levee force under supervision and direction of the local engineer.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. I ask for an additional five minutes for the purpose of securing additional information.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HUMPHREYS of Mississippi. Now, if the gentleman will yield. They have been at work under cooperation, and while Col. Townsend stated that "theoretically it was not satisfactory, practically it was not so bad," and there is where the gentleman stopped reading; but it afterwards shows that Col. Townsend is very much in favor of continuing the present plan.

Now, they have to have an organization to collect the tax; they will, under the direction of the commission provided for in the bill, let contracts and have a certain amount of work done. There is no occasion, and I suppose no disposition on the part of the House to hamper these people in these activities. We want to encourage them so that they will raise as much as they possibly can and put into the levees. If we should require that

they collect the money in the beginning of the year and put it in the bank instead of letting the contract, then paying when the collector of taxes collected his money in the fall, it will seriously handicap them.

We have never had an occasion in actual practice where any assurance given to the Secretary of War or given to any of the engineers was not considered sufficient absolutely to compel compliance by those who were contributing.

Mr. FREAR. What protection has the Government in any case providing the levee association should fail to levy the tax, or provided that the local community refused to make the contribution after we have once started on the project? We can not levy a tax, as was suggested by the gentleman from Tennessee [Mr. GARRETT]; we are left absolutely helpless. Why is it not a safe plan, as it would be in any case, to require that the Government be protected?

Mr. HUMPHREYS of Mississippi. There are several reasons I could give. They have to make an assurance satisfactory to the commission; they have to enter into a contract; and they are liable on it and can be made to pay it. But the best assurance is the whip the commission has under this bill—that they will not contribute anything toward the work until the assurance which is satisfactory is given.

Mr. FREAR. But suppose a calamity happens and they can not raise the money. It has been said here that some of them are bankrupt. We have in this case an assurance that they will give to the Government; but who is to make up the balance? The Government is to furnish a certain proportion and the district fails to contribute its share; then we must make up the balance or construction stops where it is—unfinished.

Mr. HUMPHREYS of Mississippi. The Government will not contribute anything further to that district. It is just a question of life and death, and there is no sort of doubt that they will put up their share. They have put up 3 to 1 without compulsion, and why should we have any sort of doubt that they will put up 1 to 2 when they are compelled before they can get a dollar's worth of work done to give a satisfactory assurance?

Mr. FREAR. The answer is that the levee system is no good after it has once begun until it is completed. We have no power to tax; we are helpless under this bill to enforce anything, and have to accept what assurances have been given, and which under the circumstances can not be carried out during construction. It is a businesslike proposal that ought to be accepted if we are to protect the Government in making such agreements.

Mr. HUMPHREYS of Mississippi. I will offer an amendment, when we get to it, that the local interests must look out for the maintenance after the work is completed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was rejected.

Mr. FREAR. Mr. Chairman, I have another amendment to this same section, which I send to the desk.

The Clerk read as follows:

Amend line 2, on page 3, by inserting after the word "contributing" the following: "and the Mississippi River Commission is directed to withhold all work in every State and levee district unless approval is given by the authorities of such State and district that all moneys so contributed by the district or State may be expended in any other State or district whenever required in constructing a levee system along the Mississippi River, and that levee-district lines and State lines shall not be considered by the Mississippi River Commission but that levees wherever constructed shall be built for the system as a whole and not for any particular district or State."

Mr. FREAR. Mr. Chairman, this is somewhat similar to the amendment proposed by the gentleman from Massachusetts [Mr. WALSH]. Here is the importance of adopting such a provision according to my reading of the bill. The bill states at the bottom of page 2:

But no contribution made by any State or levee district shall be expended in any other State or levee district except with the approval of the authorities of the State or district so contributing.

Now, for illustration, a levee is to be completed up to the border line of one of the districts. The people of adjoining districts refuse to raise the money. The money can not be distributed along from one levee district to another, or from one State to another, and you are handicapping the commission by any condition that the money can not be expended outside of the district or State. The commission ought to be able to raise the money and ought to be thoroughly protected. You can not do it without some such provision as I have offered.

Now let me say in a general way in regard to the bill, and I will speak for only a moment or two on that.

There have been some suggestions here about the general character of this land to be reclaimed. In my judgment, as near as I can ascertain from authorities, good authorities, on the subject, a reclamation project is not a flood-control project. In fact, the two are not in harmony. When this commission endeavors to bring this land, now covered by water, some 16,000,000 acres, under this reclamation project, we will have brought the waters within a very narrow levee system. The danger from floods, therefore, will be emphasized. The menace will be greater, because we have taken away the great reservoir which we formerly had before reclamation. That is the opinion of men who have given much time and study to the subject. The two projects are antagonistic. For that reason this is a reclamation project. By bringing these levees close to the river channel I believe the people who are enjoying the benefits of the reclamation project ought to be obliged to pay. They ought to protect the Government clear to the extreme in everything that is necessary, and I do not believe that we are doing so under this bill.

Mr. MANN. Mr. Chairman, I am not able to vote for the amendment offered by the gentleman from Wisconsin [Mr. FREAR]. I think if he will reflect for a moment he will see that it is largely a constitutional question. I doubt whether there are very many States whose constitutions will allow them to appropriate money through the legislature for expenditure in another State. I question whether there is any State that authorizes the formation of a drainage district, with authority to raise money to expend in another State, and there are probably not many cases where they can expend it away from the drainage district. For instance, we have a drainage district in the city of Chicago that has had expended upon it perhaps more money than any other drainage district in the world. A part of the water that runs into our drainage district rises in Indiana, and in a way we have to take care of their flood waters.

Some years ago I looked the matter up, and it is my recollection that the State of Indiana was not authorized to raise money for expenditure over in Illinois, as we would not have been authorized through our drainage district to raise money in Chicago for expenditure in Indiana. I do not believe that a bill of this sort, if it is to be enacted, should be enacted upon the theory that all of the States shall have to amend their constitutions in order to authorize them to expend money outside of the State in the way of public improvements. The States have quite enough to do now in the way of public improvements in the expenditure of money within their own boundaries, and it is not likely that constitutional amendments would be agreed to that merely covered this particular case. It might be desirable for the State of Wisconsin to expend money building a public road in Illinois so that the people in Wisconsin could go to Chicago, but I question whether it would be a desirable thing for them to have the constitutional authority to do that.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. FREAR. Suppose that the highway was to be extended through Wisconsin and Illinois, and the condition was made by the General Government that contribution would be made of two-thirds by the General Government providing a certain amount was contributed by the State of Wisconsin and by the State of Illinois. Could it not very readily be determined what would be the fair proportion? Otherwise would there not be links left out throughout the highway if you were depending upon the local counties to pay the contributions?

Mr. MANN. I do not quite catch the drift of the gentleman's question, but if it means that the construction of the highway depended upon Illinois being permitted to expend money in Wisconsin and Wisconsin being permitted to expend money in Illinois, I do not think it would be constructed. The gentleman's proposition is that none of this money shall be expended until the States and the drainage districts not only have obtained authority but have agreed to contribute money which may be expended outside of their respective borders. I do not believe there is a State in the Union whose constitution at present would allow that. About that I may be mistaken, though I doubt it; but I am very sure there ought not to be any such authorization to expend money on public improvements raised by one State in another State. However desirable it may be in the particular case, it would be a vicious practice to inaugurate.

Mr. FREAR. If that be true, let me suggest that it shows the weakness of the proposition so far as the Government's interest is concerned, when we have no protection whatsoever in this particular.

Mr. MANN. That is another question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was rejected.

Mr. ROGERS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 2, lines 18, 21, and 23, strike out the word "commission" and insert in lieu thereof the following: "Secretary of War."

Mr. ROGERS. Mr. Chairman, paragraph (a), at the top of page 2, provides that the Federal half of the money shall be expended under the direction of the Secretary of War. This paragraph (b), to which my three amendments are directed, provides that the other half of the money, the local half, shall be expended under the direction of the Mississippi River Commission. It seems to me that that is rather poor business practice and procedure, that it is likely to result in conflicts and complexities, and that probably harmony and efficiency would be promoted if both halves of the money, local and Federal, were to be expended under the direction of the Secretary of War.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. Yes.

Mr. MANN. What does the gentleman mean by "halves" of the money? There is nothing in here about "halves" of the money.

Mr. ROGERS. I understand; but one-half of the money is to be appropriated by the Federal Government

Mr. MANN. The gentleman is mistaken about that. It is two-thirds under the amendment that has been agreed to.

Mr. ROGERS. I thought the Lenroot amendment, adopted a few moments ago, was to the effect that the local community should contribute one-half and the Federal Government——

Mr. MANN. Contribute one-half as much as the Federal Government; that makes one-third.

Mr. ROGERS. I did not so understand; but I do not think that changes the effect of the pending amendments.

Mr. MANN. Not at all.

Mr. ROGERS. I was mistaken merely as to the percentage of contribution to be made, respectively, by the Nation and the several localities. Another thing, Mr. Chairman, which I think is worthy of consideration in connection with these amendments is that the expenditure of money under the direction of the Secretary of War would be more likely to safeguard the interests of the country as a whole than would the expenditure under the direction of a more or less local commission.

Mr. DYER. Will the gentleman yield?

Mr. ROGERS. I will.

Mr. DYER. I would like to have the gentleman state why he thinks it should be expended under the Secretary of War, an official who changes very often, whereas the Mississippi River Commission is a continuing commission, the officers of which—at least the chairman has been such for a number of years—and who have given all of their time to this particular work.

Mr. ROGERS. As I understand the functions of the Mississippi River Commission, it is a subordinate board under the Secretary of War—a bureau, so to speak, in the War Department. If that is true, why should not we go to the fountain head of authority and put the direction under the Secretary of War himself, especially as the other portion of this fund is to be expended under the Secretary's direction?

Mr. DYER. The Mississippi River Commission is a separate and is practically an independent authority, I will say to the gentleman, by act of Congress.

Mr. ROGERS. But it is subordinate to the Secretary of War in a great many important respects.

Mr. HUMPHREYS of Mississippi. Will the gentleman yield?

Mr. ROGERS. I will.

Mr. HUMPHREYS of Mississippi. The gentleman will notice that the bill says this is to be expended under the direction of the Secretary of War, but that is not all. It further says, "in accordance with the plans, specifications, and recommendations of the Mississippi River Commission." It is under the general direction of the Secretary of War, but the work must be done just exactly as the Mississippi River Commission says.

Mr. ROGERS. We should have an additional check upon the wise expenditure of this local fund, if the Secretary of War were given supervision here also——

Mr. MANN. Of course this money is to be expended by the local people themselves in the main——

Mr. ROGERS. Yes.

Mr. MANN. Under the direction of the commission, which is on the ground. If it had to be expended under the direction of the Secretary of War apart from the commission, you would have to have another set of officers in Washington, then the Chief of Engineers—a part of them a long way from the ground——

Mr. ROGERS. But I presume that both the Federal and local contributions will be expended as a part of a general scheme.

Mr. MANN. Yes.

Mr. ROGERS. And it would, therefore, seem wiser to have the work carried on under one general scheme rather than two.

Mr. MANN. It is; but the gentleman proposes to make it two. The bill makes it one. The plans of the Mississippi River Commission have to be approved by the Secretary of War and Chief of Engineers to begin with.

Mr. ROGERS. Yes.

Mr. MANN. The Mississippi River Commission is on the ground where the work is to be done. It gives directions there, whereas if you have to come to Washington from the levee district and make application to the Secretary of War here, it would have to be sent by him to the Chief of Engineers and referred by the latter to the Mississippi River Commission, going down to the ground and coming back through this routine, and then the Secretary of War would authorize the expenditure in that way.

Mr. ROGERS. Is not this the situation: Is it not a fact that there is to be one fund, in part contributed to by the Federal Government and in part contributed to by the local units interested?

Mr. MANN. That is not the case as I understand. The Federal Government expends its money. The local money must be expended under the direction of the Mississippi River Commission. But it is not essential, as I understand, that the Mississippi River Commission shall contract to do the work for the local——

Mr. ROGERS. I should like to ask the gentleman——

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROGERS. I should like to have two minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

Mr. ROGERS. I should like to have the chairman of the committee say whether I am correct in my understanding from the bill and his statement relative to the bill, namely, that there is to be one combined general fund to be contributed to by the Federal authorities in part and by the State or local authorities in part.

Mr. HUMPHREYS of Mississippi. Not necessarily. The work is to be done under the commission, and, as has been done in the past, they will allot so much of the work to the local interests. They make the contract. They have the whole equipment there, and they are prepared to do that work, but they must do it under the direction of the commission. It is very much better, in view of the fact that there are in the neighborhood of 25 different levee boards, to have the commission direct this than to have it sent back to Washington under the Secretary of War. And, in fact, the Secretary of War, I presume, if he wanted to act intelligently about it would have to take the recommendation of the Mississippi River Commission.

Mr. ROGERS. Is not the situation similar to that which is presented in the course of the river and harbor bill when one of the States through which a river flows agrees to appropriate a proportion of the amount for the improvement of that river?

Mr. HUMPHREYS of Mississippi. Well, I think not, for this reason. The levee districts are already equipped to do this work; the State is not, the local interest is not.

Suppose you are going to improve the harbor at Pascagoula, Miss., for instance, if that happened to be one of the items in this bill, on the condition that the local interests would contribute $150,000. The Secretary of War would very properly require the cash to be deposited.

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Any funds which may hereafter be appropriated under authority of this act for improving the Mississippi River between the Head of the Passes and the mouth of the Ohio River, and which may be allotted to levees, may be expended upon any part of said river between the Head of the Passes and Rock Island, Ill.

Mr. FREAR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

The Clerk read as follows:

Amendment by Mr. FREAR: Amend, line 8, page 3, by inserting, after the word "Illinois," the following: "but if said Mississippi River Commission shall at any time ascertain and determine that the levee system is increasing the danger to lives and property along the river the commission is authorized and directed to report back to Congress its conclusions, and shall immediately withhold all additional expenditures until further legislation is had by Congress."

Mr. FREAR. Mr. Chairman, I will state that this carries out my general understanding of the sentiment of many people in the Mississippi Valley at the present time, that this is a dangerous project, this reclamation of land, and that it is not a legitimate part of flood control. If it should be ascertained by the commission that this bringing together of the levees is gradually raising the height of the water and making it more dan-

gerous, from the experiments conducted, so that as this work proceeds—because this bill is for five years—then the duty of the commission is to withhold payments and report back to Congress its conclusions.

We have not any very good convictions expressed by members of the commission so far as I can ascertain; no assurances. Opinions? Yes; but this is an important proposition upon which the people of the valley are very much divided. If it should come to pass that the commission should find this condition to arise, that the system is wrong and that it is becoming threatening and dangerous to the people, then they have the right under this amendment to withhold further payments until they report to Congress and receive further instructions.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Missouri?

Mr. FREAR. Yes.

Mr. MEEKER. Have you any method or suggestion other than the levee system, aside from the reservoir system, which you think should be put into effect?

Mr. FREAR. I will say this to the gentleman, that I am not expressing an opinion except in so far as I am expressing the declaration of men familiar with the conditions, that when you decrease the distance between the levees and undertake to reclaim land, the danger of breaking the levees is increased measurably by that limitation.

Mr. MEEKER. Then the gentleman's suggestion is that in case we undertake this levee system and the commission should report that the system is not a success, we should turn the whole thing loose and lose the money already expended?

Mr. FREAR. No. Here it is provided that they shall go on and spend $45,000,000 and whatever else may be appropriated in addition. It is simply for the protection of the commission itself.

Mr. MANN. Mr. Chairman, the gentleman from Wisconsin [Mr. FREAR] is one of the able and indefatigable Representatives on this side of the House. We need more of them. The Mississippi River proposition is one of the difficult problems of the Government. We need able Representatives all the time. We need more on this side of the House, and I am happy to say, Mr. Chairman, that after the election yesterday in West Virginia we shall have one more. [Applause on the Republican side.]

Mr. FOSTER. It is unfortunate for the country, though.

Mr. MANN. Last fall we had a special election in a Democratic district in New York, which returned a Republican Member to the House. Yesterday they had an election in West Virginia, where a year ago last fall the late Mr. Brown was elected by 1,350 majority and there yesterday Mr. Bowers, Republican, was elected to succeed him by 1,125 majority.

Gentlemen, I invite you to look at the wall. The handwriting is on the wall. [Applause on the Republican side.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] moves to strike out the last word.

Mr. STAFFORD. Mr. Chairman, the proposition involved in this bill is one for levee improvement only. It makes no provision whatever for any lateral basins or reservoirs to relieve the surplus flood waters of the Mississippi. It does not require any expert information to know that if you are going to confine in a narrow channel of 2 to 6 miles in width what nature has, in years gone by, been carrying as widely as 60 miles that the banks will have to be considerably raised.

Mr. SWITZER. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Ohio?

Mr. STAFFORD. In a little while. It does not require expert knowledge to know that if you are going to raise the height of the water of that stream the levee required will mount and mount until somewhere or other lands will be overflowed which were formerly free from such devastation.

This is confirmed by the statistics that are available, so far as the levee improvement of the Mississippi has been developed up to the present time. During the flood in the Mississippi in 1882 the headwaters at Cairo were 52 feet above normal, whereas at Memphis during the height of the flood the water was 35 feet above normal. In 1912—and it is agreed that the flood of that year was about the same as that of 1882—the headwaters at Cairo were 54 feet, whereas at Memphis there was a height of 45.2 feet, occasioned by the confining of the waters in a narrower confine by reason of the building of the levees on the lower banks of the Mississippi. In 1913, during the flood, there was a height of water at Cairo of 54.7 feet, whereas at Memphis it was 46¼ feet.

This only goes to show that this proposal is not one that will result in benefit to the whole stricken districts of the South, but one that will be localized and restricted to those lateral lands that are tributary immediately to the levee district. This phase has been called to the attention not only of the Court of Claims but of the Supreme Court. The facts show that uplands, which formerly in flood times were free from the devastating waters of the Mississippi, by reason of the confinement in a narrow channel and the breaking of the levees, have been overflowed, and injury inflicted upon lands which in the history of the Government had never suffered damage before, they being under water for the first time and occasioned by the backwater from a levee break.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. In just a moment. I call attention to the language of the report of the Mississippi River Commission for 1910, involving that, where it says:

> That these people should be condemned to perpetual inundation without the possibility of relief or redress, for the sake of an improvement from which their fellow citizens are enjoying great benefit, is intolerable to any man's sense of justice.

These cases are great in number. The height of the river bed has been raised, and uplands which in old times were known to be free from the devastating influences of the flood are now subjected to inundation.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. STAFFORD. By the erection of these levees you are attempting to do the reverse of what the Isthmian Canal engineers decided should be the policy in the control of the flood waters of the Chagres. It was known that when the great floods of the Chagres came down the valley they overspread that great basin. But instead of confining those waters in a narrow channel the Government provided a great lake that will impound the waters in a surface level of 154 miles.

Mr. MOORE of Pennsylvania. And a spillway.

Mr. STAFFORD. And a spillway to provide that that excess water shall be drained off gradually. Here you propose to back up the water. You propose not only to back it up toward Illinois, but to back it up in all the tributary streams in Arkansas and all the other adjoining districts. This is the first time that Congress by deliberate action approves a policy whereby the Government will be called upon in the future to pay millions and millions of dollars in claims arising directly out of its own policy, by forcing the waters back and overflow adjacent lands. These claims will run into the millions and millions of dollars.

It is not fair for the proponents of this bill to say that the total will amount to an aggregate expenditure of $45,000,000. The hearings admit that these levees, if they are to be lasting, must be revetted, and the cost of that revetment for the purposes of navigation is estimated at from $100,000,000 to $158,000,000.

Mr. HUMPHREYS of Mississippi. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. HUMPHREYS of Mississippi. That estimate of $158,000,000 made by the Mississippi River Commission was made in response to an inquiry contained in a resolution of Congress to ascertain what the cost of complete revetment of the Mississippi River would amount to. They said $158,000,000; but they also said, and still say to-day, that no such revetment is necessary. There is no occasion to revet it all, and not more than $60,000,000 to $75,000,000 will ultimately be required in the next 20 or 25 years.

Mr. STAFFORD. Mr. Chairman, accepting the very modest suggestion of the father of this proposition, that it will cost $75,000,000, I claim this is the most stupendous loot of the Federal Treasury that has ever been submitted to this Congress during the past 15 years. Here we have a proposition involving an expenditure of $45,000,000 within 5 years, superimposed with an additional appropriation of $75,000,000 for revetment purposes. If this proposal provided for reservoirs where these flood waters could be accommodated, then we might consistently claim that it was something for flood control; but we know that it is a mere reclamation project to increase the value of the bottom lands that to-day are worth only $20 an acre, but when they are secure from inundation will be worth from $75 to $100 an acre. We know that it is nothing more nor less than a

localized improvement proposition and not for the benefit of all the country.

Mr. GREEN of Iowa. I think 20 cents an acre would be nearer the present value than $20.

Mr. STAFFORD. I have inquired from gentlemen who are acquainted with the value of these lands, and I wanted to be very moderate in my statement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. I will not ask for any further time.

Mr. HUMPHREYS of Mississippi. Let us have a vote now on the pending amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from Wisconsin.

The amendment was rejected.

Mr. TILSON. I move to strike out the last word.

Mr. HUMPHREYS of Mississippi. Let us see if we can not agree on debate on this paragraph. The gentleman, as I understand it, just wants to strike out the last word; that is, he simply wants to make a talk on this subject?

Mr. TILSON. I may possibly ask the indulgence of the House for 10 minutes, but I have five minutes already granted to me.

Mr. HUMPHREYS of Mississippi. I ask unanimous consent that debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that debate on this paragraph and all amendments thereto close in 10 minutes. Is there objection?

Mr. MOORE of Pennsylvania. Reserving the right to object, I think the gentleman will make time if he will extend that to 25 minutes.

Mr. HUMPHREYS of Mississippi. Oh, no. Why not let us read this section and then talk? Let us get through with the section and then talk.

Mr. MOORE of Pennsylvania. I have an amendment to offer to this section. The gentleman from Ohio and the gentleman from Connecticut each want five minutes.

Mr. HUMPHREYS of Mississippi. It is not on any amendment. Let us read this section. I submit to the gentleman that we ought to be fair. We have been here two days now on one section. The gentleman from Wisconsin [Mr. STAFFORD] came and assured me that there would be no delay on the matter if I would permit this bill to be read by paragraphs instead of by sections. I submit that to occupy two days in debate is not keeping that promise in good faith.

Mr. STAFFORD. There has been no attempt to delay the consideration of the bill.

Mr. HUMPHREY of Washington. What authority had the gentleman from Wisconsin [Mr. STAFFORD] for making any such agreement?

Mr. STAFFORD. I did not assume any authority.

Mr. HUMPHREYS of Mississippi. The gentleman from Illinois [Mr. MANN] spoke with some authority, and he called on his party associates to stand by that agreement.

The CHAIRMAN. Is there objection?

Mr. MOORE of Pennsylvania. I object, Mr. Chairman.

Mr. TILSON. Mr. Chairman, the bringing in of this bill has served at least one useful purpose. It removes the mask from what was for the most part only a plausible pretext that the large sums appropriated and spent in the so-called improvement of the Mississippi River were expended for the improvement of navigation. In the discussion of this bill it has not been necessary to talk navigation where there is no navigation, or commerce where there is none. That is a distinct advance.

It is practically admitted that this is a reclamation project, or, at any rate, it has been demonstrated that it is by the facts and arguments produced. It is a reclamation project on a grand scale, one that appeals to the imagination and, I believe, to the sound sense of broad-minded men. It is a project whose magnitude and possibilities arouse the most intense interest, just as the boundless expanse of semiarid land in the West has appealed to the stout-hearted American and has challenged his daring and enterprise to go out and reclaim it. Just five years ago I crossed from east to west the State of Louisiana and part of the great State of Texas. It was a dry season, but in Louisiana I saw unnumbered miles of the richest alluvial land on the earth covered with water, while in Texas boundless areas of black waxy and other fertile lands were producing little or nothing for lack of the one thing an oversupply of which rendered much of the adjoining State valueless. It naturally occurred to me what a wonderful transformation the genius of man might bring to pass by reducing the amount of water in Louisiana and increasing it in Texas.

The 16,000,000 acres of unprotected overflowed alluvial land along the Mississippi must be saved, not only for the sake of the present owners of this land, who will undoubtedly gain most, but for the sake of the people of the entire Nation. We are a Nation of a hundred million people. Continental United States alone could support easily 500,000,000, but it will support them far better if the fertile arid lands are watered and the alluvial overflowed lands are protected from the floods.

The only question is how to bring it about. We are solving the question in the case of the semiarid lands of the West. The practical problem is somewhat more difficult in the case of the overflowed land, owing to the fact of its being entirely in private ownership.

In the case of the irrigation projects where the United States owns the lands they can be sold after being made valuable, and thus recoup the Treasury for what has been expended. At least this is the theory upon which the work is proceeding. The bill under consideration presents the proposition baldly that the United States shall build levees and revet the banks of the Mississippi River so as to prevent overflow and that the private owners of the land thus protected shall pay one-fourth of the cost—one-third if the Lenroot amendment is finally adopted. This does not appear to be entirely fair to all the other people of the country who are only indirectly benefited.

I believe that it is necessary for the United States to take charge of this great problem and work it out. It is too large a problem for individuals, levee districts, or even States to work out alone. It must be done by intelligent cooperation with the General Government. It seems to me it ought to be possible to work out a plan by which the United States would finance and control this work, but that the lands specially benefited should bear at least the major portion of the expense. No such idea is contained in this bill, but it proceeds upon the same old theory that while the benefit is largely special, the cost shall be made general under the same old river improvement guise.

I believe in river and harbor improvement wherever there is business to justify it. I believe that more money rather than less should be expended in deepening harbors, keeping open the channels of rivers and in opening up new waterways, but I would insist that before large sums of public money are expended on such work it should be clearly demonstrated that the commerce is actually there to be carried. If it is there in sufficient quantity, the most effective and most economical means of carrying it should be provided, but I am opposed to projects of the character pointed out in some previous rivers and harbors bills where the total commerce is not equal in value to the sums expended for improvement.

Mr. RICKETTS. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. RICKETTS. What is the plan proposed now by which this $45,000,000 is to be expended in order to protect the lands from the floods?

Mr. TILSON. It was proposed originally that the Government should pay three parts of it and the private owners should pay one part. Unfortunately, if the land which is now practically valueless should become very valuable, the private individual would not receive as his share one-quarter and the Government three-quarters, but the Government would get nothing, while the private owner would receive all the benefit of the increase.

Mr. RICKETTS. That is the proposed expense; but what is the plan of spending this $45,000,000 to protect these lands?

Mr. TILSON. It is the same old plan under a new guise. It consists in spending a great deal of money under the pretext of improving navigation, under the same plan that the money has been spent heretofore, for navigation nominally, but really for the reclamation of the land.

Mr. MOORE of Pennsylvania. There is no change between this plan and the plan carried on under the river and harbor bill.

Mr. TILSON. There is really no change in the plan.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. TILSON. I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. REAVIS. Will the gentleman yield?

Mr. TILSON. For a question.

Mr. REAVIS. If the report of the engineer is correct that navigation and flood control are incompatible, we make appropriations through one committee for navigation and through another committee for flood control, and one appropriation nullifies the other, and what is the end?

Mr. TILSON. If that be true, we are working at cross purposes, and the first thing to do should be to coordinate our plans.

The passing of this bill as it is written will set a bad precedent and open wide the door for such "pork" appropriations as Con-

gress has never known before. It is frankly stated that this is just the beginning. The gentleman from Indiana [Mr. WOOD], in his remarks last Wednesday, said:

If the project commenced with this measure is carried out, as it is the intention of the committee it should be, the flood waters of the Wabash, White, and Miami Rivers will be controlled, and the awful havoc and destruction committed by them in 1913 will be rendered impossible of repetition.

Yes; and there are hundreds of other streams in the country, in addition to the Wabash, the White, and the Miami, just as destructive to lands along their banks when floods come. I shall cite just two instances in widely separated parts of the country, both having come under my own personal observation. These will serve as illustrations of numerous cases in all parts of the country.

Mr. FESS. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. FESS. The Wabash, the Ohio, the Illinois, and the Missouri all probably will require some attention as to flood control. Is this bill written on a basis that when the improvement is made it will take care of any future improvement above the place where it is now made?

Mr. TILSON. I assume that if this bill passes we shall first attend to the lower Mississippi and then provide for all other streams in the country, build levees at the danger points, revet the crumbling banks, and proceed to protect the whole country. However, I have wondered what will become of the Treasury while we are doing it.

Mr. FESS. Why was not a comprehensive plan set out before we began in this piecemeal way?

Mr. TILSON. I am not a member of the committee, and therefore can not explain why that course was not pursued.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. MOORE of Pennsylvania. You have floods in Connecticut, but Connecticut is not provided for.

Mr. TILSON. Yes; we have floods in Connecticut, of which I am going to speak after referring to another illustration in a different part of the country.

In the southern Appalachians the Blue Ridge is the watershed, while the highest crest of the Allegheny Range is the boundary between North Carolina and Tennessee. Four rivers, rising in Virginia and North Carolina, break through the Allegheny Range and flow down through the upper east Tennessee Valley—the Holston, Watauga, Nolichucky, and French Broad. In 1901 there was a somewhat unusual flood in these rivers, destroying land and buildings, mostly land, to the estimated value of $10,000,000. Like the dwellers along the lower Mississippi, the landowners of Tennessee were helpless. Virginia and North Carolina gathered their combined waters and hurled them through the mountain gorges upon Tennessee. Why should not the Government come to the rescue, erect levees, and revet the banks of these rivers in order to protect the alluvial bottoms along their banks? The answer will be: It should and it will if this bill is to determine our policy, for I never knew Tennessee to miss a trick, especially when the old flag and an appropriation are involved. [Laughter.]

The other case is in my own State of Connecticut and occurs annually, some years being worse than others. As you will recall, if you have studied the geography of New England, the Connecticut River rises near the Canada line, forms the boundary between Vermont and New Hampshire from north to south, crosses the entire width of both Massachusetts and Connecticut, and empties into Long Island Sound. The waters of three States are poured out upon little Connecticut, and never does a year pass without great and irreparable damage being done to the very fertile and productive lands lying along the river. Are we to make it a "pork" proposition and have the United States build levees at the danger points and revet the banks of the lower Connecticut, where during the early spring floods half a Connecticut farm will fall into the river at once?

The gentleman from Indiana [Mr. WOOD] tells us it is not a sectional bill. He says:

That it is not intended that this improvement is to be sectional is adequately proven by this initiatory measure, which provides not only for the flood control of the Mississippi River, but for the flood control of the Sacramento River in far away California, thus demonstrating that the people of the South have joined hands with the people of the West to assist each other for the common good of all their citizens, and as readily will they respond and join hands with the people of the North and the people of the East.

Yes, and will be sure to join hands with enough to pass the bill. The amendment and remarks of the gentleman from South Dakota [Mr. DILLON] are illuminating on this point. He proposed to strike out "Mississippi River from the Head of the Passes to the mouth of the Ohio River," and insert "Ohio, Missouri, and Mississippi Rivers and their tributaries." Of course, he should have included the Connecticut River. He omits even the Sacramento River, mentioned in the bill. After informing us that the Missouri is the important river and the Mississippi only a tributary to it, he goes on in support of his amendment:

It seems to me that we will be making a great mistake if we do not take into consideration these propositions. To do things by piecemeal will be a failure. I want to see this bill perfected so that we can all support it; simply doing it by sections in the form of levees will mean a miserable failure. I hope this amendment will be adopted so that we all may be able to give this bill our support, but without such an amendment it is doubtful if I could support a bill of this character.

In other words, if we distribute the appropriation widely enough, it will be done wisely so far as passing the bill is concerned.

I believe in internal public improvement, and there are many things that must be done, if at all, by the Federal Government; but I deprecate the inception of any policy which in its essence consists in collecting revenue by Federal taxation and attempting to distribute it again to the States, to localities, or to the people themselves. It can not be done wisely, or satisfactorily except to the few receiving it. It ought not to be attempted. I fear that this bill will lead strongly in that direction. Therefore, while favoring the cooperation of the Government in the work of building the levees, revetting the banks, and saving the overflowed lands of the Mississippi Delta, I think the problem should be worked out differently from the solution offered in this bill. [Applause.]

Mr. MOORE of Pennsylvania rose.

Mr. HUMPHREYS of Mississippi. Will not the gentleman from Pennsylvania permit us to proceed now with the reading?

Mr. MOORE of Pennsylvania. I would like to have five minutes on an amendment.

Mr. HUMPHREYS of Mississippi. Why not take it on the next paragraph?

Mr. MOORE of Pennsylvania. Let me offer my amendment, and I will speak to that. I have an amendment to this paragraph.

Mr. HUMPHREYS of Mississippi. Very well.

Mr. RUSSELL of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 3, line 8, after the word "and," strike out the words "Rock Island, Ill.," and insert the words "St. Paul, Minn."

Mr. MOORE of Pennsylvania. Mr. Chairman, several times comment has been made upon the fact that there is very little difference between obtaining appropriations for flood prevention under a Flood Control Committee and obtaining them under a River and Harbor Committee in the regular way. My judgment is that we should adhere to the old practice, because that was fair to every section of the country.

The flood-control bill has been organized along lines somewhat similar to the river and harbor appropriation bill in this particular, that while the Mississippi Valley is fairly well taken care of up to the point of the Ohio River and is extended in the bill so that the Mississippi River Commission can have control up to Rock Island, taking in two or three more States along the line, California and the western coast is provided for by an appropriation for the Sacramento River. This is the way to get votes for a proposition of this kind. We take care of certain sections of the country where the voting power is strong, and thus we get recognition in the House of Representatives. It is a perfectly natural proposition which any experienced member of the Committee on Rivers and Harbors understands full well, because under various administrations long since passed it was worked very successfully in organizing the votes.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Washington, who first addressed me, and then I will yield to the gentleman from Illinois.

Mr. HUMPHREY of Washington. I want to ask the gentleman how much chance he thinks the California proposition would have of passing through this House if it was not hitched onto the Mississippi River proposition?

Mr. MOORE of Pennsylvania. I do not think it would have any chance. The California proposition is in the river and harbor appropriation bill which has been passed, just as is the Mississippi proposition. Provision was made in that bill for the Sacramento River, but see the importance of linking up these sections of the country!

It takes a man who understands how to get an indorsement from three national political conventions to be capable of bringing about this sort of an arrangement. Anyone who can go to a Republican convention and get an indorsement for flood control, then go to a Democratic convention and get an indorsement for flood control, and then to a Progressive convention and get an indorsement for flood control can link up the Sacramento River and the votes on the Pacific coast with those in the Mississippi Valley, and thus put himself in the position of passing his bill. It is a strong play.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield.

Mr. GALLAGHER. I would like to ask the gentleman, if the House should adopt his amendment, how much money would be expended upon the stretch of the river proposed to be taken in under this bill?

Mr. MOORE of Pennsylvania. I think it would be fair to take care of that portion of Missouri which is included in this extension of the line from Cairo to Rock Island. I think it would be fair to provide for the great navigation State of Iowa, which raised some objection to the river and harbor appropriation bill when it was under consideration in the House, and in that way we might get some Iowa votes; but I can scarcely see the reason for stopping at Rock Island. We have already voted $20,000,000 for the construction of a nitrate plant at Muscle Shoals in Tennessee. Maybe Rock Island, being public property and located in the interior of the country, is to be considered for that purpose.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent to proceed for five minutes, because I have not yet come to the merits of my amendment.

Mr. HUMPHREYS of Mississippi. I hope the gentleman will not insist upon that. He said he wanted to discuss his amendment, and the gentleman has not discussed it in the five minutes he has just consumed.

Mr. MOORE of Pennsylvania. But gentlemen diverted me, just like the course of the channel of the Mississippi River. I will proceed now directly to the amendment.

Mr. MANN. I suggest to the gentleman from Mississippi that he ask to close debate on the paragraph in 10 minutes. I would like to have 5.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that all debate on the paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

Mr. BARKLEY. Mr. Chairman, reserving the right to object, there is some information that I desire to obtain with respect to the paragraph, and I would like the gentleman to make it 11 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield for one question.

Mr. GOOD. If this bill should include flood control of the Delaware or the inland waterways, I would ask the gentleman if that would be sufficient to obtain the vote of the gentleman from Pennsylvania?

Mr. MOORE of Pennsylvania. Oh, we have our floods. We are in the same position that the gentleman from Connecticut [Mr. TILSON] described. When the freshets overcome us we have to go down into our own pockets and pay for damages ourselves.

Mr. BARKLEY. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not yield unless the gentleman will grant me more time. Well, I yield.

Mr. BARKLEY. Oh, well——

Mr. MOORE of Pennsylvania. Very well. Now, Mr. Chairman, apart from the fact that the pork barrel applies only to rivers and harbors and not to flood control—and, by the way, Eastern newspapers will please take notice, especially such papers as work themselves into a frenzy over a $1,000 appropriation for Mud Creek and then go to sleep over a $50,000,000 appropriation for the lower Mississippi—the question here is whether we are proceeding upon the right course. The question is, Are we going to throw $50,000,000 in a ditch or expend it wisely so that it will be of some real benefit to the people of this country? The committee itself, on page 16 of its report, sets out with some gusto a table showing that as the levees have been built and the waters of the Mississippi have contracted, the velocity of the flood has increased enormously, and therefore the damage has been greater. At the same time and in the same table the committee shows that while the floods have been increased and this farm soil from the Northern States has settled upon these southern bottoms, the value of the land has been increased correspondingly. Now, are we operating upon right lines? Our chief witness here, apart from the gentleman who wrote this eloquent report, is the colonel at the head of the Mississippi River Commission, Col. Townsend, and the Colonel has made numerous reports upon this subject. Does the Colonel say the only way to prevent floods is to contract the channel, to build these banks high all along the line?

Let us see. In an official report of October 26, 1912, and I hope I may have time to read the peroration of that report, the Colonel had something to say that has not been quoted here. It pertains to the wisdom of having the Government of the United States take over these lands that are not worth reclaiming and make them flood basins, basins into which the flood waters may flow so that they will not interfere with navigation or destroy property. It is such a report as indicates that a man who goes in upon these danger zones and builds a little home, as described by the gentleman from Mississippi a little while ago, will have notice that he had better not do it because the Government might not be in a position to spend $50,000,000 to help him out. The report suggests that the Government ought to take these lands. I quote from Col. Townsend's report:

83. The disposition of the long, narrow basins which are not worthy of protection is a matter that requires careful consideration. The wooded areas therein do not suffer materially from the overflows that occur. Whether the land should be purchased for the use of the United States or the owners compensated for the damage done by increased flood heights due to levee construction complained of, is a complicated problem, owing to the participation of the States in levee construction, which has contributed much more to the change in flood heights than the work done by the United States.

84. The land embraced in these basins is in places covered with willow and material that would be valuable for use in the work of river improvement and in such cases it is desirable that the ownership should be in the United States. In fact, the earlier reports of the commission recommended that such lands be acquired for that purpose. This becomes more and more important as the demand for material increases, and is further emphasized by the fact that a disposition is shown to secure possession of these lands by private owners in order to compel the Government to pay largely increased prices for the material needed.

85. In view of recent sales of lands in the basins and prices that have been quoted from time to time it is the opinion of the commission that an estimated value of $10 per acre may be regarded as the average price at which the lands whose protection is impracticable can be acquired. The total cost of such acquisition on that basis would amount to $6,226,210.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. Shall the Government own this land and hold it for flood basins or shall we make the Government pay for improving it for private use?

Mr. MANN. Mr. Chairman——

Mr. PARKER of New Jersey. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from New Jersey rise?

Mr. PARKER of New Jersey. I was going to ask unanimous consent for five minutes.

The CHAIRMAN. The time has been limited to 10 minutes on this paragraph.

Mr. MANN. Is there objection to the gentleman from New Jersey having five minutes?

Mr. HUMPHREYS of Mississippi. Can not the gentleman take that right after the next paragraph?

Mr. MANN. Would the gentleman just as leave proceed at the end of the next paragraph?

Mr. PARKER of New Jersey. I would rather not, because the observations I desire to submit are upon the general problem.

Mr. HUMPHREYS of Mississippi. The gentleman can certainly speak on the general problem at the end of the next paragraph as well as this.

Mr. PARKER of New Jersey. But it comes in right after the remarks made by the gentleman from Pennsylvania [Mr. MOORE].

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey may have five minutes, not to be taken out of the time already agreed upon.

The CHAIRMAN. Is there objection to the request? [After a pause.] The Chair hears none.

Mr. PARKER of New Jersey. I thank the gentleman. Mr. Chairman, it seems to me that the time has come when a few words should be said in an effort to make plain what the Mississippi problem really is. That great river, like a big snake, moving, twisting, and curling, from Cairo through low country down to the sea, has built up from before the memory of man, on either side, its own natural system of levees. Its sediment when it rises falls first on its banks, so that the country back from the banks is much lower than the banks. That back country is swampy, and the lowest part is often known as the "back river." These back rivers extend over 300 miles, from

the Yazoo on the north to the Atchafalaya on the south, all the way to and beyond New Orleans, and it is well known that the city of New Orleans has a large, high bank between it and the river, but runs back to swamps and then to Lake Pontchartrain, which, at 8 miles distance, is some 8 feet lower than the ordinary level of the river at low water. The levee there is about 15 or 20 feet above the ordinary low water of the river, but when the river rises there was no trouble in old times, because it overflowed at some place where there was a break in the bank, perhaps through some inlet or branch stream, filled up the back rivers, covered the low country 50 miles wide, and left the plantations along its own banks safe, because there was another outlet furnished for the flood water.

These back lands were swamps and not in private hands. I think it is fair to say that none of them were taken up by private owners at the time that Louisiana was admitted to the Union, or for long afterwards. They belonged, after the cession of Louisiana, to the United States, and the United States, owning that land and finding that it was not taken into private ownership, as is stated on page 3 of the report on this bill, conveyed these back lands, the channels, and swamps of the back rivers that relieved the floods of the Mississippi to the various States, on the condition that the proceeds of any sales should be used wherever it should be found profitable to build levees and reclaim lands. Therefore, if these lands are overflowed now, it was understood that they were to be overflowed when the United States made that cession of those lands to the various States, because they always had been, necessarily, overflowed when "all the mighty floods were out."

As time went on a new policy was adopted, namely, of attempting to keep the river from going into those back channels. This was contemporaneous with the attempt to make the Mississippi River deeper, because in order to be deeper it must have a fixed channel and not be allowed to cut through; thereupon the river bed and surface rose foot by foot as time went on, until it got higher than the surrounding country, just as the Po is 16 feet above the surrounding fields of Italy. The Scheldt in Holland is the same, and rivers in Japan are 40 feet above the surrounding country. As the mouth makes out into the sea, the river rises on its upper bed.

By the levee system the river engineers tried to prevent the natural remedy for the rise of the river bed, which always had been that the river sometimes broke through its natural higher banks and went through the low ground to the sea by a shorter cut. Instead of allowing this it has been attempted for many years, first by the States that received these grants of lowlands and afterwards by the United States, to build a levee wall to confine the river and to keep the floods from flowing in their natural channels in the back lands.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. PARKER of New Jersey. I would like to have one minute more.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to proceed for one minute more.

There was no objection.

Mr. PARKER of New Jersey. The Mississippi River in times of flood was often 50 miles wide. That water can not be passed by a channel a mile wide unless it is at least ten or fifteen times as deep, and that means a levee 100 feet high. The reason why certain smaller levees stand now is that other levees break and relieve them.

In the next room are some instructive maps of rainfall in the Mississippi Valley, for which, I think, we are indebted to the gentleman from Mississippi [Mr. HUMPHREYS]. One of them shows that in six days, January 26 to 31, 1916, there were 500,000 square miles of territory which seemingly received an average of a fifth of a foot of rain—that means 100,000 square miles of water a foot deep. If that water be confined in a channel 1 mile wide, even if it be 100 feet deep—much deeper than the Mississippi at most parts of the levees—it would occupy that channel for a thousand miles, and if that water pass through that channel at the rate, we will say, of 100 miles a day, it would take 10 days to pass; all that water fell in 6 days. It would take 10 days to pass if the river were 100 feet deep. It averages only 10 feet in many places. To hold the water 100 feet deep would need levees 100 feet high. But no such levees 100 feet high could be built. It is impossible to hold the floods to 1 mile in breadth. In the end we must rely upon the old-fashioned plan by which the river in flood sought and took its own broad course through the low grounds. Any plan that attempts anything else is fighting against the Power that sends the rain. [Applause.]

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. MANN. Mr. Chairman, this bill has been to me, in its consideration, one of the most interesting parliamentary experiences in my service in the House. For years, ever since I have been a Member of the House, the river and harbor bill has carried appropriations for this identical work on the Mississippi River, and I have heard more discussion in the last two days, during the consideration of this bill, in reference to this item than I have heard during the entire 18 years of my service in the House before on this item in the river and harbor bill.

It is an interesting parliamentary experience, because, as everybody knows, the river and harbor bill is one of the bills that are called "pork-barrel" bills. I do not use the term invidiously. It is made up primarily—or maybe it is made up secondarily—with a view to having the majority of the House favor the various items in it and stand by each other and put it through; and the question frequently has been asked whether it was not possible to consider these items in separate bills on their merits. We have one of the items that is practically one of the items in the river and harbor bill on its merits now under consideration in the House.

Some of the Members are opposed to it because they are opposed to the same item in the river and harbor bill. Others are opposed to it because they do not want to take it out of the river and harbor bill, for fear it will weaken that bill as a "pork-barrel" bill in its passage through the House.

That bill goes through by inertia. During my service in the House I do not think half a dozen amendments to the river and harbor bill were ever agreed to that did not meet the approval of the gentleman reporting the bill. Gentlemen vote consistently against putting anything in the bill that is not O. K'd by the chairman of the committee reporting the bill. They stand by each other. Those gentlemen do not want to weaken the bill. The Mississippi River improvement has a large number of people interested in it. It has carried through this House more than one river and harbor bill. I think it is wise to take out of this river and harbor "pork-barrel" bill the main item in it and let the other items see if they have strength enough to work themselves through the House on their merits. I think this bill should be considered on its merits, but not because it weakens the river and harbor bill.

I have heard very distinguished and able men in this House, the ablest men we have in the House on both sides of the Chamber, oppose this bill, but in all my service I have never heard them lift their voices against the same item in the river and harbor bill. They have always supported the item when it was in the river and harbor bill and helped to carry through their own items, which would not stand on their own bottoms. [Applause.]

I wish we could have more of these things come before the House on the individual merits of the propositions and see if we could not break up a ring, to which I confess I have been a party in the past, in the consideration of the river and harbor bill, standing by what the Committee on Rivers and Harbors did because I had a valuable item in it myself and proposed to get it through, and did. [Laughter.]

I think it would be wise if we would consider more of the propositions on their merits and less on the "pork-barrel" theory.

Mr. FESS. Will the gentleman yield?

Mr. MANN. I would, if I had time.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment.

Mr. BARKLEY. Mr. Chairman, I understood that the time was to be extended to 11 minutes instead of 10, in order to give me a chance to ask the chairman of the committee a question.

The CHAIRMAN. Unanimous consent is asked that the gentleman from Kentucky [Mr. BARKLEY] may be permitted to proceed for one minute. Is there objection?

There was no objection.

Mr. BARKLEY. I simply desire to ask the chairman of the committee why was it provided in this paragraph that the money appropriated in this act for use along the Mississippi River between the Head of the Passes and the mouth of the Ohio River, and which may be allotted to levees, may be expended upon any part of said river between the Head of the Passes and Rock Island, Ill.? What is the object of that?

Mr. HUMPHREYS of Mississippi. That is the law now—that is, it has been in the river and harbor bills that have passed the House the last three times. It is because the flood situation on the Mississippi River begins at Rock Island.

Mr. BARKLEY. Why not provide that these appropriations may be made for the Mississippi River as far as Rock Island?

Mr. HUMPHREYS of Mississippi. Because the river above the mouth of the Ohio, for the purposes of improvement, is not under the Mississippi River Commission. It is under the Chief

of Engineers, and the improvement is of an entirely different kind, by locks and dams.

Mr. BARKLEY. This puts it under the Mississippi River Commission, so far as levees are concerned.

Mr. HUMPHREYS of Mississippi. As far as levees are concerned, but the improvements up there continue under the Chief of Engineers.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

The Clerk read as follows:

(d) No money appropriated under authority of this act shall be expended in payment for any right of way for any levee which may be constructed in cooperation with any State or levee district under authority of this act, but all such right of way shall be provided free of cost to the United States: *Provided*, That no money paid or expense incurred by any State or levee district in securing such rights of way, or in any temporary works of emergency during an impending flood, or for the maintenance of any levee line, shall be computed as a part of the contribution of such State or levee district toward the construction or repair of any levee within the meaning of paragraph (b) of this section.

Mr. MOORE of Pennsylvania. Mr. Chairman——

Mr. HUMPHREYS of Mississippi. May I ask, has the gentleman an amendment to offer to this?

Mr. MOORE of Pennsylvania. No; I am simply going to move to strike out the last word.

Mr. HUMPHREYS of Mississippi. Does the gentleman from Washington [Mr. HUMPHREY] want any time?

Mr. HUMPHREY of Washington. I want five minutes.

Mr. HUMPHREYS of Mississippi. Not on an amendment?

Mr. HUMPHREY of Washington. No; on a motion to strike out the last word.

Mr. HUMPHREYS of Mississippi. I ask unanimous consent that debate on this paragraph and all amendments thereto close in 15 minutes. That will accommodate the two gentlemen who desire time.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that debate on this paragraph and all amendments thereto close in 15 minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Chairman, following the address of the gentleman from Illinois [Mr. MANN], who approved of segregating the flood-control proposition on the Mississippi River from the river and harbor bill, I wish to quote from the very able report of the Committee on Flood Control, page 9.

After announcing that the Committee on Flood Control is composed of laymen, and admitting that since the organization of the Mississippi River Commission 65 engineers of the Government had been connected with it, a very strong body of men who have formulated plans which do not seem to have been entirely successful up to date, the committee comes bluntly to the point at issue. It says:

The question thus confronted was greatly simplified for the committee by the fact that Congress had already (March 3, 1881, and September 15, 1890) adopted the project—

That is to say, the old project of the Mississippi River Commission—

And during the past 35 years—

It is no new thing, you will observe—the Rivers and Harbors Committee was mighty fair to the Mississippi River Commission during all that time—

And during the past 35 years had appropriated toward its prosecution many millions of dollars.

The Flood Control Committee is very modest in the statement of the fact. The actual amount appropriated during that time for the portion of the river between the Head of the Passes and the mouth of the Ohio River was $87,000,000. But the committee continues:

The question, therefore, which demanded an answer from the committee was not whether the United States should be embarked upon some new sea of Federal activity and another channel opened up into which—

Not the waters of the Mississippi, mark you, but—

the funds of the Federal Treasury might flow, but was rather whether an adopted project which had tarried so long upon the legislative stage should now be abandoned outright or the old and costly policy of meager and inadequate annual appropriations terminated by an order to the engineers to go in and complete the job.

That was the idea. The Flood Control Committee could not wait any longer for river and harbor appropriations of six or eight million dollars per annum. The process was too slow. So the plan was to cut loose from the River and Harbor Committee, form a Flood Control Committee, come out and tell of the devastation, the loss of life, and all that sort of thing, and go in for $45,000,000 "to end the job." It is natural that the gentleman from Illinois should approve of the proposition. He believes in "the short cut" to appropriations on the Mississippi.

Now, the whole project is to reclaim 16,000,000 acres of land, a part of which, according to the Army engineers, should be owned by the Government to store up the flood waters. Sixteen million acres of ground is to be reclaimed. Estimates vary as to its value; gentlemen differ as to what it is worth, they differ as to whether it belongs to the small farmer or to the land speculator. We have not much information from the committee. But 16,000,000 acres is what we are to reclaim——

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. I ask unanimous consent to proceed for three minutes.

Mr. HUMPHREYS of Mississippi. I shall have to object, because we have agreed on a limit of time.

Mr. LA FOLLETTE. Mr. Chairman, this bill is one of great importance. I was over at my office a little while ago and I received a letter on the subject and a few clippings. Among others there was a clipping from the News Scimitar, Memphis, Tenn., down on the Mississippi—Memphis under the hill. I will read a part of it and put it all in the RECORD. It is as follows:

[From the News Scimitar, Memphis, Tenn., Jan. 12, 1914.]

THE RANSDELL-HUMPHREYS BILL SHOULD BE ENTITLED "A BILL TO DESTROY THE NAVIGABILITY OF THE MISSISSIPPI RIVER AND TO EVENTUALLY MAKE IT IMPOSSIBLE TO PROTECT THE VALLEY FROM DEVASTATION BY FLOODS."

RIVER REGULATION AND FLOOD CONTROL.

The argument advanced against the pending Newlands bill is the old argument that it can not be passed. This argument has been used with great effect against many meritorious measures, but it has been demolished so often that it should be abandoned. At the great mass meeting held in New Orleans on November 29, the then Senator-elect, BROUSSARD, dealt it a death blow when he declared with much earnestness:

"No man has a right to say that a bill can not be passed into which has been written the performance of the demands and a fulfillment of the pledges of the Democratic platform in the last campaign, on which President Wilson and a majority of both Houses of Congress were elected to office."

The consensus of opinion among experts is that the fundamental defect of the Ransdell-Humphreys bill is that, although it professes to be in aid of navigation, it provides for large expenditure for levees, which increase the rapidity and total volume of the caving of the banks into the river.

The Chief of Engineers reported to the Secretary of War that until the caving of banks into the Mississippi below St. Louis can be stopped it is practically hopeless to expect any improvement of low-water conditions in the river. In other words, the stream can not be continued navigable.

It is estimated that there are 749 miles of caving banks on the lower Mississippi, from which 9 acres in area by 66 feet deep for each mile is thrown in the stream, which in 50 years would mean half a million acres of land to a depth of 66 feet tumbled in to obstruct navigation.

Col. Townsend is careful enough not to say that the bed of the river is not rising, a fact which everyone familiar with the question knows. He would go no further than stating that the investigations of the Mississippi River had shown "not a deepening but an enlargement of the section," which can be nothing more nor less than a shallowing of the river by the raising of its bed.

It is claimed by those high in authority that the Ransdell-Humphreys bill should be entitled:

"A bill to destroy the navigability of the Mississippi River and to eventually make it impossible to protect the valley from devastation by floods."

This is just what the railroads want and have been working for so successfully, and this is why they are behind the levees-only people, who are making so much noise, but which is "all cry and little wool." The more the people investigate the matter the more they see the futility of patchwork and mud pies. Those who have been forced to study the question because it has been brought home to them, like Mayor Reubenstein, of Stockton, Cal., who has had experience in the San Joaquin Valley, know something about flood control. In replying to a communication from Secretary Fox, of the Mississippi River Levee Association, Mayor Reubenstein exposes the fallacies contained in the Ransdell-Humphreys bill, and states:

"Fortunately for our country a plan has been submitted that is sufficiently comprehensive to insure an orderly start on this great work and with ample means for its successful completion."

In this he is referring to the pending Newlands river-regulation bill, and he asks his correspondent to give it thorough consideration in the hope that he may see the error of his present way.

—

[Editorial from Duluth News-Tribune.]

THE LESSON OF THE FLOODS.

There is a man down in New Orleans who, as he sees the horrible devastation from the waters of the Ohio River and its feeders, can say, "I told you so." He is a man of vision, of ideals, of endless enthusiasm and persistence, who for years has preached flood control.

George H. Maxwell is this man, and he has labored unceasingly to convince the public that the one way to prevent such floods is to control their sources, to hold back the surplus waters at their place of origin, so that torrents would not sweep out dams, letting loose reservoirs, nor pour of their own volume over embankments, levees, dikes, and lowlands.

A fund equaling the present property losses in Ohio and Indiana would, if used for headwater control, be sufficient to forever prevent a recurrence of such a flood anywhere in the Ohio Valley.

A fund similarly equaling the losses in the lower Mississippi Valley, if used in a like way, would forever prevent such floods in that valley.

But until such means of prevention are used, until the necessary investment is made for this purpose, such floods in the future are as inevitable as the succession of the seasons.

It is useless to depend on any form of local protection. Losses will be repaired, cities rebuilt, homes reestablished, fields recultivated, crops grown, cattle raised, only again to be swept away.

This will be next year maybe, not for 10 or 20 years maybe, but some time. And every year, while not the present horror, yet lesser ones with millions of dollars of property losses, will recur.

Is not this lesson enough and will not Congress at last act to supply the only possible complete prevention?

Mr. HUMPHREY of Washington. Mr. Chairman, the distinguished gentleman from Illinois [Mr. MANN] says that this is different from the river and harbor bill. Well, it is. In this bill it is proposed to put all the pork in one barrel, and after they get it in they say that nobody else shall get any. [Laughter and applause.] My friend from Pennsylvania [Mr. MOORE] seems very much agitated because he thought the bill was principally for the purpose of taking care of the Mississippi River. I wonder what he thinks the Committee on Flood Control was formed for in the beginning? There would be no mistake if he knew where the suggestion came from and what was back of it. The purpose was to take care of the Mississippi River. They were afraid that they were not getting as much from the river and harbor bill as they wanted, and did not know as they would be able to get more than their share in that bill; and so the scheme was formed, and I have never seen a finer piece of generalship since I have been a Member of this House. When the average Member of the House found out what it was, there was a combination that nobody could stand against.

Mr. TILSON. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. TILSON. Will the gentleman explain why the Sacramento Valley was taken onto the segregated process that the gentleman from Illinois referred to?

Mr. HUMPHREY of Washington. I imagine it was taken on because there was some feeling that, in order to get the Mississippi through, they had better extend a little bit, and after it was once through it could be very easily shut down on. I have been very much amused to see some of my good colleagues who think they are going to get something sometime from the Committee on Flood Control. I make the prophecy that after this bill is passed none of us will ever live to see the day that this committee will make an appropriation for another river. After you take care of the Mississippi, the rest of the rivers can take care of themselves. There is no difference whatever, as far as the Mississippi River is concerned, in regard to the flood problem than any other, except as to size. It contains no more merit and no more necessity for improving the Mississippi River in this way and taking the Government money than there is in improving any other section where there has been overflows and floods.

Mr. GALLAGHER. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. GALLAGHER. The gentleman spoke of the river and harbor bill. It might be that it was taken out of there because the river and harbor bill is not a sure thing.

Mr. HUMPHREY of Washington. If they had been getting as much or more than they wanted out of the river and harbor bill, I do not think there would have been this agitation.

The CHAIRMAN. All debate is exhausted and the Clerk will read.

The Clerk, proceeding with the reading of the bill, read as follows:

That the watercourses connected with the Mississippi River to such an extent as may be necessary to exclude the flood waters from the upper limits of any delta basin, together with the Ohio River from its mouth to the mouth of the Cache River, may, in the discretion of said commission, receive allotments for improvements now under way or hereafter to be undertaken.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. HUMPHREYS of Mississippi. Can we not agree on a limitation for debate? The gentleman has no amendment except to strike out the last word.

Mr. FREAR. I want to offer an amendment and have five minutes on it.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I have a committee amendment which I desire to offer, and I will ask the gentleman from Pennsylvania to defer his remarks for a moment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Add as a new paragraph, after line 2, page 4, the following——

Mr. STAFFORD. Mr. Chairman, I make a point of order. I understand the amendment now proposed is a new paragraph, whereas the gentleman from Wisconsin [Mr. FREAR] says that he wishes to offer an amendment to the paragraph which has just been read.

Mr. FREAR. That is all right.

Mr. STAFFORD. I withdraw the point of order.

The Clerk read as follows:

Add as a new paragraph, after line 2, on page 4, the following:

"Upon the completion of any levee constructed for flood control under authority of this act, said levee shall be turned over to the levee district protected thereby for maintenance thereafter."

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. This amendment having been offered, and it being a new paragraph, are we precluded from discussing the paragraph as it stands in the bill?

The CHAIRMAN. The Chair thinks not.

Mr. MOORE of Pennsylvania. Then, Mr. Chairman, may I be recognized to discuss the paragraph at this time?

Mr. HUMPHREYS of Mississippi. What is the gentleman's parliamentary inquiry?

Mr. MOORE of Pennsylvania. The gentleman introduced an amendment to the bill in the nature of a new paragraph. My inquiry is whether we are precluded from discussing the paragraph as printed in the bill.

Mr. HUMPHREYS of Mississippi. Oh, no.

Mr. MOORE of Pennsylvania. We may not revert to it if the gentleman's amendment is adopted.

Mr. HUMPHREYS of Mississippi. That question was asked me by the gentleman from Wisconsin [Mr. FREAR]. He said he had an amendment. I will ask the gentleman to just let this amendment be considered as pending.

Mr. MOORE of Pennsylvania. But this is a new paragraph.

Mr. MADDEN. I wish to ask the gentleman from Mississippi a question.

The CHAIRMAN. Does the gentleman from Mississippi yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. MADDEN. Does the language of the amendment of the gentleman from Mississippi, which provides for the turning over of these levees to the owners of the land, when constructed, mean that the private owners are in the future obliged to reconstruct them if that should be necessary?

Mr. HUMPHREYS of Mississippi. It provides that they shall maintain them.

Mr. MADDEN. Suppose it should so happen that they are required to be reconstructed?

Mr. HUMPHREYS of Mississippi. There is no requirement of that kind. They have to maintain them or they will get soaked. The theory we proceed upon is this, and I will state it to the gentleman for it does not seem to be understood by anyone who is discussing it. The levee at present is high enough as a rule. All this volume of water is carried between the levees that are there now. There has been a lot of wild talk here about this matter, but all that we are trying to do is to strengthen the levees. That is not going to raise the water any higher. This last flood was carried all of the way down the river to below Vicksburg before there was any crevasse.

Mr. MADDEN. The point I wish to make in connection with the amendment of my friend from Mississippi is this: I thought the language of the amendment ought to be broad enough to convey the idea that the owners of the land should not only be compelled, when the levee is completed, to maintain it in the future, but to reconstruct it in case it should have to be reconstructed.

Mr. HUMPHREYS of Mississippi. We could not do that. The gentleman from Illinois [Mr. CANNON] the other day asked me why it was that we had a provision of this kind in respect to the Sacramento River and not in respect to the Mississippi. I explained to the gentleman at that time why it was that it so happened and said that there was no objection to putting in a similar provision in respect to the Mississippi River, and that I would offer that amendment at the proper place. So I have just copied the Sacramento provision and have offered it and will ask that it be considered pending.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I yield to the gentleman.

Mr. STAFFORD. Has the gentleman considered the proposal as to the right of the United States to condemn some of these levees in case the engineers should determine in later years that they were in the wrong place and were impeding navigation?

Mr. HUMPHREYS of Mississippi. Oh, yes. Let me say this to the gentleman: The United States has that right now. The question of the location of the levee lines is left to the local interest for this reason: The Mississippi River Commission, as a matter of fact, agree on where the levee shall be located, and then they say to the local authorities, "You go ahead and locate it." They tell them where it should be located, and then the

State of Louisiana, for instance, or the levee board, locates it and is responsible for all of the damages which occur.

Mr. STAFFORD. My question was predicated upon the idea whether, after the location and after the transfer to the local districts for maintenance, the National Government then would have any right to have these levees removed in case they interfered with navigation.

Mr. HUMPHREYS of Mississippi. The National Government would undoubtedly. The gentleman understands that there is no river on the face of the earth that has ever been studied as has the Mississippi River. There is no difference of opinion among the engineers who have been sent by the Government to make this investigation. They have worked at it continually for 35 years and they agree with conclusion reached by the engineers that this is the way to control floods, and that the revetment, about which the gentleman, in my opinion, unfairly complained, is the only way, the sole way by which the navigability of the river can be preserved. Now, they have all agreed upon that; there is no disagreement among Government engineers on that proposition. Of course, if it should develop in years to come that they were mistaken and that these levees were obstructions to navigation, unquestionably there would be the right to relocate them or have them torn away and subject that country once again to devastation.

Mr. MOORE of Pennsylvania. Mr. Chairman——

The CHAIRMAN. The gentleman from Pennsylvania.

Mr. LENROOT. Will the gentleman yield——

Mr. MOORE of Pennsylvania. Mr. Chairman, I hope this will not be taken out of my time, and I will yield to the gentleman to ask a question if he so desires.

Mr. LENROOT. I wanted to ask the chairman at this time——

Mr. MOORE of Pennsylvania. Mr. Chairman, have I been recognized?

The CHAIRMAN. Yes; the gentleman has been recognized.

Mr. MOORE of Pennsylvania. Mr. Chairman, I shall have to insist——

Mr. HUMPHREYS of Mississippi. Can not we agree upon time?

The CHAIRMAN. The gentleman from Pennsylvania has the floor.

Mr. HUMPHREYS of Mississippi. I know, but I just wanted to ask—of course, this does not come out of his time—to see if we can not agree on debate on this section and all amendments.

Mr. BARKLEY. I want about seven minutes.

Mr. LENROOT. And I would want about three minutes to ask some questions.

Mr. HUMPHREYS of Mississippi. Can we agree that debate on this section and all amendments thereto close at 5.30?

Mr. MANN. All right.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close at 5.30.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this section and all amendments thereto close at 5.30. Is there objection?

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I had in mind certain gentlemen who arose for recognition—the gentleman from Pennsylvania [Mr. MOORE], the gentleman from Wisconsin [Mr. FREAR], the gentleman from Iowa [Mr. GREEN], the gentleman from Washington [Mr. LA FOLLETTE], the gentleman from Wisconsin [Mr. LENROOT], the gentleman from Kentucky [Mr. BARKLEY], and I should like the last five minutes.

The CHAIRMAN. What is the agreement?

Mr. HUMPHREYS of Mississippi. That the gentlemen whose names I called be recognized, and that debate on this section and all amendments thereto close at 5.30.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this section and all amendments thereto close at 5.30. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Chairman, when this matter came before the Committee on Rivers and Harbors the gentlemen favoring the improvement of the Mississippi usually argued for navigation. They did not care so much about discussing flood control at that time. It was the custom when they came before the committee, of which I am not and never have been and never expect to be a member, for the gentlemen to prove that what they wanted to build levees for was to protect the interests of navigation, but now, as some one said to-day, and I am not saying it invidiously, under the auspices of the Flood Control Committee, the "mask is off," gentlemen are out in the open advocating this large appropriation to protect the land, to protect land that is privately owned against the ravages of floods.

Now, I believe that we ought to do all we can to improve the Mississippi, and I have voted when the river and harbor bill was up to help it along, although I have not always been satisfied that the methods pursued were the best. Our experience in the East has proven, in some instances, at least, that if you contract the flow of a stream and increase the rapidity of the flow, the danger of flood increases. Where we build bridges or otherwise impede the flow of the water we add to the possibility of flood. The Mississippi is not so vastly different from other streams in this respect. But while we all agree that we would like to extend measures of relief to the Mississippi, we must not forget that, under the auspices of the good old Committee on Rivers and Harbors, the Mississippi River got $87,000,000 from the Head of the Passes to the mouth of the Ohio, and that as a whole the Committee on Rivers and Harbors saw to it that the river was provided with $168,000,000, and that now, because it is too slow a process, the Mississippi River breaks away from its old associations and comes in under the new system, stealing a march upon other worthy rivers, and seeks to obtain $45,000,000 at one time, by a short and sure cut, in order to protect 16,000,000 acres of land.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Missouri?

Mr. MOORE of Pennsylvania. No; I can not yield. Sixteen million acres of land! That looks like a large area. But, as I have stated, there are other sections of the country that need protection against flood, and that must be postponed if this bill with its large appropriations goes through. For example, take the State of Virginia. See where it stands. How much land has that State awaiting the hand of the tiller to-day? Valuable land that does not need reclamation. The total amount of land area in Virginia is upward of 25,000,000 acres, of which only four million and odd acres are under cultivation at the present time. That leaves for improvement and cultivation in the one single State of Virginia 21,500,000 acres, a great deal more than you have here under consideration in these various States which you picture so graphically upon the map and upon which you want to spend this additional $45,000,000. To-day there is uncultivated and awaiting the hand of the tiller in Virginia alone nearly 10,000,000 acres, more than half of all that you propose to reclaim by the expenditure of this $45,000,000 appropriation along the Mississippi Valley. Apparently Virginia must wait for her improvements until you get through.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FREAR. Mr. Chairman, I wish to offer an amendment to strike out all after the enacting clause and substitute the waterway bill that I have. I want to read but one section, by unanimous consent, if I may, because this has a direct bearing upon the proposition that is under consideration.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. GARRETT. Of course, it is understood that points of order are reserved?

Mr. FREAR. Yes; I understand that. That is why I do not want to read it all. I will read the paragraph commencing page 4, line 22, and ending with line 10 of page 5. I read:

The commission shall make a full investigation into all work now being performed by the Mississippi River Commission, the amount of money heretofore expended on such river, character and permanency of work performed, and reclamation interests now being served if there be any, a full statement of contributions by public or private interests toward said work, together with a comprehensive and intelligible report of the probable cost of the present plans of levee construction or other river improvement now being undertaken, the percentage of project completed, and this commission's recommendation thereon. Such Mississippi River report shall be separate and distinct from reports on other projects now under improvement by the Federal Government.

Following is the entire amendment offered by Mr. FREAR:

That a commission is hereby created and established, to be known as the national waterway commission, hereafter referred to as the commission, which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three of the commissioners shall be members of the same political party. The first commissioners appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the date of the taking effect of this act, the term of each to be designated by the President, but their successors shall be appointed for terms of seven years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. The commission shall choose a chairman from its own membership. No commissioner shall engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not

impair the right of the remaining commissioners to exercise all the powers of the commission.

SEC. 2. That each commissioner shall receive an annual salary of $10,000, payable in the same manner as the judges of the courts of the United States. The commission shall appoint a secretary, who shall receive an annual salary of $5,000, payable in like manner. The commission shall have the authority to employ and fix the compensation of civil engineers, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated by Congress, and in making appointments for continuous service the commission, so far as practicable, shall select its employees from the classified service.

All property of the United States in the hands or under the control of Army engineers or other officials or of private individuals or public contractors, including dredges, steamboats, barges, yards, and other property used in the improvement of public waterways, shall be placed under the jurisdiction and authority of the commission.

SEC. 3. That the Secretary of War may, if practicable, detail such Army engineers as are requested by the commission to assist in organizing and establishing a comprehensive system of waterway improvement, providing that such details of engineers shall not be made to the detriment of their military duties.

SEC. 4. That the commission shall have the authority and it shall be its duty to make an investigation of all waterway projects now constructed in whole or in part by Federal aid. The commission shall prepare a complete and succinct statement, by years, of the amount heretofore appropriated for each project, the estimated amount required to complete such project, a report of the commerce now served and to be served, the character of such commerce given by separate items so far as can be furnished, the source of information, the interests to be served, the kind of water craft used, and such other information as may be useful in determining the public use and value of the project. The commission shall also furnish Congress, at the earliest practicable date, information concerning all harbors and waterways now improved or being improved in whole or in part by Government aid, showing the amount of commerce, character of terminals or landings, ownership thereof, and, so far as practicable, ownership of regular lines of craft used thereon; and the commission shall also report its recommendations for the finishing of the projects now being constructed or modification of existing plans or abandonment of work on any project, together with findings upon which such recommendations are based.

The commission shall further ascertain and report what projects are now being improved for purposes other than navigation, and if for power development, a full statement of interests concerned, officers and stockholders, public use to be served, if any, private or public contribution toward expense of construction, and the commission's recommendations thereon. Said commission shall further ascertain and report what projects are now being carried on in whole or in part for land-reclamation purposes, the character of such project, amount of lands to be recovered, estimated value of such lands, ownership thereof, and contributions now being made by beneficiaries toward such expenditures, together with the commission's recommendations.

The commission shall make a full investigation into all work now being performed by the Mississippi River Commission, the amount of money heretofore expended on such river, character and permanency of work performed, and reclamation interests now being served, if there be any, a full statement of contributions by public or private interests toward said work, together with a comprehensive and intelligible report of the probable cost of the present plans of levee construction or other river improvement now being undertaken, the percentage of project completed, and this commission's recommendation thereon. Such Mississippi River report shall be separate and distinct from reports on other projects now under improvement by the Federal Government.

All of such data and all other available information of a pertinent character affecting particular projects or entire waterway improvements now being conducted by the Federal Government shall be collected in convenient form and presented to Congress in installments at the earliest practicable date.

When the commission shall have reason to believe at any time that the proposed project is not for general use of the public or will not warrant further expenditures, or if contributions shall be required to be furnished before further appropriations are made or further expenditures authorized, such commission shall immediately report to Congress, with a preliminary recommendation thereon, and shall furnish a copy thereof to the United States Treasurer. That thereupon, when so recommended, the Treasurer shall withhold all funds theretofore appropriated not specifically obligated under existing contracts and shall refuse further payments until subsequent and specific action shall be had thereon by Congress.

SEC. 5. That prior to the presentation of any new waterway project appropriations the commission shall cause a careful survey of the proposed improvement, and if it shall appear such protest is to serve a public use and is feasible, the commission shall thereupon collate data showing the estimated cost thereof, commerce to be served, water craft to be used, public terminals furnished, and contributions recommended to be made by public or private interests, together with such additional data as has heretofore been specifically required to be furnished on existing projects. The commission shall thereupon transmit to the Committee on Appropriations of the House of Representatives a full report concerning such new project or projects, its recommendations thereon, and, if requested so to do, all other and further information that may be required by the Committee on Appropriations.

Whenever the commission shall determine that any waterway project is primarily for power or land-reclamation purposes or to serve special interests, the commission may recommend Government aid for such project, notwithstanding the special interests to be served, and shall prepare data showing the proportionate amount of Federal aid recommended, together with suitable restrictions as to audit and payment of funds from the Public Treasury. Such recommendation shall be presented as a proposed separate bill to the Committee on Appropriations of the House and shall not be embodied in any general waterway appropriation bill by such committee.

Whenever any new survey shall be proposed for any waterway project the commission, prior to such survey, may require data to be furnished showing the public use and prospective commerce to be served and such other information as may be desired, and a brief synopsis of such information shall be furnished to Congress by the commission to accompany any recommendations made for new surveys.

All existing waterways, new projects, and new surveys shall be classified, so far as practicable, prior to each regular session of Congress, together with estimates of appropriations required for maintenance and improvement for the ensuing two-year period, and a brief report as to each project considered shall be separately prepared and, with the commission's recommendation thereon, shall be placed in the hands of the Committee on Appropriations of the House at the beginning of each session.

Whenever the Appropriations Committee so requires, the commission shall furnish additional data concerning any project, and shall further aid the Committee on Appropriations when request so to do in the preparation of the regular river and harbor bill which shall be prepared and presented by the Committee on Appropriations of the House.

The commission shall further compile and cause to be published at the earliest practicable date for the use of Congress an intelligible, concise statement of past waterway expenditures by the Government and of amounts needed to complete all continuing projects, and shall further give estimates of future obligations to be incurred by new projects recommended for construction. The commission shall give preference in its recommendations to Congress of appropriations needed to complete the more important projects, and, so far as practicable, shall enter upon a program looking toward the early completion of such projects.

The commission shall make a thorough investigation of reasons for loss of river traffic and shall make recommendations for the reestablishment of such traffic. It shall ascertain and determine the most available craft for river use, and, as soon as practicable, shall prepare plans and build experimental craft for such purpose.

Whenever reason therefor shall appear the commission may fix reasonable freight rates on all interstate water-borne traffic by common carrier and upon all such traffic on navigable waters wholly within the State, subject, however, to the jurisdiction now conferred by law on the Interstate Commerce Commission to fix maximum joint rates between and over rail and water lines.

The commission shall determine the reasonableness of wharfage or water-terminal charges, whether such terminals are owned by private persons or municipalities, and all river and harbor improvements, including terminal facilities, shall be under the supervision and control of the commission.

Whenever the commission shall determine that unprofitable railway freight tariffs are maintained in any given case in order to prevent waterway competition, it shall be the duty of the commission to make a report thereon in duplicate to the Interstate Commerce Commission and to Congress, with recommendations that Congress give power, if need be, to the Interstate Commerce Commission for fixing minimum railway rates.

The commission shall at the earliest practicable date adopt an intelligent system of natural waterway improvement and shall perform such other and further duties as may present themselves from time to time.

Whenever it shall be desirable to secure sworn testimony from any witness or witnesses relating to any project or to navigation generally, or whenever the commission shall have reason to believe that private interests are secretly or improperly seeking to influence the commission or to force the passage of any private or public waterway measure through Congress, the commission may cause a hearing or summary investigation to be held, and for that purpose may issue summons, subpœnas, or other writs in the same manner and under the same procedure as is more specifically set forth in the act to regulate commerce approved February 4, 1887, and the amendments thereto, which portions of such act relating to procedure, so far as applicable, are made a part of this act, and may bring before such commission all parties believed to be informed concerning the facts or interested in the passage of such measure. A complete record shall be preserved of the testimony taken at such hearing and a certified transcript thereof shall be transmitted immediately to the Committee on Appropriations.

SEC. 6. That all unexpended balances to the credit of any project not specifically obligated under existing contracts shall from the date of the passage of this act be transferred by the Treasurer to the general fund, and all vouchers thereafter paid by the Treasurer shall be upon order of the national waterway commission.

SEC. 7. That the sum of $500,000, or so much thereof as may be necessary, be, and the same hereby is, appropriated, out of any money in the Treasury, to carry out the provisions of this act.

Mr. FREAR. I ask unanimous consent to waive the reading of the rest of it. I realize that a point of order may be raised to it. But I wanted to offer this, in answer to several gentlemen who have asked what recommendation can be offered as a substitute for what is proposed in this bill. This would permit an investigation by a high-class commission, as is provided in this case, the highest class commission that can be conceived of, I take it, to make a thorough investigation. I have presented in the RECORD of Monday many complaints made by people of high standing throughout the Mississippi Valley, men of high character, newspapers, and citizens generally, who say that the levee plan is not a successful one; that it is not only dangerous in character, but a standing menace to the people of the valley; and that it will have to be abandoned in a very short time.

If that is so, we ought not to proceed hastily, and this commission bill that I introduced some time ago carries with it this particular provision, whereby an investigation shall be made of this whole subject—the Mississippi River flood problem—a careful investigation, not a two months' committee investigation. I realize that this committee has acted upon information that must come to it from Army engineers, and——

Mr. CLARK of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Certainly.

Mr. CLARK of Missouri. I would like to ask the gentleman if this same subject has not been investigated off and on for the lifetime of a generation?

Mr. FREAR. I presume that is true, Mr. Speaker.

Mr. CLARK of Missouri. What is the sense, then, of investigating it any more?

Mr. FREAR. Because of the complaints that have been made, and repeatedly made, by the people who are more affected

than anybody else in the district, those who live in the valley who say that the present plan is not a successful one, and that it has been practically turned over to Army engineers, that floods are caused by levees and much property destroyed. Now, the purpose is to extend it beyond the usual scope of Army engineers, and select a high-class commission of the ablest men we can find in the country, men like Gen. Goethals, and distinguished men of that character, who will ascertain whether or not this levee plan is a success, or will ever be a success, before we spend $45,000,000 or more, as provided in this bill.

Mr. CLARK of Missouri. What kind of an investigation would you undertake to find out whether the levee system is correct or not? That is the whole thing involved here. The rest of it is mere detail.

Mr. FREAR. I say many people in the valley who have lost their property because of building of narrow levees that break in flood time, high-class people who are vitally interested in this matter and whose property is at stake, they have a right to protection; men who have made a study of this problem say reclamation of lands is directly antagonistic to flood control for reasons I have stated. We ought to have the best thought in the country. Army engineers have been experimenting for years and changing plans and estimates. We should know from the best men in the country what course to pursue.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. I would like to have two minutes more in order to answer the Speaker.

Mr. HUMPHREYS of Mississippi. We have not the time.

Mr. FREAR. I realize that the amendment may be subject to the point of order.

Mr. GARRETT. I make the point of order.

Mr. STAFFORD. Mr. Chairman, it has never been reported.

Mr. GARRETT. That is very true, but by unanimous consent it was agreed that it might be printed without being read.

Mr. STAFFORD. Unanimous consent has never been granted.

Mr. GARRETT. I so understood.

Mr. STAFFORD. It was never submitted.

Mr. FREAR. As far as I am concerned, I am perfectly willing to have it appear in the RECORD without being read. It will appear in the RECORD, I assume.

Mr. GARRETT. Yes.

The CHAIRMAN. The point of order is sustained. Unanimous consent is asked that the amendment be printed in the RECORD without reading. Is there objection?

There was no objection.

[The amendment appears on pages 7785 and 7786.]

Mr. WILSON of Louisiana. Mr. Chairman, in reply to the statement of the gentleman from Wisconsin [Mr. FREAR], which has been repeatedly made, that the people of the lower Mississippi Valley are divided on this question, I desire to read into the RECORD a telegram showing a resolution just passed by the General Assembly of Louisiana:

BATON ROUGE, LA., *May 10, 1916.*

HON. BEN. G. HUMPHREYS,
*Washington, D. C.:*

The General Assembly of Louisiana has passed the following resolution:

"Whereas the interests of this State imperatively require the adoption by the Congress of the bill now pending in the House of Representatives, known as the flood-control bill: Be it

"*Resolved by the house of representatives (the senate concurring)*, That the Congress of the United States be informed that it is the desire and hope of this legislature that the said bill be passed without delay in order that the relief contemplated thereby may be immediately available for the people of this State and of the Mississippi Valley: Be it further

"*Resolved*, That the contents of this resolution be telegraphed to the chairmen of the proper committees of the Senate and the House of Representatives of the United States."

O. H. SIMPSON,
*Secretary of the Senate.*
THOS. W. CAMPBELL,
*Clerk, House of Representatives.*

I desire to say that just a few days ago the Association of Commerce of the city of New Orleans passed a resolution indorsing this bill, and that every daily newspaper in the city of New Orleans has editorially indorsed the provisions and recommended the passage of the bill. I make that statement relative to the newspapers, because a statement printed back in 1913 has been circulated among the Members of the House to make it appear that the New Orleans Item was opposing the bill. But that is not true, because since this bill has been before the House that newspaper has editorially indorsed it and recommended its passage.

I yield back the remainder of my time.

Mr. LENROOT. Mr. Chairman, if I may have the attention of the chairman of the committee with reference to the paragraph that is now pending—

Upon the completion of all works for flood control herein authorized the said works shall be turned over—

And so forth, may I ask the gentleman what the present condition is, as to whether or not some of these levees are Federal property and belong to the Government?

Mr. HUMPHREYS of Mississippi. No; they are not Federal property. The title to the right of way is in the levee board.

Mr. LENROOT. What control has the Government now, or what right to exercise control over these levees has it after it has expended its money upon them?

Mr. HUMPHREYS of Mississippi. I do not understand just what the gentleman means by what control. As far as maintenance is concerned, or protection?

Mr. LENROOT. In any respect. Suppose it desired to increase the height of a levee?

Mr. HUMPHREYS of Mississippi. Undoubtedly the Government can do that. That is exactly what we expect to do under this bill. The levee lines are nearly all completed. There are very few gaps. There are only two gaps that I recall now in the line. The levees are high enough in most places. They were high enough this last year to carry that entire flood almost to Natchez on the Mississippi before there was a break. What they need is to be strengthened by work behind the levees, to make them strong, so that they will not break. For good reasons they are located by the local interests. The Mississippi River Commission prefer that they should be. They have said so to our committee that they greatly prefer to have the line located by the local interests. As a matter of fact, they get together and determine where they will put the line. The commission, of course, can finally say where the line must be, because the commission have the money, and they say, "We will give you the money, but you must build the levee here." They have always done that. There has never been any conflict between them.

Mr. LENROOT. Are there any levees upon the lower Mississippi that are now Government property?

Mr. HUMPHREYS of Mississippi. Yes; there are several levees. They do not protect any property from overflow, however. For instance, here is a sharp bend in the river that runs up 4 or 5 miles, that has no levees on it at all.

Now, in order to prevent the river from flowing over the bend and cutting across and thereby destroying the navigability—it is a great calamity when we have a cut-off in a bend—the Mississippi River Commission will build a dike which comes out from the main line of levees running right straight down the middle of the bend. It does not protect anybody from overflow, but it is a Government levee, and the Government maintains it and owns the right of way.

Mr. LENROOT. I am entirely in accord and sympathy with the gentleman's amendment, but I want to ask him, in order to safeguard any rights the Government has, would he have any objection to adding this to his amendment, "But for all other purposes the United States shall retain such control over the same as it may have a right to exercise after completion"?

Mr. HUMPHREYS of Mississippi. I do not know that I would. I will look it over and see.

Mr. LENROOT. I will reserve the balance of my time.

Mr. GREEN of Iowa. Mr. Chairman, it is with considerable hesitation that I rise to oppose the bill which has been unanimously reported by the committee, headed by the distinguished gentleman from Mississippi, in whose ability and integrity of purpose the whole House has so much confidence. But I think it is plain why this committee was appointed, and it has well carried out the purpose of its appointment. No matter what might have been the appetite of any gentleman in this House for pork, if $50,000,000 more had been added to the river and harbor bill, of which $45,000,000 was to be expended on the Mississippi River, there would not have been 50 gentlemen in the House who could have swallowed it.

It is quite apparent that this committee was created for the purpose of adding an enormous amount for the reclamation of lands in the vicinity of the Mississippi River which could not have been obtained if this item had been left in any form in the river and harbor bill.

Mr. MEEKER. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. MEEKER. Does the gentleman mean to say that the purpose of this committee, advocated by the Speaker of this House and supported by him, was for the purpose of a reclamation proposition in the Mississippi River? Does he want that to stay in the RECORD as his opinion?

Mr. GREEN of Iowa. I have heard nobody deny it.

Mr. MEEKER. Nobody has been foolish enough to make such a statement until right now. [Laughter.]

Mr. GREEN of Iowa. I am obliged to the gentleman from Missouri for his courtesy and fairness, which is of the kind which is characteristic of him. I think I fully understand what I am talking about, and I make the same statement that has been made fifty times since this discussion started and nobody has denied it. It is a reclamation project pure and simple, and everybody knows it and understands it as well as it could be understood if it had been engraven in letters 50 feet high.

Mr. CLARK of Missouri. I would like to ask the gentleman from Iowa a question.

Mr. GREEN of Iowa. I will yield with pleasure.

Mr. CLARK of Missouri. I would like to ask the gentleman if he does not know that they have established a boat line to run from Kansas City to St. Louis and that at all these towns on the Missouri and Mississippi they are fixing river terminals, and that they are raising $2,000,000 in St. Louis to put a line of boats on from St. Louis down to New Orleans?

Mr. GREEN of Iowa. I have so understood.

Mr. CLARK of Missouri. We are trying to get navigation started on the river again and we intend to do it. [Applause.]

Mr. GREEN of Iowa. Let me say, in all deference to the distinguished gentleman, that you will never get navigation through any such project as this.

Mr. CLARK of Missouri. What kind of a project can you get navigation through? That is what I want to find out.

Mr. GREEN of Iowa. If the gentleman from Missouri will let me proceed I will tell him. The only project that will help navigation is a revetment project, which the engineers of the War Department have reported will cost upward of $158,000,000. I have had some experience on the Missouri River. I have had none on the Mississippi River, but I have seen acre after acre of a whole farm swept away into the Missouri River. I understand the same thing occurs along the Mississippi River.

Mr. CLARK of Missouri. I would like to ask the gentleman if reveting the banks is not exactly the same process as building a levee, if it has not the same effect?

Mr. GREEN of Iowa. The distinguished gentleman surely does not think that revetment is a similar process to building a levee? It is altogether different.

Mr. CLARK of Missouri. Let me ask the gentleman one question more. Does it not aid navigation just as much to keep a ton of débris from falling into the river as it does to dig it out after it has fallen in? [Laughter and applause.]

Mr. GREEN of Iowa. A great deal more, and that is the reason why, for navigation purposes, it is necessary to put in revetment instead of building levees, which sooner or later are bound to tumble into the river.

Revetment does not prevent floods; it simply secures the channel of the river and prevents the caving of the banks. It does not raise the natural banks of the river, but it prevents the main channel being one month in one place and the next month a mile, or sometimes 10 miles, away, with perhaps no water at all in the old channel.

Mr. BARKLEY. Mr. Chairman, it is a source of regret to me that the distinguished gentleman from Pennsylvania [Mr. MOORE] and the distinguished gentleman from Washington [Mr. HUMPHREY], who in the few speeches they have made since I have been here during the last four years have always appeared to be so broadly national in their views, have become so narrowly provincial when a proposition is under consideration which by all of the political parties of the Nation has been declared to be a national problem; and if it were not for the fact that we all recognize the disinterested qualities of their statesmanship we might have the right to assume that the reason they are against this project is because their feet have been eliminated from the trough of pork-barrel appropriations against which they proclaim now so loudly, but in which they have participated so freely in bills heretofore. [Applause.]

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. For just a question.

Mr. MOORE of Pennsylvania. The gentleman's feet are still in the river and harbor appropriation bill, are they not?

Mr. BARKLEY. They are not only in the river and harbor bill——

Mr. MOORE of Pennsylvania. But they are also in this, so he has it coming and going.

Mr. BARKLEY. If my feet are in this bill and in the river and harbor bill, that is not the reason why I am in favor of the bill; but from the gentleman's remarks, judged by his conduct, he opposes this bill because of the fact that his feet are not in it as well as in the river and harbor bill. In the Mississippi Valley our feet are in the trough of its great flood waters, and we are by this bill trying to get them out onto dry land.

Mr. Chairman, this is not, as the gentleman from Iowa [Mr. GREEN] says, purely a reclamation project, when the water of more than 31 States and part of the Dominion of Canada sweeps down the Mississippi River and destroys the property and drives people out of their homes, and in many cases causes them to lose their lives. It is not a reclamation project when we undertake to pass legislation to protect them from these floods. [Applause.] I am sorry that my good friends, these two distinguished gentlemen, these deputy Republican leaders, the gentleman from Pennsylvania [Mr. MOORE] and the gentleman from Washington [Mr. HUMPHREY], see fit so vociferously to oppose this project, which everyone recognizes as not a matter of charity, not a matter simply of reclaiming waste lands, but a matter of justice in undertaking to protect the people of the Mississippi Valley from the flood waters of 31 States. I happen to live in the Mississippi Valley. I have swum in the waters of that stream. There is no stream in the United States, none in the world, which is so treacherous and so damaging and so dangerous as the Mississippi River, especially when the floods come down from all of these States. I have seen poor people, tenants, landowners, farmers, laboring men of every description driven out of their homes onto the hills, and I have seen refugees come in from one State to another in order to receive protection and food and to protect their lives or property; and because we want to try to protect these people and their property, which they have spent a lifetime in accumulating, the gentleman from Iowa [Mr. GREEN] and others rise up and say it is a reclamation project and unworthy of attention. Heretofore the Mississippi River Commission has taken the position that it could not expend the funds allotted to it in the river and harbor bill for flood control, but could only use them in aid of navigation. In this bill we give them authority to expend these funds to protect life and property from the great floods of the Mississippi Valley, and I hope the bill will speedily become a law.

Mr. LA FOLLETTE. Mr. Chairman, there has been $168,000,000 or $170,000,000 already spent for flood control on the Mississippi River, and it has been expended in about the same way that this will be expended, and as yet you have not controlled any floods, and the navigation is less now that it was 25 years ago.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, will the gentleman yield for a correction?

Mr. LA FOLLETTE. Yes.

Mr. HUMPHREYS of Mississippi. I am sure the gentleman does not want to misstate the facts. Of that $168,000,000, $29,000,000 has been spent for levees and $43,000,000 for revetments, and the rest of it was spent from the headwaters of the Mississippi all the way down solely in the interest of navigation, including what has been expended in building jetties at the mouth of the river.

Mr. LA FOLLETTE. That is all right, but it has been spent on the Mississippi River to improve navigation and for flood control.

Mr. HUMPHREYS of Mississippi. Not for flood control.

Mr. LA FOLLETTE. The gentleman confesses in his own figures that half of it has gone into levees and revetments.

Mr. HUMPHREYS of Mississippi. Yes; but revetment is in behalf of navigation.

Mr. LA FOLLETTE. What I want to say is this: I am in favor of flood control, but I think under this bill that flood control is a misnomer. You leave the waters at the head of these streams to go down uninterrupted, and you narrow up your channel below, and consequently in time the water tears out the levees and your banks and floods the country; and you will be coming back to Congress for forty or fifty million dollars more over and over again, and it will be that way for the next hundred years if you can get the people to put up the money. If you had expended one-half of the money at the head of these streams, taking care of the floods at their inception, you would not only have prevented the damage below and the water could have been used, especially on the west side of the Mississippi River, to take care of thousands, hundreds of thousands of acres of semiarid and arid lands, and that on the east side to gradually be turned into the streams for the improvement of navigation during the low-water period, also preventing stagnation, thereby contributing to the comfort and health of those living in proximity to the streams.

It is not the expenditure of money that I complain of; it is the unwise way of expending it, trying to control floods at the lower end of a stream instead of starting where the floods originate. I think that the principle is wrong, not that I find any fault with the intent. I think that the intent is all right, but

I do not think you will make a success of this method after you have expended your $45,000,000. You will reclaim some of this land for a while, and then it will be flooded and swamps again in the future; and until some comprehensive plan is formulated and entered into to take care of the waters up at the heads of these streams you will never have any flood control.

Mr. COOPER of Wisconsin. Mr. Chairman, I only want to ask one question of the chairman of the committee. The gentleman from Washington [Mr. LA FOLLETTE] just stated that the proper way to control these floods was to begin at the head of these streams. Now, as I understand, from what I have read and heard on the floor here, this last great flood in the Mississippi Valley did not have its origin at the headwaters of these streams, did it?

Mr. HUMPHREYS of Mississippi. No; neither did the flood of 1912 nor the two floods of 1913 nor the flood of 1916. If there had been a dam that could not have been passed constructed at Pittsburgh and another one at St. Paul and another at Keokuk, it would not have affected the height of the flood in the lower Mississippi 6 inches.

Mr. COOPER of Wisconsin. That is what I have heard.

Mr. HUMPHREYS of Mississippi. This theory about the reservoirs is a beautiful dream, and it is one that appeals to the imagination of men and commends itself to their favor until they are charged with the responsible duty which devolves upon this committee of actually studying the question. Now, the engineers are hard-headed fellows. They have to take pen *and paper in* hand and figure. They have to estimate, they have to investigate this subject just as thoroughly as they can. This question of reservoirs is not new. It was urged most strongly in Congress in 1850 when Congress finally set great engineers to work, a commission known as the Humphreys-Abbott Commission—not a relative of mine, I am sorry to say; a very distinguished man, however—another distinguished member of the family. [Laughter.] Now, those engineers made a most thorough investigation of the river for 10 years. Their report is the most comprehensive report that has ever been made upon any river on the face of this earth. They went very thoroughly into this question of reservoirs, and they demonstrated the inadequacy of reservoirs.

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. In a moment I will yield. The Civil War came on about that time, and after the Civil War, in 1875, we appointed another commission of engineers, known as the Warren Commission, headed by Gen. Warren, United States Army Engineers. They made another very elaborate investigation into this subject. They reported again the inadequacy of reservoirs. In 1879 we created the Mississippi River Commission, just such a commission as the gentleman from Wisconsin [Mr. FREAR] wants now to create. But he does not believe in Army engineers, just as some gentlemen then did not believe in them, but I was struck by the remark of the gentleman from Wisconsin [Mr. FREAR] when he said that he did not want these Army engineers, but he wanted some distinguished engineer like Col. Goethals. He was the only man he mentioned, and he is an Army engineer.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. HUMPHREYS of Mississippi. I will.

Mr. COOPER of Wisconsin. The gentleman will recall a quotation, which I read here during a recent debate, from former Senator Burton, when he was a Member of the House, when he said that of all men to make this investigation, if there was a commission to be appointed, it should be a commission of Army engineers, because they were disinterested absolutely and were much less amenable or susceptible to political influence than any other board possible to be selected.

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Just in a second, and I will yield to the gentleman. They created then the Mississippi River Commission. I would like to get this history straight before I yield. Upon that they put three Army engineers, two engineers from civil life, one engineer from the Coast and Geodetic Survey, and one civilian, not an engineer. That particular civilian in this instance was Benjamin Harrison, afterwards President of the United States.

That commission has gone into everything connected with reservoirs, and issued reports which treat of rivers and the sources of streams, and studied the whole question for 35 years. That commission got out about 35 or 50 volumes of reports. That commission of Army and civilian engineers, with always one distinguished citizen not an engineer, are unanimous in the opinion that the only way to control the floods of the lower Mississippi River is by building levees along the banks and protecting those banks from caving.

There is but one place—and the map out there shows it—where a reservoir could be constructed, and that is near the mouth of the Ohio River, because sometimes the rain falls here and sometimes here, always revolving upon the mouth of the Ohio River as a pivot. You would have to put reservoirs in three or four different places unless you put it at this one pivotal place, where all this water accumulates.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HUMPHREYS of Mississippi. I would like to be recognized for five minutes in my own right. I am sorry to have taken the gentleman's time.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. HUMPHREYS of Mississippi. They reported that it would require a reservoir so large that the amount of dirt excavated for it would build levees 150 feet high 7,000 miles long. [Laughter.]

Now, when gentlemen go into the details of this and study it as I have studied it for 13 years—and I have thought of it and thought of practically nothing else for 13 years—they will realize that my people are not confronted with a theory, but are confronted with an actual condition. We would not put $90,000,000 in levees simply for the pleasure of spending that money. Our lives and property are at stake. Two hundred and seventy-two thousand people were fed by the War Department in the flood of 1912 at one time. Those people are in earnest about it. They do not want theories. They know there is only one salvation, and that is to build levees along the banks. That is the knowledge that has come from the experience of all of the history of the world. In Egypt, from the time of the twelfth dynasty down to this good day, it has been the only way in which the Nile Valley has been fully protected from floods. If the gentlemen want to go up into the sources of the stream, the only estimate we have ever had on the Ohio watershed, to control the waters there, is that it would cost from $500,000,000 to $1,000,000,000. Think of it! They could not come within $500,000,000 of the cost of it.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman permit a question right there?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. COOPER of Wisconsin. I have read and have been told also within the last few days that somebody who ought to know said it would cost $100,000,000 to make even the surveys.

Mr. HUMPHREYS of Mississippi. It would cost $190,000,000 to make the surveys contemplated in one very elaborate bill that has been advocated here. It would cost $10,000,000 on the Ohio alone to make the survey.

Mr. LA FOLLETTE. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. LA FOLLETTE. Does not the gentleman think the time spent on that Ohio dam and figuring on it was simply time wasted? They could not build it without flooding much land up the Ohio River if they were going to put it as high as you say and excavate as much dirt as you speak of.

Mr. HUMPHREYS of Mississippi. The reservoir was to hold the water.

Mr. LA FOLLETTE. I know; but does not the gentleman think that if the Government had put in reservoirs on the different streams and had taken care of the spring freshets as much as possible, and then the people of the South had put in the millions and millions of dollars that they have put in to reclaim and protect their lands, the two together would do more than could be done by simply putting in levees and letting the water come down untrammeled and tear down the levees that had been constructed?

Mr. HUMPHREYS of Mississippi. I would think I was a very bold man, being a layman and not an expert; I should think I would have unconscionable assurance, if I were to put my opinion against the opinions of all the engineers that this Government has employed in the last 100 years and say that engineers know nothing about it, that all they have done is to study the question and figure it out.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield there?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. SMITH of Michigan. From the great study and investigation which the gentleman has made, what has he to say about constructing a levee that would be permanent, and which would resist this great flow of water?

Mr. HUMPHREYS of Mississippi. I have not the remotest doubt about it. In one levee district in my congressional dis-

trict we have built the levees high enough and strong enough to withstand any flood that has come down or that will come down the river. We have not had a crevasse in it for 19 years, and when the flood comes the people behind this levee are not concerned, except as they have a general interest in the fate that they fear is going to befall their neighbors elsewhere. That is the only way that God Almighty prevents rivers from overflowing. That is the only reason why the Hudson River does not overflow, because of the high hills and high bluffs which God built along there, a hundred or two hundred feet high, strong enough to withstand any flood that ever came down the river.

Mr. SMITH of Michigan. How long is the levee that the gentleman is speaking of now?

Mr. HUMPHREYS of Mississippi. Something more than 100 miles long; I have forgotten exactly, about 118 miles, or something like that. As I say, for 13 years this subject has been my pillar of fire by night and my pillar of cloud by day. I have studied it as I have studied nothing else; because all of my district is subject to overflow whenever the waters come down the river. It is the breath of our nostrils; and I give it as my deliberate opinion that there is one way and no other way to control these floods, and that is the way provided in this bill.

The CHAIRMAN. The time of the gentleman has expired. The question is on the committee amendment.

Mr. LENROOT. Mr. Chairman, I desire to offer an amendment to the amendment.

Mr. GARRETT. I should like to say a word about the amendment. I ask unanimous consent to proceed for two minutes.

Mr. LENROOT. I should like four minutes.

Mr. GARRETT. I ask unanimous consent that the time be extended four minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the time be extended four minutes, so that he may have two minutes, and the gentleman from Wisconsin may have two minutes. Is there objection?

There was no objection.

Mr. GARRETT. Mr. Chairman, I want to say that if the chairman of the committee insists on this amendment, of course I will not oppose it; but really it is not necessary. This is a legal question that is involved in this amendment. The adoption of this amendment will not change in any respect the legal situation that now exists. As I understand it, all that the gentleman desires is to maintain the legal situation as it now exists. I give it as my opinion, from a hasty examination, that the adoption of this amendment is not at all necessary.

Mr. LENROOT. Will the gentleman yield for a question?

Mr. GARRETT. Certainly.

Mr. LENROOT. Under the existing situation, is the Mississippi River Commission permitted to expend money for the maintenance of levees already constructed?

Mr. GARRETT. Yes; it is.

Mr. LENROOT. If it is, then, of course, this would change that situation.

Mr. GARRETT. They are permitted to expend money for maintenance, and they do it.

Mr. LENROOT. Then this should go in, should it not? We desire to relieve the Government from that maintenance.

Mr. GARRETT. I think the situation would remain the same if this amendment is not adopted.

Mr. LENROOT. If it is not adopted, the appropriations hereafter made could be used for maintenance, could they not; and if this amendment is adopted they could not be so used after completion?

Mr. HUMPHREYS of Mississippi. There would be no appropriations after the levees were completed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I desire to say a word.

Mr. LENROOT. I yield to the gentleman one minute of my time.

Mr. HUMPHREYS of Mississippi. I do not think this amendment is at all necessary. The gentleman from Illinois [Mr. CANNON] suggested that it ought to be put in. I did not see any special objection to putting it in, but I do not think there is any occasion in the world for it, because when we complete the levees the people protected by them are bound to maintain them unless we provide the means to maintain them ourselves, and all we have to do is to say nothing; and then there is no maintenance provided by us. It occurs to me that there is no occasion for the amendment, but I do not object to it.

Mr. LENROOT. I think it would be wise to put it in, in view of the fact that they might use a portion of the appropriation for maintenance, and in that case I desire to offer an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Add, at the end of the paragraph, the following: "But for all other purposes the United States shall retain such control over the same as it may have the right to exercise upon such completion."

Mr. HUMPHREYS of Mississippi. There is no objection to that.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The amendment as amended was agreed to.

By unanimous consent, leave was granted to Mr. GREEN of Iowa to extend his remarks in the RECORD.

By unanimous consent, leave was granted to Mr. BARKLEY to extend his remarks in the RECORD.

Mr. HUMPHREYS of Mississippi. Now, Mr. Chairman, let us begin the reading of the next subdivision.

The CHAIRMAN. There is an amendment pending, offered by the gentleman from Mississippi [Mr. QUIN] that has not been reported.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry. Is that an amendment to the Mississippi River section?

The CHAIRMAN. Yes.

Mr. MOORE of Pennsylvania. Because there was an agreement that we should not go beyond that section this afternoon.

Mr. HUMPHREYS of Mississippi. That amendment has been pending all the while.

Mr. MOORE of Pennsylvania. I shall object to any reading beyond the Mississippi River paragraph this afternoon.

The CHAIRMAN. There is an amendment pending offered by the gentleman from Mississippi [Mr. QUIN], which the Clerk will report.

The Clerk read as follows:

Insert, after the second line, on page 4 of said bill, a paragraph, as follows:

"Jurisdiction is hereby conferred upon the Court of Claims to hear and determine and adjudicate to judgment claims for destruction of private property and damage thereto as the result of the construction of levees along the Mississippi River, and other improvements of the Mississippi River, where such damage is now officially declared to be the fact by the Mississippi River Commission in their report to the Secretary of War, June, 1910."

Mr. STAFFORD. Mr. Chairman, I make the point of order that that amendment is not germane. It hardly needs any discussion; it is apparent that this bill has nothing to do with claims resulting from damage.

The CHAIRMAN. The point of order is sustained.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CARAWAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 14777) to provide for control of floods in the Mississippi River, and had come to no resolution thereon.

### LEAVE OF ABSENCE.

Mr. BAILEY, by unanimous consent, was given leave of absence for five days on account of important business.

### MINORITY REPORT.

Mr. CROSSER. Mr. Speaker, I ask unanimous consent to file a minority report on this bill (H. R. 14777) for flood control.

The SPEAKER. For how long?

Mr. CROSSER. Until next Monday.

The SPEAKER. The gentleman from Ohio asks unanimous consent to file a minority report on the flood-control bill not later than next Monday. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the flood-control bill.

The SPEAKER. Is there objection?

There was no objection.

### THE PHILIPPINE BILL.

Mr. GARRETT. Mr. Speaker, while the Philippine bill was under consideration unanimous consent was given to all Members to print for 10 days. I am not entirely certain whether that would include some matter that I desire to insert. I desire to insert in the RECORD a speech delivered by the Hon. J. M.

Dickinson, former Secretary of War, upon the subject of the Philippines.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to insert in the RECORD as a part of his remarks a speech by the Hon. J. M. Dickinson, former Secretary of War. Is there objection? [After a pause.] The Chair hears none.

Mr. BARKLEY. Mr. Speaker, during the consideration of the Philippine bill did the order that was made provide that all Members who spoke on the bill could extend remarks in the RECORD or that all Members could have 10 days to extend remarks?

Mr. GARRETT. It provided that any Member could within 10 days extend his remarks in the RECORD. I want also to say that there is a part of a letter that I want to insert in the same connection.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 6099. An act to amend section 72 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 119. Joint resolution to permit the issuance of medical and other supplies to the American National Red Cross for a temporary period.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p. m.) the House adjourned until to-morrow, Thursday, May 11, 1916, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Duncan M. Reid and Milton Whinnery *v.* The United States (H. Doc. No. 1093); to the Committee on Claims and ordered to be printed.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Roebuck Lake, Miss., from its outlet to Ittabena, including consideration of any proposition for cooperation on the part of local or State interests (H. Doc. No. 1094); to the Committee on Rivers and Harbors and ordered to be printed.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Clark Fork River between Albany Falls and Lake Pend Oreille, in Idaho (H. Doc. No. 1095); to the Committee on Rivers and Harbors and ordered to be printed.

4. A letter from the Secretary of the Treasury, requesting that item of appropriation for central heating, lighting and power plant, public buildings, Washington, D. C., be eliminated from the sundry civil estimates for the fiscal year ending June 30, 1917 (H. Doc. No. 1096); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Acting Secretary of the Treasury, submitting, for inclusion in the sundry civil appropriation bill now pending, estimates of appropriations for commencement, continuation, and completion of sundry public buildings (H. Doc. No. 1097); to the Committee on Appropriations and ordered to be printed.

6. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of John Gerteisen *v.* The United States (H. Doc. No. 1098); to the Committee on War Claims and ordered to be printed.

7. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Albert A. Haskett *v.* The United States (H. Doc. No. 1099); to the Committee on War Claims and ordered to be printed.

8. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Herbert S. Sleeper *v.* The United States (H. Doc. No. 1100); to the Committee on War Claims and ordered to be printed.

9. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of R. Sherman Lerch *v.* The United States (H. Doc. No. 1101); to the Committee on War Claims and ordered to be printed.

10. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of George B. Loud *v.* The United States (H. Doc. No. 1102); to the Committee on War Claims and ordered to be printed.

11. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Albert G. Peabody *v.* The United States (H. Doc. No. 1103); to the Committee on War Claims and ordered to be printed.

12. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Guy C. Pierce *v.* The United States (H. Doc. No. 1104); to the Committee on War Claims and ordered to be printed.

13. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Jemima R. Clevenger, widow (remarried) of Henry Richardson, deceased, *v.* The United States (H. Doc. No. 1105); to the Committee on War Claims and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills were severally reported from committees, delivered to the Clerk and referred to the several calendars therein named, as follows:

Mr. CARTER of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 3423) to provide for the construction of a bridge across the Salt Fork of the Arkansas River, near White Eagle Agency, in the Ponca Indian Reservation, Okla., reported the same without amendment, accompanied by a report (No. 663), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. GANDY, from the Committee on Indian Affairs, to which was referred the bill (H. R. 13298) authorizing the Secretary of the Interior to make payments to certain Indians of the Rosebud Sioux Reservation, in the State of South Dakota, who were enrolled and allotted under decisions of the United States district and circuit courts for the district of South Dakota, reported the same with amendment, accompanied by a report (No. 664), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. CARTER of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 10872) making an appropriation to Stuart, Lewis, Gordon & Rutherford, in payment of legal services rendered by them to the Creek Nation, reported the same without amendment, accompanied by a report (No. 662), which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7135) granting a pension to Samuel L. Vandever; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 15191) granting an increase of pension to Annie E. Welch; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4641) granting an increase of pension to Jasper Johnson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. KENT: A bill (H. R. 15522) to establish a National Park Service, and for other purposes; to the Committee on the Public Lands.

By Mr. RAKER: A bill (H. R. 15523) to punish persons who make false representations to settlers and others pertaining to the public lands of the United States; to the Committee on the Public Lands.

By Mr. JOHNSON of Washington: A bill (H. R. 15524) providing for the abandonment of the Vashon Island Military Reservation in the State of Washington, and for other purposes; to the Committee on Military Affairs.

By Mr. GRAY of Alabama: A bill (H. R. 15525) to improve, enlarge, remodel, and modernize the building at Mobile, Ala., known as the customhouse; to the Committee on Public Buildings and Grounds.

By Mr. RAINEY: A bill (H. R. 15526) authorizing the removal of dams in the Illinois River; to the Committee on Flood Control.

By Mr. FOCHT: Joint resolution (H. J. Res. 222) "The Birth of a Nation" picture; to the Committee on the District of Columbia.

By Mr. KITCHIN: Resolution (H. Res. 233) providing for consideration of the bill H. R. 15455; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and a resolution were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 15527) granting a pension to Nancy J. Fetron; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15528) granting a pension to Martha Bell; to the Committee on Invalid Pensions.

By Mr. BAILEY: A bill (H. R. 15529) for the relief of Martin L. Cuppels; to the Committee on Military Affairs.

By Mr. BOOHER: A bill (H. R. 15530) granting an increase of pension to Roderick Schoonover; to the Committee on Invalid Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 15531) granting a pension to Frank A. Crawford; to the Committee on Pensions.

By Mr. BUCHANAN of Illinois: A bill (H. R. 15532) granting an increase of pension to Charles B. Kunstler; to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 15533) granting a pension to Anna R. Sharp; to the Committee on Invalid Pensions.

By Mr. CLINE: A bill (H. R. 15534) granting an increase of pension to Benjamin W. Skelton; to the Committee on Invalid Pensions.

By Mr. GANDY: A bill (H. R. 15535) granting an increase of pension to William H. Lott; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 15536) granting an increase of pension to Marquis D. Usher; to the Committee on Invalid Pensions.

By Mr. HAMILTON of New York: A bill (H. R. 15537) granting an increase of pension to Stillman P. Daily; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15538) granting a pension to M. Elizabeth Gorton; to the Committee on Invalid Pensions.

By Mr. HICKS: A bill (H. R. 15539) granting an increase of pension to John Hutchinson; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 15540) authorizing the Commissioner of Navigation to cause the steamship *Republic* to be enrolled and licensed as a vessel of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. LAFEAN: A bill (H. R. 15541) granting an increase of pension to Joseph A. Wisner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15542) granting an increase of pension to Augustus F. Woltman; to the Committee on Invalid Pensions.

By Mr. MOORE of Pennsylvania: A bill (H. R. 15543) granting an increase of pension to Joseph Walton; to the Committee on Invalid Pensions.

By Mr. OAKEY: A bill (H. R. 15544) granting an increase of pension to George W. Daniels; to the Committee on Invalid Pensions.

By Mr. PAGE of North Carolina: A bill (H. R. 15545) for the relief of the estate of John B. Johnson, deceased; to the Committee on Claims.

By Mr. POWERS: A bill (H. R. 15546) for the relief of Emily J. Mullins; to the Committee on Claims.

By Mr. REILLY: A bill (H. R. 15547) granting an increase of pension to Albert P. Jackson; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Ohio: A bill (H. R. 15548) granting a pension to Lucy Freeman; to the Committee on Invalid Pensions.

By Mr. SCOTT of Pennsylvania: A bill (H. R. 15549) granting an increase of pension to Louisa J. Kottcamp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15550) granting an increase of pension to Albert M. Gotwalt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15551) granting an increase of pension to Kathrine Hake; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15552) granting an increase of pension to Matilda W. Leightner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15553) granting an increase of pension to Aaron Markle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15554) granting an increase of pension to Maggie A. Meals; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15555) granting an increase of pension to Samuel Platts; to the Committee on Invalid Pensions.

By Mr. SHOUSE: A bill (H. R. 15556) granting a pension to Brother Buis; to the Committee on Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 15557) granting an increase of pension to James C. Haslett; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Texas: A bill (H. R. 15558) granting a pension to Harry G. Hodges; to the Committee on Pensions.

By Mr. TAGGART: A bill (H. R. 15559) granting an increase of pension to Stephen Lampman; to the Committee on Invalid Pensions.

By Mr. TALBOTT: A bill (H. R. 15560) granting a pension to Mary R. Ramsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15561) granting a pension to Julia Ford; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 15562) for the relief of Henry N. Rumley; to the Committee on Claims.

Also, a bill (H. R. 15563) granting an increase of pension to Benjamin M. Ammons; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 15564) granting a pension to Hattie S. Swift; to the Committee on Invalid Pensions.

By Mr. VARE: A bill (H. R. 15565) granting an increase of pension to Ernestine Shetrone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15566) granting an increase of pension to Frederick Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15567) granting an increase of pension to Jacob Haar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15568) granting an increase of pension to William H. Swartz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15569) granting an increase of pension to Laura V. Croll; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15570) granting an increase of pension to Maggie Sponsler; to the Committee on Invalid Pensions.

By Mr. VINSON: A bill (H. R. 15571) granting a pension to Talbert T. Wates; to the Committee on Pensions.

By Mr. WINGO: A bill (H. R. 15572) for the relief of W. T. Dingler; to the Committee on Claims.

By Mr. POU: Resolution (H. Res. 232) for the relief of R. L. Jennings; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of sundry citizens and organizations, favoring a report by the Judiciary Committee on the Susan B. Anthony amendment; to the Committee on the Judiciary.

By Mr. BAILEY: Memorial of Local Union No. 2179, United Mine Workers of America, favoring House resolution 139; to the Committee on Rules.

By Mr. BOOHER: Petition of S. M. Clark, G. E. Walter, Russell Burke, and 40 other citizens of Atchison County, Mo., against regulations enforcing the migratory-bird law; to the Committee on Agriculture.

By Mr. BRUMBAUGH: Evidence to accompany House bill 11976, granting an increase of pension to Washington G. Marshall; to the Committee on Invalid Pensions.

By Mr. BURKE: Petition of citizens of Plymouth and St. John's Lutheran Church, of Woodland, Wis., against war with Germany; to the Committee on Foreign Affairs.

By Mr. CAREW: Petition of Chamber of Commerce of the State of New York, in re rural-credit banking; to the Committee on Banking and Currency.

By Mr. DALE of New York: Petition of Arnon L. Squiers, of New York, in re House bill 14337; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of New York Academy of Medicine, in reference to the number of medical officers provided for in the United States Army; to the Committee on Military Affairs.

Also, petitions of various and sundry citizens and organizations, favoring the reporting out of the Susan B. Anthony amendment by the Judiciary Committee; to the Committee on the Judiciary.

Also, memorial of Chamber of Commerce of the State of New York, in re pneumatic-tube mail service; to the Committee on the Post Office and Post Roads.

By Mr. DILL: Petition of H. C. Boger, of Snohomish, Wash., and other residents of that locality, protesting against House bill 652; to the Committee on the District of Columbia.

Also, petition of H. C. Boger, of Snohomish, Wash., and other residents of that locality, protesting against House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also, petition of G. W. Dial and other residents of Hillyard and Spokane, Wash., urging the passage of House bill 8665; to the Committee on Labor.

By Mr. DILLON: Petitions of sundry citizens of Freeman, S. Dak., in reference to our foreign relations and opposing war; to the Committee on Foreign Affairs.

By Mr. DOOLING: Petition of New York Academy of Medicine, favoring a change in the number of medical officers in the United States Army; to the Committee on Military Affairs.

By Mr. EMERSON: Memorial of citizens of twenty-second district of Ohio on House bill 5308; to the Committee on Ways and Means.

By Mr. FLYNN: Memorial of the New York Academy of Medicine, favoring a change in the number of doctors in the United States Army; to the Committee on Military Affairs.

Also, memorial of Chamber of Commerce of the State of New York in re pneumatic-tube mail service; to the Committee on the Post Office and Post Roads.

By Mr. FULLER: Petition of Chamber of Commerce of the State of New York, relative to rural-credit banking; to the Committee on Banking and Currency.

Also, petition of Association of Drainage and Levee Districts of Illinois, relative to flood control in the Illinois River Valley; to the Committee on Rivers and Harbors.

By Mr. GALLIVAN: Petititon of citizens of Boston, Mass., against United States in war; to the Committee on Foreign Affairs.

By Mr. HOWELL: Memorial of Commercial Club of Salt Lake City, Utah, favoring Shields water-power bill; to the Committee on Rivers and Harbors.

By Mr. JOHNSON of Washington: Petition of 33 citizens of Clarke County, Wash., against House bill 652—Sunday-observance bill; to the Committee on the District of Columbia.

Also, petition of 30 citizens of Tacoma, Wash., favoring House bill 8665, against the Taylor system; to the Committee on Labor.

Also, petition of 59 citizens of Clarke County and 64 of Pierce County, Wash., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. LAFEAN: Memorial of National and State officials of the Farmers' Educational and Cooperative Union of the National Grange; to the Committee on Agriculture.

Also, petition of Chamber of Commerce of New York State, meeting held May 4, 1916, adopting report on antiefficiency bills; to the Committee on Labor.

Also, petition of Chamber of Commerce of State of New York, meeting held May 4, 1916, on rural-credit banking; to the Committee on Banking and Currency.

Also, petition of Chamber of Commerce of the State of New York, meeting held May 4, 1916, adopting report on pneumatic-tube mail service; to the Committee on the Post Office and Post Roads.

By Mr. LOUD: Petition of A. W. Gibbons and Orient and Sylvan Sunday School Association, of Sears, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. McDERMOTT: Petition of Messrs. S. J. Dorsch, Joseph J. Rusch, F. Schultz, G. Dittman, and others, all of Chicago, Ill., favoring the passage of the Lobeck classification bill; to the Committee on Reform in the Civil Service.

By Mr. MAPES: Petition of 13 citizens of Grand Rapids, Mich., urging the passage of the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. NOLAN: Petitions of 493 citizens of San Francisco, Cal., against war with Germany; to the Committee on Foreign Affairs.

By Mr. PAGE of North Carolina: Petition of sundry citizens of North Carolina, favoring rural-credit bill; to the Committee on Banking and Currency.

By Mr. ROUSE: Memorial of citizens of Covington, Ky., regarding international situation; to the Committee on Foreign Affairs.

By Mr. SANFORD: Papers to accompany House bill 15450, for relief of Emil E. Koenig, or King; to the Committee on Invalid Pensions.

By Mr. STEPHENS of California: Communication from Mariella Stanton and E. H. Sharp, both of Los Angeles, Cal., opposing preparedness; to the Committee on Military Affairs.

Also, resolutions from public meetings at Hotel Alexandria, Los Angeles; Panama-Pacific International Exposition, San Diego; Polytechnic High School, Los Angeles; also from San Luis Obispo, Sacramento, and Santa Barbara, all in the State of California, favoring the woman suffrage amendment; to the Committee on the Judiciary.

Also, communications from the E. W. Reynolds Co., Los Angeles; the Broadway Department Store, Los Angeles; and the Retail Dry Goods Association, Oakland, all in the State of California, protesting against the Stephens-Ayres maintenance bill; to the Committee on Interstate and Foreign Commerce.

Also, petition from Giles Otis Pearce and others, Soldiers' Home, Cal., favoring import tax upon gold and silver; to the Committee on Ways and Means.

Also, petition from Giles Otis Pearce and others, Soldiers' Home, Cal., concerning the free coinage of silver; to the Committee on Coinage, Weights, and Measures.

Also, communication from Labor Council, San Francisco, Cal., favoring exclusion of Asiatic laborers; to the Committee on Immigration and Naturalization.

Also, communication from Realty Board, Los Angeles, Cal., favoring the relocation of a Government power plant in Washington; to the Committee on the District of Columbia.

Also, communication from Vocational Guidance Society, San Francisco, Cal., favoring the Smith-Hughes bill; to the Committee on Education.

Also, communication from Young People's Society, Immanuel Presbyterian Church, Los Angeles, Cal., favoring a Federal motion-picture commission; to the Committee on Education.

Also, communication from California Association for the Prevention of Tuberculosis, favoring the Kent-Norris bill; to the Committee on Interstate and Foreign Commerce.

Also, communication from 25 members of the German Ministerial Association of Los Angeles, Cal., protesting against war with Germany; to the Committee on Foreign Relations.

Also, communication from Merchants' Association of Watsonville, Cal., protesting against stamps on checks; to the Committee on Ways and Means.

Also, communication from Labor Council, San Francisco, Cal., favoring peaceful settlement of international disputes; to the Committee on Foreign Relations.

Also, petition of Joseph A. Powers and 72 others of Sawtelle, Cal., protesting against the compulsory Sunday observance bill; to the Committee on the District of Columbia.

Also, petition signed by Joseph A. Powers and 100 other citizens of Sawtelle, Cal., opposing House bill 8348; to the Committee on the District of Columbia.

Also, petition signed by Joseph A. Powers and 102 other citizens of Sawtelle, Cal., favoring freedom of speech and of the press; to the Committee on the Post Office and Post Roads.

By Mr. SULLOWAY: Memorial of Hillsborough County (N. H.) Medical Association, favoring proper medical service in the United States Army; to the Committee on Military Affairs.

By Mr. WARD: Petition of citizens of White Lake, Monticello, Stevensville, and Liberty, N. Y., for a Christian amendment to the Constitution of the United States; to the Committee on the Judiciary.

## SENATE.

### THURSDAY, *May 11, 1916.*

*(Legislative day of Tuesday, May 9, 1916.)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

#### RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. KENYON resumed the speech begun by him on Tuesday. After having spoken for two hours and a half, he said:

Mr. President, I will not be able, I think, to finish what I have to say to-night. I had hoped to finish, but I find myself very weary. The Senator from Illinois [Mr. SHERMAN] desires to occupy the floor for some time, and I think therefore I will stop at this point and resume my remarks at a later day.

[Mr. KENYON'S entire speech is printed in the Senate proceedings of May 9, 1916.]

Mr. KENYON. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Borah | Harding | Jones | Lodge |
| Brandegee | Hardwick | Kenyon | Martine, N. J. |
| Chamberlain | Hitchcock | La Follette | Myers |
| Clarke, Ark. | Hollis | Lea, Tenn. | Norris |
| Dillingham | Husting | Lee, Md. | Oliver |
| du Pont | James | Lewis | Page |
| Gallinger | Johnson, Me. | Lippitt | Poindexter |

| | | | |
|---|---|---|---|
| Pomerene | Shields | Thomas | Walsh |
| Ransdell | Simmons | Tillman | Warren |
| Shafroth | Smith, S. C. | Underwood | Works |
| Sheppard | Smoot | Vardaman | |
| Sherman | Sutherland | Wadsworth | |

The PRESIDING OFFICER. Forty-six Senators have responded to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of absent Senators, and Mr. BECKHAM, Mr. GORE, Mr. JOHNSON of South Dakota, Mr. MARTIN of Virginia, Mr. NELSON, Mr. OVERMAN, Mr. PITTMAN, Mr. REED, Mr. SMITH of Georgia, Mr. STERLING, and Mr. SWANSON responded to their names when called.

Mr. LEWIS. Mr. President, I wish to announce the necessary absence of the Senator from Mississippi [Mr. WILLIAMS], who is detained from the Senate on business.

The PRESIDING OFFICER. Fifty-seven Senators have responded to their names. A quorum is present.

Mr. SHERMAN addressed the Senate. After having spoken nearly two hours and a half, he said:

I will state, Mr. President, that I can not conclude to-night. I am perfectly willing to yield at any time.

Mr. CLARKE of Arkansas. Whenever it may suit the pleasure of the Senator to suspend it will be satisfactory here. The Senator from West Virginia [Mr. CHILTON] has a matter that he desires to present, and it may as well be presented while this bill is pending as at any other time.

[Mr. SHERMAN'S entire speech is printed in the Appendix.]

CHARLESTON-DUNBAR TRACTION CO.

Mr. CHILTON. On the 17th of March I introduced the bill (S. 5103) authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River, in West Virginia, and it was referred to the Committee on Military Affairs. It should have been referred to the Committee on Commerce. I ask unanimous consent that the bill be taken from the Committee on Military Affairs and referred to the Committee on Commerce. Clearly, it ought to go there.

The VICE PRESIDENT. Without objection, the change of reference will be made.

Mr. CHILTON. I also present a letter from the Secretary of War to accompany the bill.

The VICE PRESIDENT. The bill and accompanying letter will be referred to the Committee on Commerce.

CONGRESSIONAL ELECTION IN WEST VIRGINIA.

Mr. CHILTON. Mr. President, I understand that while I was out of the Chamber the Senator from Iowa [Mr. KENYON] referred to the recent election held in West Virginia and predicted that what had happened to the Democratic Party in the second district of West Virginia was in store for it at the November election. I sincerely hope that the Senator is a prophet and that the magnificent gains made by the Democratic Party in the second West Virginia district are an omen of what is going to happen to the party to which the Senator has given his allegiance all his life in November.

Mr. President, I wish to put in the RECORD something about the second congressional district. In the year 1902 the Republicans carried that district by 1,341. In the year 1904 the majority was much in excess of 2,000; it was two thousand and something like three or four hundred. In 1906 the Democratic candidate received 16,752 votes and the Republican candidate 20,384 votes, a majority of 3,632.

In the year 1908 the Republican candidate received a clear majority of 2,561. In the year 1910 the Democratic Party nominated a most remarkable man, Hon. W. G. Brown. He carried the district by 3,984, but everyone understood that it was a victory for Brown and not a victory for the Democratic Party. The largest Republican county in the district, Preston, is usually good for a Republican majority of from 2,000 to 2,500. Instead of its giving a majority against Mr. Brown, he was related to so many people, connected with so many people, and personally was so popular there, as he was here to the time of his death, that he carried that county by a substantial majority and won his election.

In the year 1912 that district gave Mr. Roosevelt 14,934 votes and Mr. Taft 10,420 votes, making a combined opposition vote of 25,354 to 21,955 given for Mr. Wilson, making a Republican majority of 3,399. Notwithstanding that Mr. Brown was elected to Congress.

Mr. THOMAS. By what majority?

Mr. CHILTON. I have not the exact majority, but I think it was 196, less than 200.

In that same year notwithstanding the fact that Gov. Hatfield ran considerably behind his ticket he carried that district by 2,463.

In 1914 Mr. Brown had a plurality of 1,361 votes and the Progressive vote was 1,296, leaving Mr. Brown with a majority of only 65.

In the county of Preston, where Mr. Brown lived, in 1908 the Republican majority was 2,141 on the vote for Representative in Congress.

Mr. SUTHERLAND. All of which indicates, as I understand, Mr. President, that there never has been more than one Democrat in the district whom the people were willing to trust.

Mr. CHILTON. That is one way to state it but not the correct way. I want to state to the Senator further that in the election which has recently taken place Mr. Wood, the Democratic candidate for Congress, was beaten in Preston County by only 1,100, and so there was in the district a substantial Democratic gain in all the counties except probably two.

One of them was the county of Berkeley, where Mr. Bowers, the Republican candidate lived, and I have no doubt in the world that when the other House of Congress comes to investigate that question it will find ample reasons why that county happened to slump to prevent the Democratic Party from getting the splendid advantage which they would have had by virtue of the popularity of the present Democratic administration.

In other words, Mr. President, it can be easily shown that the official vote in two counties in that district was not a fair expression of the sentiments of the voters, and that at least unfair means were used to eke out the meager majority of about 400, which is now being paraded as a sign of a Democratic slump. The truth is that even if it were fairly obtained the returns from the second West Virginia district show a falling off in the Republican majorities—a district, normally Republican by over 2,000, went Republican by about 400.

If the Senator from Iowa can find any consolation in these figures I hope that consolation will keep up until November for his benefit. The wise politicians in his party will not base hopes of victory in November upon that result.

Mr. KENYON. Mr. President, I simply want to say that I join in the joy which the Senator from West Virginia may feel about myself, and I am doubly glad if the Senator from West Virginia can get any comfort out of the situation.

I read a prophecy a few days ago of the Senator as it was reported in the newspapers when he left for the scene of the recent election in which he was reported to have said that everything was all right, and that the Democrats would see that the district was carried for their candidate. If the Democrats keep up, of course, this kind of a game the result will be clearly apparent when November comes. I only know that whereas a Democrat represented that district for the last six years a Republican has been elected. I know nothing more about it, of course, and I am glad the Senator can get comfort out of the situation.

THE SHIPPING SITUATION.

Mr. FLETCHER. I ask to have printed in the RECORD a statement made by the members of the United States Section of the International High Commission, and also a statement by Secretary McAdoo, chairman of the commission, as to the work of the commission on its recent trip to South America.

Mr. SMOOT. Does the Senator ask to have the matter printed in the RECORD or as a document?

Mr. FLETCHER. These are very brief statements, and I propose that they shall be printed in the RECORD.

Mr. SMOOT. The other two statements of Secretary McAdoo have been printed as public documents.

Mr. FLETCHER. Those were addresses delivered on public occasions.

The VICE PRESIDENT. Without objection, the request of the Senator from Florida is complied with.

The matter referred to is as follows:

THE SHIPPING SITUATION.

WASHINGTON, D. C., *May 8, 1916.*

So important did the members of the United States Section of the International High Commission find the shipping question in South American countries that they deem it their duty especially to report the statements brought to their attention by residents of the countries visited as well as by members of the commission from the Republics of Central and South America attending the Buenos Aires conference.

Without exception, in every country we found the shipping question uppermost in the minds of Government officials, bankers, and business men. Practically every business man with whom the members of the commission discussed conditions emphasized the absolute need of greatly increased ocean tonnage, while the members of the American colonies in the various cities sought every opportunity to impress upon the members of the commission the importance of action at the earliest moment to improve conditions.

It was pointed out repeatedly that under the normal circumstances preceding the war the operation of many lines to European countries for both passengers and freight, making the trips in less time than steamers plying to the United States, gave Europe a great advantage in the sale of merchandise, not only because of the larger tonnage available and quicker service but because of the lower freight rates enjoyed. Representatives of the American business houses declared that it would be very difficult to extend American trade with such a handicap.

As a result of the war, the cost of ocean tonnage to South American ports has increased enormously, and instead of an improvement in the conditions the fear seems to be well grounded that they will become worse. As an illustration of present rates, it may be stated that before the war the rate on coal from the United States to Buenos Aires was 16s. to 20s. per ton; for a considerable time recently it has been 102s. 6d., and on occasions the rate has been as high as 120s. As a result coal has been selling in Buenos Aires at $28 to $30 a ton, nearly $25 of this price being represented in freight payments. Before the war it sold in cargo lots at $7.75 to $8.

Rates on hardware, drugs, paper, and general merchandise have increased in like proportion, and notices of general advances approximating 50 per cent additional were given to Buenos Aires houses about the middle of April. Even at these prices immediate acceptance of cargo space was necessary. We are advised bottoms are available in very much larger proportion from Great Britain than from other countries, and British merchants are enjoying rates 50 to 75 per cent less than American manufacturers. The situation as to rates does not obtain in the Argentine alone but applies in all the countries. A number of notable cases were brought to the attention of members of the commission where important contracts have recently gone to Europe, which would have been given to the United States, but for the wide difference of freight rates which made it impossible for our manufacturers to compete.

It was pointed out by the representatives of American shippers in these countries that very much higher rates to the United States, as against Europe, seriously militate against our manufacturers in the purchase of raw materials, which become available to European manufacturers at lower cost because of the cheaper transportation. This, of course, adds to the difficulty our manufacturers encounter in marketing manufactured products in competition with Europe.

American houses in Brazil and the Argentine informed the commission that they had been notified in the middle of April that a number of ships now in service from New York to South American ports would be taken off of this direct service and would soon make the trip from New York via Europe, thus still further restricting a service already so seriously impaired as to constitute a grave menace to our South American commerce.

The representatives of all the Governments participating in the Buenos Aires conference took every opportunity to urge that the shipping conditions could only be improved on the initiative of the United States. They made clear their inability to finance new steamship enterprises, but at the same time promised that cooperation would be given in every way that their Governments could aid. It was also urged upon us that, while the present situation constituted a serious emergency calling for the quickest possible relief, the development of the commerce of the United States with South American countries in times of peace necessitated very much greater tonnage than had ever been available, while fast passenger lines were also essential if increased trade and communication between the countries were to be developed.

The United States commission does not as a commission assume to say what remedies should be applied by our Government, but they are convinced that there is no more vital question affecting our commerce with the Latin American countries than that of providing greatly increased shipping facilities.

W. G. McADOO.
D. U. FLETCHER.
A. J. PETERS.
PAUL M. WARBURG.
SAMUEL UNTERMYER.
JOHN H. FAHEY.
ARCHIBALD KAINS.

STATEMENT BY SECRETARY M'ADOO.

WASHINGTON, D. C., *May 4, 1916.*

We have had a most instructive and interesting trip. In every country visited the United States delegates were received with the greatest cordiality. The friendship and hospitality extended to us were delightful, and we are extremely grateful for the generous attentions bestowed upon us everywhere. It would be impossible to convey an adequate idea of the personal charms and exquisite hospitality of the people of Latin America. They have an enviable distinction of their own.

I shall not undertake now to give impressions of the various countries, except that, although I expected to find well-built and beautiful cities, they far exceeded my expectations.

I wish that every American business man and capitalist could visit these Latin-American countries and see for themselves how rich they are in natural resources, how rapidly they are developing, and how full of opportunity they are for American capital and enterprise.

I had the honor and privilege of meeting and conversing with the Presidents of Brazil, Uruguay, Argentina, Chile, Peru, Panama, Cuba, and Haiti, and I also met many of the leading statesmen of South America, with whom I discussed questions of national interest. Everywhere I found an earnest desire to strengthen commercial, financial, and political relations with the United States, and everywhere we went there was a genuinely friendly attitude and a complete absence of that suspicion and distrust of the United States which has, until recently, existed to a more or less degree in some, at least, of the Central and South American countries. This is a very fortunate development. It is due primarily to the policies and utterances of President Wilson and to the suggestions made by the United States for mutual guaranties of the territorial integrity and political independence of all of the American Republics. If this happy consummation can be realized it will do more, in my opinion, to promote stable, rapid, and peaceful development of the American States than any single political act of the last century. It will be a transcendent achievement if the territorial and political integrity of every American nation, large and small, can be made secure through unity of action and interest. With this accomplished there is no limit to the future of the Americas—they will be as impregnable as they will be potential for good. The numerous Pan American conferences recently held, bringing together as they have leading men of the various Latin-American States, have contributed greatly to a better understanding and have helped to create sentiment in favor of Pan American unity and solidarity.

Every leading statesman in South America with whom I talked emphasized the paramount importance of a merchant marine under the flag of the United States, or under the flags of the different American nations, if American financial and commercial relations are to be enlarged upon an enduring foundation. Without a single exception, they all concurred in the view that the merchant-marine question is the most important one now confronting the American States. The hope was expressed in every country, and was voiced in the resolutions unanimously adopted by the International High Commission, that the United States will promptly solve this pressing problem, and there was frank recognition that the United States alone has the financial resource to do so. A number of the leading statesmen of South America did not hesitate to say that if our Government really wanted to serve her own interests in the highest degree and help her suffering neighbors of South America in their extremity—because the commerce of many of these countries is seriously hurt for lack of shipping—the United States will not fail to do something practical and promptly. Many prominent men told me that there has been an abundance of inter-American conferences and friendly expressions for many years, but that concrete results had been relatively small; that if the United States wanted to take advantage of the greatest opportunity in its history to strengthen its commercial, financial, and political relations with the Latin-American States, it would be necessary to do more than merely exchange friendly messages and sentiments; that the surest foundation of better relations was the establishment of ample means of communication, so that the products of the different countries could be quickly moved in mutually profitable trade with each other. Sufficient credits would then follow, because wherever there is profitable trade between the people of different countries it is not difficult to find the means of financing it.

Another question of great importance is the completion of the Inter-Continental Railway, connecting North and South America through the Isthmus of Panama. Outside of ocean transportation, no other undertaking is more essential to the future development of North and South America than the construction of this great railroad. It is not a visionary idea; it is a very practical idea, and one that can be realized at much less cost than the Panama Canal. This is the kind of constructive enterprise that appeals to the imagination and spirit of our people. There are no people to whom a great and daring development of this character appeals so strongly as the people of the United States. If the ideal of Pan American unity, based upon mutual guaranties of territorial integrity and political independence, should come about, the construction of this Pan American trunk line will be all the more important and all the more easily secured, because there will be no hesitation then about the adoption of a standard gauge in all countries. As it stands now, different gauges have been adopted by various countries as a protection against invasion of one by another. This fear will disappear, and greater cooperation will be assured when territorial integrity and political independence of each nation is removed from doubt.

The total distance between New York and Buenos Aires by rail is 10,300 miles, of which approximately 7,400 miles have been built and are now in operation, leaving approximately 2,900 miles to be constructed. The principal gaps in the Inter-Continental Railway are in the countries of Central America and in Colombia, Ecuador, and Peru, in South America, and the estimated cost of construction is, roughly speaking, $150,000,000. With these links completed it would require only a relatively small amount of additional construction to connect the main trunk line with Santiago, Chile, and Rio de Janeiro, Brazil, and then practically all the principal capitals of Central and South America will be connected with each other and with all the cities of the United States. "All aboard for Buenos Aires," when shouted in the railroad stations of New York City, will be a thrilling announcement. Some day, and in the not remote future, this announcement will be heard.

The sessions of the International High Commission began in Buenos Aires April 3 and ended April 13. The proceedings were brilliantly opened by the President of the Argentine Republic, Dr. de la Plaza, and the Argentine Minister of Finance, Dr. Oliver, was, on motion of the United States delegation, elected president of the conference. One of the fundamentally important things agreed upon was the permanent organization of the International High Commission. Washington was selected as the headquarters for the next two years, and a central executive committee was created, whose duty it is to coordinate and carry on the work of the commission. As there are 20 sections of the high commission, 1 being located in each American State, it was necessary to have a central authority to keep in touch with the various sections and direct the general work. By locating the headquarters at Washington a signal honor was conferred on the United States, and by this action the Secretary of the Treasury of the United States becomes president, Hon. John Bassett Moore, vice president, and Dr. Leo S. Rowe, secretary general of the central executive committee for the next two years. The work of the commission will be pushed vigorously and every effort will be made to carry into effect the conclusions of the Buenos Aires conference.

The commission adopted a resolution recommending that a Pan American financial conference, so as to bring together the ministers of finance of all countries, be held every two years, and agreed upon the city of Washington as the place for the financial conference of 1917.

Senator FLETCHER represented the United States on the committee to which was referred wireless telegraphy, improved cable and telegraphs, and postal facilities. The conference declared in favor of exclusive control by the various Governments of wireless telegraphy, it being recognized that it was essential to the security and protection of the various States that this new science should be under the control of their respective Governments. A conference of wireless experts of the different countries was recommended to be held in Washington in the near future.

The conference also declared in favor of the policy of connecting up the telegraph system of the various South American countries, improving the service and establishing a system of more uniform and equitable rates. It was recognized that the telegraph service through South America could be immensely improved by cooperation between the different Governments. The conference also declared for increased cable communications at more reasonable rates, it being recognized that the insufficient cable service between North and South America and the high rates prevailing are a serious handicap upon commerce and intercourse.

The conference considered very thoroughly the subject of a uniform gold standard and increased banking facilities. Mr. Warburg, of the Federal Reserve Board, and Mr. Kains, governor of the Federal Reserve Bank of San Francisco, represented the United States on the commit-

tees dealing with these subjects. While it was recognized that the adoption of a uniform gold standard in all of the Central and South American countries, especially under existing conditions, was impossible at this time, nevertheless a great step forward was taken when the conference approved and recommended to the various Governments the adoption of a standard unit of money of account, and recommended that this unit should be based on a gold coin of .33437 grams in weight and 900/1000 fine. This unit is exactly one-fifth of the gold dollar of the United States, and if adopted by the various States as a money of account will provide a uniform basis of account for transactions between all of the Latin-American countries and North America. Moreover, it offers a basis likely to be adopted for the actual coinage of gold by the various countries when and as they find themselves able to put into effect a gold currency system of their own, in which case all such American gold coins would be of the same fineness and would be in simple multiples of the United States dollar; and this new Pan American coin and the United States dollar would circulate freely throughout the United States and such other American nations as adopted the standard. There are so many recognized advantages in this uniform money of account and interchangeable gold coins that it is not worth while to enumerate them here.

In this connection another admirable idea put forward by Messrs. Warburg and Kains, and recommended by the conference for careful study, was the suggestion for gold trust funds between the different American States, similar in some respects to the gold clearance fund maintained by the Federal reserve banks at Washington and administered by the Federal Reserve Board. If such international gold trust funds can be established, it will prove of the greatest convenience and assistance to commerce, saving unnecessary transfers of gold in settlements of balances, with all the attendant loss and expense. Treaties would, of course, be necessary to bring about this result. The matter will be followed up by the central executive committee.

The conference approved the idea of encouraging banks of each country to establish branches, or taking an interest in banks operating in other countries, for the purpose of facilitating commerce and exchanging accurate credit information, and it recommended legislation for the protection of merchant creditors.

Mr. Untermyer represented the United States on the committees having to do with negotiable instruments, bills of exchange, laws with reference to credits, as well as questions relating to patents, trademarks, and copyrights. Here notable progress was made toward securing uniformity between the laws of the various countries, especially with respect to bills of exchange. The Hague Convention of 1912 formulated a uniform law on this important subject, which has not, however, received general adhesion. In order to secure the tentative approval of that law by the representatives at The Hague it had been necessary to accompany it with a convention, which was signed at the same time, by which independence of action contrary to the terms of the uniform law was expressly reserved to the various signatory States upon many of the important features of the uniform law, thus largely nullifying the effect of the latter.

The task to which the conference addressed itself was that of securing uniform action among the Pan American countries upon the many points contained in the convention as to which independent and conflicting action had been expressly reserved. The conference was able to make a unanimous recommendation for harmonious action upon all except one of the many points thus reserved.

Substantial progress was also made toward securing uniformity in the laws relating to patents, trade-marks, and copyrights among the Pan American countries. The Buenos Aires Conventions of 1910 on these subjects, which have as yet been ratified by only eight, including the United States, of the 20 signatory countries, were reaffirmed, with certain changes on the subject of trade-marks to clear up ambiguities. An important addition to the copyright convention was recommended, the effect of which will be to create monthly exchanges between the various countries of the copyrights registered in each country. This will prevent future conflicts as to copyright ownership, and will enable every applicant for a copyright to learn from the records of his own country whether he is entitled to copyright in the other signatory countries, and will obviate months of delay and endless litigation.

Senator FLETCHER represented the United States on the committee which considered improved postal facilities between the Latin-American States. The conference approved the recommendation for a Pan American postal union, which would, in turn, cooperate with the existing International Postal Union, whose headquarters are Berne, Switzerland, and recommended that an early meeting of postal experts be held in Montevideo for the purpose of going carefully into these important postal questions. Recommendations were adopted which when put into effect will mean a reduction of letter postage to a Pan American rate of 4 cents.

Assistant Secretary Peters represented the United States on the committees having charge of classifications of merchandise, with respect to commercial statistics and regulations affecting customs administration and sanitation. The conference approved, with slight modifications, the uniform nomenclature agreed upon at Brussels for uniform classification of merchandise for the purpose of commercial statistics and the use of the standard monetary unit of account recommended by the committee on banking. As the uniform classification of merchandise for statistical purposes is a matter of administrative regulation in each country and does not require new laws, it is believed that the recommendations of the conference can be carried into effect in the near future. If this is done, the statistics of exports and imports of each country in the Latin American Union will be issued on the same basis, and will, therefore, for the first time, give thoroughly comparative and accurate statistics on these important subjects.

The conference recommended that customhouse entries be simplified and requirements made uniform and that port dues be limited to reasonable charges for services actually rendered to vessels. This reform will remove some of the most vexatious restrictions on commerce.

Mr. John H. Fahey represented the United States on the committees to which were assigned the questions of uniform regulations for commercial travelers and their samples and arbitration of commercial disputes. In dealing with the vexed question of commercial travelers and their samples, the unanimous action of the conference marks a long stride forward in the direction of securing the abolition of license fees and the many other onerous obstacles that now confront our business men in transacting business in Central and South America. The arbitration of commercial disputes between citizens of the Pan American countries, through their respective commercial bodies, was given a distinct impetus on the lines of the agreement reached between the Chamber of Commerce of the United States and the Buenos Aires chamber, which was formally approved by the conference.

Assistant Secretary Peters represented the United States in dealing with the problems of labor and labor conditions. The commission went upon record in favor of the most progressive legislation on these subjects and recomemnded numerous legal provisions now existing in the United States for the betterment of labor conditions.

Secretary McAdoo represented the United States on the committee on natural resources and their development. The conference earnestly recommended the fullest and most systematic study of the mineral resources of all the American Republics, with a view to uniformity of analysis and classification. It was also suggested that the plan for this survey, on which will be based an inter-American policy as to conservation of natural resources, be prepared under the direction of the Pan American Union.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System.

### ENROLLED BILL AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

H. R. 6099. An act to amend section 72 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and

S. J. Res. 119. Joint resolution to permit the issuance of medical and other supplies to the American National Red Cross for a temporary period.

### MEXICAN SISAL HEMP (S. DOC. NO. 440).

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, in response to a resolution of April 17, 1916, a report concerning the requirements of Mexican sisal hemp by manufacturers in the United States for the production of binder twine to fill orders for domestic consumption during the season ending August 1, 1916, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

### TRANSPORTATION BETWEEN ATLANTIC AND PACIFIC PORTS.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Interstate Commerce Commission, transmitting, in response to a resolution of May 16, 1914, a report relative to corporate interests of railroads in vessels or steamship lines engaged in transporting freight between Atlantic and Pacific ports and in the coastwise trade of the United States, which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

### PETITIONS AND MEMORIALS.

Mr. MYERS. I present resolutions of the Monarch Local, American Society of Equity, of Monarch, Mont., in favor of legislation for the homesteaders on the Fort Peck Indian Reservation in Montana. I ask that the resolutions be printed in the RECORD together with the signatures.

There being no objection, the resolutions were ordered to be printed in the RECORD as follows:

Whereas the cooperative farmers of Montana, known as the American Society of Equity, realize that our country now stands in the midst of difficulties, deem it necessary that all farmers should be induced to raise all food possible; and

Whereas we find a vast area of fertile land on the Fort Peck Reservation practically uninhabited on account of the present law requiring all homesteaders to pay from $2.50 to $7 per acre for said land, one-fifth to be paid at time of entry, the other four-fifths to be made in five annual payments, that said law is keeping actual settlers from this land: Therefore be it

*Resolved*, That we ask our Senators and Congressmen to introduce a law asking a reduction of one-half of the appraised value of said land and that 10 years' extension of time be granted on all payments after the first one has been made, that being one-fifth down at time of entry. We also ask that said law be made to cover all payments that have been made, with the exception of commutements, so that the actual settler who is on the land at the present time may receive the same benefits from time of their entry as those who are yet to homestead. That as we consider this one of the first steps toward preparedness, we ask our Senators and Congressmen to act as soon as possible, as the planting time is near at hand and through this law not only our State but our Government would be greatly benefited, as this is one of our greatest wheat belts.

FRED DANIELSON, *President*,
STEVEN FULLER, *Secretary*.
*Monarch Local, American Society of Equity.*

Mr. MYERS. I also present resolutions of Little Belt Local, American Society of Equity, of Belt, Mont., favoring legislation for homesteaders on the Fort Peck Indian Reservation in Montana. I ask that the resolutions be printed in the RECORD, together with the signatures.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas the cooperative farmers of Montana, known as the American Society of Equity, realize that our country now stands in the midst of difficulties, deem it necessary that all farmers should be induced to raise all food possible; and

Whereas we find a vast area of fertile land on the Fort Peck Reservation practically uninhabited on account of the present law requiring all homesteaders to pay from $2.50 to $7 per acre for said land, one-fifth to be paid at the time of entry, the other four-fifths to be made in five annual payments, that said law is keeping actual settlers from this land: Therefore be it

*Resolved*, That we ask our Senators and Congressmen to introduce a law asking a reduction of one-half of the appraised value of said land and that 10 years' extension of time be granted on all payments after the first one has been made, that being one-fifth down at time of entry. We also ask that said law be made to cover all payments that have been made, with the exception of commutements, so that the actual settler who is on the land at the present time may receive the same benefits from time of their entry as those who are yet to homestead. That as we consider this one of the first steps toward preparedness, we ask our Senators and Congressmen to act as soon as possible, as the planting time is near at hand, and through this law not only our State but our Government would be greatly benefited, as this is one of our greatest wheat belts.

ISAAC RANTIA, *President*,
ALEX. STONE, *Secretary*,
*Little Belt Local, American Society of Equity.*

Mr. PHELAN presented a petition of the Teachers' Club, of Los Angeles, Cal., praying that an adequate appropriation be made for the improvement of the Yosemite National Park and for the creation of a national park service, which was referred to the Committee on Appropriations.

He also presented a memorial of Lasker Lodge, No. 370, Independent Order B'nai B'rith, of San Diego, Cal., remonstrating against the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a petition of the California State Retail Hardware Association, praying for the enactment of legislation to provide 1-cent letter postage, for the taxation of mail-order houses, and for the fixing of standard prices on patented and trade-marked articles, which was referred to the Committee on Post Offices and Post Roads.

He also presented memorials of sundry citizens of Lodi and Armona, in the State of California, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. WARREN presented a petition of the Sweetwater County (Wyo.) Branch of the Congressional Union for Woman Suffrage, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

Mr. VARDAMAN presented a petition of the Woman's Christian Temperance Union in State convention at Belzonia, Miss., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. JOHNSON of South Dakota presented a petition of sundry citizens of Miranda, S. Dak., praying that the United States remain at peace, which was referred to the Committee on Foreign Relations.

Mr. WADSWORTH presented a petition of Clyde Grange, No. 33, Patrons of Husbandry, of Clyde, N. Y., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. POINDEXTER presented the memorial of Mrs. F. O. Noble and sundry other citizens of Vancouver, Wash., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented petitions of the Woman's Civic Club of Seattle, and of sundry citizens of Spokane, Tacoma, Everett, Wenatchee, and Cashmere, all in the State of Washington, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were ordered to lie on the table.

He also presented a petition of the confederated Indian tribes located along the Columbia River in Washington and Oregon; of the Walla Walla Tribe of Indians, located on the Umatilla Indian Reservation in Oregon; and of the Yakima Tribe of Indians on the Yakima Reservation, Yakima County, Wash., relative to their property rights and general welfare, which was referred to the Committee on Indian Affairs.

Mr. TOWNSEND presented petitions of sundry citizens of Harrison and Greenwood, in the State of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of the Real Estate Board of Detroit, Mich., remonstrating against the proposed location of a Government power plant in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of the Local Union of Christian Endeavor of Grand Haven, Mich., praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of the Trades and Labor Council of Escanaba, Mich., praying for Federal aid in the treatment of indigent persons afflicted with tuberculosis, which was referred to the Committee on Public Health and National Quarantine.

### REPORTS OF COMMITTEES.

Mr. REED, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 3265) for the extension, remodeling, and improvement of the public building at Jefferson City, Mo., reported it without amendment and submitted a report (No. 426) thereon.

Mr. SHAFROTH, from the Committee on Pacific Islands and Porto Rico, to which was referred the bill (H. R. 9525) to establish a national park in the Territory of Hawaii, reported it without amendment and submitted a report (No. 431) thereon.

He also, from the same committee, to which was referred the bill (S. 5777) to authorize and provide for the manufacture, maintenance, distribution, and supply of electric light and power within the Lihue district and the Koloa district, county of Kauai, Territory of Hawaii, reported it with amendments and submitted a report (No. 427) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 5274. A bill to ratify, approve, and confirm an act duly enacted by the Legislature of the Territory of Hawaii amending the franchise held by the Hawaiian Electric Co. (Ltd.) by extending it to include all of the island of Oahu, Territory of Hawaii (Rept. No. 429);

S. 5658. A bill to ratify, approve, and confirm an act duly enacted by the Legislature of the Territory of Hawaii amending the franchise held by the Honolulu Gas Co. (Ltd.) by extending it to include all of the island of Oahu, Territory of Hawaii (Rept. No. 428); and

S. 5776. A bill to amend certain public-utility company franchises in the Territory of Hawaii (Rept. No. 430).

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Maine:

A bill (S. 5942) for the relief of Orrin Mayo (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 5943) granting an increase of pension to Annie Davis;

A bill (S. 5944) granting a pension to James Kelley (with accompanying papers);

A bill (S. 5945) granting an increase of pension to Eugene A. Libby (with accompanying papers);

A bill (S. 5946) granting a pension to Helen Deering (with accompanying papers);

A bill (S. 5947) granting an increase of pension to Nora E. Danforth (with accompanying papers);

A bill (S. 5948) granting an increase of pension to Abbie M. Fernald (with accompanying papers);

A bill (S. 5949) granting a pension to Mary Miller (with accompanying papers);

A bill (S. 5950) granting an increase of pension to Effie Herbert (with accompanying papers);

A bill (S. 5951) granting a pension to Charles H. Kelley (with accompanying papers);

A bill (S. 5952) granting a pension to John B. Wallace (with accompanying papers);

A bill (S. 5953) granting an increase of pension to Eli O. Colson (with accompanying papers);

A bill (S. 5954) granting a pension to Harriet T. Draper (with accompanying papers);

A bill (S. 5955) granting an increase of pension to Charles G. Bridges (with accompanying papers);

A bill (S. 5956) granting an increase of pension to Gustavas A. Thompson (with accompanying papers);

A bill (S. 5957) granting an increase of pension to James Fairbrother (with accompanying papers);

A bill (S. 5958) granting an increase of pension to Joseph H. Knox (with accompanying papers);

A bill (S. 5959) granting an increase of pension to George W. Butterfield (with accompanying papers);

A bill (S. 5960) granting an increase of pension to Thomas J. Dill (with accompanying papers);

A bill (S. 5961) granting an increase of pension to William E. Cunningham (with accompanying papers);

A bill (S. 5962) granting an increase of pension to Aaron O. Houghton (with accompanying papers);

A bill (S. 5963) granting an increase of pension to Albion K. P. Marston (with accompanying papers);

A bill (S. 5964) granting an increase of pension to Elias A. Lothrop (with accompanying papers); and

A bill (S. 5965) granting an increase of pension to Hiram Ellis (with accompanying papers); to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 5966) to amend an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913; to the Committee on Finance.

By Mr. POINDEXTER:

A bill (S. 5967) granting a pension to Mahalath Leonard (with accompanying papers);

A bill (S. 5968) granting an increase of pension to Thomas Brown (with accompanying papers);

A bill (S. 5969) granting an increase of pension to Mary A. Miller (with accompanying papers); and

A bill (S. 5970) granting an increase of pension to Mary C. Kessinger (with accompanying papers); to the Committee on Pensions.

By Mr. RANSDELL:

A bill (S. 5971) to provide for aviation in the Coast Guard; to the Committee on Commerce.

By Mr. FLETCHER:

A bill (S. 5972) for the relief of the legal or equitable owners or claimants of the U. S. S. *Nueces* (with accompanying paper); to the Committee on Claims.

AMENDMENTS TO APPROPRIATIONS BILLS.

Mr. STERLING submitted an amendment intended to be proposed by him to the river and harbor appropriation bill (H. R. 12193), which was ordered to lie on the table and be printed.

Mr. SHEPPARD submitted an amendment proposing to appropriate $65,000 to enable the Secretary of Agriculture to gather information relative to the number of different classes and grades of marketable live stock, etc., intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

RECESS.

Mr. CLARKE of Arkansas. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m., Thursday, May 11, 1916) the Senate took a recess until to-morrow, Friday, May 12, 1916, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

### THURSDAY, *May 11, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, Almighty God, our heavenly Father, that we are living in this age of gigantic industries, vast commercial enterprises, scientific discoveries, wonderful inventions, widespread knowledge and acumen; when the central truths of the Gospel, fatherhood, brotherhood, are being universally acknowledged through the innumerable philanthropic institutions which are reaching out helping hands to the needy; when character and right living are set above creeds and dogmas. Help us, we beseech Thee, to use these blessings with an eye single to Thy glory, that Thy kingdom may come and Thy will be done on earth as it is in heaven. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

POSTAL SAVINGS SYSTEM.

Mr. MOON. Mr. Speaker, I call up for consideration the conference report on the bill H. R. 562, to amend the act of June 25, 1910, authorizing a Postal Savings System, and ask unanimous consent that the statement may be read in lieu of the report.

Mr. GLASS. Mr. Speaker, I demand the regular order under the rule under which we are operating.

The SPEAKER. The Chair will see what the rule provides.

Mr. MANN. Mr. Speaker, my recollection is that some time ago under a similar rule which purported to cut out all other business I made the point of order that a conference report was not in order, and the Speaker overruled the point of order.

The SPEAKER. The Chair is inclined to think the gentleman is correct about that.

Mr. MOON. I understand that the consideration of conference reports is in order at any time under the general rules, except during the calling of the roll or when the House is considering some matter fixed by special order. I was not aware that there is any special order that would preclude the consideration of this matter at this time.

Mr. MANN. The language of the rule would cut it out, but I think that was the fact in the case to which I have just referred.

The SPEAKER. It is certainly within the power of the House to bring in a rule that would cut out a conference report, temporarily. The Chair will examine this rule.

Mr. GARRETT. Mr. Speaker, I will ask the gentleman from Tennessee how long this will take?

Mr. MOON. Only a few minutes.

Mr. GARRETT. Then I ask unanimous that the gentleman from Tennessee may be permitted to call up the conference report.

Mr. MOON. Mr. Speaker, I do not want to do it by unanimous consent.

Mr. MANN. I think we ought to have a ruling upon it.

The SPEAKER. After examining the rule the Chair concludes that it does not exclude the consideration of conference reports, and the Chair recognizes the gentleman from Tennessee. The gentleman from Tennessee asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The conference report is as follows:

CONFERENCE REPORT (NO. 661).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment to the title of the bill, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter inserted by the amendment of the Senate insert the following:

"SEC. 2. That postal savings funds received under the provisions of this act shall be deposited in solvent banks, whether organized under National or State laws, and whether member banks or not of the Federal Reserve System established by the act approved December 23, 1913, being subject to National or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than 2½ per cent per annum, which rate shall be uniform throughout the United States and Territories thereof; but 5 per cent of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the board of trustees, in lawful money as a reserve. The board of trustees shall take from such banks such security in public bonds or other securities, authorized by act of Congress or supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this act and the regulations made by authority thereof: *Provided, however,* If one or more member banks of the Federal Reserve System established by the act approved December 23, 1913, exists in the city, town, village, or locality where the postal savings deposits are made, such deposits shall be placed in such qualified member banks substantially in proportion to the capital and surplus of each such bank, but if such member banks fail to qualify to receive such deposits, then any other bank located therein may, as hereinbefore provided, qualify and receive the same. If no such member bank and no other qualified bank exists in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then such funds shall be deposited with the treasurer

of the board of trustees and shall be counted in making up the reserve of 5 per cent. Such funds may be withdrawn from the treasurer of said board of trustees, and all other postal savings funds, or any part of such funds, may be at any time withdrawn from the banks and savings depository offices for the repayment of postal savings depositors when required for that purpose. If at any time the postal savings deposits in any State or Territory shall exceed the amount which the qualified banks therein are willing to receive under the terms of this act, and such excess amount is not required to make up the reserve fund of 5 per cent hereinbefore provided for, the board of trustees may invest all or any part of such excess amount in bonds or other securities of the United States. When, in the judgment of the President, the general welfare and interests of the United States so require, the board of trustees may invest all or any part of the postal savings funds, except the reserve fund of 5 per cent herein provided for, in bonds or other securities of the United States. The board of trustees may in its discretion purchase from the holders thereof bonds which have been or may be issued under the provisions of section 10 of the act of June 25, 1910. Interest and profit accruing from the deposits or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors, as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as part of the postal revenue: *Provided further*, That postal savings funds in the treasury of said board shall be subject to disposition as provided in this act, and not otherwise: *And provided further*, That the board of trustees may at any time dispose of bonds held as postal savings investments and use the proceeds to meet withdrawals of deposits by depositors. For the purposes of this act the word "Territory" as used herein shall be held to include the District of Columbia, the District of Alaska, and Porto Rico, and the word "bank" shall be held to include savings banks and trust companies doing a banking business.

"SEC. 3. That the Postmaster General, in cases of emergency, between October 1 and April 1 of any year, may hereafter return to the mails empty mail bags theretofore withdrawn therefrom as required by law, and for such times may pay for their railroad transportation out of the appropriation for inland transportation by railroad routes at not exceeding the rate per pound per mile as shown by the last adjustment for mail service on the route over which they may be carried, and pay for necessary *cartage* out of the appropriation for freight or expressage.

"SEC. 4. That when, during a weighing period, on account of floods or other causes, interruptions in service occur on railroad routes and the weights of mail are decreased below the normal, or where there is an omission to take weights, the Postmaster General, for the purpose of readjusting compensation on such railroad routes as are affected thereby, is hereafter authorized, in his discretion, to add to the weights of mails ascertained on such routes during that part of the weighing period when conditions are shown to have been normal the estimated weights for that part of the weighing period when conditions are shown to have been not normal, or where there has been an omission to take weights, based upon the average of weights taken during that part of the weighing period during which conditions are shown to have been normal, the actual weights and the estimated weights to form the basis for the average weight per day upon which to readjust the compensation according to law on such railroad routes for the transportation of the mails, notwithstanding the provision of the act of Congress approved March 3, 1905, requiring that the average weight shall be ascertained by the actual weighing of the mails for such a number of successive working days, not less than 90, as the Postmaster General may direct: *Provided further*, That readjustments from July 1, 1913, may be made under this provision on routes in the first section affected by the floods in the Ohio Valley and tributary territories, commencing about March 25, 1913.

"SEC. 5. That so much of section 4 of 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes,' approved August 24, 1912, as provides that no adjustment shall be made unless the diverted mails equal at least 10 per cent of the average daily weight on any of the routes affected is hereby repealed.

"SEC. 6. That section 3949 of the Revised Statutes be amended to read as follows:

"'All contracts for carrying the mail shall be in the name of the United States and shall be awarded to the lowest bidder tendering sufficient guaranties for faithful performance in accordance with the terms of the advertisement: *Provided, however*, That such contracts require due celerity, certainty, and security in the performance of the service; but the Postmaster General shall not be bound to consider the bid of any person who has willfully or negligently failed to perform a former contract.'

"SEC. 7. That whenever in the judgment of the Postmaster General the bids received for any star route are exorbitant or unreasonable, or whenever he has reason to believe that a combination of bidders has been entered into to fix the rate for star-route service, the Postmaster General be, and he is hereby, authorized, out of the appropriation for inland transportation by star routes, to employ and use such means or methods to provide the desired service as he may deem expedient, without reference to existing law or laws respecting the employment of personal service or the procurement of conveyances, materials, or supplies.

"SEC. 8. That whenever an accepted bidder shall fail to enter into contract, or a contractor on any mail route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established or new service required, or when, from any other cause, there shall not be a contractor legally bound or required to perform such service, the Postmaster General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding one year, until the service shall have commenced under a contract made according to law: *Provided*, That the cost of temporary service rendered necessary by reason of the failure of any accepted bidder to enter into contract or a contractor to perform service shall be charged to such bidder or contractor.

"SEC. 9. That if any person shall hereafter perform any service for any contractor or subcontractor in carrying the mail, he shall, upon filing in the department his contract for such service and satisfactory evidence of its performance, thereafter have a lien on any money due such contractor or subcontractor for such service to the amount of same; and if such contractor or subcontractor shall fail to pay the party or parties who have performed service as aforesaid the amount due for such service within two months after the expiration of the month in which such service shall have been performed the Postmaster General may cause the amount due to be paid said party or parties and charged to the contractor: *Provided*, That such payment shall not in any case exceed the rate of pay per annum of the contractor or subcontractor.

"SEC. 10. That the act of March 4, 1909 (35 Stats., p. 1126), be amended to read as follows:

"'That whoever shall willfully or maliciously injure, tear down, or destroy any letter box or other receptacle intended or used for the receipt or delivery of mail on any mail route, or shall break open the same, or shall willfully or maliciously injure, deface, or destroy any mail deposited therein, or shall willfully take or steal such mail from or out of such letter box or other receptacle, or shall willfully aid or assist in any of the aforementioned offenses, shall for every such offense be punished by a fine of not more than $1,000 or by imprisonment for not more than three years.'

"SEC. 11. That the limit of weight of mail matter of the first class shall be the same as is applicable to mail of the fourth class: *Provided*, That no article or package exceeding 4 pounds in weight shall be admitted to the mails under the penalty privilege unless it comes within the exceptions named in the acts of June 8, 1896 (ch. 370, 29 Stats., p. 262), and June 26, 1906 (ch. 3546, 34 Stats., p. 477).

"SEC. 12. That postage stamps affixed to all mail matter or to stamped envelopes in which the same is inclosed shall, when deposited for mailing or delivery, be defaced by the postmaster at the mailing office: *Provided*, That when practicable postage stamps may be furnished to postmasters precanceled by printing on them the name of the post office at which they are to be used, under such regulations as the Postmaster General may prescribe.

"SEC. 13. That section 2 of the act of April 28, 1904 (chap. 1759, 33 Stats., p. 440), be amended to read as follows:

"'That under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails it shall be lawful to accept for transmission in the mails, without postage stamps affixed, quantities of not less than 300 identical pieces of third-class matter and of second-class matter and 250 identical pieces of fourth-class matter, and packages of money and securities mailed under postage at the first or fourth class rate by the Treasury Department: *Provided*, That postage shall be fully prepaid thereon at the rate required by law for a single piece of such matter.'

"SEC. 14. That the act approved January 21, 1914 (38 Stats., p. 278), authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty, be so amended as to include Navy mail clerks and assistant Navy mail clerks.

"SEC. 15. That hereafter the Postmaster General may enter into contracts for the conduct of contract stations for a term not exceeding two years.

"SEC. 16. That on and after July 1, 1916, when the total compensation of any postmaster at a post office of the fourth class for four consecutive quarters shall amount to $1,000, exclusive of commissions on money orders issued, and the receipts of such post office for the same period shall aggregate as much as $1,900, the Auditor for the Post Office Department shall so report to the Postmaster General, who shall, in pursuance of such report, assign such post office to its proper class, to become effective at the beginning of the next succeeding quarterly period, and fix the salary of the postmaster accordingly.

"SEC. 17. That all laws or parts of laws in conflict with the provisions of this act are hereby repealed."

And the Senate agree to the same.

JOHN A. MOON,
D. E. FINLEY,
H. STEENERSON,
*Managers on the part of the House.*

J. H. BANKHEAD,
E. D. SMITH,
CHARLES E. TOWNSEND,
*Managers on the part of the Senate.*

The Clerk read the statement as follows:

STATEMENT.

The managers on the part of the House make the following written statement in explanation of the action agreed upon by the conference committee submitted in the accompanying conference report:

Page 2, section 2, line 10: The words "a reserve bank created by the Federal Reserve" have been stricken out, and in lieu thereof the following inserted: "the Federal Reserve System established by the." This change was made in order to give the Federal Reserve System its accurate title.

Page 3, lines 7 and 8: The words "a reserve bank created by the Federal reserve act" have been stricken out, and in lieu thereof the following inserted: "the Federal Reserve System established by the act." This change was made in order to give the Federal Reserve System its accurate title.

Page 4, lines 6 to 12: So much as relates to the investment of postal savings funds is stricken out, and in lieu thereof provision is made that when the banks in a State refuse or are unable to accept postal savings deposits originating in that State and the deposits are not needed to make up the 5 per cent reserve fund the board of trustees are empowered to invest such funds. The authority conferred upon the President to direct the investment of postal savings funds when, in his judgment, the general welfare and interests of the United States so require is continued in the exact terms of the original postal savings act.

This section also modifies the present laws in two other important respects. At present only member banks of the Federal Reserve System are eligible to receive postal savings deposits. Postal savings deposits under this section as agreed upon may be made in both member and State banks, but preference is given to member banks. If, however, a member bank in a community is unwilling to accept the deposits, or if there is no member bank in that locality, a State bank may qualify as a postal savings depository and receive the funds.

Under present laws the board of trustees are authorized to accept only bonds or other securities supported by the taxing power as security for postal savings deposits. The bill agreed upon goes further by authorizing the board of trustees to accept as security for postal savings deposits not only bonds or other securities supported by the taxing power, but also bonds or other securities authorized by act of Congress.

Section 3: Entire section stricken out.

Section 4: Entire section stricken out.

Reason: Both sections are embraced in the Post Office appropriation bill (H. R. 10484) which passed the House February 28, 1916. If adopted, would require an appropriation to carry out provisions.

The conference committee agreed to the Senate amendment without change as embraced in the following sections, all of which are included in the Post Office appropriation bill which passed the House February 28, 1916.

Section 5, now numbered section 3: Provides for the transportation of mail bags in mail trains at railroad mail rates.

Section 6, now numbered section 4: Provides for the substitution of weights of mails for weights not taken or omitted.

Section 7, now numbered section 5: Provides for readjustment of pay for diversions of mail.

Section 8, now numbered section 6: Provides for star-route service under special conditions.

Section 9, now numbered section 7: Provides for transportation for star-route service when in the judgment of the Postmaster General bidders enter into combination to fix rates.

Section 10, now numbered section 8: Provides for temporary star-route service on account of failure of contractor or carrier to peform service.

Section 11, now numbered section 9: Provides for payment to carrier when contractor for star-route service fails to pay.

Section 12, now numbered section 10: Provides for protection of letter boxes.

Section 13, now numbered section 11: Provides for limit of weight of mail matter.

Section 14, now numbered section 12: Provides for use of precanceled postage stamps.

Section 15, now numbered section 13: Provides for mailing of a number of identical pieces of third or fourth class mail matter without affixing postage stamps.

Section 16, now numbered section 14: Amends act approved January 21, 1914, authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, etc., and includes Navy mail clerks.

Section 17, now numbered section 15: Provides that the Postmaster General may enter into contracts for conduct of contract stations for the term of two years, instead of four years, as proposed.

Section 18 was stricken out: Provided for nonaccounting offices.

Section 19, now numbered section 16: Provides for advancement of fourth-class offices.

Section 20, now numbered section 17: Provides for repeal of all laws in conflict with provisions of this act.

JOHN A. MOON,
D. E. FINLEY,
H. STEENERSON,
*Managers on the part of the House.*

Mr. MOON. Mr. Speaker, it is hardly necessary in view of the report and the statement to consume very much time in reference to this bill, so I shall move the previous question on the adoption of the report after a discussion of a few moments, unless gentlemen desire to be heard, and then, of course, I shall withhold it.

Mr. MADDEN. Mr. Speaker, I would like to have the chairman of the committee yield me 30 minutes.

Mr. MOON. I will yield 30 minutes to the opposition to the report.

Mr. MADDEN. I am in opposition to it.

Mr. MANN. Will the gentleman from Tennessee yield to me for a question first?

Mr. MOON. Certainly.

Mr. MANN. As I understand it, no change is made from the House bill so far as it went?

Mr. MOON. Not any.

Mr. MANN. And the only change in the conference report, respecting section 2, which was the first section in the Senate amendment, is in the description of the Federal reserve bank?

Mr. MOON. Yes; that is the only one that affects the first section.

Mr. STAFFORD. Mr. Speaker, would the gentleman from Tennessee be able to yield to me for 5 or 10 minutes?

Mr. MOON. I think I can. I will be glad to do so if I can. I want to proceed myself now for a few minutes. The maximum amount which the postal savings depositors may have on interest is increased in the original bill from $500 to $1,000, and $1,000 is permitted to be deposited in the discretion of the board of trustees, which does not draw interest. That was the original bill which passed the House. The Senate added one amendment in 19 sections as reported in the conference report. The effect of the Senate amendment on the original bill was this: It provided that funds might be deposited in State banks and savings institutions other than those that were not members of the Federal reserve board. That is a change in the law. It, however, gives preference to the reserve banks. It is further provided that the board of trustees might take as security for the postal funds not only bonds which were supported by the taxing power but any bonds authorized by an act of Congress; for instance, if you passed the rural-credits bill the farmers' land bonds might be for acceptance under the provisions of this bill. That is a change in the law recommended by the Senate and agreed to by the conferees.

Now, the second and third sections of this bill had reference to the payment of claims of railroad companies on account of

diversions of mails, companies that were not fully and adequately compensated, owing to the conditions described in the third and fourth sections. Inasmuch as that would require an appropriation, and there were no funds at this time to meet it, this money would necessarily have to be appropriated in the general appropriation bill for the fiscal year 1917, and it was thought wise not to let those two sections remain in this bill, and therefore they were stricken out. They are, however, in the Post Office appropriation bill, where we think they properly belong.

I will not undertake to discuss the other sections of this bill that are agreed upon, because all of those sections are now in the Post Office appropriation bill, and they are matters of postal administration and are simply placed by the Senate committee in this bill to relieve them from the Post Office bill, and might as well be passed at one place as another. The House has fully considered all of them, and they have already passed in the House; not a change is made in any of them by the Senate, but they simply put them into this bill, and, of course, when we come to the consideration of the Post Office appropriation bill they will be stricken from that bill if passed in this measure.

There was, however, one other section of the amendment known as No. 18, the nonaccounting office amendment, which the Senate put in this bill and the conferees struck out. That was a proposition by which the Post Office Department could take any one office in a county or State, or the United States, as far as that is concerned, and make it a central accounting office, and all other offices might be made subsidiary to it or substations and nonaccounting to the general office at Washington, but accounting only to the central office of which it was made a substation. That would place all first, second, and third class postmasters under a new name by operation of the law under the civil service. It is too big a question, we thought, for consideration without a very full hearing, although there was a disposition to let fourth-class postmasters remain now under the civil service. Even as to these offices it was thought best by the conferees not to take up that question and not to undertake to determine it now, in view of the fact that it involved more consideration than ought to be undertaken by a mere conference on a newly suggested item. Later we hope to give full consideration to these suggestions. A majority of the conferees thought best not to do so now.

Mr. Speaker, I reserve the remainder of my time, and I will yield to the gentleman from Illinois [Mr. MADDEN], who desires to discuss the question I have last mentioned, 30 minutes?

Mr. MADDEN. It may be I will get through sooner than that, but I would like to have 30 minutes.

Mr. MOON. I yield the gentleman 30 minutes.

Mr. MADDEN. Mr. Speaker, I consider my membership in Congress equivalent to a membership on the board of directors of the great business corporation known as the United States, and I regard my position on the Post Office Committee as a member of the executive committee of the board of directors, with special reference to the work of the Post Office Department, and as such I feel it to be my duty to advance the interests of the corporation in every honorable way that will facilitate and systematize the transaction of the public business.

I regard it as one of the first obligations of a Member of Congress to make a thorough study of the particular work to which he is assigned, to familiarize himself with every detail of the Government service, and to utilize the information thus acquired to advance the public interest.

I regard the Post Office as the people's department, for it comes into contact with every individual in the land, and I look upon my membership on the Post Office Committee as a responsibility which should be seriously assumed.

Wherever it is possible to furnish better facilities or to exercise greater economy by putting the department on a better business basis, it should be done. The first consideration should be service to the people, and as it is not possible for all Members of the House to give careful study as to how this can best be done, the members of the Post Office Committee should, whenever possible, give them such information as will enable them to intelligently cooperate with the department and the committee to the end that the management of the department may have the cooperation which the importance and magnitude of the business justifies.

In any business corporation a recommendation from the head of a department for the institution of economies would be welcomed by the board of directors; indeed, the head of the department would not be considered as worthy to act in that capacity unless he called to the attention of the board of directors every modern method which he believed proper to apply. It is because of the close cooperation between the executive heads and the boards of directors of business cooperations that they succeed. Initiative upon the part of the head of a business corporation is not only encouraged but demanded by the board of directors, and wide latitude is always given to the head of the corporation in administrative affairs. That should be the case in governmental affairs, and wherever it is shown that the head of a department is willing to apply business methods in the conduct of his department he should be encouraged by the Congress to do so; indeed, the Congress should cooperate with him to that end. There should be no politics in the conduct of a business department of the Government. Members of Congress should not play politics; they should not permit the department head to do so. Strict business methods should be applied.

Two years ago the Postmaster General recommended the enactment of a provision reading as follows:

> Hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting, for the transaction of any post-office business which may be required for the convenience of the public.

His recommendation was adopted by the committee and approved by the House and Senate. Although both Houses adopted this provision, it did not become law because the post-office bill failed of passage on the last day of the Sixty-third Congress.

It is a matter of regret that the House committee failed to report the provision in the appropriation bill which recently passed the House, and a matter of still greater regret that the conferees on the part of the House failed to approve that provision which the Senate embodied in the administrative measures attached to the amendment to the postal savings-bank bill, which is now before the House for consideration.

If the provision had been approved by the House conferees, it would now be before us for consideration and undoubtedly would be adopted, and if adopted it would enable the Postmaster General to reorganize the department on a business basis and make a saving to the department of $10,000,000 a year and at the same time increase the efficiency of the service without taking any facilities away from the people.

Mr. LLOYD. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I will.

Mr. LLOYD. The saving would be made, would it not, in the reduction of the salaries of the postmasters?

Mr. MADDEN. It would be made by the substitution of superintendents of stations where now postmasters preside.

Mr. LLOYD. And those superintendents could be employed for a much less sum than is now paid to the postmasters for the discharge of the same duties?

Mr. MADDEN. They undoubtedly would; there is no doubt about that. I am going to get to that.

Mr. RUCKER. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes, sir.

Mr. RUCKER. Does the gentleman think that the superintendents could be employed cheaper than the ordinary salary paid to a second or third class postmaster?

Mr. MADDEN. I am going to describe that, if the gentleman from Missouri will permit, and show exactly what effect it would have upon the service. In the great cities of the country the law provides:

> The Postmaster General, when the public convenience requires it, may establish within any post-office delivery one or more branch offices (stations or substations) for the receipt and delivery of mail matter and the sale of stamps and envelopes; and he shall prescribe the rules and regulations for the government thereof. But no letter shall be sent for delivery to any branch office contrary to the request of the party to whom it is addressed.
>
> 2. No station, substation, or branch post office shall be established beyond the corporate limits or boundaries of any city or town in which the principal office to which such station, substation, or branch office is attached is located, except in cases of villages, towns, or cities of 1,500 or more inhabitants not distant more than 5 miles, as near as may be, from the outer boundary or limits of such city or town in which the principal office is located. * * *

The arbitrary limitations of population and distance embodied in the second paragraph of the law above quoted operate as a bar to the application of the principle of consolidation to the detriment both of the department and of the public.

Of the 55,935 independent post offices now being operated, 46,760 are of the fourth class, where the compensation of the postmaster is less than $1,000. It should be apparent that this low compensation will not attract to the position of postmaster persons possessing the training, experience, and ability to administer the post office in the most efficient manner. The supervision of these small post offices, under the present system of organization, is conducted principally by correspondence from the department, supplemented by infrequent visits of post-office inspectors. In addition to the direct correspondence between the department and the 55,935 independent post offices, it is necessary for the auditor to maintain a separate account with each of these offices, which account is closed four times each year, and voluminous correspondence is conducted by the auditor in

the adjustment of these accounts every three months. Furthermore, supplies and equipment, including stamped paper, are furnished by the department separately for each of the independent post offices. The matter of stamped paper is particularly important. Under the present system it is necessary for offices to be furnished with stamped stock ample for three months. Most of the small offices have no adequate means of safeguarding this property of the Government, and the result is frequent loss by burglary and peculation.

From the standpoint of the public the present law prevents the extension of more effective postal service to small communities adjacent to or in the vicinity of larger post offices. Not only is the conduct of the post offices as they exist less efficient than it would be under consolidation with the larger offices, but the communities in which they are located are deprived of the better facilities which would flow from consolidated management, principally in the way of city delivery and collection service.

With a view to removing the limitations of the present law and paving the way toward simplified and improved administration by the department, as well as more effective service for the smaller communities throughout the country, the department has recommended the enactment of the following provision of law:

Hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting, for the transaction of any post-office business which may be required for the convenience of the public.

Under the proposed law the goal would be to establish territorial units of postal management, in each of which there would be one central office with as many nonaccounting branches and stations as the postal needs of the communities might require. It should be clearly understood that the attainment of this goal would be gradual.

The immediate benefits, however, would be great. The department would proceed to apply the law to the cases in which the immediate need for consolidation was most apparent.

The principal advantages which would accrue from the administration of the proposed law may be summarized as follows:

Each community in which a nonaccounting station or branch office is substituted for an independent post office will receive the benefits of improved service resulting from supervision by trained and experienced postal officials close at hand, and will be entitled upon installation of the requisite public improvements to the extension from the central office of city delivery and collection service.

The community will lose none of its local identity. Its name will continue to be carried in the Postal Guide and, so far as the public is concerned, there will be no change in the service except for improvement.

The establishment of each nonaccounting station or branch office in lieu of an independent post office will relieve the administration of the service in the following ways:

Direct correspondence with the department regarding the conduct of the office would be eliminated.

Direct accounting to the auditor and correspondence with the auditor on this subject would be eliminated.

The furnishing of supplies and stamped paper by the department would be discontinued. The supplies and stamped paper would be obtained from the central office in quantities sufficient for demands for one week. Opportunities for burglary and peculation would be minimized.

The proposed law has been objected to on the ground that it would destroy the identity of small communities and that it fixes no limit which the department may not exceed in the consolidation of post offices. This objection has been met by the suggestions contained in the Postmaster General's letters of March 18 and 20 to the chairman of the House Post Office Committee, to the effect that the proposed law contains the following provisions:

*Provided*, That there shall be at least one independent accounting office in every county.

*Provided further*, That the Postmaster General in establishing branch offices or nonaccounting offices in lieu of independent offices shall not change the name of the office because of the consolidation, and that all post offices so consolidated shall not be deprived of any postal facilities which they may have prior to the time of consolidation.

Does that answer the question?

Mr. CANNON. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. CANNON. Now, this provision does not go into this bill?

Mr. MADDEN. It does not go into the bill, but it ought to be in the bill.

Mr. CANNON. And is not to be enacted into law this session?

Mr. MADDEN. Unless the House refuses to approve the conference report and sends it back.

Mr. CANNON. Precisely; and it will not be upon the Post Office appropriation bill?

Mr. MADDEN. Not this time, although it passed before.

Mr. CANNON. The gentleman is making a very strong speech and a very able one. I gather from his speech that in every county in the United States, as far as the recommendation of the Postmaster General is concerned, there will be one central post office?

Mr. MADDEN. Yes.

Mr. CANNON. And probably when the act goes into force what are now local post offices will be——

Mr. MADDEN. They would be stations.

Mr. CANNON. They would be stations.

Mr. MADDEN. Presided over by superintendents responsible to the postmaster at the county seat.

Mr. CANNON. Precisely; yet the postmaster of the county seat must have, in the larger counties, a corps of clerks to do the auditing; and when we multiply that by all the county seats in the country getting an independent auditing force in the various county seats, does not the gentleman think that that would be much more expensive, against the whole thing as provided for, than to let the accounting be done by the auditing office at Washington?

Mr. MADDEN. On the contrary, after having given two or three years of careful study to the question, I conclude it would be much more economical, to the extent of $10,000,000 at least, and much more effective and efficient.

Mr. BRITT. Will the gentleman yield?

Mr. MADDEN. I have only 30 minutes, but I will yield to my colleague on the committee.

Mr. BRITT. I would like to ask if the economy would not lie in lessening the large amount of accounting between the present post offices and the department?

Mr. MADDEN. There would be some.

Mr. HAMILTON of Michigan. Would this system go under the classified service?

Mr. MADDEN. It would. I am going to get to that.

The law recommended by the Postmaster General will enable the department to bridge the gap between the present unscientific and ineffective organization of the Postal Service and the organization of this service upon strictly scientific business principles recognized by every up-to-date business executive.

And I apprehend if the people knew the situation with respect to this that every Member of the House and every Member of the Senate would find himself deluged with telegrams demanding the enactment of this law. Oh, but you say, you take away a post office from some fellow that wants a job. There is only one in every community. The rest of the people have something to say and would say it if they understood the situation, and the purpose of my making this statement here to-day is with the hope that somehow or other information will get into the minds and hearts of the people.

Mr. FESS. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. FESS. Under this plan instead of 15 or 20 postmasters to be appointed in the county in which I live there will be one?

Mr. MADDEN. Yes.

Mr. FESS. Would not that be some relief to a Congressman?

Mr. MADDEN. It would be a great relief to you.

Mr. COX. Will the gentleman yield for a question?

Mr. MADDEN. Yes.

Mr. COX. I am particularly interested in the part of the gentleman's speech wherein he says he believes it will tend to bring about an economy of $10,000,000.

The gentleman remembers, does he not, that a few years ago the Postmaster General recommended that he be given authority to let out to a private bidder rural routes, to be given that bidder in each county in every congressional district in the United States? He proved conclusively, to my mind, that by paying to those contractors the same amount of money that is now paid to the highest priced star-route contractor in the United States it would save $18,000,000 a year. But we did not go very far with it in the House, did we?

Mr. MADDEN. I know you did not, and you may not get very far with this. But I think it is the duty of the members of the Post Office Committee to present the facts to the House and then allow the House to decide what it wants. I think we would be negligent in our duties if we did not present the facts.

If the provision referred to is enacted into law it will reduce the number of postmasters from 56,000 to 3,000.

The present method requires the preparation and settlement of approximately 1,150,000 monthly and quarterly accounts and upward of 5,000,000 separate remittances to the various depository offices, and this would be reduced in the proportion which 3,000 bears to 56,000 by the adoption of the proposed plan.

Mr. CANNON. Will my friend allow me to interrupt him right there?

Mr. MADDEN. Yes, sir.

Mr. CANNON. Does my friend say that that saving would be net? Does he not count something for the auditing in these 3,000 post offices?

Mr. MADDEN. No additional expense is required to do the auditing in these post offices. We have in Chicago, for example, to-day—a city of 2,500,000 people, covering an area of 200 square miles—one postmaster, 52 post offices, and over 51 of these post offices a superintendent presides, and he reports to the postmaster. And there is no such system anywhere in any business in all the world as has been inaugurated there.

The SPEAKER. The gentleman has spoken 30 minutes.

Mr. MADDEN. Mr. Speaker, may I have a few minutes more?

Mr. MOON. I have not the time to give.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Tennessee [Mr. MOON] be extended 10 minutes.

Mr. MOON. Mr. Speaker, I am not asking any unanimous consent. If the gentleman wants it and can use it, I have no objection.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the time of the gentleman from Tennessee [Mr. MOON] be extended 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MOON. I yield the time to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. I thank the gentleman.

I shall not allow any interruption now, I think; but if I finish before the 10 minutes is up, I shall be glad to permit interruptions.

It would enable the Postmaster General to establish one post office in each county, the postmaster of which would have supervision over all the other post offices within the county. It would place every man subject to the orders of the county postmaster under civil service, giving him permanent tenure, and encourage him to do the work better on that account. The department should be so reorganized as to place the First, Second, Third, and Fourth Assistant Postmasters General and all of the postmasters proposed to be named under the provisions of this law under civil service. Every man who enters the service should be eligible to promotion, from the lowest to the highest place in the department, whenever he proves himself qualified.

The adoption of such a system would invite a higher type of men into the service, enable them to learn the business from the bottom, and qualify them to fill the places at the top. Each man would be an expert. The business would be run by experts, as commercial businesses are run. The service would be more responsive to the people's needs than it is to-day.

The Congress should encourage the department by authorizing its reorganization and giving the Postmaster General an opportunity to show what can be done in the department by the introduction of business methods. Members of Congress would be relieved from the burden of selecting postmasters and from the many disagreeable things that confront them in connection with that work. They would have more time to attend to their legislative duties, and they would lose no prestige at home; on the contrary, the adoption of this measure would merit the plaudits of the American people and give the satisfaction to those who were responsible for its enactment of knowing that they had performed a service calculated to meet the wishes of the people by providing the best facilities possible to be devised for the transaction of the enormous business of this great department.

It may be asked, What will become of the fourth-class postmasters, where the compensation is small, and whether such offices would justify the appointment of a superintendent? I am frank to say that it would not; but in all the great cities of the country where they have one postmaster and numerous superintendents the Postmaster General also has the right to provide contract stations for the sale of stamps, registry of letters, and for the transaction of such other business as the community may require. Wherever a station with a superintendent would not be justified a contract station would be established and the business of the community carried on in that way.

There need be no fear on the part of any Member of Congress that the facilities for the transaction of the postal business will be curtailed by granting the Postmaster General the authority which I have outlined. The important question is, Does the Congress of the United States feel that the department ought to be put on a business basis? If it does, it will reject the report of the House conferees and send them back with instructions to report this provision of the bill favorably. If it does not, of course, it will adopt the conference report and thus place itself on record in favor of continuing the present antiquated spoils method of conducting the postal business of the country.

The progressive thought of the country will approve the adoption of the plan outlined here, for I am sure the people of America are anxious that their representatives shall, while furnishing them every facility which they ought to have, do so in the most scientific manner possible and with the greatest degree of economy.

The department is now employing more than 273,164 men. They are appealing to the Congress for pensions, and, judging from the sentiment which seems to prevail both in and out of Congress, the time is not far off when the enactment of some law to provide for the worthy superannuated employees of this great department must be enacted.

The adoption of the suggestion which I have outlined will make it possible for the department to save $10,000,000 annually, part of which, if need be, can be used to retire many of the men who have reached that stage in life where they are no longer able to do a young man's work.

In addition to making this saving and the possibility of its use in part for the purpose indicated, we will, by the enactment of this provision of law, have modernized the department, increased the facilities for the transaction of its business, encouraged new blood to enter the service, created a stimulus among the men for better work in the hope of promotion, taken the department out of politics and have shown our disinterested devotion to the cause of good government. [Applause.]

Mr. Speaker, I ask unanimous consent that I be permitted to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. MADDEN. I submit the following under the leave to extend my remarks:

PAGES 126 TO 144, INCLUSIVE, OF HEARINGS ON THE POST OFFICE APPROPRIATION BILL BEFORE HOUSE COMMITTEE, EMBODYING DISCUSSION OF DEPARTMENT'S RECOMMENDATION FOR NEW LEGISLATION GOVERNING ESTABLISHMENT OF STATIONS AND BRANCH OFFICES (NONACCOUNTING).

BRANCH OFFICES.

The CHAIRMAN. This new item reads:

"That hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting offices, or stations, of any post office for the transaction of such postal business as may be required for the convenience of the public."

Now, as to that nonaccounting office, do you want to take up this matter now?

Mr. MADDEN. I think, if it is agreeable to the chairman, that the committee itself ought to take up that question of legislation and see how far we want to go.

The CHAIRMAN. I was asking you whether you wanted any further hearing from Mr. Roper on it.

Mr. MADDEN. I think we might want to talk it over first and then call him back.

The CHAIRMAN. Well, General, you can come back at any time.

Mr. STEENERSON. That will be agreeable.

(Thereupon the committee adjourned to meet Monday, January 10, 1916, at 10 o'clock a. m.)

—

COMMITTEE ON THE POST OFFICE AND POST ROADS,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., Monday, January 10, 1916.*

The committee met at 10.30 o'clock a. m., Hon. JOHN A. MOON presiding.

Present: Representatives COX, ROUSE, BEAKES, AYRES, RANDALL, STEENERSON, MADDEN, and COPLEY.

STATEMENT OF HON. DANIEL C. ROPER, FIRST ASSISTANT POSTMASTER GENERAL—RESUMED.

BRANCH OFFICES.

The CHAIRMAN. I believe you testified to everything except this matter on page 47?

Mr. ROPER. Yes, sir.

The CHAIRMAN. Let me ask you about this matter:

"Hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting, for the transaction of any post-office business which may be required for the convenience of the public."

What is meant by that statement in there?

Mr. ROPER. We find in the operation of the Postal Service that we could give more satisfactory service if the Postmaster General had greater leeway in the matter of establishing stations than under the present law, which requires that the villages, towns, or cities shall have not less than 1,500 population and be located within 5 miles of the post office to which the proposed station is to be attached.

With the expanding Postal Service we are able to give to these outlying communities better facilities, as by establishing such stations we are able to extend the delivery service to such communities in many instances, and in many cases, by tacking on such outlying communities to the larger postal district, to give more satisfactory supervision. That is, the station would fall under the general supervision of a man more experienced in handling postal affairs. This measure also would add materially to the convenience and economy of distributing supplies, and keeping in general touch with the smaller locality. It is a matter which would naturally be very gradually administered. We are now, as you know under the law, gradually bringing such districts under this superior supervision when the conditions justify it. We

are simply seeking here a little more leeway in the administering of the station feature.

Mr. RANDALL. That provision was incorporated in the last bill which was filed, was it not?

Mr. ROPER. Yes; this was passed favorably upon by this committee a year ago, and, Mr. Chairman, in that connection I would like to make this general statement: In constructing our estimates this year, as well as the legislation, we have endeavored to follow what we believe to be the attitude of this committee as expressed last year. We have therefore passed over in our group of special recommendations the measures which you failed to act favorably on last year, and have grouped for this year only those on which we interpreted your attitude last year as being favorable. That is, passed on by this committee, passed by the House, and submitted to the Senate, where the bill died.

The CHAIRMAN. Have you got up a statement of the legislation you want outside of this report?

Mr. ROPER. Yes, sir; I have. These items of proposed legislation which we are seeking at this time include the elimination of the position of assistant postmasters; the reclassification of the salaries of supervisory officers in post offices, based on gross receipts; the reclassification of the salaries of station superintendents, based on receipts and on the number of employees; the establishment, when desirable, of nonaccounting branches of post offices to serve outlying territory; the advancement of fourth-class post offices to the presidential grade on the basis of annual instead of quarterly returns; the readjustment of postmasters' salaries on the basis of the receipts for the preceding calendar year instead of the year ended March 31; four-year terms for contract stations; and the payment of all substitute clerks and carriers at the uniform rate of pay of 35 cents an hour.

Mr. MADDEN. That is not following the attitude of the committee last year.

Mr. ROPER. I was about to say that that is not exactly in line with the attitude of the committee, but we have suggested this for the sake of uniformity and equitable treatment not out of line, we trust, with the attitude of the committee.

In this connection I also refer to two other matters which seem to be forced upon us and which I desire to bring to the attention of the committee again. These are the legislation in line with the Postmaster General's recommendation for a guaranty fund in lieu of the surety bond for postmasters and other postal employees; and the acquisition, in conjunction with the post offices, of the telegraph and telephone utilities in Alaska, Porto Rico, and Hawaii. This is a general list, and inasmuch, Mr. Chairman, as we have now discussed all of these items except the bonding feature, I should like to ask that the committee consider what I am about to submit with regard to the bonding feature in executive session. I feel that it is my duty to submit it in executive session.

The CHAIRMAN. I want to ask you a few questions about this other matter before we get to that.

Mr. MADDEN. So do I, Mr. Chairman.

The CHAIRMAN. It is your purpose in establishing a nonaccounting office to extend the jurisdiction of the main or central office beyond 5 miles, you say, the limit in taking in these nonaccounting offices?

Mr. ROPER. We are removing the limitations and leaving that to administration.

The CHAIRMAN. So that if at the county seat one county has a large town and you saw fit to do it, you would take in the post offices of the adjoining county?

Mr. ROPER. We could make the unit what good administration proves to be the best.

The CHAIRMAN. Whether it was 5 miles or 100 miles, you make it what you saw fit?

Mr. ROPER. Yes, sir.

The CHAIRMAN. Is that intended to apply to anything except fourth-class offices?

Mr. ROPER. The legislation sought would make it broad enough to apply to other offices.

The CHAIRMAN. To make it apply to other offices—first, second, and third class offices?

Mr. ROPER. To make it apply to any offices where the administration of the service showed it necessary, practicable, and best for the service and the people affected.

The CHAIRMAN. Then, for instance, at Indianapolis, where you have a post office, you could make all your second, third, and fourth class offices subordinate to the Indianapolis office that you saw fit in the State of Indiana?

Mr. ROPER. Of course the object of this is to create practical units. It would have to be determined from experience in handling this service what the most workable and satisfactory units would be.

Mr. STEENERSON. Did I understand the answer to be in the affirmative?

The CHAIRMAN. Yes. That would have the effect of putting under civil service all the offices you saw fit to put under the control of the chief office, would it not?

Mr. ROPER. Under the present civil-service law it would have the effect of making the postmaster of the office consolidated eligible for classification as station superintendent.

The CHAIRMAN. Do you think that would be satisfactory to the people to have their first, second, and third class offices all subordinate to another first-class office; to have no postmasters, excepting superintendents, appointed under the civil service for them?

Mr. ROPER. I could hardly see how the people would recognize any difference at all, because the station would carry the same name as the offices heretofore carried, and it would carry all the facilities, too.

Mr. BEAKES. They would get city delivery, would they not?

Mr. ROPER. In many instances they would get city delivery, and in all instances they would have better supervision. The offices would be more readily checked up than now, and the cost of auditing accounts would be materially reduced. The losses by burglary would be reduced for the reason that the stock of stamps would be replenished from day to day by the central post office.

The CHAIRMAN. The postmaster, however, would be just as apt to come from some other town as that one, would he not?

Mr. ROPER. It would make it possible to establish an interchangeable personnel in the service.

The CHAIRMAN. And civil service throughout?

Mr. ROPER. Civil service throughout.

Mr. MADDEN. This would put the Postmaster General in position to appoint one postmaster in the county, would it not, and would put all the other post offices in the county as nonaccounting offices, subject to his jurisdiction?

Mr. ROPER. If the county should be the unit.

Mr. MADDEN. It would make it possible?

Mr. ROPER. Yes, sir.

Mr. MADDEN. That would reduce the number of accounts to be kept in the general office from, say, 60,000 to 3,000, that being the number of counties in the United States, would it not?

Mr. ROPER. Yes, sir; it would very materially reduce the work here.

Mr. MADDEN. It would make the tenure of office of the men who are now postmasters, in every case except those that would not be changed, permanent?

Mr. ROPER. The Postmaster General has already recommended the classification of postmasters of the third and second classes.

Mr. MADDEN. It would introduce a system similar to the system we have, say, in the big cities, like New York and Chicago. For example, we have 2,500,000 people in Chicago, and we have 1 postmaster and 52 post offices, in effect, because we have 51 stations outside of the post office, over each of which there is a superintendent presiding.

Mr. ROPER. From an administrative standpoint, we look upon the entire county as an enlarged city.

Mr. MADDEN. Surely. And you believe that this suggestion is a suggestion in line of good administration for the department, do you not?

Mr. ROPER. I do.

Mr. MADDEN. I am inclined to agree that it is, myself.

Mr. COX. What is your judgment as to economies it would bring about, cost of administration, etc.? Would it lessen or increase them?

Mr. ROPER. I think anything which adds to the efficiency of operation necessarily results in economy, and in this we would certainly have very material efficiency added to the service.

Mr. COX. Have you any data or compilations along that line showing the approximate amount that would be saved to the Government if a plan of that kind should be worked out?

Mr. ROPER. I have no data except the information relating to localities which have become stations during this administration, compared with the operation of those stations prior to the time when they were stations.

Mr. COX. Are you in a position to put that data in the record?

Mr. ROPER. We can compile some data along that line and will put it in the record.

Mr. COX. I wish you would do it.

(The following is the data referred to:)

"The following statement refers to a majority of instances where the present administration has substituted classified postal stations for independent post offices and truly reflects the financial changes resulting from the consolidation of the offices named, in so far as the expense for clerical and carrier assistance and the rental of quarters are concerned.

"Except in the cases of Theological Seminary, Va., Secaucus, N. J., and Cedar Point, Ohio, all of the independent post offices replaced by classified stations were of the presidential class, and in every instance City Delivery Service was extended to the territory served by the independent post office.

"Where the word 'postmaster' appears after the title 'superintendent' or 'clerk,' under the heading 'Cost after consolidation,' it means that the postmaster was transferred to the classified service at the compensation stated. In some instances the postmaster asked that he be not classified, while in other cases, owing to the advanced age and the lack of previous postal experience, it was deemed inadvisable to classify the postmaster.

"In addition to the consolidations referred to in the statement a large number of fourth-class post offices were replaced by contract stations attached to first or second class post offices and City Delivery Service was extended to the territory served by the fourth-class offices. The contract stations were established at an expense approximating the salary of the fourth-class postmaster, and in many instances the postmaster was appointed clerk in charge of the contract station.

DAYTON, OHIO.

Consolidation of National Military Home. Effective July 1, 1914.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,500 |
| Clerk hire | 300 |
| Rent, light, and fuel | 0 |
| | 1,800 |
| Cost after consolidation: | |
| Two clerks, at $800 each | 1,600 |
| One carrier | 800 |
| Rent, light, and fuel | 0 |
| | 2,400 |

WEEHAWKEN, N. J.

Consolidation of Secaucus. Effective May 1, 1914.

| | |
|---|---|
| Cost before consolidation: Salary of postmaster | $1,000 |
| Cost after consolidation: | |
| One clerk (postmaster) | 800 |
| Rent, light, and fuel | 300 |
| Auxiliary clerk hire | 375 |
| 1 carrier | 800 |
| Horse hire | 360 |
| | 2,635 |

SANDUSKY, OHIO.

Consolidation of Cedar Point. Effective June 13, 1915.

This is a summer resort station open only during three months of the year.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,000 |
| Clerk hire | 240 |
| | 1,240 |
| Cost after consolidation: | |
| Auxiliary clerk hire | 481 |
| Rent, light, and fuel | 200 |
| | 681 |

MONTCLAIR, N. J.

Consolidation of Verona. Effective April 1, 1914.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,400 |
| Clerk hire | 240 |
| Rent, light, and fuel | 360 |
| | 2,000 |
| Cost after consolidation: | |
| Superintendent (postmaster) | $1,100 |
| One clerk | 800 |
| Auxiliary clerk hire | 280 |
| Two city carriers, at $800 each | 1,600 |
| Rent, light, and fuel | 480 |
| | 4,260 |

DENVER, COLO.

Consolidation of Englewood. Effective December 1, 1913.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,500 |
| Clerk hire | 180 |
| Rent, light, and fuel | 204 |
| Rural carrier service | 110 |
| | 1,994 |
| Cost after consolidation: | |
| One clerk (postmaster) | 800 |
| One clerk | 800 |
| Three carriers, at $800 each | 2,400 |
| Rent, light, and fuel | 600 |
| | 4,600 |

ALEXANDRIA, VA.

Consolidation of Theological Seminary. Effective January 1, 1915.

City delivery service was extended to a large territory by authorizing one regular carrier in place of 12 hours' auxiliary service a day.

| | |
|---|---|
| Cost before consolidation: Compensation of postmaster | $742 |
| Cost after consolidation: | |
| One clerk | 800 |
| Rent, light, and fuel | 20 |
| | 820 |

JOHNSTOWN, PA.

Consolidation of Conemaugh. Effective August 1, 1915.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,900 |
| Clerk hire | 600 |
| Rent, light, and fuel | 500 |
| | 3,000 |
| Cost after consolidation: | |
| Superintendent (postmaster) | 1,100 |
| Two clerks, at $800 each | 1,600 |
| Four carriers, at $800 each | 3,200 |
| Rent, light, and fuel | 500 |
| | 6,400 |

DETROIT, MICH.

Consolidation of Hamtramck. Effective January 25, 1915.

This office would have advanced to the second class July 1, 1915, when the cost of the independent office would have been $13,645 a year.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,600 |
| Clerk hire | 1,060 |
| Rent, light, and fuel | 405 |
| | 3,065 |
| Cost after consolidation: | |
| Four clerks, at $800 each | 3,200 |
| Six carriers, at $800 each | 4,800 |
| Rent, light, and fuel | 2,100 |
| | 10,100 |

HOUSTON, TEX.

Consolidation of Houston Heights. Effective March 1, 1915.

Prior to consolidation a large part of the territory attached to this office was served by city carriers from the main office at Houston. The transfer of carriers and clerks to the station permitted the serving of additional territory without authorizing additional carriers or clerks other than the classification of the postmaster.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,200 |
| Rent, light, and fuel | 264 |
| | 1,464 |
| Cost after consolidation: | |
| Superintendent (postmaster) | 1,200 |
| Rent, light, and fuel | 400 |
| | 1,600 |

WHEELING, W. VA.

Consolidation of Elm Grove. Effective November 1, 1915.

The number of city carriers attached to the Wheeling office being in excess of the requirements, it was possible to extend city delivery service to Elm Grove without authorizing additional carriers.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,600 |
| Clerk hire | 360 |
| Rent, light, and fuel | 360 |
| | 2,320 |
| Cost after consolidation: | |
| Two clerks, at $800 each | $1,600 |
| Rent, light, and fuel | 360 |
| | 1,960 |

CINCINNATI, OHIO.

Consolidation of Mount Healthy. Effective August 1, 1913.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,400 |
| Clerk hire | 219 |
| Rent, light, and fuel | 300 |
| | 1,919 |
| Cost after consolidation: | |
| Two clerks, at $800 each | 1,600 |
| Two city carriers, at $800 each | 1,600 |
| Rent, light, and fuel | 300 |
| | 3,500 |

NORTH ATTLEBORO, MASS.

Consolidation of Plainville. Effective July 1, 1915.

| | |
|---|---|
| Cost before consolidation: | |
| Postmaster's salary | $1,500 |
| Clerk hire | 240 |
| Rent, light, and fuel | 500 |
| | 2,240 |
| Cost after consolidation: | |
| Superintendent (postmaster) | 1,100 |
| Two clerks, at $800 each | 1,600 |
| One carrier | 800 |
| Rent, light, and fuel | 500 |
| | 4,000 |

OMAHA, NEBR.

Consolidation of Benson. Effective November 17, 1913.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,600 |
| Clerk hire | 400 |
| Rent, light, and fuel | 404 |
| | 2,404 |
| Cost after consolidation: | |
| Two clerks, at $800 each | 1,600 |
| Two carriers, at $800 each | 1,600 |
| Rent, light, and fuel | 480 |
| | 3,680 |

MAUCH CHUNK, PA.

Consolidation of East Mauch Chunk. Effective October 1, 1913.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $1,500 |
| Rent, light, and fuel | 248 |
| | 1,748 |
| Cost after consolidation: | |
| Two clerks, at $800 each | 1,600 |
| Auxiliary clerk hire | 187 |
| Two carriers, at $800 each | 1,600 |
| Rent, light, and fuel | 450 |
| | 3,837 |

YONKERS, N. Y.

Consolidation of Hastings-upon-Hudson. Effective April 1, 1913.

| | |
|---|---|
| Cost before consolidation: | |
| Salary of postmaster | $2,000 |
| Two clerks, at $800 each | 1,600 |
| Rent, light, and fuel | 600 |
| | 4,100 |
| Cost after consolidation: | |
| Superintendent (postmaster) | 1,000 |
| Two clerks, at $800 each | 1,600 |
| Three carriers, at $800 each | 2,400 |
| Rent, light, and fuel | 600 |
| | 5,600 |

Mr. MADDEN. I could illustrate one or two cases myself, Mr. Cox. For example, Chicago to-day has about 200 square miles of territory. Before the annexed outside territory came in we had 37 square miles of territory. With each new annexation we brought in one or more post offices, over which postmasters presided. After annexation the post office, with the postmaster, was discontinued. The post office itself was continued as a station with a superintendent. The salary of the superintendent was probably not in any case more than one-half the salary of the postmaster before it came in.

Mr. ROPER. Not less than two-thirds and in some cases more. The minimum salary paid to a superintendent of a station is $1,200. As the majority of offices consolidated with larger offices are of the third and fourth classes, consolidation usually results in an increase in the salary of the postmaster of the discontinued office. Although when larger offices are consolidated the postmasters of the discontinued offices suffer a reduction in salary, they are compensated for this by being made secure in their positions.

Mr. MADDEN. I would not think it was that much. Perhaps it may be. I would not undertake to say certainly. But I think it is agreed by everybody that the service rendered by the superintendent of the station is infinitely more satisfactory than the service rendered by the post office as such before the annexation.

Mr. COX. Right in that connection you have found from experience out there that there has been a great economy in the way of saving of salaries?

Mr. MADDEN. Oh, yes.

Mr. COX. Now, in the way of supplies and reports backward and forward, have you any estimate of that?

Mr. MADDEN. They all make their reports to the postmaster of the city of Chicago and he makes his report to the Postmaster General, which only makes one account from Chicago between the general office and Chicago, whereas if we had the 52 post offices we would have 52 reports and 52 sources of supplies.

Mr. COX. And the department here would be running 52 accounts with 52 postmasters in the city of Chicago?

Mr. MADDEN. Yes, sir.

Mr. COX. Whereas now it is only running one account?

Mr. MADDEN. That is right. That is what will happen all over the country if this provision recommended by the Postmaster General be adopted.

The CHAIRMAN. If you had just one office in each State, you would have 48 accounts?

Mr. MADDEN. Yes; that is true.

The CHAIRMAN. And if you had only one in the United States you would only have one account. That is the logic of that.

Mr. STEENERSON. About how many offices would there be if this new provision were enacted into law? Could you give an estimate?

Mr. ROPER. I would state, Mr. STEENERSON, that these units would have to result from experience in operating the service. I mean the size of the units would have to be determined from experience. It would be impossible to advise in advance just how large or how small those units should be.

Mr. STEENERSON. It has been suggested here that there are 3,000 counties in the United States, approximately, and there are approximately 60,000 post offices now.

Mr. ROPER. Yes; 56,000 post offices.

Mr. STEENERSON. So it might reduce it to 6,000?

Mr. ROPER. There are sometimes several important municipalities within one county. That might make it necessary to have in some counties several units, but there would be a great many counties, no doubt, in which one unit would answer.

Mr. STEENERSON. Probably in the majority?

Mr. ROPER. Probably in the majority of the counties of the country.

Mr. STEENERSON. Right here I should like to have you give the substance of the law now as it is on the subject, so we can compare it with the proposed provision.

Mr. ROPER. I will insert it in exact terms and ask the stenographer to insert the law.

Mr. STEENERSON. We should like to have your version so we can understand how it is interpreted.

Mr. ROPER. It simply gives to the Postmaster General the right to extend the service of these large communities so as to take in communities where the population is as much as 1,500, and where such communities are within a radius of 5 miles of the post office to which it is to be attached.

Mr. STEENERSON. You might insert the exact language.

Mr. ROPER. It is as follows, Postal Laws and Regulations, which is the law:

"SEC. 249. The Postmaster General, when the public convenience requires it, may establish within any post-office delivery one or more branch offices (stations or substations) for the receipt and delivery of mail matter and the sale of stamps and envelopes; and he shall prescribe the rules and regulations for the government thereof. But no letter shall be sent for delivery to any branch office contrary to the request of the party to whom it is addressed.

"2. No station, substation, or branch post office shall be established beyond the corporate limits or boundaries of any city or town in which the principal office to which such station, substation, or branch office is attached is located, except in cases of villages, towns, or cities of 1,500 or more inhabitants not distant more than 5 miles, as near as may be, from the outer boundary or limits of such city or town in which the principal office is located."

Section 252 of the Postal Laws and Regulations:

"2. No post office established at any county seat shall be abolished or discontinued by reason of any consolidation of post offices made by the Postmaster General under existing law * * *: *Provided, however*, That this provision shall not apply to the city of Cambridge, Mass., or to Towson, Md., or to Clayton, St. Louis County, Mo."

Mr. COX. I wish to ask you a question in that connection. Practically the plan that you are seeking to have incorporated here is now in force in the large cities, is it not? Only one post office, and all the rest of the stations accounting to the post office?

Mr. ROPER. Yes. We have now, of course, the service in that respect organized by municipalities, as you say. Then we have around these municipalities certain communities which have been tacked on for the purpose of giving them city-delivery service.

Mr. COX. In what cities do you have this kind of service in force?

Mr. ROPER. In nearly all of the large cities.

Mr. COX. Your idea now, if I gather it, is to simply enlarge and to extend that service out over the State, or out over the United States?

Mr. ROPER. We are asking authority to do that when it seems to be in the interest of the service. There are no fixed units in our minds at this time, and I doubt whether you could fix uniform units for the entire country. You would have to deal with the conditions as they exist.

Mr. COX. Under your present system of only having one accounting officer in the cities, practically, like Chicago, there is no question but what we have better service under the present system than we would have if we had 52 different offices, is there?

Mr. ROPER. I think that we have absolutely uniform testimony that the service is superior.

Mr. COX. Is superior?

Mr. ROPER. Yes.

Mr. COX. Supposing that the department here, just as an illustration, was compelled to deal with 52 different post offices in the city of Chicago, instead of with only 1. How much additional cost would that throw on the department? Have you any idea at all?

Mr. ROPER. I shall have to ask the auditor. I will endeavor to get the auditor to put that in a statement.

(The following statement has been furnished me by the Auditor for the Post Office Department:)

"PRESENT SYSTEM.

"In round numbers, there are 56,000 post offices in operation. In addition, there are 6,000 branches and stations and 43,000 rural-delivery routes, which collect and deliver mail, sell stamps and money orders, and serve the public in much the same manner as regular post offices. It is generally admitted that the public is more efficiently served on rural routes and at stations and branches than at the 47,000 fourth-class post offices because rural carriers and clerks-in-charge are under the immediate supervision of the postmaster at a large office, and cases of incompetency, neglect of duty, or improper conduct are speedily disclosed and corrected. On the other hand, the fourth-class postmaster is accountable to the department at Washington direct. At the time he assumes charge of the post office there is usually no one to instruct him in the performance of his duties, and he must acquire the routine details of conducting his office as best he can unless he is fortunate enough to secure the assistance of a post-office inspector. Nor has the department any means of keeping informed as to the character of the service which he subsequently renders, except through an occasional visit by a post-office inspector, complaints on the part of the public, and reports from the Auditor for the Post Office Department relative to the nonrendition of accounts or failure to deposit surplus postal and money-order funds.

"The system of accounting at post offices is also unsatisfactory, as the maintenance of so many thousands of independent crossroads post-offices necessitates the preparation and settlement of approximately 1,150,000 monthly and quarterly accounts each year and the transmission of upward of 5,000,000 separate remittances (many of them consisting of only a few dollars) to the various depository offices. Not only does the maintenance of such a cumbersome system materially augment the clerk-hire cost, but it likewise necessitates the holding of larger money-order reserves and increases the loss by burglary, fire, and other unavoidable casualties.

"PROPOSED SYSTEM.

"By making the county the unit and each post office located therein subsidiary to one main office situated at the county seat the number of accounting offices would be reduced from 56,000 to 3,000. The county postmaster would be assisted by a clerk in charge, under his immediate supervision, at each subsidiary office, instead of a regularly appointed postmaster and the business conducted in precisely the same manner as at stations in the larger cities. All supplies would be sent to the county postmaster direct, and the subsidiary offices would obtain their stocks from him in small quantities daily, weekly, or as often as local conditions might require. All surplus funds would likewise be turned in at the time of getting additional supplies. Under this plan the stocks of money-order forms, postal-savings certificates, stamps, and other supplies could be reduced to a fraction of the amount now carried, thereby reducing the amount of losses sustained from fires, burglaries, etc.

"As postmasters at the larger offices are almost invariably selected from the ranks of successful business men of demonstrated executive ability, there can be no doubt that the shifting of the administrative supervision in the manner outlined would result in an immediate and marked improvement in the character of the service rendered to the general public.

"SYSTEM OF ACCOUNTING AT POST OFFICES.

"The stamp account and postal account should be combined and rendered monthly instead of quarterly, as at present. This and the decrease in the number of accounting offices would reduce the number of accounts to be rendered and settled from 1,150,000 to 110,000 annually and make it possible for the department to complete the settlements and compile a monthly financial statement covering the entire fiscal operations of the service within 30 days after the close of each month, and in time to be utilized by the various officers of the department in the administration of the service.

"ADMINISTRATIVE EXAMINATION OF ACCOUNTS.

"The preliminary administrative examination and journalizing which has operated so successfully with respect to mail transportation and supply accounts, representing annual disbursements of $100,000,000, and revenue collections on account of stamps and stamped paper totaling upward of $250,000,000, should be extended to the combined monthly stamp and postal accounts of postmasters.

"The audit of postmasters' money-order accounts presents a radically different problem from that encountered in any other class of Government accounts, due to the fact that money orders are valid for payment for 12 months from the last day of the month of issue. It follows, therefore, that a postmaster's money-order account can not be finally audited until all orders issued by him have either been presented for payment and returned as vouchers or become invalid by lapse of time. Manifestly, under such conditions it would be impracticable to make a double examination of money-order accounts—once in the Post Office Department and again in the Treasury Department. After thorough consideration, I have reached the conclusion that the system worked out by the Dockery Commission, after months of investigation and study and subsequently enacted into law, is still the best solution of that problem. Moreover, the findings of that commission are further strengthened by reason of the introduction of automatic electric machinery, which has to a large extent eliminated the human element in the audit, cut the cost in half, and placed it on a plane of almost absolute mechanical accuracy.

"FINAL AUDIT AND SETTLEMENT OF ACCOUNTS.

"As outlined, the proposed system contemplates that the monthly postal savings and consolidated stamp and postal accounts from the 3,000 accounting offices shall be sent to the Post Office Department direct for administrative examination and journalizing, after which the accounts, copies of the journal, and all supporting vouchers, pay rolls, and abstracts shall be sent to the Auditor for the Post Office Department for final audit and settlement. Judging from my experience in the settlement of accounts in this office, I am of the opinion that the additional labor incident to the administrative examination of the postal accounts, pay rolls, and vouchers from the 3,000 accounting offices will be about offset by the saving resulting from the reduction of the number of postal savings accounting offices from 9,000 to 3,000, and most certainly will this be the case if modern labor-saving machinery is utilized in the various administrative bureaus affected by the change. The change in system will also make possible an initial saving of from $75,000 to $100,000 annually in the auditor's office. Past experience teaches that in the introduction of radical changes in system the initial saving which may be effected is usually only about one-half of what may be expected eventually.

"In my opinion, the proposed reorganization of the service, if carried into effect, will result in more effective administrative supervision of the field operations, insure better postal service to the public, provide a more efficient system of accounting, and result in a large saving in cost, both in the field offices and in the various administrative bureaus of the department."

Mr. COX. I wish you would. I suppose the same system in force in Chicago is in force in New York, Philadelphia, Boston, and St. Louis, is it not?

Mr. ROPER. Certainly. In Boston we have about 80 stations.

Mr. MADDEN. You go outside of the city of Boston?

Mr. ROPER. Yes, sir; we take in municipalities like Cambridge, the university city of Boston, Brookline, Chelsea, etc.

Mr. MADDEN. For example, we have some stations in Chicago with as many as 200 men—I think one, at least—and I think the superintendent of that station, which is the Canal Station, gets about $2,200 a year, if I am not mistaken.

Mr. COX. As postmaster he would get $4,000?

Mr. MADDEN. From 160 to 200 men would be a big post office, would it not?

Mr. COX. It would; surely.

Mr. MADDEN. You can imagine what he would get if he was postmaster.

Mr. COX. Take the State of Indiana, with Indianapolis as the center, and it is nearly the center of the State. Would it be your idea to gradually work the plan out over the State so as to make Indianapolis the accounting office for the whole State of Indiana?

Mr. ROPER. That would not be my idea. That would be too large a postal district.

Mr. COX. Too large a territory?

Mr. ROPER. If you will permit me to give an offhand opinion, I should say that, as a rule, the counties of Indiana would constitute about as large districts as would be found practicable for this purpose.

Mr. COX. That would mean 92 postmasters in the State of Indiana, and the remainder of them stations?

Mr. ROPER. Probably we would have to make exceptions to that and deal with these large municipalities as separate districts.

Mr. COX. But in rural communities, where you have 1,000 to, say, 3,000 inhabitants, you would make one town in each county the accounting office and the rest of them to be served from there?

Mr. ROPER. The county, or part of county agreed upon, would constitute the unit, and in that unit there would be one accounting office and the others would be stations of that office.

Mr. COX. The head of the accounting office would be the postmaster for that territory?

Mr. ROPER. He would be the postmaster for that territory.

Mr. COX. And he would be an appointed officer?

Mr. ROPER. Yes, sir.

Mr. COX. And the stations would be under civil service?

Mr. ROPER. Stations would be under civil service.

Mr. RANDALL. Gen. Roper, in the matter of auditing the accounts of the 52 stations of the Chicago post office it was to be shown in the record the amount that is saved to the department at Washington on that account. Is it not the fact that the accounts of those 52 stations will have to be audited in the Chicago post office instead of being audited here, and would it not cost as much to audit them there as in the Post Office Department in Washington?

Mr. ROPER. We find not. That is a question for the auditor to answer, but it seems to me that the auditing can be done much more expeditiously and much more economically by these accounting offices. The former is very important, namely, the expedition. We have been, as you know, for a number of years endeavoring to lessen the period between the transaction and the audit, in order that we might get in closer touch with the transactions of the post offices of the country with regard to the handling of our funds.

Mr. MADDEN. So you keep these accounts——

Mr. ROPER. I can see no other way in which it can be made and kept current the postal accounts.

Mr. RANDALL. I refer only to expenses. It strikes me that you are better equipped in the auditor's office here to audit accounts than you would be in Indianapolis or Topeka or any such place as that.

Mr. ROPER. I am unable to see why these districts could not be made just as effective, through their knowledge of local conditions, as we are in the auditor's office in Washington; but a more important feature than you have mentioned is getting this auditing on a current basis and checking and protecting the revenues of the Government.

Mr. ROUSE. This only could be applied to presidential offices, could it not? For instance, if you had a county without a presidential office in it, you could not establish this provision, could you?

Mr. ROPER. Oh, yes.

Mr. MADDEN. Yes; because it would make it presidential. If you take the receipts of the whole county it would make it presidential; do you not see?

Mr. ROUSE. But could you do that? There are a number of counties, take for instance in the mountains, where you have nothing but fourth-class offices; some in other sections that are not mountainous; for instance, Mr. COX's district.

Mr. MADDEN. But if you took the aggregate receipts of all fourth-class offices in that county, that would make one presidential office.

Mr. ROUSE. But that is not contemplated; is it, General?

Mr. ROPER. We have endeavored to ask you here for legislation that will permit us to work this out in the most feasible and practicable manner. I can not undertake to say to you now just what experience will show to be the most practicable unit.

Mr. ROUSE. Let me get back to that original proposition again. I referred to Mr. COX's district, which is not fair. But I will take my own district, for instance. I live in a county that has not a presidential office. I know of one town in the county, the county seat, with less than 200 people. It has a fourth-class office. There is not one presidential office in the county. The nearest presidential office to my home is 15 miles away, at Covington, Ky., in an adjoining county. Could Covington be made the accounting office and all of the offices in my home county get their mail by star routes; could they be made to account to the Covington office under this plan?

Mr. ROPER. As I have stated in answer to Mr. COX's question, I feel now that the county is as large a unit as we would want to deal with, and even in a county where there are several municipalities that county might be subdivided into further units.

Mr. AYRES. Under this plan the second and third class post offices come under the same plan, and the fourth class being under civil service.

Mr. ROPER. The Postmaster General has already recommended the classification of the postmasters of the second and third classes, and this would naturally result in classifying the offices that would be consolidated with the accounting office.

The CHAIRMAN. If there was only one first-class office——

Mr. ROPER (interposing). There might be some counties where the office might not be rated as a first-class office—might be rated second class.

The CHAIRMAN. Say the program for change put the second and third class offices under civil service; presidential offices would only be first class?

Mr. ROPER. Yes; really the approval of the recommendations that the Postmaster General has made accomplishes that.

Mr. RANDALL. Would it not be possible, and would it not be the policy of the department, to establish a number of small stations and rural routes where fourth-class postmasters have been discontinued on account of the establishment of rural routes? Would it not be possible to restore service, to get the same accommodations that the fourth-class post office formerly afforded, by establishing small stations?

Mr. ROPER. As I say, we no doubt would find through experience that such conditions as you mention would arise, but in advance of any experience along this line I could not say whether the suggestion that you have made would be considered or not. It might be.

Mr. MADDEN. If this suggestion should be adopted and the county was made the unit, or whatever was made the unit would be made large enough, the unit would be made large enough so that the postmaster appointed for the unit would be the first-class postmaster. It necessarily would be a first-class post office, because the receipts within the unit would be large enough to justify his appointment as such.

Mr. ROPER. In answer to the chairman, I have just said that I presume that would be the case in most instances, although there are some small counties, no doubt, where the postmaster would not be ranked perhaps above the second class.

Mr. MADDEN. But there would not be anything below the first and second class?

Mr. ROPER. First and second class offices.

Mr. MADDEN. And all fourth-class postmasters would be done away with and superintendents of stations would take their places?

Mr. ROPER. No; they would not be done away with. The fourth-class postmaster would simply become the superintendent of the station or clerk in charge.

Mr. MADDEN. That is what I say. He would not be a postmaster any longer, but the superintendent of a station?

Mr. ROPER. For all intents and purposes he is a postmaster.

Mr. MADDEN. Suppose he is a postmaster; what would be the basis of pay for the fourth-class postmasters?

Mr. ROPER. You are here providing a scale in this bill for the payment of station superintendents.

Mr. MADDEN. But that scale generally does not go as low as the salaries of those fourth-class postmasters?

Mr. ROPER. The lowest salary we could have would be an $800 clerk, the entrance grade.

Mr. MADDEN. That is too much to pay these men, is it not? Suppose the man's salary as fourth-class postmaster amounts to but $200 or $300; are you going to put him under civil service and pay him $800?

Mr. ROPER. You understand we have different kinds of stations where that might result in establishing not a classified but a contract station, with a clerk in charge receiving a salary as low as $50, based upon the business of the station, the same as is now done in large cities.

Mr. STEENERSON. I think there are probably 25 post offices in my district where the postmaster's salary is less than $50 a year. Would their salary be raised under this plan or would it be reduced?

Mr. ROPER. In all probability the salary of such postmaster would remain the same as at present. We probably might not disturb your district at all, if it were not in the interest of better service for your district. The object of this is to improve the service, and if we could not get better service through the plan here suggested we would maintain the present service.

Mr. STEENERSON. But the suggestion made by Mr. MADDEN that in counties where there are no second-class and no third-class offices, no presidential offices, that all the offices might be consolidated so as to form a presidential office; that is not contemplated by this, is it?

Mr. ROPER. No; he used the word "might."

Mr. STEENERSON. But it might not. As I read this proposed law you would not have any such authority. You would have to change your language in this provision if you were going to do that, because this proposed language only authorizes you to consolidate with some existing third or second class office or first-class office. I do not think you can create or consolidate offices in a whole county and make that kind of office a presidential office.

Mr. ROPER. I will read the language:

"That hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting offices or stations, of any post office for the transaction of such postal business as may be required for the convenience of the public."

Mr. MADDEN. That would give him the right, then, Mr. Roper, to appoint a superintendent of a station where it was justified instead of a postmaster, or it would give him a right to establish a contract station where he would not be justified in appointing a superintendent of a station.

Mr. ROPER. Yes; or maintain the present system.

Mr. MADDEN. Yes; either one.

Mr. ROPER. Yes, sir.

Mr. BEAKES. Would there not be economy in the shipment of supplies from Washington to the central post office instead of to the several post offices?

Mr. ROPER. I will answer for the Fourth Assistant on that. In my opinion it will effect very great economy in that respect, but a greater economy than even the one you have mentioned would be the better care of supplies.

Mr. BEAKES. I was going to speak of that.

Mr. ROPER. Better supervision.

Mr. BEAKES. Has not the department found that these offices have no use for a great many of the supplies, and would they be likely to get those supplies if they asked for them from the central post office?

Mr. ROPER. Not only that, but this central postmaster could deal more equitably with the demand and conditions of these other offices accounting to him than probably could be done from Washington.

Mr. BEAKES. Would it not be possible to work out a scheme which would preserve the local communities by allowing them to keep the name of the post office while putting them on the station basis?

Mr. ROPER. That is what I intended to say in the outset. It is our idea not to disturb the name, not to infringe on the pride of the community which it may have in regard to its name; to give the community everything it now has and a superior service to what it now has.

Mr. RANDALL. Would you object to the addition of language something like this: "Except where the sentiment of the offices proposed to consolidate with the other was clearly against such a consolidation"?

Mr. ROPER. I regard the Postal Service, Mr. RANDALL, as the people's service. We can not administer this service out of harmony with the

will of the people. We do not undertake to do it. Hence the phraseology where we say, "As may be required for the convenience of the people."

That language cares for the point that you have in mind. The convenience of the people reflects, of course, the sentiment of the community.

Mr. STEENERSON. Is there not another point, General, in which this would be an improvement in bringing about supervision of the smaller offices? To illustrate: Most of the smaller offices that I know of have not seen an inspector, a post-office inspector, for four or six years. They do not get any instruction until about the time for them to go out—until their four years are nearly up. They would have that instruction if they were under a central post office, would they not?

Mr. ROPER. True. This is a little bit out of the line of the hearing, but I should like to say, Mr. BEAKES, that we are endeavoring to correct that as much as we can by sending out inquiries to be answered by all these fourth-class postmasters at the end of every quarter. These inquiries develop the way they are conducting their offices and enable us to check up and see just how much out of line they may be. But the supervision which we are seeking under this particular provision will be superior, because it keeps in even closer touch with them.

Mr. STEENERSON. You spoke of a sentiment of the patrons. Now, in these recent consolidations—for instance, in Boston—have you consulted the sentiment of the people?

Mr. ROPER. The consolidations in the Boston district were made in the administration immediately preceding this.

Mr. STEENERSON. Have you heard of any dissatisfaction?

Mr. ROPER. There was some dissatisfaction growing out of what would appear to have been a too rapid consolidation. We have in Boston about 80 stations, and the previous administration absorbed a great many large communities. Among them was Lynn, the large shoe-manufacturing community adjacent to Boston. In the case of Lynn some protests were filed, which we carefully investigated, and after due investigation reached the conclusion that Lynn should be kept as a postal district to itself, and we therefore have removed Lynn from the station classification made under Mr. Hitchcock's administration, and it is now a separate postal district. We discovered, Mr. STEENERSON, that Lynn was a better district to itself. We have other offices consolidated with Lynn.

Mr. STEENERSON. How was it about Cambridge?

Mr. ROPER. In the case of Cambridge I know of no special opposition.

Mr. STEENERSON. And you have never heard of any?

Mr. ROPER. I would not go so far as that, Mr. STEENERSON, because I should have to refer to department files for positive data.

Mr. STEENERSON. When was that included as a substation?

Mr. ROPER. We have made no consolidation in and around Boston during this administration.

Mr. STEENERSON. They were all made before?

Mr. ROPER. Before my connection with the Postal Service.

Mr. STEENERSON. But under the same law now in operation?

Mr. ROPER. Under the law now in operation. We have not disturbed that district except as to Lynn——

Mr. STEENERSON (interposing). You then retained Lynn as an independent post office?

Mr. ROPER. Yes, sir.

Mr. STEENERSON. If a similar discontent among the patrons of the office existed in Cambridge you would reestablish that?

Mr. ROPER. We would consider it.

Mr. STEENERSON. You would give them the same show you gave Lynn, would you not?

Mr. ROPER. We endeavor to treat all alike.

Mr. MADDEN. We have some outlying territory outside the city limits of Chicago—Argo and Mount Greenway. You probably recall some correspondence on Mount Greenway?

Mr. ROPER. I do.

Mr. MADDEN. The people at Mount Greenway would be very anxious to have a station established there and have the delivery made from the Chicago post office rather than to have a separate post office established. So far the department has not been able to give them the Chicago delivery, so they get their mail by rural delivery. The sense of the people is to the effect that they would prefer to have Chicago delivery than to have a separate post office.

Mr. ROPER. We have a very interesting illustration at North Kansas City. North Kansas City is a community that has developed very rapidly within the last few months, because of the establishment of large mail-order business in that community, but it just happened that the population is not 1,500, and consequently we can not extend the desired facilities to that community under the present law.

The CHAIRMAN. Is there anything further on this matter? The other matter you felt you wanted to discuss in executive session?

Mr. ROPER. The Second Assistant is here, Mr. Chairman, with a statement in answer to certain requests made by Mr. Madden the other day, and I shall be glad to give way to him and not keep him here, if he wishes to make his statement at this time.

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PAGES 126 TO 144, INCLUSIVE, OF HEARINGS ON THE POST OFFICE APPROPRIATION BILL BEFORE SENATE COMMITTEE, EMBODYING DISCUSSION OF DEPARTMENT'S RECOMMENDATION FOR NEW LEGISLATION GOVERNING ESTABLISHMENT OF STATIONS AND BRANCH OFFICES (NONACCOUNTING).

The CHAIRMAN. The basis now is two years, is it not?

Mr. ROPER. Senator, you authorized it in the bill last year, but the bill did not pass. You approved the two years' provision last year, but the bill did not pass.

Now, so far as the next section is concerned, the amendment asked for regarding postal stations is carried in the administrative bill, which is now in conference between the two Houses. So I do not know that we need to dwell upon that. I desire, however, to insert at this point two communications which will explain themselves and make slight modifications in the recommendation made to the House committee.

(The communications referred to are here printed in full, as follows:)

MARCH 18, 1916.

Hon. JOHN A. MOON,
*House of Representatives.*

MY DEAR JUDGE MOON: With further reference to our recent personal conversation in relation to section 19 of H. R. 562, giving the Postmaster General authority to establish branch offices, nonaccounting offices, or stations of any post offices, I understand there is some lack of support of the measure among the Members because of doubt as to the administrative unit to be used by the department. I accordingly suggest that there will be no objection on the part of the department to having this unit fixed by a proviso to be inserted after the word "public" in line 18, page 12, as follows:

"*Provided*, That there shall be at least one independent accounting office in every county."

This is in accord with the act of Congress approved August 24, 1912, reading as follows:

"No post office established at any county seat shall be abolished or discontinued by reason of any consolidation of post offices made by the Postmaster General under existing law."

The advantages which will accrue to the Postal Service through the enactment of the section with this proviso are many. Some of these are as follows:

The superintendent or clerk in charge of the branch office or nonaccounting office would be under the direct supervision of competent officials of the central post office, whereas the postmaster is now upon his own resources without particularly comprehensive knowledge of the service and must rely upon instructions received by mail from the department at Washington. The local postmaster assigned as superintendent or clerk in charge of any independent office which would be converted into a branch office or nonaccounting office would be in line for promotion to higher and more responsible positions in the central office.

The service would be further improved at the offices so designated as branch offices, nonaccounting offices, or stations because of the fact that city delivery service may be extended to these places from the central office, provided the requirements of the Post Office Department as to necessary improvements are complied with.

There will be no disadvantages to the public on account of the substitution of branch offices in lieu of independent post offices. The branch office will not lose its identity as a post office and its name will still appear in the Postal Guide. Money orders issued will be under the same name as when the branch was an independent office. Mail addressed to patrons at the branch office will continue to arrive just as before the consolidation, and mail dispatched will bear a postmark showing the name of the present office. Postal savings business will be handled as at present and deposits will be made in local banks as now. In fact, patrons of these branch offices will not be affected adversely in any way, nor will the community suffer by loss of any prestige or service due to a consolidation.

The losses from burglary will be reduced by reason of the fact that the branch office or nonaccounting office need not carry stamps and stamped paper in excess of $100. The present independent post office, since it must secure its supplies directly from Washington, must necessarily carry sufficient stamps and stamped paper for at least one full quarter. The protection against burglary at the small office is inadequate and annual losses by reason of burglaries aggregate a considerable sum.

In addition to reducing the risk of loss by burglary, there will be a smaller risk of defalcation on the part of employees at these branch offices, as such offices will be required to deposit funds daily at the central office. It is the practice at present for the independent post offices to transmit money-order funds for deposit at intervals, depending upon the amount received, and to deposit postal funds received from the sale of stamped paper, etc., when accounts are transmitted to the Auditor for the Post Office Department. As the central office will deal with those branch offices on a cash basis, there will be a small amount of stamps and stamped paper on hand and practically no funds carried over from day to day.

The present voluminous correspondence maintained by the department with the many smaller independent offices will be reduced materially by the establishment of branch offices in lieu of many independent offices. There will be a marked saving of time, labor, and money in the office of the Auditor for the Post Office Department by the elimination of a large volume of small accounts now received from independent post offices.

In view of these and many other service reasons for the enactment of section 19, as modified by the proviso prescribing that the accounting unit shall not be larger than the county, I sincerely hope that this matter may have your hearty support.

Sincerely, yours,

A. S. BURLESON.

—

MARCH 20, 1916.

Hon. JOHN A. MOON,
*House of Representatives.*

MY DEAR JUDGE MOON: Referring to my letter of the 18th instant, concerning section 19 of the House resolution 562, relative to the establishment of branch post offices, I would advise that, as stated in that letter, there is no disposition on the part of the department to change the name of or decrease the postal facilities at the post offices affected by the section, if enacted into law, and there will be no objection to so stating in the provision suggested in my former letter.

The provisos carrying the restrictions could, therefore, read as follows:

"*Provided*, That there shall be at least one independent accounting office in every county.

"*Provided further*, That the Postmaster General, in establishing branch offices or nonaccounting offices in lieu of independent offices, shall not change the name of the office because of the consolidation, and that all post offices so consolidated shall not be deprived of any postal facilities which they may have prior to the time of consolidation."

I sincerely hope that with these additional restrictions on the administration of the section you may be able to give it your support.

Sincerely, yours,

A. S. BURLESON.

Mr. MOON. Mr. Speaker, I was very much interested in the remarks of my colleague on the committee [Mr. MADDEN]. I appreciate the fact that there might be some saving to the Government by a proper accounting system in certain classes of post offices in the United States, but as yet it is purely a matter of speculation. Some figure a loss along that line and some figure, as the gentleman does, that there may be a saving. However, it is a question we have not been able to work out, and I think we best not go into that too rapidly.

Mr. HAMILTON of Michigan. These superintendents that the gentleman from Illinois has spoken about would perform the function of postmasters, and these various postmasters and post offices would have to have employees as they have now?

Mr. MOON. Of course, if that system were adopted.

Mr. HAMILTON of Michigan. And the central post office would have to have an additional force to handle reports from these branch post offices?

Mr. MOON. I will read section 18 to show that the gentleman has discussed the proposition in part on a wrong basis. This section does not provide for any county unit:

SEC. 18. That hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting offices, or stations of any post office for the transaction of such postal business as may be required for the convenience of the public.

That was assumed at one time to be applicable alone to the fourth-class post offices, but a careful consideration of it shows that that is not true. In fact it is elicited by an examination of the First Assistant Postmaster General himself, that the county is not necessarily the unit; even the State may not be the unit. The United States may be the unit. Mr. Roper said in reply to an inquiry submitted to him, when he was asked if at Indianapolis one office were maintained, every other office in the State of Indiana could be made into substations and subsidiary to the Indiana office, that that could be done.

Mr. TRIBBLE. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Georgia?

Mr. MOON. Yes.

Mr. TRIBBLE. Section 15 states that "hereafter the Postmaster General may hereafter enter into contract for the conduct of contract stations for a time not exceeding two years." What do you mean by "contract stations"? What do you mean by that?

Mr. MOON. By that is meant those little stations that they have in the cities, like the drug-store post offices, and so on.

Mr. TRIBBLE. It does not refer to the little country places?

Mr. MOON. No. It does not hit your place at all. [Laughter.]

Now, Mr. Speaker, I want to impress upon Members the fact that this will, in the department's discretion, take away every distinct post office in the State, remove every postmaster in the State, except one, or it might remove him if in the discretion of the department it was deemed proper, and all the post offices would be made substations and nonaccounting.

This could be, but probably would not be, done. While I do not know what you gentlemen think about it, to my mind the most humiliating, corrupt, and infamous statute that was ever passed or allowed to exist is that old civil-service fraud. [Applause and laughter.]

I do not want, so far as I am concerned, to give any more power along that line to anybody. I am entirely willing, if any economy can be effected by making the offices nonaccounting, to consider that change, and to preserve still the present status of postmasters in doing that. I hope we may be able to work out something along that line. I did not intend to say this much.

Mr. LLOYD rose.

Mr. MOON. I now yield to the gentleman from Missouri to ask me a question.

Mr. LLOYD. My only purpose in rising was to say, in response to the inquiry of the gentleman from Georgia [Mr. TRIBBLE], that what was intended by the Post Office Department in this connection was to make all post offices in the United States nonaccounting offices, like these little stations that he talks about.

Mr. MOON. Now, Mr. Speaker, I yield to the gentleman from Minnesota [Mr. STEENERSON].

Mr. TOWNER. Before the gentleman leaves the floor, will he allow me one suggestion?

Mr. MOON. Yes.

Mr. TOWNER. Is it not true that this accounting that the gentleman speaks of must be done in any event by somebody?

Mr. MOON. Yes; it has to be done somewhere.

Mr. TOWNER. Is it not at least as economical that it should be done in the way it is now done, by clerks who are accustomed to that business, as it would be to have it done by somebody whose work would have to be passed upon later by the central station here in Washington?

Mr. MOON. I do not know just how that would be; I have not worked it out. But, generally speaking, I should think we could perhaps effect an economy by abolishing in all departments about one-third of the useless places we have now. [Laughter.]

Mr. TOWNER. If these accounts of substations were required to be passed upon, it would in reality require two accountings to dispose of the business, and it would not effect any economy?

Mr. MOON. Possibly; but I hope we may be able to effect some economy in the line of accounting. Probably we can do so by nonaccounting offices. I am not opposed to nonaccounting offices if economy can be accomplished in their establishment. We will work this out later.

Mr. Speaker, how much time have I left?

The SPEAKER. The gentleman has 23 minutes.

Mr. MOON. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. I would like to have more than five minutes.

Mr. MOON. Then, I yield 10 minutes to the gentleman. He is a member of the committee.

The SPEAKER. The gentleman from Minnesota [Mr. STEENERSON] is recognized for 10 minutes.

Mr. STEENERSON. Mr. Speaker and gentlemen of the House, the conferees did not feel justified in agreeing to a proposition that had never been before this House in any form or shape, because it was of such a revolutionary and far-reaching character. The identical proposition, it is said, was incorporated as a rider on the Post Office appropriation bill a year ago, but it received no discussion. It came in with a lot of other legislative propositions as riders, and was not explained either in committee or in the House. The language is so blind that unless a man is familiar with the intent and purpose of it he can not guess at it. The provision reads as follows:

SEC. 18. That hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting offices, or stations of any post office for the transaction of such postal business as may be required for the convenience of the public.

It was brought up in the Committee on the Post Office and Post Roads, and it was explained at length. Members of the committee, including myself and others, asked Mr. Roper, the First Assistant Postmaster General, the effect of it, and it was explained. The hearings were printed. When the postal savings bank bill, which is now before us, was brought back with this amendment on the 17th of March, last, and the chairman of the Committee on the Post Office and Post Roads asked unanimous consent to disagree to the Senate amendments, including this which is section 18 in the amended postal-savings bill, I asked unanimous consent for five minutes in which to explain this provision, which for the first time then appeared before the House, and I printed as a part of my explanation the hearings that I refer to. I am sure that a great many Members, judging from their remarks afterwards, were surprised that so important a provision should be sought to be enacted in that manner.

Now, the gentleman from Illinois [Mr. MADDEN] is an ardent advocate of this proposition, although I do not recall that he ever advocated it specifically before. But he reflects the opinion of the Post Office Department, no doubt, to some extent. He makes a wild assertion here about saving $10,000,000. It is a surprise to me that he did not say $15,000,000. He has as much basis for the one as he would have for the other. He does not know, nor does anybody else know, and it can not be proved that it will save a single dollar. I can figure out that they will lose money on it. If you do away with the many thousands of little postmasters who receive but a small pittance for their services, and put those little offices and substations in charge of clerks at $1,200 a year, which is the way it is proposed to furnish efficient men such as they have not got in the local communities, it would increase the expense of the Postal Service.

But the most serious objection to this proposition lies in the fact that it is along the line of many other propositions that come here at every session of Congress for an increase in the discretionary power of the department. It is advocated here as "civil-service reform." We have been told that this will promote "efficiency." Well, perhaps if you put in a czar, an autocrat, that will improve efficiency. I believe it is an old doctrine that a despotism is the best government, provided you have got a good despot.

But we are told and we should always remember that the foundations of this Government are laid upon the basis that it is a Government of laws and not of men; and every time that we unduly increase the discretionary power of administrative officers we find that we reap trouble. Look at the Rural Delivery Service. The law simply authorizes the department to establish it. There are no restrictions except those prescribing the salaries. The department has used those large discretionary powers, and now see where we are. They have sought to revolutionize and reform that service. Every time you get a new Postmaster General he thinks it is his function to turn things upside down, to undo everything that was done by his

predecessor, Republican or Democrat. Hence we find an outcry on both sides of this Chamber against the changes in the Rural Delivery Service, and bill after bill is introduced to limit the discretion of the Post Office Department. The gentleman from Florida [Mr. CLARK] and various others propose amendments to the Post Office appropriation bill limiting the discretion that the Post Office Department now has, which they say has been misused, and the people are up in arms.

Cotemporaneously with that experience we are asked here—the proposition is not before the House now, because the conferees struck it out, but this proposition asks—that the power of the Post Office Department be increased to an almost unheard-of degree. As explained by the chairman of the Post Office Committee, you would place it in the power of the Post Office Department to abolish all the offices except one in each county. They say they would not abolish the county-seat post office, but they could under this authority, and, as was stated in the hearings, they could establish one post office at Indianapolis, for instance, and abolish all the others in the State of Indiana.

Then it is said that this is in the interest of the civil service. Yes; it would abolish 56,000 post offices and create that many superintendents in charge, or superintendents of contract stations. Where a fourth-class office does not pay enough to employ a $1,200 clerk, they would make it a contract station for whatever contract they could make, the same as they do with the drug stores in the cities. Necessarily, if you should pass this law, it would wipe out all those offices. Of course, it may be considered partisan, but I may be permitted, seeing that my Democratic friends agree with me, to suggest that if you pass this law you could make vacancies for 56,000 men, to be filled in this case by worthy Democrats, and then put them into the civil service forever. As to the efficiency, who can tell? Unless you spend more money you will not get any more efficient men. It seems to me that it is a sufficient answer to all of these arguments to say that they are merely speculative. They are the dream of an imaginative mind. The results that we have heretofore reached from increasing the discretion of the department have not been satisfactory. If you want to do something in the interest of the civil service, let us not by changing the title of these offices create 56,000 new places to be filled and then put under the civil service.

But it is said that you can save $10,000,000.

The SPEAKER. The time of the gentleman has expired.

Mr. HAMILTON of Michigan. I ask unanimous consent that the gentleman's time be extended five minutes, not to come out of the hour.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the time of the gentleman from Minnesota be extended five minutes, not to be charged up to the hour. Is there objection?

There was no objection.

Mr. STEENERSON. The gentleman from Illinois [Mr. MADDEN] suggested that by the saving that would be accomplished by this change they could establish a pension system. Yes; you would put all the fourth-class postmasters that are not in contract stations into the positions of clerks in charge.

Mr. RUCKER. Will the gentleman yield there?

Mr. STEENERSON. Yes.

Mr. RUCKER. In making a fourth-class office a contract station, that would necessarily do away with the rural delivery out of those fourth-class post offices, would it not?

Mr. STEENERSON. Exactly. That is another consequence that hardly anyone has thought of. One or two Members have suggested that when you center the mail in the county seat, for instance, the routing of the mail is different, and you play havoc with every rural route in the county. You destroy the Rural Delivery Service.

But just think how many men there would be advocating a pension system. The more men you put into the civil service the more advocates there will be; and if the gentleman's plan of pensioning all these civil-service employees is carried into effect, you will use up ten times more than you ever could save.

These are the reasons why the conferees could not agree to this, because it was too revolutionary a proposition to be adopted without debate and without being explained and understood and considered by the House. It looked too much like bringing in a joker upon the American Congress to adopt this thing in conference without any discussion either in the committee or on the floor of the House. And even if it were as meritorious as it has been explained and supposed to be by some of its friends, we insist that it was proper for the conferees to disagree to this proposition, and if it has any merit, let it come in like other propositions and stand on its own merits. For that reason, gentlemen, it seems to me that we can do nothing less than to vote to agree to the conference report, which eliminates this section 18 entirely.

There are a great many features of this thing that I could go into, but in the limited time I have I do not think it would be wise to undertake it. We might discuss this from various standpoints, but I simply wish to say this: It is a remarkable thing that when in the last Congress you created 14,526 new offices—and you will have created over 100,000 new offices before this administration ends, at the present rate—and a great many of them are not put under the civil service; but when you find an old office, like that of a postmaster or an assistant postmaster, then you seek to wipe it out and create it under a new title in order that you may fill the vacancy and then put it under the civil service. It is a new way of finding jobs, but it is too transparent to fool anybody.

Mr. HAMILTON of Michigan. Effective, though.

Mr. STEENERSON. This is not a civil-service measure at all. The effect would be that you would fill these places by first creating vacancies in them, and I believe that is the real motive behind the proposition. You would make a changeable personnel in the Postal Service, so that if in Racine, Wis., or in Crookston, Minn., they wanted to put in a new postmaster they could send him up from Virginia. Out in the Northwest, where people make money and can not afford to be in the public service, the supply will be furnished from these States near Washington, where everybody seems to be willing to serve the public under the civil service. [Laughter.] The quota from Maryland and Virginia and these near-by States is always full, and they have a surplus at all times. Under this proposition you could send these carpetbaggers all over the United States to fill places in the North and West. [Laughter.]

It is a proposition that is hostile to popular government and tends to despotism. I would rather see the postmasters elected by the people than imposed upon them against their will. In my opinion it is neither in the interest of economy nor efficiency, but would tend to create an office-holding class to rule over the people.

Mr. MOON. Mr. Speaker, I yield 10 minutes to the gentleman from South Carolina [Mr. FINLEY].

Mr. FINLEY. Mr. Speaker, I am opposed to carpetbag postmasters. This will be not only possible, but probable if the Senate amendment—section 18—is enacted into law, and for that reason, and a great many others, I heartily agreed with the conferees on the part of the House and Senate in striking out section 18 as it passed the Senate. And I want to say, while speaking of that, that while there was a mild protest on the part of certain gentlemen, not Members of the House, there were no tears shed when section 18 went out of the bill.

It is a section fraught with far-reaching importance; no man in this body can tell how far. No one knows what section 18, as it passed the Senate, would mean to the American people. The law as it stands to-day makes the small postmaster in the community the nearest approach to a democracy in government. He is responsible, and a complaint can reach him. This would not be the case with a civil-service clerk in charge of the post office. Under section 18 as it was recommended by the department and as it passed the Senate you would do away with personal responsibility to a large extent. Not necessarily, I mean, but you would legislate to increase the discretion in the Post Office Department.

I am not criticizing any present or past Post Office Department, but when I am called upon to legislate and help to place a law on the statute book I do not act for the past or the present alone, but for all time, until conditions change, or until other legislation is had. Under section 18 it would be possible, as has been stated here, to abolish every post office in each county in the United States, every post office in each congressional district in the United States, every post office in each State in the United States, and only leave one post office, as my friend from Minnesota stated, in the United States.

It may be argued that of course that would not be done. Certainly it would not be done, but how much of it would be done we do not know and we are not going to take any chances. When we are legislating we should know. You do not know and can not know what would be the effect of section 18.

The present law requires one post office at least in each county located at the county seat. Very well. Take my own home county, where there are two second-class post offices. The county-seat post office is only about one-third in size to one other second-class office. Would you have the larger office account to the county-seat office, or reverse it, or what would you do? I am opposed to this class of legislation, and I am in favor of the law as it stands now.

There must be under the present law at least one post office and that located at the county seat, and the establishment of other post offices is in the discretion of the Post Office Department.

The gentleman from Illinois [Mr. MADDEN], whose ability in a business way we all admire, argues that it will save $10,000,000 a year. He gives us no basis for these figures. Let us see about that. Ten million dollars a year saving! How he would save it he did not tell us, but the nonaccounting office would be a substation, and that office would be in charge of a clerk, and, of course, what salary that clerk would have we do not know, but it would be more or less on the contract order, open to competition, for 56,000 post offices, and I am of the opinion that when you got through paying the clerks in charge of the 56,000 post offices you would be more than $10,000,000 in the hole. Instead of this being a good business proposition I think it is a very poor one. So, Mr. Speaker, this bill if enacted into law would serve no good purpose whatever.

One other point and that is this: What you want in this country is not too large centralization of power. This power would place it in the hands of the Postmaster General, absolute power, to centralize the postal activities of this country whenever he saw fit. That the present Postmaster General would do that nobody believes. But who will be Postmaster General in years to come we do not know.

Section 18 went out by unanimous vote of the conferees on the part of the House and the Senate. It went out because it is unnecessary legislation. It is legislation that no one understands the effect and purport of, and we should not legislate in any such manner. So, Mr. Speaker, the conference report, in my opinion, should be adopted, and adopted unanimously. [Applause.]

The SPEAKER. The gentleman from South Carolina yields back three minutes.

Mr. MOON. That leaves me six minutes?

The SPEAKER. Yes.

Mr. MOON. Unless some gentleman wants to use the time I will move the previous question.

Mr. BUTLER. Will the gentleman yield to my colleague Mr. MCFADDEN three minutes?

Mr. MOON. Yes. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. MCFADDEN] three minutes.

Mr. MCFADDEN. Mr. Speaker, I simply want to call the attention of this House to the provision set forth in this conference report, presented by the gentleman from Tennessee [Mr. MOON], chairman of the Post Office Committee, permitting the deposit of postal savings deposits in other than national or Federal reserve banks, namely, State banks, savings banks, and trust companies, and the tendency on the part of the United States Government to give recognition to banks outside of those under the direct supervision of the United States, a bad precedent to be established, in view of the extreme desire of the men who are administering the affairs of the Federal reserve act, namely the Federal Reserve Board and their associates, to make the system so attractive as to bring these State banks and trust companies into the Federal Reserve System. [Applause.]

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

## RURAL CREDITS.

The House automatically resolved itself in Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes, with Mr. GARNER in the chair.

Mr. MANN. Mr. Chairman, I desire to offer an amendment. I move to amend, on page 76, by striking out, in line 17, the words "out of any moneys in the Treasury of" and inserting the word "by," and by striking out, in line 18, the words "not otherwise appropriated," so that it will read:

The salaries and expenses of the Federal farm-loan board and of farm-loan registrars and examiners authorized under this section shall be paid by the United States.

Mr. GLASS. Mr. Chairman, I accept that amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

Mr. MANN. Mr. Chairman, I now move to strike out, on page 77, all after the word "board," in line 6, down to the end of the paragraph.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 77, by striking out after the word "board," in line 6, down to line 15, the following:

"All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed without regard to the provisions of the act of January 16, 1883 (Vol. 22, U. S. Stat. L., p. 403), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service."

Mr. MANN. Mr. Chairman, the provision which I have moved to strike out is the provision which refuses to the President of the United States the right to fill these positions by appointment under the civil-service law, but which grants to him the right to thereafter cover the said employees into the classified service. It seems to me that if there ever be a bill which ought to be free from political consideration it is this rural-credits bill at this time in the House. I do not think these appointments ought to be made as political appointments. Under the provisions of the Constitution we can not direct the President how he shall make appointments, but sometimes we endeavor to do so and sometimes we do enact it into the law, and I presume the President usually follows the provision of the law, though he is not required to do so. We can, of course, refuse to the President the authority to use a law which we have passed, and I suppose we can refuse to the President the right to use the civil-service act in making appointments. That act is only permissive, at best. It only authorizes the President to make appointments or have appointments made in conformity with its provisions. Possibly we have the right to say that he shall not make use of the act, but the Constitution provides that the President shall make the appointments; and under the civil-service act appointments are made in accordance with that act unless the President issues an order to the contrary.

This provision which I have moved to strike out forbids the President making use of the civil-service act in the making of his primary appointments under this law. It seems to me that the purpose of that is to make partisan appointments. I suppose it would be resented by the gentleman in charge of the bill if one should say that after this act became operative it was intended only to loan money to Democrats if they were in power, or to Republicans if they were in power. Gentlemen would say that that was a childish, silly argument. Then why make appointments on a political basis? Why not give to the President the discretion to say that the appointments shall be made under the civil-service law, so far at least as the President shall determine they ought to be made under that law. There may be temporary appointments; there may be experts appointed, for aught I know, that ought to be made regardless of the civil-service law, but to say that clerks and all of the other employees shall be appointed under the old political system does not seem to me to be a desirable thing in enacting a bill designed for the benefit of a whole class regardless of politics. [Applause on the Republican side.]

Mr. GLASS. Mr. Chairman, I desire to state that there is no Member of this House who is a more sincere advocate of the civil-service law than I am. I do not believe in the spoils system in any way, shape, or degree. Nevertheless, this provision of this bill, taken bodily from the Federal reserve act, seems to the Committee on Banking and Currency of the House to be a desirable thing. In our judgment it is utterly impossible upon the initiation of a system like this to select experts, and appraisers of land values, and employees of that description, by the hard and fast regulations of the civil-service act. I do not believe in partisan appointments in the Government service, and I can not better illustrate my conviction upon that point than by saying to the House that, although I had some part in the construction and the enactment of the Federal reserve act, I have never to this day so much as made a recommendation to the Federal reserve board for the appointment of a typewriter or a janitor or any other position under the system. I detest Federal patronage, and if I could conceive that this provision of the bill would be administered in any partisan way, there is no Member of this House who would be quicker to vote it out than I; but I think it is necessary in the initiation of this system to proceed along these lines. Therefore, I hope the committee will not vote out the provision.

Mr. GILLETT. Mr. Chairman, will the gentleman yield?

Mr. GLASS. Certainly.

Mr. GILLETT. May I ask the gentleman if this language were not in, Whether the President would not have absolute

power to make such exceptions as the gentleman thinks are necessary?

Mr. GLASS. Perhaps that is true, but that would put a matter of detail up to the President that I would not think he would care to bother with. This provision simply gives the farm-loan board, which is to be nonpartisan, the power to make these appointments of experts and appraisers without unnecessary restrictions. Can my friend from Massachusetts [Mr. GILLETT] imagine that any civil-service regulations could affect the qualifications of a man charged with the duty of valuing lands in various parts of the country?

Mr. GILLETT. If that be the only purpose, why include clerks and laborers?

Mr. GLASS. Because, as I have stated, the provision was taken bodily from the Federal reserve act. How that has been administered I am not prepared to say, except upon the general belief that it has been administered without regard to partisan considerations.

Mr. HUMPHREY of Washington. Mr. Chairman, it seems to me that we are about to repeat the folly that we committed when we created the Federal Trade Commission. If I am correctly informed, and I think I am, the Federal Trade Commission, much to their credit, I think, as well as for their self-protection, have appealed to the Civil Service Commission to hold examinations for them, although we did not provide that this should be done.

Mr. GLASS. May I interrupt the gentleman to remark that the Federal Reserve Board has done that precise thing, and that every appointment under the Federal Reserve Board that could be made subject to the civil-service regulations has been so made.

Mr. HUMPHREY of Washington. Well, I understand the Federal Trades Commission have asked the Civil Service Commission to hold examinations where they have appointments to make, although not required by the law. They did it, as I understand, not only for the good of the service but for self-protection. If I understand, when they started there were 1,500 or 2,000 applicants for something like 100 places, and the pressure was so terrific they went to the Civil Service Commission and appealed to them for assistance, and asked them to hold examinations, and in that way reduced the number to something like 250 from which they could make selections.

Mr. GLASS. I will say to the gentleman precisely that course was pursued by the Federal Reserve Board where the question of expert employees was not involved.

Mr. HUMPHREY of Washington. Now, it does seem to me when this commission went voluntarily to the Civil Service Commission and asked that they be protected in this way, for the good of the service and for the good of the country, we ought to enact the amendment that the gentleman from Illinois [Mr. MANN] has proposed.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that debate on this proposition be closed——

Mr. GILLETT. I would like to have five minutes.

Mr. MANN. There are some other gentlemen over here who desire time.

Mr. GLASS. I do not want to shut off debate, but I do wish to proceed.

Mr. MANN. We would like to have 15 minutes more over here.

Mr. GLASS. I will ask, Mr. Chairman, that debate close in 20 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this paragraph close in 20 minutes. Is there objection. [After a pause.] The Chair hears none.

Mr. CULLOP. Mr. Chairman, as I read the provision which the gentleman from Illinois [Mr. MANN] has moved to strike out, it does not prevent the President from going into the classified service and appointing these men to these positions. The language of it is as follows:

> All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed without regard to the provisions of the act of January 16, 1883.

Now, that does not compel him to go into the classified service to appoint them, and it does not prevent him from doing so. In other words, he is not bound to ignore it, but he may under this provision make his appointments out of the men who have passed the civil-service examination, or may not do so, at his option. So there is nothing here that requires the construction to be put upon the language of this provision which the gentleman from Illinois has placed upon it in the statement he has made in support of his amendment. Now, Mr. Chairman, the President may conclude that men who have not passed the civil-service examination are better qualified to fill these positions at the inception of the operation of this law, at the time that this administration is begun, than men who have passed the examination; and therefore, under the language of this statute, he may select anyone he pleases, without reference to the civil-service law, or he may take upon himself the initiative and select from the classified service the men who shall be appointed to these places.

Now, that is all there is in this language; and if they have been proceeding in other departments, such as the Trades Commission and one or two others, to select men from the classified service, the language is such that it does not compel him to resort to the classified service to make these appointments at the start, and in the proviso the gentleman moves to strike out there is nothing which will prevent the President from placing the employees in this department under the classified service.

Now, if I were to write the act, I would write it freed of the classified civil service. I believe that the President of the United States and the men in charge of the initiation of this great system can better select the men who can popularize this great system, who can make it more effective and a greater success than by resorting to the civil-service law to make the selections. I would like at this time to call attention of the committee to this fact, that under the classified service of this Government there are 500,000 employees. That constitutes an enormous army of officeholders. The number now is almost able to dictate here in Congress what the legislation of the National Congress shall be. It is too great a power, too valuable a patronage to be intrusted to the hands of any one man in this country, I care not who that man may be. [Applause.] This power is great enough to be felt in every department of public affairs, and is asserting itself in dictating public legislation and the development of public policies. Its power should not be increased by multiplying its numbers, but, on the contrary, its powers should be curtailed, its numbers reduced, in order that it may not direct the policies of the people. Selfish interest on the part of this great army of public officials will direct their efforts in promoting their welfare rather than the welfare of the people. The power should be decentralized and its growth checked in order that it may not become arbitrary and autocratic and thereby menace the best interests of the public. [Applause.]

Mr. GILLETT. Mr. Chairman, according to the argument of the gentleman from Indiana [Mr. CULLOP] this clause means nothing at all, but it is perfectly clear that it has a meaning and has an effect, and to my mind it is perfectly clear what the intent of it is, and that is it is to allow these appointments to be made according to the old spoils system and to give patronage to the Democratic Party. Now, I believe thoroughly in the sincerity of the chairman of this committee in what he has said. I do not believe if the chairman of this committee had had the drafting of this clause he would have inserted it. Mr. Chairman, if that clause was not in at all, then the President of the United States had absolute power over the method of appointment. He could cover these into or except these from the civil service according as it was necessary, and if the experts, to whom the gentleman from Virginia [Mr. GLASS] referred, ought to be excepted, he could have excepted them; but to pretend that the clerks and the laborers at least—those two classes—to pretend that they should be excepted from the civil-service law because they could not be procured through the Civil Service Commission is preposterous; and, Mr. Chairman, I think that the Democrats might as well admit that they put in this clause in order to give the Democrats patronage.

Now, I will admit that it is much easier for a member of the minority to criticize such a clause as this than it is for a member of the majority. I admit the party that is in the majority always has the temptation to put in such a clause as this in order to get patronage for themselves, but the Democratic Party since they have been in power have distinguished themselves by these numerous exceptions which they have put into different bills. They put a clause into their tariff bill excepting the income-tax collectors from the operation of the civil-service law.

They put a special provision on the deficiency bill excepting the deputy marshals and the deputy internal-revenue collectors, and they have every little while, apparently distrusting their own President, taken the subject out of his hands and put positions into the classified service; and, thinking apparently he was too much of a civil-service reformer, they have tried, just as they are trying here, to take away from him the power, and I think they deserve to be criticized and condemned for it.

The gentleman from Virginia [Mr. GLASS] quotes as a precedent the case of the Federal Reserve Board. To my mind the Federal Reserve Board was a rank case of partisanship. President Wilson appointed the board, and every member of it

was a Democrat, and it was intended, I believe, there, just as it is intended here, by excepting its subordinates from the civil-service law to give patronage to Members of Congress. As the gentleman from Washington [Mr. HUMPHREY] says, that board finally, to protect itself, was compelled to go to the Civil Service Commission and ask them to select its subordinates by examination. But I do not believe they did that until the most pressing needs of the leading Democrats had been relieved. I venture to suspect that some prominent individuals in the Democratic Party got patronage. I do not believe the Secretary of the Treasury, for instance, was neglected. I think the Democratic Members of Congress are deceiving themselves in putting this clause in and thinking they are going to get a good deal of patronage out of it. I believe the officials of this board will want to protect themselves against Members of Congress.

A few of the very important Democratic magnates will probably get positions such as they want, but when it comes down to feeding the ordinary Member of this House I am inclined to think these gentlemen of the farm-loan board will be obliged in self-defense to do as the Federal Reserve Board did and the Federal Trade Commission did, and in order to keep the Congressmen from pestering them for offices will resort to some form of examination. But the vice of this provision is that it allows them to give such places as they please to their favorites, or the favorites of their friends or patrons, and that I believe is the only purpose of the proposition. The Republican Party when it was in power was not always blameless in this respect. There was always a large element in it as there will probably always be in every majority party which wanted to give itself patronage and the distribution of offices. But there were generally enough genuine believers in civil-service reform to detect and prevent such selfish legislation as this. But since the Democratic Party obtained power there has been a constant effort to let down the bars, to take advantage of every excuse to abrogate the civil-service law and provide a few places for deserving Democrats who could not pass a competitive examination. The President, despite his professions of devotion to the merit system, has approved these attempts and has seconded them by issuing an unprecedented number of Executive orders authorizing the appointment of favorites in opposition to the advice of his Civil Service Commission. The result is that the pledge of the Democratic platform promising an honest enforcement of the merit system has been shattered and dishonored like so many other of its planks by the legislative action of the Democratic Congress and by the Executive action of the Democratic President.

Mr. MAPES. Mr. Chairman, this is another raid on the civil service. It is too bad to prejudice this important piece of legislation by starting it off under the spoils system. This bill has been changed in a great many particulars, from the rural-credits bill, which was considered in the House during the last Congress, but this provision to do away with the civil service remains the same.

It is proposed that all the clerks and other employees provided for in the bill shall be appointed without regard to the civil service. Not satisfied with that, after they are once appointed it is provided, "that nothing herein shall prevent the President from placing said employees in the classified service." The authors of the bill are not willing to take any chances on the merit system in selecting employees under the act but are perfectly willing to make their positions secure after they have once been appointed.

The action here proposed, however, is in harmony with other legislation enacted since this adminstration came into power. I must confess, Mr. Chairman, that I was surprised to hear the distinguished chairman of the Banking and Currency Committee say a few minutes ago that he was a thorough believer in the civil-service law and opposed to the spoils system. The two principal bills reported by his committee in the last and this Congress, which is as long as I have been a Member of the House, have contained express provisions exempting all of the employees created by those bills from the civil service. The Federal reserve act, for which the gentleman from Virginia [Mr. GLASS] was principally responsible, contained a provision similar to this one, providing that all the employees of the Federal Reserve Board should be appointed without regard to the civil service, and the rural-credits bill reported by his Committee on Banking and Currency in the last Congress contained the same provision. It is now proposed again to appoint all the employees of this new rural-credits system without regard to the civil service.

In this connection, if I may be pardoned for calling attention again to an instrument which has been so much discredited as the last Democratic platform, it might not be out of place to read the plank in that platform on this subject. It was there solemnly declared by the Democratic Party that—

> The law pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than services rendered to a political party.

As if to make assurance doubly sure, the platform further declared:

> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign.

In spite of these promises and platform pledges no administration in recent years—in fact, no administration since the civil-service law was enacted—has made such attacks on the civil service as has this one. In addition to the laws already called attention to in which the civil-service law has been set aside are the following enacted by this administration:

The Underwood Act exempted collectors of the income tax from the civil service.

The deficiency appropriation act of the last Congress took deputy United States marshals and deputy collectors of internal revenue out of the civil service.

The Post Office appropriation bill in the last Congress attempted to take assistant postmasters out of the civil service, but that provision was defeated on the floor of the House.

This amendment would strike out the language in this bill which provides that all the employees under this act shall be appointed without regard to the provisions of the civil-service law. If adopted, they would have to be selected the same as other employees of the Government are selected.

It seems to me, Mr. Chairman, that it would be particularly unfortunate to have this rural-credits act, which has been considered in such a nonpartisan way both by the committee and by the House, and which is so important to the farmers of the country, started off under the spoils system. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. LENROOT. Mr. Chairman, I do not know whether there is any use in appealing to the other side of the House to adopt this amendment; but I would think that after the election in West Virginia on Tuesday enough Members, at least, upon that side of the aisle would stop and consider the record they are making, in their own interest, if not in the interest of the party to which they belong.

Mr. Chairman, the Democratic Party, like the Republican Party, in every platform and in the last platform pledged themselves to the civil-service law, and insisted—and I have it in my hand, but I shall not take the time in the five minutes I have to refer to it—that it should be carried out in spirit and faithfully applied. And yet, Mr. Chairman, every time an opportunity has arisen to destroy the civil-service law a very large majority of the membership upon the Democratic side of this aisle have voted to destroy it.

Now, Mr. Chairman, what reason can there be for exempting all of these employees from the civil-service law? Why, we all remember, when President Taft covered fourth-class employees into the civil-service—a thing which I did not at all approve as to the manner in which it was done—that this Democratic administration, in ordering civil-service examinations, said that their only purpose was to know whether the fourts-class postmasters that had been covered into the classified service were competent or not. And they held examinations all over the United States ostensibly for that purpose. Of course we all realize that their actual purpose was by indirection to get Democrats into those fourth-class post offices. But, Mr. Chairman, if it was necessary, according to their theory, to ascertain by competitive examination whether fourth-class postmasters were competent to perform the duties of their office, how can they vote consistently to keep this section in the bill which provides that there shall be no examination at all? I realize, Mr. Chairman, as does everyone upon that side of the aisle, that even though you do put them in the classified service, you upon the other side will find ways and means to get these places for Democrats rather than Republicans. That is not the point. But if this is in the classified service, the Democrats that will go in there will have to pass an examination and show they are qualified to perform the duties to which they are appointed.

That is exactly why you want these exempted from the classified service, because you on that side want the privilege of appointing Democrats who are not competent to perform the duties. You want to treat this as a piece of political pie, irrespective of the merits or the services which they will perform; and so far as this bill is concerned a very large majority upon that side of the aisle are looking a good deal more to the jobs

that will be created for Democrats in this bill than to the benefit to the farmers that will result from the bill. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time has expired. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the "noes" seemed to have it.

Mr. MANN. I call for a division, Mr. Chairman.

The committee divided; and there were—ayes 46, noes 81.

Mr. MANN. I ask for tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. GLASS and Mr. MANN to act as tellers.

The committee again divided; and the tellers reported—ayes 59, noes 89.

So the amendment was rejected.

Mr. FESS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the amendment just defeated.

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I move to amend, page 77, line 15, by striking out the word "employees" and inserting the word "positions."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amend, page 77, line 15, by striking out the word "employees" and inserting the word "positions."

Mr. MANN. So that it would read, Mr. Chairman:

*Provided*, That nothing herein shall prevent the President from placing said positions in the classified service.

Mr. GLASS. I accept that amendment, Mr. Chairman.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GLASS. Mr. Chairman, on page 77, line 18, there is a misprint. The word "lands" ought to be "land." I ask unanimous consent that the alteration be made.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the amendment suggested be agreed to. Is there objection?

There was no objection.

Mr. GLASS. Mr. Chairman, I submit to the committee that this bill was hastily printed, and I have discovered quite a number of typographical errors, and I ask unanimous consent that those obvious typographical errors may be corrected by the Clerk.

Mr. MANN. Let the Clerk correct them.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WALSH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WALSH] moves to strike out the last word.

Mr. WALSH. In view of the vote that has just been taken on the amendment offered by the gentleman from Illinois [Mr. MANN]——

Mr. GLASS. Mr. Chairman, if there are no further amendments——

Mr. HOWARD. I have an amendment, Mr. Chairman.

Mr. GLASS. How many amendments are proposed to be offered?

Mr. MANN. Three gentlemen over here wish to offer amendments to the section, besides the pro forma amendment offered by the gentleman from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. Chairman, in view of the vote that has just been taken on the amendment of the gentleman from Illinois [Mr. MANN], I should like to call the attention of the committee to a little ancient history, and to read the words of the late lamented President of this Nation, William McKinley, spoken in debate on April 24, 1890, when an attempt was made to strike out the appropriation for enforcing the civil-service law. And I want to direct the attention of the members of the committee to the fact that it was on that side of the House almost entirely that the opposition has just now developed to the amendment of the gentleman from Illinois [Mr. MANN]. Speaking on the proposition in 1890, Mr. McKinley, of Ohio, said:

If the Republican Party of this country is pledged to any one thing more than another, it is to the maintenance of the civil-service law and its efficient execution; not only that, but to its enlargement and its further application to the public service.

The law that stands upon our statute books to-day was put there by Republican votes. It was a Republican measure. Every national platform of the Republican Party since its enactment has declared not only in favor of its continuance in full vigor, but in favor of its enlargement so as to apply more generally to the public service. And this, Mr. Chairman, is not alone the declaration and purpose of the Republican Party, but it is in accordance with its highest and best sentiment—aye, more, it is sustained by the best sentiment of the whole country, Republican and Democratic alike. And there is not a man on this floor who does not know that no party in this country, Democratic or Republican, will have the courage to wipe it from the statute book or amend it save in the direction of its improvement.

I regret that since that time, apparently, some gentlemen on that side of the House have received sufficient inspiration and encouragement from somewhere to attempt to do by indirection what they do not dare to do directly.

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Massachusetts yield to the gentleman from Oklahoma?

Mr. WALSH. No; I regret I can not yield. I have but a few minutes remaining of my five minutes.

The CHAIRMAN. The gentleman declines to yield.

Mr. WALSH. Mr. McKinley proceeded further, and said:

The merit system is here, and it is here to stay, and we may just as well understand and accept it now and give our attention to correcting the abuses, if any exist, and improving the law wherever it can be done to the advantage of the public service.

I want to call the attention of that side of the House to the fact that what the lamented McKinley said at that time is true to-day; that the people of this country believe that the civil-service laws should be enforced in spirit and in letter; and that they will resent any attempt on the part of the majority party, as indicated in its vote upon this amendment proposed by the gentleman from Illinois [Mr. MANN], to break down those laws and throw open that class of service to be filled by the political henchmen of the majority party, who are lieutenants in that vast army of deserving Democrats, hungry for jobs. [Applause on the Republican side.]

Mr. GLASS. Mr. Chairman, I do not think much credit is to be derived by any side or any party by diverting this House from modern legislation by going into ancient history and by holding post-mortems over a proposition that has already been decided. I hope we will confine ourselves to the consideration of this bill. [Applause on the Democratic side.]

Mr. POWERS. Mr. Chairman, I move to amend section 3, page 77, line 9, by striking out the word "without" and substituting the word "with," and on page 77, lines 12 and 13, by striking out the words "or any rule or" and substituting "with regard to rules and," and on line 13, after the word "thereof," by striking out the words "*Provided*, That nothing herein shall prevent the President from placing said employees in the classified service," so that as amended it will read:

All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed with regard to the provisions of the act of January 16, 1883 (vol. 22, U. S. Stat. L., p. 403), and amendments thereto, and with regard to the rules and regulations made in pursuance thereof.

Mr. GLASS. Mr. Chairman, I make the point of order that substantially the same proposition has just been voted down.

Mr. POWERS. I want to say, Mr. Chairman, that this is not the same proposition at all, because the amendment of the gentleman from Illinois [Mr. MANN] proposed to strike out the entire provision and leave it in the discretion of the President to appoint, without regard to the classified service. My provision makes it incumbent upon the President to appoint with regard to the classified service.

The CHAIRMAN. The Chair is inclined to believe that the point of order is not well taken, because of the fact that the other provision would leave it discretionary with the President, whereas under the amendment offered by the gentleman from Kentucky he would be compelled to observe the civil-service law.

Mr. GLASS. I ask unanimous consent that all debate on the amendment conclude in five minutes.

Mr. FERRIS. Make it seven minutes.

Mr. GLASS. I ask unanimous consent that all debate on the amendment conclude in seven minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on the amendment be closed in seven minutes. Is there objection?

There was no objection.

Mr. POWERS. Mr. Chairman, one plank of the Democratic platform adopted at Baltimore in June, 1912, reads in part as follows:

The law pertaining to the civil service should be honestly and rightly enforced, to the end that merit and ability shall be the standard of appointment and promotion, rather than service rendered to political parties.

Mr. Chairman, the Democratic Party of this Nation went before the voters of this great country with that as one of the planks in their platform. They made a sacred pledge that if entrusted with power they would carry out in letter and in

spirit the civil-service laws and regulations on the statute books of this great country.

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. POWERS. I yield to the gentleman.

Mr. LA FOLLETTE. Was there any plank sacred except that one? They seem to have broken them all.

Mr. POWERS. In further answer to the gentleman's question I desire to say, Mr. Chairman, that apparently no plank of the Democratic platform adopted at Baltimore has been regarded by them as binding upon them in the legislation that they have enacted since they came into power. The Panama Canal tolls plank was broken——

Mr. MOORE of Pennsylvania. Have not all these broken planks to which the gentleman refers been repealed by common consent?

Mr. POWERS. If they have not been, they will be in the approaching November election. [Applause on the Republican side.] I can not discuss at this time all the broken pledges of the Democratic Party.

Mr. HUMPHREY of Washington. Not in five minutes' time.

Mr. POWERS. By no means. It would take a month to reiterate them all and to lay them before the people of this Nation.

Of course, Mr. Chairman, in regard to the violation of the civil-service law, so far as this bill is concerned, let me say that this is one bill of all bills that ought to be free from the spoils system. The farmers of our country are interested in good legislation. They have never stood at the pie counter. They have never stood at the public trough. They are far removed from all that in the business in which they are engaged. They are entitled to have a rural-credits system set up in such a way as will produce the very best results for them and the country generally. When the President of the United States was a candidate for the Presidency, he wrote a letter to the National Civil Service Reform League, of which he was vice president up to the time of his election, stating that he would see to it that at all times the service laws and principles should be upheld by him.

Mr. FERRIS. Mr. Chairman, I will detain the House only long enough to say that while the Democratic side of the House are passing bills beneficial to the farmers and in keeping with our platform pledges, the Republican side of the House are, as usual, engaged in talking politics. [Applause on the Democratic side.] But before I pass from that I want to refer to the speech of the gentleman from Massachusetts [Mr. WALSH] just a moment ago, who took occasion to read from the utterances of President McKinley when he was a Member of this House. I wonder why he did not take time to read from President Taft's last Executive order, which, in effect, placed under the civil service some 28,000 or 30,000 partisan Republicans, who had been appointed on the recommendation of partisan Republican politicians. [Applause on the Democratic side.] And again, while I am not the defender or spokesman of the present administration and am not in any way commissioned for that purpose, I may add that the fact of the business is that the Wilson administration has enforced the civil-service rules to a very much greater extent than any reasonable man would expect them to do under the circumstances. Talk about abusing the civil service! It was abused more in the last few days of the Taft administration than it probably ever will be again.

Mr. POWERS. Will the gentleman yield?

Mr. FERRIS. The gentleman from Kentucky made a bland prophecy a few minutes ago about what the Republicans would do to us in November. They had a little victory on Tuesday. In a district normally Republican by 4,000 or 5,000 they carried it by a few hundred. So that is the much talked of and wonderful victory that they enjoyed on yesterday; and so with all their victories and all their bland prophecies. They might all be properly consigned to the scrap heap together, but this is not the time or place to discuss but very few of the Republican delinquincies and short comings. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from Kentucky.

Mr. COX. May we have the amendment reported?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. POWERS: Page 77, line 9, strike out the word "without" and insert the word "with"; line 12, strike out "or any rule or regulation" and insert "and with regard to the rules and regulations"; line 13, after the word "thereof," strike out the remainder of the paragraph, so that the paragraph as amended will read: "All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed with regard to the provisions of the act of January 16, 1883 (22 U. S. Stat. L., 403), and amendments thereto, and with regard to the rules and regulations made in pursuance thereof."

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. All debate upon this amendment is closed. The question is on the amendment of the gentleman from Kentucky [Mr. POWERS].

The amendment was rejected.

Mr. McLAUGHLIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McLAUGHLIN: Page 77, line 8, strike out the word "shall" and insert the word "may."

Mr. McLAUGHLIN. Mr. Chairman, the speeches made by some gentlemen on this paragraph indicate a belief on their part that this paragraph will be construed just as I wish by my amendment to have it provide clearly and without question; that is, that it ought not in so many words to require the President to make these appointments without regard to the civil-service law, but to permit him, in his discretion, to make appointments without regard to that law. They may be right as to the construction and meaning of the word "shall." Often the word "shall" is construed to mean the word "may," but it seems to me that it will be better to use the word "may" rather than the word "shall." It will show a better disposition; it will not show a disposition on the part of the House to require or to ask the President to regard civil-service law or to demand that he shall violate it or fail to observe it. It will be better to permit him to disregard it if the exigency of cases coming before him seem to require him to disregard it.

I appreciate that some of the places may be better filled in the first instance when the force is to be organized by making some selections without regard to the civil-service law. But it seems to me that Congress ought to be slow in placing itself upon record directly in opposition to that law, which in its platforms it has promised to observe.

The Democratic Party, in control of the House, ought to make some effort to comply with and keep some of the promises of its platform. Evidently there is only one pledge made in the Baltimore platform that is to be kept, and observance of that pledge will not be kept by the Democratic Party itself or of its own accord; observance will be demanded and enforced by the people of the country in November, when they will insist by an overwhelming vote that the one-term plank of the platform must be fulfilled. [Applause on the Republican side.]

I offer this amendment in good faith, hoping our Democratic friends will consent to it and make the provision permissive instead of obligatory upon the President.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that debate on this amendment close in five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this amendment close in five minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, the gentleman from Oklahoma [Mr. FERRIS], endeavoring to console himself and the other Democrats in the House a moment ago, said that the Republicans had elected a Republican Member of the House in West Virginia last Tuesday in a Republican district. The statement was entirely true. All the districts, with a very few exceptions, all over the North in the United States are to-day Republican [applause on the Republican side], including the district represented by my genial friend from Oklahoma. [Laughter and applause on the Republican side.]

Mr. HOWARD. Mr. Chairman, I want to say a few words for the sake of those gentlemen on the other side of the House who seem to be suffering from political cramp colic.

Mr. MANN. We are enjoying it, not suffering.

Mr. HOWARD. And want to play politics on a bill of this sort. They talk about what they are going to do in November. Why, they are going to be the sickest set of Republicans in November that you ever saw in your life. [Applause and laughter on Democratic side.]

The gentleman from Michigan referred to the one-term plank. That is the main thing that seems to interest all of you. You are as scared of President Wilson as you are of a cinnamon bear. You stay awake at night to keep from having a Wilson nightmare. [Laughter and applause on the Democratic side.] Here you are, 30 days from the great convention of your party, running around like a cat shot with a paper of No. 8 tacks, trying to find some one to take a nomination that they know will not be worth anything after they get it. [Laughter and applause on the Democratic side.] One day it is Root; the next day it is Roosevelt, or WEEKS, or Burton, or Fairbanks, or CUMMINS, or LA FOLLETTE, or Hughes. Then your Republican papers let out a wail for a man to beat Wilson. No one seems to have any

interest in the coming convention but the southern negro delegates. Do you know why they are interested? They want to be at the auction. It is really amusing to see the bravery and the front that you are putting on—whistling while you go through the graveyard. You may keep on whistling, but everybody knows you are scared. [Laughter and applause.]

What I want to call attention to is this: The gentleman from Massachusetts [Mr. WALSH] delivered a speech over there a while ago about civil service. Now, the people do not know so much about your application of the civil-service law, because you have been pretty smooth in the way in which you couched the language when you wanted to evade it, but brave when you did it vie et armis, and broke the world's record by covering 36,000 of the old faithful Republicans into the civil service at one stroke of the pen. Of course, that was not an assault upon civil service. That was literal murder. Of course, you blessed Republicans over there condemn that now. How it shocks your modesty to even refer to it; it makes you shudder to think one of your Presidents was so naughty.

The result after the Democrats came in, after your being in power 16 years, was that we found that 95 per cent of the post-office inspectors were Republicans—85 per cent of all the civil-service employees were Republican—and you lambasted every Democrat that raised his head up and got a decent salary. You were doing it with a bludgeon, and we have been trying to do it more decently. [Laughter and applause.]

Now, as a matter of fact, I want to show you how you have evaded the civil service. When you established the Tariff Board, one of the most innocent little things I ever saw, couched in perfectly innocent language, and if I did not love my friend from Illinois [Mr. MANN] like I do, I would accuse him of having written the paragraph, and I believe he did have something to do with it.

Here is the way you handled the Tariff Board:

To secure information to assist the President in the discharge of the duties imposed upon him by this section, and the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required.

The President did employ every blessed one of them, from the president of the board to charwomen. He never consulted the civil service; he only consulted your Republican patronage dispensers who happened at that time to have on hand a very healthy supply of "lame ducks." He took care of the "lame ducks" until we sent them off on crutches by abolishing the whole inefficient shooting match.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Insert after the word "Senate," on page 74, line 16, the following: "Before appointing said board the President shall divide continental United States, excluding Alaska, into three districts, which he shall designate by number. He shall certify said districts to said board, which shall cause the same to be made of record. One member of said board shall be appointed for each of said districts, and the person so appointed shall have been an actual resident of said district at the time of his appointment for more than two years immediately prior thereto. Thereafter not more than one member of said board shall be a resident of any one of said districts."

Mr. MORGAN of Oklahoma rose.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman, the amendment that I offer I think should be accepted by the chairman of the Banking and Currency Committee and adopted by the Committee of the Whole. This bill provides that we shall create a Federal farm-loan board consisting of three members. This board, as we all know, is given very great powers in directing the affairs of these land-credit institutions. The members of the board are to hold office for nine years, which is almost equivalent to life positions. All this amendment proposes is that, before making the original appointments, the President shall divide the United States into three districts. As there are 48 States, there will be an average of 16 States in each district, one, say, in the West, one in the South, and one in the central or eastern part. My amendment provides that one member of that board will be appointed from each one of those districts. I do not see how there can be any objection to the proposition. There would naturally be, to some extent, different conditions in the different parts of the United States. The wants and needs of the farmers in one section would differ from those in another section. Why would it not be proper to divide the country into three districts and appoint one of the members of this board from each one of those three districts? That would give fair representation to the farming interests of the entire country. There may be a time, with all the power that we give to this Federal farm-loan board, a majority of the board may live in the East, that the West might not have proper consideration, although the members of the board might be absolutely honest.

There is something in environment, there is something in the point of view. No man can understand the West or the great Southwest or the Pacific coast unless he is, to some extent, identified with those sections of the country, and likewise a man who lives in the far West and gets his inspirations, ideas, and conceptions from that part of the country can not have a proper conception of the conditions in the East. It would seem to me to be a wise precaution to make this division and have one member of the board appointed from each one of three great districts. Of course, this does not change the bill in any important particular. It probably would run all right without it, but, in my judgment, it would be a wise precaution to take.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MORGAN of Oklahoma) there were—ayes 30, noes 47.

So the amendment was rejected.

Mr. HOWARD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 76, line 21, strike out the words "and the joint-stock land banks."

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, if I can get the attention of the committee for a moment or two on this proposition I would be very glad. I would like only to inject this question at this stage so that Members may think it over. My honest, cool judgment, after studying this proposition, is that the mixture of a different form of banks with the land-mortgage banks of the Federal system is the worst mistake we can make. There are two very strong objections, as I see them, to the adoption of this joint-stock bank provision in this bill. First, there is no limitation upon the rate of interest to be charged. The section says that they can charge only 1 per cent above what the last bonds sold for, but it does not restrict the loans made to farm loans.

Mr. MOSS of Indiana. Oh, the gentleman is mistaken when he says that there is no limitation fixed.

Mr. HOWARD. No fixed rate.

Mr. MOSS of Indiana. Yes; there is a fixed rate. No bond can be issued at a higher rate than 5 per cent.

Mr. HOWARD. They can charge 1 per cent above what the bonds sold for the last time, but you provide that this rate shall not be in excess of 6 per cent, including the 1 per cent.

Mr. MOSS of Indiana. And no bond can be issued higher than 5 per cent.

Mr. HOWARD. Well, we will eliminate that for the present; but what is the object of establishing a system of farm credits for the farmers of this country? Let us get right down to the reason for this legislation and let us reason about it.

Mr. MANN. Does the gentleman want an answer to that question now?

Mr. HOWARD. No; not from the gentleman. [Laughter.] Not right now. The reason for the establishment of farm-loan banking is this: As a Nation we are dependent upon the farming element of our population for the subsistence of our people. That is the reason we want to induce some of the great influx of citizens that is pouring into the civic centers for the purpose of educating their children and making a better living to stay in the country on the farm; and we are endeavoring to permit them to finance their capital demands at a reasonable rate of interest that farming may become a more profitable business. What do you do? When you establish these joint-stock banks you depart from the very principle of rural-credits banking, every single principle of it. You allow the badge of respectability, Government respectability and integrity, to be pinned to individuals who go into these joint-stock banks, establish them with $250,000 capitalization, and issue fifteen times their capital stock in bonds purely for individual gain. I will admit that their bonds are distinctive in color, that they are distinctive in print, and the general public will not be deceived as to which bond it is getting; but I want to submit that if one of these privately owned corporations ever fails and the American public gets bitten by one of these failing banks, then your rural-credits system as a whole is gone to the bowwows, and you will displace the confidence of the American investing public in this kind

of security as a good investment and shake the confidence of the country in the system. People say that it is safeguarded against fraud.

If you are going to establish a system of farm-loan credits for farmers and the Government is going to exercise supervisory powers over it, do so. This field is amply covered now by the insurance companies. This field is amply covered by the private land-mortgage banks of this country that are doing business, but gentlemen will say this is to meet the demands for shorter time loans than five years. If that be true, then the farmer who needs the loan can go to these private corporations and secure his loan; he would certainly drive as good a bargain with them out of this bill as he could with them in the bill. Why, the gentleman from Illinois, the gentleman from Indiana, the gentleman from Iowa in their States are getting money from three to five years from land banks already organized at 6 per cent. Why do you want to put in jeopardy a system that the Government of the United States is behind for the purpose of allowing a few private individuals that have got $250,000 capital, engaged with the Government side by side with them, to enjoy practically the same privileges, and a great deal more privileges, than the rural-credit banks themselves are enjoying, and take the risk of jeopardizing the farmers' banks with this scheme to exempt some established banks from taxation? What interest will these banks have in selling bonds at a minimum rate of interest? They are to do business by marketing the most attractive interest-bearing bond. They enjoy all the privileges and none of the burdens of the system. The farmer gets nothing back in the way of dividends from these joint-stock banks. You create a corporate parasite to suck the life blood out of the very system you are trying to create with puny Government aid.

For love and mercy let us do something one time in the Congress for the farmer that will give him complete freedom so far as his affairs are concerned.

The CHAIRMAN. The time of the gentleman has expired.

The question is upon the amendment offered by the gentleman from Georgia.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the amendment be again stated. Some gentlemen have come in since it was reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Upon a division (demanded by Mr. HOWARD) there were—ayes 34, noes 41.

Mr. HOWARD. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman asks for tellers. Sixteen gentlemen have arisen, not a sufficient number.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. POWERS. Mr. Chairman, before going to the next section I desire to move to amend section 3, page 76, line 20, by striking out the word "and" and substituting in lieu thereof the following:

Not exceeding in amount as salary more than $5,000 each annually and same.

So that that part of the section as amended will read——

Mr. GLASS. Mr. Chairman, I make the point that debate is exhausted.

The CHAIRMAN. All debate was closed on the amendment.

Mr. MANN. But that does not prevent an amendment being offered to the section.

Mr. CULLOP. Mr. Chairman, I call attention to the fact that the Clerk had begun to read the next section.

Mr. MANN. That point of order was not made.

Mr. GLASS. I make the point of order now.

The CHAIRMAN. The Chair thinks the gentleman is in time. The Clerk will report the amendment.

Mr. POWERS. I will read the language as it will read as amended:

Appraisers shall receive such compensation as the Federal loan board shall fix, not exceeding in amount as salary more than $5,000 each annually and same.

I have put a limitation there that they shall not receive more than $5,000 annually. Can I offer a few remarks on it?

The CHAIRMAN. Debate is closed. The gentleman will have to send up his amendment to the Clerk. The Clerk can not report the amendment without its being sent up.

Mr. POWERS. I ask unanimous consent that discussion on the bill may go on; I think it will save time——

The CHAIRMAN. But debate is closed by unanimous consent.

Mr. POWERS. I ask that the section be passed and that we may revert to it.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to pass the section and to permit him to go back and offer an amendment.

Mr. POWERS. It is just to save the time; I do not want to take up the time of the committee.

Mr. PHELAN. Mr. Chairman, does the gentleman mean to go back to the section without debate just for the purpose of offering his amendment?

Mr. POWERS. I understand that debate is closed.

Mr. PHELAN. Does the gentleman now ask to go back to the section to offer an amendment without debate?

Mr. MANN. I shall ask unanimous consent that the gentleman be permitted to address the House for three or four minutes, if we go back.

The CHAIRMAN. Let the Chair see if he understands the request. What is the request of the gentleman?

Mr. MANN. That the gentleman from Kentucky have the right to recur to this section for the purpose of offering his amendment.

The CHAIRMAN. Is there objection to the request? [After a pause.] The Chair hears none.

The Clerk read as follows:

POWERS OF FEDERAL FARM-LOAN BOARD.

SEC. 4. That the Federal farm-loan board shall have power—

(a) To organize and charter Federal land banks, and to charter national farm-loan associations, and joint-stock land banks, as hereinafter defined, subject to the provisions of this act.

(b) To review and alter at its discretion the rate of interest to be charged by Federal land banks for loans made by them under the provisions of this act, said rates to be uniform so far as practicable.

(c) To grant or refuse to Federal land banks, or joint-stock land banks, authority to make any specific issue of farm-loan bonds.

(d) To make rules and regulations respecting the charges made to borrowers on loans under this act for expenses in appraisal, determination of title, and recording.

(e) To prescribe the form and terms of farm-loan bonds, and the form, terms, and penal sum of all surety bonds required under this act and of such other surety bonds as they shall deem necessary, such surety bonds to cover financial loss as well as faithful performance of duty.

(f) To suspend or to remove for cause any district director or any registrar, appraiser, examiner, or other official appointed by said board under authority of section 3 of this act; the cause of such suspension or removal to be communicated forthwith in writing by the Federal farm-loan board to the person suspended or removed, and in case of a district director to the proper farm-land bank.

(g) To exercise such incidental powers as shall be necessary or requisite to fulfill their duties and carry out the purposes of this act.

Mr. PLATT. Mr. Chairman, I move to strike out the last word simply to call attention to subsection (b). It seems to me the authority there given the Federal farm-loan board is wholly unnecessary, but I know the probability is it would not be stricken out if I should so move. Here we are establishing a system of Federal farm-loan banks controlled at the outset by Government directors and afterwards controlled wholly by the borrowers themselves, and it does not seem to me it is at all necessary that any authority in Washington should be given the right or discretion to review the rate of interest charged by those banks. It is conceivable that such authority might do harm. If our system is workable—and I believe it is—this matter of interest will regulate itself. There is a similar provision in the Federal reserve act, and I believe this is taken from that. There is no use in putting language in here unless it will do some good, and it seems to me it is wholly unnecessary.

Mr. MOSS of Indiana. If the gentleman will permit, the power given to farm-land banks to make charges to borrowers is provided for on page 105, and it says it is to charge the borrowers under rules and regulations promulgated by the Federal farm-loan board, because if you keep in the language on page 105 it is necessary to give that board the right to promulgate rules and regulations.

Mr. PLATT. That is not the section to which I was referring.

Mr. MOSS of Indiana. That is on page 105, under subsection 8.

Mr. PLATT. That refers to reasonable fees, and so forth, and this subsection (b) refers to the rate of interest on loans. They are entirely different things.

Mr. MOSS of Indiana. On page 104, section 13, it relates to the power of the Federal land banks to charge borrowers, under rules and regulations promulgated by the Federal farm-loan board, reasonable fees not exceeding the actual cost of appraisement and determination of title. Now, then,

under section 4 the farm-loan board is given powers to make rules and regulations respecting the charges made to borrowers. It only gives the power to carry out what is provided on page 1.

Mr. PLATT. I am referring to subsection (b) and not to subsection (d). It seems to me the system we are creating is workable. I think it will work out a lower rate of interest in the long run, and if it does it ought to be permitted to take care of itself. The economic laws and competition between the two systems here will bring the rates of interest down. You can not have a board in Washington to regulate the rates of interest all over the country.

Mr. SISSON. I notice that there seems to be some latitude given as to interest charges fixed under this subsection (b). Does that mean that this board will have the right to fix one rate, we will say, in California and another rate in Iowa and another in New England?

Mr. PLATT. I think it does. It would practically mean that, I should think.

Mr. SISSON. It enables the board to have practically as many different rates of interest as they desire?

Mr. PLATT. It says that said rates are to be uniform so far as practicable.

Mr. GLASS. The gentleman will remember that the commodity rate fixed for the Atlanta banks was different from the commodity rate fixed by the St. Louis banks, but all the rates must be within the maximum. But there might be an entirely different reason in commercial banking and the loan on farm lands, which lands are fixed in their nature. There may be many reasons in commerce where you might want to make a rate of interest high in order to force the retirement of currency or to make it low in order to force an issuance of currency. But here we are having a fixed loan, a loan intended as nearly as possible to be a fixed loan.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISSON. Mr. Chairman, I move to strike out the last two words. I did not really want to take the time from the gentleman from New York.

Mr. PLATT. I do not want to take any more time unless the gentleman wishes to ask me further questions.

Mr. SISSON. I was just wondering why, in fixing the interest on land values, this discretion should be vested in the board to make the change of interest.

Mr. MOSS of Indiana. I would like to give my own opinion. We give the board the power practically to say under what conditions the bonds shall be sold. Now, then, there is 1 per cent, which is the difference between the bonds and what the borrower pays. Now, then, the bank is given the power to charge the 1 per cent, but at the same time the board is given power to regulate, but they can make it less than 1 per cent if they want to. That is the power they would still exercise.

Mr. SISSON. I want to understand just why this power was given to the committee. Suppose the rate of interest in the South is higher with the local banks than it is, we will say, in Illinois or Indiana, is it intended that this board should be able to meet the differences in that State?

Mr. MOSS of Indiana. Oh, no; it means this. We have 12 land districts. In one there may be a very large volume of business done by the bank, and the bank can do it at a less rate per $100. Here is a district that is sparsely settled, and it costs more to place business on the books.

Mr. SISSON. The overhead charges would be greater?

Mr. MOSS of Indiana. Here is 1 per cent, and the board will have an option as to whether the land banks will charge the full 1 per cent or a fraction of 1 per cent.

Mr. SISSON. Suppose the pressure should become great, and the rate of interest being greater in the South, then would it mean that the balance of the country might get money at a cheaper rate of interest than the people of the South, where the interest is high, as in Oklahoma, in Texas, and in Mississippi, that they might get money from the Government cheaper than they would where there is a great competition for money?

Mr. WINGO. If the gentleman will look closely, he will see that there can not be any variation except in the 1 per cent, as suggested by the gentleman from Indiana [Mr. Moss]. The market price of the bonds will fix the rate of interest, and within 1 per cent.

Mr. SISSON. Then, as a matter of fact, this board does not fix the rate, but the sale of the bonds fixes it?

Mr. WINGO. Yes; but the gentleman overlooks the suggestion made by the gentleman from Indiana [Mr. Moss]. If one of the banks was doing a very large volume of business, it might be impossible for it to operate upon less than the 1 per cent. For that reason, then, they could require them to make their loans at 5½, say, where the bonds had been sold at 5. That was the object and the theory which I understood the committee had in mind.

Mr. SISSON. The only fixing of the rate, then, would be the difference between the price at which the bonds were sold plus 1 per cent?

Mr. WINGO. Yes. This would only go to 1 per cent. That would be the limit of their control. If they wanted to require them to make their loans at 5½, where the bonds had sold at 5, they could do it, but they could not make it 6½.

Mr. HAWLEY. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. HAWLEY. This situation will frequently arise: The 12 land banks will be in the market to sell their bonds. Suppose they think a bond issue at a given time should be floated at 4½ per cent, then the bonds, selling at 4½ per cent, would fix the rate of interest on the succeeding mortgages. Thereafter they have acquired a number of additional mortgages and wish to float another bond issue of $50,000. They wish to sell them at the former rate of 4½. But the board finds that they sold the former issue of bonds at a premium, and they can now sell a 4¼ per cent bond at par. Therefore they will refuse permission to them to sell the bonds at 4½ and get a premium for them—which premium would come out of the farmer—and require them to sell a 4¼ per cent bond at par, and therefore they would reduce the interest rate to the farmer one-fourth of 1 per cent.

Mr. SISSON. Suppose the bond might be sold at 3½, exempt from taxation? Then the limit of interest to be charged the borrower would be 3½ plus 1?

Mr. HAWLEY. Three and one-half plus such part of 1 as the operating charge would amount to.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word. The gentleman speaks in opposition to the amendment.

Mr. MANN. Mr. Chairman, paragraph 6 gives to the Federal farm-loan board the power to grant to the Federal land bank authority to make any specific issue of farm-land bonds. I have read this bill over a number of times, and I would like to have had an opportunity to read it over a number of times more, so that I would know more about it. I am trying to avail myself now of the opportunity to really know more about it by asking gentlemen who do know. I hope it is excusable, because I do not think any one of us knows, unless he has made an expert study of it, and I do not think we will know when we go home unless we have given to it such a study.

This apparently would say that the land banks could not authorize or make any farm-loan bonds without first having received specific authority from the Federal farm-loan board—that is, they could not grant any authority by general regulations, apparently. This provision is to grant or refuse the right to make any specific issue of farm-loan bonds.

Now, what is to be the process? First, you have your joint-loan association get together some applications for mortgages, and the mortgages are made and recorded. The appraisal of the property is made by the various different appraisers and comes within the provisions of the regulations. They are ready to issue the money. They have some money on hand, and they pay out the money on these mortgages, and they have a certain number of mortgages on hand. They would want to issue some farm-loan bonds. Well, that is all right when you have a large amount at once, but in course of time the capital furnished by the Government will be absorbed. Supposing a man wants to get a mortgage then. Will he have to wait until other people want $100,000 more and make an application here and have the Federal farm-loan board go over that specific application each time? That would apparently be the process. It looks to me as though it would be very long-winded. I am asking for information.

Mr. PHELAN. The gentleman wants an answer now?

Mr. MANN. Yes.

Mr. PHELAN. Well, each time there is an issue of bonds it would be necessary to get the consent of the farm-loan board.

Mr. MANN. How often will Federal bonds be issued, then? They could not issue them before they have the mortgages ready, could they?

Mr. PHELAN. No. I will explain that process, but it will take two or three minutes to do it.

Mr. MANN. I hope the gentleman will, because I have listened quite diligently to the general debate on this bill, and I did not hear anything explained about the process, except that the gentleman from Massachusetts [Mr. PHELAN]

explained the bill very intelligently, as did some of the other gentlemen.

Mr. PHELAN. Mr. Chairman, the gentleman from Illinois has raised a pertinent inquiry, and asks to have some explanation made about these bonds. There is some difficulty, in reading a bill of this kind, to understand all its provisions. I shall try to make this particular provision clear.

It is intended by those who prepared the bill that there shall be no issue of bonds by either the Federal farm-loan bank or the joint-stock bank without the specific consent of the farm-loan board. The purpose is this: We realize that the money that is going to the farmer on mortgage loans comes from one source, and can come in greatest measure from one source only, and that is the investors of the United States. The Government has not enough money, and under proper conditions and restrictions can not get enough money to give the farmer. The money must come from the investors. Now, since the money must come from the investors, those investors must be assured that the investment is to be good. Accordingly, we have made careful provision in the bill for the appraisal, in order that the mortgage will be thoroughly good. Then we have taken the precaution that before the bank can issue any bonds, the board shall look over the security, and if there is any suspicion or doubt regarding it they can make further inquiry about it.

I think the ordinary procedure will be that they will take the mortgages from the banks. They will look into the case; they will be satisfied, probably, in a short time that everything is all right, and they will grant the consent to have the bonds issued. Now, let us take the procedure.

Mr. HAWLEY rose.

Mr. PHELAN. If the gentleman will wait just a moment, I will be glad to answer his questions.

To start at the beginning, the bank starts with $750,000. It will loan out a certain portion of that amount to the farmer borrowers through the local associations. When it has loaned a certain amount—not the entire $750,000, but a certain amount, in the discretion of the board of directors of the bank—then the bank will go to the public and say: "Here, we want you to buy *some* bonds." The banks have the mortgages, because they have loaned the money. With those mortgages as security, they will again offer their bonds to the public. As I said, they will have the mortgages ready. If the public takes those bonds, they will have more money to loan over again through the association to the farmers; and when they are pretty nearly out of that money, or at any time within their discretion, they will go to the public again and will offer some more bonds. Again they have the mortgages, and they will sell their bonds to get the money to loan to the farmer, and that thing goes on indefinitely as long as they can sell bonds to the public and as long as the farmer wants to borrow money which the banks obtain from the sale of the bonds, provided that the banks do not exceed the limit permitted in the issue of bonds of twenty times the capital.

Mr. MANN. They have $750,000 to begin with, from the Government, under this provision.

Mr. PHELAN. Yes.

Mr. MANN. They get $100,000 of mortgages. They can not issue any more bonds than the amount of mortgages on hand, can they?

Mr. PHELAN. It is barely possible, but in general they will not. There is a provision whereby they can substitute United States bonds for mortgages, but that will hardly be done.

Mr. MANN. I mean practically they can not issue more bonds than they have securities on hand?

Mr. PHELAN. No.

Mr. MANN. They authorize an issue of bonds. Another man wants to borrow a small amount of money. Of course it is all right as long as they have money on hand belonging to the Government.

Mr. PHELAN. Yes.

Mr. MANN. Does the gentleman apprehend that there never will be a time when this $750,000 will not keep revolving round, to take care of all the borrowers? If so, why not start with $100,000?

Mr. PHELAN. One hundred thousand dollars contribution by the Government?

Mr. MANN. Yes.

Mr. PHELAN. You could hardly get that system started with as small an amount as $100,000.

Mr. MANN. I agree with the gentleman. I am not sure that you could get it started with $750,000. Who determined just the amount that was going to be necessary in every district of the United States to make that revolving fund out of which you could get mortgages and then issue bonds by specific authority, there being no authority for the issue of bonds until you had obtained the mortgages?

Mr. PHELAN. To make an exact answer again I will state that the Banking and Currency Committee of the House determined upon $750,000. The Senate bill fixed the amount at $500,000.

Mr. MANN. Did they do it by lot?

Mr. PHELAN. No; they did it because——

Mr. MANN. I would not criticize them if they had.

Mr. PHELAN. I understand. They fixed it at that amount because after figuring the thing out they believed the system would work with $750,000 original capital. There may be more capital than that under the provisions of the bill. But the minimum was $750,000, and they felt that after $300,000 or $400,000 or $500,000 had been loaned, then the banks would be perfectly safe in going to the public and selling their bonds, because the security for the bonds was believed by the committee to be ample, and the public will have every confidence in the bonds as soon as they are issued. I do not know that I have made myself clear to the gentleman.

Mr. MANN. I think the gentleman is very clear in his statement.

Mr. CANNON. I should like to ask the gentleman a question.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CANNON. I move to strike out the last word, and will yield to the gentleman from Massachusetts if I am recognized.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. CANNON. Suppose that the farm-land bank is organized. I want $100,000, or there are enough people with me who want $100,000 or any other sum, complying with the provisions of the law. Or suppose I go alone and want it, will I have to wait, after the mortgage is drawn and the title is examined, until it goes to the boss bank—what do you call that?

Mr. PHELAN. The Federal land bank, under one system.

Mr. CANNON. Yes. Suppose the Federal land bank turns down the loan, will I get my money in the meantime?

Mr. PHELAN. You mean your loan?

Mr. CANNON. Yes.

Mr. PHELAN. Oh, no; certainly not.

Mr. CANNON. Then it has to go through the appraisers?

Mr. PHELAN. Yes.

Mr. CANNON. And the mortgage has to be recorded?

Mr. PHELAN. Yes.

Mr. CANNON. The abstract of title must be made?

Mr. PHELAN. Yes.

Mr. CANNON. And they say, "Yes; we will take that," but still I do not get my money until it goes up to Washington to this Federal land bank and they bless it. But if they turn it down I do not get anything.

Mr. PHELAN. Does the gentleman ask that in the form of a question?

Mr. CANNON. Yes; precisely, and in good faith.

Mr. PHELAN. If the gentleman will excuse me, that is not quite a correct statement of the situation. In the first place, the gentleman says the Federal land bank at Washington.

Mr. CANNON. Wherever it may be.

Mr. PHELAN. There will be 12 of these banks. Perhaps none of them will be at Washington. I thought perhaps the gentleman meant the Federal farm-loan board. That is in Washington.

In the first place, the man does not make out his mortgage in the beginning. I will state the procedure.

I want to borrow some money, and I have some farm land on which I want to borrow it. I go to the local association. In the first place, the local association must admit me as a member, because under the cooperative plan nobody can borrow money without belonging to the local association. Under the joint-stock plan anybody can secure a loan, if the joint-stock bank is willing to make it to him. But under the other system, I go to the association and tell them I want to borrow some money, and incidentally to join the association. If they admit me to the association they have a loan committee that looks into my land, and if their report is favorable the application goes to the land bank. The land bank has an appraiser who looks over the land. If his report is favorable and the board of directors want to give me the loan, I get it.

Now, that looks like a rather cumbersome proposition.

Mr. CANNON. The gentleman means one of the 12 banks?

Mr. PHELAN. Yes. Let me state incidentally that there is a provision in the bill whereby the land banks may have branches, so that as business expands they can have a branch here and there and some place else that will perhaps not be

more than an examining office in which they can have some of the work done.

Mr. CANNON. Will that branch have the power to give me my money?

Mr. PHELAN. No; it would simply make a report. I think in practice this would all work out so that there would not be much delay. Now, in a particular district there may be, say, half a dozen or 12 or 15 farmers who want to borrow some money, and they will make application about the same time. The loan committee can quickly determine what the situation is and make a report to the land banks, and almost before the committee has any report made the land banks can have the appraiser there, and out of the 12 or 15 that make application there will be at least 4 or 5 probably every one of whom will receive a favorable report from the loan committee. So that the whole thing can be done up, I think, in a comparatively short space of time. I think after a while the directors of the farm-land banks will get so that they can depend on the appraisers, and they can pass the things in a short time, as the national banks do on many loans to-day. The investment committee of the board of directors of the national bank will look into the whole matter and make a report, and in most cases the report will be accepted without question, except in particular cases where there might be some question that they wanted to ask. Now, while there might seem to be some delay, I think the thing will work out with more or less speed.

But we must be careful and look out for the appraisal, even though it may cause delay. One thing we must do, and that is to make the investor certain that his investment is going to be secure, because the mortgages are the security on which the bonds depend, and no man is going to invest his money unless he is absolutely certain that the appraisal is proper and correct and safe.

Mr. CANNON. That is undoubtedly true, but before the money can be had the appraisement must be made, an abstract must be perfected, the mortgage recorded——

Mr. PHELAN. Not necessarily must the mortgage be recorded, all it is necessary to do is to have the appraisal correct, and incidentally I suppose the title will be looked up, to save time, as soon as the application to the board is made.

Mr. CANNON. In the meantime he might sell the property.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEVER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 79, after line 11, insert as a new paragraph the following:

"If at any time a Federal land bank, the fair value of whose assets is at least equal to the total of its liabilities, shall find that it may soon be without funds, immediately available, sufficient to meet its obligations with respect to the payment, when required, of the principal of, or the interest on, bonds issued under this act, or of both principal and interest, it may make application to the Federal farm-loan board for a temporary deposit by the Secretary of the Treasury of the sum needed to make such payment, during the period for which its funds, immediately available, will be insufficient, setting forth in its application such information as the Federal farm-loan board may require. If, after investigation, the Federal farm-loan board approve said application, it shall give notice thereof to the Secretary of the Treasury, stating the sum required, the period for which needed, and such other facts as may be necessary. Thereupon the Secretary of the Treasury may deposit such sum, or from time to time so much thereof as may be required, with said Federal land bank, to be expended under the direction of the Federal farm-loan board for the purposes for which the application for such deposit was approved. Any sum so deposited shall bear a rate of interest fixed by the Secretary of the Treasury, not to exceed the current rate charged for other Government deposits, and shall be repaid as may be required, but not later than the expiration of the period fixed by the Secretary of the Treasury. To secure the repayment of any such deposit, together with the payment of the interest thereon, said Federal land bank shall issue to the Secretary of the treasury its certificate of indebtedness, and the United States shall have a first lien upon the assets of the said Federal land bank: *Provided*, That the aggregate of all such deposits in any one Federal land-bank by the Secretary of the Treasury shall not exceed in any fiscal year or at one time the sum of $500,000."

Mr. GLASS. Mr. Chairman, I reserve a point of order on the amendment, and I would like to inquire how much time the gentleman wants on this amendment.

Mr. LEVER. I think 45 or 50 minutes.

Mr. GLASS. It seems to me that is too much; can not we make it 30. I ask unanimous consent that all debate on the amendment may close in 30 minutes.

Mr. HENRY. I would like to have it understood that I get five minutes.

Mr. LEVER. Let me say that this will probably call for considerable debate, and I suggest that it might be well and would save time to be liberal in the matter of time.

Mr. GLASS. I want to be altogether liberal, but as my colleague from Pennsylvania [Mr. MILLER] suggested, at the rate at which we are proceeding it will take 34 days to get through with this bill. I will agree to 40 minutes.

Mr. MANN. We would like 40 minutes on our side on this amendment.

Mr. GLASS. Well, Mr. Chairman, we seem unable to reach a unanimous-consent agreement. I will let the debate run on, and then I will move to close it.

Mr. LEVER. Mr. Chairman, the amendment I have offered is the result of many months of study upon my part as a member of the joint committee on rural credit which was authorized to be organized by the last session of Congress. My study of rural-credit systems in other countries and of the various plans suggested for such a system in this country convinces me that the strength of the system proposed by this bill depends upon the strength of the bond to be issued under it. The bond is the bridge which connects up the borrowing farmer on the one side of the stream with the investing public on the other. The system will be only just as strong as this connecting bridge—this bond. The system will succeed or fail just in proportion as the bond is strong or weak. The all-important part of this machinery is the bond. It is the bond that will get the money for the farmer in the first instance; it is the strength of the bond in the investing mind that will determine the rate of interest to the borrower and more readily the bonds sell, the more favorable the terms under which it sells, the lower will be its own interest rate, and more important, the lower will be the rate of interest to the farmer. It is this that I am trying to do.

Now, what is this proposition? The amendment proposes to allow the Secretary of the Treasury, under certain circumstances, to deposit with any Federal land bank during any fiscal year a sum of money not to exceed $500,000, or a total of $6,000,000 for all the land banks of the entire system in any one year.

It may happen that in the State of Kansas the grasshoppers may eat up the crop; it may happen in the Mississippi Valley the levees break with great disaster to the growing crops; it may be that a severe drought sweeps over a section of the country and the farmers find themselves unable to meet the annual interest upon their mortgages, with the result that the bank, which in turn must meet the interest on its bonds and the maturing principal thereof, will find itself without means to meet these obligations. In that case the system would shake from foundation to top, because the land banks can meet their obligations only from funds paid into them by the borrowers in the way of interest or amortization, and a severe disaster over a large area of country might greatly embarrass the system, or, at least, the land bank immediately involved especially in the early life of the system. It is to safeguard against such a possible but not probable contingency that I think the fund proposed by this amendment should be available.

What will be the effect of this provision upon the salability of the bonds? What influence will this guarantee against possible temporary contingencies have upon the minds of those who have funds to invest and wish to place them in the most certain security? It is perfectly patent to me what the effect will be. The investor, the insurance company, the trustees of an estate, the school-teacher with a few hundred dollars, who desires a perfectly safe investment, one that can not fail in an emergency, will look to these farm-loan bonds as furnishing the best security. They will find certain security behind them—the mortgages, the capital stock of the bank, the reserves of the bank, the joint responsibility of the 11 other banks, and all that—but in addition to that they will see that in case of an emergency which might by the merest possibility overtake one of these land banks the Federal Treasury stands ready to deposit $500,000 to take care of the situation. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. LEVER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, what is the result? The effect of that kind of guarantee upon the mind of the investor—and we get our funds from the private investor—makes him buy these bonds readily and at the very lowest rate of interest, because of the superlative safety of the investment. What is the ultimate effect of this amendment upon the rate of interest the borrower back in the country must pay upon his mortgage? This whole system is being initiated to help the man who wants to pay off debts already hanging over his farm or who wants to negotiate a mortgage to buy a farm. The system is for him. We are trying to get him, among other things, the lowest possible rate of interest by the mobilization and liquefication of his assets. Will this amendment help in this direction? It will, unquestionably, for the reason that the rate of interest to the farmer is fixed by the terms of this bill, by the rate of interest

at which the bonds will sell in the open market. The farmer can not pay more than 1 per cent in excess of the rate at which the bonds sell.

If the bond is made so secure, if it is made so good that the investor is willing to buy it at 103, for example, the borrowing farmer will be able to get his money on that issue of bonds at 4 per cent interest, so that the stronger we make the bonds the lower will be the rate of interest to the farmer, and it is the purpose of this amendment to make the bond so strong that it will reflect its strength in materially reducing the rate of interest charged the farmer for his loan. I believe it will reduce the rate possibly as much as 1 per cent, and the aggregate saving in that apparently small reduction is very great.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. LEVER. Yes.

Mr. HOWARD. Does the gentleman not create by this very amendment a superior lien in the Government of the United States over any outstanding bondholders of the bank, and does not the Government have the superior lien upon the entire assets of the bank as against the bondholder, thereby weakening instead of strengthening the system?

Mr. LEVER. I recognize the force of the gentleman's suggestion, and I am willing to amend the proposition in that respect, and would have included it in my amendment except for tactical reasons which are clear to me.

Mr. HOWARD. If the gentleman does not amend it, he will *destroy all of* his argument.

Mr. LEVER. I am trying to suggest a principle here, and we will work out the details elsewhere. I want to call the attention of the committee to the fact that this is no new proposition. I am not asking the Congress or the Treasury to do anything more by this amendment for this system of rural banks than the Government now is authorized to do, and frequently does, for the commercial banks of the country. Time and time again the Federal Treasury has gone to the rescue of tottering banks and saved them and their depositors, and I am asking that the Treasury do no more and no less for the system of banks which we are establishing for the farmers of the country. The system of land banks which we inaugurate for the farmers is at least entitled to equal treatment with commercial banks at the hands of this Congress.

Mr. MILLER of Pennsylvania. Does the gentleman mean to say that the commercial banks give their own notes to the Government and get its assistance?

Mr. LEVER. I am going a little bit further than that.

Mr. MILLER of Pennsylvania. Do they now?

Mr. LEVER. I do not know about that; but if they do not, I am asking the farmers to do more in the way of giving security than the Government requires now of the banks in the country.

Mr. MILLER of Pennsylvania. Does not the gentleman know that the commercial banks have to give good paper to the Government for every dollar that they get?

Mr. LEVER. If there is any better paper on earth than mortgages on good farm land, I would like to see the paper.

Mr. MILLER of Pennsylvania. The gentleman is not saying that they are not good; he is just saying that he wants to make them good.

Mr. LEVER. I am not. I am trying to make assurance doubly sure that we are going to issue a bond the absolute safety of which the investing public will not doubt for a single instant, and that brings me to say this: We are about to establish an entirely new system of credits in this country. We have never tried it before. It is bound to be more or less of an experiment. We are sending out a ship, as it were, on an uncharted sea. We have an untried captain in the cabin, we have an untried pilot at the wheel, the crew is green and untried, and we do not know what may happen to the ship. I am certain it is safe and sound just as she stands, but it is a foolish shipmaster who sends his boat to sea without providing it with all necessaries to weather all kinds of storms. Out of an abundance of caution I am underwriting a certainty, putting the life preservers in their places.

Mr. MILLER of Pennsylvania. And pour in Government money.

Mr. LEVER. That is the gentleman's opinion, but I differ with him. I am trying to make it absolutely sure that in the initiation of this system we are going to have a ship strong enough to save us in the mightiest storm that may come upon us. [Applause.]

Mr. HENRY. Mr. Chairman, this amendment raises a very important question. I am glad the distinguished gentleman from South Carolina [Mr. LEVER] has introduced it. I wish the amendment went further than it does. *However, we must concede that it does extend Government aid in a large degree to this rural-credits system.* It seems to me that this Congress might well afford to go this length, and if I thought it possible to secure the adoption of a stronger amendment than this I would be glad to offer it, because it is strictly in keeping with the exact provisions of the Federal reserve act and would be doing no more for the farmer than we have already done for the commercial world.

If writing it I would make it read thus:

Whenever any Federal land bank presents to the Secretary of the Treasury farm-land bonds in any amount he shall advance therefor an equal amount of money out of the Treasury, not otherwise appropriated, at their par value: *Provided*, That the aggregate value of the sums so advanced by the Secretary of the Treasury in any fiscal year shall not exceed the sum of $50,000,000.

Mr. Chairman, a little more than a year ago this House, by a vote of nearly 3 to 1, decided, when we passed the rural-credits bill, known as the Bulkley-Henry-Bathrick bill, through the House, that the Government could purchase in any one year as much as $50,000,000 of the farm-loan bonds. Has anything occurred since that time to make us change our conclusions? I say the Government has already in the enactment of the Federal reserve act underwritten and guaranteed every Federal reserve note placed at the disposal of the business world.

Mr. PLATT. Will the gentleman yield?

Mr. HENRY. If I can get a little more time.

Mr. PLATT. Does the gentleman say the Bulkley bill passed the last House?

Mr. HENRY. It passed through the House.

Mr. PLATT. It never was reported to the House.

Mr. HENRY. Oh, yes.

Mr. RAGSDALE. That is so.

Mr. HENRY. I am not mistaken in what occurred. I stayed here for 18 hours and never left the House. We amended the bill that came before the House and put in every meritorious and substantial feature of the Bulkley bill, including section 3—Government aid—on the 2d day of March a year ago.

Mr. RAGSDALE. Will the gentleman yield?

Mr. HENRY. I am not mistaken; I remember distinctly.

Mr. RAGSDALE. It is very true the Republicans, consolidating with a few Democrats in the committee, prevented the bill from coming before the House, although it was moved by the gentleman from Arkansas to bring it out; but on the floor of the House amendments were offered to the Hollis-Bulkley bill and it passed the House, but it was defeated in the conference between the two Houses.

Mr. GLASS. If the gentleman will permit, as a matter of fact the bill which passed the House was the Agricultural bill with what is known as the McCumber amendment attached to it as a rider, and then one of the provisions of the Bulkley bill, which the gentleman is discussing, was proposed as an amendment to the McCumber bill and it did pass, but not upon its merits.

Mr. HENRY. Yes, I remember the history of all these occurrences. We took up the bill for consideration and every amendment proposed by the gentleman from Ohio, Mr. Bulkley, who is not now in the House, was adopted—every one of them—and by a vote of nearly 3 to 1 this House declared that the Government could purchase every year as much as $50,000,000 of these farm-loan bonds. I say we have extended to the commercial world the credit of this Government, and I want to make it more explicit, if need be, by quoting the exact language of that act. I think it ought to go into the RECORD here.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENRY. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. HENRY. Now, section 16 reads this way, and I ask Members to mark the language:

SEC. 16. *Federal reserve notes, to be issued at the discretion of the Federal Reserve Board for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in gold on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or in gold or lawful money at any Federal reserve bank.*

And, Mr. Chairman, just so long as the 40 per cent gold requirement is observed the commercial world can bring its assets, its paper, into the Federal reserve bank and have the obligations of the Government issued to them upon that collateral.

Mr. GLASS. Will the gentleman yield?

Mr. HENRY. Yes.

Mr. GLASS. It occurs to me the gentleman does not go far enough in his illustration. Is it not a fact that the instant that

one of these Federal reserve notes is presented to the Treasury for payment in gold the Treasury in turn may send it instantly to the Federal reserve bank and require that bank to furnish the gold?

Mr. HENRY. I understand.

Mr. GLASS. And is not there a very material difference between advancing Government notes upon obligations which experience showed mature in 28 days and obligations issued for 36 years?

Mr. HENRY. I thought the gentleman would ask that question, and there the gentleman from New York [Mr. PLATT] stands in front of me and says when his party comes into power—which, I pray God, may never happen [laughter and applause]—that they will repeal this provision and will make the banks wholly responsible for Federal reserve notes.

Mr. PLATT. They are responsible now; they keep a reserve against them.

Mr. HENRY. I understand that; and the Federal Government is responsible and must redeem them in gold. The Government should be as just to the farmer—and you may call it demagogy if you please—when he brings his mortgages, based on the fertile lands of this country, and deposits them in the Federal land bank. They are as good and better security than the mere promise of any man to pay a sum at a certain date.

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Mr. Chairman, the farmer does not ask anything that we have not given the commercial world. All that he asks is equality. Here you have started in the right direction. You have said that you will take this $6,000,000 out of the Government Treasury and put it into the Federal land banks for the purpose of being loaned to the farmers. Let us go further and take off the limit, as you did when you issued the Federal reserve notes, and without restriction say that we will underwrite every one of these bonds, that we serve notice on the world that they are the obligations of the United States Government, and give them a marketable status wherever the sun shines, and then there will be no question of their value and marketable merit. If this Government will say that these bonds are good security, drawing 4 per cent, they will circulate and be salable wherever people inhabit the earth, and it will not be necessary for the Government to purchase a single dollar of them or to deposit one dollar of its funds in these banks. If you concede the principle, which you have done to-day, of Government aid, why not make it more substantial? Let us not reverse ourselves. Let us go back and reenter the verdict of the House of a little more than a year ago and say that we stand where we stood then, when rural-credits legislation died in conference, and guarantee these bonds, if necessary. If you gentlemen provide that the Government shall purchase them, it will make this system workable from the beginning. Why discriminate against the farmer? Let us deal as equitably with him as we have done with the business world.

Mr. MILLER of Pennsylvania. Mr. Chairman, I move to strike out the last word.

That address reminds me of the days of 1876, when the wild-eyed financier traveled over the United States stating that the only way to get cheap money was for the Government of the United States to start its printing presses and print the bills and distribute them among the people as they needed them. That is the old greenback theory revamped. I presume this gentleman was not old enough to know about it at the time.

Mr. HENRY. Will the gentleman yield a moment?

Mr. MILLER of Pennsylvania. Yes.

Mr. HENRY. It is true I was not born back in 1876, as I remember it, but I have never said that this Government should ever issue one dollar of its paper money that is not to be redeemed in gold in fact. Therefore I am not a greenbacker from any standpoint, and never have been, and never could be.

Mr. MANN. Was not the gentleman for free silver?

Mr. HENRY. Yes; and I have no apology to make for it.

Mr. MANN. That was not redeemable in gold.

Mr. MILLER of Pennsylvania. In the first place, they propose to have 12 banks each of $750,000 capital, and whatever amount is not subscribed by individuals is to be subscribed by the Government, and they provide for $9,000,000 to take up all the stock of these banks if need be. That is doing something for the farmer. Then this gentleman proposes by his amendment that whenever a drought occurs or a grasshopper pestilence happens to visit the farmers owing the banks, and are not able to pay the interest installments, then the Government shall take the money out of the United States Treasury and pay the interest; or, in other words, buy the bonds from the Federal banks to enable the banks to advance the interest. Why does not the Government do all this at once without the interference of these little associations? Why not propose that the Government shall loan the money direct to the farmers, take the mortgages, issue bonds on them, and guarantee the bonds? Why do they not do that? That is the old greenback theory. That is a plausible theory to go on. That makes the bonds good. That makes money plentiful. That gives it to everybody who wants it, no matter whether they have got the security or not.

We have been on this bill under the five-minute rule for two days, and we have gotten over pretty nearly four pages. If we keep on for 24 more days with the same dilatory tactics we will get through with it. Do you not think, Mr. Chairman, it is about time that somebody would propose some measure by which we can get through a little short of 24 days? [Applause on the Republican side.]

Mr. KINCHELOE. Mr. Chairman, the time has come in the history of this country when everyone realizes that to properly develop agriculture it requires capital. The American farmer is not a sluggard nor a mendicant seeking alms. He does not ask the Federal Government to give him a cent, but he is asking, and rightly so, that same equality before the law that the manufacturer, the large banking interests, and other commercial enterprises have.

There are two necessary prerequisites for the farmer's success in this country. They are money at a low rate of interest and a long-time loan. The manufacturer, the jobber, and the other business men of the country can use money advantageously on three or four months' time, because the most of them turn over their money three or four times in a year. Not so with the farmer. He makes only one crop during the year, and therefore realizes on his investment only once a year.

As an example, take a young man who starts out with the ambition to own a farm and to make farming a life business. What more laudible ambition could prompt him to human endeavor? He buys a farm, say, for $2,000, makes a cash payment of $500, and executes two notes for $750 each, due in one and two years, for the balance of the purchase price, with a lien on the land. He goes to work with high hopes and bright prospects, but the first year a drought burns up his crop and the second year floods drown them. Both notes are now due. The holder of the notes needs his money. The young man tries to borrow this money elsewhere and fails. The holder of the notes brings suit, gets judgment, and order of sale. The land is put up and sold at the courthouse door at public outcry, and brings barely enough to satisfy the debt and costs. This young man, under circumstances over which he had no control, has lost, not only two years' work and the farm but the cash payment he made. This is not overdrawn. Thousands of similar cases have actually happened in this country. We need a rural-credit law which will give every farmer a long time in which to pay for his land, and an opportunity to borrow the money at a low rate of interest.

This Democratic administration has done more for the American farmer in 3 years than the Republican Party did in 40 years. It passed the currency bill, which gives national banks authority to loan money to farmers and take mortgages on their land. And yet for 40 years under Republican administration the farmer was not allowed to borrow a dollar from national banks and secure the loan by mortgage on real estate. Under the provisions of this currency bill $359,000,000 are made available for loans on farm mortgages, having five years to run.

I am glad that this Democratic administration is going to pass a rural-credit bill at this session. Briefly, this bill provides for the establishment of 12 land-bank districts, in each of which is to be established a Federal land bank with a minimum capital of $750,000. In case the whole or any part of the amount required is not otherwise subscribed for, the Government makes subscriptions for the required amount. Provision is made for the return to the original subscribers, Government or otherwise, of the amounts subscribed after the land banks are firmly established. The management of each bank is intrusted to a board of nine directors, three of whom are selected by the Federal farm-loan board and six of whom are selected by the national farm association. Loans under the provisions of this bill shall be secured by first mortgage on farm lands, and no Federal land bank is permitted to loan on land outside of its district. Every mortgage deposited as security is on the amortization plan, so that part of the principal is paid up at least annually. The money must be borrowed either for productive purposes, to liquidate existing indebtedness, or to acquire ownership of farm lands. No loan shall exceed 60 per cent of the appraised value of the mortgaged land and 20 per cent of the

appraised value of permanent insured improvements. Every borrower takes stock in the farm-loan association to the amount of 5 per cent of his loan, but he shares the profits earned by the banks after expenses and charges have been deducted. The minimum loan to one borrower is $100 and the maximum loan to one borrower is $10,000. The rate of interest charged shall under no circumstances exceed 6 per cent. The farm-loan bonds are exempted from National, State, and local taxation, which will make them attractive investments for those who have money to lend. The time of the loan may extend from 5 to 36 years. So we see under this bill that the amount the Government subscribes can not exceed $750,000 to each of the 12 banks, or a total of $9,000,000.

This bill may not be just what we all would like to have. I confess it is not all I want, but it is a step in the right direction, and the law can be amended as the years go by to better suit the needs of the farmer. This being new legislation in this country, of course we can not expect a perfect law at first. If it were left to me to write this bill, I would not require the farmer to subscribe for any of the stock unless he so desired. I would also have the Government guarantee the payment of the bonds sold. It would be no imposition upon the Government to do this, because every $60,000 worth of bonds that it would guarantee the payment of would be secured by first mortgage on $100,000 worth of farm lands. By the Government guaranteeing the payment of these bonds, together with the fact that they are exempt from all taxation, a ready sale for them could be had at all times, and in addition to this they would sell at a premium, and I would let this premium be applied to lowering the rate of interest which the farmer would have to pay. I would also fix the maximum rate of interest at 4½ per cent. I think this would be practical. Practically all railroad bonds, municipal bonds, and road bonds bear less than this rate of interest and sell at a premium.

Everyone knows that a loan secured by a mortgage on farm lands is the best security obtainable in the business world. However, this is a cooperative bill, and the management and the administration of the association will be entirely in the hands of the borrower. Six of the nine Federal land-bank directors are elected by the members of the association.

The general average farm-mortgage interest rate in this country has been conservatively estimated at 7½ per cent. The total farm-mortgage indebtedness of this country is approximately $4,000,000,000. So we see that the annual interest which the American farmer pays is $300,000,000, with no reduction of the principal. The interest alone which the American farmer pays is equal to two-thirds of the value of the wheat crop of this country in ordinary seasons. If this indebtedness could be refunded under the provisions of this bill at the rate of 5 per cent per annum and the farmers would engage to pay annually $300,000,000, the same sum that is now being paid by them for interest alone, the entire debt—principal and interest—would be paid in 22 years and 6 months. This would mean a net saving to the American farmer of more than $175,000,000 per annum. It would mean the wiping out of the entire existing farm-mortgage debt by the operation of the system provided for in this bill in 22 years and 6 months without increasing the annual payment over that now made to meet the interest charges alone. I believe that when this bill is in good working order the farmer can borrow money at a rate of at least 5 per cent; and, if this can be done, we can see what a great blessing it will be to the agricultural interests of this country. There is no reason why the farmer when purchasing a farm at a fair valuation should not be given long enough time to pay his obligations through the proceeds arising from his intelligent and honest operation of the farm so purchased. I want to see the time when a rural-credits bill will be so practical and just that the tenant of to-day may become a landowner to-morrow.

Railroads, interurban lines, manufacturing plants, as well as all kinds of municipal corporations, have no difficulty in floating their securities at a low rate of interest and running from 10 to 20 years well up to the full value of the property on which the security is given. None of these securities can be any safer or better than the securities on land, because all of these industries in the final analysis depend upon agriculture for life and maintenance.

Practically every European Government lends aid to its farmers in the establishment of rural credits.

In Germany the landschaft, or German rural-credit scheme, has been in existence for 150 years, and the records show that there has not been a single failure under this system. There have been no foreclosures or other litigation, no losses of any kind, no repudiation, no depreciation or shrinkage of security. The landschaft debentures always find a ready market and are considered the safest investments for widows, orphans, savings banks, or anyone who has money to invest. These landschaft debentures are as staple as the bonds of the Government. The German Government now provides supervision and control of this system. Under the landschaft system the farmers of Silesia get money on land at 3½ per cent, adding 1½ per cent to 2½ per cent a year to apply on extinguishing the debt.

In France the Credit Poncier was subsidized by the Government and given a monopoly for 25 years. This Credit Poncier is simply a Government-subsidized and Government-controlled bank for lending money on real estate, and no other land-credit institutions have ever made any marked progress in France. Interest is 4.2 per cent. The Credit Agricole Mutual is subsidized by the French Government, money obtained from the Bank of France being supplied to district banks without interest, these lending to local associations upon suitable securities.

In 1913 England appropriated $500,000,000 to help the Irish tenants buy land, and they became owners by paying 3½ per cent a year—2¾ per cent interest, three-fourths per cent on principal—for 68 years. The history of land legislation in Great Britain and Ireland is a record of direct government aid.

Russia has even gone further than Great Britain in extending Government aid to purchasers of small farms. Through land-purchasing acts 20,000,000 small holdings, to the value of over $1,000,000,000, were created, the Government funds so advanced being payable on long-time and at a very low rate of interest. In 1883 the Russian Peasants' Land Bank was organized. Loans to the extent of 90 per cent and even 100 per cent of the value of the lands are made, repayable in from 13 to 55½ years, with interest at the rate of 4 per cent.

In Austria-Hungary the Government aided rural-credit institutions in starting.

Switzerland has 28 land-credit institutions owned or operated by the State, whose debentures are guaranteed by the State.

Denmark, a little country no bigger than the average congressional district, advanced $5,360,000 without interest to found the Mortgage Bank of the Kingdom of Denmark. It buys their debentures and makes annual appropriations out of the treasury amounting in 1909 to $1,720,000, to be lent to small holders.

Sweden endowed the Swedish General Mortgage Bank at its founding with $2,144,000, and in 1890 the bank was given a subsidy of $8,040,000 in Government bonds. This is a central institution to aid the 10 local landowners' mortgage associations in the sale of their debentures.

Egypt controls the Agricultural Bank of Egypt, and the Government guarantees the payment of its bonds.

Japan guarantees a 5 per cent dividend for 10 years on the stock of the Kwango Ginko or Central Land Credit Bank of Japan. It also gave subsidy of $4,980,000 to the 46 local or district land banks, called the Noko Ginko.

South Australia, Western Australia, New South Wales, Victoria, Queensland, and New Zealand, through State land-credit banks or direct appropriations, make loans to their farmers.

In the Philippine Islands the United States Government has subscribed the stock of the Philippine Agricultural Bank ($500,000), and among the lendable funds of this bank are the postal savings bank of the country. Should not Uncle Sam treat our loyal taxpayers, the American farmer, as well as he treats the Filipino farmers, his rebellious tax eaters?

If I were writing this bill, I would have the Government aid in the organization and starting of these 12 land banks to the amount of at least $36,000,000. It would not impair the credit of the Government in the least, and it could be done with impunity.

This Government in its early days helped to start commercial banking in this country. We will remember Alexander Hamilton proposed the organization of the first United States bank, with a capital of $10,000,000, and in 1791 the Congress of the United States authorized it and subscribed $2,000,000, or 20 per cent of the capital stock. Federalists and Republicans alike voted for it, and President Washington approved it. When the second United States Bank was incorporated in 1816 Democrats and Federalists alike voted for it, and President Madison approved it. The second bank had a capital of $35,000,000, and the United States subscribed $7,000,000, or 20 per cent of its capital stock.

This Congress is proposing Government aid to the extent of $50,000,000 for the establishment of a merchant marine in this country, which will aid the producers in getting their goods to market, but when it come to the Government assisting the farmer in any way you will always find some Members of Congress on this floor opposing it. What Europe has done for her farmers America should do for hers. What America has done for commercial interests America should do for agricultural interests.

Adam Smith, when he came to write his Wealth of Nations in 1776, remarked upon it as a truism that the policy of all great nations since the downfall of the Roman Empire "has been more favorable to arts, manufactures, and commerce, the industry of towns, than to agriculture, the industry of the country." No one who has read his history carefully can doubt that this great philosopher was right.

The time has come that if this country is to continue to prosper, if the rising generation is to be content to live on the farm, there must be some provisions made whereby there will be more farm owners and fewer tenants. The concentration of wealth in the hands of a few, the drift of the population from the country to the overcrowded cities, were two of the causes of the downfall of the Roman Empire, and I sometimes feel will eventually be the handwriting on the wall of our Government if something is not done to stop it, and the way to prevent it is to throw open the door of opportunity to everyone to buy and pay for his farm by an elastic and practical rural-credit system. I believe that the farmer's children should have an equal opportunity for an education with the children of others and an equal chance in the race of life.

I know the hardships with which the farmer has to contend, the obstructions which are in his path to progress, the difficulties which he has to overcome to own his farm, and the exorbitant rates of interest he has had to pay. So long as I am a Member of Congress and represent the patriotic and intelligent constituency that I do I shall always be found voting, working, and fighting for legislation that will redound to the happiness and prosperity of the American farmer, for in the doing of this I am conscious of the fact that agriculture is the bedrock upon which every other business of this country is based, and when I am assisting the farmer I am thereby promoting every other legitimate business in this country and assisting every other man, regardless of the business in which he is engaged. [Loud and continuous applause.]

Mr. MANN. Mr. Chairman, the distinguished gentleman [Mr. KINCHELOE] who has just taken his seat thanked God that he had voted against an appropriation to construct a bridge connecting Fort Myer, the military defense of the Capital, with the Capital itself, in order that the troops maintained at Fort Myer might come into the District of Columbia and protect the Capital if there were any occasion for it.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Kentucky?

Mr. MANN. He thanked God for that.

The CHAIRMAN. Does the gentleman yield?

Mr. MANN. Certainly.

Mr. KINCHELOE. I am glad that I did not vote to put a million dollars into that bridge; yes, sir; because there is one there now, and it could be repaired so that it would serve the same purpose.

Mr. MANN. Well, the gentleman is not informed. There is a bridge there now which the War Department, after careful investigation, has reported is unsafe to travel on now, and the War Department has declared that it can not be repaired. Doubtless the gentleman, thinking that he knows all about farming, thinks that he also knows more about bridge building than the experts in bridge building, but I doubt it.

My distinguished friend from Texas [Mr. HENRY], whom we are all glad to welcome here for a few days [laughter], a few years ago, in fact only two years ago this coming summer, kept the House here on tenterhooks quite a while. He shed tears, which flowed from his eyes as well as through his voice, telling how trials and tribulations had come upon the South, owing to the war depressing the price of cotton, and asserting that unless Congress appropriated money out of the National Treasury for the benefit of the southern farmers every one of them would starve to death. We all remember. The gentleman was enthusiastic, even ecstatic, in his declarations of grewsomeness. [Laughter.] There was nothing that would not happen to the southern farmers unless my friend from Texas had his way about appropriating money out of the National Treasury for their help and aid. [Laughter.] Yet now he is telling the farmers in Texas how prosperous they are because of the legislation he did not get. [Renewed laughter.]

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. HENRY. I did not say the farmers would starve to death.

Mr. MANN. I leave it to the House to determine what the gentleman said. The Members who were here will remember what the gentleman said, as I remember. There was no tale which imagination could think up that the gentleman did not tell about the distress that was imminent in the South at that time unless we appropriated money out of the National Treasury.

Mr. HENRY. Mr. Chairman, will the gentleman allow me to ask him a question?

Mr. MANN. The gentleman was shedding tears every day, every hour, all the time. [Laughter.]

Mr. HENRY. Mr. Chairman, will the gentleman let me ask him a question?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Texas?

Mr. MANN. I yield.

Mr. HENRY. Do you think the farmers who had produced that crop of cotton in 1914 at a cost of 8 and 10 cents a pound should have been forced to sell it at 4 or 5 cents a pound?

Mr. MANN. Oh, I myself was carried away by the tearsome tale of the gentleman from Texas about the farmers in the South, until I was almost led myself to favor an appropriation from the Public Treasury. But, lo and behold, they did not get it. They are not unprosperous now, are they? Are they bankrupt now?

Mr. HENRY. We got $30,000,000 last year that the Secretary of the Treasury deposited down there.

Mr. MANN. Oh, they did not.

Mr. HENRY. So far as that is concerned, the farmers of the South would be prosperous despite the Republican administration.

Mr. MANN. Well, they will have occasion and opportunity to try that very soon. [Laughter on the Republican side.] The gentleman from Texas is great as a doleful prophesier of what will happen——

Mr. HENRY. The gentleman from Illinois himself has spoken in a very melancholy vein about what will happen from time to time. [Laughter on the Democratic side.]

Mr. MANN. But the gentleman from Texas never admits what has happened. Those who are new Members in this House can not understand how tearful my friend from Texas can become, how doleful his tales, because there is no one else in the country who has ever been able to match him anywhere, in my experience, and I expect that the tales he tells now about the difficulties at present are very much on the same lines as his tales were then.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Texas?

Mr. MANN. You have been making doleful prophecies——

Mr. HENRY. You have been making doleful prophecies yourself about this Democratic administration.

Mr. MANN. That is not a true statement.

Mr. HENRY. And the gentleman must confess that the country is more prosperous under a Democratic administration than it has even been under a Republican administration.

Mr. MANN. I will confess this, if the gentleman wants it: I will confess that owing to the European war the country is more prosperous under this Democratic administration than it ever has been under any Democratic administration before. It will be a long time before we can find out whether it is more prosperous than it would be under a Democratic administration hereafter, because there will be none.

Mr. HENRY. If that is the best analysis the gentleman can give, I will let it go at that.

Mr. MANN. I suppose the gentleman does not understand it. It is very hard for him to understand anything.

[Mr. SISSON addressed the committee. See Appendix.]

Mr. MORGAN of Oklahoma was recognized.

Mr. MORGAN of Oklahoma. I yield to the gentleman from Illinois [Mr. CANNON].

Mr. CANNON. I only want two or three minutes. Mr. Chairman, I am very much interested in this bill. There has been much said about it that would tend to deceive people, and which has tended to deceive me, because I am only one of the people; but I want to know about it, and I am learning some things about it.

The bill as reported is much preferable to the bill as it will be in the event that this amendment is adopted. I think perhaps the gentleman from Virginia [Mr. GLASS], who comes very near being the author of the bill, the chairman of the Committee on Banking and Currency, will bear me out in that statement.

Mr. GLASS. I will bear the gentleman out in his statement, but I would not like to admit the authorship of the bill, because I am not the author of it.

Mr. CANNON. Very well, then, we will take the bill without regard to its authorship.

Mr. GLASS. I would not want to convey the idea that I am not heartily in favor of the bill. I am in favor of it, but I do

not want to take the credit of authorship which belongs to other people.

Mr. CANNON. I understand that. Now, there is a great hurrah about the farmer—that the poor farmer needs relief. The farmer is very well off. Now, take Texas. I have here the estimates of wealth made officially in 1904 and again in 1912. Take the States west, south-central division, namely, Arkansas, Louisiana, Oklahoma, and Texas—four States. In 1904 the wealth of those four States was $5,567,000,000. In 1912 it was $15,435,000,000, nearly three times as much as in 1904—300 per cent. That is the best record any four States ever made. For comparison take New England—Maine, New Hampshire, Vermont, Rhode Island, and Connecticut—five States. In 1904 their aggregate wealth was $8,500,000,000. In 1912 it was nearly $12,000,000,000, an increase of about 50 per cent; whereas the increase in the States of Arkansas, Louisiana, Oklahoma, and Texas was from $5,767,000,000 in the year 1904 to $15,435,000,000 in the year 1912, or 200 per cent. It is wonderful, if you take the statement which I have had tabulated and see what it shows.

Now, I think I have been as much of a farmer as a great many other Members here. Some people think I am a better farmer than I was a lawyer, although I practiced law for 16 years; and I can find a whole lot of people who think that I was a better lawyer and a better farmer than I am a Member of Congress. [Laughter.]

Mr. Chairman, the farmers are one-third of our population. They have greater wealth in proportion than the other two-thirds of our people, and I am glad of it. Their products increase in price and their lands increase in price from decade to decade, while the price of capital—I mean interest on money—decreases in price; and the farmers are rapidly becoming capitalists as well as farmers.

Many Representatives, especially from the South and some of the newer Western States, are seeking to enact this legislation and other legislation to advance the price of farm products by law—especially cotton—notwithstanding the official records show that the sections of the country which they represent increase in wealth much faster than other portions of the country.

Mr. Chairman, I place in my remarks the official estimated wealth of the several States of the United States, by groups, in the years 1904 and 1912:

*Official estimated wealth.*

| | 1912 | 1904 |
|---|---|---|
| New England (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut) | $11,805,000,000 | $8,823,000,000 |
| Middle Atlantic (New York, New Jersey, Pennsylvania) | 46,211,000,000 | 29,478,000,000 |
| East North Central (Ohio, Indiana, Illinois, Michigan, Wisconsin) | 39,208,000,000 | 23,990,000,000 |
| West North Central (Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas) | 31,208,000,000 | 16,830,000,000 |
| South Atlantic (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida) | 14,843,000,000 | 7,936,000,000 |
| East South Central (Kentucky, Tennessee, Alabama, Mississippi) | 7,660,000,000 | 4,284,000,000 |
| West South Central (Arkansas, Louisiana, Oklahoma, Texas) | 15,435,000,000 | 5,767,000,000 |
| Mountain (Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada) | 6,753,000,000 | 3,973,000,000 |
| Pacific (Washington, Oregon, California) | 13,626,000,000 | 6,019,000,000 |
| United States | 187,739,000,000 | 107,104,000,000 |

Mr. BYRNES of South Carolina was recognized.

Mr. GLASS. Mr. Chairman, I would like to reach some agreement now if I can as to concluding debate on this amendment. We have been discussing it for 40 minutes. I ask unanimous consent to close debate on this section and all amendments thereto in 20 minutes, half the time to be used by the proponents and the other half of the time by those opposed to it.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment be closed in 20 minutes, one half to be controlled by those in favor of it and the other half by those opposed to it. Is there objection?

Mr. NORTON. Reserving the right to object, may I have five minutes of that time?

Mr. GLASS. I can not say as to that.

Mr. MOORE of Pennsylvania. Mr. Chairman, my colleague, Mr. MCFADDEN, a member of the committee, would like to speak.

Mr. GLASS. Well, Mr. Chairman, I will make it 30 minutes.

The CHAIRMAN. The gentleman from Virginia modifies his request and makes it 30 minutes. Is there objection?

Mr. RAGSDALE. Who is going to control the time?

Mr. MOORE of Pennsylvania. Mr. Chairman, there are some gentlemen on this side against the amendment, and they ought to be heard. The gentleman from Ohio [Mr. RICKETTS] would like to have five minutes if an arrangement can be made to care for these gentlemen.

Mr. GLASS. Mr. Chairman, I do not want to be unreasonable, but I want to get through with the legislation some time. We have been discussing this amendment 40 minutes.

Mr. NORTON. This is a very important amendment, and I feel certain that when this is disposed of we shall make good progress in the consideration of the bill.

Mr. GLASS. Well, Mr. Chairman, I make the request for unanimous consent.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close in 30 minutes, one half to be controlled by those in favor and the other half by those opposed. Is there objection?

Mr. MOORE of Pennsylvania. Reserving the right to object, who will control the time?

The CHAIRMAN. The Chair will control the time if there is no one else to dispose of it.

Mr. GLASS. Mr. Chairman, I move that all debate on this section and amendments thereto be closed in 30 minutes.

The CHAIRMAN. The gentleman from Virginia moves that all debate on this section and amendments thereto close in 30 minutes.

The question was taken; and on a division (demanded by Mr. MORGAN of Oklahoma) there were—67 ayes and 27 noes.

So the motion was agreed to.

The CHAIRMAN. Is the gentleman from South Carolina for the amendment or opposed to it?

Mr. BYRNES of South Carolina. I am for the amendment.

The CHAIRMAN. The gentleman from South Carolina.

Mr. BYRNES of South Carolina. Mr. Chairman, I am for this amendment because I do not believe it is the revolutionary legislation that some of my good friends would have us believe.

Mr. MADDEN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MADDEN. I understood the gentleman from South Carolina was recognized before the motion of the gentleman from Virginia was put.

The CHAIRMAN. He was.

Mr. MADDEN. Then his time is not included in the 30 minutes.

The CHAIRMAN. The Chair thinks not.

Mr. BYRNES of South Carolina. Mr. Chairman, the figures read by the gentleman from Illinois [Mr. CANNON], showing the marvelous growth in the wealth of the agricultural States of the Union, only tend to prove that farm values are increasing, and therefore a mortgage over farm lands is the best security that an investor can demand. This proposition is not a revolutionary one. It is almost identical with the provisions of section 34 of the rural-credits bill passed by the Senate. It provides that whenever one of the farm-mortgage banks shall not have on hand or immediately available a sufficient amount of cash to meet the interest upon any of its bonds, that it shall have the right to apply to the Secretary of the Treasury for a deposit of Treasury funds; that in case the assets of the farm-mortgage bank are as great or greater than its liabilities, the Secretary of the Treasury may deposit a sum not exceeding $500,000, and shall take as security for its deposit the certificate of indebtedness of the bank bearing interest at the rate of 2 per cent. Such deposit can be withdrawn by the Secretary of the Treasury at such time as may be fixed by him. Notwithstanding the criticism of the gentleman from Pennsylvania [Mr. MILLER], that this is a populistic scheme, I am heartily in favor of it. The national-bank act authorizes the Secretary of the Treasury to deposit funds in the national banks, and this is done by the Secretary of the Treasury every year. It has been said that the national banks are required by the national-bank act to act as fiscal agents of the Treasury Department. This is true; but it is also true that this bill requires the farm-mortgage banks to act as fiscal agents of the Treasury Department; and while it places upon the farm-mortgage banks the same burden as it places upon the national banks, it does not give to the farm bank the same privilege that is given to the commercial banks.

In practice I doubt seriously whether the Secretary of the Treasury will ever be called upon for such a deposit as is referred to in this amendment. The result of the adoption of the amendment will be to give the investing public unlimited confidence in the bonds to be issued by the farm-mortgage banks. The investor will be satisfied that when the interest on his bond

is due it will be promptly paid, because in case the bank does not have the necessary funds on hand at the time with which to make the payment, they will be able to secure from the Treasury Department a deposit sufficient to enable them to make the payment, and a result of this confidence will be a wider market for the bonds and a lower rate of interest for the farmer.

Mr. HOWARD. Do you not think that there should be stricken from the amendment that part of it which gives to the United States Government the first lien upon the assets of the bank?

Mr. BYRNES of South Carolina. I think so, because that would tend to lessen the confidence of investors, and I understand that your suggestion will be agreed to.

This bill does not contain all the features I would have included in it, but I know that all legislation is enacted as a result of compromise, and I am therefore in favor of its passage because it will establish this rural-credit system, and when it is put in operation, if it shall fail to provide the relief Congress intends to give to the farmer, it can be amended until it does prove an agency for securing money for the farmers of this country at a lower rate of interest than they have heretofore paid. It provides for farm loans payable in from 5 to 36 years, at a rate of interest not to exceed 6 per cent. Of course, it will not in a day or month be able to handle the entire situation. It is estimated that the aggregate wealth of the farms of the United States is about $40,000,000,000, and that their indebtedness totals about $6,000,000,000. Approximately one-half of this amount is secured by mortgages, the estimated rate of interest being 8½ per cent, which makes the interest paid by the farmers of the Nation about $500,000,000. This gives some idea of the magnitude of the problem that we are endeavoring to solve by the passage of this bill. If this system can gradually enable the farmers who now are indebted in the sum of $3,000,000,000, secured by farm mortgages bearing interest at 8½ per cent per annum, to borrow from the farm-mortgage banks at 6 per cent and pay up the existing mortgages, the annual saving to the farmers will be $60,000,000. To-day 37 per cent of our farmers are tenants, and this condition will continue as long as it is impossible for a man to borrow money at a rate of interest less than 8 per cent. By enabling a man to borrow money at 6 per cent for agricultural purposes we will enable every man to own the farm he cultivates and thus materially contribute to the prosperity of the Nation.

Mr. RAGSDALE. Mr. Chairman, a question has arisen here as to what action was taken on the Bulkley-Hollis bill, and by referring to page 5048 of the CONGRESSIONAL RECORD of March 1, 1915, we find this colloquy took place between Mr. RAKER, of California, and Mr. Bulkley:

Mr. RAKER. Do I understand the Bulkley-Hollis bill is the one that the two committees of the House and the Senate in joint session have been considering?

Mr. BULKLEY. That is the one, and it included section 30, providing for the purchase of bonds by the Government.

Mr. RAKER. One other question.

Mr. BULKLEY. All right.

Mr. RAKER. Is the Hollis bill now before the House practically the Hollis-Bulkley bill with section 30 eliminated, which you are seeking to have inserted?

Mr. BULKLEY. It is practically the same.

Mr. RAKER. Then, if we vote for the Bulkley amendment it will be the bill in the shape that the Senate and House committees recommended it should be in?

Mr. BULKLEY. Yes.

Then on page 5049 it will be seen that on a division, demanded by Mr. Bulkley and Mr. RAGSDALE, there were ayes 130, noes 81, and the amendment offered—the Bulkley amendment—was adopted; so that the Hollis-Bulkley bill was considered by this body and it was passed, and it was defeated in a joint conference between the House and the Senate.

The great question that has arisen here nearly every time we have considered rural-credits legislation has been the extent to which the Government aid should be given to rural-credits banks. The opposition that has prevented it all of the way through has been this opposition of governmental aid; and yet, although our committee first considered it as a committee, although the Senate committee considered it as a committee, although subcommittees were appointed and brought in their reports, although the gentleman from Indiana [Mr. Moss] prepared his bill, although a subcommittee from the Committees on Agriculture and Banking and Currency of the House and Senate went out and drew bills, there has never been a bill reported to this House that was believed to be workable that did not carry something of governmental aid; and in my opinion there can be no legislation that will bring relief to the borrowers of the country who need long-time loans at reasonable rates of interest unless we do give them governmental aid. To my mind this bill without this amendment will fall far short of giving that relief that the people of the country need at this time.

The chairman of the Committee on Agriculture, the gentleman from South Carolina [Mr. LEVER], has given this matter careful study. Nobody considers him an extremist. Giving this matter, as he has, careful attention, he has come here after months of careful study and cooperation with the House and Senate subcommittees and he has offered this amendment, which he believes to be necessary to perfect the bill. What will this amendment do? Does the Government run the risk of loss, does the Government run any risk by lending this money for a short period of time? Does the Government assume any unlimited responsibility as to the amount it shall spend? Does the Government become an indorser or liable on any of the bonds outstanding? Nothing of the kind. The Government does not obligate itself to meet any of the bonds now outstanding. The deposits are made for the purpose of perfecting a system designed to reduce interest rates, provide long loans, and relieve the heavy burden now being carried by the borrowers in rural communities.

I would have preferred one large land bank located at the Capital here to the 12 land banks as I think it would have been stronger, more easily managed, run less expensively, and avoided constitutional questions that may be raised in some provisions in this bill creating the 12 banks and granting certain immunities. As the bill creates the 12 banks, I feel that the provision for these deposits should certainly be written in it.

We are providing that in certain contingencies the Secretary of the Treasury may deposit a sum total in the 12 banks aggregating $6,000,000 for the purpose of meeting the interest and principal that may fall due in one year; and, Mr. Chairman, a condition of affairs exists in this country that justifies the creation of a rural-credit system, that justifies any machinery necessary to bring this system into existence. Certainly then there is justification for these deposits to be made in the banks that will take care of this interest and payment of principal.

We are now creating a system to put bonds in the hands of purchasers all over the country. We are creating a system here that the Government itself may accept these bonds as security for Government depostis. We provide that these bonds may be accepted for fiduciary investment, and so forth. All over the country these bonds are going to be accepted and it seems to me when the United States Congress goes to the people of this Nation and invites them to become purchasers of these bonds, invites women and children, widows, executors, and administrators, invites all the people who are looking for safe investment that will pay interest annually to buy them, then it becomes a duty on the part of this Congress to take such action as makes it absolutely sure that this interest will be met annually, and this is the only way we can guarantee it, as I see it. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYES. Mr. Chairman, this is only one of the many Populistic schemes presented to the Committee on Banking and Currency and the Joint Committee on Rural Credits appointed in the last Congress. If this House is not prepared to go much further than this, it should resist the attempt to put this amendment into this bill. Unless you are prepared to start the printing press and loan money not only to the farmers but to the laboring people in order that they may build their homes, or to every other class who think that they ought to have money, you should vote down this amendment. The time to stop that sort of thing is right now and to say that you will shut down on every proposition that will seriously involve the credit of the Government in any loan proposition. Any system of rural credits or any other kind of credits that can not carry itself after the liberal subvention by the Government provided for in this bill, that will not run itself after it has been started in a substantial way, ought not to pass. For one, I am unalterably opposed to involving the general credit of the Government in any system to loan to anybody. I believe that should be the attitude of every Member of this House and I hope it will be. I yield the balance of my time to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MOORE of Pennsylvania. Will the gentleman yield for a question?

Mr. HAYES. I will.

Mr. MOORE of Pennsylvania. No provision is made in this bill to loan money to anybody but the farmer?

Mr. HAYES. No.

Mr. MOORE of Pennsylvania. No workingman is permitted to borrow money under this bill?

Mr. HAYES. No.

Mr. MOORE of Pennsylvania. Is there any provision of law of which the gentleman has knowledge that enables the workingman, who is just as industrious as the farmer, but who does not happen to work on a farm, to obtain money from the Government in this way?

Mr. HAYES. I do not. But, of course, there is a strong, a special reason why it is for the interest of all the people that agriculture should be encouraged and stimulated in every legitimate way.

Mr. McFADDEN. Mr. Chairman, I rise to oppose the amendment of the gentleman from South Carolina [Mr. LEVER], because, in my judgment, it is a bad precedent to establish. I am also opposed to the tendency which exists in this country—and it evidently does exist to quite an extent in this House—of an attempt to make liquid fixed assets. I am absolutely opposed to the principle, and I am sorry to see it is advocated by even some bankers in the United States to make liquid railroad securities and other permanent assets. I am absolutely and unqualifiedly opposed to making or attempting to make liquid farm real estate. I think it is an extremely bad proposition and one we should avoid by all means. Since I have been a Member of this House I have sat here and watched the public hand go into the Treasury and take out sums of a million, ten millions, twenty millions for the establishment of a Government owned and operated nitrate plant, and possibly $50,000,000 in a few days for flood control of the Mississippi and Sacramento Rivers. The difference between these specific appropriations and this proposition is that on this proposition we leave our hand in the Treasury to fondle the Government's money, which is produced from taxes on all the people, and take it out as we see fit. I am absolutely opposed to this kind of legislation, and if this amendment is adopted which the gentleman from South Carolina offers, and which I understand has the approval of the present Secretary of Agriculture, I believe it will and should quite properly be just cause for defeating this bill.

Mr. NORTON. Mr. Chairman, this is a very large and most important subject of legislation with which we are dealing at this time. There is no real occasion for the friends and true supporters of rural-credit legislation to become alarmed and afraid of scarecrows of Populism which those unfriendly to this legislation have adroitly set up in this debate. The magnitude of the problem with which we are dealing will be appreciated if we bear in mind that the farm-mortgage loans of this country amount to between three and four millions of dollars. A reduction of the interest rate 1 per cent would amount to nearly $40,000,000 a year. It is generally conceded that a good Federal rural-credit system, if adopted in this country, would reduce the interest rate about 4 per cent, or about one-half of what it now is. This would mean to the farmers of the country a yearly saving in interest of about $160,000,000, which is quite a tidy sum in itself. The gentleman from Illinois [Mr. CANNON] has told you how well to do the farmers of the country are and he has told you of the great wealth of property they have. The conclusions that he would have you draw from the facts stated are not such as should be drawn, however. Yes; the farmers of this Nation now own property having a value of upward of $40,000,000,000, and the 6,500,000 farmers of this country last year produced farm products having a value of about $12,000,000,000. But, gentlemen, the fact that they own a large amount of property and produce each year a great amount of wealth is no reason in the world why we should continue a system in this country which burdens them with an average interest rate of about 8½ when we can adopt in the Congress legislation for a system of rural credits which will reduce the present average interest rate to an average interest rate of 4 or 5 per cent, saving them more than $100,000,000 a year. An unconscionable, heavy, and unjust burden in the way of interest charges has for generations in this country been imposed upon the farmers of the country by the money changers and the idle rich of the country. This condition should no longer be allowed to continue, particularly when the way is clear before us to remedy it.

Mr. PLATT. Will the gentleman yield for a question?

Mr. NORTON. Certainly.

Mr. PLATT. Is it not true that the high rates paid in some of the States are due to the laws of those States which require high rates of interest?

Mr. NORTON. No; I do not think so.

Mr. PLATT. I thought the gentleman from Arkansas [Mr. CARAWAY] told us the other day of one man in Missouri who paid 8½ per cent on a loan on one side of his farm and on the other side he paid 6 per cent, where the line of his farm crossed the border. Now, is not that due to State laws?

Mr. NORTON. If the gentleman had made any study of this question, and he now thinks that the high rates of interest in some of the States that the farmers are paying are due principally to the interest laws of the States, I am sure that he wholly misses the purpose and object of this character of legislation and the economic laws which determine interest rates.

Mr. PLATT. I know it is so in some cases. I can prove it.

Mr. NORTON. The gentleman may know that the rates of interest are different in different States, but he does not know that the interest laws of the States are the principal cause of these high or low rates.

The amendment before the committee proposes that in case the land banks, due to some emergency, are not able to meet their interest payments or payments on bonds coming due, the Government will loan each land bank not to exceed $500,000; that is, an amount altogether not exceeding $6,000,000. If that will make this proposed system a better system, and I believe it will, I think that it would be a very good proposition for the Government to advance this amount of money. Six million dollars is not a large amount of money as we deal with funds here. In this case it is not an amount of money of which the Government will lose a single cent. The time has arrived in this country when we should cease thinking that because the farmers have a great amount of property the money loaners and idle rich have a good right to prey upon them like parasites. This amendment should be adopted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I desire to offer an amendment to the Lever amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment to the amendment of the gentleman from South Carolina, which the Clerk will report.

The Clerk read as follows:

Amend, on page 2, by striking out, in lines 4 and 5, after the word "indebtedness," in line 4, the following:
"And the United States shall have a first lien upon the assets of the State Federal land bank."

Mr. FERRIS. Mr. Chairman, it is patent what I am trying to do. I am trying to strike out the language in the Lever amendment which makes the Government, after depositing its funds in a perfectly solvent bank, a preferred creditor. I feel sure any such provision as that would in all probability destroy the sale of the bonds. I am in favor of the Lever amendment. I will vote for it. I think the bulk of it is good. I am not sure, but the gentleman from South Carolina said something about accepting such an amendment.

Mr. LEVER. I will say to the gentleman from Oklahoma that, personally, I would be very glad to accept the amendment.

Mr. FERRIS. In the first place, there can be no deposit made until the assets are the equivalent of the liabilities. That makes the bank a perfectly solvent concern. Now, if the Federal Government elects to deposit funds in the bank as in other United States depositories, it is not the thing to do to make it a preferred creditor.

Mr. PHELAN. Does it require the deposit of securities when it puts these notes in national banks?

Mr. FERRIS. Some of them require bonds and some do not, but certainly none of them make the Government a preferred creditor, and if you do it you destroy the sale of your bonds.

Mr. MADDEN. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. MADDEN. I wanted to ask the gentleman whether or not he did not believe if these deposits are made in the Federal land banks the same kind of security should be given by these banks for deposits that is now required by the national banks?

Mr. FERRIS. This requires more security than they do in the national banks, and for the further reason that this original subscription is nothing but a loan anyway, and they put a provision in here that amortizes and regains to the Treasury every cent of this money at an earlier period than I think it ought to do.

This is a good bill, but it is our duty to vote for good amendments when we are sure we can make it better. I would not favor complicated amendments, not easily understood, to be added on the floor, but this is an amendment easily understood, and is undoubtedly a help to make this a better bill. I hope my amendment to the Lever amendment will be first agreed to, then adopt the Lever amendment as perfected.

Mr. MOSS of Indiana. The purpose of this amendment is to obligate the Government more deeply to the Federal land-bank system as proposed in this bill. When we read section 16, the gentlemen who want to put this amendment on this bill on the theory that a system of banks that has $9,000,000 of public money given to it, in connection with other large governmental favors, is a failure in its present form, will ask you to strike out section 16, and will assert that purely private banks, acting on their own capital and on their own initiative, will be able to drive this system of Government-aided banks out of existence.

Under this bill in its present form we endow each of the 12 banks with $750,000 of Government money. That money must stay there until the borrowers who may take out loans shall have paid in $750,000 more. Then these banks will each have $1,500,000 of capital, $750,000 of which belongs to the Government. Under the terms of the bill, before the Government money can be taken out of any bank, the proposed borrowers will have paid in $4,500,000 as capital. It is proposed in this motion to make possible a further contribution of $500,000, but the Government will have $500,000 in each land bank at the time when the capital of that bank amounts to $2,500,000. We have so organized the system that at that period of the bank's growth its capital will amount to the sum of $2,500,000; the sum of $2,000,000 will have been paid in by the cooperative borrowers and $500,000 by the Government. Now, at the time the Government money shall have been completely retired from all of the 11 banks the system itself will have a capital of $54,000,000 over and above every possible debt it can have contracted, if it has been honestly managed. By this motion gentlemen are asserting that a bank with a capital of $4,500,000 in absolute cash that has been paid in there by the borrowers of that system is possibly insolvent, and they ask you to deposit $500,000 more in its treasury. That is the situation which will then present itself under the conditions of this bill before the Government money can be retired from the system. The farmers of this country will have paid in $54,000,000 to the bank on capital and 25 per cent of all net earnings will be held for reserves, and yet the proponents of this amendment stand here and assert that the system is unstable and that the land banks may become insolvent. The banks must hold as assets as many dollars in first mortgages on the lands of the people of the United States, plus $54,000,000, as they can possibly have bonds outsanding, and yet this amendment is offered on the theory that the interest to the bondholder may not be promptly paid. I repudiate the intimation, Mr. Chairman, and confidently assert that this proposed support is not necessary for the successful operation of the banks as organized under the provisions of this bill.

I yield the rest of my time to the gentleman from Virginia [Mr. GLASS].

Mr. GLASS. Mr. Chairman, my colleague on the committee, the gentleman from Indiana [Mr. MOSS], has so clearly stated the objections to this amendment that I scarcely feel it necessary to say a word except in response to the specious argument that nothing is asked here for the farmers that is not asked for the business men and merchants of the country. As a matter of fact, that is not true. You are asking something here that is not granted by any provision of the national-bank act or the Federal reserve act or any other statute. You are asking that the Government of the United States be authorized to tie up its current funds in time loans, and there is nothing in any Federal statute that makes provision for any such thing now. There is a vast deal of difference between the Government of the United States depositing its current funds in Government depositories at the discretion of the Secretary of the Treasury, to be instantly withdrawn whenever the Government needs those funds, and this thing of depositing Government funds on time obligations. It ought not to be done. It is not expedient or businesslike to do it, and I sincerely hope the House will vote down this amendment.

Mr. WINGO. Mr. Chairman, we have had something like an hour's debate on this amendment, and only seven minutes have been used in discussing it. There have been but two men who spoke and by their statements show that they knew what the amendment is. I, for one, have been much amused by this "tempest in a teapot" over the weakest form of Government aid that could be put into this bill. What is there in this amendment that caused my genial friend from California [Mr. HAYES] to cry out "Populism!" and protest against this as being one of the many schemes to ram the arms of the farmer into the Federal Treasury? No farmer will do it under the amendment that is now pending; and if the gentleman from California will study it—as he has had an opportunity to study it ever since the 24th day of February—he would know that that is so. First, let us see what relation these Federal land banks bear to the Government. Under the act as reported by the committee each and every one of these Federal land banks is a fiscal agent of the United States Government.

Is it Populism for the United States Government to deposit in an emergency, in order to protect the interest upon bonds that have been issued under the supervision of the United States Government, $500,000? Is that Populism? If it is, then Populism has been practiced in the State of California and is being practiced to-day by the Secretary of the Treasury, because greater deposits than that are being put into the banks in the State of California.

Mr. HAYES. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Arkansas yield to the gentleman from California?

Mr. WINGO. No; I can not yield. What does the gentleman from South Carolina [Mr. LEVER] propose to do by his amendment? He says that if at any time any Federal land bank shall find that it will soon be without funds immediately available sufficient to meet its obligations—with respect to what? To the payment, when required, of the principal or interest on bonds issued under this act. Then it may make application to the Federal farm-loan board for a temporary deposit by the Secretary of the Treasury of the sum needed to make such payments during the period for which its funds immediately available will be insufficient. If, after investigation, the Federal farm-loan board shall approve the application, it shall give notice thereof to the Secretary of the Treasury, stating the sum required, the period for which it is needed, and such other facts as may be necessary. Thereupon the Secretary of the Treasury may deposit such sums, or from time to time so much thereof as may be required, with the Federal land bank for one purpose, and that is to prevent default of interest and principal of the bonds that the Federal land bank of the United States, operating under this provision of this act has issued, back of which, whether you put it in the bill or not, are the faith and credit of the United States.

Is there any Populism in that? It occurs to me it is the weakest kind of Government aid you could give to this bill. I would go much further. I regret that we do not go further, and that is one reason why I have not said more on this bill. I regret that we could not give to the farmer of this country such a rural-credit bill as meets my view of what rural credits are and should be. How any man who favors this bill can oppose this amendment I can not understand. This aid that is proposed here is not aid to the farmer but aid and protection to the investors who buy these bonds; and the only benefit that the farmer can get from it is that the bonds will be paid, and thereby the farmers, by reason of the confidence in the security, may get a low rate of interest.

Shall it be a permanent deposit? Is it a loan? No; it is simply a deposit like that which the Secretary of the Treasury makes with a depository of the United States Government under existing law. The Secretary of the Treasury fixes the time, and the bank must make provision to return the deposit not later than the expiration of the period fixed by the Secretary of the Treasury.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. PLATT. Mr. Chairman, I hope this amendment will be voted down by a large majority. If such a scheme as this is put into the bill I shall have to vote against the bill, and others of us who have worked long and earnestly on this bill will have to vote against it.

I was a member of the Subcommittee on Farm Credits in the last Congress, when the Bulkley bill was written, and that bill contained Government aid in two forms. One was in the form of subscriptions to farm-land banks, but the Government entered into the farm-land banks on an investment basis, and was to receive dividends. Under this bill the Government subscribes without interest or dividends. The bonds are guaranteed with every sort of safeguard that we could possibly devise.

The gentleman from Arkansas [Mr. WINGO] has just told us that the Government deposits were wanted in the banks to safeguard the bonds. The bonds do not need any safeguarding. They will be as safe as any investment that anybody could get, in my opinion. I trust that the amendment will be voted down.

Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized.

Mr. FESS. Mr. Chairman, this amendment assumes that this proposed legislation will not be successful. It asks that in case any land bank is unable to pay the interest on the bonds or the principal, or both, it will have that ability supplied by the Federal Government. The General Government is to come to the support of an incompetent institution whether because wrongly built or badly conducted and fill in the weak places that somebody fears will be in this law. This is a confession of lack of faith in the institution proposed.

That is the very feature that we want to avoid. If an institution is not sufficient to stand on its own feet without the support of the General Government, the proposal to lend the credit of the Government with no guaranty other than the institution's assets is an expression of the wildest Populism.

There are people on this floor that believe that it is possible for the Government to stamp a piece of paper and make it

money simply because it is stamped. You can put on one side of the paper the obligation of "$2" and on the other side of it "$5," and use it as of either denomination at your convenience [laughter], and you can make a $5,000 bill with as little effort as you can make a $1 bill. It will require no more ink or paper. Just so the Government stands ready to make good a self-confessed bad business deal. In other words, it is the Government itself that is making the credit, without regard to whether the institution is going to be a success or not. It is a serious question whether such a proposal can be made workable in certain sections, hence this call upon the Government.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Texas?

Mr. FESS. Yes.

Mr. HENRY. Does the gentleman think that the greenbacks that were issued under the Lincoln administration were good money?

Mr. FESS. The first $60,000,000 were good money, because they were redeemable on demand and in gold. The other $450,000,000 were not, because they were not so redeemable. They went down to 37 cents on the dollar.

Mr. HENRY. They are in existence to-day, are they not?

Mr. FESS. Yes; but because every dollar of them is made equal in value to every dollar in gold, under the law of 1879 providing for the resumption of specie payments. But you provide under this amendment that in case the bank can not pay its interest the Government shall come in and do it. It is not to take care of the bonds. The bond itself rests upon the assets upon which it is issued, but you propose to take care of a bank that is unable to pay its interest or unable to pay its principal. What is bad as a business proposition is certainly not sound as a Government proposition.

Mr. RAGSDALE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. FESS. No; I regret I can not yield. In other words, it is a question of the Government coming in and making something out of nothing. That is the dangerous feature of this proposed amendment which revives the soft-money idea, and should be defeated.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HENRY. Will the gentleman yield further just there?

The CHAIRMAN. The time of the gentleman has expired. All time has expired. Is there objection to the acceptance of the amendment of the gentleman from Oklahoma [Mr. FERRIS] to the amendment of the gentleman from South Carolina [Mr. LEVER]?

Mr. MANN. I object.

The CHAIRMAN. The gentleman from Illinois objects. The question is on the amendment of the gentleman from Oklahoma [Mr. FERRIS] to the amendment of the gentleman from South Carolina [Mr. LEVER].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended.

The question being taken, on a division (demanded by Mr. LEVER] there were—ayes 63, noes 58.

Mr. GLASS. I ask for tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. LEVER and Mr. GLASS.

The committee again divided; and the tellers reported—ayes 80, noes 66.

Accordingly the amendment of Mr. LEVER as amended was agreed to.

The announcement of the result was received with applause.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

Mr. LEVER. Will the gentleman withhold his amendment a moment, so that I can perfect this?

Mr. MORGAN of Oklahoma. Certainly.

Mr. LEVER. I offer the following amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. LEVER: On page 79, line 8, within the parenthesis, strike out the letter "g" and insert in lieu thereof the letter "h."

The amendment was agreed to.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORGAN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. MORGAN of Oklahoma: Page 79, after the word "act," in line 10, insert a new section, as follows:

"THE UNITED FEDERAL LAND BANK.

"SEC. 4a. That the United Federal Land Bank is hereby created. It shall be located in such State and at such city as shall be determined by the board of directors of such bank, subject to the approval of the Federal farm-loan board. Said bank shall have no capital stock or shareholders and no funds, except such as shall be contributed by Federal land banks. It shall not be conducted for profit. Its chief work shall be to issue Federal farm-loan bonds for and in behalf of Federal land banks, to aid Federal land banks in the sale of their bonds and to act for such banks, subject to the approval of the Federal farm-loan board, in all matters which will contribute to the unity of such banks, to the standardization of their business methods, to their economical administration, to the strengthening of their credit, or to the success in general of the land-credit system hereby established. The United Federal Land Bank shall be controlled by a board of 12 directors. Each Federal land bank shall elect one of said directors. At the time of his election such director must be a director of the bank by which he is elected. Should a director of the United Federal Land Bank cease to be a director of the bank by which he was elected, he shall thereby cease to be a director of the United Federal Land Bank. The terms of office of such directors and the officers of such bank shall be fixed by the Federal farm-loan board. The board of directors of the United Federal Land Bank shall elect a president, vice president, secretary, and treasurer. Such officers shall be directors of such bank at the time of their election.

"The officers of such bank shall give their entire time to the business thereof, and shall receive such compensation as shall be fixed by the Federal farm-loan board. The board of directors may employ all the necessary assistants for the proper transaction of the business of such bank and fix their compensation, subject to the approval of the Federal farm-loan board. Within 90 days after its organization each Federal land bank, through its board of directors, shall elect one of its directors as a director of the united Federal land bank. Such directors, under a call or notice issued by the farm-loan commissioner, shall under their hands forthwith make an organization certificate containing such statements as shall be prescribed by the Federal farm-loan board, and file the same with said board, where it shall be preserved and made of record. The certificate shall be acknowledged before the judge of a court of record or a notary public.

"Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

"First. To adopt and use a corporate seal.

"Second. To have succession until it is dissolved by act of Congress, or under the provisions of this act.

"Third. To make contracts.

"Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.

"Fifth. To elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure, and appoint others to fill their places.

"Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal farm-loan board, by-laws not inconsistent with law, regulating the manner in which its officers shall be elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

"Seventh. To establish a uniform rate of interest which every Federal land bank shall charge upon farm loans for the ensuing year and until otherwise ordered by said bank; to fix a uniform rate of interest which Federal farm-loan bonds issued under the provisions of this act shall bear, and a uniform rate of discount at which such bonds may be sold by any Federal land bank until otherwise changed by said bank, and to fix uniform fees or commissions which Federal land banks shall pay agents for receiving applications for farm loans and services connected therewith, and for the sale of farm-loan bonds, all of which shall be subject to the approval of the Federal farm-loan board and within the limitation and restrictions of the law.

"Eighth. It shall have power, subject to the approval of the Federal farm-loan board, to act upon all propositions which will aid the Federal land banks to cooperate in conducting the business which they are authorized by this act to perform, with a view to standardizing business methods, appraisements, bookkeeping, forms, records, and any other things which will contribute to the economical administration of such banks, the welfare of borrowers, the security of investors, and to the prosperity of agriculture.

"Ninth. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

"The funds necessary for the operation of the united Federal land bank shall be contributed by the Federal land banks in such proportions as shall be fixed by the Federal farm-loan board, based upon the amount of loans made by such bank."

Mr. GLASS. Mr. Chairman, I make the point of order against this amendment that it is clearly not germane to this section.

Mr. MORGAN of Oklahoma. It is offered as a new section.

The CHAIRMAN. The gentleman offers it as a new section.

Mr. GLASS. I ask unanimous consent that all debate on the amendment be closed in five minutes.

Mr. MOORE of Pennsylvania. Reserving the right to object, I wish the gentleman would extend that to 10 minutes, so that the gentleman from Ohio [Mr. RICKETTS] can be recognized.

Mr. GLASS. Well, in 10 minutes, then.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this amendment be closed in 10 minutes. Is there objection?

There was no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman and members of the committee, if this amendment were adopted it would in no way interfere with the general plan of the committee bill. The committee bill, as you know, creates 12 Federal land banks. This amendment creates the united Federal land bank, a central institution uniting the 12 banks. It provides that each one of these 12 Federal land banks, through their directors, shall each select one member of the board of directors of the united Federal land bank. This united Federal land bank is not to be a money-making institution. It is not to have capital stock. Its sole purpose is to aid and assist the 12 Federal land banks.

I think every student of rural credits knows that in almost every country where they have numerous land-credit institutions there comes a time when the need of a central institution is recognized. The landschaften of Germany were each independent; but the time came when a central landschaft was organized, in which at least eight landschaften were united. The object was to secure better credit for the local institutions. Bonds issued by the central landschaft had a better market. This means a better credit and a lower rate of interest. The committee bill creates 12 district banks. In reality these constitute but one institution, because they are responsible for one another's contracts and must pay on demand the interest on one another's bonds. This makes them one institution, working in 12 divisions; but under the committee bill there is no legal authority, no legal corporate body created, whereby those 12 parts or divisions may get together and act in unison in the interest of all. We have 48 States, but we have only one Union, which acts in the interest of the whole country. You here create 12 States, so to speak—12 departments—but you do not unite those departments. The amendment which I have offered creates the united Federal land bank and gives it power to do a number of things. First, it has power to act generally to promote the success of all the banks. I can not now go into detail, but I will mention two important things the united Federal land bank, with the approval of the Federal farm-loan board, may do.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. MORGAN of Oklahoma. Yes.

Mr. MADDEN. What is this Federal farm-loan board that is created in the committee bill? Is that the institution that the gentleman is seeking to set aside?

Mr. MORGAN of Oklahoma. No; I do not seek to set that aside.

Mr. MADDEN. Does the gentleman want another board of control?

Mr. MORGAN of Oklahoma. I think the central corporation which I propose can do much in the administration of the business affairs that do not come within the line of the duties of the Federal farm-loan board.

Now to go back to where I was, the united Federal land bank, through its directors, is required to do two important things, namely, fix a uniform rate of interest at which loans shall be made until changed and fix a uniform rate of interest at which farm-loan bonds shall be sold, until such time as a different rate shall be established.

To create 12 Federal land banks, great public institutions, to act for all the farmers of the United States, and yet leave these banks to act entirely independent of each other, as competitors of each other, and give them no legal corporate body through which they may cooperate and work together in the interests of all the farmers of the United States, to my mind would be a great blunder. The institutions we are creating are designed to promote the development of agriculture and bring greater profits and greater prosperity to our farmers. We are creating corporations through which the farmers may cooperate to secure better credit facilities and lower rates of interest. We should make these instruments as efficient and perfect as possible. These are farmers' institutions. They will be supported by the farmers. They are to serve the farmers. But, beyond this, they are intended to render a service to the Nation, and this they will do. The success of these institutions depends largely upon the sale of the farm-mortgage bonds issued by these institutions. Who can not see the advantage in having all these bonds issued in the name of one institution—the united Federal land bank? And yet the primary liability to pay the bond would rest upon the land bank for whose benefit and in whose behalf the bonds were issued. But these bonds would gain the confidence of investors more readily if they were all issued in the name of a great central institution, representing the combined credit of these 12 banks. The central institution—the united Federal land bank—will strengthen the credit of the farmers, promote economy in the administration of these institutions, and contribute largely to their success.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN of Oklahoma. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman has that permission by order of the House.

Mr. MORGAN of Oklahoma. Do I understand that we can extend our remarks on any of these five-minute speeches?

The CHAIRMAN. Yes.

Mr. GLASS. All Members have leave to extend their remarks for 10 days.

Mr. MORGAN of Oklahoma. That means unlimited authority to extend remarks, as I understand it?

Mr. GLASS. For 10 days.

Mr. RICKETTS. Mr. Chairman and gentlemen of the House, I had not intended to discuss this bill during this debate, but the more I study it the more clearly I am convinced that the bill contains many objectionable features.

This is no new question to me. I have been considering the subject for a couple of years, and last year I had the pleasure of reading a book on this subject compiled by Hon. Myron T. Herrick, of Cleveland, Ohio. I think it will be conceded that he is the best-posted man in the country on the subject of rural credits. He has given the subject more careful study and greater investigation than even the proponents of this bill.

It is proposed by the enactment of this law to benefit the farmers of the country, and I fear that unless certain features of the bill are amended, and especially section 16, that the benefit to the farmer will not prove to be what is claimed for it, or what is expected on the part of the farmer. I frankly admit that the bill, in a great measure, is a meritorious one; and I do not mean to say that I shall not support it, even though the objectionable features in it are not corrected. My present impression is that it is my duty to support it, and I shall be governed accordingly. However, should this bill be enacted into law, unless it is properly guarded it will give rise to what is known as "wildcat speculation."

I think Col. Herrick has very clearly pointed out in his work on this subject the weak points in this bill, and I fully concur in his conclusions.

There are important as well as minor objections to the bill. It contravenes the spirit of American Government in its plan to enact special as distinguished from general law, and to create a Federal bureau clothed with both executive and judicial powers and authorized to establish a system through which, when Congress is not in session, it may abstract money for use of private individuals from the Treasury and involve the credit of the United States in the issue of unlimited millions of dollars of bonds bearing interest at a rate as high as 5 per cent, and possibly 6 per cent, per annum, besides the overhead charges, and running for indefinite periods, even to several future generations. The bureau may establish any number of Government banks in addition to the 12 first ones; and since no maximum is prescribed for capital stock, such public institutions may emit, upon forms prepared by the Secretary of the Treasury and Comptroller of the Currency, upon the certificate of officials of the United States, continual issues of bonds that may be endless, so long as qualified mortgages may be supplied.

The bureau may withhold the benefits of the proposed system from any State or from any groups of farmers; it may shift the public funds, and, through its registrars, certain other funds of the land banks, and direct such funds to any section of the country as it pleases. The bureau may arbitrarily entirely forbid bond issues and fix different rates of interest for bonds and loans according to district, and even fix the rate after the bonds have been issued, and thus it can favor one land bank to the detriment of any other land bank, and force the latter to suspend business. The bureau has absolute authority to grant or disallow charters, and to dissolve any land bank or association. It may, upon dissolution, appoint the receiver, compound debts and claims, cancel obligations to the United States, and dispose of assets in any way it sees fit. The courts can not intervene if it acts first, and no dissolution shall occur without its written consent. No appeal can be taken from any of its decisions. The bureau is a supreme autocratic body, with its great powers absolutely unrestrained except by its own discretion and prejudice. In my judgment this method is un-American.

The report of the committee asserts that the system is cooperative, and that all profits are to be distributed among the borrowers. The bill itself contains a clause authorizing the Federal board to encourage and promote cooperative credit and cooperative organization. This report and provision are glaringly inconsistent with the plan of the bill. The basic principle of cooperation is organized mutal self help, resting upon individual initiative and private enterprise. The essentials of a cooperative association are that the management shall consist

of members elected by members, and that any distribution of profit should be confined to members. Nevertheless, this bill provides for Government initiative, aid, and direction; authorizes national farm-loan associations to be managed by directors and officers not members; prevents them from making any loans except with the consent of outside parties—a Federal land bank and official appraisers; and permits any individual, firm, association, corporation, or State, whether a member or not, to participate in the profits through ownership of dividend-paying stock in the land banks. Similarly also, the Federal land banks may divert from borrowers and turn over to agents one-half of 1 per cent of the profits on loans made through them. The bill, it is true, requires collective liability, either limited or unlimited, but the effect of this would be to subject the borrowers to all the risk of loss, while allowing them only a part of the profit. So the system not only violates cooperative principles, but it would work an injustice to borrowers.

The investment of deposits in loans which must run for 5 and may run for 36 years is dangerous finance. It would be equally wrong and dangerous also to permit a savings institution to pyramid on its credit and encumber its assets with debt through bond issues. Such methods and practices brought the public savings banks of Italy so near to ruin a few years ago that they would have become bankrupt if the Government had not come to their assistance, repealed the laws, and refunded their obligations on terms which it compelled the creditors to accept.

The main trouble with this bill is the fact that it contains too much machinery, to much harness. It is distinguished by its "red tape," and it will be entirely unsatisfactory to the farmers. The farmer has been led to believe that the establishment of a rural-credit law gives him the right of way, unobstructed, to the Public Treasury to secure a loan necessary in the prosecution of his business and relieve him of any financial embarrassment. If this bill should be passed by Congress it will be a sad disappointment to a great many farmers who are expecting Federal aid through the rural-credit system. There are 6,500,000 farmers in the United States, who are looking to Congress for a practical law.

The principle upon which rural credits is based is a sound one, and the legislation necessary to put it into operation should be distinguished for its simplicity and rapid and quick relief. This bill in its present form does not measure up to that standard; and should the bill pass, I predict that in 25 years from now Congress will be endeavoring to correct its imperfections.

For several years rural credits has been the subject of great public discussion. Interest in it has been aroused in the farming communities of this Nation, and the farmers are looking forward to the time with considerable anticipation when they can be accommodated and thereby assisted in developing the agricultural resources of this country.

This bill is denominated "An act to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes."

This title sounds well, and every farmer who reads it will conclude that when this bill shall become a law all he needs to do is to mount a train for the National Treasury and receive the amount of money which he needs in the prosecution of his business by simply placing a mortgage upon his farm at 50 or 60 per cent of its true value in money. When he reaches his destination he will be confronted with a procedure necessary to obtain the loan that will at once bewilder him and lead him to believe that he has been buncoed under the guise of Federal aid in establishing a rural credit system. So far as I am concerned, I want this bill so simplified that these loans may be made with as little red tape as possible and at the same time in a strictly businesslike manner.

I am deeply in sympathy with the principle involved in this bill and I most heartily concur in the theory of rural credits, and want to assist the farmer to obtain reasonable loans on the best security that any man can offer in the world—that of a farm mortgage.

While this bill does not conform to my views and while I clearly understand that there is quite a diversity of opinion with reference to the establishment of a law which will meet the requirements, in order to assist the farming communities of this country in the development of their resources, yet I shall not vote against the bill. I make these suggestions at this time that the committee may take the proper steps to correct and perfect the bill so as to comply with the basic principle of the rural credit theory. I know that the farmers of the district which I have the honor to represent, or at least quite a large per cent of them, are heartily in favor of the rural credit system, and for that reason I am going to support this bill, believing that in time it will be more nearly perfected to suit the purposes for which it is intended. No more important legislation has been before this House during this session, and we should consider it carefully and with a view to give the farmer what he wants in order to more successfully prosecute his business and develop his land. [Applause.]

The Clerk, proceeding with the reading of the bill, read as follows:

SEC. 5. That as soon as practicable the Federal farm-loan board shall divide the continental United States, excluding Alaska, into 12 districts, which shall be known as Federal land-bank districts, and may be designated by number. Said districts shall be apportioned with due regard to the farm loan needs of the country, but no such district shall contain a fractional part of any State. Said districts may be readjusted from time to time. In no case shall a Federal land bank be established with less than $750,000 capital stock.

The Federal farm-loan board shall establish in each Federal land-bank district a Federal land bank, with its principal office located in such city within the district as said board shall designate. Each Federal land bank shall include in its title the name of the city in which it is located. Subject to the approval of the Federal farm-loan board, any Federal land bank may establish branches within the land-bank district.

Each Federal land bank shall be temporarily managed by three directors appointed by the Federal farm-loan board. Said directors shall be citizens of the United States and residents of the district. They shall each give a surety bond, the premium on which shall be paid from the funds of the bank. They shall receive such compensation as the Federal farm-loan board shall fix. They shall choose from their number, by majority vote, a president, a vice president, and a secretary, who shall also act as treasurer. They are further authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as they may deem necessary and to fix their compensation, subject to the approval of the Federal farm-loan board.

Said temporary directors shall, under their hands, forthwith make an organization certificate, which shall specifically state:

First. The name assumed by such bank.

Second. The district within which its operations are to be carried on, and the particular city in which its principal office is to be located.

Third. The amount of capital stock and the number of shares into which the same is to be divided: *Provided*, That every Federal land bank organized under this act shall by its articles of association permit an increase of its capital stock from time to time for the purpose of providing for the issue of shares to national farm-loan associations and stockholders who may secure loans through agents of Federal land banks in accordance with the provisions of this act.

Fourth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

The organization certificate shall be acknowledged before a judge or clerk of some court of record or notary public, and, together with the acknowledgment thereof, authenticated by the seal of such court or notary, shall be transmitted to the farm-loan commissioner, who shall record and carefully preserve the same in his office, where it shall be at all times open to public inspection.

The Federal farm-loan board is authorized to direct such changes in or additions to any such organization certificate not inconsistent with this act as it may deem necessary or expedient.

Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.

Second. To have succession until it is dissolved by act of Congress or under the provisions of this act.

Third. To make contracts.

Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.

Fifth. To elect or appoint directors, and by its board of directors to elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them, and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal farm-loan board, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected, its officers elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

After the subscriptions to stock in any Federal land bank by national farm-loan associations, hereinafter created, shall have reached the sum of $100,000, the officers and directors of said land bank shall be chosen as herein provided and shall, upon becoming duly qualified, take over the management of said land bank from the temporary officers selected under this section.

The board of directors of every Federal land bank shall be selected as hereinafter specified and shall consist of nine members, each holding office for three years. Six of said directors shall be known as local directors, and shall be chosen by and be representative of national farm-loan associations, and the remaining three directors shall be known as district directors, and shall be appointed by the Federal farm-loan board and represent the public interest.

At least two months before the date specified by the Federal farm-loan board for the first election the farm-loan commissioner shall notify each national farm-loan association in writing that such election is to be held, giving the number of directors to be elected for its district and requesting each association to nominate one candidate for each director to be elected. Within 10 days of the receipt of such notice each association shall forward its nominations to said farm-loan commissioner. Said commissioner shall prepare a list of candidates for local directors consisting of the 20 persons receiving the highest number

of votes from national farm-loan associations making such nominations. At least one month before said election said farm-loan commissioner shall mail to each national farm-loan association the list of candidates. The directors of each national farm-loan association shall cast the vote of said association for as many candidates on said list as there are vacancies to be filled, and shall forward said vote to the farm-loan commissioner within 10 days after said list of candidates is received by them. The candidates receiving the highest number of votes shall be elected as local directors. In case of a tie the farm-loan commissioner shall determine the choice.

The Federal farm-loan board shall designate one of the district directors to serve for three years and to act as chairman of the board of directors. It shall designate one of said directors to serve for a term of two years and one to serve for a term of one year. After the first appointments each director shall be appointed for a term of three years.

At the first regular meeting of the board of directors of each Federal land bank it shall be the duty of the local dicetors to designate two of the local directors whose term of office shall expire in one year from the date of such meeting, two whose term of office shall expire in two years from said date, and two whose term of office shall expire in three years from said date. Thereafter every director of a Federal land bank chosen as heretofore provided shall hold office for a term of three years. Vacancies that may occur in the board of directors shall be filled for the unexpired term in the manner provided for the original selection of such directors.

Directors of Federal land banks shall have been for at least two years residents of the district for which they are appointed or elected, and at least one district director shall be experienced in practical farming and actually engaged at the time of his appointment in farming operations within the district. No director of a Federal land bank shall, during his continuance in office, act as an officer, director, or employee of any other institution, association, or partnership engaged in banking or in the business of making or selling land-mortgage loans.

Directors of Federal land banks shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their respective boards, to be paid by the respective Federal land banks. Any compensation that may be provided by boards of directors of Federal land banks for directors, officers, or employees shall be subject to the approval of the Federal farm-loan board.

Mr. McFADDEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 79, line 12, strike out all after the words "Sec. 5," to and including line 4, page 80, and insert the following: "That as soon as practicable the Federal farm-loan board shall establish its principal office in the city of St. Louis, Mo., and the capital stock of the Federal farm-loan board so established shall not be less than $9,000,000."

Mr. HOWARD. Mr. Chairman, I desire to offer an amendment to the amendment, and I would like to offer it now.

Mr. McFADDEN. I have no objection.

Mr. HOWARD. I offer it as a substitute for the amendment of the gentleman from Pennsylvania.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

ORGANIZATION OF UNITED STATES FARM-LAND BANKS.

SEC. 31. That there is hereby incorporated the United States farm-land bank, with an authorized capital of not less than $12,000,000 and with the right of indefinite increase. The principal place of business of said bank shall be at Washington, D. C. Its charter rights and privileges shall continue for a term of 50 years, with the right of renewal by Congress, subject to amendment or repeal by Congress during that time: *Provided*, That the rights of creditors of such institution shall not be changed or affected by any such amendment, repeal, or change.

Mr. McFADDEN. Mr. Chairman——

Mr. GLASS. Mr. Chairman, I would like to have some agreement as to the time.

Mr. MANN. This is rather an important proposition, and I think we ought to have the debate started before we close it. We just adopted one amendment, for which I did not vote, because we did not have long enough discussion.

Mr. McFADDEN. I do not desire over 10 minutes.

Mr. HOWARD. I want 10 minutes. I will state to the chairman that this is a proposition I have been pretty much wedded to, and I would like to discuss it intelligently.

Mr. GLASS. Mr. Chairman, I ask unanimous consent to close debate in 30 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to close debate on this section and all amendments thereto in 30 minutes. Is there objection?

Mr. MANN. I object.

Mr. GLASS. Mr. Chairman, I move that debate close in 30 minutes.

Mr. MANN. And I make the point of order that that motion is not in order at this time.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. McFADDEN. Mr. Chairman, I want to say a word or two in connection with the consideration of this bill and by way of explanation. As a member of the Banking and Currency Committee, I would like to say that I have given as much attention and consideration to this subject as I have been permitted to, and I have not looked at or considered the proposition in a factional or political way in any sense. My efforts on the committee have been, with other gentlemen of the committee, to get just as good a bill perfected for the benefit of the American farmer as it was possible to get. In that connection, however, I have not become satisfied with the result of the work and accomplishment of the Banking and Currency Committee thus far. The other day I made reference to certain sections of this bill that I did not approve of, and judging from some of the discussion we have had on the floor of the House to-day, I think my assertions have been confirmed.

Now, in regard to this special amendment.

Section 5 of this act provides that the Federal farm-loan board shall divide the continental United States, including Alaska, into 12 districts which shall be known as Federal land-bank districts. The said districts shall be apportioned with due regard to the farm-loan needs of the country, and it is further provided that any district shall not contain a fractional part of any State, and the section also provides that readjustments may be made from time to time. It also provides that district Federal land banks shall have a capital of $750,000, and that each Federal land bank shall include in its title the name of the city in which the bank is located, and each bank shall be managed by boards of directors and the usual quota of officers, clerical force, including attorneys, experts, laborers, and such other employees as they may deem necessary.

This plan of dividing the continental United States into 12 districts is patterned after the plan adopted by the Federal Reserve System, but for the purposes of this system is entirely superfluous and will tend to complications and will retard the successful operation of the system, and it seems to me entirely uncalled for. Under the plans as proposed by this act many farm-loan associations and joint-stock banks are to be organized, or at least they are to be organized where there is a demand for such associations. It would therefore seem to me that these associations and joint-stock banks will fulfill every purpose for which these 12 banks are an excuse.

In addition to this, in the matter of issuance and guarantee of mortgage bonds which are to be taken, issued, and sold under this system by the 12 separate banks, each of the 12 banks issuing bonds must guarantee the bonds issued by each other. How much more simple this whole matter could be made if but one bank were in existence, and I contend that there would be a tremendous saving in the cost of the operation of this system by having but one bank, centrally located in the city of St. Louis, Mo., as it would be if my amendment is adopted.

In the sale of the bonds to be issued under this act prospective purchasers are going to be confused by the designation of different classes of bonds offered for sale, and prejudices are sure to arise against bonds issued by banks located in the south and southwestern parts of the United States by scrutinizing investors of the East and North, and I need only to cite the fact that there exists at the present time in the minds of the investing public in this country uncertainty as regards investments in these sections, and is one of the causes why interest rates in the South and West are higher to-day than in more favorable investment sections of this country.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. McFADDEN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for five minutes more. Is there objection?

Mr. GLASS. Mr. Chairman, reserving the right to object, I ask unanimous consent that all debate on this section and all amendments thereto shall conclude in 30 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and all amendments thereto close in 30 minutes. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, this is a long section, and there are some things in it that I would like to find out about, myself. Several gentlemen would like to be heard briefly in reference to it. I do not think it is fair to close debate in that way.

Mr. GLASS. Mr. Chairman, I do not want to shut off any real serious discussion of any provision in this bill.

Mr. MANN. We do not want to do anything except discuss the real provisions of the bill.

Mr. GLASS. That is all I want. I tried to elicit from the gentleman from Illinois [Mr. MANN] a while ago what would be a reasonable time upon which we could agree.

Mr. MANN. I think it is wiser on a section so long as this, where we can not tell what is coming up, to let the debate run on for a time. Some proposition may be developed, as there was on the last section, that will prove very important. It will soon develop whether there is any such thing.

Mr. GLASS. Would the gentleman agree to close debate on these particular amendments in 15 minutes?

Mr. MANN. I am perfectly willing to do that, as far as I am concerned.

Mr. GLASS. Then, Mr. Chairman, I ask unanimous consent that debate on these particular amendments that are now pending be closed in 15 minutes.

The CHAIRMAN. Is there objection?

Mr. HOWARD. I object.

Mr. GLASS. Then, Mr. Chairman, I move that debate on these particular amendments now pending be closed in 15 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Virginia that all debate on the pending amendments close in 15 minutes.

The question was taken; and on a division (demanded by Mr. HOWARD) there were—ayes 55, noes 21.

Mr. HOWARD. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Georgia makes the point of order that there is no quorum present. The Chair will count.

Mr. HOWARD. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for five minutes.

Mr. McFADDEN. Mr. Chairman, I make the contention that these bonds could be sold on a more favorable basis if but one issue were made, and it would work a decided benefit to the sections of country where high interest rates now prevail and might continue to prevail if they are kept in a class by themselves. There is going to be no influx of people daily entering these 12 institutions and these Federal land banks can be of no particular value to the cities in which they are to be located, as they are not going to deal primarily with the people in the cities in which they are located, except as they may or might become sales agent for these securities for the bonds issued. My prediction is, however, that bonds offered for sale by this system would be offered by advertisement in lots of probably not less than $1,000,000, and that in all probability many of these issues would be taken by the larger bond houses existing in the United States to-day.

Mr. MEEKER. Mr. Chairman, it seems to me that there are two features to the amendment that has just been offered. The first is the centralization of this entire system. It is said that people wonder why the rates of interest vary so widely in the different parts of the country; but if one has ever invested in land in some sections of the country he will know why. Purchasing land in certain sections at $30 an acre and selling it at five is not conducive to a low rate of interest.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MEEKER. Yes.

Mr. MOORE of Pennsylvania. What difference does it make if you have the United States Treasury to fall back on?

Mr. MEEKER. It would make no difference, inasmuch as the guaranty feature has been voted in this afternoon, that the Government will make this a fool-proof bill. Nobody except Uncle Sam can lose.

Mr. FESS. What effect would it have on the Treasury of the United States?

Mr. MEEKER. The Treasury of the United States, so far as this administration is concerned, is a mere bag of shells. We pay no attention to the Treasury, so far as getting something into it is concerned. Our attention seems to be devoted under this administration to getting something out of it.

Mr. LEVER. Mr. Chairman, will the gentleman yield?

Mr. MEEKER. Yes.

Mr. LEVER. I would like to ask the gentleman if he knows a provision similar to the one referred to by the gentleman from Pennsylvania passed the other body of this Congress with only 5 dissenting votes?

Mr. MEEKER. That shows the wisdom of the Senate as to this particular measure. I believe that only by the pooling of these bonds in one institution will it ever be possible to in any degree whatever make bonds from certain sections of the country salable, and I do not think that would be true of 12 separate institutions located in different parts of the Nation for the purpose of evening up as much as possible the rates at which the bonds are to sell. If they are in one institution, the purchasing public, especially since the United States Treasury is back of the bonds, will look with more favor upon them. I heard a gentleman say just a few moments ago that he would now purchase these bonds since the Government would back them up. I said, How about the Government guaranteeing the bonds; are you in favor of that? Inasmuch as this last amendment has just been put in—the Lever amendment—it would seem evident that now there is no longer any necessity for these 12 districts, and that it would be better to permit the Government to manage this through one institution. So far as the other part of the amendment is concerned, it has simply to do with the location of this one central bank. St. Louis is suggested. It was named in the amendment. It is not because I come from the city of St. Louis, but because St. Louis is near to some of these sections where possibly the rate will be a little high; because St. Louis is near to the people who will ask for this assistance; because it is near the section of the United States from which appeals on the floor of this House have been coming since this bill has been up; because of the proximity of St. Louis to that particular territory it certainly makes it a very desirable location. If you are going to back it up with United States funds, you are welcome to come now with any sum.

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, the proposition now before the committee is one which appeals to the judgment of every man who wants an economical administration of this system. The great European experts, where they have had in operation a rural-credit system for over 100 years, admit to-day that the only mistake they have made in the organization of the rural-credit banks was in not mobilizing the entire credit of all the agricultural assets of the country into one central institution and that institution issuing all the bonds.

Now, what do you do about it? You practically admit the weakness of the 12 systems. You practically establish a central bank! You tied them tigether. When the Bulkley-Hollis bill was here before us you had them all separate, and now you make the liability of one the liability of the other in degree. Now, you want to reduce expenses to the farmer. You say that you desire his interest rate to be low. What do you do? You go and create 12 times more machinery than is necessary to get the farmer's debenture bonds upon the market, and you know it is a fact. [Applause.]

Let us see. You talk about 1 per cent, and you say that 1 per cent is an arbitrary amount for the expense of this system. The minimum and maximum amount of expense of the great landschaft system of Germany has been fifteen one-hundredths of 1 per cent and sixty-five one-hundredths of 1 per cent, respectively.

Now, let us see what is the difference between a central bank in commercial banking and a central land bank in mortgage banking. I will admit that a central bank in commercial banking can be used for the oppression of the people in any section, but what is the difference? What function does a commercial bank perform? A commercial bank gathers together all of the cash in the community into one institution, and they sell that cash for interest-bearing notes or bonds. What does a rural-credit bank do? It gathers together all the credit in a community and it sells that credit for cash. They are the exact antithesis of each other, as I said on the floor of this House two years ago. Now, I want to appeal to you gentlemen on the Republican side and you gentlemen on the Democratic side from the West and you gentlemen on the Democratic side from the South. You put in these 12 regional banks and there is no more reason for the establishment or the division of this country into 12 regional rural-credit districts—and you gentlemen know it—there is no more reason for the division of it into land banks than there is for the division of the heavens into 12 regions for the study of the solar system, not a bit.

Mr. PLATT. Will the gentleman yield?

Mr. HOWARD. I will.

Mr. PLATT. There was no more reason for dividing the country into 12 Federal reserve districts.

Mr. HOWARD. Yes, there was; and I will tell the gentleman why. The country was divided into 12 districts according to the channels of trade and the movements of business in a given area. The curse of the country was the centralization of money in Wall Street, and you divided it up into 12 systems to keep the money in those regions that produced the wealth for the benefit of the region.

Mr. SMITH of Michigan. Will the gentleman yield for a question?

Mr. HOWARD. A short question.

Mr. SMITH of Michigan. Suppose a person lived in Washington or Oregon and wanted to mortgage his farm, would you not suppose it would be more convenient to have a regional bank in that locality than here in Washington? [Applause.]

Mr. HOWARD. Let us see. You all applaud that. The sensible, sane system is to start this system with the county, and the local institution confined in its operation to the county, and bring all the counties of a given State into a central institution in the Sate, the State bank to be owned by the local banks, and bring all the collective credit of all the States of the Union into

one central institution—a bond-issuing institution for the entire system.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent for five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. HOWARD. Now, what is the objection? Just as the gentleman from Missouri [Mr. MEEKER] said and my friend on the Banking and Currency Committee said. The concentration of the credit in one institution strengthens it, and when you establish a central bank in farm-mortgage credits you make it twelve times stronger than these 12 units that you establish all over the country.

Now, let me say to you gentlemen from the South, that many of the commercial banks of the South have been robbing the poor farmers of that section. They with unblushing shame admitted in their sworn reports to the Comptroller of the Currency that they have been charging the farmers of the South from 10 to 2,000 per cent. The farmers of Georgia to-day are paying on an average of 14 per cent for the money they are borrowing to make the present cotton crop with.

Mr. STEAGALL. Do you not think that with the system now obtaining the reserves of the bank are assembled at a few centers, which are far removed from the people to whom you refer?

Mr. HOWARD. I will tell you what effect it will have. The gentleman from New York [Mr. PLATT] hit the nail on the head awhile ago. The legislatures in the West and the legislatures in the South have been doing this sort of business ever since the Civil War. When they elect bankers to the legislature they put all those bankers on the banking committee of the State legislature, and they do nothing to reform the usury law. If you had put some of these skinflint, Shylock, pawnbroker bankers in the chain gang, this country would prosper a great deal more than it is prospering now. [Applause.] They are openly violating the usury laws in 30 States in the Union every day.

But I have not time now to discuss the iniquities of the commercial banking business of the country. I will have to refer you gentlemen to the able and fearless Comptroller of the Currency, Hon. John Skelton Williams. He will let the white light in for you. But I have time to appeal to you gentlemen who know something of this subject. The gentleman from Oklahoma to-day—and I have given him a great deal of credit for his courage—went back on a principle in which he believes as I do. He wanted to have the one bank of issue, to wit, a central bank, but he wanted to leave in existence the other 12 absolutely useless institutions, which would perform no real function of any value to the farmer.

When this system gets under way, you will have 12 Federal land banks, with their bonds seeking the investing public in competition with each other, which inevitably means high-interest rates, giving the advantage to the developed and highly prosperous sections of country over the sparsely settled and undeveloped sections of the country. The investing public will always fix the rate of interest by comparison of the bond offered them with the bond of the most prosperous and best developed agricultural region.

A central bank of issue would do away with the competition for investment money necessarily incident to having 12 different institutions, and by bringing the collective credit of all the farmers of all the States in the Union together in one central institution one bond would be as good as another and each and every one would be placed on the same footing, thereby giving strength to the bonds from the States yet undeveloped and at the same time detracting nothing from the salability of the bonds from the well-developed and more prosperous States.

My judgment is that we are making a grave mistake in creating a system causing competition among the land banks that will be to the disadvantage of the farmer and to the very great advantage of the investor.

The bill I introduced in the Sixty-third Congress and in this Congress placed the control of the entire system eventually in the hands of the borrowers, starting with the farmer in the local community, confining the operations of the local association to a county, bringing the counties of a State together in a central bank in the State and bringing the States together in the one central bank at the Nation's Capital. My amendment, if adopted, will make one central institution to start off with twelve millions of capital, this stock to be eventually absorbed by the local and State banks of the Nation and the entire system eventually owned by the farmers of the Nation. The distinct advantages of this system are that the farmer is given the benefit of—

First. The collective credit of the community, as represented by the guaranty of his mortgage by the local bank.

Second. The collective credit of the farm-land banks of the State, as represented by the guaranty of his mortgage by the State bank.

Third. The collective credit of the farm-land bank of the Nation, as represented by the guaranty of his mortgage by the central bank.

Each farmer borrower, no matter where he may be, will get the benefit of the collective credit of his community, of the collective credit of the farm-land banks of his State, and of the collective credit of the farm-land bank of the Nation, as represented by the central bank. Can there be any question that, as a consequence, he will be able to obtain money on the best terms and at the lowest interest rates?

Mr. Chairman, what I have said is not in criticism of the painstaking work of this committee. I have directed my remarks to the expediency of the system created by the bill and the system of marketing bonds which I have tried to explain. I think the committee recognized the soundness of this principle when they made the 12 Federal banks restricted guarantors of each other's obligation. If they had made the system of the 12 banks joint makers of farm-loan bonds they would have accomplished exactly what my bill accomplishes, but the other banks of the system, in case of the default of any one of them, only become responsible for the payment of unpaid principal and interest after all the assets of the issuing bank are liquidated and distributed. Consequently this restricted guaranty of the farm-loan bonds of each land bank by the other 11 banks in no sense gives to these bonds the full benefit of the collective credit of the entire system, as would be the case with a central bank alone issuing land-bank bonds, and it will be impossible to prevent the investing public from looking upon the 12 Federal land banks as separate and distinct institutions acting for separate sections of the country. The poorer farmers in the poorer sections will not get the full benefit of the system, and one of the great objects for the creation of this system will be defeated.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent to address the House for five minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. SMITH of Michigan. If you will pardon me, gentlemen, I will try not to detain you long. The gentleman from Georgia [Mr. HOWARD], who last spoke, had something to say about usury laws. Down in his State I notice the usury law provides:

A deed given to secure a loan tainted with usury is voidable. In a note containing homestead waiver tainted with usury, the waiver is voidable.

I would like to say that in the gentleman's State of Georgia the savings banks have loaned on real-estate mortgages $14,828,323 at an average rate of 6.28 per cent interest. A good many gentlemen have spoken here about the robbery committed by the banks in loaning money, and I have heard it frequently mentioned here on the floor of this House that the rate of interest is from 8 per cent to 10 per cent. There is loaned in the United States by the insurance companies alone on farm lands $646,961,371 at the average rate of interest of 5.55 per cent.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Tennessee?

Mr. SMITH of Michigan. Yes.

Mr. McKELLAR. Those figures did not give the commissions that are charged by the insurance companies in making the loans. If they did, you would find that they cost the farmer from 7 to 8 per cent.

Mr. HOWARD. Mr. Chairman, will the gentleman yield right there?

The CHAIRMAN. Does the gentleman yield?

Mr. SMITH of Michigan. Yes.

Mr. HOWARD. Out of 114 banks doing business in the State of Georgia, 66 of them swore that they charged on their entire loans in the State of Georgia from 10 to 134 per cent, and their oaths are on file in the office of the Comptroller of the Currency now.

Mr. SMITH of Michigan. I will say to the gentleman that that is not an interest rate. That is not fixed by law or in any

other way. A charge of 100 per cent is compounding. It is not interest or anything else.

Mr. HOWARD. A bank down in Oklahoma charged 2,000 per cent.

Mr. SMITH of Michigan. That is not a matter of interest; that is simply robbery. Why do you not, you gentlemen down in Georgia and Oklahoma, pass State laws waiving all interest upon mortgages if the rate is too high? Your people are not in favor of that or they would do it. The gentleman from Illinois raised an interesting question a little while ago. He says because these land banks are an instrumentality of the Government all the taxes on those bonds and those mortgages are to be waived and their assessable tax value raised on the other taxable property. My friends, this bill will only apply to less than one-half of the people who borrow money. Why do you restrict it to the person actually engaged in the cultivation of the farm? Why, a mortgage is just as good whether the owner lives on the farm or does not live on the farm. If you are going to secure bonds by real estate, why not apply them to all the mortgages that are given on real estate? I have not the time, but I would like to show you that even down in Mississippi they get only 6 per cent on their farm-mortgage loans. There is not any hardships down there in securing money on real-estate mortgages at 6 per cent.

Let me tell you this, gentlemen from the Southland: You will benefit your country a great deal more if you will refrain from passing laws that destroy the best interest you have—the sugar interest. Now, you want $20,000,000 for Muscle Shoals and $45,000,000 for the Mississippi River, and you are asking an appropriation of $2,000,000, or some large amount, for the extermination of the boll weevil, and more millions for the eradication of the cattle tick; and yet by your own law you have destroyed the best industry in the South, namely, the sugar industry. Now you come along and ask for Government aid in loaning money on farm mortgages. You are changing this bill—and I have no objection to that—but I would like to read you something about that report that the joint committee sent in here. You are getting the matter arranged around so that there will be Government security of these bonds. That may be all right, providing there are good first-class real-estate farm mortgages behind them. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired. The question is on agreeing to the substitute offered by the gentleman from Georgia [Mr. HOWARD].

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question recurs on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. MCFADDEN].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. MCFADDEN. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 21, noes 64.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in 25 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on this section and amendments thereto close in 25 minutes. Is there objection?

Mr. MANN. Let the gentleman save some time for himself.

Mr. GLASS. Then I will make it 35 minutes, Mr. Chairman.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close in 35 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The Clerk read as follows:

Amendment offered by Mr. MOORE of Pennsylvania: Page 79, line 20, after the word "than," strike out "$750,000" and insert "$500,000."

Mr. MOORE of Pennsylvania. Mr. Chairman, in view of the adoption of the Lever amendment, which puts the Treasury of the United States behind the bonds that are to be issued by these farm banking associations, it seems to me that a little money ought to be saved to the people who have to contribute to the general fund; so I have offered this amendment, cutting down the amount to be taken out of the Treasury of the United States for each of the 12 Federal land banks, from $750,000, as recommended by the committee, to $500,000.

In advocating his amendment the gentleman from South Carolina [Mr. LEVER], together with others who have spoken, indicated that it was necessary, or at least advisable, in order that investors should be secured, that the United States Treasury should be made responsible for these bonds. That is to say, if any one of these 12 associations fail, by reason of bad management, by reason of defalcation, by reason of poor judgment in making the loans, by reason of a variation in prices after the loans have been made, by reason of a general tendency to falling prices, then the Treasury of the United States, to which all people contribute, shall be called in to make good the loss. The gentleman pleaded for the investor. Other gentleman have pleaded for the investor. It is the first time since I have been in this House that I have heard any real, true, honest, sincere "friend of the farmer" plead for the investor. According to the gentleman from South Carolina [Mr. LEVER] and others, we ought to pass this bill in order to protect the man whose money is to be invested in these bonds. In other words, we will drop the farmer for the moment, to look after the Rockefellers; we will take care of the Carnegies now. If Wall Street will only buy these bonds, we will assure Wall Street and Rockefeller and Carnegie, and the whole rich caboodle of them, that if the farmer's local associations fail to make good, or the farmer's cattle die, or the farmer's crop fails and he can not pay the Treasury of the United States will make good the bonds to the investor.

Mr. LEVER. Will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. I yield to the gentleman from South Carolina.

Mr. LEVER. Does the gentleman recall that under the Taft administration the gentleman's party passed a bill permitting the Philippine government to guarantee to the stockholders in a Philippine bank a 4 per cent dividend on their money?

Mr. MOORE of Pennsylvania. The gentleman has got no comeback on that proposition, because the Democratic Party in its Philippine bill is ready to repudiate the assurance given to investors when they bought Philippine bonds. The situation is different, because the United States authorized the Philippine government to issue those bonds.

Mr. WINGO. Will the gentleman yield for a question on the merits of the proposition he is discussing?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Arkansas.

Mr. WINGO. The gentleman understands that these bonds will be issued for a specific term. They would not necessarily be issued at the beginning or at the middle of the fiscal year, so that the time of payment of the interest on the bond would not be the same as the semiannual or annual payment upon the loan. Suppose that the interest payment should fall due in May, and the semiannual installment upon the loan should not fall due until the 1st of June, and by reason of something that was not foreseen there should be a small difference, or a lack of availability of immediate funds. Does the gentleman see anything wrong or unbusinesslike in the Federal Government depositing with its fiscal agent a small sum, if the Secretary of the Treasury approves it, for that temporary purpose? Is there anything wrong in that from a business standpoint?

Mr. MOORE of Pennsylvania. I think so. I think it is an immoral financial proposition as affecting Government money.

Mr. WINGO. Let me ask the gentleman another question——

Mr. MOORE of Pennsylvania. I think it is playing favorites with the farmer or whoever is the beneficiary against the workingmen generally, who have to pay the taxes along with the farmer.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. I ask unanimous consent to proceed for five minutes?

The CHAIRMAN. The Chair will call attention to the fact that debate on this paragraph and all amendments thereto has been ordered closed in 35 minutes. The gentleman asks unanimous consent to proceed for 5 minutes. Is there objection?

There was no objection.

Mr. WINGO. The gentleman said that that was an immoral financial transaction. Was it an immoral financial transaction for the Secretary of the Treasury, both under Republican administrations and under Democratic administrations, to deposit public funds in national banks in the city of Philadelphia to meet an emergency?

Mr. MURRAY. Oh, that was different.

Mr. MOORE of Pennsylvania. The gentleman from Virginia very clearly explained that situation; he explained the difference.

Mr. WINGO. I ask the gentleman to state the difference.

Mr. MOORE of Pennsylvania. I will refer the gentleman from Arkansas to the answer given by the gentleman from Virginia.

Mr. WINGO. I ask the gentleman if he considers it an immoral financial transaction?

Mr. GLASS. "The gentleman from Virginia" did not say it was immoral; he said it was an inexpedient and unbusinesslike transaction.

Mr. LEVER. Will the gentleman yield?

Mr. MOORE of Pennsylvania. No; I want to get in a few words for the workingman who does not work on the farm, and who is not considered in this legislation.

Mr. LEVER. I want to call the gentleman's attention to some benefits that the Government is conferring on some of the gentleman's friends.

Mr. MOORE of Pennsylvania. Will not the gentleman do that in his own time? The gentleman has worked out a beautiful scheme which has gone into this bill and which will make him famous among the borrowing farmers and those men who have farm lands to dispose of.

I observed that I was delighted to hear the gentleman break away from his usual agricultural trend and say something for the "poor, downtrodden investor." Usually the gentleman from South Carolina stands with the gentleman from Texas [Mr. HENRY] on this proposition of using the Government Treasury to back up a rural-credit bill. The gentleman from Texas some time ago—and I must differ somewhat from my own leader when I make the statement—had with him when he wanted to valorize cotton at least 120 Members on that side of the House who were in favor of sticking their hands into the Treasury of the United States to pay the cotton farmers of Texas and other Southern States for their product. They wanted the Government Treasury to boost the price of cotton. They stood up for cotton all right, and if they keep it up I do not know where the rest of the producers will get off.

Why, only yesterday we nearly passed a bill appropriating $50,000,000 to reclaim lands along the Mississippi to raise more cotton. I was amazed at it, because gentlemen from Texas and others who valorously champion the cotton interests have been endeavoring to restrict the output of cotton. It was difficult, therefore, to understand the great rush to get money out of the Treasury to reclaim swamp lands so that they could raise more cotton.

Mr. HENRY. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I decline to yield. Before we get through making the various appropriations that the Democratic Party is taking unto itself while it happens to be in power we will be taxing the cotton of the gentleman from Texas, possibly, and maybe we will add a little to the tobacco of the gentleman from Oklahoma. We will have to find the money somewhere.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. In view of the interruptions, Mr. Chairman, I ask to proceed for five minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that he may proceed for five minutes more. Is there objection?

Mr. MURRAY. Reserving the right to object——

Mr. IGOE. The regular order!

Mr. FERRIS. I object.

Mr. PHELAN. Mr. Chairman, I am sorry that there has been so much politics discussed in this bill, which ought not to have any politics or partisanship in it. I want to state that I have served on two committees in the preparation of this bill, with Republican members on both committees. There never for one second has been any partisanship raised in any of the meetings by Democrats or Republicans. I hope that for the remainder of the discussion of this very important bill, at least, some of this partisan discussion may be eliminated. [Applause.]

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. PHELAN. Yes.

Mr. MOORE of Pennsylvania. The gentleman comes from a great industrial district, and he is in favor of voting $9,000,000 for the farmers of the country. Now, would the gentleman favor a bank with $9,000,000 of Government money to enable those who borrow money of building associations to have the backing of the United States Treasury?

Mr. PHELAN. I will take that up when we come to it. I want to call the attention——

Mr. MOORE of Pennsylvania. In view of the gentleman's statement about partisanship I wish to suggest that there is some favoritism in this bill.

Mr. PHELAN. Mr. Chairman, I want to call the attention of the gentleman to the fact that the committee of which I am a member has now had two great legislative matters before it—in the last Congress the Federal reserve act and in this Congress the rural-credits bill—and that we are doing something that the Republican Party never has done in the quarter of a century that it was in power. [Applause on the Democratic side.] We are getting results, and we will meet every one of these propositions as it comes to us.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. PHELAN. I can not yield any more. I want to speak about the proposition raised by the gentleman from Pennsylvania [Mr. MOORE]. I hope his amendment will not prevail. We have gone over this matter very carefully, and I am glad that the gentleman, in moving to cut down the appropriation from $750,000 to $500,000, indicates that he favors the principle of the proposition. I hope his motion will not prevail. If it does, he will defeat the very purpose which he advocates on the floor with reference to the other provision.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

Mr. PHELAN. I have not the time. We want to start these banks with sufficient capital so that they can make loans to some reasonable amount before they are obliged to go to the public and ask the public to buy bonds. In other words, we want to get the system well started before the banks go to the public and attempt to obtain money by the sale of bonds. That is the reason we have made it $750,000. It is an arbitrary amount. You might argue all day whether it ought to be $500,000, $750,000, or $800,000, or any other amount. We think we have hit upon a reasonable and proper amount, and that with that amount the banks will get well started.

Mr. HAYES. Mr. Chairman, I have been very slow to bring myself to the point where I could consent to any Government aid to start these rural-credit banks, and I would not be willing now to vote for any sum to be appropriated from the Treasury to put these banks on their feet if I could see any other way to do it; but having brought myself to the point where I am willing that some money may be temporarily advanced by the Government in order that this very important matter may be started properly, I am anxious that a sufficient amount shall be advanced so that the banks may be put upon their feet in a manner to get the confidence and respect of the investing public. In my humble opinion $750,000 is all too small. [Applause.] I am not sure but it ought to be a million dollars. If the Government is going to do this thing at all, it ought to do it right. I think $500,000 is too little. I hope the amendment will not prevail.

Mr. MURRAY. Let's make it a million.

Mr. CANNON. Oh, make it two.

Mr. MEEKER. Mr. Chairman, I would like to ask the gentleman a question. On the principle of this endless-chain proposition of buying mortgages and issuing bonds and selling bonds and buying mortgages why would not $100,000 be enough?

Mr. HAYES. It would be enough if any considerable number of the bonds had been sold and the thing was on its feet.

Mr. MEEKER. The Government is back of it now.

Mr. HAYES. The only purpose of $750,000 is to start it on its road.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. HAYES. In a moment. The bill requires that this money shall be returned to the Government after the system is fully under way. This is not a gift on the part of the Government. It is only intended to put it on its feet and get it started, and in my opinion $750,000 is none too much for that purpose.

Mr. HENRY. Will the gentleman yield for a moment? Will the gentleman vote for an amendment increasing it to $1,000,000 for each one of these banks?

Mr. HAYES. No; I can not. I might be willing to do so if I had not agreed to the $750,000 in the committee. After a thorough discussion and some compromises back and forth, the committee arrived at that sum as the proper sum to put behind each bank, and I shall stand by it.

Mr. HENRY. The gentleman sees no objection to it?

Mr. HAYES. I see objections under the circumstances. We fixed it at $750,000 as the least that the majority of the committee thought it was safe to put behind this proposition. I am still of the opinion that $750,000 is as little as should be used to put this system into operation. For that reason I hope the amendment of the gentleman will not prevail.

Mr. LEVER. Mr. Chairman, the gentleman from Pennsylvania [Mr. MOORE] is disturbing his peaceful soul a good deal about the amendment which the Committee of the Whole adopted by an overwhelming vote a moment ago, the amendment which I had the honor to offer. I desire to call the attention of the gentleman to the fact that under the last Republican administration—the last, by the way, we are going to have for a good

long while [applause on the Democratic side]—the Republican Party passed a bill to provide for the establishment of an agricultural bank in the Philippine Islands. Among the provisions in that bill is this:

For the purpose of aiding in the establishment and operation of such an agricultural bank in the Philippine Islands as the general government thereof may hereafter specifically authorize the Philippine government is empowered to guarantee an income not exceeding 4 per cent per annum upon the cash capital actually invested by individuals or corporations in such agricultural bank.

It does not lie in the mouth of the gentleman from Pennsylvania to complain about this proposition here which looks to making the farmer's loan bond, issued under this bill, so strong that it will bring back to the farmer, the borrowing farmer, a lower rate of interest. [Applause.]

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. LEVER. For a question.

Mr. MOORE of Pennsylvania. Does not that act which the gentleman quotes simply authorize the Philippine government to do something?

Mr. LEVER. It does.

Mr. MOORE of Pennsylvania. That is all.

Mr. LEVER. Surely. The gentleman was willing to write his approval to the Philippine government that the government should have the power to guarantee to individual and corporate investors in the bank a certain dividend upon their investment, but he now complains when we are undertaking to write such a bond as will bring back the lowest possible rate of interest to the borrowing farmers of this country.

Mr. MOORE of Pennsylvania. Will the gentleman again yield?

Mr. LEVER. For a question.

Mr. MOORE of Pennsylvania. Are any farmers in this country in any State in such a position as were the Filipinos when that act was passed giving them a chance for civilization?

Mr. LEVER. Oh, but the gentleman was complaining of the principle and not of the circumstances or the facts, and now when I confront him with the fact that his own party has gone a long way further in guaranteeing the stockholder in a Philippine bank against loss than we go by this amendment in helping our own farmers, he wants to fall back and say that the poor Filipinos were in a worse fix than we are in this country, which I, of course, admit.

Mr. GLASS. May I call the attention of the gentleman to the fact that, while I do not want to inject any partisan feeling into this sort of a discussion, if it is to be persisted in I want to have the opportunity of calling attention to the fact that every single, solitary Republican in the Senate who voted on the proposition at all voted for the proposition of the gentleman from South Carolina, only in a very much worse form. [Applause on the Democratic side.]

Mr. LEVER. With the exception of five.

Mr. GLASS. With the exception of none.

Mr. LEVER. I believe the gentleman is right.

Mr. MOORE of Pennsylvania. Will the gentleman yield for one question?

Mr. LEVER. I can not at this point. I want to call the attention of the gentleman to another thing. In 1862, when Southerners were not in control in either branch of Congress, you passed another act, an act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean and to secure to the Government the use of the same for postal, military, and other purposes, and you authorized the Treasury to issue its 30-year 6 per cent bonds to these railroads to the extent of from $16,000 per mile to $48,000 per mile to aid them in their work. There the party of the gentleman was guaranteeing the Government's credit and the Government's money, issuing its own bonds to help a railroad corporation build a transcontinental railroad, and yet when we offer a modest proposition which will get for the producing farmer of this country a lower rate of interest than he can get under existing conditions the gentleman throws 15 fits a minute. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAVENPORT. Mr. Chairman, I desire to offer an amendment to the amendment of the gentleman from Pennsylvania [Mr. MOORE] by striking out the figures "$500,000" and inserting "$1,000,000." [Applause.]

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Amend the amendment by striking out "$500,000" and inserting in lieu thereof "$1,000,000."

Mr. DAVENPORT. Mr. Chairman, for many years we have been providing for all classes of business and all classes of enterprises in Congress, and in doing so every man on both sides of the aisle has been advocating that it was for the interest of the farmer. We come now to a proposition where we can do some good to the farmer if we are willing so to do, and if we are going to do it let us provide each of those banks with a sufficient amount of capital in starting, that the farmers may secure loans and get their money without taking time to issue bonds and float them and then await a reissue and sale before we can make other loans. I say to you that $1,000,000 is a small amount to start these banks with. It is going to take some time under the system and the machinery provided in this bill to put those banks in operation, and it is going to take some time after getting them started to get a sufficient number of mortgages executed in order that you may place upon the market a sufficient amount of bonds in order to have sufficient funds to accommodate the new loans.

It is but a few years since we authorized and in a way donated to 34,000 white people in Alaska a $35,000,000 contribution to build a railroad. Only a few days ago we authorized or donated, if it gets through the other end of this Capitol, about $20,000,000 for a nitrate plant, and, if the bill passes that we are now considering, known as the flood-control bill, in a few days you will appropriate about $45,000,000 for those living in the Mississippi Valley. And if we are going to be so liberal with our contributions let us donate, or place at the command of the farmers of this country where they may get it upon proper security a sufficient sum of money, or at least let us give them $12,000,000 for the many farmers throughout the United States.

Mr. FESS. You use the word "donate" advisedly, do you not?

Mr. DAVENPORT. It is nothing more or less, so far as the Alaskan Railroad is concerned, but a donation, as we have not been able to do much up there but spend money and will not for many years, if ever. And the appropriations for the other enterprise mentioned are purely local, and I am not now complaining of them, but mention them so that our liberality should be as generous toward the farmers throughout the United States as in any special locality.

Mr. HENRY. Let me suggest to the gentleman that this Congress has placed in the hands of the 16 Western States the proceeds from the public lands for irrigation and reclamation work, which amount to nearly $100,000,000.

Mr. DAVENPORT. We have been giving benefits to certain localities and industries in certain localities, and here is a time when we can give something to the average farmer from the Lakes to the Gulf and from Maine to California.

Mr. MOORE of Pennsylvania. In fact, there is nothing that this Congress could give away but what Congress has given away?

Mr. DAVENPORT. In fact, the Delaware River could have gotten a good deal more if the wishes of my friend from Pennsylvania had been realized. I am like my friend from Pennsylvania or the gentleman from the Mississippi Valley, I am ready to take all that we believe we are rightfully entitled to, and I do not believe that we have ever gotten any more than we were entitled to. And for that reason I believe that, as a matter of legislation, we ought to have more than $1,000,000 capital in each of these land banks.

Mr. GLASS. Mr. Chairman, I would like to inquire how much time is remaining.

The CHAIRMAN. There are five minutes more remaining.

Mr. MANN. There was 35 minutes allowed at 5 o'clock.

The CHAIRMAN. It was 6 minutes of 5 o'clock, as the Chair recalls it, and the Chair can call all those who have used the time. The gentleman from Pennsylvania [Mr. MOORE] consumed 10 minutes, the gentleman from Massachusetts [Mr. PHELAN] used 5, the gentleman from California [Mr. HAYES] used 5, the gentleman from South Carolina [Mr. LEVER] 5, the gentleman from Oklahoma [Mr. DAVENPORT] used 5.

Mr. MANN. It was 1 minute of 5 o'clock when we made the order.

The CHAIRMAN. That is so, and these gentlemen have all had the floor and have had their five minutes.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. Was the arrangement made before the amendment offered by myself?

The CHAIRMAN. All to this section and all amendments thereto, and the gentleman from Oklahoma [Mr. DAVENPORT] offered an amendment in his time to the amendment offered by the gentleman from Pennsylvania.

Mr. GLASS. Mr. Chairman, if there were any real necessity for the proposed increase in the capitalization of these regional farm-land banks, I should not object; but there is absolutely no necessity in the world for it. And I warn gentlemen that they

are in danger of proceeding too far in matters of this kind, and that the first thing they will know we will have no rural-credits legislation by this Congress at all. The matter of fixing the capital of these banks at $750,000 was gone into with the utmost care. The figure was reached after careful estimate of what was required, and I hope the committee will not change it.

Mr. DAVENPORT. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Oklahoma?

Mr. GLASS. Yes.

Mr. DAVENPORT. I would like to ask the gentleman if that figure was not agreed upon by the committee as the basis of what possibly might be necessary? If it were fixed at $1,000,000, does the gentleman think that Members would vote against it, even if it were necessary and they believed it should be passed, simply because it was fixed at $1,000,000?

Mr. GLASS. The committees charged with the solution of the problem gave to this subject intelligent study, and the members of the committee think that a $750,000 advance by the Government for the purpose indicated is more than ample. Some thought $500,000 ample; but in order to reach a harmonious conclusion and bring out a practically unanimous report from the committee concessions were made and we put the amount at $750,000. That is quite enough, in the judgment of those who have given the matter careful consideration.

Mr. EAGLE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Texas?

Mr. GLASS. Yes.

Mr. EAGLE. I want to ask my friend if this be not also true, in his opinion, that it is largely immaterial whether the initial amount of capital stock of any one of these 12 banks be $250,000, $500,000, $750,000, or even $1,000,000; for is not this true, that automatically under this bill the amount of the capital stock will increase as the people adopt and put into effect this system by the farm-land associations themselves subscribing to and thereby increasing the capital stock of these land-credit banks?

Mr. GLASS. Practically, that is a very accurate statement of the case; so that $750,000 is easily ample for the purpose. It is the judgment of the committee that this amendment should not prevail.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. GLASS. Yes.

Mr. TILSON. Then, as I understand the gentleman, in his opinion and in the opinion of the committee that have had this subject under consideration there would be no good purpose served by adding to this $750,000, and it might be harmful. Is that the correct understanding?

Mr. GLASS. It would be psychologically harmful; harmful to the bill, and might endanger the legislation.

Mr. SISSON. The gentleman does not mean to convey the idea that the committee agreed unanimously to something that they regarded as harmful?

Mr. GLASS. No. I did not say that.

Mr. SISSON. In other words, the opinion of the committee was that $750,000 was a proper amount, and therefore the committee unanimously reported it?

Mr. GLASS. Precisely.

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. GLASS. Yes.

Mr. FERRIS. Inasmuch as the Senate passed the bill, I believe, at $500,000 per bank, or $6,000,000 all told, there can not be anything sacred either about the $9,000,000 or the $6,000,000?

Mr. GLASS. There is nothing sacred about any part of it. Nevertheless, there is a question of sound economics involved in this particular item, which should not be too greatly accentuated if we really desire to have rural-credits legislation at this session of Congress.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Oklahoma [Mr. FERRIS] to the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. FERRIS. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 22, noes 46.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the Chairman announced that the "noes" seemed to have it.

Mr. MOORE of Pennsylvania. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 11, noes 67.

So the amendment was rejected.

Mr. CULLOP. Mr. Chairman, I offer the following amendment.

Mr. MANN. I suggest to the gentleman from Virginia that it is time to move to rise.

The CHAIRMAN. The gentleman from Indiana [Mr. CULLOP] offers an amendment, which the Clerk will report.

Mr. CULLOP. It is to amend page 82, line 8, after the word "complain" by inserting the word "interplead." I have conferred with the committee, and that amendment is satisfactory to the members of the committee.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 82, line 8, after the word "complain" insert the word "interplead."

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. CULLOP. Also insert a comma after the word "complain" and before the word "interplead."

The CHAIRMAN. Without objection, the amendment will be agreed to. Is there objection?

There was no objection.

Mr. DILLON. I move to strike out the last word.

The CHAIRMAN. All debate on the paragraph is closed. The gentleman can make his motion if he desires to do so.

Mr. GLASS. Let us read the next section.

Mr. MANN. What is the object in reading it? Nobody will know what it is to-morrow.

Mr. GLASS. The object in reading it is to make some progress on this bill.

Mr. MANN. I doubt whether it will make any progress simply to read the section.

Mr. GLASS. I had hoped to finish the section. It is a short one, and I can not conceive that there will be any amendment proposed to it.

Mr. MANN. It will not take any longer to-morrow than it will to-night.

Mr. GLASS. We have gotten into this situation: It was supposed when the special rule was adopted that none of these conference reports would intercept the consideration of this bill, but I am told that a conference report will be brought up here to-morrow. In addition to that I have a request that the House proceed with the consideration of pension business after 5 o'clock to-morrow, to which I do not want to raise any objection, and therefore I hope we may get through with this section before 6 this afternoon.

Mr. MANN. I thought we had an understanding that if we met at 11 o'clock we would quit at half past 5. I do not think the conference report on the Indian appropriation bill will take very long, if that is the one the gentleman has reference to.

Mr. GLASS. I wish the gentleman would assist me in getting through with this section, at least, to-night. It will take only a minute.

Mr. MANN. It will not take any longer to-morrow than it will to-night. I do not know whether there will be any amendments to it or not.

Mr. GLASS. It will not take any longer to-night than it will to-morrow.

Mr. MANN. It is the adjourning hour.

Mr. GLASS. I think the gentleman from Illinois ought not to be too unyielding about these matters. [Laughter.]

Mr. MANN. The gentleman has his responsibility while this bill is pending, but I have to do this every day to protect the House.

Mr. GLASS. The gentleman is inured to this sort of trouble, and I want to get rid of it if possible.

Mr. MANN. I think we had better quit at half past 5.

Mr. GLASS. All right. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents

for the United States, and for other purposes, and had come to no resolution thereon.

PENSIONS.

Mr. SHOUSE. Mr. Speaker, I ask unanimous consent that to-morrow, Friday afternoon, at 5 o'clock the House shall take up pension bills on the Private Calendar.

Mr. MANN. Mr. Speaker, it does not require unanimous consent. All the gentleman needs to do is to arrange with the gentleman from Virginia.

Mr. SHOUSE. It is arranged with the gentleman from Virginia.

The SPEAKER. It is understood that we will take it up at 5 o'clock.

Mr. MANN. To-morrow is pension day, and it is in order.

LEAVE TO EXTEND REMARKS.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter received from Hon. Robert J. Bulkley, in reply to a request from me relative to an expression of opinion on the pending bill on rural credits.

The SPEAKER. The gentleman asks leave to extend his remarks by printing a letter from Hon. Robert J. Bulkley.

Mr. MANN. The gentleman has that authority. I have no objection.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent to extend remarks in the RECORD on the subject of equal suffrage.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend remarks in the RECORD on the subject of equal suffrage. Is there objection?

There was no objection.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3304. An act concerning the exportation of alcohol and other distilled spirits; to the Committee on Ways and Means.

S. 5708. An act for the establishment of Winston-Salem, in the State of North Carolina, as a port of delivery under the act of June 10, 1880, governing the immediate transportation without appraisement of dutiable merchandise; to the Committee on Ways and Means.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.) the House adjourned until Friday, May 12, 1916, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Navy submitting additional estimates of deficiencies in appropriations for the Marine Corps, required by the Navy Department to complete the service of the fiscal year ending June 30, 1916 (H. Doc. No. 1107); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of State requesting that the unexpended balance of the appropriation made by public resolution No. 48, September 11, 1914, and reappropriated in 1915 and 1916, be again reappropriated and made available for like purposes for the fiscal year ending June 30, 1917 (H. Doc. No. 1108); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and a resolution were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 11864) to provide Federal aid in caring for indigent tuberculous persons, and for other purposes, reported the same with amendment, accompanied by a report (No. 676), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM, from the Committee on the Judiciary, to which was referred the bill (H. R. 12541) authorizing insurance companies and fraternal beneficiary societies to file bills of interpleader, reported the same with amendment, accompanied by a report (No. 677), which said bill and report were referred to the House Calendar.

Mr. GARD, from the Committee on the Judiciary, to which was referred the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, reported the same without amendment, accompanied by a report (No. 678), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, to which was referred the joint resolution (H. J. Res. 63) authorizing the Secretary of Commerce to sell skins taken from fur seals killed on the Pribilof Islands for food purposes, reported the same without amendment, accompanied by a report (No. 675), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. DIES, from the Committee on Claims, to which was referred the bill (H. R. 14570) for the relief of Cathrine Grace, reported the same with amendment, accompanied by a report (No. 666), which said bill and report were referred to the Private Calendar.

Mr. POU, from the Committee on Claims, to which was referred the bill (H. R. 13636) for the relief of R. L. Jennings, reported the same without amendment, accompanied by a report (No. 667), which said bill and report were referred to the Private Calendar.

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (H. R. 14645) for the relief of the legal representatives of P. H. Aylett, reported the same with amendment, accompanied by a report (No. 668), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 13247) for the relief of The Ferries Co., reported the same with amendment, accompanied by a report (No. 669), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 3253) for the relief of Hudson Bros., of Norfolk, Va., reported the same without amendment, accompanied by a report (No. 670), which said bill and report were referred to the Private Calendar.

Mr. RUSSELL of Ohio, from the Committee on Claims, to which was referred the bill (H. R. 7396) for the relief of Hiram P. Geaslin, reported the same with amendment, accompanied by a report (No. 671), which said bill and report were referred to the Private Calendar.

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (S. 606) for the relief of James C. Hilton, reported the same without amendment, accompanied by a report (No. 672), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 2601) for the relief of William W. Fineren, reported the same with amendment, accompanied by a report (No. 673), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 4581) for the relief of Victor A. Ermerins, reported the same without amendment, accompanied by a report (No. 674), which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 2859) granting a pension to Ellen T. Harris, and the same was referred to the Committee on Invalid Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. HINDS: A bill (H. R. 15573) to define the standing of officers of the Coast Survey during the late Civil War; to the Committee on Military Affairs.

By Mr. GARDNER: A bill (H. R. 15574) to authorize the acquisition of a site and the erection of a Federal building at Salem, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. DILL: A bill (H. R. 15575) to amend the act of March 22, 1906, entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the State of Washington, and for other purposes; to the Committee on Indian Affairs.

By Mr. QUIN (by request): A bill (H. R. 15576) providing for the creation of optometrists corps in the Army; to the Committee on Military Affairs.

By Mr. KONOP: A bill (H. R. 15577) authorizing the Secretary of War to donate condemned cannon and balls to the village of Lena, Wis.; to the Committee on Military Affairs.

By Mr. HAYDEN: A bill (H. R. 15578) granting public lands to the State of Arizona for the construction, repair, and maintenance of public roads and highways; to the Committee on the Public Lands.

By Mr. GRAHAM: A bill (H. R. 15579) to authorize the purchase of a site for a post office in the city of Philadelphia, State of Pennsylvania, and to make an appropriation therefor; to the Committee on Appropriations.

Also, a bill (H. R. 15580) to make an appropriation for the purchase of a site and erection of a building thereon for a post office in the city of Philadelphia, State of Pennsylvania; to the Committee on Appropriations.

By Mr. SABATH: A bill (H. R. 15581) for the relief of the victims of the *Eastland* disaster; to the Committee on Claims.

By Mr. HOLLINGSWORTH: A bill (H. R. 15582) to increase the pensions of the blind who served in the War with Mexico or the Civil War; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: Concurrent resolution (H. Con. Res. 38) requesting the President to invite neutral powers to join in a conference in the interest of peace; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and a resolution were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 15583) granting an increase of pension to George W. Bowers; to the Committee on Invalid Pensions.

By Mr. CONNELLY: A bill (H. R. 15584) granting an increase of pension to Lisetta Bundy; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 15585) granting a pension to Margaret M. Smith; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 15586) for the relief of Frank Collins; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 15587) granting an increase of pension to Samuel E. Edmondson; to the Committee on Invalid Pensions.

By Mr. EAGAN: A bill (H. R. 15588) granting an increase of pension to Louise Menkel; to the Committee on Invalid Pensions.

By Mr. FLOOD: A bill (H. R. 15589) for the relief of the legal representatives of Thomas, Winn & Holman; to the Committee on War Claims.

Also, a bill (H. R. 15590) for the relief of Sarah E. Edmondson; to the Committee on Pensions.

By Mr. FOSTER: A bill (H. R. 15591) granting an increase of pension to William M. Sprinkle; to the Committee on Invalid Pensions.

By Mr. GLYNN: A bill (H. R. 15592) granting a pension to Sarah H. Parker; to the Committee on Invalid Pensions.

By Mr. GREENE of Vermont: A bill (H. R. 15593) granting a pension to Mary S. Lovejoy; to the Committee on Invalid Pensions.

By Mr. HART: A bill (H. R. 15594) granting an increase of pension to Hannah Couse; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15595) granting an increase of pension to Whitfield H. Lance; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15596) granting an increase of pension to Lewis W. Mills; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 15597) granting a pension to Mrs. Rachel Hill; to the Committee on Invalid Pensions.

By Mr. McCULLOCH: A bill (H. R. 15598) granting an increase of pension to Raymond E. Fisher; to the Committee on Pensions.

By Mr. MOTT: A bill (H. R. 15599) granting a pension to Phoebe Jane Pickard Edwards; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 15600) for the relief of W. D. Wilson; to the Committee on War Claims.

By Mr. RANDALL: A bill (H. R. 15601) granting a pension to Nora Dickerson; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 15602) granting an honorable discharge to Thomas Baker; to the Committee on Military Affairs.

By Mr. RUBEY: A bill (H. R. 15603) granting an increase of pension to Winthrop Johnson; to the Committee on Invalid Pensions.

By Mr. SANFORD: A bill (H. R. 15604) for the relief of Peter T. Coons; to the Committee on Military Affairs.

By Mr. SHERLEY: A bill (H. R. 15605) granting an increase of pension to Ella M. Robards; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15606) granting an increase of pension to Hezekiah Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15607) granting an increase of pension to Mary E. Gibson; to the Committee on Invalid Pensions.

By Mr. SULLOWAY: A bill (H. R. 15608) granting an increase of pension to Lois F. Eaton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15609) granting an increase of pension to Josephine P. Ham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15610) granting an increase of pension to John C. Toombs; to the Committee on Invalid Pensions.

By Mr. WASON: A bill (H. R. 15611) granting an increase of pension to Charles S. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15612) granting an increase of pension to Elery Wheeler; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 15613) granting a pension to William Warren; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 15614) granting an increase of pension to Charles Holstein; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15615) granting an increase of pension to Chauncey W. Young; to the Committee on Invalid Pensions.

By Mr. KELLEY: A bill (H. R. 15616) for the relief of John H. Cowley; to the Committee on Military Affairs.

By Mr. IGOE: Resolution (H. Res. 234) for the relief of William S. Eames and Thomas C. Young, composing firm of Eames & Young; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of National Association of Conservation Commissioners, favoring legislation for game sanctuaries; to the Committee on Agriculture.

Also (by request), memorial of Interstate Sportsmen's Protective Association, Kansas City, Mo., relative to certain regulations provided for in the migratory-bird law; to the Committee on Agriculture.

By Mr. CAREW: Petition of American Statistical Society, in re Public Health Service; to the Committee on Reform in the Civil Service.

Also, petition of Irish-American Athletic Club, in re bill to establish a national athletic stadium; to the Committee on Appropriations.

By Mr. DALE of New York: Memorial of United States Openers and Packers' Benevolent Association of the Port of New York, favoring passage of House bill 11876, the Nolan bill; to the Committee on Labor.

Also, petition of James C. S. Bates, of Hoboken, N. J., favoring increase in Army and Navy, etc.; to the Committee on Military Affairs.

Also, petition of New York State Society of Oregon, favoring the Chamberlain bill relative to 40 per cent of sales from Oregon and California land grant to Oregon school fund; to the Committee on the Public Lands.

By Mr. DOOLING: Petition of Irish-American Athletic Club, in re bill to establish a national athletic stadium; to the Committee on Appropriations.

By Mr. EMERSON: Memorial of citizens of the twenty-second district of Ohio, against passage of Senate bill 645; to the Committee on the District of Columbia.

By Mr. FLYNN: Petition of James H. S. Bates, M. E., of New York, in re military preparedness; to the Committee on Military Affairs.

Also, memorial of New York State Society of Oregon, favoring the Chamberlain bill in re land grant; to the Committee on the Public Lands.

By Mr. GALLIVAN: Petition of Boston Music Publishers' Association, favoring the Stevens bill; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON of New York: Papers to accompany House bill 15537, granting an increase of pension to Stillman P. Daily; to the Committee on Invalid Pensions.

By Mr. HAWLEY: Petition of citizens of Woodburn, Oreg., favoring national constitutional prohibition amendment; to the Committee on the Judiciary.

By Mr. KIESS of Pennsylvania: Statements to accompany House bill 11505, for the relief of Ashley H. Shoot; to the Committee on Military Affairs.

By Mr. LOUD: Petition of E. E. Moher and Baptist Church of Twining, Mich., for national prohibition; to the Committee on the Judiciary.

By Mr. MEEKER: Petition of 24 citizens of St. Louis, Mo., against bills to amend the postal law; to the Committee on the Post Office and Post Roads.

By Mr. O'SHAUNESSY: Petition of sundry citizens of Bristol, R. I., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Builders' Iron Foundry, of Providence, R. I., against House bill 8665; to the Committee on Labor.

Also, petition of E. E. Trowbridge, of Peace Dale, R. I., favoring House bill 11250 and Senate bill 703; to the Committee on Education.

Also, petition of Builders' Iron Foundry, of Providence, R. I., in re use of the metric system; to the Committee on Coinage, Weights, and Measures.

Also, memorial of American Statistical Association, opposing the Works resolution; to the Committee on Reform in the Civil Service.

Also, petition of Gilbert Johnson, jr., of Providence, R. I., favoring House bill 8828 and Senate bill 3456; to the Committee on Appropriations.

Also, memorial of New York State Retail Jewelers' Association, favoring House bill 13305; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Bristol Improvement Association, favoring the establishment of a naval base on Narragansett Bay; to the Committee on Naval Affairs.

By Mr. PHELAN: Petition of sundry societies of Massachusetts, favoring national prohibition; to the Committee on the Judiciary.

By Mr. RANDALL: Memorial of sundry citizens of Los Angeles, Cal., favoring woman suffrage; to the Committee on the Judiciary.

By Mr. STEENERSON: Petition of citizens of Pequot, Minn., protesting against the passage of House bill 652, Sunday closing of barber shops in the District of Columbia; to the Committee on the District of Columbia.

Also, petition of citizens of Pequot, Minn., protesting against the passage of House bills 491 and 6468, to amend the postal laws, etc.; to the Committee on the Post Office and Post Roads.

By Mr. TEMPLE: Petition of citizens of New Wilmington, Ellwood City, and New Castle, Pa., favoring the passage of House bill 270, Roberts mail-order bill; to the Committee on Ways and Means.

Also, petition protesting against the Taylor system in Government workshops, signed by 40 citizens of Beaver Falls and New Brighton, Pa.; to the Committee on Naval Affairs.

## SENATE.

### FRIDAY, *May 12, 1916.*

*(Legislative day of Tuesday, May 9, 1916.)*

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. KENYON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Dillingham | Lea, Tenn. | Smith, Md. |
| Beckham | du Pont | Lodge | Smoot |
| Brady | Gallinger | Martin, Va. | Stone |
| Bandegee | Hardwick | Martine, N. J. | Sutherland |
| Broussard | Hitchcock | Myers | Swanson |
| Catron | Hughes | Norris | Taggart |
| Chamberlain | Husting | Page | Thomas |
| Chilton | James | Poindexter | Thompson |
| Clapp | Johnson, Me. | Pomerene | Townsend |
| Clarke, Ark. | Johnson, S. Dak. | Ransdell | Vardaman |
| Colt | Kenyon | Shafroth | Warren |
| Culberson | Kern | Sheppard | |
| Curtis | Lane | Sherman | |

Mr. CURTIS. I have been requested to announce that the Senator from Montana [Mr. WALSH], the Senator from North Dakota [Mr. GRONNA], the Senator from Idaho [Mr. BORAH], and the Senator from California [Mr. WORKS] are detained in committee.

Mr. CHILTON. I wish to announce that my colleague [Mr. GOFF] is absent on account of illness. I make this announcement for the day.

Mr. LEA of Tennessee. I have been requested to announce the unavoidable absence of the senior Senator from Mississippi [Mr. WILLIAMS].

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

#### WITHDRAWAL OF ALCOHOL FROM BOND.

Mr. LODGE. I ask unanimous consent to submit a favorable report from the Committee on Finance.

I am directed by the Committee on Finance, to which was referred the bill (S. 5966) to amend an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, to report it favorably without amendment. I ask for its present consideration.

There being no objection, the Senate, as in Committee of the whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.,* That subsection 2, paragraph N, of section 4, be amended as follows: At the end of the first paragraph add the words "That any person or persons heretofore mentioned may, under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, also withdraw alcohol from bond, free of tax, for denaturation only."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### NEW JERSEY DAY.

Mr. MARTINE of New Jersey. Mr. President, I desire to ask unanimous consent for a matter that is in a way personal. In my little Commonwealth this day has been set apart by our governor as New Jersey Day, and I desire to make a few little comments upon the merits of my State. I ask for unanimous consent. It will take but a few minutes.

Mr. JAMES and others. All right.

Mr. MARTINE of New Jersey. Is there objection?

The VICE PRESIDENT. It comes in under the pending bill very well.

Mr. MARTINE of New Jersey. Mr. President, as Senators, I deem it is our privilege and duty to advance the welfare of our land and the people thereof, and to that end I feel that we may be justified in proclaiming the merits and claims of our respective States. Mr. President, with us to-day, May 12, in my State is New Jersey Day. New Jersey was one of the original thirteen Colonies to join the Union. New Jersey was the third State to ratify the Federal Constitution, which it did unanimously on December 18, 1787. The spirit of our fathers bade them to pit their lives and their fortunes against Great Britain that liberty might live. Their warm, rich blood soaked the battle fields of Monmouth, Princeton, Trenton, Springfield, and Elizabeth to gain the heritage that to-day we enjoy.

But in recent years New Jersey, through her sons, has contributed honor and glory to our country. That superb son of New Jersey, Grover Cleveland, added fame and honor to our history. Another painstaking and patriotic son, the present President of the United States, Woodrow Wilson, has by his unselfishness and patriotism honored and blessed our land, and placed his name high on the scroll of fame. And, too, the honored position you to-day so ably and acceptably fill, was occupied by a distinguished son of New Jersey, Garrett Hobart; his genial presence shed sunshine wherever he might be.

New Jersey was the first to float our flag over the Continental Armies.

To-day our State is a veritable hive of industry. The clang of our anvils, the buzz and hum of our mills, sing the tune of industry, liberty, prosperity, and happiness.

From a point in our State, taking the city of Trenton as a center, in a radius of 60 miles there is a throbbing population of over 12,000,000 souls.

Our State is sandwiched between the great States of New York and Pennsylvania. The cities of New York and Philadelphia affording rich markets for our products. The great railroads of our country must cross our favored Commonwealth in their effort to seek the world's market. The great pipe lines, draining half the continent of mineral oil, cross our State and flow to the great refineries located on our coast.

Senators, we are proud in the thought that we are the gateway of our Nation. No State exceeds New Jersey in variety of manufacture. We lead in copper smelting and refining, in

manufacture of silk, linoleum, sewing machines, rubber goods, jewelry, varnish, and pottery. We boast of more miles of railways per square mile of territory than any other State of the Union. Nine-tenths of our State is water bounded, thus affording ample bays and dockage for shipping.

The manufacturing capital invested in New Jersey is about twice as much as was invested in the whole of the United States in 1850. Transportation in our State is developed to a marked degree; we have 1 mile of railroad for every 3 square miles of land.

New Jersey was the first to adopt the State-aid system in the system of road construction. We now have 7,344 miles of improved roads. Our schools rank among the best, under a total expenditure of $17,000,000. Our State school property is valued at over $65,000,000. In this connection let me state that under our system we convey, in the rural districts, high-school pupils to and from the schools to their homes when far distant. The upland area of New Jersey is 4,808,960 acres; improved farm land, 1,803,336 acres; land in forest, 2,069,819 acres. Our population in 1915 was 2,844,342, or about 378 per square mile.

As a State we are and have been blessed by good legislation; we are favored with glorious climatic conditions; our territory is ramified by a superb road system. Beautiful and happy homes dot our hills and dales, all combining to make a most charming landscape.

The glories of our wonderful Atlantic seacoast, the health-giving air along the sea, bring to us tens of thousands of visitors each year. The green clad hills of Union, Sussex, Warren, Morris, and Somerset reach to an elevation of 1,300 feet, with crystal lakes nestling in the valleys throughout the northern section, transforming that territory into a veritable Switzerland. To this fair-pictured land New Jersey bids welcome to all seeking health, wealth, and happiness. In this historic Commonwealth one will find more completely combined the advantages of the city with the delights and blessings of the green fields than any other section of our country. We bid you come; our latchstring hangs out; a warm hand will greet you.

NEW JERSEY.

"The rolling wave is on thy shore,
Jersey land, my Jersey land!
Aloft thine azured mountains soar,
Jersey land, my Jersey land!
Hilltop and vale, low-lying plain,
Thy pines, thy streams with murmuring strain,
These ne'er will let thy beauty wane,
Jersey land, my Jersey land!
On fame's bright roll thy name is found,
Jersey land, my Jersey land!
Thine every road is hallowed ground,
Jersey land, my Jersey land!
At Trenton and on Princeton's field,
On Monmouth's plain, with valor steeled,
Thy sons their lives for freedom sealed,
Jersey land, my Jersey land!
Minerva holds thee near her heart,
Jersey land, my Jersey land!
Their gifts the sacred nine impart,
Jersey land, my Jersey land!
Fair wisdom's sons thou lov'st to call
From wayside shrine or college hall,
Thine altar fires bid welcome all,
Jersey land, my Jersey land!"

[Applause.]

RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SHERMAN resumed the speech begun by him on yesterday. After having spoken for some time,

INDIAN APPROPRIATIONS—CONFERENCE REPORT.

Mr. ASHURST. Mr. President, will the Senator from Illinois yield to me for a moment?

Mr. SHERMAN. Certainly.

Mr. ASHURST. Mr. President, a message from the House of Representatives received a few moments ago announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the Indian appropriation bill (H. R. 10385). I should like to have the report considered by the Senate now. I think it will take only about five minutes to dispose of it. No one wishes to speak at length against it, and I ask unanimous consent that the Senate consider the conference report at this time, assuming, of course, that it will not take the Senator from Illinois off the floor. The report has already been submitted by me and has been printed in the RECORD. I do not think it will be necessary to read it.

The PRESIDING OFFICER (Mr. JOHNSON of South Dakota in the chair). Is there objection to the request of the Senator from Arizona?

Mr. CLARKE of Arkansas. I shall not object, with the qualification that if it leads to protracted debate or controversy the Senator will ask that the further consideration of the conference report be postponed to another time.

Mr. ASHURST. If the report leads to extended debate, I will ask to postpone its consideration for the time.

Mr. GRONNA. Mr. President, will the chairman of the Committee on Indian Affairs be kind enough to tell the Senate what changes have been made in the report, so that we may know on what we are voting?

Mr. ASHURST. Mr. President, this is, I might say, the third time this report has been made to the Senate. It was twice rejected. It was rejected the last time because the Senate found serious objection to the way in which the conferees had altered amendment numbered 2. Amendment No. 2, as adopted by the Senate, read as follows:

The provisions of sections 2140 and 2141 of the Revised Statutes of the United States shall also apply to beer and other intoxicating liquors named in the act of January 30, 1897 (29 Stats. L., p. 506).

That amendment was adopted on the motion of the Senator from Oklahoma [Mr. OWEN], and what follows was the amendment adopted on the motion of the Senator from North Dakota [Mr. GRONNA]:

And the possession by a person of intoxicating liquors in the country where the introduction is prohibited shall be prima facie evidence of unlawful introduction.

The conferees made that rule of evidence apply only to Indian country, which was not satisfactory to the Senate, whereupon the report was recommitted to the conference committee, and the conferees then changed it by inserting the words "by treaty or Federal statute," so that it now reads:

The provisions of sections 2140 and 2141 of the Revised Statutes of the United States shall also apply to beer and other intoxicating liquors named in the act of January 30, 1897 (29 Stat. L., p. 506), and the possession by a person of intoxicating liquors in the country where the introduction is prohibited by treaty or Federal statute shall be prima facie evidence of unlawful introduction.

It merely shifts the burden of proof, so that whenever any person with intoxicating liquor in his possession is found in any country where liquor is prohibited the burden of proof is on him; he must prove that he has it there lawfully, instead of the United States being required to prove that he has it there unlawfully.

I desire to state further that before the conferees agreed to that provision, knowing that that item was in controversy, we called before us a number of Senators interested in it and consulted with them, and we were assured that it was satisfactory.

Mr. LANE. Mr. President, in relation to that clause——

Mr. JONES. Mr. President——

Mr. LANE. Does the Senator from Washington desire to speak to the conference report?

Mr. JONES. I desire to take about a minute.

Mr. LANE. Very well, I yield to the Senator.

Mr. JONES. Mr. President, I have here a paper, which was read before the conference of the Society of American Indians at Lawrence, Kans., September 30, 1915. It is a paper prepared by a full-blooded Apache Indian, who, I understand, is a very successful business man in Chicago. I ask that the paper be printed in the RECORD, together with a brief sketch of the author's life, which appears on the back of the last page.

Mr. LANE. Mr. President, I ask that the paper be read at this time. There is no better time to have that matter brought to the attention of the Senate than right now, and I ask unanimous consent that it be read. If I can not secure unanimous consent for that purpose, I will read it myself.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

Mr. JONES. Mr. President, I have no objection to its being read, but I did not want to take the time of the Senate to have it read.

Mr. LANE. This is a good time to have it read.

Mr. JONES. In presenting it I will say that I do not wish to be understood as indorsing everything that is in the paper, but I present it partly to show the views of an educated full-blooded Indian with reference to the conduct of Indian affairs.

Mr. ASHURST. What is his name?

Mr. JONES. Dr. Montezuma. I understand the Senator from Oregon has secured unanimous consent that it may be read, and I send it to the Secretary's desk.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary proceeded to read the document referred to. After reading for about five minutes,

Mr. LANE. Mr. President, I ask that the rest of the document be printed in the RECORD. No one is paying any attention to it. You might just as well go out on the front porch and whistle against the east wind as to read that in here, so far as its receiving any attention is concerned, so I ask that the further reading of it be dispensed with.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The document referred to is, in full, as follows:

LET MY PEOPLE GO.

[Dr. Montezuma, speaking in the interest of his race, the American Indians, read before the conference of the Society of American Indians, at Lawrence, Kans., Sept. 30, 1915.]

From time immemorial, in the beginning of man's history, there come echoes and reechoes of pleas that are deeper than life.

This is an age of abusiveness, "man's inhumanity to man," where man experiments with man; it is an age where money (the idol) is dominant; it is an age of tyranny, where might is right; yet producing such material achievements and advancement as the world has never seen. It is an age where we hide and ask God, "Am I my brother's keeper?" It is an age where man's noblest character that reaches to God must not waver but must be strong and see the right.

The Society of American Indians has met and met. This coming together every year has been the mere routine of shaking hands, appointing committees, listening to papers, hearing discussions, passing a few resolutions, electing officers, then reorganizing—and that has been the extent of our outlook and usefulness for our race. Our placing too much faith and confidence in the Indian Bureau has caused us to evade the vital, the most important and fundamental, object of our society. Mohonk Conferences, Indian Rights Association, Indian Friends, and other similar organizations have also evaded the vital, paramount issue; if they did touch on it, they did it in the form of a whisper.

In the bloody and gloomy days of Indian history public sentiment was against the Indians, that they could not be civilized; they could not be educated; they were somewhat like human beings, but not quite within the line of human rights; the only hope was to let the bullets do the work, cover up the bloody deeds, and say no more—God and humanity were forgotten.

At that hour, when Indians were made "good Indians," as a lightning from the clear sky, out from the frontier, among Indian-fighting soldiers, a voice came: "Stay the sword; the Indian is a man." That voice was no less than Lieut. R. H. Pratt (founder of the United States Indian School, Carlisle, Pa., 1879), now our most beloved and honored benefactor, a brigadier general.

Patient, silent, and distant the Indian race has been these many years.

There comes a time in human events when abandonment of racial responsibilities becomes very oppressive, unbearable, intolerable, and there seems to be no hope—then man must exert himself, speak, and act.

The status of our people is not on the square for that reason. Brothers, that time has come to our race. The Society of American Indians is not free. We are wards; we are not free! In a free country we are not free; our heritage is freedom, but we are not free. Wake up, Indians, all over America! We are hoodwinked, duped more and more every year; we are made to feel that we are free when we are not. We are chained hand and foot; we stand helpless, innocently waiting for the fulfillment of promises that will never be fulfilled in the overwhelming great ocean of civilization.

Civilization is our monarch. As a race we are at a crisis. Our position as a race and our rights must not be questioned. Looking from all points of the compass there is only one object for this Society of Indians to work for, namely, "freedom for our people."

It seems so strange that some members of the society can not understand the object of this paper, and these are their questions: "We are ready to abolish the Indian Bureau, but how?" "Wait, let us settle this and that first." Another one says, "Doctor, I stand pat with you on doing away with the Indian Bureau, but let us get an understanding of this and that first." "Do not stir up a revolution until we are ready." "Evolution and not revolution."

Some well-meaning people feel very bad over this matter of taking away the support of the Indians. They pass their hands over their foreheads, take a long sigh, sadly look into space, and wonder how we are going to free the Indians and what will become of the poor Indians then. This going here and there seeking to find a solution to the Indian problem is all nonsense. It has been a problem so long that it has become a problem.

Gen. Pratt's words are true that "the Indian (paper read by Capt. Pratt before the Women's New Century Club, Philadelphia, Pa., Jan. 10, 1896) is no problem." It is all in our mind. To free the Indian is to free the Indian. There is nothing complicated about that. It is so simple that we can not believe it.

Common sense teaches us that when you free the Indian in civilization, the Indian will civilize himself—it is automatic and involuntary—and that to free the Indian from bureauism is to free him from bureaucism.

My coworkers, if we disagree as a society of Indians in this matter, those who do not think as we do will just chuckle and gloat over our factions. It is just what they want. It favors them and weakens us as an Indian organization. If we can not attend to our own affairs as a society of American Indians, they will point to us and say, "I thought so. They are Indians; they can't do anything." Now, we must do something and show that the Indians can do.

The question of abolishing the Indian Bureau is not a new idea. Eleven years ago the progress of the Indian race had reached that stage of preparation that enabled them to be independent of Government supervision and to be told to go their own way and be their own self-supporters.

Gen. Pratt sounded the keynote when he said:

"I believe that nothing better could have happened to the Indians than the complete destruction of the bureau, which keeps them so carefully laid away in the dark of its numerous drawers, together with all its varied influences, which only serve to bolster and maintain tribal conditions.

"The early death of the 'Freedmen's Bureau' was an infinite blessing to the negro himself and to the country as well. If you say the turning loose of this large number of ignorant and unprepared people would threaten the peace of our communities, I say that not a year within the last 30 but we have imported from foreign countries and turned loose in the United States a much greater number of no less unprepared and ignorant people. One thing is certain, this bureau will never lift its finger to end its own life, and we can rely on it that its emotions are most pleasurable when Congress adds to it increased responsibilities in the distribution of money, etc. It is a barnacle to be knocked off sometime.

"Better, far better for the Indians had there never been a bureau. Then self-preservation would have led the individual Indian to find his true place, and his real emancipation would have been speedily consummated." (Address delivered before the Baptist ministers' meeting in New York City, 1904.)

When Gen. Pratt uttered these words, he thought that the country and the President were with him in heart and soul for the betterment of the Indians as in the past. Not so—humiliatingly he was made to realize that there was some one higher than he, some one to be considered, some one to be reckoned with. He found himself relieved from the great institution he founded and cherished, and where he had hoped to see his last days. He had said too much. He was in the Indian Service under the bureau and his head was cut off—1904.

With regret the writer must mention the fact that the Mohonk Conference, Indian Rights Association, and National Indian Association were silent and dumb. Not a word of protest was heard from them. Shame upon them! If they were true and loyal friends of the Indians, such would not have occurred.

Government: "Say, Sitting Bull, I know you are a good fellow, but you are as a child in looking after your business, you are easily cheated and robbed. I know it, because I have done it myself. Now, my good friend, Sitting Bull, I will tell you what to do. You give everything over to me, and I will do everything for you."

That is about how we came to be wards of the Government. They and we as their children have paid dearly in every way to have the United States Government in charge of us as wards.

It is a psychological fact that by everlastingly harping and pointing that "you are an Indian," that "you are a ward," that "you are a child and must be protected," that "you have property, and we must be your real estate agent," that "you must not do anything without your superintendent's approval," that "you are not ready to live as a free man," it is a scientific fact that after a while you will actually believe that it is all true, that you are different from other races, that you have "Washington" for your father, that he feels your weakness as a child, and that the Government is so good as to protect you, that the superintendent and "Washington" will attend to your rights, and that if they want you to sign your thumb mark or name to their papers, you have to. The Indian knows nothing else. Alas, everything is taken from him without his consent and without his being consulted. The jail is close by if the Indian does not obey.

To-day the Indian Bureau is founded on a wrong basis. It is un-American. It is pursuing unnatural methods to reap natural results. Being unnatural, it has come to be a heavy burden instead of a help to the Indians. It is dominated by the Indian Service regulations, thus dominating the Indians and perpetuating itself. It has swerved from its noble course. It has derailed the Indians from the main road that other races travel. It has gone into commercial business; it is methods and methods and promotions.

The original grand, noble, and ideal object of the Indian Bureau was to aid and protect the Indian and prepare him to emerge from his wigwam into civilization, and it has been a total failure.

Within my period of years there have been 10 or 12 Commissioners of Indian Affairs. Most of them are dead, and the machine still exists to be greased and tinkered with. It is a political machine, where one goes out and another comes in, taking turns greasing and adjusting the Indian machine.

The gradual process of civilizing the Indian seems well enough, but experience teaches us, and as we study the case it seems more and more like the good saint's method of shortening his dog's long tail. He was a very sympathetic and humane man. He concluded to shorten it by the gradual process. To do it nicely he cut off a little piece of the tail one day and another piece off at another time, and so he continued to sever the dog's tail by installments, so as not to hurt the dear dog too much.

This humane and sentimental process has not been practical and has done the Indian a great deal of harm before the world. It has been a blind; a pretention that you are doing something. It is never ceasing, never ending.

There is a wrong feeling, a wrong thought, and a wrong judgment that we must fight. It is an individual battle! It is called "prejudice."

Keep in mind that Indian Bureau, Indian reservations, Indian schools, Indian college, Indian art, Indian novels, Indian music, Indian shows, Indian movies, and Indian everything create prejudice and do not help our race. To tackle prejudice it is better to do it face to face in the busy world. To play the same card as the other fellow we must know him.

Before leaving the Indian Service I wrote to a good friend asking him what he thought of my leaving the Government service and hanging out my shingle in Chicago. He replied, "Well, Doctor, I would advise you to stick to the Government job where the pay is sure. If you come to Chicago, I am afraid you will not make a success here, because there will be prejudice against you, even though you may be the best physician—you are an Indian."

When I read these words my Apache blood rushed into my head, and I said, "God helping me, I will resign the Government service and go back to Chicago and fight prejudice." I was willing to sacrifice everything for my race, so I took the choice of coming in contact with prejudice and going against the current of life and defying the world for the rights with which God has endowed the Indian, as one of His creatures, and I assure you I am not discouraged or dismayed.

To fight is to forget ourselves as Indians in the world. To think of oneself as different from the mass is not healthy. Push forward as one of them, be congenial, and be in harmony with your environments and make yourselves feel at home as one of the units in the big family of America. Make good, deliver the goods, and convince the world by your character that the Indians are not as they have been misrepresented to be.

Members of this society, we have been drilling in our uniforms, but not fighting. Now we must fight or go out of existence. When Gen. Pratt was unjustly dismissed from the Indian Service, the bar that debarred special-interest people was let down. The Indians were no longer protected by a wise father. These would-be friends of the Indians discovered the Indian to be an ideal and fit subject to be exploited by the Indian Bureau, by the missionaries, by the philanthropists, by the anthropologists, by the sociologists, by the psycholo-

gists, by the archaeologists, by the artists, by the novelists, and, O Lord, no telling how many can use the Indian. Scientifically the native child of the forest is so useful. They rushed in pell-mell, tumbling over one another, and the Indian was used as an Indian—as a man he was lost sight of. Our race fell back in its advancement 50 years, and where is our Gen. Pratt?

The reservation is a hothouse, the wrong "melting pot," a demoralizing prison of idleness, beggary, gambling, pauperism, and ruin, where the Indians remain as Indians, a barrier against enlightenment and knowledge. There is not on redeeming feature on the Indian reservations for the Indians. The Indians condemn it; anyone who knows the reservation condemns it, and those who have thought seriously to ascertain its redeeming qualities have condemned it; even the Indian Department condemns it, but does not dare to say so or it would be without a job. The one feeds the other.

The reservation system is a ruinous phantom for the Indians, a deceptive dream of hope that has rainbow spectrum. It is like that mirage upon the burning sands of the desert—now you see it, now you don't see it, and you die dreaming of it. It is a decoy that leads us to our doom.

The paleface boys and girls are kept at home and sent to public schools and sent away to colleges. When they finish school, these same boys and girls go away from home and make their own way in the busy, active life of the country—to succeed or fail, survive or perish. They know not what may befall them; they only take their chance away from home. For in this journey of life God's decree is that we can not see the path all the way—only from day to day—nor the hereafter, only by faith. The start is hard; we know it is hard and killing, but it fits us to compete with the world.

The Indian boys and girls are schooled on reservations near their Indian homes. By promotion they go into nonreservation Indian boarding schools. To go higher, they enter Carlisle, Haskell, or other Government Indian boarding schools; and when these same boys and girls finish the eighth grade they are carefully sent back to their homes on the reservations. That ends his or her school chapter, and what has been the outcome of such method of Indian schooling? Back, back in everything, of course.

But, thanks be to God, illustrious names can be mentioned whose owners did not get all their education on reservations—Senator OWEN, Congressman CARTER, ex-Senator CURTIS, Dr. Eastman, the late Dr. Oronhyatekha, Mr. Parker, formerly of the Treasury, Rev. Wright, Dr. Favill, and many others. Now, where are the names of those Indians who have been educated on reservations? It is not surprising that no name can be mentioned.

Somehow or other the idea prevails that the Indian's sphere of action in this life and in America should be limited within the wigwam, and when an Indian boy or girl goes away to school you hear the hounding voices saying, "Go back, go back to your home and people." These good people and many others seem to convey the idea that Indians are strangers in America; and, strange to say, these people have the whole world for their action, and they are far away from their place of birth, and when they came the Indian was here; and, of course, the Indians, too, must have the whole world for their sphere of action.

There are hundreds of Indian employees in the Indian Service. To a casual observer this may appear as though the United States Government is magnanimous, considerate of its wards by giving employment to the schooled Indian boys and girls and to others who can fill positions and pass civil-service examinations. Man is the outcome of his environment. If employed in the Indian Service of the Government, that person will carry with him the atmosphere of that service, be he from any race. Anyone who conscientiously and unselfishly starts in the Indian Service to sacrifice his ambition in behalf of the Indian in time will fall into the rut, get tired, disgusted, and lose interest, and finally see no use, and he will fall into the level of his surroundings and stick to his job. He has lost sight of the grand object that he had at first, but he sticks to his job.

Just so with the Indian employees in the Indian Service; their personality is destroyed. To keep their positions, to be in the swim, they must not express themselves; they have nothing to say. They stick to the Indian Service and hate to lose their jobs.

Indian employees in the Indian Service are working against the freedom of their race.

Truth hurts, but it is never wrong, and in the long run it conquers. The Indian Bureau is the only obstacle that stands in the way, that hinders our people's freedom. It seems so strange, so incredible, and so unheard of that we Indians must fight and kill the very organ that was organized to free us in order to free ourselves.

What is the Society of American Indians good for? Dare we shy? Dare we run? Dare we cower? And dare we hide when our duty is so plainly written before us? As a society with the greatest object for our people, it should be no longer possible to evade the issue; the responsibility rests with us to be message runners to every camp and to let every Indian know that it remains with every individual Indian to be free.

It is apalling and inexplicable that the palefaces have taken all of the Indian's property—the continent of America—which was all he had in the world. The Indian asks for public school, college, and university education for his children. To refuse such a noble request would be as cruel as to give a stone when he asks for bread. Will the department defray the expenses of any college or university Indian students? The Indian Bureau's motto seems to be, "Eighth grade and no more." And therefore we may assume that the Indian Department does not want the Indian educated. It may be wise, and is afraid that they will make too many lawyers who will fight to a finish. It may be that the Indian Bureau fears something may happen from the Indian's knowledge of doing something.

To dominate a race you do not want to educate them. All one needs to do is to make them believe black is white and get them to believe everything you do is all right. Let them live Indian life. Let them fear you. Let them quibble among themselves. Give them plenty of sweets and tell them things will come out all right, for them not to worry, but leave it all to their "Washington father"; he is "good medicine," and all will be well. Blessed is the superintendent who has this executive ability.

The life of the Indian Bureau is supported by plausibilities and by civil service. No discredit to the principles of civil service, but when it somes to clinch and hold the lid down and keep the Indians from their liberty by its good name, then it is time that a loud protest should come from the Society of American Indians. The merit system has a limit when it stands in the way of human rights.

The Indian Bureau is willing and anxious to do everything for the Indians, but! It says: "If there is anything wrong, we can remedy it ourselves, because we are in a position to know the needs of the Indians, and do not believe, but!

"Thou good and faithful servant" can not be applied to the Indian Bureau; from a lamb it has grown to be a strong monster. It looks with furious glare at every movement we make, lest we take away the Indians from its blood-stained paws, because it pays to continue the same old policy, to keep us within due bonds.

The Indian Bureau could dissolve itself and go out of business, but what is the use? Just think, 8,000 employees would be jobless and there would be no $11,000,000 appropriation. By dissolving it would be killing its hen that lays the golden egg. Having nursed the Indians for so long, they might be lonesome living without Indians. There is no other race to draw upon to keep the wolf from the door. The last thing it thinks of is to let go of the Indians. It will fight to the last ditch, because they are its bread and butter; they are its money and have sacrificed their service to the cause.

Therefore it is useless to look within the Indian Department for relief. It must come from the outside—from Congress and the people.

Some may ask, Can we not adjust or reform the Indian Bureau so that it will accomplish something for the Indians? The Indian Bureau system is wrong. The only way to adjust wrong is to abolish it, and the only reform is to let my people go. After freeing the Indian from the shackles of Government supervision, what is the Indian going to do? Leave that with the Indian, and it is none of your business. Leave an Indian and a Yankee on a desert to live or die. I will vouch on an Indian every time—that he will make a living. This idea that the Indian will starve to death when the Indian Bureau is abolished is all talk, and there is nothing to it. He has to settle everything for himself. He has to do the same as you and I—and that is freedom.

The Indian Bureau has not left the Indians, but is awfully busy with a third party. The third party wants this and wants that, backed by Congressmen and by Senators and by a long list of petitioners. The Indian Bureau jibes in with the third party, and they both agree that the Indian has too much land. "He has no use for so much. Let us open up a part of it to the public, sell the land, and deposit the money to his credit in the Treasury, and have the interest money paid to him quarterly." If the Indian wants 50 cents and the tribe has $200 in the Treasury, the department takes the 50 cents from the $200, and the Indian believes it comes from Washington by taxing the public. That honest, if you can call it honest, method is called the reimbursement fund.

Reimbursement charity is the most damnable charity conceivable, and it takes away as much burden from the Indians as that good and kind-hearted old lady did when she held her heavy market basket out of the wagon on scaling the steep hill so that the poor horses would not have such a heavy load to pull up the hill. The Indians have to pull the heavy load up the hill of the Indian Bureau system, while the Indian Bureau rides and thinks it is helping us by holding its heavy basket out of the wagon.

What did the Indians get for their land that is flooded? How much did the Indians get for the land that irrigation ditches pass through? How much did the Indians get from the forest reserve and the natural park reserve? These are the questions yet to be settled, if the Government has not protected us as its wards.

Is the Indian's reimbursement fund Government appropriation, or is it the Indian paying himself?

Has the Indian no right to express himself or to be consulted and give his approval and disapproval of the construction of a dam on his domain?

Has he no right to say what part of his reservation may be sold?

Coming down to the fine point, has the Indian any right to open his mouth, to think for himself, or to do for himself, or even to live and breathe for himself?

Not at all; not at all! The Indian Bureau—the Indian Bureau does it all. If there is such a place as hell, O, it's like hell! O, it's like hell to me.

Fairly speaking, the Century of Dishonor, by Helen Hunt Jackson, bears a tale that is mild in comparison to the present Indian administration.

The iron hand of the Indian Bureau has us in charge. The slimy clutches of horrid greed and selfish interests are gripping the Indian's property. Little by little the Indian's land and everything else is fading into a dim and unknown realm.

The Indian's prognosis is bad—unfavorable, no hope. The foreboding prodromic signs are visible here and there now; and when all the Indian's money in the United States Treasury is disposed of; when the Indian's property is all taken from him; when the Indians have nothing in this wide, wide world; when the Indians will have no rights, no place to lay their heads; and when the Indians will be permitted to exist only on the outskirts of the towns; when they must go to the garbage boxes in alleys to keep them from starving; when the Indians will be driven into the streets, and finally the streets will be no place for them, then, what will the Indian Bureau do for them? Nothing, but drop them. The Indian Department will go out of business.

In other words, when the Indians will need the most help in this world, that philanthropic department of the Government that we call the Indian Bureau will cease to exist; bankrupt with liabilities—billions and billions—no assets. O Lord, my God, what a fate has the Indian Bureau for my people.

If we depend upon the employees of the Indian Bureau for our life, liberty, and pursuit of happiness, we wait a long while. They are too busy looking after the machinery of Indian Affairs; they have no time to look ahead; they have no time to feel the pulse of the Indian; they have no time to think of outside matters; they have no time to adjust matters. "Well, what time have they?" you may ask. All of their time is devoted to the pleasure and will of their master at Washington that we call the Indian Bureau.

Blindly they think they are helping and uplifting, when in reality they are a hindrance, a drawback, and a blockade on the road that would lead the Indian to freedom, that he may find his true place in the realms of mortal beings.

The reservation Indians are prisoners; they can not do anything for themselves. We are on the outside, and it is the outsiders that must work to free the Indians from bureauism. There is no fear of the general public; they are our friends. When they find out that we are not free they will free us. We have a running chance with the public, but no chance with the Indian Bureau.

The abolishment of the Indian Bureau will not only benefit the Indians, but the country will derive more money annually from the Indians than the Government has appropriated to them. Why? Because by doing away with the Indian Bureau you stop making paupers and useless beings and start the making of producers and workers.

Does this seem like a dream to you? Is your position a foreign attitude? From aloft, do you look down? Have you gone so far as to forget your race? Have you quenched the spirit of our fathers? As their children, dare we stay back, hide ourselves, and be dumb at this hour when we see our race abused, misused, and driven to its doom? If this be not so, then let whatever loyalty and racial pride be in you awaken and manifest itself in this greatest movement of "Let my people go!"

The highest duty and greatest object of the Society of American Indians is to have a bill introduced in our next Congress to have the Indian Bureau abolished and to let the Indians go. We can not be disinterested in this matter; we can not be jealous or hate one another; we can not quibble or be personal in this matter. There must be no suspicion.

We must act as one. Our hearts must throb with love, our souls must reach to God to guide us, and our bodies and souls must be used to gain our people's freedom.

In behalf of our people, with the spirit of Moses, I ask this—the United States of America—"Let my people go."

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The author of this article (Dr. Montezuma) is a full-blood Apache of Arizona. His tribe was considered the most ferocious, unpromising specimen and the most primitive of the aborigines. When but 4 years of age he was taken prisoner by the Pima Indians, who sold him for $30 to Mr. C. Gentile, one of the founders of the Chicago Press Club and the Chicago Art Institute, who brought the Apache boy East, and traveled together, and after a short stay at Grand Rapids, Mich., they came to Chicago, where the Apache Indian entered the public schools (spring, 1873) before he could command the English language intelligently. In a short time the little Indian boy curiosity unconsciously did just the same things as his white school playmates—played marbles, ran away from school to go fishing on the lake front, watered P. T. Barnum's elephant, sold newspapers, hitched behind buses, and in every way he was just like any other street-orphan boy.

In 1875 and 1876 he went to a country school near Galesburg, Ill. Mr. Gentile sold out his business in Chicago and went to New York City and took along his Indian boy. Unfortunately, Mr. Gentile's new gallery in New York City burnt out and he failed in business in 1877. He could no longer finance, even though it was against his wish, his Apache protégé.

At an early age of 11 years the boy from Arizona had to shift for himself. After one year's schooling in Brooklyn, N. Y., he was brought back to Urbana, Ill., where he was tutored for the preparatory course connected with the State University of Illinois. He matriculated in 1880 and in 1884 graduated in the school of chemistry with the degree of bachelor of science. While at Illinois University he worked at anything and everything, and during vacation he worked on a farm. After his graduation he launched out and landed in Chicago, secured a place in a drug store, where he worked and made his home. In the fall of 1884 he began to attend lectures at the Chicago Medical College while working and living in the drug store. Five years at the Medical College of the Northwestern University, at the same time behind a drug counter, he killed two birds with one shot—he secured the degree of doctor of medicine as well as being a practical pharmacist. It is worthy of note to say that Montezuma made his own road and traveled in it alone, and for every step of the way he earned and paid for it himself, with now and then kind helping hands.

Gen. T. J. Morgan, Commissioner of Indian Affairs, learned of the Apache's graduation in medicine; he offered him a position in the Indian Service, and in 1889 the young physician accepted and was stationed as Indian school clerk and physician at Fort Stevenson, N. Dak., agency physician at Western Shoshone, Nev., Colville Agency, Wash., and resident physician at the renowned United States Indian school at Carlisle, Pa., where he came face to face with Gen. Pratt and his work. After serving the United States Government for seven years and a half the doctor resigned his position at Carlisle in 1896 and again returned to Chicago to "buck up" against the world, where he is making a successful demonstration for his race in his profession and as a citizen.

Mr. LANE. I wish to say a word in regard to the item governing the introduction of liquor upon Indian reservations, and making the having in one's possession whisky or alcoholic liquor of any kind prima facia evidence that you have brought it in there for evil purposes.

I am sorry the Senator from Minnesota [Mr. CLAPP] is not here; but it is a measure, while well intentioned, can be used with deadly effect for evil. For instance, in the State of Oregon there is a reservation known as the Klamath Reservation that is some 400 miles by rail from the Federal court in Portland, Oreg. Many of those Indians, the half-breeds, are as white as we are. You would not know them from many Members of the Senate, so far as their complexion is concerned. There is a reward or a salary attached to convicting as many men as possible for introducing liquor on the reservation, or for selling liquor to the Indians. A hobo will come along through the country, or some man hunting work, a stranger, unfamiliar with the law or the pale-faced Indian—absolutely ignorant of both, in fact. A young fellow will approach him, a white man, apparently, and he will say to him: "Here is a dollar. Go and get me a 50-cent bottle of whisky, and keep the change." "Why don't you go and get it yourself?" "Well, the barkeeper down there and I don't agree. We had a little trouble yesterday; and I would consider it a great favor, and would be willing to give you half a dollar commission."

Well, the unfortunate greenhorn goes into the saloon, buys the whisky, and hands him the bottle—the quart or pint, or whatever it is, of "Sheep-herder's Delight"; and then that man is placed under arrest and taken down to Portland, 400 miles away, at a heavy expense to the Government, with this Indian and others as witnesses.

It became a business, a regular occupation, to catch strangers in that way to make these fees, to get this trip back and forth, and $2 a day for witness fees and board and lodging. It became so much of a regular business that the late Judge Bellinger, when he sat upon the bench, after he found out what was going on, dismissed every case of the kind that was brought before him. He would not try them. He threw them out of court, and threatened to fine people for contempt if they brought in such cases. Half of the time, perhaps, of the Federal court and district attorney in Portland, Oreg., is put in trying such cases as that—mere manufactured, humbug cases. If the amendment of the Senator from Minnesota fastens more of that sort of work on the people of this country, I do not like it or think much of it.

This so-called "Sheep-herder's Delight" is a very poor quality of whisky which is sold to Indians. If they sold the Indians fairly good whisky, they would probably last longer; but they do not. They have to buy the cheapest quality and pay the highest price for it.

If this amendment further fastens that condition of affairs upon the Government, I am opposed to it. As a matter of fact, it costs the Government hundreds of thousands of dollars. About half the time of the court and the district attorney is put in trying these cases, many of which are fraudulent and manufactured. I introduced a bill to remedy it a short time ago. Now, can we not have a provision in the bill protecting the people of the country and the Government from such work as that?

Mr. CLAPP. Mr. President, there is a provision in this bill the purpose of which—its operation may fall short of the purpose—is to protect the Indian from strong drink.

Mr. LANE. Yes; "fire water."

Mr. CLAPP. That is the purpose of this measure. I hope and trust it will be a factor in affording that protection.

Mr. LANE. I hope so, Mr. President. I was down in that country last summer, and I went on that reservation and found 13 Indians locked up in the "caboose." It was a wretched building, dilapidated, dirty, without any conveniences. Among these Indians were two married women. When an Indian is thrown into that jail he is compelled to furnish his own bedding. If he does not, he sleeps without any. It was in the fall when I was there. It was getting nipping cold at night. A little later it would get down to zero; at times perhaps below zero. Probably you do not know just how it feels to sleep without bedding when the temperature is around about zero. They had brought their bedding, most of them. Some of them had no bedding, and they were sleeping on the floor in their clothing.

I asked, "What were these Indians arrested for? What have they been doing?" They said, "Gambling. We have a new man here, an expert in capturing gamblers, and he is making a reconnoissance through the country and getting in all the gamblers he can," and he had the jail loaded with them. Two or three of the Indians were out doing chores for some of the officials during my visit and I did not see all of them. At any rate, I asked them what kind of gambling they had been doing. I said, "Have they been playing faro, three-card monte, poker, fan-tan, or what?" They said they had been playing "sticks."

I do not know whether you know what "sticks" is or not. It is the game which the Indians have always played. They played it when I was a boy. They will play it when my children are dead, if they are alive and have the opportunity. It is an old game. They had been given sentences of from 30 to 40 days for playing this game of "sticks," which is the old game of "hull-gull." One places a pebble or a button, anything will do, in his hand and hiding his hands behind him shifts it from one hand to the other back and forth. The opponent guesses which hand holds it. If he guesses right he puts a stick down in the ground and has won one point. If he guesses wrong the other Indian sticks one in the ground, and wins one point, and so on. It is the old game of "hull-gull," for playing which they got from 30 to 40 days. At that rate of punishment I have a thousand years in jail coming to me, for when I was a boy I played it many a time. [Laughter.]

At any rate, one of these Indian prisoners asked me: "How do you ever expect to civilize the Indians when you send them in here for 30 or 40 days for playing 'sticks' at 5 cents a game?" I said: "Well, I do not. There are others, perhaps, who do, but not me." He said: "I have had to leave my family who are over on the farm, with nobody to care for them or my cattle. My hay crop needs to be put away at this time. It has not been put under the barn; and here I am, confined for 40 days, for having played a game of 'sticks.' You are a Member of the Senate. Do you think you are going to civilize me, or my family, by keeping me jailed to the neglect of them and their

affairs?" I said: "No; I do not think so. There are others however who think it is a highly moral and very righteous way of treating you. As far as I am concerned, I think it is tommyrot."

This bill provides ample salaries for sending men around over the country to catch Indians who are playing "sticks"—"hull-gull," if you please—and others who it is alleged induce Indians to take half a dollar or a dollar, give it to a white man to buy whiskey in order to obtain preferment for the one and witness fees for the other. Such work is fraudulent.

Mr. MARTINE of New Jersey. Mr. President, I should like to ask the Senator from Oregon whether, in the gambling that exists there, they have any gambling in cotton futures, or Standard Oil stocks, or railroad stocks, or things of that character?

Mr. LANE. No; that is only indulged in by the better class of people; not by the poor Indians.

Mr. MARTINE of New Jersey. I should like to ask the Senator whether he considers the enormity of the crime or wrong any less than in the case of these poor Indians?

Mr. LANE. I think it is an awfully wicked thing for Indians to play "hull-gull" for nickels. [Laughter.]

Mr. MARTINE of New Jersey. I should like to ask the Senator what he thinks of the man who gambles in cotton futures and Standard Oil stock?

Mr. LANE. They are persons of much larger influence with Members of the House and of the Senate than are the Indians who play "hull-gull."

Mr. ASHURST. I ask that the question be put on agreeing to the conference report.

The PRESIDING OFFICER. Consent having been obtained to consider this conference report at this time, I think I am within my rights to announce from the Chair that I am opposed to its passage, and shall discuss my objections fully at a later time in the near future.

Mr. LANE. I understand the Presiding Officer is willing that the motion should be put at this time, but that he is not in favor of the conference report.

Mr. ASHURST. That is true. The present occupant of the Chair has been very fair. He has stated that he is opposed to the adoption of the report, but that he will not at this time discuss it. He is perfectly willing to have the question put, and has given notice that he will discuss the report later, as he has a perfect right to do. I ask that the question be put.

Mr. LANE. Before the question is put, as there probably will not be a call of the roll, I wish to say that if there were a call of the roll, and my name were called to vote upon this report, I should vote against its adoption with a great deal of pleasure.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

### POSTAL SAVINGS SYSTEM—CONFERENCE REPORT.

Mr. BANKHEAD. Mr. President, I desire to call up for consideration at this time the conference report on the bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System.

Mr. CLARKE of Arkansas. Mr. President, I will consent to that only on condition that the report will not provoke any debate.

Mr. SMOOT. I ask the Senator to withhold that request, I have sent the conference report to the senior Senator from New Hampshire [Mr. GALLINGER] to look it over, as he is interested in the matter. I have no objection, but I very much prefer that the Senator should withhold the request until the Senator from New Hampshire has completed his examination.

Mr. BANKHEAD. Very well, Mr. President. I withdraw the request for the present.

### STATISTICS ON IMPORTS (S. DOC. NO. 441).

Mr. SMOOT. Mr. President, will the Senator from Illinois yield for just a moment?

Mr. SHERMAN. Yes, sir.

Mr. SMOOT. I have certain statistics collected relative to the general imports of merchandise, and a letter transmitted in connection with them, all of which I ask may be printed as a public document for the use of the Senate.

The PRESIDING OFFICER. If there is no objection, the matter will be printed as a public document.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a concurrent resolution requesting the President to return to the House the enrolled bill (H. R. 759) entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof," in which it requested the concurrence of the Senate.

The message also announced that the House agrees to the report of the committtee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917.

### RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

[Mr. SHERMAN resumed and concluded his speech. The entire speech is printed in the Appendix.

Upon concluding his speech,

Mr. SHERMAN said: I wish, Mr. President, if the Senate will permit me to offer an amendment to the amendment concerning this $5,000,000 expenditure. It recites specifically the date of the passage of the act which I had not before me at the time I drew it in the committee, giving the date approved June 18, 1915, and further some amendment providing that the Interstate Commerce Commission is hereby given power to fix reasonable charges and tolls for the use of navigation upon the waterway created under said act of the general assembly of said State in all interstate transportation, covering the questions raised by the Chief Engineer. I ask that it may be printed.

Mr. CLARKE of Arkansas. Let it be printed and lie on the table until that item is reached in the consideration of the bill.

Mr. LEWIS. Mr. President, my colleague, in closing his address, tendered an amendment which recited an act concerning the expenditure of $5,000,000. May I ask my colleague, if the question be so important, will he be so kind as to add that it refers to the $5,000,000 to be expended not by the Federal Government but by the State of Illinois?

Mr. SHERMAN. Certainly, nothing whatever from the Government but entirely out of the treasury of Illinois.

Mr. LEWIS. I thank my colleague for making that clear in the RECORD.

Mr. KENYON obtained the floor.

Mr. BANKHEAD. Will the Senator from Iowa yield to me?

Mr. KENYON. I yield to the Senator.

### POSTAL SAVINGS SYSTEM—CONFERENCE REPORT.

Mr. BANKHEAD. Mr. President, I again call up the conference report on the bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System, and ask that it be considered at this time.

The PRESIDING OFFICER (Mr. HUSTING in the chair). Is there objection to agreeing to the report?

Mr. SMOOT. Will not the Senator have the report read?

Mr. BANKHEAD. There is no objection to its reading, but it has been printed as a document and printed in the RECORD.

Mr. SMOOT. There is no objection to the adoption of the report.

Mr. CLARKE of Arkansas. It is not necessary to read the report. It has been printed.

Mr. SMOOT. Very well; I will not ask to have it read.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

### RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. KENYON resumed the speech begun by him on Tuesday. After having spoken for some time, he said:

Mr. President, I should like to stop at this point, unless the chairman of the committee desires to go on.

Mr. CLARKE of Arkansas. If it suits the Senator from Iowa to suspend at this point, it is entirely agreeable to this side of the Chamber to take a recess until to-morrow.

[Mr. KENYON's entire speech is printed in the proceedings of May 9, 1916.]

### PETITIONS AND MEMORIALS.

Mr. WADSWORTH presented a petition of sundry citizens of Oswego, N. Y., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

Mr. SMITH of Maryland presented a memorial of the Merchants and Manufacturers' Association of Baltimore, Md., remonstrating against the enactment of legislation to provide methods of directing the work of Government employees, which was referred to the Committee on Education and Labor.

He also presented a memorial of Merchants and Manufacturers' Association, of Baltimore, Md., remonstrating against the enactment of legislation to prohibit the use of stop-watch devices in the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

REPORTS OF COMMITTEE ON FINANCE.

Mr. LODGE, from the Committee on Finance, to which was referred the bill (S. 5495) for the relief of Edward J. Lynch, collector of internal revenue for the district of Minnesota, reported it without amendment.

Mr. HUGHES, from the Committee on Finance, to which was referred the bill (S. 4384) providing for the refund of duties collected on flax-preparatory machines, parts, and accessories imported subsequently to August 5, 1909, and prior to January 1, 1911, reported it without amendment and submitted a report (No. 432) thereon.

Mr. THOMAS, from the Committee on Finance, to which was referred the bill (S. 5268) for the relief of Copper River & Northwestern Railway Co., reported it without amendment and submitted a report (No. 433) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 5973) to establish the National Chamber of Agriculture for the purpose of promoting the equitable distribution of farm products; to the Committee on Agriculture and Forestry.

By Mr. CATRON:

A bill (S. 5974) for the relief of Ellen B. Walker; to the Committee on Indian Affairs.

By Mr. KERN:

A bill (S. 5975) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes; to the Committee on Education and Labor.

By Mr. SMITH of Maryland:

A bill (S. 5976) to amend an act approved May 29, 1908, entitled "An act to amend an act to authorize the Baltimore & Washington Transit Co., of Maryland, to enter the District of Columbia," approved June 8, 1896; to the Committee on the District of Columbia.

By Mr. CURTIS (for Mr. PENROSE):

A bill (S. 5977) granting a pension to Uain A. Bigler; to the Committee on Pensions.

By Mr. CHILTON:

A bill (S. 5978) providing for the payment of the amounts due the employees in, and the contractors who furnished castings to, the United States armory at Harpers Ferry, Va., in March and April, 1861; to the Committee on Claims.

A bill (S. 5979) granting an increase of pension to Dora Broom (with accompanying papers);

A bill (S. 5980) granting a pension to George W. Parks (with accompanying papers); and

A bill (S. 5981) granting a pension to Ida P. Duffy (with accompanying papers); to the Committee on Pensions.

RIVER AND HARBOR APPROPRIATIONS (H. R. 12193).

Mr. HARDWICK submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

Mr. ASHURST submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

Mr. SHERMAN submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

Mr. GORE submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

Mr. SMITH of South Carolina submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS—A. PURDEE.

On motion of Mr. FLETCHER, it was

*Ordered*, That the papers in the case of Senate bill No. 2647, Sixty-third Congress, for the relief of A. Purdee be withdrawn from the files of the Senate, no adverse report having been made thereon.

PROPOSED RULE RELATIVE TO EXECUTIVE SESSIONS.

Mr. KENYON. I submit a resolution and ask that it lie on the table.

The resolution (S. Res. 191) was read and ordered to lie on the table, as follows:

*Resolved*, That it is the judgment of the Senate that all executive sessions shall hereafter be open to the public, except when treaties are considered, or when the Senate by unanimous consent orders otherwise.

And the Committee on Rules is directed to prepare such amendments to the present rules, or to prepare new rules, or both, as may be necessary to carry out the terms of this resolution, and present the same to the Senate for action thereon.

THE NEW AQUEDUCT BRIDGE.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 39) of the House of Representatives, which was read:

*Resolved by the House of Representatives (the Senate concurring)*, That the President be requested to return to the House of Representatives the enrolled bill (H. R. 759) entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof."

Mr. SWANSON. I move that the Senate concur in the resolution of the House.

The motion was agreed to.

RECESS.

Mr. CLARKE of Arkansas. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 8 minutes p. m., Friday, May 12, 1916) the Senate took a recess until to-morrow, Saturday, May 13, 1916, at 12 o'clock m.

## HOUSE OF REPRESENTATIVES.

### FRIDAY, *May 12, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, for the faith which holds us close to Thee, a most potent influence among the civilizing forces of the world, inspiring, cheering in the struggle for existence, purifying and ennobling amid the temptations which surround us. It comforts us in our sorrows and bids us wait on Thy goodness. Increase and strengthen it in all our hearts, that we may be true to Thee, to ourselves, and to our fellow men. In His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE AQUEDUCT BRIDGE.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the present consideration of a concurrent resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 39.

*Resolved by the House of Representatives (the Senate concurring)*, That the President be requested to return to the House of Representatives the enrolled bill H. R. 759 entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge across the Potomac River, and for the building of a bridge in place thereof."

The SPEAKER. Is there objection?

Mr. MANN. I shall not object, but I would like to make this remark in view of the statement in the evening paper and the morning paper of this morning, which would indicate that there had been an error in the enrollment or engrossment of the bill. There was no error in the enrollment of the bill. If it was the fault of anybody, it was the fault of the Members of Congress.

Mr. ADAMSON. The gentleman from Illinois is entirely correct. I inadvertently misled the House by stating that the Senate amendment had not hurt the bill much. I failed to notice, what the Senate failed to notice, that in renumbering the section we referred to the preceding section making provision for the appropriation of money and failed to note that the section had been renumbered. We referred to it as section 5 when it should have been section 4.

Mr. MANN. I was not criticizing the gentleman from Georgia, because it was no more his fault than the fault of others.

Mr. ADAMSON. I take my part of the blame, for I allowed the Senate to mislead me, and I never will do it again. [Laughter.]

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 1274. An act for the relief of Edward Stewart; to the Committee on Military Affairs.

S. 1296. An act for the relief of John P. Wagner; to the Committee on Military Affairs.

S. 1860. An act in reference to the issuance of patents and copies of surveys of private land claims; to the Committee on the Public Lands.

THE CORBETT TUNNEL.

Mr. STOUT. Mr. Speaker, I ask unanimous consent that Senate joint resolution 51 be re-referred to the Committee on Irrigation of Arid Lands.

The SPEAKER. What does it relate to?

Mr. STOUT. To the Corbett Tunnel claim.

The SPEAKER. The gentleman from Alabama asks unanimous consent that Senate joint resolution 51 be re-referred to the Committee on Irrigation of Arid Lands. Is there objection?

There was no objection.

INDIAN APPROPRIATION BILL.

Mr. CARTER of Oklahoma. Mr. Speaker, I call up for consideration the conference report on the bill H. R. 10385, the Indian appropriation bill, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, I think the statement is a good deal longer than the conference report.

Mr. CARTER of Oklahoma. That is the customary request.

Mr. MANN. I know, but that is because the statement is usually shorter than the conference report and is more explicit, but in this case the statement happens to be longer.

Mr. CARTER of Oklahoma. Very well, Mr. Speaker, I will withdraw the request.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

CONFERENCE REPORT (NO. 665).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 6, 8, 11, 12, 15, 23, 30, 31, 32, 38, 40, 43, 44, 45, 49, 69, 73, 77, 88, 91, 92, 100, 108, 117, 118, 119, 120, 123, 133, 135, 147, and 149.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 9, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 28, 29, 33, 39, 46, 48, 50, 51, 52, 53, 54, 56, 58, 60, 61, 62, 63, 64, 66, 67, 68, 70, 71, 76, 80, 81, 85, 86, 89, 90, 93, 94, 96, 98, 99, 101, 103, 104, 106, 107, 109, 111, 112, 114, 115, 121, 122, 125, 126, 128, 130, 131, 134, 136, 138, 139, 140, 141, 143, 144, 145, 148, 150, 151, 152, 153, 154, and 155, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"The provisions of sections 2140 and 2141 of the Revised Statutes of the United States shall also apply to beer and other intoxicating liquors named in the act of January 30, 1897 (29 Stat. L., p. 506), and the possession by a person of intoxicating liquors in the country where the introduction is prohibited by treaty or Federal statute shall be prima facie evidence of unlawful introduction."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the word "to" and insert in lieu thereof the following: "$5,000 of which shall"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following: "*Provided further*, That not more than $200,000 of the amount herein appropriated may be expended for the tuition of Indian children enrolled in the public schools"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "two permanent warehouses"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the words "which has been" and in line 2 of said amendment strike out the words "heretofore or"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For beginning the construction by the Indian Service, of a dam with a bridge superstructure and the necessary controlling works for diverting water from the Gila River for the irrigation of Indian land and Indian allotments on the Gila River Indian Reservation, Ariz., as recommended by the Board of Engineers of the United States Army in paragraph 217 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), $75,000 to be immediately available and to remain available until expended, reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522), the total cost not to exceed $200,000."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For beginning the construction by the Indian Service of a diversion dam and necessary controlling works for diverting water from the Gila River at a site above Florence, Ariz., as estimated by the Board of Engineer Officers of the United States Army in paragraph 138 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), $75,000, to remain available until expended, the total cost not to exceed $175,000: *Provided*, That said dam shall be constructed as a part of a project for the irrigation from the natural flow of the Gila River of Indian lands on the Gila River Indian Reservation and private and public lands in Pinal County, Ariz.: *And provided further*, That the water diverted from the Gila River by said diversion dam shall be distributed by the Secretary of the Interior to the Indian lands of said reservation and to the private and public lands in said county in accordance with the respective rights and priorities of such lands to the beneficial use of said water as may be determined by agreement of the owners thereof with the Secretary of the Interior or by a court of competent jurisdiction: *And provided further*, That the construction charge for the actual cost of said diversion dam and other works and rights shall be divided equitably by the Secretary of the Interior between the Indian lands and the private and public lands in said county; and said cost as fixed for said Indian lands shall be reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., 522); but the construction charge as fixed for the private and public lands in said county shall be paid by the owner or entryman in accordance with the terms of an act extending the period of payment under reclamation projects, approved August 13, 1914 (38 Stat. L., 686): *And provided further*, That said project shall only be undertaken if the Secretary of the Interior shall be able to make or provide for what he shall deem to be satisfactory adjustments of the rights to the water to be diverted by said diversion dam or carried in canals, and satisfactory arrangements for the inclusion of lands within said project and the purchase of property rights which he shall deem necessary to be acquired, and shall determine and declare said project to be feasible."

And the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For extension of the Ganado irrigation project on the Navajo Indian Reservation in Arizona for the irrigation of approximately 600 acres of land in addition to the area to be irrigated by said project, as authorized in section 2 of the act of August 24, 1912, $20,000; and for maintenance and operation of the project, $3,000; in all, $23,000, reimbursable and to remain available until expended."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and

agree to the same with an amendment as follows: In line 16 of said amendment strike out the figures "$15,000" and insert in lieu thereof the following: "$10,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 100 Indian pupils at the Greenville Indian School, California, including pay of superintendent, $18,400; for general repairs and improvements, including purchase of additional land for school farm, $8,000; in all, $26,400."

And the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For the improvement and construction of roads and bridges on the Yuma Indian Reservation in California, $10,000, to be immediately available, reimbursable to the United States by the Indians having tribal rights on said reservation."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $10,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Pottawatomi Indians in the State of Kansas, and to be expended under his direction for the construction of bridges across the Big Soldier Creek and Little Soldier Creek, within the Pottawatomi Indian Reservation, Jackson County, Kans.: *Provided*, That no part of the money herein appropriated shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the county of Jackson satisfactory guaranties of the payment by the said county of Jackson of at least one-half of the cost of said bridges, and that the said proper authorities of the said county of Jackson shall assume full responsibility for and will at all times maintain and repair said bridges: *And provided further*, That any and all expenses above the amount herein named in connection with the building and maintaining of said bridges shall be borne by the said county of Jackson: *And provided further*, That this appropriation shall not become effective until approved by an Indian council to be called for that purpose."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: Strike out the following language of the amendment: "Hereafter on ceded lands in the State of Minnesota embraced within the provisions of the law entitled 'An act for the relief and civilization of the Chippewa Indians in the State of Minnesota,' approved January 14, 1889, the minerals in and mineral rights pertaining to any of the lands the cession of which was provided for in said act and for which the United States has not conveyed title shall be and remain in and are reserved for the use and benefit of the Chippewa Indians in the State of Minnesota"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In line 6 of said amendment strike out the following: "at Keewaton Academy, Wisconsin" and the comma; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In line 1 of said amendment, after the word "balance," insert the following: "of $3,436.03"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the word "section" and in line 3 strike out the word "one" and insert in lieu thereof the words "this act"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the figures "$50,000" and insert in lieu thereof "$25,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The work to be done with the amounts herein appropriated for the completion of the Blackfeet, Flathead, and Fort Peck projects may be done by the Reclamation Service on plans and estimates furnished by that service and approved by the Commissioner of Indian Affairs: *Provided*, That not to exceed $15,000 of applicable appropriations made for the Flathead, Blackfeet, and Fort Peck irrigation projects shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for official use upon the aforesaid irrigation projects: *Provided further*, That not to exceed $7,500 may be used for the purchase of horse-drawn passenger-carrying vehicles, and that not to exceed $1,500 may be used for the purchase of motor-propelled passenger-carrying vehicles."

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he is hereby, authorized and directed to announce, at such time as in his opinion seems proper, the charge for construction of irrigation systems on the Blackfeet, Flathead, and Fort Peck Indian Reservations in Montana which shall be made against each acre of land irrigable by the systems on each of said reservations. Such charges shall be assessed against the land irrigable by the systems on each said reservation in the proportion of the total construction cost which each acre of such land bears to the whole area of irrigable land thereunder.

"On the first day of December after the announcement by the Secretary of the Interior of the construction charge the allottee, entryman, purchaser, or owner of such irrigable land which might have been furnished water for irrigation during the whole of the preceding irrigation season, from ditches actually constructed, shall pay to the superintendent of the reservation where the land is located, for deposit to the credit of the United States as a reimbursement of the appropriations made or to be made for construction of said irrigation systems, 5 per cent of the construction charge fixed for his land, as an initial installment, and shall pay the balance of the charge in 15 annual installments, the first 5 of which shall each be 5 per cent of the construction charge and the remainder shall each be 7 per cent of the construction charge. The first of the annual installments shall become due and payable on December 1 of the fifth calendar year after the initial installment: *Provided*, That any allottee, entrymen, purchaser, or owner may, if he so elects, pay the whole or any part of the construction charges within any shorter period: *Provided further*, That the Secretary of the Interior may, in his discretion, grant such extension of the time for payments herein required from Indian allottees or their heirs as he may determine proper and necessary, so long as such land remains in Indian title.

"That the tribal funds heretofore covered into the Treasury of the United States in partial reimbursement of appropriations made for constructing irrigation systems on said reservations shall be placed to the credit of the tribe and be available for such expenditure for the benefit of the tribe as Congress may hereafter direct.

"The cost of constructing the irrigation systems to irrigate allotted lands of the Indians on these reservations shall be reimbursed to the United States as hereinbefore provided, and no further reimbursements from the tribal funds shall be made on account of said irrigation works except that all charges against Indian allottees or their heirs herein authorized, unless otherwise paid, may be paid from the individual shares in the tribal funds, when the same is available for distribution, in the discretion of the Secretary of the Interior.

"That in addition to the construction charges every allottee, entryman, purchaser, or owner shall pay to the superintendent of the reservation a maintenance and operation charge based upon the total cost of maintenance and operation of the systems on the several reservations, and the Secretary of the Interior is hereby authorized to fix such maintenance and operation charge upon such basis as shall be equitable to the owners of the irrigable land. Such charges when collected shall be available for expenditure in the maintenance and operation of the systems on the reservation where collected: *Provided*, That delivery of water to any tract of land may be refused on account of nonpayment of any charges herein authorized, and the same may, in the discretion of the Secretary of the Interior, be collected by a suit for money owed: *Provided further*, That the rights of the United States heretofore acquired to water for Indian lands referred to in the foregoing provision, namely, the Blackfeet, Fort Peck, and Flathead Reservation land, shall be

continued in full force and effect until the Indian title to such land is extinguished.

"That the Secretary of the Interior be, and he is hereby, authorized to prescribe such rules and regulations and issue such notices as may be necessary to carry into effect the provisions of this act, and he is hereby authorized and directed to determine the area of land on each reservation which may be irrigated from constructed ditches and to determine what allowance, if any, shall be made for ditches constructed by individuals for the diversion and distribution of a partial or total water supply for allotted or surplus unallotted land: *Provided*, That if water be available prior to the announcement of the charge herein authorized, the Secretary of the Interior may furnish water to land under the systems on the said reservations, making a reasonable charge therefor, and such charges when collected may be used for construction or maintenance of the systems through which such water shall have been furnished."

And the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "for the purpose of making necessary repairs on the Government bridge across the Niobrara River near Niobrara, Nebr.; also to reconstruct one span of 90 feet over the back channel of the Niobrara River at the same point, the sum of $6,500; said sum to be expended under the direction of the Secretary of the Interior"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$91,100"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 290 Indian pupils at the Indian school at Carson City, Nev., including pay of superintendent, $50,430; for general repairs and improvements, $8,000; for irrigating school farm, $4,000; in all, $62,430."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In line 4 of the amendment, after the figures "$15,000," strike out the period, insert a colon, and the following: "*Provided*, That no part of this appropriation shall be expended for mileage, salaries, or expenses of employees"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In line 2 of the amendment strike out the following: "and to remain available until expended"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 350 Indian pupils at the Indian school at Santa Fe, N. Mex., and for pay of superintendent, $59,550; for general repairs and improvements, $6,000; for water supply, $1,600; for the construction of an assembly hall and gymnasium, $25,000; in all, $92,150."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 220 Indian pupils at the Indian school, Wahpeton, N. Dak., and pay of superintendent, $38,540; for general repairs and improvements, $5,000; for new school building, $20,000; in all, $63,540."

And the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: Strike out all of said amendment and insert the following:

"To enable the Secretary of the Interior to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian, described as the northwest quarter of section 34, township 164 north, range 70 west of the fifth principal meridian, North Dakota, $1,500, or so much thereof as may be necessary."

And the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the unexpended balance of $9,533.38 is hereby reappropriated and made available for continuing the relief and settlement of the Apache Indians formerly confined as prisoners of war on the Fort Sill Military Reservation, Okla., for the purchase of allotments in Oklahoma, as provided for in the act of June 30, 1913 (38 Stat. L., p. 77), for the three adult heads of families who have not heretofore received allotments."

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "except that the Secretary of the Interior is hereby authorized, within 30 days after the passage of this act, to investigate claims not to exceed $1,950 growing out of contracts alleged to be in existence between John Calvin Gray, William T. Lancaster, Arthur Jennings, and Cylde Jennings as enrolled members of the Choctaw or Chickasaw Nations, and Henry W. Blair, Kappler & Merillat, James K. Jones, Charles M. Fechheimer and Eugene Hamilton, as attorneys, and in case such claims are found to be valid and the contracts approved in accordance with existing law, the said Secretary of the Interior may, in his discretion, apply any amounts that may be found due under this paragraph to the aforesaid enrolled members of the Choctaw or Chickasaw Nations to the payment of such fee, but the amounts due hereunder to other enrolled members of the Choctaw and Chickasaw Nations shall not be held in abeyance to this claim but shall be paid promptly without reference to same";. and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$15,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "$12,000; for remodeling sewer system, $5,000; for three high-pressure steam boilers, $7,200: *Provided*, That the unused balance of $9,830 of the amount appropriated by the act of August 1, 1914 (38 Stat. L., p. 602), and an additional amount of $2,500 may be expended for an addition to the assembly hall; in all, $128,700"; and the Senate agree to the same.

Adendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $3,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Klamath Indians of the State of Oregon, and use the same for the construction of a bridge across the Williamson River, on the Klamath Indian Reservation, Oregon, under such rules and regulations as he may prescribe."

And the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "$67,500: *Provided*, That the unexpended balance of $1,607.44 appropriated by the act approved August 1, 1914, for repairing buildings and replacing equipment destroyed or damaged by the tornado of June 10, 1914, at Flandreau Indian School, South Dakota, is hereby reappropriated and made immediately available for the purchase and installation of a water tank and the purchase of dairy cattle for said school"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized and directed to cause investigation to be made as to the probable cost of providing on the various Sioux Indian reservations adequate school facilities for the children of the Sioux Tribes who are now without Government or public-school facilities on the respective reservations, and to make a report thereof to Congress on or before the first Monday in January, 1917, together with a complete and detailed statement of the per capita cost per annum, including mileage paid, now expended for the education of the Sioux Indian children in all the schools, whether on or off the respective reservations; and there is hereby appropriated for the expense of such investigation and

report the sum of $1,000, or so much thereof as may be necessary, to be immediately available."

And the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In line 7 of said amendment, after the word "highway," insert a comma and the following: "reimbursable out of any funds now or hereafter placed to the credit of said Indians in the Treasury of the United States"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $1,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Uintah Tribe of Indians, in the State of Utah, and to use the same to protect the north abutment of the Government bridge at Myton, Utah, under such rules and regulations as he may prescribe, said sum to be immediately available."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he hereby is, authorized to sell and dispose of not to exceed 20 acres of that portion of the lands situated on the north side of and within the limits of the abandoned Fort Spokane Military Reservation, State of Washington, not necessary for hospital purposes, as provided for in the act approved August 1, 1914 (38 Stat. L., p. 584), at not less than the appraised value thereof, and to place the proceeds thereof in the Treasury of the United States to the credit of the Spokane Indians in said State."

And the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That without bias or prejudice to the rights or interests of any party to the litigation now pending, the Secretary of the Interior be, and he hereby is, authorized to sell the timber on the so-called 'school lands' and 'swamp lands' within the boundaries of the Bad River and Lac du Flambeau Indian Reservations in Wisconsin, and to which the State of Wisconsin has asserted a claim; to keep a separate account of the proceeds of such sale with each legal subdivision of such land and to deposit the said proceeds at interest in a national bank, bonded for the safe-keeping of individual Indian moneys, to be paid over, together with the interest thereon, to the party or parties who shall finally be adjudged to be entitled to such fund: *Provided*, That the consent of the State or parties claiming title therefrom be obtained before any such sale shall be made."

And the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"SEC. 27. On the first Monday in December, 1917, and annually thereafter, the Secretary of the Treasury shall transmit to the Speaker of the House of Representatives estimates of the amounts of the receipts to and expenditures which the Secretary of the Interior recommends to be made for the benefit of the Indians from all tribal funds of Indians for the ensuing fiscal years; and such statement shall show (first) the total amounts estimated to be received from any and all sources whatsoever, which will be placed to the credit of each tribe of Indians, in trust or otherwise, at the close of the ensuing fiscal year, (second) an analysis showing the amounts which the Federal Government is directed and required by treaty stipulations and agreements to expend from each of said funds or from the Federal Treasury, giving references to the existing treaty or agreement or statute, (third) the amounts which the Secretary of the Interior recommends to be spent from each of the tribal funds held in trust or otherwise, and the purpose for which said amounts are to be expended; and said statement shall show the amounts which he recommends to be disbursed (a) for per capita payments in money to the Indians, (b) for salaries or compensation of officers and employees, (c) for compensation of counsel and attorney fees, and (d) for support and civilization: *Provided*, That thereafter no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: Equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: *Provided further*, That this shall not change existing law with reference to the Five Civilized Tribes."

And the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"SEC. 28. On or before the 31st day of December, 1916, the Bureau of Efficiency shall prepare and submit to the Secretary of the Interior a system of bookkeeping and accounting for the Bureau of Indian Affairs that will enable the said Secretary, on or before July 1, 1917, to meet the requirements of section 26 of the Indian appropriation act approved June 30, 1913 (38 Stats. L., p. 103)."

And the Senate agree to the same.

C. D. CARTER,
THOMAS F. KONOP,
CARL HAYDEN,
P. P. CAMPBELL,
P. D. NORTON,
*Managers on the part of the House.*

HENRY F. ASHURST,
H. L. MYERS,
MOSES E. CLAPP,
*Managers on the part of the Senate.*

The statement is as follows:

STATEMENT.

The effect of the recession of the House conferees on the amendments on which they have unqualifiedly receded is as follows:

No. 1. Makes the reimbursable appropriation for repairs and maintenance of irrigation ditches available until expended.

No. 5. Increases limit of cost of hospitals from $15,000 to $17,500, which are now under construction.

No. 9. Strikes out the word "and" and inserts the word "or" to include blind children, so they can receive benefit of the fund to educate Indian children.

No. 13. Provides that hereafter Indian farmers must hold and file a certificate of competency from some college recognized before employment in the service.

No. 16. Increases the reimbursable appropriation for determining heirs of deceased Indian allottees $10,000.

No. 17. Permits the use of $25,000 of the reimbursable appropriation for determining heirs of deceased Indian allottees for employment of clerks in the Indian Office here.

No. 18. Corrects total in accordance with amendment 16.

No. 19. Strikes out the word "heir" and inserts "heirs."

No. 20. Places a limit of value of $250 or more upon an heirship in order to charge the fee for determining the heirs.

No. 21. Permits the partition of an allotment of a deceased Indian regardless of competency of heirs.

No. 22. Permits extension of trust period specified in patent to incompetent heirs if necessary.

No. 24. When an Indian allottee, by reason of old age or incapability, can not personally occupy their allotment that is susceptible of irrigation, the Secretary of the Interior may, in his discretion, lease said allotment for a term not to exceed 10 years for benefit of said Indian.

No. 25. Any Indian who is mentally or physically incapable of managing his or her affairs may apply to Secretary of Interior, who may, in his discretion, withdraw from the Treasury any part of said Indian's pro rata share of funds to their credit and use for their benefit.

No. 27. An appropriation of $2,000 to pay Charles J. Kappler for compiling, annotating, and indexing the third volume of Indian Laws and Treaties.

No. 28. Provides that all bidders for supplies for goods furnished the Indian Service may deposit a certified check or approved bond to guarantee the fulfillment of contract instead of the money in amounts exceeding $5,000.

No. 29. Increases the appropriation $3,500 for the purchase of additional land adjacent to the Phoenix (Ariz.) Indian School.

No. 33. Strikes out the words "to remain available until expended."

No. 39. Makes an appropriation of $3,000 for preservation and repair of prehistoric pueblo ruins and cliff dwellings in Arizona, under supervision of the Smithsonian Institution.

No. 46. Provides for an appropriation of $8,000 for erection of a barn at Haskell Institute, Lawrence, Kans.

No. 48. For traveling and incidental expenses amounting to $250 to Joseph Bradley, for appearing before Congress in behalf of Indians in Michigan.

No. 50. An appropriation of $3,000 to improve road and to blast out and deepen the ditch and creek leading to the Pipestone Indian School, in Minnesota.

No. 51. Provides that not to exceed $60,000 of the $185,000 withdrawn from the trust funds of the Chippewas in Minnesota, and one-fourth of the interest on said tribal funds, may be used for school purposes and compensation of employees, and that $10,000 may be used for road improvements, and that $10,000 may be used for the installation of an electric-light plant at White Earth Agency, provided the residents pay a proportionate share.

No. 52. Provides for sale and conveyance, at not less than appraised value, of certain lands to independent school district 1 of Mahnomen County, Minn.

No. 53. Provides for the issuance of a fee patent to 40 acres of land on the Nett Lake Indian Reservation in Minnesota to the Methodist Episcopal Church.

No. 54. Appropriates not to exceed $25,000 from amounts derived from sale of timber of the Chippewa Indians in Minnesota, for payment of scalers and check scalers.

No. 56. Appropriates $6,000 out of tribal funds of the Chippewa Indians to pay expenses of general council of said tribe to meet in July, 1916.

No. 58. Amends the act of June 30, 1913 (38 Stat. L., p. 89), by appointing an Assistant Attorney General instead of a selection to be made by the Attorney General.

No. 60. Provides for the completion of the enrollment of allottees within the White Earth Reservation in Minnesota and appropriates $5,000 for that purpose.

No. 61. Provides for the establishment and administration of a forest reserve and for sale of timber within the Red Lake Indian Reservation in Minnesota.

No. 62. That lands within said Red Lake Indian Forest Reserve not covered with merchantable timber and suited for agricultural purposes and that front lake shores may be allotted to individual Red Lake Indians under certain conditions.

No. 63. Authorizes the Secretary of the Interior to issue permits or grant leases on such lands in said forest reserve covered in amendment 61, for a limited time.

No. 64. Authorizes the Secretary of the Interior to select not exceeding 200 acres in sections 20, 21, 28, and 29 for town-site purposes and to be held subject to future legislation of Congress.

No. 66. Authorizes investigation of condition of Indians living in Mississippi and appropriates $1,000 for that purpose.

No. 67. Corrects section number.

No. 68. Increases appropriation for civilization of Indians at Flathead Agency, Mont., from $14,000 to $20,000 and limits amount to expend in salaries to not exceeding $4,500.

No. 70. Appropriates $750,000 (reimbursable) for continuing construction of the irrigation system on the Flathead Indian Reservation, Mont.

No. 71. Appropriates $100,000 (reimbursable) for continuing construction of the irrigation systems on the Fort Peck Indian Reservation, Mont.

No. 76. Corrects section number.

No. 80. Is a reimbursable appropriation of $30,000 to pay drainage assessments and grant right of way for location of drainage ditches on lands belonging to Omaha and Winnebago Indians in Dixon, Wayne, and Thurston Counties, Nebr.

No. 81. Corrects section number.

No. 85. Corrects section number.

No. 86. Adds the words "in the vicinity of," so that additional land either adjoining or in the vicinity of may be purchased as a school farm for the Indian school at Albuquerque, N. Mex.

No. 89. Corrects section number.

No. 90. Corrects section number.

No. 93. Corrects section number.

No. 94. Makes the appropriation of $4,000 for sinking wells and improving the water system at the Fort Totten Indian School, N. Dak., immediately available.

No. 96. Authorizes the Secretary of the Interior from time to time within his discretion to withdraw from the Treasury money derived from sale of surplus lands and any interest thereon accrued belonging to the Fort Berthold Indians in North Dakota, and distribute same per capita, or where any Indian is incompetent said share may be withheld and deposited in some bank and used for benefit of said incompetent Indian.

No. 98. Is an appropriation of $1,497.44 to reimburse Benson County, N. Dak., for caring for certain insane Indians.

No. 99. An appropriation of $100 for the erection of a headstone to mark the grave of Scarlet Crow, a Sioux Indian chief.

No. 101. Corrects section number.

No. 103. Corrects section number.

No. 104. An increase of $10,000 for expenses and administration of affairs of the Five Civilized Tribes, and makes it immediately available.

No. 106. Authorizes the Secretary of the Interior to make a per capita payment of $300 to each Seminole Indian in Oklahoma, same to be paid out of their tribal or trust funds.

No. 107. An appropriation of $275,000 for the benefit and aid of the common schools in the Cherokee, Creek, Choctaw, Chickasaw, and Seminole Nations, and the Quapaw Agency in Oklahoma.

No. 109. Authorizes the Secretary of the Interior to use tribal funds of the Choctaws, Chickasaws, Creeks, and Seminoles, Oklahoma, for school purposes.

No. 111. Authorizes a settlement of a compromise of a suit between the United States and E. Dowden in regard to the Tuttle town site, Oklahoma.

No. 112. Corrects section number.

No. 114. Provides that the money derived from sale of lands belonging to Indians on the Siletz Indian Reservation, in Oregon, may be paid out to said Indians, share and share alike.

No. 115. Permits the withdrawal of not exceeding $1,000 from tribal funds of the Klamath Indians in Oregon to pay the expenses of two delegates elected by their council to come to Washington.

No. 121. Corrects section number.

No. 122. Corrects section number.

No. 125. Strikes out the word "boiler" and inserts the word "boilers," to be installed at the Indian School, Pierre, S. Dak.

No. 126. Increases the appropriation $5,000 for the construction of a barn at the Indian School, Pierre, S. Dak., and corrects total.

No. 128. Corrects section number.

No. 130. An appropriation of $1,684 to reimburse the board of education of Box Elder County, State of Utah, for education of 23 Indian pupils during the years 1913 and 1914 and for the education of 21 pupils during the years 1914 and 1915.

No. 131. An appropriation of $832 for the education of 22 Indian pupils at Washakie, Box Elder County, Utah, for the years 1915 and 1916.

No. 134. Corrects section number.

No. 136. A reimbursable appropriation of $100,000 to pay the third installment for water supply of 40 acres of each Indian allotment on the Yakima Indian Reservation, in the State of Washington.

No. 138. Authorizes the Secretary of the Interior to lease for mining purposes the unallotted mineral lands on the diminished Spokane Reservation, in Washington.

No. 139. An appropriation, reimbursable, of $95,000 and authorizes the Secretary of the Interior to negotiate and pay for water rights for lands heretofore allotted to Indians situated within the boundaries of the West Okanogan Valley irrigation district, Okanogan County, Wash.

No. 140. Corrects section number.

No. 141. This amendment is intended to provide an appropriation to pay certain members of the Stockbridge and Munsee Tribe of Indians enrolled under the act of March 3, 1893 (37 Stat. L., 744), the amount of payments made prior to their respective enrollments. Section 6 of the act of February 6, 1871, provided for the determination of the persons who were members of the Stockbridge and Munsee Tribe and their future relations to the Government. Two rolls were prepared, one containing Indians who it was thought desired to separate their relations from the tribe and become citizens, and the other those who desired to retain their tribal character and remain under the guardianship of the Government. It subsequently appeared that some of those Indians who were placed on the first roll did not desire to sever their relations with the tribe, and they were again enrolled under the provisions of the act of March 3, 1893 (37 Stat. L., 744–745).

No. 143. In order to train Indians in the use and handling of money, not exceeding $25,000 of the appropriation allowed may be paid them per capita or deposited in some bank for their use and beenfit under such rules as the department may prescribe.

No. 144. That no lands of the Menominee Indians in Wisconsin shall be cleared for agricultural purposes excepting such lands as have been heretofore completely cut over.

No. 145. Amends the act of March 28, 1908, by permitting the Secretary of the Interior to sell lumber, laths, shingles, crating, ties, piles, poles, posts, bolts, logs, bark, pulp, and other materials, under such rules as he may prescribe, and deposit the money in the Treasury for the benefit of the Menominee Indians in Wisconsin.

No. 148. Provides for the granting of flowage rights over unallotted Indian lands under rules and regulations prescribed by the Secretary of the Interior and consent of Indians and

the leasing of the allotted lands with consent of allottee for flowage and storage reservoir purposes, and allottee to determine, subject to approval of Secretary of the Interior, as to consideration therefor.

No. 150. A reimbursable appropriation of $6,500 for the completion of a road on the Red Cliff Reservation, in Wisconsin.

No. 151. Corrects section number.

No. 152. Reduces the appropriation 66 cents for repairs at the abandoned military post of Fort Washakie, Wyo.

No. 153. To enable the Secretary of the Interior to prepare and submit to Congress plans and estimates of cost for completing the irrigation of all irrigable lands in the Shoshone or Wind River Reservation, in Wyoming, to also include in the estimates for the ceded lands within said reservation.

No. 154. Provides an appropriation of $5,000 to carry the provisions of amendment No. 153 into effect.

No. 155. For payment of salary and expenses of Joseph H. Norris as supervisor of Indian schools from October 21 to November 11, 1912, $257.

On the following amendments the House conferees receded with modifying or substitute amendments, to wit:

No. 2. Makes the provisions of sections 2140 and 2141, Revised Statutes, apply to beer as an intoxicating liquor, and the possession of intoxicating liquor prima facie evidence of unlawful introduction in any country where prohibited by treaty or Federal statute.

No. 7. Makes $5,000 of the appropriation for maintenance of the sanatoria for the Choctaw and Chickasaw Indians immediately available.

No. 10. Provides that $200,000 of the appropriation for day and industrial schools may be expended for tuition of Indian pupils in public schools.

No. 14. Provides for two permanent warehouses for use of Indian Service.

No. 26. Is an appropriation of $100,000 to reimburse Indians for live stock that may be hereafter destroyed on account of dourine.

No. 34. For beginning the construction of a dam with bridge superstructure for diverting the water of the Gila River in Arizona for irrigating Indian lands on the Gila River Indian Reservation. Reduces appropriation from $200,000 to $75,000 and limits the cost of said work to $200,000.

No. 35. For beginning the construction of a diversion dam and necessary canals in Pinal County, Ariz., at or near Florence, for irrigation of Indian lands. Reduces amount appropriated from $175,000 to $75,000 and limits cost of work to $175,000.

No. 36. For extension of the Ganado irrigation project in Arizona and makes it reimbursable.

No. 37. An appropriation of $10,000 for the purpose of making investigation, survey, and cost of practicable means of holding the Gila River in its channel in Graham County, Ariz.

No. 41. Increases the number of pupils, also appropriation for care of said increase allowed, and permits the purchase of additional land for school farm at the Indian school in Greenville, Cal.

No. 42. Makes the appropriation for improvement and construction of roads on the Yuma Indian Reservation in California reimbursable.

No. 47. Authorizes the Secretary of the Interior to withdraw from the tribal funds on deposit in the Treasury to the credit of the Potawatomi Indians, the sum of $10,000 for the construction of a bridge across the Big and Little Soldier Creeks on their said reservation.

No. 55. Strikes from the bill the entire paragraph.

No. 57. Strikes from the bill the words "Keewaton Academy, Wisconsin."

No. 59. Makes the unexpended balance of $3,436.03 available for payment of expenses incurred in preparing a roll of the Indians within the White Earth Reservation, Minn.

No. 65. Provides for sale of timber on lands of the Red Lake Indian Reservation outside of the forest reserve created by amendment No. 61.

No. 72. Decreases the reimbursable appropriation for continuing construction of the irrigation systems on the Blackfeet Indian Reservation, Mont., from $50,000 to $25,000.

No. 74. The work to be done on the irrigation projects on the Blackfeet, Flathead, and Fort Peck Indian Reservations, Mont., may be done by the Reclamation Service with plans approved by Indian Bureau, and authority is also given that a limited amount of said appropriations may be used for purchase of motor vehicles, horses, and horse-drawn vehicles.

No. 75. That the Secretary of the Interior shall assess the charge for cost of irrigation projects as mentioned in amendment No. 74 against the persons who own the land and are receiving benefit of said system.

No. 78. An appropriation of $6,500 for repairs on the Government bridge across the Niobrara River in Nebraska.

No. 79. Corrects total.

No. 82. Increases the number of pupils at the Indian school, Carson City, Nev., and provides for their care.

No. 83. An appropriation of $15,000 to purchase homes, farm sites, water rights, and aid to nonreservation Indians in Nevada; also provides that no part of said appropriation shall be used for payment of salaries, mileage, or expenses of employees.

No. 84. Strikes out the words "to remain available until expended" in the appropriation for support and civilization and purchase of land and water rights for the Washoe Indians in Nevada.

No. 87. Increases the amount for repairs and improvements, and for the construction of an assembly hall at the Indian school, Santa Fe, N. Mex.

No. 95. Increases the number of pupils and provides for their care at the Wahpeton Indian School, Wahpeton, N. Dak., decreases appropriation for repairs and improvements from $8,000 to $5,000, and provides for the construction of a new building to cost $20,000.

No. 97. Makes an appropriation of $1,500 to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian.

No. 102. Making the unexpended balance of $9,533.38 available for the purpose of continuing the relief of the Apache Indians, and for the purchase of lands in Oklahoma.

No. 105. Authorizes the Secretary of the Interior to adjudicate, and, if he deem it proper, to apply the per capita payment or any part of the same herein authorized to be made, to John Calvin Gray, Williams T. Lancaster, Arthur Jennings, and Clyde Jennings, enrolled members of the Choctaw and Chickasaw Nations, in the settlement of attorneys' fees for services rendered said Indians in being restored to the rolls.

No. 110. An appropriation of $15,000 for the salaries and the expenses of six oil-and-gas inspectors to supervise the oil, gas, and mining operations in the Five Civilized Tribes.

No. 113. Appropriates $7,200 for the purchase and the installation of boilers at the Indian school at Salem, Oreg., and makes available an unexpended balance of $9,830, and an additional amount of $2,500 for an addition to the assembly hall.

No. 116. Permits the Secretary of the Interior to withdraw from the Treasury $3,000 out of the tribal funds belonging to the Klamath Indians in Oregon, to construct a bridge across the Williamson River.

No. 124. Corrects the total and also makes available an unexpended balance of $1,670 out of a $10,000 appropriation, approved August 1, 1914, for the installation of a water tank, and the purchase of dairy cattle.

No. 127. Is an appropriation of $1,000, and authorizes the Secretary of the Interior to make an investigation as to the school facilities among the different Sioux Tribes of Indians, and to report to Congress on or before January 1, 1917.

No. 129. Makes the appropriation of $9,000 to pay a proportionate share for the construction of a highway or wagon road through the Kaibab Indian Reservation, Utah, reimbursable.

No. 132. Authorizes the Secretary of the Interior to withdraw $1,000 from the tribal funds now in the Treasury to credit Indians in Utah, and use the same to protect abutment of the bridge at Myton, Utah.

No. 137. Authorizes Secretary of the Interior to sell not to exceed 20 acres of land on the north side and within the limits of the abandoned Fort Spokane Military Reservation, Wash., that will not be needed for hospital purposes, and place the proceeds in the Treasury to the credit of the Spokane Indians.

No. 142. An appropriation of $5,000 to purchase dairy cattle for the Indian school at Oneida, Wis.

No. 146. Provides that the Secretary of the Interior may sell the timber on the so-called "school lands" and "swamp lands" within the Bad River and Lac du Flambeau Indian Reservations in Wisconsin, and to which there is a disputed claim, and to hold the money derived therefrom until it is ascertained to whom it belongs.

No. 156. Requires the Secretary of the Interior to submit annually to Congress a certain detailed statement as to appropriations and disbursements of tribal funds belonging to Indians.

No. 157. Provides that the Bureau of Efficiency shall submit a system of bookkeeping and accounting for the Indian Bureau in order that the Secretary of the Interior may meet the requirements of existing law.

The following table shows the amounts carried in the bill as it passed the House, the Senate, and as agreed to by your conferees, and is exclusive of amounts appropriated out of trust funds belonging to the Indians.

| Item. | Passed House. | Passed Senate. | Agreed in conference. |
|---|---|---|---|
| Surveying and allotting Indian reservations, reimbursable | $100,000.00 | $100,000.00 | $100,000.00 |
| Irrigation, Indian reservations, reimbursable | 244,700.00 | 244,700.00 | 244,700.00 |
| Suppressing liquor traffic among Indians, gratuity | 150,000.00 | 150,000.00 | 150,000.00 |
| Relieving distress and prevention of disease, etc., gratuity | 350,000.00 | 400,000.00 | 350,000.00 |
| Indian school support, gratuity | 1,550,000.00 | 1,550,000.00 | 1,550,000.00 |
| Indian school and agency buildings, gratuity | 400,000.00 | 400,000.00 | 400,000.00 |
| Indian school transportation, gratuity | 72,000.00 | 72,000.00 | 72,000.00 |
| Industrial work and care of timber, gratuity | 425,000.00 | 500,000.00 | 425,000.00 |
| Purchase and transportation of Indian supplies, gratuity | 300,000.00 | 300,000.00 | 300,000.00 |
| Telegraphing and telephoning, Indian service, gratuity | 10,000.00 | 10,000.00 | 10,000.00 |
| Court costs, etc., gratuity | 1,000.00 | 1,000.00 | 1,000.00 |
| Expenses, Board of Indian Commissioners, gratuity | 10,000.00 | 10,000.00 | 10,000.00 |
| Pay of Indian police, gratuity | 200,000.00 | 200,000.00 | 200,000.00 |
| Pay of judges, Indian courts, gratuity | 8,000.00 | 10,000.00 | 8,000.00 |
| General expenses, Indian Service, gratuity | 135,000.00 | 135,000.00 | 135,000.00 |
| Inspectors, Indian Service, gratuity | 30,000.00 | 30,000.00 | 30,000.00 |
| Determining heirs of deceased Indian allottees, gratuity | 90,000.00 | 100,000.00 | 100,000.00 |
| Industry among Indians, reimbursable | 300,000.00 | 400,000.00 | 300,000.00 |
| Payment to heirs of Farmer John, gratuity | 20.00 | 20.00 | 20.00 |
| Suppressing contagious diseases among live stock, gratuity | ..... | 100,000.00 | 100,000.00 |
| Payment to Charles J. Kappler, gratuity | ..... | 2,000.00 | 2,000.00 |
| **ARIZONA AND NEW MEXICO.** | | | |
| Support of Indians in Arizona and New Mexico, gratuity | 330,000.00 | 330,000.00 | 330,000.00 |
| Indian school, Fort Mohave, Ariz., gratuity | 42,900.00 | 42,900.00 | 42,900.00 |
| Indian school, Phoenix, Ariz., gratuity | 131,900.00 | 135,400.00 | 135,400.00 |
| Indian school, Truxton Canyon, Ariz., gratuity | 21,200.00 | 21,200.00 | 21,200.00 |
| Maintenance irrigation system, Pima Indian lands, reimbursable | 20,000.00 | 25,000.00 | 20,000.00 |
| Irrigation system, Colorado River Reservation, reimbursable | 15,000.00 | 15,000.00 | 15,000.00 |
| Water supply, Papago Indian villages, gratuity | 20,000.00 | 20,000.00 | 20,000.00 |
| Fulfilling treaties with Navajos, schools, treaty | 100,000.00 | 100,000.00 | 100,000.00 |
| Water supply, Navajo Indians, Arizona, reimbursable | 25,000.00 | 25,000.00 | 25,000.00 |
| Construction dam, Gila River Reservation, reimbursable | ..... | 200,000.00 | 75,000.00 |
| Payment for water, Salt River allottees, reimbursable | 20,000.00 | 20,000.00 | 20,000.00 |
| Construction diversion dam, Gila River Reservation, above Florence, Ariz., reimbursable | ..... | 175,000.00 | 75,000.00 |
| Ganado irrigation project, reimbursable | 3,000.00 | 23,000.00 | 23,000.00 |
| Investigation, Gila River, erosion, etc., gratuity | ..... | 15,000.00 | 10,000.00 |
| Bridge across Little Colorado River, reimbursable | 15,000.00 | 15,000.00 | 15,000.00 |
| Construction additional spans, Gila River, gratuity | 17,000.00 | 17,000.00 | 17,000.00 |
| Preservation and repair, Pueblo ruins, gratuity | ..... | 3,000.00 | 3,000.00 |
| **CALIFORNIA.** | | | |
| Support of Indians in California, gratuity | 42,000.00 | 42,000.00 | 42,000.00 |
| Purchase of lands for landless Indians, gratuity | 10,000.00 | 30,000.00 | 10,000.00 |
| Indian school, Riverside, Cal., gratuity | 129,500.00 | 129,500.00 | 129,500.00 |
| Irrigating allotments, Yuma Reservation, reimbursable | 10,000.00 | 10,000.00 | 10,000.00 |
| Indian school, Fort Bidwell, Cal., gratuity | 21,800.00 | 21,800.00 | 21,800.00 |
| Indian school, Greenville, Cal., gratuity | 21,630.00 | 34,400.00 | 26,400.00 |
| Roads and bridges, Yuma Reservation, Cal., reimbursable | ..... | 10,000.00 | 10,000.00 |
| **FLORIDA.** | | | |
| Support of Seminoles in Florida, reimbursable | 8,000.00 | 5,000.00 | 8,000.00 |
| **IDAHO.** | | | |
| Support of Indians, Fort Hall Reservation, Idaho, gratuity | 30,000.00 | 30,000.00 | 30,000.00 |
| Maintenance, etc., Fort Hall irrigation system, reimbursable | 25,000.00 | 35,000.00 | 25,000.00 |
| Fulfilling treaties with Bannocks, Idaho, treaty | 5,000.00 | 5,000.00 | 5,000.00 |
| Fulfilling treaties with Cœur d'Alenes, treaty | 3,000.00 | 3,000.00 | 3,000.00 |
| **KANSAS.** | | | |
| Indian school, Lawrence, Kans., gratuity | 140,250.00 | 148,250.00 | 148,250.00 |
| Indian school, Kickapoo Reservation, Kans., gratuity | 16,860.00 | 16,860.00 | 16,860.00 |
| Bridges, Pottawatomi Reservation, Kans., gratuity | ..... | 10,000.00 | (1) |
| **LOUISIANA.** | | | |
| Purchase of lands for Chettimanchi Indians, gratuity | $1,500.00 | $1,500.00 | $1,500.00 |
| **MICHIGAN.** | | | |
| Indian school, Mount Pleasant, Mich., gratuity | 73,450.00 | 73,450.00 | 73,450.00 |
| Reimbursement Joseph Bradley, gratuity | ..... | 250.00 | 250.00 |
| **MINNESOTA.** | | | |
| Indian school, Pipestone, Minn., gratuity | 61,675.00 | 64,675.00 | 64,675.00 |
| Support of Chippewas of the Mississippi, Minn., treaty | 4,000.00 | 4,000.00 | 4,000.00 |
| Enrollment White Earth allottees, gratuity | ..... | 5,000.00 | 5,000.00 |
| **MISSISSIPPI.** | | | |
| Investigation condition Mississippi Indians, gratuity | ..... | 1,000.00 | 1,000.00 |
| **MONTANA.** | | | |
| Support of Indians of Fort Belknap Reservation, Mont., gratuity | 20,000.00 | 20,000.00 | 20,000.00 |
| Support of Indians of Flathead Agency, Mont., gratuity | 14,000.00 | 20,000.00 | 20,000.00 |
| Support of Indians of Fort Peck Agency, Mont., gratuity | 30,000.00 | 30,000.00 | 30,000.00 |
| Support of Indians of Blackfeet Agency, Mont., gratuity | 25,000.00 | 25,000.00 | 25,000.00 |
| Irrigation, Fort Belknap Reservation, reimbursable | 20,000.00 | 20,000.00 | 20,000.00 |
| Fulfilling treaties with Crows, Mont., treaty | 6,000.00 | 6,000.00 | 6,000.00 |
| Support of Northern Cheyennes and Arapahoes, treaty | 80,000.00 | 80,000.00 | 80,000.00 |
| Line riders, Northern Cheyenne Reservation, gratuity | 1,500.00 | 1,500.00 | 1,500.00 |
| Support Rocky Boys Band, gratuity | 5,000.00 | 10,000.00 | 5,000.00 |
| Purchase of land, Flathead Agency, reimbursable | 320.00 | 320.00 | 320.00 |
| Irrigation system, Flathead Agency, Mont., reimbursable | ..... | 750,000.00 | 750,000.00 |
| Irrigation system, Fort Peck Agency, Mont., reimbursable | ..... | 100,000.00 | 100,000.00 |
| Irrigation system, Blackfeet Agency, Mont., reimbursable | ..... | 50,000.00 | 25,000.00 |
| **NEBRASKA.** | | | |
| Indian school, Genoa, Nebr., gratuity | 84,600.00 | 103,100.00 | 91,100.00 |
| Assessment Omaha and Winnebago allotments, reimbursable | ..... | 30,000.00 | 30,000.00 |
| **NEVADA.** | | | |
| Support of Indians in Nevada, gratuity | 18,500.00 | 18,500.00 | 18,500.00 |
| Indian school, Carson City, Nev., gratuity | 60,760.00 | 89,100.00 | 62,430.00 |
| Home and farm sites, Nevada Indians, gratuity | ..... | 15,000.00 | 15,000.00 |
| Irrigation, Pyramid Lake Reservation, reimbursable | 30,000.00 | 30,000.00 | 30,000.00 |
| Land and waterrights, Washoe Indians, gratuity | 15,000.00 | 15,000.00 | 15,000.00 |
| **NEW MEXICO.** | | | |
| Indian school, Albuquerque, N. Mex., gratuity | 97,400.00 | 97,400.00 | 97,400.00 |
| Indian school, Santa Fe, N. Mex., gratuity | 67,150.00 | 103,650.00 | 92,150.00 |
| Counsel for Pueblo Indians of New Mexico, gratuity | 2,000.00 | 2,000.00 | 2,000.00 |
| Highway, Mesa Verde National Park to Gallup, N. Mex., gratuity | 15,000.00 | 54,000.00 | 15,000.00 |
| **NEW YORK.** | | | |
| Fulfilling treaties with Senecas, New York, treaty | 6,000.00 | 6,000.00 | 6,000.00 |
| Fulfilling treaties with Six Nations, New York, treaty | 4,500.00 | 4,500.00 | 4,500.00 |
| **NORTH CAROLINA.** | | | |
| Indian school, Cherokee, N. C., gratuity | 36,000.00 | 36,000.00 | 36,000.00 |
| Bridge, Ocona Lufty River, gratuity | ..... | 15,000.00 | (1) |
| School for North Carolina Indians, gratuity | ..... | 50,000.00 | (1) |
| Maintenance, school for North Carolina Indians, gratuity | ..... | 10,000.00 | (1) |
| **NORTH DAKOTA.** | | | |
| Support of Sioux of Devils Lake, N. Dak., gratuity | 5,000.00 | 5,000.00 | 5,000.00 |
| Support of Indians, Fort Berthold Agency, N. Dak., gratuity | 15,000.00 | 15,000.00 | 15,000.00 |
| Support of Chippewas, Turtle Mountain Band, gratuity | 11,000.00 | 11,000.00 | 11,000.00 |
| Indian school, Bismarck, N. Dak., gratuity | 56,175.00 | 56,175.00 | 56,175.00 |

[1] Paid out of tribal funds.

[1] Senate receded.

| Item. | Passed House. | Passed Senate. | Agreed in conference. |
|---|---|---|---|
| NORTH DAKOTA—continued. | | | |
| Indian school, Fort Totten, N. Dak., gratuity | $82,500.00 | $82,500.00 | $82,500.00 |
| Indian school, Wahpeton, N. Dak., gratuity | 40,200.00 | 66,540.00 | 63,540.00 |
| Redemption mortgage, Starr McGillis, reimbursable | | 1,500.00 | 1,500.00 |
| Reimbursing Benson County (insane Indians), gratuity | | 1,497.44 | 1,497.44 |
| Headstone, Scarlet Crow, gratuity | | 100.00 | 100.00 |
| OKLAHOMA. | | | |
| Support of Wichitas and affiliated bands, gratuity | 5,000.00 | 5,000.00 | 5,000.00 |
| Support of Cheyennes and Arapahoes, Oklahoma, gratuity | 35,000.00 | 35,000.00 | 35,000.00 |
| Support of Kansas Indians, gratuity | 1,500.00 | 1,500.00 | 1,500.00 |
| Support of Kickapoo Indians, gratuity | 2,000.00 | 2,000.00 | 2,000.00 |
| Support of Poncas, gratuity | 8,000.00 | 8,000.00 | 8,000.00 |
| Indian school, Chilocco, Okla., gratuity | 93,250.00 | 93,250.00 | 93,250.00 |
| Fulfilling treaties with Pawnees, treaty | 47,100.00 | 47,100.00 | 47,100.00 |
| Support of Quapaws, treaty | 1,500.00 | 1,500.00 | 1,500.00 |
| Purchase land for Fort Sill Apaches, gratuity | | 40,000.00 | (1) |
| FIVE CIVILIZED TRIBES. | | | |
| Administration affairs of Five Civilized Tribes, gratuity | 175,000.00 | 185,000.00 | 185,000.00 |
| Probate attorneys, Five Civilized Tribes, gratuity | 85,000.00 | 85,000.00 | 85,000.00 |
| Cherokee Orphan Training School, gratuity | 40,000.00 | 40,000.00 | 40,000.00 |
| Indian schools, Five Civilized Tribes, gratuity | | 275,000.00 | 275,000.00 |
| Fulfilling treaties with Choctaws, treaty | 10,520.00 | 10,520.00 | 10,520.00 |
| Oil and gas inspectors, Five Civilized Tribes, gratuity | | 25,000.00 | 15,000.00 |
| Compromise suits, U. S. v. Dowden et al., reimbursable | | 57,500.00 | 57,500.00 |
| OREGON. | | | |
| Support of Indians, Klamath Agency Oreg., gratuity | 6,000.00 | 6,000.00 | 6,000.00 |
| Support of Indians, Warm Springs Agency, gratuity | 4,000.00 | 4,000.00 | 4,000.00 |
| Support of Indians, Umatilla Agency, gratuity | 3,000.00 | 3,000.00 | 3,000.00 |
| Indian school, Salem, Oreg., gratuity | 119,000.00 | 135,500.00 | 128,700.00 |
| Support of Indians, Grande Ronde and Siletz Agencies, Oreg., gratuity | 4,000.00 | 4,000.00 | 4,000.00 |
| Maintenance and operation, Modoc Point irrigation system, reimbursable | 20,000.00 | 20,000.00 | 20,000.00 |
| Bridges, Umatilla Reservation, reimbursable | 18,666.00 | 14,000.00 | 18,666.00 |
| PENNSYLVANIA. | | | |
| Indian school, Carlisle, Pa., gratuity | 152,000.00 | 152,000.00 | 152,000.00 |
| SOUTH DAKOTA. | | | |
| Indian school, Flandreau, S. Dak., gratuity | 67,500.00 | 68,955.00 | 67,500.00 |
| Indian school, Pierre, S. Dak., gratuity | 55,750.00 | 60,750.00 | 60,750.00 |
| Indian school, Rapid City, S. Dak., gratuity | 83,500.00 | 83,500.00 | 83,500.00 |
| Support of Sioux of different tribes, etc., treaty | 307,000.00 | 307,000.00 | 307,000.00 |
| Education, Sioux Nation, treaty | 200,000.00 | 200,000.00 | 200,000.00 |
| School facilities, Sioux Indian country, gratuity | | 250,000.00 | 1,000.00 |
| Support of Sioux, Yankton Tribe, gratuity | 14,000.00 | 14,000.00 | 14,000.00 |
| Asylum for insane Indians, Canton, S. Dak., gratuity | 45,000.00 | 45,000.00 | 45,000.00 |
| Highway, Standing Rock Reservation, reimbursable | 5,000.00 | 5,000.00 | 5,000.00 |
| UTAH. | | | |
| Support of Confederated Bands of Utes, treaty | 53,740.00 | 53,740.00 | 53,740.00 |
| Support of Indians in Utah, gratuity | 10,000.00 | 10,000.00 | 10,000.00 |
| Support of Confederated Bands of Utes, seeds and implements, treaty | 10,000.00 | 10,000.00 | 10,000.00 |
| Highway, Kaibab Reservation, reimbursable | | 9,000.00 | 9,000.00 |
| Irrigation, Uintah Reservation, reimbursable | 40,000.00 | 40,000.00 | 40,000.00 |
| Reimbursement Box Elder County, Utah, gratuity | | 1,684.00 | 1,684.00 |
| Education, Indian pupils, Washakie School, gratuity | | 832.00 | 832.00 |
| Protection bridge, Myton, Utah, gratuity | | 1,000.00 | (2) |
| WASHINGTON. | | | |
| Support of D'Wamish and other allied tribes, gratuity | 7,000.00 | 7,000.00 | 7,000.00 |
| Support of Makahs, gratuity | 2,000.00 | 2,000.00 | 2,000.00 |
| Support of Quinnaielts and Quillehutes, gratuity | 1,000.00 | 1,000.00 | 1,000.00 |
| WASHINGTON—continued. | | | |
| Support of Yakima Indians, gratuity | $3,000.00 | $3,000.00 | $3,000.00 |
| Support of Colville and certain other Indians, gratuity | 13,000.00 | 15,000.00 | 13,000.00 |
| Support of Spokanes, treaty | 1,000.00 | 1,000.00 | 1,000.00 |
| Irrigation system, Yakima Reservation, reimbursable | 15,000.00 | 15,000.00 | 15,000.00 |
| Indian school, Tacoma, Wash., gratuity | 50,000.00 | 50,000.00 | 50,000.00 |
| Dam across Yakima River, reimbursable | 200,000.00 | 200,000.00 | 200,000.00 |
| Payment third installment for water, Yakima, gratuity | | 100,000.00 | 100,000.00 |
| Acquisition water rights, Indians, Okanogan County, reimbursable | | 95,000.00 | 95,000.00 |
| WISCONSIN. | | | |
| Indian school, Hayward, Wis., gratuity | 51,550.00 | 51,550.00 | 51,550.00 |
| Indian school, Tomah, Wis., gratuity | 56,125.00 | 56,125.00 | 56,125.00 |
| Support of Chippewas of Lake Superior, Wis., gratuity | 7,000.00 | 7,000.00 | 7,000.00 |
| Support of Potawatomi in Wisconsin, gratuity | 7,000.00 | 7,000.00 | 7,000.00 |
| Payment to Stockbridge and Munsee Tribe, gratuity | | 95,000.00 | 95,000.00 |
| Purchase of cattle, Oneida School, gratuity | | 10,000.00 | 5,000.00 |
| Support of Wisconsin Band of Potawatomies, Wisconsin and Michigan, reimbursable | 100,000.00 | 100,000.00 | 100,000.00 |
| Sidewalks, village of Odanah, Band River Reservation, reimbursable | | 1,000.00 | (1) |
| Completion road, Red Cliff Reservation, reimbursable | | 6,500.00 | 6,500.00 |
| WYOMING. | | | |
| Support of Shoshones in Wyoming, gratuity | 15,000.00 | 15,000.00 | 15,000.00 |
| Indian School, Shoshone Reservation, Wyo., gratuity | 36,025.00 | 36,025.00 | 36,025.00 |
| Support of Shoshones in Wyoming, treaty | 6,000.00 | 6,000.00 | 6,000.00 |
| Repairs, Fort Washakie, gratuity | 1,721.66 | 1,721.00 | 1,721.00 |
| Irrigation system, Wind River Reservation, reimbursable | 50,000.00 | 50,000.00 | 50,000.00 |
| Plans and estimates for completing irrigation, Shoshone or Wind River Reservation, gratuity | 3,000.00 | 5,000.00 | 5,000.00 |
| Roads and bridges, diminished Shoshone Reservation, reimbursable | 25,000.00 | 25,000.00 | 25,000.00 |
| Payment to Joseph H. Norris, gratuity | | 257.00 | 257.00 |
| New bookkeeping system, Indian Bureau, gratuity | | 12,000.00 | (1) |
| Total | 8,961,437.66 | 11,993,796.44 | 10,966,037.44 |

[1] Unexpended balance made available. [2] Drawn from tribal funds.

[1] Senate receded.

C. D. CARTER,
THOS. F. KONOP,
CARL HAYDEN,
P. P. CAMPBELL,
P. D. NORTON,
*Managers on the part of the House.*

Mr. CARTER of Oklahoma. Mr. Speaker, in view of the fact that we are very anxious to pass the rural-credits bill at the earliest possible moment, I shall only make this short statement in justification of the conference report:

The consideration of this Indian appropriation bill was taken up by the House Committee on Indian Affairs prior to the Christmas holidays. The estimates as presented by the departments contained several claims and a great many legislative provisions, most all of which were eliminated by your House Committee on Indian Affairs and reported to the House on January 28. The House passed the bill with a few amendments on February 8, and it was taken up by the Senate Committee on Indian Affairs and reported to the Senate on March 9. The Senate passed the bill, with 157 amendments, on March 28, and returned it to the House with a request for a conference. The House did not agree to the conference immediately, but sent the bill to the House Committee on Indian Affairs, where each Senate amendment was taken up, department representatives and others called before the committee, and all the information possible obtained. The House committee then again reported the bill back to the House with recommendation that all Senate amendments be disagreed to and the conference requested by the Senate agreed to. The recommendation of the committee was concurred in by the House, and the bill was sent to conference on April 11.

Your managers on the part of the House then found themselves confronted with what I believe to be the most difficult situation that any House conferees on the Indian bill had faced during my service in the House. Amongst the 157 Senate amendments which had been added to the bill we found every character

of claim and legislation imaginable, running from small items, not in order upon the bill, to sweeping legislative provisions sending vast and complicated matters to the Court of Claims and other matters over which the Committee on Indian Affairs had no semblance of jurisdiction.

Moreover, it will be remembered that the conference report on the Indian bill last year failed of passage on account of a filibuster conducted in the United States Senate until a few minutes before Congress was forced to adjourn on March 4. To my mind no more deplorable or extravagant thing can be done than to pass a joint resolution in the place of a bill carefully worked out to meet existing conditions. For these reasons the affairs in the Indian Service are changing day by day, week by week, and year by year, so that the appropriations necessary for one year do not begin to fit the occasion in the succeeding year. On account of certain temporary conditions we are often called upon to appropriate very large amounts for certain branches of the service, while items for other branches of the service can be correspondingly reduced. When a joint resolution is passed the amounts necessary in excess of the usual amounts can not be taken care of, while the amounts which can and should be reduced are really not reduced at all, but the excessive appropriations of the year before are placed in the hands of our administrative officials for disbursement. The result is that the excessive amounts are usually all expended and the insufficient amounts have to be cared for in the following year by the succeeding Indian appropriation bill.

Take for instance the so-called industrial item. On account of conditions existing at that time, the bill passed in 1914 carried $600,000 for "encouraging industry and self-support among Indians," while the department, if I remember correctly, only requested some $400,000 for that appropriation last year, and, if I mistake not, only $300,000 was carried in the bill that failed. Consequently the joint resolution carried just twice the amount, or $300,000, in excess of the amount which Congress had decided, after careful investigation, was sufficient for the ensuing fiscal year. So it is throughout the bill.

While your conferees on the part of the House felt impelled to agree to some of the claims that had been placed in the bill by the Senate, we did not agree to any at all until we were convinced of the justice of same and the necessity of an agreement in order to secure the passage of the bill.

I further call your attention to the fact that all the large, complex items sending matters to the Court of Claims were rejected.

The Senate amendments provided for construction of many roads and bridges on Indian reservations, all to be paid out of the funds in the Federal Treasury. The House had provided for the construction of some roads and bridges out of tribal funds and in these instances the language was changed by the Senate so that the tribal funds might be relieved of this expense and the payment made direct from the Treasury. The House Committee on Indian Affairs has always taken the position in the past that no funds should be appropriated from the Federal Treasury for roads and bridges on Indian reservations and that Indian funds should only be appropriated when the expenditure of the funds and construction of roads and bridges were manifestly for the benefit of the Indian. In each of these road and bridge items our managers succeeded in having payment come from the tribal funds in case any tribal funds were available and, when not available, the conferees insisted that the appropriations should be made reimbursable in case the tribe had any reimbursable assets and, in case the tribe had no reimbursable assets, your conferees insisted upon the elimination of the items.

Different Senate amendments provided $310,000 for the establishment of new schools in addition to the $1,550,000 carried for this purpose in the general item and over and above all other specific appropriations. The House conferees insisted upon the elimination of the establishment of these extra schools on the meager information obtainable and provided for an investigation in one case to ascertain if the construction of these schools is really necessary.

On account of the conditions I have stated, your conferees were not able to make as clean a job of this bill as we desired but we have done the very best we could under existing circumstances, and I want to thank my fellow conferees for the diligent manner in which they stuck to the task, for their prompt and punctual attendance upon the conference meetings, and their loyalty to the contentions of the House.

Unless some gentleman desires some information about the pending measure, I shall move the previous question on the report.

Mr. MONDELL. Mr. Speaker, I would like a little time to discuss some items in the conference report.

Mr. CARTER of Oklahoma. How much time does the gentleman want?

Mr. MONDELL. About 15 minutes.

Mr. CARTER of Oklahoma. Can not the gentleman cut it down to five?

Mr. MONDELL. No; I want to discuss three items.

Mr. CARTER of Oklahoma. Can not the gentleman make it 10 minutes?

Mr. MONDELL. The gentleman from Pennsylvania [Mr. MOORE] wants 5 minutes, and I do not see how I can get through in less than 15.

Mr. CARTER of Oklahoma. Very well, Mr. Speaker, I ask that the previous question be considered as ordered at the end of 20 minutes.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that at the end of 20 minutes the previous question be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Wyoming [Mr. MONDELL] is recognized for 15 minutes.

Mr. MONDELL. Mr. Speaker, there are quite a number of items in the conference report, in the Senate amendments, that are, in my opinion, very questionable. There are a number of them that can not well be defended, but in the time allotted to me I can not discuss the items at length. I shall therefore confine my remarks to three items in the bill.

The first one is Senate amendment No. 35. The House recedes from its disagreement to amendment No. 35 and agrees to the same with an amendment. The amendment is lengthy, and the Members have heard it read. I do not think that the matter as it stands, the provision in the bill, is particularly objectionable. I think it rather important, however, that it be clearly stated just what the conference report contemplates, just what is intended to be done.

It is very clear that the original Senate amendment contemplates, at least would have authorized, the undertaking of what has been known at one time and another as the Gila or the San Carlos reclamation project, a project estimated to cost anywhere from six and a half million to seven million dollars, and a project with very many questionable features. Now, it may or may not have been the intent of those who drafted the Senate amendment to authorize the construction of that great and very questionable irrigation enterprise. The language of the Senate amendment would, however, have authorized it and every feature of it. The language of the House amendment, however, I am sure does not, on a fair interpretation, authorize the undertaking of the San Carlos project, and particularly does not authorize the building of the San Carlos Dam, and I understand the gentleman from Arizona [Mr. HAYDEN] so takes it. The gentleman nods his head in affirmation of my statement.

Mr. HAYDEN. Mr. Speaker, as to whether this amendment authorizes the construction of the San Carlos project the gentleman can save his own time and that of the House. It does not do it. Amendment No. 35 contemplates nothing more than the construction of a diversion dam.

Mr. MONDELL. I do not desire to take the time of the House, and yet I am not wasting the time of the House if I may make it quite clear that the conferees have agreed to a provision that does not contemplate and does not authorize the building of the San Carlos project.

Mr. HAYDEN. Such is the fact.

Mr. MONDELL. And I will say to my friend I am never worried when we undertake an irrigation project in the West. On the contrary, I am always highly pleased when some good irrigation project is undertaken in the West, but I think, in the first place, the House ought to know what it is doing when it undertakes a great project of any kind, and in the second place as a Member from the West I do not want to see a project undertaken which is not feasible, and which could not possibly be carried out in a way to be helpful and beneficial to anything like the amount of the expenditure involved.

Mr. HAYDEN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. HAYDEN. I will state to the gentleman that there has been no irrigation project of any character ever submitted to this House that has had a more full investigation than that item in this bill. During the past 20 years there has been spent nearly $100,000 upon various investigations on the Gila River. The construction of this diversion dam has been recommended as the result of all that time and study and is fully justified by the facts regardless of whether the San Carlos project is ever undertaken or not.

Mr. MONDELL. What the gentleman says is true in a sense. The San Carlos project has never been approved as a complete

project fully and unqualifiedly by anyone at any time. It can not be by an honest man who knows his business.

Mr. HAYDEN. And is not approved in this bill.

Mr. MONDELL. The item as it stands is not altogether meritorious, and I doubt if it is the sort of an item that ought to be on an Indian bill, because I think the benefits the Indians will receive from this expenditure will be very small, indeed. By building a dam and thereby putting in good headworks at the head of a privately owned ditch and then extending the canals down to the Indian reservation later we may benefit the Indians somewhat, and bring this item within the proper scope of an Indian bill, but the expenditure that shall be made under this appropriation will not, in my opinion, benefit any Indian a particle or irrigate any of his land. While the appropriation contained in the bill is not large, it will require further expenditure to carry out even the moderate program begun by this item. It is the difference between five or six or seven million dollars for a questionable project, as provided by the Senate amendment, and the possible expenditure in all of $250,000 or $300,000 on a flood-water project which, perhaps, has more virtue.

Mr. HAYDEN. I can say to the gentleman that I do not believe that this project will ever run to such figures as that.

Mr. MONDELL. Never run to $300,000? Well, I shall be surprised if it does not in future bills and appropriations aggregate that amount; but, at any rate, it does not authorize the San Carlos project; that is very clear. It authorizes the building of a dam and eventually the extending of some ditches.

Now, I want to discuss for just a moment amendment No. 37 of the Senate. Just how this sort of an amendment got into an Indian bill it is difficult for me to understand. I take it for granted that the fact that the gentleman from Arizona in the House and the gentleman from Arizona in the Senate are on the Indian committees and in the conference had nothing whatever to do with having an item in the Indian bill that does not relate in any way, shape, or form to any Indian project, and the carrying out of which will not benefit any Indian, an item that if it has a place anywhere it is on the bill reported by the Flood Control Committee.

I know my friend from Arizona will say there are a few Apaches down on the San Carlos Reservation who have a few tracts of bottom land, and that this money for revetment and control of the Gila River would be of some benefit to them, but my opinion is that but little of this money will be spent on the reservation. There is nothing in the language of the appropriation which requires that it shall be spent on the reservation. As a matter of fact, the difficulties are in Graham County, below Solomonville, where the river has been cutting into the bank. They have a condition there no different from that found on streams throughout the country everywhere—north, south, east, and west—the river cutting into the bank and washing out farms. It is quite an unfortunate situation, no doubt, but just why we should provide for remedying it by a Federal appropriation and in an item on the Indian bill I am at a loss to understand. If we are to start on the work of flood protection, we should do it after full consideration and on a report from the proper committee. We have organized a committee with that object in view, to cure conditions of that sort, and the Indian bill is not the place to begin that sort of work. It has no relation to Indian work of any sort or kind.

Now, my friend from Arizona [Mr. HAYDEN] rose a moment ago. I do not know whether he wanted to propound a question or make a statement.

Mr. HAYDEN. In my opinion, the money appropriated by this amendment will probably be expended within the limits of the San Carlos Reservation, which contains about 3,000 acres of irrigable land.

Mr. MONDELL. The report only says 1,200 acres, and my experience with Indian reports with regard to the irrigation of land by Indians is that they never overlook any patch, and they never get the area too small. They call it 1,200. From other sources of information I gathered the notion it was about 600; but the fact is there has been very little difficulty down in the lower river, I am told.

Mr. HAYDEN. The gentleman is entirely mistaken. The heads of all the irrigation ditches were washed out by the recent floods, and the experiments conducted there will be very valuable, whether the money is expended within the limits of the San Carlos Reservation or not. The purpose of this appropriation is to ascertain an inexpensive way of controlling the Gila River when it is in flood. The conditions on this stream are rapidly growing from bad to worse, and it is absolutely necessary that something be done at once.

Mr. MONDELL. If the intent of the gentleman from Arizona was to have this work carried on in an Indian reservation in order that it may be properly on an Indian bill, why did not the gentleman so provide? Whoever drafted this provision provided that it could be used anywhere in the broad expanse of Graham County. This river runs through Graham County for many miles.

Mr. HAYDEN. About half of that distance being within the San Carlos Indian Reservation in the same county.

Mr. GREEN of Iowa. I understood the gentleman from Wyoming to say that he did not exactly understand why the provision was put in this bill. Would it not furnish more jobs in this way than it would under the Flood Commission?

Mr. MONDELL. I do not know as to that. It may furnish Indian jobs instead of jobs under some other department, but I am not worried about that. But I do think if we are going to undertake this work of flood control, not on Indian reservations, but anywhere in Graham County—and that county is bigger than the State of Massachusetts—the item should not be on the Indian bill.

Mr. STEPHENS of Texas. The gentleman overlooked that part of the language of the amendment in this, that he states this entire amount may be used on lands other than Indian lands. This provides that this appropriation shall be used only for the purpose of irrigating Indian lands.

Mr. MONDELL. Where is the gentleman reading?

Mr. STEPHENS of Texas. I am reading from amendment No. 35.

Mr. MONDELL. But I am discussing amendment No. 37. The gentleman is not keeping up with the procession.

Mr. STEPHENS of Texas. I know that, but this proposition——

Mr. MONDELL. I have made no criticism of amendment No. 35 at all. I have passed that over as one of those questionable things which you can not help, and the less said about it the better.

Mr. STEPHENS of Texas. Do they not have to be considered together? Does not the gentleman so concede? And under amendment No. 35 the matters you complain of will be regulated.

Mr. MONDELL. Not at all. They are entirely separate and distinct items. They have no relation to each other and do not have to do with the same situation.

The SPEAKER pro tempore (Mr. CANTRILL). The time of the gentleman has expired.

Mr. CARTER of Oklahoma. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. The understanding was that 20 minutes was to be used, as I recall it, and I would like to know how much time has been consumed?

The SPEAKER pro tempore. Fifteen minutes has been used.

Mr. MOORE of Pennsylvania. Then I have five minutes.

Mr. CARTER of Oklahoma. I wanted to yield three minutes to the gentleman from Utah [Mr. MAYS].

Mr. STEENERSON. I want one minute.

Mr. MONDELL. I hope the gentleman can extend the time so that the gentleman from Pennsylvania [Mr. MOORE] can have five minutes.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the time be extended five minutes.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MADDEN] asks unanimous consent that the time be extended five minutes.

Mr. CARTER of Oklahoma. Five to be used by the gentleman from Pennsylvania [Mr. MOORE] and five to be controlled by me.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I wish the chairman of the Committee on Indian Affairs would explain whether the improvement contemplated in amendment No. 37 is wholly within an Indian reservation. That is the amendment the gentleman from Wyoming [Mr. MONDELL] was discussing a minute ago.

Mr. HAYDEN. That amendment was in the Senate, providing for the expenditure of $15,000 within Graham County, Ariz., about half of which is within the San Carlos Indian Reservation.

Mr. MOORE of Pennsylvania. It has been cut by agreement to $10,000?

Mr. HAYDEN. For the reason that the conferees did not think that more than $10,000 was necessary for experimental work at this time.

Mr. MOORE of Pennsylvania. The amendment provides that the Secretary of the Interior shall set competent engineers to work to determine the most practicable method, and so forth, of "constructing levees, revetments, or other suitable work sufficient to prevent the Gila River from further eroding and

wearing and washing away its banks, and from further overflowing its banks at any point in Graham County, Ariz."

Now that, as it appears in the amendment, is clearly such work as should come within the jurisdiction of the new Committee on Flood Control, which has a bill now pending before the House.

Mr. HAYDEN. I think the gentleman is absolutely correct about that, so far as the House is concerned. But the gentleman will understand that this is an amendment adopted in the Senate, where they have no Committee on Flood Control.

Mr. MOORE of Pennsylvania. The Committee on Flood Control is to have jurisdiction of all flood matters. The language of this amendment shows that the project is clearly one falling within the jurisdiction of the Committee on Flood Control.

Mr. HAYDEN. I intend to bring this project to the attention of the Committee on Flood Control. There is no question but that the gentleman is correct in his statement that this is a matter wholly within the jurisdiction of that committee.

Mr. MOORE of Pennsylvania. This work is not wholly within the Indian reservation, is it?

Mr. HAYDEN. No; but whether it is or not, it is a matter having to do with the control of floods.

Mr. MOORE of Pennsylvania. I am interested in the work of flood control. The Committee on Flood Control has taken away from the Committee on Rivers and Harbors a great deal of the work heretofore assigned to that committee. Now, if the Committee on Indian Affairs is going to take away from the Committee on Flood Control jurisdiction of matters that were formerly lodged with the Committee on Rivers and Harbors or the Committee on Indian Affairs is going to take over matters which apparently belong to the new Committee on Flood Control, I would like to know where to go with respect to these matters.

Mr. HAYDEN. We have no such intention, I will say to the gentleman; and hereafter all matters of this kind will go to the Committee on Flood Control. When this amendment was offered and adopted at the other end of the Capitol there was no such committee as the Committee on Flood Control.

Mr. MOORE of Pennsylvania. The gentleman says he will bring this to the attention of the Committee on Flood Control?

Mr. HAYDEN. Yes.

Mr. MOORE of Pennsylvania. How will the gentleman do that?

Mr. HAYDEN. I shall introduce a bill and have it referred to the Committee on Flood Control, directing attention to the damage caused by floods in my State, and particularly along the Gila River.

Mr. MOORE of Pennsylvania. Would that mean that this particular improvement mentioned in this paragraph is not on an Indian reservation, or will it mean that it is general?

Mr. HAYDEN. The fact that the lands to be benefited are not all on an Indian reservation has nothing to do with the case. We should ascertain what damage is done by the floods and then adopt a plan to control them. We should also determine what part of the expense should be borne by the landowners and what part should be paid by the Government.

Mr. MOORE of Pennsylvania. The other day, when the flood-control bill was brought into the House, the Speaker overruled a point of order that I made against it, that the bill was properly assignable to the Committee on Rivers and Harbors. Now, how can any of us get an opportunity to raise the question?

Mr. HAYDEN. That difficulty frequently happens when Senate amendments come over to the House. Now that the Committee on Flood Control has been established, undoubtedly amendments of this character will be hereafter stricken from the Indian bill.

Mr. MOORE of Pennsylvania. I understand that the gentleman appreciates the point I am making and intends to introduce a resolution?

Mr. HAYDEN. Far be it from me to take anything away from the jurisdiction of the Committee on Flood Control. I voted in favor of creating that committee, and I have every confidence that it will give careful consideration to all matters properly coming before it.

Mr. MOORE of Pennsylvania. It seems to me that the Committee on Flood Control, which proposes to be a general committee, but which has brought in a bill pertaining only to one or two rivers, ought to be alive to a situation like this. If the Committee on Flood Control has a general jurisdiction over a matter of this kind, up to date it has exercised its jurisdiction only with respect to the Mississippi River and the Sacramento River. Now, why does not the Committee on Flood Control, which promises to help all sections of the country, step forward and raise the point now, when a new river to be improved for flood control is brought in by the Committee on Indian Affairs? Where is the Committee on Flood Control?

Mr. CARTER of Oklahoma. Mr. Speaker, I yield three minutes to the gentleman from Utah [Mr. MAYS].

The SPEAKER. The gentleman from Utah [Mr. MAYS] is recognized for three minutes.

Mr. MAYS. Mr. Speaker, I wanted to inquire of the committee in regard to Senate amendment 133, on page 90, with reference to the opening up of the mineral lands of the former Uncompahgre Indian Reservation to entry.

Mr. CARTER of Oklahoma. That was an amendment over which the Committee on Indian Affairs had no jurisdiction. It was proposed to open up to mineral entry certain lands there which are public lands, but not Indian lands, and for that reason the managers on the part of the House refused to consider the amendment.

Mr. MAYS. I think the conferees should be commended for that. It is a peculiar situation out there. The former Uncompahgre Indian Reservation has not been considered Indian land since 1880. That land comprises the entire gilsonite deposits, all that are of any value, in the United States, and the Barber Asphalt Co., a monopoly, apparently, of Philadelphia, Pa., I believe, or St. Louis, Mo.——

Mr. DYER. Mr. Speaker, will the gentleman yield there?

Mr. MAYS. Yes.

Mr. DYER. I hope the gentleman will not use St. Louis as the home of the Barber Asphalt Co.

Mr. MAYS. I beg the gentleman's pardon. There is a company called the American Co., of St. Louis.

Mr. DYER. It is not a trust.

Mr. MAYS. No; I am told it is not a trust. There are people attempting to select this land through their dummies, and at the present time I understand they have hundreds of dummy entrymen around and about these deposits, ready to select any deposits of any value, should this measure be passed. It is not a proper amendment for the Indian appropriation bill to carry, and I believe that the Senator from Utah was imposed upon by this trust, the Barber Asphalt people. If they should secure these deposits in Utah they would control the entire deposits of gilsonite that are of any value in the United States. It is a very useful product.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. MAYS. Yes.

Mr. MANN. Is that provision carried in this conference report?

Mr. MAYS. No; it was carried in the bill, but the gentleman from Oklahoma [Mr. CARTER] has just informed me that the House conferees would not agree to it, and it was stricken out.

Mr. MANN. I have asked the question because if it were in this conference report I would do what I could to defeat the bill.

Mr. MAYS. Certainly it has no business in this bill.

Mr. FERRIS. Mr. Speaker, will the gentleman yield?

Mr. MAYS. Yes.

Mr. FERRIS. Is it not a fact that some of these claims are worth $20,000 for a 20-acre tract? Are they not?

Mr. MAYS. Yes. Members of the company came before the committee and said that this company would give $25,000 each for such gilsonite tracts—20-acre tracts, 1,500 feet long and 600 feet wide. There was a $32,000,000 trust there ready to get these claims. The Senator from Utah, who was instrumental in putting this amendment in the bill, was imposed upon, as I believe. I do not think he could afford to stand for a moment for the dummy entrymen acquiring all these lands in the interest of existing monopoly.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. MAYS. Yes.

Mr. DYER. Does not the gentleman think that something ought to be done whereby gilsonite should be made available for proper use?

Mr. MAYS. Yes. And I will say in that connection that a bill has just been reported that will carry out the idea that the gentleman has in mind. The Public Lands Committee, to which such matters should be referred, have conducted hearings upon this matter and have reported a bill which will serve to open up these lands to entry under regulations designed to prevent their being acquired by the trust and yet provide a source of revenue for taxation purposes. That bill, in brief, provides that a permit granting the right to prospect and mine the land may be issued for 10-year periods free of royalty, with a provision that bona fide citizens of the counties in which deposits occur are to be preferred, and that no assignments can be made without the consent of the Government. This will defeat the designs of the trust. It will cause the horde of dummy squatters to disperse to their legitimate avocations if they have any.

Having been assigned the task of reporting this bill, the attorneys and other representatives of the asphalt companies sought interviews and admitted that their "representative entrymen" were on the job ready to make selections. One attorney recommended that the land be sold under a sealed-bid system and stated that his company would pay high figures for the claims. But, Mr. Speaker, the Barber Asphalt Co., owning the only railroad into that field, and already owning practically all the gilsonite lands so far opened to entry, would very probably seek to perpetuate its obnoxious monopoly by purchasing the deposits. This would be especially easy to accomplish, because of the very limited supply of this useful resource. No other available supply of much value seems to have been yet discovered.

In the act of March 3, 1903, every odd-numbered section of this field was thrown open to entry, and this with the result that about everything of value was grabbed by the monopoly. The Senate amendment now seeks to open to entry all the remaining deposits, to be sold under the mineral laws in unlimited numbers of claims at $5 per acre.

Under the bill reported by the Public Lands Committee, the proper committee to deal with public-land matters, the Government will regulate the operation of these deposits and will permit the widest possible range of distribution.

The nature of the deposits permits the poor man to operate it at a profit with little initial investment. The deposits occur in veins from 3 to 20 feet in width and of indefinite depth, and often outcropping at the surface.

The product is easily mined and is sold, without treatment, to the market at from $25 to $30 per ton.

An attorney of the American Asphalt Association, which claims not to be a trust, but which admits that its "representative entrymen" are awaiting the passage of this Indian appropriation bill, states that his company would be glad to buy the product of these small miners who may operate under the lease or permit.

The Barber Asphalt Trust owns and operates the only railroad into that region, and, I am informed, a prohibitive freight rate is exacted from any operator who would have the temerity to compete with the trust. The rate for a distance of less than 60 miles of haul runs from eight to ten dollars per ton.

New railroad facilities are promised, but in the meantime steps should be taken to correct such apparent injustice, and the acquisition of further lands by this monopoly should be prevented.

The SPEAKER. The time of the gentleman from Utah has expired.

Mr. MAYS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARTER of Oklahoma. I yield to the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. Mr. Speaker, I wish to speak relative to amendments 61, 62, 63, 64, and 65, which pertain to the timber on the Red Lake Indian Reservation. Those amendments are as follows:

(61) To carry into effect the act entitled "An act for the relief and civilization of the Chippewa Indians in the State of Minnesota, approved January 14, 1889, to provide for the establishment and administration of a forest reserve and for the sale of timber within the Red Lake Indian Reservation, Minn.," that the following-described lands within the Red Lake Indian Reservation, Minn., be, and the same hereby are, created into a forest reserve, to be known as the Red Lake Indian Forest: Townships 150 and 151 north, ranges 32, 33, 34, 35, and 36 west, and townships 152 and 153 north, ranges 32, 33, and 34 west of the fifth principal meridian, except the lands in townships 151 north, range 36 west, which lie north of the north line of sections 26 to 30, inclusive, and except all lands within sections 4, 5, 6, 7, 8, 9, and 18, in township 153 north, range 34 west. The provisions of this paragraph shall not apply to any lands which have heretofore been reserved for school, agency, church, or town-site purposes or granted to private parties or corporations within the area described, nor to the town site of Red Lake, for the creation of which provision is made herein: *Provided*, That when any of said lands are no longer needed for the purpose for which they are reserved, the Secretary of the Interior may declare such lands to be a part of the Red Lake Indian Forest.

(62) That lands within said Red Lake Indian Forest, which are not covered with standing and growing merchantable pine timber and which are suited for the production of agricultural crops and which are fronting upon a lake shore, may be allotted to individual Red Lake Indians: *Provided*, That no such allotment shall exceed 80 acres nor have more than 80 rods fronting upon a lake shore: *Provided further*, That in case an Indian has improved and cultivated more than 80 acres, his allotment may embrace his improvements to the extent of 160 acres.

That said forest shall be administered by the Secretary of the Interior in accordance with the principles of scientific forestry, with a view to the production of successive timber crops thereon, and he is hereby authorized to sell and manufacture only such standing and growing pine and oak timber as is mature and has ceased to grow, and he is also authorized to sell and manufacture from time to time such other mature and marketable timber as he may deem advisable, and he is further authorized to construct and operate sawmills for the manufacture of the timber into merchantable products and to employ such persons as he shall find necessary to carry out the purposes of the foregoing provisions, including the establishment of nurseries and the purchase of seeds, seedlings, and transplants when needed for reforestation purposes: *Provided*, That all timber sold under the provisions herein shall be sold on what is known as the bank scale: *Provided further*, That no contract shall be made for the establishment of any mill, or to carry on any logging or lumbering operations which shall constitute a charge upon the proceeds of the timber, until an estimate of the cost thereof shall have first been submitted to and approved by Congress.

(63) That the Secretary of the Interior may issue permits or grant leases on such lands for camping or farming. No permit shall be issued for a longer term than one year and no lease shall be executed for a longer term than five years. Every permit or lease issued under authority of this act to Indians, or to other persons or corporations, and every patent for an allotment within the limits of the forest created by section 1, shall reserve to the United States the right to cross the land covered thereby with logging roads or railroads, to use the shore line, or to erect thereon and use such structures as shall be necessary to the proper and economical management of the Indian Forest created by this act; and the Secretary of the Interior may reserve from allotment tracts considered necessary for such administration.

After the payment of all expenses connected with the administration of these lands as herein provided, the net proceeds therefrom shall be covered into the Treasury of the United States to the credit of the Red Lake Indians and draw interest at the rate of 4 per cent per annum. The interest on this fund may be used by the Secretary of the Interior in such manner as he shall consider most advantageous and beneficial to the Red Lake Indians. Expenditure from the principal shall be made only after the approval by Congress of estimates submitted by the said Secretary.

(64) That the Secretary of the Interior shall select and set apart an area not exceeding 200 acres, in sections 20, 21, 28, and 29, township 151 north, range 34 west, cause the lands thus selected to be surveyed and platted into suitable lots, streets, and alleys, and dedicate said streets and alleys and such lots and parcels as he may consider necessary to public uses. The lands thus selected shall not be allotted, but held as an Indian town site subject to further legislation by Congress.

That the timber on lands of the Red Lake Indian Reservation outside the boundaries of the forest created by section 1 may be sold under regulations prescribed by the Secretary of the Interior, and the proceeds administered under the provisions of the general deficiency act of March 3, 1883 (22 Stat. L., 590), and the Indian appropriation act of March 2, 1887 (24 Stat. L., 463).

The timber on Red Lake Reservation, mostly spruce, pine, and tamarack, has been estimated as from 129,000,000 to 300,000,000 feet board measure. A large part is within the proposed forest, which will be administered under forestry methods and reproduce timber in perpetuity.

The balance of the timber outside of the forest reserve is authorized to be sold and the proceeds to be used for the benefit of the Indians. The Interior Department has favorably recommended these provisions.

The Red Lake and Pembina Bands own this reservation separate and apart from all other Chippewa bands, and the timber alone will probably bring two or three million dollars.

I introduced the first bill on this subject nearly four years ago, and three years ago, in company with officials of the Interior Department, inspected the timber and agricultural lands on the reservation. The western portion of the reservation is now swamp land, but if drained will be rich agricultural land. I obtained a drainage survey of this part of the reservation as a preliminary to putting a drainage project into operation. I insert the report on this survey in the RECORD (H. Doc. 971, 63d Cong., 2 sess.).

The Red Lake Indians have in the last years made considerable progress in industry and civilization, particularly agriculture. Great credit for this progress is due to the very able and diligent service of Walter F. Dickens, Indian superintendent at Red Lake Agency. He has, among other things, inaugurated an annual agricultural fair at the agency, which has been a great success. The interest of the Indians in this fair and the active competition for prizes for agricultural products is perfectly wonderful.

Even old Indians, men and women, have come in with samples of corn, grain, and vegetables of high quality.

The different schools have increased their attendance, and especially the Cross Lake School has done great work. This school is located among the most conservative of all the Chippewas, who until lately opposed schools and Christian churches in their midst.

In company with Indian Agent Dickens and the agency physician I visited the school recently, and the grade scholars in the evening rendered a program of literary exercises which would have been creditable anywhere. One of the pupils, John Everywind, took the prize a couple of years ago for the best essay on agriculture by any grade-school pupil in the county, and was given a free trip to the State fair by the State fair management.

By authorizing the sale of the mature timber we enable the department to help the Indians to further progress in farming.

When the swamp lands are reclaimed every family on the reservation can be supplied with a farm of 160 acres of fine agricultural lands, and there will still be a couple of townships over, which could readily be sold to white settlers for more than enough to repay the cost of the drainage of all the other land that require, drainage,

There is only one serious difficulty to be overcome in this drainage plan, and that is the lack of an adequate outlet.

The Red Lake River will have to be straightened and deepened and enlarged and regulating works at the outlet will have to be provided.

There is an item in the river and harbor bill for a survey of this whole river with a view to controlling the flow and to dividing the cost among local interests. It is hoped that through this comprehensive survey of the river from Red Lake to Grand Forks a plan can be devised that will prevent disastrous floods, conserve the water supply for domestic purposes, and improve navigation also. The successful solution of this problem will affect the drainage of all the land in the Red Lake Basin, in Koochiching and Beltrami Counties as well as west of the lake, and upon it will depend to a large extent the future development of northern Minnesota.

I congratulate the people on the fact that Congress has by this legislation taken the first step toward this development.

Mr. Speaker, this proposition has been embraced in several prior bills, both in this Congress and in the previous Congress, and I am very glad that it is contained in the Indian appropriation bill, because there is great urgency for its passage.

The Government has never been authorizd to cut timber on this reservation as it has on all other Indian reservations. They could only cut dead and down timber; but this bill, after establishing the Red Lake Indian Forest, authorizes the Government to lumber the timber outside of that forest and dispose of it.

I append the following letter from the Secretary of the Interior as a part of my remarks:

DEPARTMENT OF THE INTERIOR,
*Washington, April 20, 1914.*

MY DEAR MR. STEENERSON: In compliance with your request of April 17, I transmit herewith for your information copy of the report submitted by the United States Geological Survey on the drainage survey of the Red Lake Diminished Reservation, Minn., executed under the provisions of the Indian appropriation act approved June 30, 1913.

Cordially, yours,

FRANKLIN K. LANE.

Hon. HALVOR STEENERSON,
*House of Representatives.*

REPORT ON THE DRAINAGE SURVEY OF THE RED LAKE DIMINISHED RESERVATION, MINN.

A survey of the swamp lands of the Chippewa Indians in northern Minnesota was authorized by act of Congress June 30, 1913, the object being to determine whether such lands may not be profitably and economically reclaimed by drainage and converted to agricultural uses.

A similar survey of the ceded lands of the Chippewa Indians was made in 1906, 1907, 1908, and a report, including map, tables, ditching plans, and estimates was submitted in House Document No. 607 to the second session of the Fifty-ninth Congress, covering an area of about 630 square miles lying east and north of Thief River Falls. An additional report was submitted in House Document No. 27 to the first session of the Sixty-first Congress, covering an area of over 4,000 square miles, lying principally between Red Lake and the international boundary. That survey was preliminary in character and consisted practically of thousands of spirit-level determinations covering the area in such a way as to establish the divides between drainage basins and the general slope or grade of the land. Many permanent bench marks were established which will be of value in starting future surveys.

The township and subdivision surveys of the General Land Office represent the ground control upon which the topographic features determined by the survey of 1913 were shown. Since the first surveys were made there has been a great development in actual drainage construction under State and county supervision in the ceded land area, particularly to the east of Thief River Falls and extending to the boundary of the present diminished reservation.

The plan of drainage construction as outlined in House Document No. 607 (2d sess. 59th Cong.) and shown on the map accompanying same, has been followed in a general way by the engineers in charge of the work, who have expressed their appreciation of the data and plans and estimates furnished by the Government survey.

Within the district they have constructed about 550 miles of ditches, the same number of miles of good roads, with 1,800 culverts and 22 steel bridges, providing at least one-half mile of ditch bordering each quarter section, also contributing $62,000 to the improvement of Thief River, at a total cost of about $3 per acre. Agricultural development and increased land values have rapidly followed these improvements.

The swamp lands within the boundaries of the Indian reservation are similar in character to those outside which are already drained, and it is safe to assume that they will have equal value when converted to agricultural uses.

The survey of the Chippewa Indian Reservation has been of the same general character as that of the ceded lands above mentioned. The drainage of this area presents no difficult problems. The Red Lake and Clearwater Rivers afford a natural outlet for the surface and ground waters. The accepted method of excavation is by one or more of the different types of dredges. In the following plans there are but two long ditches, each about 24 miles in length, and both to the north of Red Lake River. Short laterals and local ditches draining into the rivers named fill the intervening area.

The plans and estimates given herewith are preliminary in character, and cover drainage only, not road construction nor the building of bridges. A more detailed survey would be necessary to properly locate ditches and establish grades, but it is believed the general plan would be about the same and that the actual number of cubic yards excavated and the final cost would be within the estimates.

In determining the size of ditches, a variable coefficient for run-off has been used, the run-off for small areas being proportionately greater than for large areas. A plan frequently used, and one which has given satisfactory results in completed drainage projects, is to provide for a run-off in each 24 hours equivalent to three-eighths inch for a drainage outlet of 10 square miles, one-fourth inch for an outlet of 25 square miles, and three-sixteenths inch for an outlet of 200 square miles. For an area of 25 square miles such ditches would have a capacity for a mean monthly run-off of 7½ inches, or 60 per cent greater than the mean monthly rainfall in that region occurring during the month of greatest rainfall. The heaviest rainfall recorded in any month, as shown by the precipitation records from 1899 to 1908, was 10.63 inches in August. Supposing a maximum monthly rainfall of 12 inches and a run-off of 50 per cent, or 6 inches, the ditch capacity would still exceed the run-off by 1½ inches.

Farm laterals to reach each quarter section of land have been provided for in the estimates. These will not be over 2 miles in length. Two sizes have been used, each with a bottom width of 3 feet and slopes of 1 to 1, one being 3 and the other 4 feet in depth and containing, respectively, 3,520 and 5,475 cubic yards per mile.

The main ditches are estimated at 13 cents per cubic yard, which is about the price for which dredge work is being done in adjacent territory. The smaller ditches and some of the laterals are estimated at 15 cents. The total area for which it seems desirable to provide drainage is 370 square miles, or 236,800 acres. The total estimated cost is $369,680, or an average of about $1.56 per acre, which is exclusive of any assessment of these lands that might be deemed equitable as a portion of the cost of the improvement of Red Lake River, should such improvement be found necessary. This estimate is less than it would be if there were no main outlet channels, such as the Red Lake and Clearwater Rivers afford.

No survey was made of that portion of the reservation lying south of the lower Red Lake and east of the Clearwater-Beltrami County line, nor of that portion between the upper and lower lake. These areas consist mostly of high timbered sand ridges and scarcely any swamp area, and have therefore not been considered in the foregoing drainage plans.

The question has arisen as to the effect of the proposed drainage of the Indian lands upon those just west of the reservation which are contiguous to Red Lake River. It would undoubtedly result in increasing the burden of water carried by the river, whose current is sluggish and banks low in many places, and this condition might be detrimental, if not destructive, to the agricultural development of these lands. It is obvious that in the improvement of the Indian lands it would not be right to cause damage or destruction to the lands outside the reservation.

The run-off from Indian lands already finds its way into Red Lake and Red Lake River, and there would be no greater annual run-off after than before drainage improvement, yet the construction of ditches would provide a much quicker means of run-off and would result in an increased flow during any flood period. It would seem, therefore, that there may be some foundation for the fears of white settlers who occupy lands below the Indian reservation along the Red Lake River.

At the present time the ditches already constructed in Red Lake and Marshall Counties extend eastward to the reservation line, and in Beltrami County, on the north side of the reservation, these ditches extend eastward parallel to the reservation boundary for a distance of 15 to 18 miles from the west boundary. It is not the intention to burden the capacity of any of these ditches by diverting any of the water from the reservation into them. Some of the drainage will be into the Clearwater River, but nearly all will be into the Red Lake River, and by constructing a ditch near the west boundary of the reservation, south into Red Lake River, the adjacent lands of white settlers on the west will be benefited by taking away from them the water which naturally finds its way in that direction. Probably one or more townships would be so benefited. The only people, therefore, whose lands might be harmed by the proposed drainage plans are those who live near the Red Lake River from the reservation line to High Landing, a distance of about 18 miles. Below High Landing the banks are probably sufficiently high to provide ample drainage for adjacent lands. The area outside the reservation thus subject to overflow can not be definitely stated without a more detailed survey, but can be approximately stated at 10,000 acres.

There are two possible plans for the relief of congested conditions in this river during flood periods. The capacity may be increased by dredging the present channel, and there are several opportunities to reduce the distance and increase the grade by cut-offs. From the outlet of Red Lake to the reservation line, a distance of 19 miles, there is a fall of little more than 6 inches per mile. In the next 14 miles there is a fall of about 0.9 foot per mile. For this distance the river is bordered by swampy banks whose elevation is nearly the same as the river. No measurement of run-off has ever been taken at the outlet, but approximately from the records at Thief River Falls and Crookston the maximum flood run-off at this point may reach as much as 5,000 cubic feet per second. With a grade of 6 inches per mile a channel sufficiently large to contain this volume of water within its banks would have a bottom width of 150 feet, a depth of 11 feet, and slopes of 1 to 1. To care for one-half this volume on the same grade would require a channel 90 feet wide on bottom and 10 feet deep. The expense would render impracticable the construction of so large a channel. The best that could be done would be to improve the present channel so as to assist the run-off and care for the water at ordinary stages. An estimate of the cost of such improvement can not be made with the data at hand, but may be roughly approximated at $4,000 per mile for a distance of 30 miles, or a total of $120,000.

A cheaper and more effective plan may be found in the construction of a storage dam at the outlet of Red Lake impounding the entire run-off, or so much as may be necessary, from an area of 2,000 square miles.

Red Lake is formed by two bodies of water connected by a narrow channel. The combined area is 440 square miles. The depth of water may be increased from 2 to 5 feet without in any way injuring or flooding the surrounding land. On the south and west shores the water is very shallow, and where docks have been established they have had to be extended recently because of the falling of the lake level. From October, 1907, to October, 1913, there was a fall of 17 inches, as shown by elevations taken at those dates.

The benefits of storage would be felt in the aid to navigation on the lake, some aid to navigation on Red River of the North, increased water power on Red Lake River, complete protection from floods on the same river, and some aid in reducing flood waters of the Red River.

During a period of 28 months, from May, 1899, to August, 1901, gauging records were taken by the United States Army Engineers at a point about 5 miles above Thief River Falls. During the period the annual rainfall was about 30 inches, or somewhat in excess of the average rainfall for that section. The average monthly run-off was about 2,500,000,000 cubic feet, or an equivalent to an annual run-off of 5¾ inches in depth over the drainage basin of 2,400 square miles. Assuming an annual rainfall of 30 inches and a run-off of 20 per cent,

or 6 inches, there would be a total of 28,000,000,000 cubic feet, all of which could be withheld in the reservoir without raising the lake level more than 27 inches. The retention of this vast volume of water, allowing a gradual run-off, would effectually relieve the congestion in Red Lake River during flood periods.

In a report on the water-resources investigation of Minnesota it is estimated that a dam at the outlet of Red Lake would have a length of 400 feet at the water surface, 950 feet at 2 feet elevation, and 1,050 feet at 4 feet elevation. A dam 4 feet above the lake level would probably cost not over $10,000. If it should be considered necessary to provide for navigation on Red Lake River and Red Lake, then a lock and dam would be required and the cost greatly increased. According to a report of the United States Engineer Corps, the cost of such a lock and dam would be $65,000, the necessary dredging of river and lake $180,000, and plant and equipment $25,000, or a total of $270,000.

The project was not approved by the Chief of Engineers, who stated that the amount of commerce itself would not warrant the expenditure of so large a sum of money. Later reports on the same project have confirmed this opinion.

In the years before the building of the International & Great Northern Railway and the line from Bemidji to Red Lake the only possible way to reach the Red Lake country was by way of Red Lake River. Several small steamers and some gasoline boats plied the river, carrying freight and passengers up and bringing back logs, lumber, and passengers. The maximum freight and passenger traffic was in 1899, when 997 tons of freight and 5,944 passengers were carried. The number of passengers that year was nearly five times greater than any other year. The maximum log and lumber traffic was in 1904, when 115,000,000 feet were brought down. The amount declined gradually to 31,000,000 feet in 1911. In 1910, 300 tons of freight and 600 passengers were carried. In 1911, on account of low water, there was no steamboat nor launch traffic, and there has been none since. An electric line now runs from Thief River Falls eastward for 16 miles, and is under construction to the reservation line. Other lines are projected which will give an outlet to all farm products to the immediate west and north of Red Lake. With the advent of electric and steam roads in the near future, it seems most probable that the need and demand for river navigation will cease.

The timber available in this region which might naturally find its way down Red Lake River is practically exhausted, with the exception of that on Indian land. Here there are approximately 125,000,000 feet b. m., of which 50 per cent is white pine. Whether this timber should eventually be taken down the river or sawed at some point on Red Lake matters little. Provision can easily be made for running logs through a sluiceway.

Leaving the question of river navigation out of the reckoning, we find an easy and economical solution of the problem of floods on Red Lake River in the construction of a storage dam at the lake outlet.

On the accompanying map there is outlined a system of main drainage ditches into which the smaller farm laterals are to drain.

In the northwest half of township 154 north, range 38 west, there are about 10,000 acres for which no specific drainage plans have been made. These lands, which are naturally drier than the usual swamp areas, have been considerably improved by the construction of ditches just outside the reservation, but adjacent to the north and west boundaries of the township. With the construction of ditches on the east and south it is believed there will be little need for any ditch construction on this area, unless it be the smaller type of farm lateral.

The following tables give the dimensions and excavation quantities for all ditches and the summary showing the number of miles of farm laterals for each general drainage area.

AREA NORTH OF RED LAKE RIVER.

The area drained by main ditches Nos. 1 and 2 lies north of Red Lake River and west of Red Lake and a high ridge, in range 36, extending north from Red Lake. It occupies the northwest corner of the reservation. Of a total area of about 153,000 acres, all but about 20,000 are swamp land and easily reclaimable.

*Main ditch No. 1 and laterals.*

| | Section. | Length. | Area drained. | Dimensions. | | Slope. | Grade per mile. | Velocity (feet per second). | Cubic yards. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Bottom width. | Depth | | | | |
| Ditch No.: | | *Miles.* | *Sq. miles.* | *Feet.* | *Feet.* | | *Feet.* | | |
| 1 | A | 2.0 | 5.0 | 8.0 | 3.5 | 1 to 1 | 2.00 | 1.84 | 15,740 |
| 1 | B | 2.0 | 9.0 | 10.0 | 4.0 | ...do.. | 2.00 | 2.00 | 21,910 |
| 1 | C | 3.0 | 13.0 | 10.0 | 4.5 | ...do.. | 1.70 | 2.00 | 38,280 |
| 1 | D | 2.0 | 24.0 | 11.0 | 5.0 | ...do.. | 2.00 | 2.35 | 31,290 |
| 1 | E | 2.0 | 35.0 | 13.0 | 5.5 | ...do.. | 2.00 | 2.56 | 39,800 |
| 1 | F | 2.0 | 44.0 | 15.0 | 5.5 | ...do.. | 2.00 | 2.70 | 44,100 |
| 1 | G | 2.0 | 54.0 | 17.0 | 6.5 | ...do.. | 1.33 | 2.40 | 59,740 |
| 1 | H | 1.0 | 59.0 | 18.0 | 6.5 | ...do.. | 1.33 | 2.45 | 31,140 |
| 1 | I | 2.0 | 61.0 | 19.0 | 6.5 | ...do.. | 1.25 | 2.40 | 64,830 |
| 1 | J | 2.0 | 71.0 | 20.0 | 6.5 | ...do.. | 1.50 | 2.65 | 67,370 |
| 1 | K | 2.0 | 81.0 | 20.0 | 7.0 | ...do.. | 1.50 | 2.80 | 73,920 |
| 1 | L | 2.0 | 91.0 | 19.0 | 5.5 | ...do.. | 5.00 | 4.32 | 56,400 |
| Laterals: | | | | | | | | | |
| 1 | A | 1.0 | 3.0 | 4.0 | 3.5 | ...do.. | 2.00 | 1.57 | 5,130 |
| 1 | B | 2.0 | 7.0 | 10.0 | 3.5 | ...do.. | 2.00 | 1.85 | 18,480 |
| 1 | C | 2.0 | 8.5 | 12.0 | 3.5 | ...do.. | 2.00 | 1.90 | 21,220 |
| 2 | A | 2.0 | 7.0 | 10.0 | 3.5 | ...do.. | 2.00 | 1.85 | 18,480 |
| 2 | B | 2.0 | 8.5 | 12.0 | 3.5 | ...do.. | 2.00 | 1.90 | 21,220 |
| 3 | A | 2.0 | 6.0 | 10.0 | 3.5 | ...do.. | 2.00 | 1.85 | 18,480 |
| 3 | B | 2.0 | 7.5 | 12.0 | 3.5 | ...do.. | 1.50 | 1.67 | 21,220 |
| 4 | A | 1.0 | 4.0 | 6.0 | 3.5 | ...do.. | 2.00 | 1.70 | 6,500 |
| 4 | B | 2.0 | 6.0 | 10.0 | 3.5 | ...do.. | 1.85 | 1.78 | 18,480 |
| 5 | A | 2.0 | 3.0 | 8.0 | 3.5 | ...do.. | 1.05 | 1.30 | 15,740 |
| 6 | A | 2.0 | 5.0 | 10.0 | 3.5 | ...do.. | 1.32 | 1.50 | 18,480 |
| 6 | B | 2.0 | 8.0 | 12.0 | 4.0 | ...do.. | 1.32 | 1.67 | 25,030 |
| 7 | A | 2.0 | 5.0 | 10.0 | 3.5 | ...do.. | 1.32 | 1.50 | 18,480 |
| 7 | B | 2.0 | 8.0 | 12.0 | 4.0 | ...do.. | 1.05 | 1.50 | 25,030 |
| 8 | A | 1.0 | 5.0 | 8.0 | 3.5 | ...do.. | 1.05 | 1.30 | 7,870 |
| 8 | B | 1.5 | 8.0 | 8.0 | 3.5 | ...do.. | 2.00 | 1.80 | 11,810 |
| | | | | | | | | | $22,170 |

Cost of excavation, at 13 cents per yard ..... $106,880
Farm laterals, 36 linear miles, 3 by 3 feet (slope 1 to 1), at 3,520 yards per mile, 126,720 cubic yards, cost of excavation at 15 cents ..... 19,010
125,890
Engineering and contingencies, 10 per cent ..... 12,590
Total ..... 138,480
Area, 90 square miles, or 57,600 acres.
Average cost, $2.40 per acre.

*Main ditch No. 2 and laterals.*

| | Section. | Length. | Area drained. | Dimensions. | | Slope. | Grade per mile. | Velocity (feet per second). | Cubic yards. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Bottom width. | Depth. | | | | |
| Ditch No.: | | *Miles.* | *Sq. miles.* | *Feet.* | *Feet.* | | *Feet.* | | |
| 2 | A | 1.0 | 5.0 | 6.0 | 3.5 | 1 to 1 | 4.00 | 2.40 | 6,500 |
| 2 | B | 2.0 | 9.0 | 10.0 | 4.0 | ...do.. | 2.00 | 2.00 | 21,900 |
| 2 | C | 2.0 | 12.0 | 10.0 | 4.0 | ...do.. | 2.00 | 2.10 | 21,900 |
| 2 | D | 2.0 | 15.0 | 14.0 | 4.0 | ...do.. | 1.50 | 1.90 | 28,160 |
| 2 | E | 2.0 | 17.0 | 14.0 | 4.0 | ...do.. | 1.50 | 1.95 | 28,160 |
| 2 | F | 2.0 | 19.0 | 14.0 | 3.5 | ...do.. | 3.17 | 2.50 | 23,960 |
| 2 | G | 3.0 | 32.0 | 14.0 | 4.5 | ...do.. | 2.90 | 2.80 | 48,840 |
| 2 | H | 2.0 | 45.0 | 19.0 | 5.5 | ...do.. | 1.50 | 2.40 | 52,090 |
| 2 | I | 2.0 | 57.0 | 20.0 | 6.0 | ...do.. | 1.50 | 2.50 | 61,010 |
| 2 | J | 1.5 | 69.0 | 20.0 | 7.0 | ...do.. | 1.00 | 2.30 | 55,440 |
| 2 | K | 3.0 | 75.0 | 18.0 | 5.5 | ...do.. | 3.83 | 3.80 | 75,830 |
| Main laterals: | | | | | | | | | |
| 1 | A | 2.0 | 6.0 | 8.0 | 3.5 | ...do.. | 3.17 | 2.26 | 15,740 |
| 1 | B | 2.0 | 10.0 | 8.0 | 4.0 | ...do.. | 3.43 | 2.52 | 18,770 |
| 2 | A | 2.0 | 3.0 | 4.0 | 3.5 | ...do.. | 3.43 | 2.07 | 10,270 |
| 2 | B | 2.0 | 8.5 | 6.0 | 4.5 | ...do.. | 2.90 | 2.40 | 18,480 |
| 2 | C | 2.0 | 12.5 | 10.0 | 5.0 | ...do.. | 1.10 | 1.70 | 29,330 |
| 3 | A | 2.0 | 5.0 | 6.0 | 3.5 | ...do.. | 2.64 | 2.15 | 13,000 |
| 3 | B | 3.0 | 10.0 | 7.0 | 4.5 | ...do.. | 2.38 | 2.30 | 30,360 |
| 4 | A | 2.0 | 6.0 | 6.0 | 4.0 | ...do.. | 2.64 | 2.12 | 15,640 |
| 4 | B | 3.0 | 10.0 | 8.0 | 5.0 | ...do.. | 1.32 | 1.80 | 38,130 |
| | | | | | | | | | 614,510 |

Farm laterals and local ditches:
38 miles 3 by 3 feet, at 3,520 yards per mile ..... 133,760
8 miles 3 by 4 feet, at 5,475 yards per mile ..... 43,800

Summary:
614,510 cubic yards, at 13 cents ..... $79,866
177,560 cubic yards, at 15 cents ..... 26,634
106,520
Engineering and contingencies, 10 per cent ..... 10,650
Total cost ..... 117,170
Area of swamp land drained, 117 square miles, or about 74,880 acres.
Average cost per acre, $1.57.

The area between Red Lake and Clearwater Rivers contains about 75,000 acres and is practically all swamp land, but can be drained by local ditches emptying into these rivers and into Red Lake. No ditch would be over 5 or 6 miles in length.

*Area between Red Lake and Clearwater Rivers.*

| | Section. | Length. | Area drained. | Dimensions. | | Slope. | Grade per mile. | Velocity (feet per second). | Cubic yards. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Bottom width. | Depth. | | | | |
| Ditch No.: | | *Miles.* | *Sq. miles.* | *Feet.* | *Feet.* | | *Feet.* | | |
| 1 | A | 1.50 | 3 | 6.0 | 3.0 | 1 to 1 | 1.32 | 1.40 | 7,920 |
| 1 | B | 1.00 | 4 | 6.0 | 4.0 | ...do.. | 1.05 | 1.40 | 7,820 |
| 1 | C | 1.00 | 5 | 6.0 | 3.5 | ...do.. | 3.17 | 2.20 | 6,500 |
| 2 | A | 1.00 | 2 | 4.0 | 3.0 | ...do.. | 2.10 | 1.30 | 4,110 |
| 2 | B | 2.00 | 3 | 4.0 | 3.0 | ...do.. | 2.90 | 1.70 | 8,210 |
| 2 | C | 1.50 | 6 | 8.0 | 3.5 | ...do.. | 2.64 | 2.10 | 11,810 |
| 3 | A | 2.00 | 4 | 6.0 | 3.0 | ...do.. | 2.64 | 1.80 | 10,560 |
| 3 | B | 2.00 | 8 | 8.0 | 4.0 | ...do.. | 2.38 | 2.10 | 18,770 |
| 3 | C | 1.50 | 11 | 8.0 | 4.0 | ...do.. | 5.28 | 3.10 | 14,080 |
| 4 | A | 2.00 | 5 | 8.0 | 3.5 | ...do.. | 2.00 | 1.80 | 15,560 |
| 4 | B | 2.00 | 7 | 8.0 | 3.5 | ...do.. | 4.75 | 2.70 | 15,560 |
| 5 | A | 2.00 | 5 | 8.0 | 3.5 | ...do.. | 1.05 | 1.35 | 15,560 |
| 5 | B | 1.00 | 6 | 6.0 | 3.5 | ...do.. | 8.00 | 3.15 | 6,500 |
| 6 | A | 1.00 | 3 | 6.0 | 3.0 | ...do.. | 2.90 | 1.90 | 5,280 |
| 6 | B | 2.00 | 4 | 8.0 | 3.5 | ...do.. | 1.60 | 1.60 | 15,560 |
| 6 | C | 1.00 | 5 | 6.0 | 3.5 | ...do.. | 6.60 | 2.90 | 6,500 |
| 7 | ..... | 2.00 | ..... | 4.0 | 3.0 | ...do.. | ..... | ..... | 8,210 |
| 8 | A | 3.00 | 19 | 11.0 | 5.0 | ...do.. | 1.05 | 1.80 | 46,930 |
| 8 | B | 1.30 | 21 | 8.0 | 5.0 | ...do.. | 2.38 | 2.50 | 16,520 |
| 9 | ..... | 2.00 | 7 | 6.0 | 4.0 | ...do.. | 2.64 | 2.20 | 15,640 |
| 10 | A | 1.00 | 4 | 6.0 | 3.0 | ...do.. | 2.90 | 2.10 | 5,280 |
| 10 | B | 1.75 | 5 | 6.0 | 3.0 | ...do.. | 3.40 | 2.30 | 9,240 |
| 11 | ..... | 2.50 | 5 | 6.0 | 3.0 | ...do.. | 3.70 | 2.30 | 13,200 |
| 12 | ..... | 1.75 | 4 | 6.0 | 3.5 | ...do.. | 2.40 | 1.90 | 11,380 |
| | | | | | | | | | 296,700 |

Main ditches, cubic yards ..... 297,700
15 miles laterals 3 by 4 feet (1 to 1 slope at 5,475 yards per mile) ..... 82,120
33 miles laterals 3 by 3 feet (1 to 1 slope at 3,520 yards per mile) ..... 116,160
Total ..... 494,980

| | |
|---|---|
| At 15 cents per yard equals | $74,247 |
| Engineering and contingencies, 10 per cent | 7,423 |
| Total | 81,679 |

Area drained, 118 square miles, or 75,520 acres.
Average cost per acre, $1.08.

In townships 153 and 154 north, range 35 west, there are about 29,000 acres of swamp lands desirable for reclamation. All the drainage would be into Red Lake through several local ditches.

*Area north of Red Lake.*

| | Section. | Length. | Area drained. | Dimensions. Bottom width. | Dimensions. Depth. | Slope. | Grade per mile. | Velocity (feet per second). | Cubic yards. |
|---|---|---|---|---|---|---|---|---|---|
| Ditch No.: | | *Miles.* | *Sq.miles.* | *Feet.* | *Feet.* | | *Feet.* | | |
| 1 | A | 2.00 | 4.0 | 4.0 | 3.0 | 1 to 1.. | 4.75 | 2.45 | 8,210 |
| 1 | B | 2.00 | 7.0 | 7.0 | 3.0 | ...do... | 5.00 | 2.80 | 11,730 |
| 1 | C | .50 | 8.0 | 6.0 | 3.0 | ...do... | 9.24 | 2.67 | 2,640 |
| 2 | A | 2.00 | 6.0 | 8.0 | 3.0 | ...do... | 2.90 | 2.17 | 12,910 |
| 2 | B | 1.00 | 8.0 | 8.0 | 3.5 | ...do... | 3.17 | 2.45 | 7,870 |
| 2 | C | .75 | 8.5 | 7.0 | 3.0 | ...do... | 6.60 | 3.20 | 4,400 |
| 3 | A | 1.50 | 3.0 | 5.0 | 3.0 | ...do... | 1.32 | 1.33 | 7,040 |
| 3 | B | 1.50 | 4.0 | 5.0 | 3.0 | ...do... | 5.28 | 2.70 | 7,040 |
| 4 | A | 2.00 | 20.0 | 7.0 | 4.0 | ...do... | 6.60 | 3.70 | 17,210 |
| 4 | B | 3.00 | 30.0 | 12.0 | 4.0 | ...do... | 3.70 | 3.10 | 25,030 |
| 4 | C | 3.80 | 38.0 | 12.0 | 5.0 | ...do... | 2.10 | 2.60 | 14,670 |
| 4 | D | 4.30 | 43.0 | 14.0 | 5.0 | ...do... | 2.60 | 3.00 | 37,150 |
| | | | | | | | | | 155,900 |

| | |
|---|---|
| 15 miles of farm laterals, at 3,520 yards per mile | 52,800 |
| | 155,900 |
| | 208,700 |
| 114,640 yards, at 15 cents | $17,196 |
| 94,060 yards, at 13 cents | 12,224 |
| Total | 29,420 |
| Engineering and contingencies, 10 per cent | 2,940 |
| | 32,360 |

Forty-five square miles drained, or 28,800 acres, at average cost of $1.13 per acre.

Mr. CARTER of Oklahoma. I yield the remaining time to the gentleman from Utah [Mr. HOWELL].

Mr. HOWELL. Mr. Speaker, Senate amendment No. 133 in the Indian appropriation bill has been the subject of some unnecessary discussion by my colleague [Mr. MAYS] since it was disagreed to by the conference and eliminated from the bill and is not now before the House.

It was not my intention, therefore, to discuss the question at this time, but, in view of the criticism and strictures made by my colleague upon this provision and his remarks with respect to the propriety of such an amendment being placed upon the Indian appropriation bill, I feel constrained to give a brief history of the legislation affecting these lands, from which it will be seen that the Committee on Indian Affairs has heretofore had exclusive jurisdiction of the subject, and every law on the statute books pertaining to the lands has been enacted on the Indian bill.

By treaty dated March 6, 1880, the Indians relinquished to the United States the lands in the Uncompahgre Reservation, in Colorado, and were removed and settled upon lands in Utah, a part of which were embraced in the Uncompahgre Indian Reservation, in Utah, which was created by Executive order of January 5, 1882, and included the lands now in question.

In further pursuance of the said treaty of March 6, 1880, the Indian appropriation act of August 15, 1894, contained the following direction:

SEC. 21. That the remainder of the lands on said reservation shall, upon the approval of the allotments by the Secretary of the Interior, be immediately open to entry under the homestead and mineral laws of the United States: *Provided*, That no person shall be entitled to locate more than two claims, neither to exceed 10 acres, on any lands containing asphaltum, gilsonite, or like substance.

The Indian appropriation act of June 7, 1897 (30 Stat., 87), provided in part as follows:

The Secretary of the Interior is hereby directed to allot agricultural lands in severalty to the Uncompahgre Ute Indians now located upon or belonging to the Uncompahgre and Uintah Reservations or elsewhere in said State. And all the lands of said Uncompahgre Reservation not theretofore allotted in severalty to said Uncompahgre Utes shall, on and after the 1st day of April, 1898, be open for location and entry under all the and laws of the United States, excepting, however, therefrom all lands containing gilsonite, asphalt, elaterite, or other like substances.

And the title to all of the said lands containing gilsonite, asphaltum, elaterite, or other like substances is reserved to the United States.

The Indian appropriation act of March 3, 1903 (32 Stat., 998), provided as follows:

That in the lands within the former Uncompahgre Indian Reservation, in the State of Utah, containing gilsonite, asphaltum, elaterite, or other like substances, which were reserved from location and entry by provision in the act of Congress entitled "An act making appropriations for the current and contingent expenses of the Indian Department and for fulfilling treaty stipulations with various Indian tribes for the fiscal year ending June 30, 1898, and for other purposes," approved June 7, 1897, all discoveries and locations of any such mineral lands by qualified persons prior to January 1, 1891, not previously discovered and located, who recorded notices of such discoveries and location prior to January 1, 1891, either in the State of Colorado or in the office of the county recorder of Uintah County, Utah, shall have all the force and effect accorded by law to locations of mining claims upon the public domain. All such locations may hereafter be perfected, and patents shall be issued therefor upon compliance with the requirements of the mineral-land laws, provided that the owners of such locations shall relocate their respective claims and record the same in the office of the county recorder of Uintah County, Utah, within 90 days after the passage of this act. All locations of any such mineral lands made and recorded on or subsequent to January 1, 1891, are hereby declared to be null and void; and the remainder of the lands heretofore reserved as aforesaid because of the mineral substances contained in them, in so far as the same may be within even-numbered sections, shall be sold and disposed of in tracts not exceeding 40 acres, or a quarter of a quarter of a section, in such manner and upon such terms and with such restrictions as may be prescribed in a proclamation of the President of the United States issued for that purpose not less than 120 days after the passage of this act and not less than 90 days before the time of sale or disposal, and the balance of said lands, and also all the mineral therein, are hereby specifically reserved for future action of Congress.

The foregoing is a summary of the various acts relating to these lands, and in every instance the legislation was considered by the Committee on Indian Affairs and included in the various annual Indian appropriation acts, and it can not be said, therefore, that the Committee on Indian Affairs is not fully informed upon the subject and fully prepared to legislate upon it.

Senate bill No. 43, which is identical with Senate amendment No. 133, on the Indian appropriation bill, provides as follows:

That the lands and also all the mineral therein, within the former Uncompahgre Indian Reservation, in the State of Utah, which were specifically reserved for future action of Congress, in the act approved March 3, 1903 (32 Stat., 998), and the remainder of the lands within even-numbered sections, in said reservation, reserved in the act approved June 7, 1897 (30 Stat., 87), as containing gilsonite, asphaltum, elaterite, or other like substances, and which were, by said act of March 3, 1903, authorized to be sold and disposed of in tracts not exceeding 40 acres, shall, unless otherwise reserved, be immediately open to settlement, location, occupation, and entry under all the land laws of the United States according to the character of the lands or of the mineral deposits therein.

The bill was duly referred to the Secretary of the Interior for report, and after consideration the Secretary reported favorably upon the bill, as follows:

DEPARTMENT OF THE INTERIOR,
*Washington, January 7, 1915.*

Hon HENRY L. MYERS,
*Chairman Committee on Public Lands, United States Senate.*

MY DEAR SENATOR: I am in receipt of your request for report upon S. 6623, Sixty-third Congress, second session, providing that lands and the minerals therein within the former Uncompahgre Indian Reservation, in the State of Utah, reserved for future action of Congress by the acts of March 3, 1903 (32 Stat., 998), and June 7, 1897 (30 Stat., 87), as containing gilsonite, asphaltum, elaterite, or other like substances, shall, unless otherwise reserved, be immediately opened to settlement, location, occupation, and entry under all the land laws of the United States.

The act of June 7, 1897, supra, opened to location and entry under the land laws of the United States the unallotted lands in the former Uncompahgre Indian Reservation, except lands containing the substances named, the title to the latter being reserved to the United States.

The act of March 3, 1903, supra, validated certain locations made upon the lands in question under the mining laws, provided that the even-numbered sections containing the minerals named might be disposed of by the President in tracts not exceeding 40 acres each, and that the balance of the lands and all mineral therein should be specifically reserved for future action of Congress. This reservation, it will be noticed, was of the odd-numbered sections within said former reservation.

The act of June 21, 1906 (34 Stat., 376), validated and confirmed, as against the United States, certain patents issued upon said lands prior to March 3, 1903, upon locations made prior to January 1, 1891.

The Director of the Geological Survey reports that, in so far as he is advised, no elaterite, ozocerite, or sand asphaltum has been produced in commercial quantities from these lands, but there are in existence therein extensive and valuable veins of gilsonite, estimating that there are situated upon the even-numbered sections within said reservation upon unpatented lands 20 miles of veins and upon the odd-numbered sections 30.2 miles of veins.

Letters have been written to this department by some residents of the State of Utah, urging the opening of these minerals to disposition under the general mining laws, on the ground that this would open to location and entry by the general public considerable areas of land containing the minerals described, and promote a healthy competition with the owners of the deposits, the title to which has heretofore passed from the United States.

Upon careful consideration of the entire matter, I am of the opinion that the lands in question should be opened to disposition under the public-land laws. It is presumably the intent of the bill that lands containing valuable deposits of gilsonite or other minerals shall be subject to location, entry, and patent under the general mining laws of the United States, and the nonmineral lands, if any, be subject to disposition under appropriate nonmineral laws. In this connection, attention is directed to the act of July 17, 1914 (Public, No. 128), "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals."

In order to make it entirely clear that the lands in question, if mineral, shall be opened only to location and disposition under the

mining laws, and if nonmineral, only under the nonmineral land laws of the United States, it might be well to amend line 7, page 2, to read: "Entry under all the land laws of the United States according to the character of the lands or of the mineral deposits therein."

Cordially, yours,

FRANKLIN K. LANE.

The bill passed the Senate on March 9, 1916, and was referred by the Speaker to the Committee on Indian Affairs, which by practice and precedent had always taken jurisdiction of the subject. While the measure was pending before the Committee on Indian Affairs of the House, the Indian appropriation bill came up for consideration in the Senate, and the provision of Senate bill No. 43, very consistently, was placed upon it as an amendment.

The Committee on Indian Affairs of the House had the bill referred to the Committee on the Public Lands, and having lost jurisdiction of the subject the item embracing its provision as it came over from the Senate was disagreed to and eliminated, and the subject has now been acted upon by the Committee on the Public Lands.

A reference to the schedule of the various acts relating to these lands shows that since 1897, now 19 years ago, a portion of these lands containing gilsonite, asphalt, elaterite, or other like substances, has been reserved from all forms of entry or location. When the act of June 7, 1897, was passed that entire portion of the State of Utah was included in the Uintah Indian Reservation and uninhabited by white settlers. Even at that early day special privileges of leasing hydrocarbonous mineral lands on the Uintah Indian Reservation had been given, and when the Indian reservation was thrown open to homestead settlement these special interests were permitted to locate and acquire 2,640 acres of mineral lands, and this was the foundation of the monopoly that still controls the output of these minerals.

But the conditions which existed when Congress decided to reserve these lands have completely passed away. With the opening to settlement of the Uintah Indian Reservation, more than 10 years ago, there has been a steady flow of industrious and undismayed settlers to this part of the State who, despite the great difficulty and expense involved in diverting water for irrigation, which is absolutely essential to successful cultivation in that arid section, have constructed expensive canals and irrigation works, overcome the obstacles of nature, and by their pluck and industry have laid the foundation for one of the most populous and prosperous sections of the State. By their courage and industry they have accomplished marvelous results in developing the latent resources of that country.

The homesteader was required not only to reclaim his land, but, in addition, was obliged to pay full value for it. Under these conditions the homesteader ought justly to have his homestead right restored. These hardy, thrifty settlers in the van of civilization deserve well of their country, and Congress can well afford to be liberal and helpful to them in their efforts. These communities, bearing the burdens and hardships and expenses incident to a new country, with roads, bridges, schools, and public buildings to construct and maintain, can not understand why the natural resources which surround them ought not to be utilized for the growth and development of the country. They are restricted in a great measure in their pursuits by the lack of railroad transportation facilities. With adequate railway communication the country would grow in leaps and bounds. Its natural resources and agricultural possibilities are unsurpassed by any other part of the State.

But these resources are withheld from development, with the consequent delay in such inducements as would surely bring about the early extension of a railway to reach them. These people have been earnestly working to encourage the extension of railroads to their section, and while their prospects of success in this respect are very good, the opening of these mineral lands to development would prove the decisive factor in bringing about the early construction of such facilities of transportation.

Is it, then, strange that the people of that section are demanding that these resources be thrown open to development?

It is claimed that the unrestricted opening of the lands under the mining laws would result in their passing into the possession of the monopoly now controlling these minerals. This is a specious argument. The cry comes from the companies now enjoying the monopoly in the production of these minerals, because the companies plainly understand that if these lands were thrown open their profitable monopoly would be destroyed and there would be competition.

The sealing up of these resources plays most effectively into the hands of the monopoly and against the natural and rightful development of the country. There has, no doubt, been considerable interest aroused by the prospects of the passage of legislation making these lands subject to our general land and mining laws, and some people are ready to file promptly on the claims at the proper time. But any undue or disorderly scramble for possession of the lands could be easily averted by limiting the number of claims to each person and providing for an orderly method of preferential location by lot and restricting the right of location to bona fide residents of the land district.

These simple amendments would have safeguarded against the control by a monopoly and meet the criticisms leveled against unrestricted entry.

The leasing system proposed by the Committee on Public Lands as a solution of this question will not hasten the development of the country that is so urgently demanded and deserved by the intrepid pioneers who are struggling for the advancement and growth of their locality. These settlers have contended against many unjust and arbitrary regulations in the matter of acquiring rights of way for canals and ditches. Many of the best agricultural lands, contrary to the spirit of the law, were set aside as grazing lands for Indian stock. These open lands are a constant source of friction between the whites and the Indians, and these unhealthy conditions ought to be remedied. The citizens of the Uintah country very clearly set forth some of their grievances and the relief which they seek in the following petition, which they have asked me to transmit to Congress:

Your petitioners also beg to call attention to one of the clauses of congressional joint memorial No. 31, approved June 9, 1902 (32 Stat., 744), which reads as follows:

"In addition to the allotments in severality of the Uintah and White River Utes, the Secretary of the Interior shall, before any of the said lands are opened to disposition under any public-land law, select and set apart for the use of the Indians of the reservation such an amount of nonirrigable grazing lands therein at one or more places as will subserve the reasonable requirements of said Indians."

Your petitioners would respectfully represent that in the setting aside of said grazing lands the provisions of the above resolution were not adhered to as to the lands being nonirrigable. Much of the lands so set aside is along the rivers and streams of the basin and is highly agricultural and irrigable and the water is plentiful and easily accessible for the irrigation of the same. These lands now lie largely unused and unproductive to the settlers or the Indians, and lying as they do between the valleys and the mountain ranges it is impossible for the settlers to reach the latter for either timber or for grazing purposes without crossing these grazing lands, which are now, in fact, an Indian reservation to all intents and purposes as they were before the opening. Settlers, therefore, in taking their stock to and from the summer forest ranges and in getting lumber and timber from the forests trespass in crossing this Indian grazing land.

Your petitioners most respectfully represent that it would be to the best interests of the Indians and the settlers to have this grazing land pass to the control of the forest reserves, and while applying all regulations now enforced as to the white settler as to grazing and homesteading give the Indian free access to the same as he now has.

Your petitioners respectfully request that Congress enact legislation attaching said Indian grazing lands to the Ashley National Forest Reserve, and while reserving to the Indians free and unlimited grazing privileges of the same, that all irrigable, agricultural lands be subject to homestead entry and governed as other homestead lands within such reserves.

At the last session of the Utah Legislature, this menacing situation was considered and the following memorial adopted and forwarded to Congress:

House joint memorial 3.

A memorial to the Congress of the United States of America petitioning the United States Government to make a part of the Ashley National Forest certain lands formerly within the Uintah Indian Reservation.

*To the Senate and House of Representatives of the United States in Congress assembled:*

Your memorialists, the governor and the Legislature of the State of Utah, respectfully represent that—

Whereas certain lands located in Wasatch, Duchesne, and Uinta Counties, in the State of Utah, and formerly within the boundaries of the Uintah Reservation, are now held and set apart as Indian grazing lands; and

Whereas said lands are now patrolled by Indian police, whose actions in the handling of cattle owned by residents of said counties continually cause the said residents serious inconvenience and much damage:

Now, therefore, the governor and the Legislature of the State of Utah respectfully petition that the said lands so set apart as Indian grazing lands be made a part of the Ashley National Forest and placed under the control of the Forest Service.

Approved March 16, 1915.

STATE OF UTAH,
SECRETARY OF STATE'S OFFICE.

I, David Mattson, secretary of state of the State of Utah, do hereby certify:

That the foregoing memorial is a full, true, and complete copy of the original thereof, which was filed in the office of the secretary of state of the State of Utah on the 16th day of March, 1915.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Utah this 21st day of June, A. D. 1915.

[SEAL.] DAVID MATTSON,
*Secretary of State.*

I brought this grazing matter to the attention of the Commissioner of Indian Affairs, who instituted an investigation, but from the tenor of the report by the employees of that department there does not appear to be much chance for immediate relief, unless through remedial legislation. The following

correspondence with the Commissioner of Indian Affairs treats of the matter from his viewpoint, and sets forth his attitude upon it:

DECEMBER 24, 1915.

Hon. CATO SELLS,
*Commissioner of Indian Affairs, Washington, D. C.*

MY DEAR COMMISSIONER: The governor and the Legislature of Utah have memorialized Congress, earnestly asking on behalf of the people in that section that the lands of the Uintah Indian Reservation, which were set aside by the act of March 3, 1905 (33 Stat., 1048), as Indian grazing lands, be included in the Ashley National Forest. It is alleged that annoyances and losses occur to the white settlers who have grazing permits on said reserve and whose live stock occasionally stray upon the adjoining Indian lands and are promptly taken in custody by the patroling Indian police and driven off. I have presented this question to the Chief Forester, who expresses the opinion that these grazing lands could be economically and advantageously administered as a part of the Ashley National Forest. It is my sanguine opinion that if some plan can be proposed suitably safeguarding the interests and rights of the Indians by which these lands can be administered as a part of the Ashley National Forest it would materially conduce to the good relations and friendship between the whites and the Indians. I am presenting this matter to you in the hope that you will outline a plan that would effectuate this purpose and meet with your approval.

Yours, truly,

JOSEPH HOWELL.

—

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
*Washington, February 28, 1916.*

MY DEAR MR. HOWELL: This will refer further to your letter of December 24, 1915, in regard to the proposal to add the tribal grazing reserve of the Uintah and Ouray Indians to the Ashley National Forest.

The proposed action would place the tribal grazing reserve entirely under the control and management of the Forest Service, whose primary concern is the conservation of the forests of the United States rather than the welfare of the Indians. While the grazing of stock on forest reserves may be permitted under certain conditions, yet the regulations on this subject are somewhat complicated, and it would be very difficult and burdensome for the Indians to comply with them in order to obtain their proportionate share of the benefits of the range in competition with white stockmen, as, under the regulations, the range would be open to whites and Indians alike on equal terms, except that "special concessions may be made by the Secretary of Agriculture to Indians who are enrolled upon the records of the Office of Indian Affairs." However, such concessions are merely optional and not obligatory, in the discretion of the Secretary of Agriculture, and there is no assurance that they will be made, as I fear that strong and successful pressure might be brought to bear by white stockmen to prevent such action.

The only concessions which would adequately protect the interests of the Indians would require that they be given the preference right to free grazing privileges up to the capacity of the range, as at present, which their stock demands, with that of white lessees, as explained below. In other words, this would involve merely the placing of the tribal reserve under the jurisdiction of the Forest Service instead of the Indian Office, with practically no change whatever in the conditions upon which the Indians may range their stock thereon. This would accomplish no useful purpose in behalf of either the Indians or the whites; moreover, it is hardly conceivable that the Forest Service could consistently grant such liberal concessions to the Indians as entirely to exclude white stockmen from the reserve (except lessees of Indian land), who would likely crowd the Indians out if the latter were compelled to compete with them on equal terms, should the concessions not be granted, which might be the case.

Apparently the only reason for the proposed action, as set forth in the memorial of the Utah State Legislature, is as follows:

"Whereas said lands are now patrolled by Indian police, whose actions in the handling of cattle owned by residents of said counties continually cause the said residents serious inconvenience and much damage * * *."

I have had this matter thoroughly investigated and attach hereto for your information copies of the superintendent's report, with accompanying inclosures, from which it will be seen that this complaint is apparently unfounded, so far as the evidence shows. The superintendent's investigation was complete and exhaustive, and he transmits statements from old settlers in that vicinity controverting the charge that the Indian police have caused any trouble of the nature referred to in the memorial.

On most reservations the Indians are allotted individual tracts of both agricultural and grazing lands, but under the act of May 27, 1902 (32 Stat. L., 263), on this reservation they were allotted agricultural land only, in 40 and 80 acre tracts, the entire grazing reserve of 250,000 acres being held in common (joint resolution of June 19, 1902, 32 Stat. L., 744). According to the latest figures, the population of the reservation is 1,161. These Indians own live stock worth approximately $209,407, and with no individual range facilities they must depend entirely upon the tribal grazing reserve.

An irrigation project has been constructed on this reservation at a total cost (for construction) of $834,207.79, with 78,502 acres of land now under ditch. The water rights on this project expire under the State laws applicable thereto in 1919. Only 7,138 acres were cultivated by the Indians during the fiscal year 1915, and with but 291 able-bodied male adults it will be a physical impossibility for the Indians themselves to get all the land in cultivation by 1919 and save the water rights.

After exhaustive investigation it was decided that the only solution of the difficulty was to lease the surplus irrigable lands (beyond that which the Indians can cultivate) to white settlers on liberal terms, as the land is raw, rough, and unbroken sagebrush, and extraordinary inducements must be offered to prospective lessees. Pursuant thereto a comprehensive plan was put into effect on March 24, 1915, with that end in view.

An important and vital feature of this plan is that white lessees of Indian agricultural land are permitted to graze not to exceed 100 head of stock on the tribal grazing reserve at $1 per head per annum. Many five-year leases have been entered into with this grazing privilege as a part thereof, 2,284 head of stock belonging to white lessees of Indian allotments now being grazed thereunder. However, there is no law which authorizes the leasing of land within national forest reserves for grazing purposes, mere revocable permits being issued from year to year by the Secretary of Agriculture, who "has authority to permit, regulate, or prohibit grazing in the national forests * * * when it does not interfere with the purposes for which national forests are created." Should the tribal grazing reserve be taken from the Indians and placed under the jurisdiction of the Forest Service, the carrying out of these agreements would be greatly complicated if not made entirely impossible, thus seriously embarrassing the Indian Service in fulfilling such contracts.

It is estimated that the tribal grazing reserve of 250,000 acres will accommodate 6,000 head of cattle or horses, in addition to which the Indians may graze 2,000 head on the present forest reserve in return for the privilege of forest-permittee stock crossing the tribal reserve twice each year, making a total available capacity of 8,000 head. The superintendent reports that this range is now stocked as follows:

| | |
|---|---|
| Indian: | |
| Horses | 1,224 |
| Cattle | 2,759 |
| Sheep, equal to (cattle) | 250 |
| Total | 4,233 |
| White | 2,284 |
| Grand total | 6,517 |

This is only 1,483 head less than the total estimated capacity of the Indian range plus the 2,000 head which they may graze on the forest reserve. The live-stock holdings of the Indians are being increased each year, as this industry is necessarily an important item in their self-support, and additional leases of Indian allotments are constantly being made to white settlers, with the privilege of grazing not to exceed 100 head of stock on the tribal reserve at $1 per head per annum, as above stated. The comparative statement given below shows the excellent results thus far achieved under the leasing system adopted on March 24, 1915: In 1914, number of allotments leased, 177; acres, 8,982; 1915, number of allotments leased, 524; acres, 34,132.

With the 7,138 acres cultivated by Indians during the fiscal year 1915, this makes a total of 41,270 acres now actually under cultivation, the water rights to which have thus been saved, leaving 37,232 acres yet to be cultivated by 1919, which must necessarily be done largely by lessees, as explained herein.

If the privilege now allowed white lessees of grazing stock on the tribal reserve is withdrawn or made difficult of accomplishment, it will greatly interfere with the leasing of this land, and thus endanger the water rights. The Indians themselves are considerably alarmed over the prospect of losing their grazing reserve, as shown by the attached copy of letter addressed by them to the superintendent. Particular attention is invited to the following extracts therefrom:

"We were allotted very small tracts of land in severalty; heads of families receiving 80 acres and only 40 acres each to all others, and many married men who had no children were allotted as not heads of families. It was explained that this was done because we were to be allowed a grazing reserve for the use of the tribe.

"The balance of our reservation was thrown open to homestead entry. All of such land is now occupied by settlers, most of them owning 160 acres each, as compared to our 40-acre tracts. Many of these homesteaders were unmarried men or women, yet they were considered as heads of families and allowed homesteads equal to others who had children. Now comes the cry from the aforesaid homesteaders, that they have not enough room on their 160-acre ranches and must have our grazing lands turned over to the Forestry, that they may be allowed the use of the said land for their stock.

"In 1905 Congress set aside the best part of our grazing land as a forest reserve, leaving us only the foothills along the base of the mountains for our grazing lands, and the above-mentioned forest reserve has been open to homesteaders for the grazing of their stock.

"We Indians have cattle and horses, beside sheep, and as we understand stock raising better than we do other things, we want to continue in that business; therefore we must retain what little grazing lands we have left.

"We do not understand the rules and regulations governing the Forestry, and if we were placed under the supervision it would work a hardship on us, for white men would beat us to the grazing privileges just as they do now on the national forest reserve."

Some correspondence on this subject was published in the Roosevelt Standard of January 5, 1916, including copy of a letter addressed to you on December 22, 1915, by Mr. M. F. Potter, Acting Forester. I note particularly that portion thereof reading as follows:

"In 1902 a very thorough field examination was made by an experienced forest officer for the purpose of determining what lands in the then Uintah Indian Reservation should be permanently reserved for forest and watershed protection.

"The act of March 3, 1905 (33 Stat. L., 1048), authorized the President to set aside such lands before opening the Indian reservation, with the further proviso that the proceeds from any timber sold from such reserved lands prior to June 30, 1920, should be paid to the Indians. Under this authority and before opening the reservation the President reserved all lands valuable for national forest purposes.

"It appears from the records of this office that none of the remaining lands are such as should properly be included within a national forest, since they are neither valuable for timber nor for stream-flow regulation. This office could not, therefore, approve their addition to a national forest under the presumption of their being forest lands. On the other hand, it is realized that adjacent the national forests in that region are very valuable grazing lands which might be economically and advantageously administered in connection with the national forest lands. These lands, however, were specifically reserved for grazing purposes by the Indians, and in accordance with joint congressional resolution No. 31, approved June 9, 1902 (32 Stat. L., 744)."

It thus appears that the forest reserve authorized by law has already been set aside by the President; that none of the remaining lands should properly be included within a national forest; and that they are, in fact, classified as "grazing lands" which have been specifically reserved for the Indians.

To summarize, this proposal appears to be predicated entirely upon an alleged condition which does not, in fact, exist, so far as the evidence shows. Based on official reports, the land is apparently not such as should properly be included within a national forest reserve. It will greatly embarrass the Indian service in carrying out present grazing contracts entered into in good faith as an important part of plans to protect the water rights and complicate, if not prohibit, the execution of further necessary contracts of this nature. The entire grazing reserve is absolutely essential for Indian stock and that of white lessees. This service, rather than the forest service, is responsible for the proper and efficient management of Indian Affairs. The Indian

Service is now engaged in an aggressive campaign to save the water rights on this reservation, the success of which, so necessary to the future industrial welfare and progress of the Indians, depends upon its undisputed control of all contributory factors, including the tribal grazing reserve.

For these reasons, considered from every standpoint and taking the most optimistic and hopeful view of the situation, it is my opinion that the proposal necessarily involves such elements of danger to the welfare and progress of the Indians, which must at all times be my primary concern, that I can not consistently give it my approval.

I would therefore greatly regret to see any further action with the view of adding this tribal grazing reserve to the Ashley National Forest.

Very truly, yours, CATO SELLS, *Commissioner.*

Hon. JOSEPH HOWELL,
*House of Representatives.*

I have already referred to the justice of restoring the homestead rights to settlers upon the lands of the Uintah Indian Reservation, and who were required to pay the full cash value of the lands in addition to complying with the homestead law. The situation is so clearly expressed and the relief sought so convincingly stated in the petition of the citizens concerned that I take pleasure in inserting it as a part of my remarks and commend it to the attention of the Congress:

A PETITION FOR THE RELIEF OF SETTLERS OF THE FORMER UINTAH INDIAN RESERVATION IN UTAH.

*To the President of the United States and Members of the Senate and House of Representatives in Congress assembled, greeting:*

Your petitioners, citizens of the United States and residents of the former Uintah Indian Reservation, Utah, beg to respectfully represent that—

Whereas the act providing for the opening to settlement of the lands of the former Uintah Indian Reservation of Utah provided that the lands could be obtained only under homestead entry and full compliance with the homestead laws and the payment of $1.25 an acre at the time of making final proof; that

Whereas all said lands are arid and no crops can be raised without irrigation, and that entrymen were compelled to construct large and expensive canals with which to irrigate said lands before crops could be produced; that as a result of having to comply with the homestead laws, the constructing of expensive irrigation canals, and the payment of $1.25 per acre for the lands homesteaded said entrymen find themselves in financial embarrassment and their substance all spent before returns have been possible from crops raised from the lands so homesteaded; that

Whereas at the end of the five-year period after the opening of said reservation all lands not entered as homesteads or otherwise reserved by the department were offered at public sale to the highest bidder for cash at the land sales in Provo, Utah, and that many thousands of acres of agricultural, mineral, and grazing lands were thus sold, much of it bringing but the minimum price of 50 cents per acre, and sold without condition as to residence or occupancy; that said lands are held mostly by persons of large or unlimited means, are not occupied, save as grazing lands, nor are they being improved; that said lands are held and owned largely by nonresidents of the county in which the lands are situated, and their value is being appreciated by the occupancy and improvement of the homesteaded lands, whose owners must remain with said lands in order to comply with the conditions of the homestead laws.

Your petitioners respectfully represent the above conditions have been and now are unequal and unjust, and that the entryman who has had to comply with the exacting conditions of the homestead law ought not to have had to pay the purchase price of $1.25 an acre for his homesteaded lands.

Your petitioners therefore respectfully request that Congress immediately enact legislation restoring the homestead right to all entrymen on the former Uintah Indian Reservation who have complied with the homestead laws, submitted his final proof, and paid the $1.25 per acre for his land so homesteaded.

[By unanimous consent, Mr. HAYDEN was given leave to extend his remarks in the RECORD.]

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks on that portion of the conference report that embraces the lands of the Red Lake Indian Reservation and the attempt to use them for timber purposes.

The SPEAKER. Is there objection?

There was no objection.

By unanimous consent, Mr. RAKER, Mr. JOHNSON of Washington, and Mr. STOUT were given leave to extend remarks on the Indian appropriation bill.

The SPEAKER. The question is on agreeing to the conference report. Without objection, it will be agreed to; and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of S. 2986——

Mr. CAMPBELL. Mr. Speaker, there was so much confusion that I did not hear the Chair announce the result of the vote on agreeing to the conference report.

The SPEAKER. Without objection, the conference report will be agreed to.

Mr. MANN. Mr. Speaker, I would rather have it voted on.

The question was taken, and the conference report was agreed to.

RURAL CREDITS.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the rural-credits bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes, with Mr. GARNER in the chair.

The Clerk read as follows:

CAPITAL STOCK OF FEDERAL LAND BANKS.

SEC. 6. That every Federal land bank shall have, before beginning business, a subscribed capital of not less than $750,000. The Federal farm-loan board is authorized to prescribe the terms, conditions, and time of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof.

Mr. CULLOP. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CULLOP. As I understand it, the Clerk is reading section 6, when section 5 has not been disposed of.

The CHAIRMAN. Section 5 has been read, and that section and all amendments to it have been disposed of. The Clerk will read.

The Clerk read as follows:

At least 20 per cent of the capital stock of any Federal farm-land bank which is paid in by national farm-loan associations shall consist of cash in the vaults of said land bank or of deposits in member banks of the Federal reserve system or of investments in negotiable interest-bearing securities, approved by the Federal farm-loan board: *Provided*, That not less than 5 per cent of such capital stock shall be invested in bonds of the United States.

Mr. HENRY, Mr. MORGAN of Oklahoma, Mr. BENNET, and Mr. McFADDEN rose.

The CHAIRMAN. The gentleman from Texas.

Mr. HENRY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. HENRY offers as a new section the following——

Mr. MORGAN of Oklahoma. Mr. Chairman, I wish to offer a substitute for the section just read, and also an amendment to it.

The CHAIRMAN. The gentleman from Texas offers an amendment as a new section, and it would not prevent the gentleman from Oklahoma from offering his amendment. The Chair thinks the proper procedure, however, will be to perfect the section first.

Mr. HENRY. No one offered an amendment, and so I offered mine.

The CHAIRMAN. It is hardly correct to say that no one offered an amendment, because gentlemen were on their feet to offer amendments.

Mr. HENRY. Mr. Chairman, I withdraw my amendment for the present.

Mr. MORGAN of Oklahoma. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MORGAN of Oklahoma. I wish to ask the Chair if after the substitute is offered and it should fail it would be in order to offer an amendment to the section?

The CHAIRMAN. Yes; but the proper procedure is to offer the amendment to the section first before the substitute.

Mr. MANN. The substitute is in order to be offered, but the amendment takes precedence.

Mr. McFADDEN. Mr. Chairman, I offer an amendment to perfect the section.

Mr. MORGAN of Oklahoma. As I understand, I have the right to offer an amendment, even after the substitute should be voted down?

The CHAIRMAN. Yes; but the better practice is to offer the amendment first.

Mr. MORGAN of Oklahoma. From my discussion it will be better, I think, to offer the substitute first.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania [Mr. MCFADDEN].

The Clerk read as follows:

Page 86, section 6, strike out lines 18, 19, and 20, and insert the following:

"Stock owned by the Government of the United States in Federal land banks shall receive dividends at the rate of 2 per cent per annum."

Mr. McFADDEN. Mr. Chairman, the purpose of the amendment is to provide a reasonable rate of interest to be paid by this Federal land banking system into the Treasury of the United States to help compensate somewhat for the liability which the United States is assuming in advancing $9,000,000 as

an initial amount to set in motion this land-credit system, to say nothing about the additional liability which might and probably will occur if this present measure is enacted into law. I can see no reason why the United States should be discriminated against in this manner, and I think it is only just and right that, after this system makes reasonable earnings and before any distribution is made of these profits, after setting aside a proper reserve, the United States should be paid a small rate of 2 per cent per annum on the money invested in this system, which is the basis and the foundation of the whole system. It would be the rankest kind of hypocrisy and favoritism if this were not done; and I can see no reason, nor do I believe the farmers of the United States desire to be so favored at the expenses of the other two-thirds of the population of the United States. My knowledge of the American farmer is such that I do not believe he is asking a special privilege of this nature. [Applause.]

Mr. FESS. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. FESS. What was the purpose, may I ask, for exempting the Government from the right of receiving interest?

Mr. McFADDEN. It was to aid the system and eventually be a source of income to reduce the rate of interest to the borrowers.

Mr. FESS. In other words, the whole scheme is a subsidy by the Government.

Mr. McFADDEN. A subsidy pure and simple.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. McFADDEN].

The question was considered, and the amendment was rejected.

Mr. SHOUSE. Mr. Chairman, I offer two committee amendments.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

On page 88, line 1, strike out the word "farm."

Mr. SHOUSE. These amendments, Mr. Chairman, are to perfect the text.

The amendment was agreed to.

Mr. SHOUSE. I ask that the Clerk report the other amendment.

The Clerk read as follows:

Page 88, line 8, strike out the word "farm."

The amendment was agreed to.

Mr. MORGAN of Oklahoma. Mr. Chairman, I now offer my amendment as a substitute for the section.

The Clerk read as follows:

Strike out all of section 6 and insert in lieu thereof the following:

"CAPITAL OF FEDERAL LAND BANKS.

"SEC. 6. That every Federal land bank shall have three kinds of capital, namely: Operating capital, reserve capital, and guaranty capital.

"First. Every Federal land bank shall have operating capital stock of $1,000,000, which shall be divided into 100,000 shares of $10 each. Fifty thousand shares shall be known and designated as founders' shares and 50,000 shares shall be known and designated as public shares. Founders' share may be subscribed for by any individual or by the United States. Public shares may be subscribed for only by the United States. The Secretary of the Treasury is hereby authorized and directed for, and in behalf of, the United States to subscribe for 50,000 public shares in the operating capital stock of every Federal land bank, and pay for the same out of any funds in the Treasury not otherwise appropriated, and there is hereby appropriated $6,000,000 for such purpose.

"Within 30 days after organization of the Federal farm-loan board it shall open books of subscription for founders' shares of the operating capital stock of every Federal land bank. If within 90 days thereafter 50,000 shares of such stock shall not have been subscribed, the Secretary of the Treasury, for the United States, shall subscribe for the remainder thereof. He shall pay for the same out of any funds in the Treasury not otherwise appropriated.

"No dividends shall be paid upon the public shares of stock owned by the Government of the United States. Dividends upon the founders' shares of stock shall be paid in the same amount as shall be paid upon shares of stock in the reserve capital of each Federal land bank.

"The operating capital of any Federal land bank may be increased on petition of its directors and on the approval of the Federal farm-loan board: *Provided*, That said board shall not authorize the increase of the operating capital stock of any such bank to an amount that shall be more than one-twentieth of the reserve capital stock of said bank: *Provided further*, That should said board at any time authorize the increase of the operating capital stock of any Federal land bank, the original subscribers to such stock shall have a preferred right to subscribe for any increase in such stock under such rules and regulations as shall be prescribed by said board.

"The Federal farm-loan board is authorized to prescribe the times and conditions of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof.

"Founders' shares of stock owned by the United States shall be voted by the farm-loan commissioner, as directed by the Federal farm-loan board.

"Second. Every Federal land bank shall have a reserve capital equal to at least 5 per cent of its outstanding loans. Every person applying for a loan from any Federal land bank shall also apply for the purchase of stock in said bank in an amount equal to 5 per cent of the amount of his loan. He shall also authorize the bank to retain out of the proceeds of his loan, in full payment of such stock, a sum of money equal to 5 per cent of the amount of the loan granted under said application and shall authorize the bank to cancel such stock on the payment of his loan. The reserve capital stock of every Federal land bank shall be divided into shares of $1 each, which shall not be assigned or hypothecated in any manner whatever. Said stock shall be held by said bank as collateral security for the payment of said loan and for the payment of the loans of others, as provided in this act. When any loan is paid in full, the reserve stock held by the borrower shall be canceled and retired, and the borrower shall be paid the face value thereof. Semiannual dividends shall be paid on reserve capital stock in an amount equal to the semiannual interest rate on the loan of the holder of the stock, which dividend shall be cumulative.

"The reserve capital and the guaranty capital of every Federal land bank shall be managed separately and apart from other funds and shall constitute a trust fund for the use and benefit of the owners of Federal land-bank bonds and to secure the payment of such bonds, together with the interest thereon. Should any borrower fail to pay when due the interest on his loan, or the principal thereof, the Federal land bank in which said borrower holds reserve stock may enforce the lien on the reserve capital stock held by such borrower. Should such borrower at any time thereafter meet his obligations to said bank in full, so far as they may be due at any time, the said bank shall restore to said borrower such portion of his reserve capital stock which had been used to make good his defaults as aforesaid.

"The reserve capital stock held by any borrower in a Federal land bank shall not be utilized to meet the default or defaults of other borrowers until said bank shall have first used its entire guaranty capital stock in making good its obligation due on farm-mortgage bonds.

"When any portion of the reserve capital or of the guaranty capital of any Federal land bank has been used to pay the interest or principal on any mortgage or mortgages upon which the borrower or borrowers are in default and thereafter such borrower or borrowers shall meet such default or defaults, through voluntary payment or foreclosure proceedings, the sum or sums so paid or so recovered shall be credited to the guaranty capital or reserve capital of such bank in proper proportion, and each borrower whose reserve capital stock may have been used in part to meet the original default in such cases shall be given due credit on the reserve capital stock held by him in such bank.

"Third. That every Federal land bank shall have guaranty capital as follows:

"First. Every Federal land bank shall set aside as a part of its guaranty capital, from the annual interest payment of each borrower, a sum equal to one-fourth of 1 per cent of the amount of each loan until the operating capital, the reserve capital, and the guaranty capital of such bank combined shall be a sum equal to 10 per cent of the outstanding bonds of such bank, and thereafter only when necessary to maintain a like ratio between the outstanding bonds of such bank and the total amount of its operating capital, reserve capital, and guaranty capital.

"Second. Six millions of dollars is hereby appropriated, out of any funds not otherwise appropriated, which shall become a part of the guaranty capital of the 12 Federal land banks created by this act, which sum shall be divided equally between said banks. The Secretary of the Treasury is hereby authorized and directed to pay to each Federal land bank $500,000, which shall become a part of the guaranty capital of said bank.

"The guaranty capital shall be a trust fund to insure the payment of the farm-mortgage bonds issued by each Federal land bank and for the use and benefit of owners of such bonds who shall have a first and prior lien thereon over all other creditors of such bank. It shall be deposited in one or more of the depositaries of the Federal land bank, secured by an equal amount of farm-loan bonds or United States bonds, and as soon thereafter as possible shall be invested in farm-loan bonds or United States bonds, which shall be deposited for safe-keeping in such way as shall be prescribed by the Federal farm-loan board. The funds constituting the reserve capital of any Federal land bank shall be under the joint control of such bank and the Federal fiduciary agent for such bank.

"The guaranty capital of every Federal land bank shall constitute the first and primary fund upon which such bank shall draw to meet the payments of any bond or interest thereon issued for it when such payments can not be met through funds otherwise provided herein. After any Federal land bank has exhausted its guaranty capital in the payment of its bonds and interest thereon it may then use its reserve capital to meet any of its obligations due on farm-mortgage bonds.

"It shall be unlawful for any Federal land bank, or any officer, director, or employee thereof to use or appropriate any part or portion of the funds constituting the reserve capital or the guaranty capital of any Federal land bank for any other purpose than herein provided. It shall be the duty of the Federal land-bank board to provide special rules and regulations for safeguarding the reserve capital and the guaranty capital: *Provided*, That when the reserve capital, the guaranty capital, and the operating capital of any Federal land bank combined shall be equal to 10 per cent of the outstanding bonds of any Federal land bank, and so long as the same shall remain equal to 10 per cent of the outstanding bonds of any Federal land bank the annual contributions of borrowers to the guaranty capital shall be placed in the general fund of such bank and be used in the payment of dividends on founders' shares and shares in the reserve capital, or for any other purpose for which such fund may be used under the terms of this act."

Mr. MORGAN of Oklahoma. Mr. Chairman and members of the committee, I recognize the difficulty of getting clearly before the committee what is in the substitute which I have offered. I wish it to be understood that I am friendly to this legislation, and in many respects I believe a splendid bill has been presented here. All the amendments which I have offered or shall offer until the bill is finally acted upon I shall offer in good faith, solely for the purpose of perfecting and improving the bill, and not for the purpose of discrediting it or preventing its final passage.

This section provides for the capital stock, and I have offered an amendment which can be substituted without in any way affecting the other parts of the bill.

Under the section in the bill the capital stock is $750,000. In the substitute I offer the capital stock is placed in three divi-

sions. It may seem complex at first, but it is very simple. One division is the operating capital, the second the reserve capital, and the third the guaranty capital. The object of the operating capital is to give the bank funds to do business. The object of the guaranty capital and the reserve capital is to create a fund which will make the bonds which these banks issue secure beyond a question of doubt. I provide that the $1,000,000 of operating capital shall be divided into two kinds of shares, the founders' shares and the public shares.

The Government subscribes for the public shares to the amount of $500,000. The founders' shares are to be subscribed for by individuals, and the founders—those who subscribe for these shares—are allowed representation on the board of directors. I believe that if you have two of these directors to represent private capital on these banks to act with the public directors that you will get better administration than you would if it were entirely controlled by public directors. So I believe that $500,000 will be subscribed by private individuals, because they will have representation on the board of directors. Then we have $1,000,000 for operating capital, one-half subscribed by the Government and one-half by private individuals. Now, I provide that the reserve capital shall be equal to 5 per cent of the amount of loans, and that every borrower shall in his application make application for 5 per cent of the amount of the loans in the reserve capital of that bank; so that it would not make any difference how many loans you might make or how much the amount of the loans might be in the future—every time you make a loan you set aside 5 per cent of that loan as a reserve, to be specially invested, to be safeguarded in a way that it would not be under the exclusive control even of the bank. This would insure greater safety to the fund and give bondholders more confidence in the bonds issued by the bank.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that he may proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this amendment may close in five minutes unless some other gentleman indicates he wants to speak on it.

Mr. MANN. I have another amendment, but not on this.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MORGAN of Oklahoma. Now, then, I provide that there shall be guaranty capital. The guaranty capital is secured in this way. Every bank is required to set aside annually one-fourth of 1 per cent from the interest payment of each borrower to the guaranty capital. That is to go on under the provisions of the amendment until the operating capital, the reserve capital and the guaranty capital combined, shall equal 10 per cent of the outstanding bonds. Now, some may say that that is a very large reserve to hold, but it is not too great. I know of no respectable land-credit institution of Europe that requires a less reserve than 5 per cent of the outstanding bonds, and in the amendment which I present I start out requiring 5 per cent shall be set apart as a reserve. Then I require one-fourth of 1 per cent annually on the face of the loan to be placed in the guaranty capital until it shall accumulate to about 8 per cent and until the guaranty capital with the operating capital and reserve capital shall equal 10 per cent of the outstanding bonds.

In addition to the annual contributions to the guaranty capital by borrowers under my amendment the Government contributes $500,000 to the guaranty capital of each bank.

My good friends who are in charge of this bill, I think I can show, and I will show before the day passes, that the reserve provisions of this committee bill are not sufficient; that you have not provided sufficient reserve funds to guarantee the losses, and that is the very great defect in the bill.

Now, I would have one and a half million capital for each bank. These 12 banks would have $18,000,000 capital, double the amount of capital the committee bill provides for. I believe in Government aid, but I believe in that kind of aid that will place these banks upon a solid foundation, that will place them in a position where they will not be required to go to the Government to borrow money. You take the amendment offered yesterday. It is a makeshift because it admits that these banks may get in a position where they will not have sufficient reserves to meet their losses from the nonpayment of interest, so you provide they shall go to the Federal Government and borrow the money. Now, while I am in favor of sufficient Government aid, I believe that kind is the poorest aid you can give to these public institutions. What the Government does it should do at the outset. What this Nation should do is to start these institutions out upon such a basis, upon such a foundation as to preclude the possibility that they should be compelled sometime to come to the National Treasury to get funds to prevent their becoming bankrupt. There is your difficulty. You are starting out timidly, and yesterday you adopted an amendment which provided that these banks might go to the Treasury of the United States and borrow money when they could not meet their payments. That might, of course, help out; but if you start them out with a sufficient reserve fund, which you have not done in this bill, you will put them in a position so they will never need to go to the Government—so they will never be required to go to the National Treasury and ask for a loan out of that Treasury to continue them in business. You are treading upon dangerous ground when you organize institutions and let them start out to do business without providing a sufficient reserve fund. I have provided a reserve fund that will make these institutions as strong and secure as any land-credit institution in the world. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 87, strike out lines 24 and 25, and lines 1 to 6, on page 88.

Mr. MORGAN of Oklahoma. Now, Mr. Chairman, if you notice, this amendment proposes to strike out all of that part of the section which provides for the repayment of $750,000 which the Government is supposed to subscribe at the beginning. I believe you are going to get into trouble through this matter of retiring these bonds, and I expect to show that in another amendment which I shall offer after this.

Mr. HOWARD. Will the gentleman yield right there?

Mr. MORGAN of Oklahoma. Yes.

Mr. HOWARD. You say you believe we are going to get into trouble. Now, then, if you really believe that, then you admit that this whole system is a failure; that it is going to prove an absolute farce if you say we are going to get into trouble by not retiring the original capital?

Mr. MORGAN of Oklahoma. I think the gentleman is hardly justified in that conclusion.

Mr. HOWARD. If this particular bank, as I understand it, and all of these Federal banks, are simply clearing houses for these securities, and if you have to subscribe the capital stock to take care of the mortgages that come into them, then your $1,500,000 is mere pretense as compared to the mortgages you are going to handle. If you can not make enough by charging 1½ per cent, it is going to be a complete failure.

Mr. MORGAN of Oklahoma. I say that the best aid that can be given is to give these banks outright what we are going to give them, and I believe that $750,000 or $1,000,000 in cash should be given to each of these Federal land banks.

Mr. MOORE of Pennsylvania. Will my colleague yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOORE of Pennsylvania. I do not know whether I am dragging the gentleman over old straw or not, but I would like to know of what earthly use these farm-land associations will be.

Mr. MORGAN of Oklahoma. I have an amendment which I will offer to that, if I get the opportunity.

Mr. MOORE of Pennsylvania. Is the gentleman favorable to that sort of red tape?

Mr. MORGAN of Oklahoma. I am opposed to the kind they have.

Mr. MOORE of Pennsylvania. I am wondering where the ordinary farmer comes in after he complies with the regulations and goes through this labyrinthian system.

Mr. MORGAN of Oklahoma. So I say that this entire provision ought to be stricken out, and whatever you give to these banks give to them outright, whether it be $200,000, $250,000, $500,000, $750,000, or $1,000,000. And then investors would know to what extent the Government would aid these banks. I have heard some people say, "Oh, well, it looks good to require it to be paid back, and that is not quite as populistic as to say we give it to them outright." But if we intend this to be a gift we ought to say so at the start.

Now, then, at the beginning of any system of land credit the expenses will be much larger. It will be a new proposition, and the greater care will have to be exercised, and, in addition to that, the loans will be smaller, and the banks can not stand the expense. But if you will give them outright this amount, you to some extent will give them an endowment fund, and that has

not been uncommon in the history of the land-credit legislation of the world. I know of no European nation of any importance that has not made donations to land-credit institutions. Now, when the great Republic of France founded the Credit Foncier it gave that bank $2,000,000 outright—not $2,000,000 to be paid back, but $2,000,000 outright—as a guaranty capital and as a help to secure the bonds which should be issued by that great institution.

Mr. TILSON. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. TILSON. Will the gentleman please explain why, if the Government should give $750,000 to each of these 12 banks outright, it would not be just as fair for the workingmen of my district or for any city in this country to come and ask that the Government contribute $750,000 for a bank upon which they can draw also?

Mr. MORGAN of Oklahoma. Well, of course, I believe that the National Government, through the Congress and through the Executive, can do anything for the public welfare under the Constitution, and I would favor such aid for institutions to aid laboring men in our towns and cities to acquire homes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MORGAN of Oklahoma. I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to proceed for five minutes more. Is there objection?

Mr. GLASS. Mr. Chairman, I ask unanimous consent that the debate on this section and all amendments thereto be concluded in five minutes.

Mr. HENRY. Mr. Chairman, I shall have to object to that, because it will take a little more time to consider another amendment.

Mr. MANN. I want to get a little information about one paragraph and offer an amendment to this section.

Mr. GLASS. How much time does the gentleman from Illinois want?

Mr. MANN. Personally I do not want very much time.

Mr. MORGAN of Oklahoma. I have one further amendment to this section.

Mr. GLASS. Say 10 or 15 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on this section and amendments thereto close in 15 minutes.

Mr. HENRY. That does not include the new section that I will offer?

The CHAIRMAN. No. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Ohio?

Mr. MORGAN of Oklahoma. Yes; I shall be glad to yield to the gentleman from Ohio.

Mr. FESS. Is it not true, according to the vote of yesterday, that it does not make much difference whether the bank can pay interest on the bonds or not? Will not the Government take care of it any way?

Mr. MORGAN of Oklahoma. I do not think that is true.

Mr. FESS. What is the use of limiting the amount?

Mr. MORGAN of Oklahoma. Because I believe that gentlemen of the committee on both sides of the House are honest in their convictions, doing the best they can for the interest of the country, trying to make this bill the best they can. I do not believe in creating these institutions in a way so that there is a possibility of their having to go to the Government to borrow money. It can be done. I do not believe that it has been so used in other land-credit propositions in other countries, because, going back to the very founding of the Landschaften, the idea has been to create for the farmer a security that will go out in the money market among investors of all kinds and that will be regarded as the highest type of security. That has been done so successfully that in most of the institutions the farmers' securities in debentures or farm-loan bonds are almost equal to the best Government bonds of Europe.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. HOWARD. What is your idea of the conditions thrown around joint-stock companies?

Mr. MORGAN of Oklahoma. I am going to discuss the question of reserves in the debate on the next amendment.

Mr. HOWARD. Now, as a matter of fact, the Landschaften bonds, which the gentleman has just mentioned, at the outbreak of the European war and for several months after the outbreak of the European war really sold for a higher value than the Prussian Government bonds themselves.

Mr. MORGAN of Oklahoma. You mean the late war?

Mr. HOWARD. Yes.

Mr. MORGAN of Oklahoma. I so understand, but I am not posted in a way so that I can assert it to be a fact.

Mr. HOWARD. Were they not quoted at $4 above the price of Government bonds themselves?

Mr. MORGAN of Oklahoma. I am not posted as to that.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. McFADDEN. It is your assertion that these 12 banks can issue and guarantee twelve times their capital?

Mr. MORGAN of Oklahoma. I will answer that in the debate on the next amendment.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

The question was taken, and the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I desire to offer another amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 88, line 6, after the word "par," strike out the period and insert a semicolon and also insert the following:

"*Provided*, That in no case shall the original stock be retired to an amount that will reduce the capital of any Federal land bank so that it will be less than one-twentieth of the outstanding bonds of the bank."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MORGAN of Oklahoma. Mr. Chairman, section 6 of this bill, which we are now considering, requires that every Federal land bank, before beginning business, shall have a subscribed capital of not less than $750,000. Any individual, firm, or corporation, or the government of any State or the United States is authorized to subscribe for this stock. After the books have been opened for a period of 90 days, if any part of the $750,000 capital shall have not been subscribed, the Secretary of the Treasury is authorized, in behalf of the United States, to subscribe for any amount that may not have been taken by other parties. Now, following this provision is the paragraph now under consideration, which provides that after the national farm-loan association shall have subscribed $750,000 to the capital of any Federal land bank, thereafter 25 per cent of all sums subscribed by national farm-loan associations shall be used to retire the capital stock held by the United States Government.

In the preceding amendment offered by me I moved to strike out this entire provision, because I believe that the United States Government would not be doing too much toward establishing a land-credit system for the farmers of the United States by subscribing permanently a reasonable amount to its capital. But the majority of the House have voted otherwise. The amendment which is now pending I have offered for the purpose of preventing any Federal land bank from issuing bonds in an amount which shall be greater than twenty times the capital of the bank. Under the provisions of this bill the capital stock of each Federal land bank automatically will be increased as new loans are made in an amount equal to one-twentieth of the amount of the loans, because every borrower is required to put up in capital an amount equal to 5 per cent of the amount of his loan. If no part of the capital shall be used to pay losses, the capital would always remain one-twentieth of the amount of loans. The amount of bonds issued can never exceed the amount of loans. However, we can not tell what emergencies may arise. Conditions may arise when the bank will be compelled to use a part of its capital to meet losses. The amendment which I have offered would simply prevent the retirement of the capital subscribed by the Government when such retirement would reduce the capital to an amount less than one-twentieth of the outstanding bonds. This would seem to be a wise provision.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, one more amendment.

Mr. MANN. Mr. Chairman, I move to strike out the last word for the purpose of asking a question which probably can be answered very shortly.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. I do not quite understand the last paragraph of this section, which provides that at least 20 per cent of the

capital stock of any Federal land bank which is paid in by any farm-loan association shall consist of cash in the vaults of said land bank, and various other things. Is it the purpose of that provision that 20 per cent of the amount of the capital stock shall be retained in the bank as cash or deposits or negotiable instruments?

Mr. PHELAN. Without that provision in the bill the banks were confined in their investments almost, if not entirely, to mortgages or United States bonds. We wanted to have a provision in the bill that some of the capital should be invested in liquid securities, so that if the banks were in need of cash at any time to pay their cash demands they would have it or could get it quickly; that was the reason for putting it in.

Mr. MANN. Let me get it straight in my head. The language of the bill is—

At least 20 per cent of the capital stock of any Federal farm land bank * * * shall consist of cash—

Of course that is an impossibility.

Mr. PHELAN. Yes; that is true.

Mr. MANN. Now, I did not know whether it meant that at least 20 per cent of the subscription should be paid in cash by the farm-loan association, or whether it was intended that when paid in the Federal land bank should retain 20 per cent in cash or other negotiable securities. What was it?

Mr. PHELAN. That is a mistake. What was meant was that it should be either kept in cash or invested in these liquid securities.

Mr. MANN. The language is not very fortunate.

Mr. PHELAN. We will ask to go back and perfect that.

Mr. MANN. You have not gone by it yet. It says—

Or of investments in negotiable interest-bearing securities.

These mortgages are negotiable securities.

Mr. PHELAN. I do not believe a mortgage is a negotiable security.

Mr. MANN. The mortgage may not be a negotiable security, but the note which it secures is a negotiable security. All of their money is invested in negotiable securities. I assume that when a man gives a mortgage on his land he signs a note.

Mr. PHELAN. The securities have to be approved by the Federal farm-loan board, and our intention was to have short-time liquid assets. I think the wording is not as clear as it ought to be, and we will be glad to make a change in the section for the purpose of making it clear.

Mr. MANN. I am asking for information, because I thought when I first read it that the 20 per cent had to be paid in in cash.

Mr. PHELAN. I am afraid the wording is not as clear as it ought to be.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. MANN. Yes; but first I want to go to another matter.

Mr. MOSS of Indiana. Go ahead.

Mr. MANN. I move to strike out, on page 86, lines 18 and 19.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 86 strike out lines 18 and 19.

Mr. MANN. Mr. Chairman, the language of the bill is that the stock owned by the Government shall receive no dividend. If my amendment prevails, it will read:

Stock shall share in dividend distributions without preference.

It seems to me if we take the Government money and put it into these banks, and the Government furnishes the most of the money and owns the most of the capital stock in the banks, and then the people who borrow own a portion of the capital stock, if there is a profit which is paid in the form of dividends, there is no reason why the profit which naturally would go to the Government should go to the borrowers. I would not say that the Government money should be deposited on interest, or that there should be any requirement that the money furnished by the Government should draw interest; but if there are dividends to be paid on the capital stock, suppose the Government owns most of the capital stock and there are considerable dividends to be paid, under the terms of the bill apparently a few borrowers would get all the dividends. I do not think that is a fair proposition. I do not say what I shall do, but I have been inclined to vote for this bill if it is left in a reasonable shape, and I am perfectly willing to have the Government advance some money for the purpose of putting into operation a plan somewhat experimental, in the hope that it will be successful; but I have always been opposed, and still am opposed, to the Government advancing money side by side with private individuals, and then if there is a profit which comes out of it, that the private individuals shall get all the profit and the Government get nothing. That is not a fair proposition, either in this or any other scheme where the Government intends to be a part owner.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PHELAN. Mr. Chairman, in explanation of that provision to which the gentleman from Illinois [Mr. MANN] has referred, I will state, first of all, that as with many provisions in many bills, there were differences of opinion in the committee as to just what the provision ought to be, and that particular provision was one upon which there was some disagreement in the original committee which sat between Congresses and also in our Banking and Currency Committee; but we had to come to an agreement at some time, and I am going to state one of the things which offsets some of the very pertinent objections of the gentleman from Illinois [Mr. MANN].

In the provisions of the bill you will notice that there is a provision for a reserve fund, and that a very large proportion of the original earnings are set aside until that reserve fund reaches a certain amount. Accordingly the greatest part of the reserve will come out of the first earnings of the bank. But in a general way those earnings will go into the reserve, while the Government money——

Mr. MANN. Nobody is objecting to that.

Mr. PHELAN. A certain part of the earnings will be going into the reserve; and, inasmuch as the Government is contributing to this system and trying to get it started, some of the members felt that it was reasonable enough to have the Government's money, or a certain part of it, in the Government reserve. That is not exactly mathematical——

Mr. MANN. Nobody objects to that; but does not the gentleman think it much more likely that it will not go into the Government reserve if the private individuals who have capital stock may receive it in dividends and the Government get nothing?

Mr. PHELAN. Except that there is a very definite provision that 25 per cent of the net earnings shall go to the reserve. It is not discretionary with the board of directors at all. They are absolutely obliged to take that much and put it into the reserve.

Mr. MANN. I should be perfectly willing that 25 per cent should go to the reserve; but, if the Government has 80 per cent of the stock and private individuals have 20 per cent, the private individuals would say, "You can afford to pay us a dividend instead of turning it all into the reserve in the first instance."

Mr. PHELAN. Yes; but I was pointing out that the proportion, which is a very large proportion—25 per cent—must go into the reserve, and it will have to go in for some years after the system starts.

Mr. MANN. Seventy-five per cent of the earnings might go to the owner of less than one-half of the capital stock as dividends.

Mr. PHELAN. I have told the gentleman that it is not scientific and it is not mathematical, but it is the conclusion we came to.

Mr. MANN. Nobody objects to building up the reserve and not paying any dividends; but when you do pay dividends, why should the dividends be paid to a class of small holders of the capital stock and nothing to the Government?

Mr. MOSS of Indiana. Will the gentleman from Massachusetts allow me to answer the gentleman from Illinois?

Mr. PHELAN. Yes.

Mr. MOSS of Indiana. I would like to call the attention of the gentleman from Illinois to the fact that in the beginning 25 per cent of all the net earnings of a land bank goes to the reserve until such reserves amount to 20 per cent of the capital of the bank, and then the reserves fall to 5 per cent of the net earnings. So at the beginning 75 per cent of the net earnings is distributed to the borrowers as a dividend, and later on 95 per cent may be distributed. It is manifest that after the bank shall have been in operation some years a larger proportion of the earnings will probably be distributed in dividends, thereby reducing the rate of interest which the borrower may actually pay. We believe that the earnings on the Government capital during the first generation of borrowers will not make the net rate of interest any lower than it will be during the second generation of borrowers, after such capital will be retired. The dividends to the first borrowers will not amount to more than 75 per cent of the earnings, while later such dividends will amount to 95 per cent. It is mutual.

Mr. MANN. Oh, it is not mutual; it is one-sided.

Mr. MOSS of Indiana. We take 25 per cent and build up the reserve fund, and after the reserve is built up the next generation will only contribute 5 per cent to the reserve fund and will get 95 per cent of the earnings in dividends, which will reduce their interest rates. It is evident that those borrowers who come in later will get a lower rate of interest than those who went in

earlier. This disadvantage is not more than offset by the advantages which the possession of Government funds will give. Then, again, we provide a definite time for the retirement of the Government capital.

Mr. MANN. I think it would be wiser not to endeavor to retire the Government capital, but pay dividends as you pay them to other people after you have built up your reserve.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. MANN) there were 31 ayes and 48 noes.

So the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 88, line 7, after the word "least," strike out "twenty" and insert "fifty."

The CHAIRMAN. All debate on this section is exhausted, and the question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. HENRY. Mr. Chairman, I offer my amendment.

The Clerk read as follows:

Amend, page 88, by inserting after line 14 the following:

"Whenever any Federal land bank presents to the Secretary of the Treasury farm-loan bonds of any amount he shall advance therefor at their par value an equal amount of money out of the Treasury not otherwise appropriated: *Provided*, That the aggregate of all sums so advanced by the Secretary of the Treasury in any fiscal year shall not exceed the sum of $50,000,000."

Mr. HENRY. Mr. Chairman, this amendment, in my judgment, is the one thing that will make it certain that this bill is workable. Why should this House balk at Government aid in this system in the most abundant fashion? Why, Mr. Chairman, the Senate, in section 34, in many respects went a long way, and that section has been practically rewritten into the bill in the amendment offered by the gentleman from South Carolina [Mr. LEVER].

A little more than a year ago this House voted by the most decisive majority of nearly 3 to 1 to insert section 30 of the Bulkley bill in the bill then pending, which really provided for genuine Government aid. This amendment provides that the Government stands ready to purchase $50,000,000 of farm-loan bonds in any one year, and by an overwhelming vote in this House we declared it to be our judgment that it was necessary in order to make the system effective.

Every country in the world that ever set up a rural-credit system has extended Government aid. Frederick the Great, more than 100 years ago, when the Silesian landschaft was established, provided for Government aid, and when the other landschaften of Germany were authorized Government aid in superabundance was provided. In 1852, when France wrote her rural-credit act, after 26 years of agitation, she came to the rescue of the men who till the soil and produce the food and raiment for the balance of the world.

To-day the farmer can go to the treasury of France, through the proper banks, and secure funds for the purpose of purchasing a home and improving it and financing his needs. Up to this good hour no Government has ever undertaken to establish a system of rural credits for the benefit of the farmer without coming to his rescue in a practical and sensible way. [Applause.] Then why should this Congress, composed of the Representatives of the American people, tender to the farmers something that may be doubtful?

We said more than a year ago that we were willing to write Government aid into the bill. Let us not reverse our record; let us do it to-day. Here is a simple amendment in a few words: Provided that whenever any Federal land bank shall present to the Secretary of the Treasury farm-loan bonds in any amount the Secretary shall advance upon those bonds an equal amount of money in payment therefor, provided that there shall not be more than $50,000,000 of these bonds purchased by the Government in any one year.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. HENRY. Yes.

Mr. MANN. In view of the provision of the Constitution which provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law, does the gentleman think that his amendment would accomplish the purpose sought?

Mr. HENRY. Oh, I think so. I understand all that. The Secretary of the Treasury holds that he has authority to sell the Panama Canal bonds now if he desires to.

Mr. MANN. Oh, certainly.

Mr. HENRY. And we are providing for appropriating it by this very amendment.

Mr. MANN. Oh, no; not by the amendment.

Mr. HENRY. It will be appropriated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HENRY. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. CANNON. Mr. Chairman, will the gentleman allow a suggestion?

Mr. HENRY. Yes.

Mr. CANNON. Why limit the matter to fifty million? Why not throw the whole Treasury open?

Mr. GLASS. Mr. Chairman, I would like to have a unanimous-consent agreement to close debate in five minutes.

Mr. MANN. Oh, no. I got skinned yesterday without talking. It may be the same hunch to-day, in favor of this. Their leader is in favor of this, and they have followed him pretty well so far.

Mr. GLASS. How much time would the gentleman suggest?

Mr. MANN. Oh, let it run along a little bit and see.

Mr. MADDEN. It seems to me that we ought to have an opportunity to discuss an important question like this.

Mr. GLASS. Is it an important proposition?

Mr. MANN. It is. It is the most important question that has been before the House. I want to know whether we are going to take all of the money in the Treasury under the amendment of the gentleman from Texas. He says fifty millions, but it is fifty millions now and fifty millions again. Why not take it all?

Mr. GLASS. Does the gentleman think that we are going to take any of it?

Mr. MADDEN. I seriously think that some gentlemen in the House think so.

Mr. MANN. Of course the Democratic majority in the last Congress was larger than in this, but they put it in once or twice.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in 15 minutes. Is there objection?

Mr. HENRY. That does not interfere with my request that was put for five minutes, does it?

Mr. MANN. I object, anyway.

Mr. GLASS. Mr. Chairman, make it 20 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate close in 20 minutes. Is there objection?

Mr. MANN. I object.

Mr. HENRY. Mr. Chairman, why should gentlemen squirm about this proposition? It is plain and simple. In the Federal reserve act you have placed the credit of the Government in pawn for the benefit of the banking and business world. You have placed the credit of 100,000,000 people at the disposal of the commercial interests of the country. You provide for issuing Federal reserve notes. Why should gentlemen who have placed the credit of this Government in the hands of the commercial world complain when we ask that a small portion of it be placed in a system for the benefit of the farmer? You have guaranteed every Federal reserve note for the benefit of the commercial interests, and provided that they may be issued almost without limit as long as you keep a 40 per cent gold reserve. Here is a proposition exactly on all fours with that. No man can differentiate and make any distinction in the principle. This amendment proposes to put the credit of the Government behind the farmer's banking system so that we will offer him nothing not bottomed upon the good faith and resources and credit of this Government. While I shall vote for the bill if the amendment fails, yet I believe it is the very quintessence of good judgment to make it a part of this measure. You have many admirable features in the bill already. It goes very far in the right direction and is a splendid basis upon which we may build in the future. You provide for a Federal farm-loan board, which is a long step toward effective legislation. Two years ago when we proposed a separate farm-loan board for such a system as this some gentlemen frowned at the idea and said no. They said the farmer's system must be put under the Federal reserve system and the farmer chained to the chariot of the banking fraternity in this country. And yet to-day you come with a system with a separate and distinct farm-loan board to direct and supervise this law for the benefit of the farmer. But you should go further. You provide for going into the Treasury and using $9,000,000 by taking stock in the 12 Federal land banks. That is Government aid and is all right, but it is not enough. You exempt these bonds and certain instrumentalities from taxation. This is Government aid and is all right, but you do not go far enough. If gentle-

men want to tender the farmer something really worth while, let them see to it that these bonds shall be underwritten and guaranteed by the Government. When it is understood that the Government will purchase $50,000,000 of these bonds every year, there is not a money market in the world where they will not sell at par at any and all times. Then it will not be necessary to take this money out of the Treasury and purchase them. Let us make assurance doubly sure and write this amendment into the law. [Applause.]

Mr. SMITH of Michigan rose.

Mr. STEAGALL. Mr. Chairman, I desire to offer an amendment to the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized; but, without objection, the amendment to the amendment will be considered as pending.

Mr. MANN. The gentleman has a right to offer his amendment to the amendment.

The CHAIRMAN. Does the gentleman desire his amendment reported at this time?

Mr. STEAGALL. I will wait until the gentleman from Michigan is through.

Mr. SMITH of Michigan. Mr. Chairman, some of the arguments and talk we hear in the discussion of this important question are strangely at variance with the talk we heard during the discussion of some of the revenue measures when they were presented to the House. We listened very frequently then to talks to the effect that the money to be so raised by levying a duty upon imports was money and a tax levied upon the backs of the people.

Now, they have all discussed this question as if it was Government money that is going to be used for the establishment of these banks. Now, that is a mistake. That money is the people's money, and, according to the discussion we have heard in the consideration of those revenue measures, it is the money that is taken out of the pockets and off the backs of the people, and is not Government money. Now, I want to take for my text a little extract from what the gentleman from Georgia [Mr. HOWARD] said about bankers in Georgia. He states:

> When they elect bankers to the legislature they put all those bankers on the banking committee of the State legislature, and they do nothing to reform the usury law. If you would put some of these skin-flint, Shylock, pawnbroker bankers in the chain gang, this country would prosper a great deal more than it is prospering now.

Now, I want to say about that that the insurance companies of this country have got $647,000,000 loaned upon farm mortgages of this country at the rate of 5.55 per cent. All the banks of this country have total bank assets of $27,000,000,000. The national banks have total assets of $12,000,000,000.

Mr. HARDY. Will the gentleman yield for a suggestion there——

Mr. SMITH of Michigan. Yes.

Mr. HARDY. In reference to the 5 per cent money. I want to say I have borrowed money, and that insurance money cost me 7 at the lowest and even 8 per cent on farm loans.

Mr. EAGLE. And commission.

Mr. HARDY. Eight per cent, including commission, and the farmers do not get in my section any 5 per cent money.

Mr. EAGLE. And on three years' time.

Mr. HARDY. Five years' time, paying 8 per cent.

Mr. SMITH of Michigan. Down in Texas. Now, the gentleman says, "commission." Now, the commission you pay is just exactly what you agree with the commission man to pay, and you pay commission under this land-bank system also.

Mr. HARDY. It is just what it costs the farmer.

Mr. FESS. Will the gentleman yield?

Mr. SMITH of Michigan. Yes.

Mr. FESS. If the insurance company does not lend for less than 7 per cent, is that an indication of bad credit on the part of the borrower? They are lending for less than that at other places.

Mr. SMITH of Michigan. Certainly. I wish to state that before coming here this morning I saw a copy of a paper published in my home city. It is dated the 28th day of January, 1916, and in this newspaper there are two notices in reference to commissions on the loaning of money upon farm mortgages, and I wish to call attention to one of them, a savings bank in my town:

> Money to loan on real estate security. No commission, no expenses.

That paper was sent to my colleague from Michigan, Congressman MAPES, whose name appears on the address slip here, from my own town. Now, I can remember the time, gentlemen, when up in Michigan a gentleman gave a mortgage for $500 and got $450 in money, and he paid 10 per cent interest upon the face of the mortgage; but that time has long since gone by. Michigan and Illinois are the only two States in the Union that have legal rates of interest at 5 per cent, and I can not see, gentlemen, how it comes that you stand here and plead for a lower rate of interest when under the laws of your own States the legal rate of interest is from 6 to 8 per cent. Why do not the people of your own States say there shall be no interest over 5 per cent collected upon a mortgage? What you are asking us to do is, as an instrumentality of the Government, to establish these banks and loan money on farm mortgages at a low rate of interest, but if you want to help the farmer with a low rate of interest why do you not enact a law in your own State providing that they shall not pay interest above a certain low per cent? Why not enact State laws upon the same theory? I have a little document here——

Mr. HARDY. May I ask the gentleman if he seriously——

Mr. SMITH of Michigan. Just wait a minute.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. I ask unanimous consent that the gentleman have five more minutes.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that debate on this amendment be closed in 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this amendment close in 10 minutes. Is there objection?

Mr. FESS. I would like to have five minutes on this amendment.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in 10 minutes. Is there objection?

Mr. FESS. Reserving the right to object, I want five minutes.

Mr. SMITH of Michigan. And I would like to have five minutes more.

Mr. EAGLE. Mr. Chairman, reserving the right to object, I should request five minutes.

Mr. MANN. We would like to have 15 minutes over here.

Mr. GLASS. Mr. Chairman, it will be observed that gentlemen are not discussing this amendment. They are talking about other things, and I want to get along with this bill, and I think it is very advisable to close debate.

Mr. MANN. I think that the gentleman from Michigan means to talk to the amendment.

Mr. SMITH of Michigan. The only trouble is, I did not have the time.

Mr. GLASS. Mr. Chairman, I move that all debate close in 15 minutes.

Mr. MANN. We want 15 minutes over here.

Mr. GLASS. Well, 10 minutes over there and 5 over here.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in 15 minutes. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object——

Mr. BARKLEY. Mr. Chairman, I object.

Mr. GLASS. Mr. Chairman, I move that all debate on the amendment close in 15 minutes.

The question was taken, and the Chair announced that the noes appeared to have it.

Mr. GLASS. Mr. Chairman, I move that all debate be closed in 20 minutes.

The CHAIRMAN. The gentleman from Virginia moves that all debate on this amendment be closed in 20 minutes.

Mr. MANN. I think the gentleman had better arrange something by unanimous consent.

Mr. GLASS. Mr. Chairman, I ask unanimous consent——

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in 25 minutes.

Mr. MANN. We want 15 minutes over on this side.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on this amendment close in 25 minutes. The Chair will say he understands that the gentleman from Alabama [Mr. STEAGALL] and the gentleman from Texas [Mr. EAGLE] and three gentlemen on the Republican side will be recognized. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. SMITH] have five minutes.

The CHAIRMAN. In addition to the time?

Mr. MANN. Oh, no.

The CHAIRMAN. The gentleman from Michigan [Mr. SMITH] is recognized for five minutes. Is the gentleman one of the three on his side?

Mr. MANN. He is one of the three who desired time.

Mr. SWITZER. I would like to ask the gentleman a question.

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Ohio?

Mr. SMITH of Michigan. Yes, sir.

Mr. SWITZER. Inasmuch as the proponents of this amendment refuse to allow me to ask a question, I would like it if the gentleman would explain how long this would be to the advantage of the farmers of the United States so long as there is no money in the United States that is unappropriated.

Mr. SMITH of Michigan. We may get the money by selling the Panama bonds. Now, the question becomes——

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. SMITH of Michigan. Yes.

Mr. MOORE of Pennsylvania. Suppose we use up the Panama Canal bonds in paying for the nitrate plant and the ships that we are to buy; then where will we go for money?

Mr. SMITH of Michigan. We heard it discussed here when we were talking about the warehouse bill that cotton was the best security in the world.

Now, I wish to read from a pamphlet I have here, entitled "What is Populism?" written by T. C. Jory, A. B., A. M. It says:

> What is "the subtreasury plan of the Farmers' Alliance"? This plan proposes, first, the establishment of Government warehouses in all countries having need of the same for the safe storage of nonperishable farm products; second, the issue of warehouse receipts by the Government agents in charge of said warehouses to depositors of such produce; third, Government loans, at 2 per cent, on said warehouse receipts as security, to the extent of not more than 80 per cent of the local market value of the produce represented by said receipt.

So it is not anything new to argue for Government aid, as it has been the hobby of quite a few.

Now, you can not, as the gentleman from Illinois stated here so succinctly one day on the floor of the House, relieve a certain part of the property in any community by taxation without increasing the burden upon the remaining taxable property in that community. That is true enough. Now, you are going to relieve certain taxable property, and I wish to make the statement that you have not asked for an instrumentality that can not be performed by the member banks that are already established under the regional reserve system. Any mortgage that comes to a National bank or a State bank is readily accepted in our part of the country. The money is readily provided by the bank or money lender to take it up, and the banking law provides that national banks can loan one-third of their time deposits, which means a very large amount.

This law was considered for three long weeks in the Senate of the United States by distinguished and most able men. I do not think it is fair to the House to bring this bill in here and speed it up and have it put through in such a short time without giving the Members time to give it due deliberation, discussion, and consideration.

Mr. STEAGALL. Mr. Chairman, I desire to have the amendment reported.

The CHAIRMAN. The Clerk will report the amendment to the amendment in the gentleman's time.

Mr. MANN. The reading of the amendment is not taken out of his time.

The CHAIRMAN. The Chair thinks it is. The time to report the amendment to the amendment is the time when it comes up.

Mr. MANN. But where debate is limited, the time occupied in reading or reporting an amendment is never taken out of the time for debate.

The CHAIRMAN. The Chair understands that fully. The gentleman asks that this amendment be reported, but the Chair thinks it is out of order.

Mr. MANN. It is not out of order.

The CHAIRMAN. The Chair thinks it is, but may be mistaken.

Mr. MANN. The amendment is an amendment to an amendment pending, and is in order.

The CHAIRMAN. The gentleman can offer it out of his time.

Mr. MANN. He can offer it and then is entitled to five minutes to debate it.

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

> Amend the amendment by adding at the end thereof the following:
> "*Provided further*, That such bonds so to be purchased by the Secretary of the Treasury shall be furnished in equal amounts by each of the 12 Federal land banks."

Mr. HENRY. Mr. Chairman, I have no objection to that amendment. I accept it.

The CHAIRMAN. Does any other gentleman desire to be recognized? If not, the Chair will put the question.

Mr. HEFLIN. The gentleman from Alabama [Mr. STEAGALL] does not care to use his time. I wish to say a few words, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama [Mr. HEFLIN] is recognized.

Mr. HEFLIN. Mr. Chairman, the Government in substantial fashion gives aid to the commercial banking system now operating in the United States, and we must provide at least as much Government aid to this agricultural banking system.

The amendment of the gentleman from Texas [Mr. HENRY], I think, contains an important provision. It strikes me that it would be well to amend his amendment by saying that when, in the judgment of this Federal farm-loan board, the conditions warrant the same, said board may present to the Secretary of the Treasury farm-loan bonds, and then let his amendment follow the words that I have suggested. I would provide that when conditions required it the Federal farm-loan board could take the farm-land bonds to the Secretary of the Treasury and obtain money for each of the 12 regional banks to the amount of a million dollars each, if conditions warranted it. If for any reason disturbed conditions should suddenly come and the Federal farm-loan board deemed it necessary to obtain additional money to meet the requirements of this agricultural banking system, that board ought to be permitted to go to the Federal Treasury with farm-loan bonds and obtain that money and not be compelled to wait and cripple the bank in its business until the bonds could be placed upon the market and sold. [Applause.]

When our present banking system felt the need of a large sum of money in 1914, in order to prevent serious disturbances and financial injury to its business the Government gave assistance and loaned the banks millions of dollars, and I submit to this House that it is fair and just that we should provide for quick and immediate relief for this new banking system and arrange for it to obtain money from the Secretary of the Treasury by depositing with him farm-loan bonds. Republican Members protest against this recognition by the Government of farm-loan bonds, but they interposed no objection when under a Republican administration Mr. Cortelyou, as Secretary of the Treasury, issued money on railroad bonds. [Applause.]

There are no better bonds than farm-loan bonds, and yet the Republicans are willing to have money issued to railroads on their bonds, but they would deny to the business of millions of our farmers the same treatment by the Government.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Michigan?

Mr. HEFLIN. I have not the time to yield. The Federal farm-loan board, when conditions required it, could go to the Treasury and say, "We have some farm-loan bonds. You know that they are good. We want some money for the farm-loan banks, and we want it now. We do not want to be forced to place these bonds on the market now." The gentleman from Michigan is a banker——

Mr. SMITH of Michigan. And a farmer.

Mr. HEFLIN. Well, a banker and a farmer, and both occupations are good. But he seems to be trying pretty hard to keep us from getting a farm-credit system in operation, fearing, I suppose, that it will be in competition with his banking system. The agricultural business of the United States is big enough to have a banking system suited to its demands, and we propose to pass this bill with amendments and provide a banking system for the millions of our farmers who produce that which helps to feed and clothe the world. [Applause.] I see some gentlemen over there from the large cities of the East shaking their heads. Of course some of you will vote against the bill. I have been amazed, Mr. Chairman, during this debate at the suggestions made by four or five gentlemen from these big cities, talking about what should constitute a good farm-credit system in the United States.

Mr. Chairman, these gentlemen, clever enough personally, are the very last men in the world that I would select to write a banking bill in the interest of the farmer. No, gentlemen. Lord God of Hosts, be with us yet, lest we forget! [Applause and laughter on the Democratic side.]

Mr. MADDEN. Mr. Chairman, the amendment offered by the gentleman from Texas [Mr. HENRY] is a most extraordinary piece of gall, it seems to me.

The CHAIRMAN. What did the gentleman say? [Laughter.]

Mr. MADDEN. But it is not to be wondered at, because only a year or two ago, when the Underwood bill was under consideration here, you opened the American markets to the farm products of every other country in the world, and the products of these farms in foreign countries have been admitted to the American market to the extent of hundreds of millions of dollars. You have emptied the Treasury by your extravagant expendi-

tures. You have destroyed the opportunity of the American farmer to maintain the American market, and now you propose to dive into an empty Treasury to take out $50,000,000 of money every year to buy bonds against which there are no liquid assets and no gold reserve.

Mr. HOWARD. Mr. Chairman, will the gentleman yield for a question?

Mr. MADDEN. No; I regret I can not yield now. I have only a minute. Why, that proposition would make a dog laugh. [Laughter.] No wonder the American farmer has no confidence in the integrity of purpose of the Democratic Party. There is not a farmer in America that has a particle of confidence in anything that you undertake to do. They do not want this legislation. They do not need it. The farmers of America, by and large, are better off than any other class of people in America.

You propose in this bill to charge them 5 per cent. They can get money at that rate at any place in America. Then you propose to permit the charge of 1 per cent for overhead charges. They do not have to pay more than three-tenths of 1 per cent for overhead charges when they are borrowing their money from private parties. You propose in this bill to deposit $9,000,000 to establish banks. You propose to deposit $6,000,000 more to pay the interest, and now you propose to charge the Treasury with an expenditure of $50,000,000 a year to buy the bonds.

Is there anything else you can think of? [Laughter.] If there is, put it in the bill. [Renewed laughter.] If you want this bill to be ridiculed by the American people, add all these iniquitous things you can think of to it, and you will have a bill that nobody would spit upon. [Laughter.]

Why, this bill is ridiculous, and you are making it more ridiculous by every amendment you offer. The farmer can get along without your legislation. There is no sentiment for this legislation in the country. I heard a lot of farmers here the other day. They were in the gallery, listening to what you had to say. They were laughing at you. They said you were ridiculous; that you did not know anything about the farmers; that they did not need you; that all they needed from you was to be let alone and allowed to work out their own destiny. Do not make the mistake of believing that you are pandering to the sentiment of the farmer, because the farmer has more sense in a single minute than all the aggregated sense combined on that side of the House. [Laughter and applause.]

Mr. HARDY. Hooray for Chicago. [Laughter.]

Mr. EAGLE. Mr. Chairman, the remarkable spectacle just observed, the remarkable temper just displayed by the gentleman from Illinois [Mr. MADDEN] is well worthy to be made [laughter], not in the American Congress, where the proud and free representatives of a great people devise means for the advancement of civilization in this noble country, but rather it is a fitting harangue to be made over in the down-east side of Chicago, where the gentleman dwells, where recently they had a banquet given to negro men who had married white women.

Mr. MADDEN. Chicago will take care of itself. It does not need any defense from the gentleman from Texas.

Mr. EAGLE. Yes; and the spirit of honorable men on both sides of this Chamber will not tolerate the further oppression of the American farmer by the misuse of financial power through usurious farm-mortgage dealings. The farmers who produce the wealth of this Nation do need but never get any defense from the gentleman from Illinois. [Applause.]

I have seen all sorts of things in the three years I have been here, but his is the most remarkable exhibition of agricultural ignorance, of smug self-assurance, of unblushing affrontery that I ever observed here or anywhere else. [Laughter.]

But during the two minutes left I at least want to say this: The particular proposition to which we are now giving consideration is not in the exact form or in the position in the bill in which I think it ought to be. But I do believe the Government ought to aid this system. Now, I want to assure this House, as a member of the Banking and Currency Committee, that, in my deliberate judgment, this measure is so framed that it constitutes the groundwork of a system through which the American farmer may work himself to freedom from obligations and from under the oppression of abnormal and enormous burdens. [Applause.] The $5,000,000,000 for which the farm lands of America are mortgaged at the present time bear an average of between 8 and 9 per cent. I know from personal experience in my great State of Texas, where nearly 5,000,000 people dwell, perhaps 65 per cent of whom are engaged in agriculture, that the burden of agents' commissions, of the interest rate expressed on the face of the mortgage, of attorneys' fees, of abstract charges, of renewals which are enforced by the short loans of three years, of the 10 per cent attorneys' fees for foreclosure and the starting again of the same loan, wipe out the annual increment of the average Texas farmer.

Mr. SLOAN. Will the gentleman yield?

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. EAGLE. You must give me a little more time and then I will yield to all of you. I yield first to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. I want the gentleman's authority for the statement that interest rates on farm loans are 8 or 9 per cent. I challenge the correctness or the approximate accuracy of that statement. I am in favor of legislation of this character, but I challenge the accuracy of the statement and ask the gentleman to give his authority.

Mr. EAGLE. If the gentleman will read the 1,500 pages of hearings taken before the Bulkley-Hollis joint committee of the House and Senate during the Sixty-third Congress——

The CHAIRMAN. The time of the gentleman has expired.

Mr. EAGLE. I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for five minutes. Is there objection?

Mr. FESS. Is that to be taken out of the time already allotted?

The CHAIRMAN. Is there objection?

Mr. MANN. Can we have the time extended five minutes?

Mr. BUCHANAN of Illinois. I ask unanimous consent that the time be extended five minutes and that the gentleman from Texas have five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the time for debate be extended five minutes, and that the gentleman from Texas [Mr. EAGLE] have five minutes. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. EAGLE. I have not answered the gentleman from Nebraska [Mr. SLOAN] yet. In the 1,500 pages of hearings which we caused to be printed, and which are subject to the gentleman's order in the document room, he will find the unmistakable evidences, in substance, of what I have said, except that I was really overmoderate in stating the outside amount of the exactions under the guise of interest charges which the American farming community is paying for that $5,000,000,000.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. HAMILTON of Michigan. Will the gentleman yield?

Mr. EAGLE. I want to get on with what I have to say, but I will yield to my friend from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Because of the remarks of my colleague from Chicago [Mr. MADDEN], I feel called upon to make a statement, in which I believe I represent the sentiments of the working people of the city of Chicago.

Mr. EAGLE. I do wish my friend would not do it in my time.

Mr. BUCHANAN of Illinois. I wish to say that the working people of the city of Chicago are in favor of Government aid to the farmer in the way of farm loans.

Mr. MADDEN. This does not apply to the working people of Chicago. This applies to the farmers of the country.

Mr. RAGSDALE. Mr. Chairman, I make the point of order that the gentleman from Chicago [Mr. MADDEN] has no right to "butt in" on this debate without the permission of the gentleman who has the floor.

Mr. BUCHANAN of Illinois. I want to say that the working people of Chicago, as well as myself, are pleased to have an opportunity to assist in passing legislation that is really beneficial to the farmer, in the way of making it easier for farmers to secure loans.

Mr. EAGLE. In the three years I have served here the votes of the gentleman from Illinois have always been on the side of the farmers and the laboring men of this Nation. [Applause.]

Now, I submit that the financial interests of this country are made up of the State and National banks and trust companies, and I submit that the manufacturing interests of this Nation are just as much interested as are the farming communities in every county in this Nation in the passage of this form of legislation, because a happy and contented rural people who own their own homes are better purchasers of the goods, wares, and merchandise of the manufacturer and are better and more secure borrowers of the funds of financial institutions than are a tenant farming community driven from "pillar to post" by excessive charges. [Applause.] I tell you that except in great States like Iowa, Indiana, Ohio, Illinois, and Pennsylvania, which have had a century already to advance to their present condition of farm development and farm ownership, and to free themselves from debt——

Mr. McFADDEN. Will the gentleman yield——

Mr. EAGLE. I wish to complete this statement. Except in such States as those I have mentioned the average total amount paid on farm loans by way of interest, bonuses, lawyers' fees and agents' commissions and for renewal charges amounts to the annual burden at least 18 or 20 per cent, just to carry the loans along, without any amortization or payment of the principal whatsoever. That is an intolerable thing. I say, as a man living in a city of 125,000 people, but born and reared in the country, and forming my impressions, therefore, by the course of my life as you do from the course of your lives, the foundations of this Nation, not alone in its food supply, in its clothing supply, in the opportunity for it to progress, but also in its fundamental stability and in the rock-ribbed adherence to constitutional principles, are the American farmers. [Applause.]

I helped with all my heart in a humble way and played a humble part in framing the Federal reserve bank system, under which in the midst of a financial crisis created by world-war conditions this Nation has stood as steady as a rock. It was in substance that which the 7,500 national banks and the 18,000 State banks and trust companies, with twenty or thirty billion dollars of assets, had to have in order to prevent panic. It is a law which has made them so secure in their stability that never again can a panic overrun this land. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. EAGLE. I am going to be presumptuous enough to ask for five minutes more, not to be taken out of the allotted time.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that he may proceed for five minutes. Is there objection?

There was no objection.

Mr. SWITZER. Will the gentleman yield?

Mr. EAGLE. Yes.

Mr. SWITZER. Is the gentleman interested in any banking institution in his State?

Mr. EAGLE. I have not a nickel invested in any enterprise of that kind.

Mr. SWITZER. But the gentleman says that these institutions are robbing the farmers.

Mr. EAGLE. My point is that the net result of the operation of the present methods of placing and carrying the farm-mortgage loans throughout the country, just as it is conducted in its many ways and methods and by the several disjointed instrumentalities, is to take away from the American farmers far too much of their annual earnings and to discourage farm owning and to create a tenant farming class. [Applause.]

Mr. SWITZER. But the gentlemen said that these institutions were robbing the farmers.

Mr. EAGLE. I said that these loan institutions of other States were coming into Texas, employing local agents in a legitimate way, and putting out their money in our State; that the local agents exacted 10 per cent out of the loans extended, to be deducted from the loan passed by the loan or trust company, and that was divided with the headquarters in that section. Then the farmer has to employ a lawyer to pass on the title, and to procure an abstract; and then they make the papers in such a way that the loan matures in three years, during which period of time the property can not pay the debt, and they foreclose and add 10 per cent more and start him off again on the same endless chain of extortion and almost despair; and so his "nose is kept to the grindstone." It shall not longer be done if I can help it.

Mr. SWITZER. Then the gentleman says that Texas lawyers conspire with the agents to rob the farmers in Texas.

Mr. EAGLE. Oh, no; that is the gentleman's fancy. It is the system I am describing. We want to change that into a sensible, workable, moral system giving hope and help to the farming class, and thereby blessing the entire Nation.

Mr. MANN. The gentleman is too amusing when he gets mad.

Mr. EAGLE. I am not conscious of having "lost my head"; but if what I say makes gentlemen wince, it is their misfortune and not mine. [Laughter and applause on the Democratic side.]

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. EAGLE. No; I decline further to yield.

Mr. Chairman, this system will, in 15 or 20 years' time, provide freedom to the American farmers from the exactions and oppressions of excessive interest rates and other charges on their outstanding $5,000,000,000 of farm-loan debts. So that in a period of 10 or 15 years the entire amount of $5,000,000,000 can be funded into bonds, the total annual payment thereon not exceeding 6 per cent, and that will include the interest, overhead charges, and pay the amortization portion of the principal to discharge it in less than 30 years. So you will have millions of American farmers owning the lands that they live on, free and independent, instead of being "drawers of water and hewers of wood."

Now, there is one error in this bill that I want to point out, and that is the reason that I wanted to address the committee. If at any time under the safeguarded provision of this measure there be no public ready market for the bonds provided for in the measure, this system would for the time being come to a standstill. Furthermore, the very fact that the Treasury is authorized to buy them, even in limited quantities, will operate to create a general market for them among the investing public.

Otherwise, a condition of war, or industrial depression, or the fact that the Treasury is not backing them, or the change of mind of the investing public for a time being might cripple the system in its very infancy. It ought to be provided in this bill that to the extent of at least $50,000,000 a year, to be apportioned according to the needs of the several Federal land banks, to be determined by the Federal farm-loan commission, that they can in such event present for purchase by the Treasury an amount of these bonds to such an extent as not in any one year to exceed $50,000,000. If the Federal Treasury should buy $50,000,000 of these valid first-mortgage bonds per year, it would take 100 years to absorb the debt against the farm lands in this country. But, after the system is fairly started, the investing public will be only too glad to buy so safe a bond at its satisfactory rate of interest, and the farmers will have a mountain of burden lifted from their shoulders. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FESS. Mr. Chairman, this amendment in connection with the amendment we adopted yesterday is a great scheme. Yesterday we adopted an amendment which provides that the Government is to pay interest on the bond when any land bank is unable to do it. To-day comes an amendment requiring the Government to accept the bonds to the amount of $50,000,000. I am not sure, reading it carefully, whether it will not amount to $600,000,000, for it says that—

> Whenever any Federal land bank presents to the Secretary of the Treasury farm-loan bonds of any amount he shall advance therefor at their par value an equal amount of money out of the Treasury not otherwise appropriated: *Provided*, That the aggregate of all sums so advanced shall not exceed the sum of $50,000,000.

If that is to be limited to a Federal land bank, and there are 12 of them, that would make $600,000,000. A fair interpretation of the amendment will lead to such a conclusion. Yesterday we adopted an amendment which provided that the Government shall guarantee the bonds of this proposed institution.

Mr. CANDLER of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. FESS. I have only five minutes and I can not yield, and if I should ask for an extension of time somebody would object. Taken in connection with other parts of this law, that is a wonderful scheme, to the first part of which I call attention, aside from the amendment that was adopted yesterday. I refer to that part of section 6 which proposes to loan to farmers without interest. It provides that stock owned by the Government shall receive no dividend. Stock owned by the individual shall receive a dividend. The meaning of this is clear. The stock owned by the individual will pay a dividend to offset the interest he is required to pay on the bond that the individual holds. Therefore the dividend on the stock will cancel the interest on the bond, and if the Government is to remit that dividend by section 6 and pay the interest by the amendment we adopted yesterday, you have a beautiful scheme by which you indirectly undertake to loan to the farmer through the proposed land bank money without interest. There is not a farmer in my State who asks for any such discrimination as that. They do not wish to be treated as subjects of special governmental care. They are not paupers. They do not ask something for nothing.

I had occasion just recently as the head of an institution to try to find a place where I could loan $10,000 of the endowment of a college. This fund had been invested in 4 per cent nontaxable bonds. We hunted for the opportunity of a loan at a higher rate. We did not want to loan it to any distant corporation or any capitalist. We wanted to loan it on first mortgages on farm property in my own county. We loaned it ultimately at 5 per cent, the very best that we could do, and felt complimented that we had succeeded so well. This rate was not low because it was a large sum; small sums will not rule much higher. In other words, the people in our State, and I am quite certain in other States, are not asking for such a discrimination as this amendment and this bill in certain provisions would insist upon. For that reason I can not believe that

the situation which has been depicted so eloquently by our friends from Texas obtains in that State. I do not believe that there can be advantage taken of persons in Texas with credit capable of paying an obligation that would cause them to be robbed in the manner depicted by my eloquent friend who spoke a moment ago in respect to this amendment.

Mr. PLATT. Does the gentleman know that the laws of Texas are such that the farmer can not mortgage his farm and, therefore, has to use the poorest security he has in order to borrow at all?

Mr. HENRY. Oh, the gentleman is mistaken about that. You can encumber the homestead for the purchase money.

Mr. FESS. Mr. Chairman, I know this: That if the State of Texas, so ably represented upon this floor—for there is no stronger delegation on the floor than the one from Texas—if the State of Texas under the domination of men of that ability can continue to do what they say it does, then these people are not the people to say what this Nation shall do in matters of finance. Let them go home and take care of it there. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Ohio has expired. Without objection, the Steagall amendment will be considered a part of the Henry amendment.

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent that the Henry amendment as amended be again reported.

The CHAIRMAN. The Chair hears no objection, and without objection the Henry amendment will be again reported as amended.

Mr. SHOUSE. Mr. Chairman, I ask unanimous consent that time be extended for five minutes so that the gentleman from South Carolina [Mr. LEVER] may address the committee.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the time may be extended for five minutes in order that the gentleman from South Carolina [Mr. LEVER] may address the committee. Is there objection?

Mr. CANNON. Make it 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks that it be made 10 minutes.

Mr. SHERLEY. Mr. Chairman, reserving the right to object, I think the chairman in charge of the bill might desire in case there is additional debate to close that debate.

The CHAIRMAN. The gentleman from Virginia has not said anything about it.

Mr. GLASS. I had purposed asking unanimous consent to occupy the time of the committee for two minutes.

Mr. CANNON. Let it be made 10 minutes and I will yield the gentleman two minutes.

Mr. SHOUSE. Then, Mr. Chairman, I make my request for 10 minutes.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that debate be extended for 10 minutes, 5 minutes to be controlled by the gentleman from South Carolina [Mr. LEVER] and 5 minutes by the gentleman from Illinois [Mr. CANNON]. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, this bill, which means so much, in my judgment, to the agricultural interests of the country, is in a very dangerous situation at this moment. I would not ask the House to hear me if I were not genuinely in favor of rural-credits legislation. I would not ask the House to give me its attention if I did not believe that the adoption of this amendment means a serious endangering of any rural-credits legislation of any character at this session of Congress.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. LEVER. I can not yield in five minutes.

The CHAIRMAN. The gentleman declines to yield.

Mr. LEVER. Mr. Chairman, I spent many, many months of study as a member of the Joint Committee on Rural Credits and I read thousands and thousands of pages of literature upon the subject. I have tried to keep in the closest touch with the evolutions which have resulted in the framing of this bill, and I believe that the Banking and Currency Committee has reported to this House a measure which, amended in a few particulars, will prove to be a workable rural-credits system of real value to the farmer. I believe that it is an improvement under American conditions over any rural-credits system in existence in any country in the world. I make the assertion also that there is contained in the provisions of the pending bill, without any amendments whatever, more of Government aid in the way of subscription to capital stock, in the way of exemption from taxation, and the like than has ever been vouchsafed to any rural-credits system in the world since the stars shone together over the Garden of Eden, and I defy any man on the floor of this House to deny the accuracy of that statement. I am for Government aid, so called, that really aids the system and helps in a substantial and sane manner the workability of the system. I take second place to none in that respect.

I would be for the proposed amendment if, in my judgment, it meant practical help to the system. It does not afford such help as its sponsors think it will give.

Now, what does this amendment propose to do? It writes on the face of this bill that your system is a failure, to start with. I do not believe the system proposed is a failure. I believe it will work. If the system is not a failure, if these bonds will sell, as I believe they will sell in the open markets of the world, then we do not need to open the Treasury of the United States to buy them. That is a proposition from which no sane man can get away. If, on the contrary, the system that you have proposed here is a failure and must of necessity require an indefinite and indeterminate drain upon the Treasury, not this year, not next year, not the next, but year after year, forever and a day, then this Congress should have the courage and show the ability and the patriotism to draw a bill which will not make that kind of a proceeding necessary. [Applause.] We have done this already, in my opinion.

And I stand here, Mr. Chairman, representing a rural district, representing a State 85 per cent of whose population is agricultural, and I ask the friends of the farmer, the real friends of the farmer, those who do not want to feed him with words but with acts, to vote down this proposition, because I say in all the earnestness of my nature that I believe the adoption of this amendment means no rural-credits legislation at this session of Congress. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON. Mr. Chairman, I may say later on on a proforma amendment all which I desire to say now, and so far as I am concerned the gentleman from Virginia [Mr. GLASS] can have the five minutes to conclude the debate.

Mr. GLASS. Mr. Chairman, I thank the gentleman from Illinois [Mr. CANNON] for his courtesy. The gentleman from South Carolina [Mr. LEVER] has just said everything that I would care to say except this, which everybody here ought to know, that the repeated suggestion made here to the effect that this proposition is "intended to do for the farmers of the country what is done for commercial banking" is literally and utterly untrue. There is absolutely no special privilege akin to this proposition in any system of commercial banking in this or any other country on earth. There is an immeasurable difference between tying up annually and arbitrarily $50,000,000 of Government demand notes, payable in gold, on long-time obligations, as proposed by this amendment, and issuing notes to banks on a 40 per cent gold reserve and 100 per cent commercial paper having an average maturity of only 28 days. There is a vast difference in banking between liquid paper of quick maturity and investment securities running from 5 to 36 years; and the man who has not intelligence enough to comprehend that difference has not sense enough to participate in legislation here on this or any other question. [Applause.]

Mr. Chairman, I represent a constituency 85 per cent farmers, and I would dislike to stand here and so discredit either their intelligence or their patriotism as to signify my approval, in their behalf, of this grotesque and absurd proposition. It has no business here, and ought to be voted down.

That is all I have to say about the matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the Chairman announced that the noes appeared to have it.

On a division (demanded by Mr. HENRY) there were—ayes 19, noes 81.

So the amendment was rejected.

The Clerk read as follows:

GOVERNMENT AGENCIES.

SEC. 7. That all Federal land banks and joint-stock land banks organized under this act shall perform all reasonable duties as financial agents of the Government that the Secretary of the Treasury may require of them.

Mr. BENNET. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BENNET. To make a few remarks. I move to strike out the last word.

The CHAIRMAN. The gentleman from New York.

Mr. BENNET. Mr. Chairman, I was interested in the remarks of the gentleman from Alabama [Mr. HEFLIN], and so far as I am concerned, his remarks were entirely impersonal, because I had not said a single word on the bill, although I do represent in part a large city. The gentleman proceeded at some length and with some sarcasm in relation to the efforts by gentlemen from large cities to write a bill affecting rural communities.

I hold in my hand the bill H. R. 15455, which is a bill in relation to shipping, affecting largely the Atlantic coast, introduced by the distinguished gentleman from Missouri [Mr. ALEXANDER]. Now, does anyone think the distinguished gentleman from Missouri was not acting absolutely within his rights when he introduced a bill affecting the seaboard? No man would dare arise and say that, and any man representing a city either in whole or in part, who thinks he has views that are worthy, not only has the right to try to draft a bill relating to the rural portions of the country but under his sworn oath of office it is his duty to attempt to draft a bill.

Gentlemen from large cities are not per se opposed to a rural-credits bill. In the State of New York we have a land bank. We have had that law on the statute books for two years, and I will say to the gentleman from Alabama and others, in order to be not only exact but just, it is my recollection that the legislature that put that land-bank law on the statute books was one branch Republican and the other branch Democratic. This was not a partisan measure, and I will say in justice to my associates from the city of New York that the Democratic majority was made up from the city of New York, and that the men who put the land-bank bill on the statutes of the State of New York were city men. Why, because they are not narrow and provincial, and because they have an enlightened selfishness and they realize that a thing that is good for any portion of the country, if it is good, is good for the whole country.

Men from the cities have made studies of this rural-credit system for years. I would be very willing to debate with the gentleman from Alabama [Mr. HEFLIN] this minute that most interesting system called the Zemstvo system of Russia as modified by the Stolypin law of 1910, and probably I could give him some information. I would be glad to debate with him the three different land-bank systems of Italy, of which I made a study several years ago, and all over the country you will find city men that have studied this question, because it is one of the great big, oustanding questions. And I will say to the gentleman that as this bill originally came on the floor it was my intention to vote for it, and I was not alone among city men in that. But, of course, you can load this bill down with populistic amendments and raids on the Treasury until there is not any man from city or country that would dare to vote for it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in five minutes.

Mr. MOORE of Pennsylvania. Mr. Chairman, reserving the right to object, I desire to strike out this section. I ask it to be considered when the proper time comes.

Mr. SMITH of Michigan. I would like five minutes, Mr. Chairman.

Mr. GLASS. Make it 10 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on this section and amendments thereto close in 10 minutes. Is there objection?

Mr. MOORE of Pennsylvania. Reserving the right to object, I desire to offer a motion to strike out the paragraph.

The CHAIRMAN. The gentleman from Pennsylvania will be recognized by the Chair in one of these five minutes.

Mr. MOORE of Pennsylvania. I desire to get a vote on the proposition.

The CHAIRMAN. At the end of the five minutes we will vote on his amendment.

Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none.

Mr. HEFLIN. Mr. Chairman, I did not expect to so stir and excite my friend and the financial expert from New York City [Mr. BENNET], who did not by word of mouth make reply to what I said a little while ago, but shook his head when I said something about some Members over there being for the bill. I understood the gentleman to mean that he was against it. I thought that before he even shook his head, and since he has spoken I know that he is against it. The gentleman undertakes to make what I said about him apply to other Members from New York City. I said nothing about any of them. With regard to New York, I had the gentleman, and the gentleman alone, in mind. There is another big city Republican over there who would like to write a farm-credit system for the farmers, and he is the gentleman from Chicago [Mr. MADDEN], but I am not willing for the gentleman to write it. Some gentlemen over there will vote for this bill. The gentleman from New York [Mr. BENNET], in keeping with the past conduct of his party in the matter of evasion and postponement, wants me to discuss with him the land-bank system of Russia, and he intimates strongly that he is fully capable of discussing with me the land-bank system of Germany. He desires me to leave the subject alone here and journey with him to France and discuss the farm-credit system over there. [Laughter.] How true, Mr. Chairman, to the teachings of the Republican Party. That party established an agricultural bank for the Filipino farmer in the Philippine Islands, but refused to establish one for the millions of American farmers in the United States. [Applause.] No wonder the gentleman wants to lead me and others who favor farm-credit legislation into the realm of farm-credit discussion in the land beyond the sea. [Laughter.] He no doubt does this in the hope that while we sail with him to the land over yonder we postpone legislation for the farmers here at home.

The gentleman says that men who come from the city can write good banking laws. That may be true, and I have no doubt that there are some good friends of the farmer in the city, but, unfortunately for the farmer, they are exceedingly scarce on that side of the House just now when we are trying to pass a real agricultural banking bill, one that will be useful to the farmers of our country. [Applause.]

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out this section.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 88, strike out lines 16 to 19, inclusive.

Mr. MOORE of Pennsylvania. This section refers to Government agencies and it brings up as squarely as any other section does the general Government-control proposition. I am opposed on general principles to Government ownership and control, which has been obtaining a very rapid and fast hold upon legislation in this country. There are a number of reasons why I fear the gradual encroachments of the Government upon legitimate business throughout the United States. I can understand why gentlemen coming from a particular State or a particular locality are anxious that their special interests should be served, but my idea of legislation generally is that it should be uniform. That was the spirit of the Constitution and that has been the spirit of the law. Now, it happens that we have a very fine illustration of the failure of Government ownership and control up to date in the construction of the Alaskan Railway——

Mr. GLASS. Will the gentleman permit an interruption?

Mr. MOORE of Pennsylvania. Yes.

Mr. GLASS. I will say to the gentleman that the purpose of this section of the bill is to insure the constitutionality of it. It was proposed, if I may be permitted to say so, by the member of the committee from New York [Mr. PLATT] to meet any constitutional objections to the bill.

It is a perfectly harmless section. If it will do no good, it will absolutely do no harm. It does not involve the question of Government ownership in any sense.

Mr. MOORE of Pennsylvania. Then I may reserve much of what I have to say for another paragraph.

But I was about to suggest that this bill proposes a certain governmental control of a certain specialized financial system. The eloquent gentleman from Alabama [Mr. HEFLIN] and the gentleman from Texas [Mr. HENRY] also and others constantly refer to the fact that what they want here for the farmer is exactly what is conceded by the Government to the commercial interests of the country. Now, if that is all they want, I presume the commercial interests of the country would at once concede the point, because the commercial interests have no such specialized or subsidized banking system. There is no Government appropriation to maintain commercial banks. There is no $9,000,000 appropriation to begin commercial or industrial institutions.

So much for commerce itself as it pertains to the commercial banks. No one seems to rise here except to speak for the special interest of the farmer.

Why, gentlemen, there are wage earners all over this land to be considered, wage earners in my district—as many wage earners in my district, I assume, as there are farmers in the district of any gentleman on this floor. They have no $9,000,000 appropriated for their special benefit or to help them buy homes. They organize building and loan associations and take care of themselves. What money they borrow upon their homes, or what money they borrow in advance to build homes, from such associations is money that they put into a common pot from which they draw. They have no Government funds to fall back upon.

But gentlemen pleading for the farmer only insist that the farmer shall be given public money, that the Treasury shall be used for the farmer's benefit. They do not seem to understand

that the Treasury of the Government ought to be as much the property of the man who works in the mill or in the factory as it should be of the farmer.

Gentlemen say they want to play fair with the cities. Let them remember that the city man is also a bearer of burdens. He has no such special favor, no such special interest, as is shown in this bill for the farmers of the country. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL FARM-LOAN ASSOCIATIONS.

SEC. 8. That corporations, to be known as national farm-loan associations, may be organized by persons desiring to borrow money on farm-mortgage security under the terms of this act. Persons desiring to form such an association shall enter into articles of association which shall specify in general terms the object for which the association is formed and the territory within which its operations are to be carried on, and which may contain any other provision, not inconsistent with law, which the association may see fit to adopt for the regulation of its business and the conduct of its affairs. Said articles shall be signed by the persons uniting to form the association, and a copy thereof shall be forwarded to the Federal land bank for the district, to be filed and preserved in its office.

Every national farm-loan association shall elect, in the manner prescribed for the election of directors of national banking associations, a board of not less than five directors, who shall hold office for the same period and under the same conditions as directors of national banking associations.

It shall be the duty of said board of directors to choose in such manner as they may prefer a secretary-treasurer, who may receive such compensation as said board of directors shall determine. The board of directors shall elect a president, a vice president, and a loan committee of three members.

The directors and all officers except the secretary-treasurer shall serve without compensation, unless the payment of salaries to them shall be approved by the Federal farm-loan board. All officers and directors except the secretary-treasurer shall, during their term of office, be bona fide residents of the territory within which the association is authorized to do business, and shall be shareholders of the association.

It shall be the duty of the secretary-treasurer of every national farm-loan association to act as custodian of its funds and to deposit the same in such bank as the board of directors may designate, to pay over to borrowers all sums received for their account from the Federal land bank upon first mortgage as in this act prescribed, and to meet all other obligations of the association, subject to the orders of the board of directors and in accordance with the by-laws of the association. Said secretary-treasurer shall likewise collect, receipt for, and transmit to the Federal land bank all payments of interest, amortization, installments, or principal arising out of loans made through the association. He shall be the custodian of the securities, records, papers, certificates of stock, and all documents relating to or bearing upon the conduct of the affairs of the association. He shall furnish a suitable surety bond to be prescribed and approved by the Federal farm-loan board for the proper performance of the duties imposed upon him under this act, which shall cover prompt collection and transmission of funds. He shall make a quarterly report to the Federal farm-loan board upon forms to be provided for that purpose. Upon request from said board said secretary-treasurer shall furnish information regarding the condition of the national farm-loan association for which he is acting, and he shall carry out all duly authorized orders of said board. He shall assure himself from time to time that the loans made through the national farm-loan association of which he is an officer are applied to the purposes set forth in the application of the borrower as approved, and shall forthwith report to the land bank of the district any failure of any borrower to comply with the terms of his application or mortgage. He shall also ascertain and report to said bank the amount of any delinquent taxes on land mortgaged to said bank and the name of the delinquent.

The reasonable expenses of the secretary-treasurer, the loan committee, and other officers and agents of national farm-loan associations, and the salary of the secretary-treasurer may be paid from the general funds of the association, and the board of directors is authorized to set aside such sums as it shall deem requisite for that purpose and for other expenses of said association. When no such funds are available, the board of directors may levy an assessment on members in proportion to the amount of stock held by each, which may be repaid as soon as funds are available, or it may secure an advance from the Federal land bank of the district, to be repaid with interest at the rate of 6 per cent per annum, from dividends belonging to said association. Said Federal land bank is hereby authorized to make such advance and to deduct such repayment.

Ten or more natural persons who are the owners, or about to become the owners, of farm land qualified as security for a mortgage loan under section 12 of this act, may unite to form a national farm-loan association. They shall organize subject to the requirements and the conditions specified in this section and in section 5 of this act, so far as the same may be applicable: *Provided*, That the board of directors may consist of five members only, and instead of a secretary and a treasurer there shall be a secretary-treasurer, who need not be a shareholder of the association.

When the articles of association are forwarded to the Federal land bank of the district as provided in this section, they shall be accompanied by the written report of the loan committee as required in section 10 of this act, and by an affidavit stating that each of the subscribers is the owner, or is about to become the owner, of farm land qualified under section 12 of this act as the basis of a mortgage loan; that the loan desired by each person is not more than $10,000, nor less than $100, and that the aggregate of the desired loans is not less than $20,000; that said affidavit is accompanied by a subscription to stock in the Federal land bank equal to 5 per cent of the aggregate sum desired on mortgage loans; and that a temporary organization of said association has been formed by the election of a board of directors, a loan committee, and a secretary-treasurer who subscribes to said affidavit, giving his residence and post-office address.

Upon receipt of such articles of association, with the accompanying affidavit and stock subscription, the directors of said Federal land bank shall send an appraiser to investigate the solvency and character of the applicants and the value of their lands, and shall then determine whether in their judgment a charter shall be granted to such association. They shall forward such articles of association and the accompanying affidavit to the Federal farm-loan board with their recommendation. If said recommendation is unfavorable, the charter shall be refused.

If said recommendation is favorable, the Federal farm-loan board shall thereupon grant a charter to the applicants therefor, designating the territory in which such association may make loans, and shall forward said charter to said applicants through said Federal land bank: *Provided*, That said Federal farm-loan board may for good cause shown in any case refuse to grant a charter.

Upon receipt of its charter such national farm-loan association shall be authorized and empowered to receive from the Federal land bank of the district sums to be loaned to its members under the terms and conditions of this act.

Whenever any national farm-loan association shall desire to secure for any member a loan on first mortgage from the Federal land bank of its district it shall subscribe for capital stock of said land bank to the amount of 5 per cent of such loan, such subscription to be paid in cash upon the granting of the loan by said land bank. Such capital stock shall be held by said land bank as collateral security for the payment of said loan, but said association shall be paid any dividends accruing and payable on said capital stock while it is outstanding. Such stock may, in the discretion of the directors, and with the approval of the Federal farm-loan board, be paid off at par and retired proportional to any reduction which may be made in the principal sum loaned to the member; and the directors shall pay off at par and retire such stock outstanding when the loan shall have been fully repaid. In such cases the national farm-loan association shall pay off at par and retire the corresponding share or shares of its stock which were issued when said land-bank stock was subscribed.

Mr. GREEN of Iowa and Mr. McKELLAR rose.

Mr. MURRAY. Mr. Chairman, I have an additional section to offer, if somebody has an amendment to either of these paragraphs.

The CHAIRMAN. The information of the Chair is that the gentleman from Tennessee [Mr. McKELLAR] also desires to offer a substitute.

Mr. McKELLAR. Yes; I desire to offer an amendment by way of substitute.

Mr. MOORE of Pennsylvania. I desire to offer a direct amendment.

Mr. MANN. Let us have the substitute read, so that we may know what it is before correcting the original text.

The CHAIRMAN. The gentleman from Tennessee [Mr. McKELLAR] offers a substitute, which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. McKELLAR: Strike out section 8 of the bill and substitute therefor the following:

"It shall be the duty of said farm-land banks to choose in each land-bank district secretary-treasurers, who may receive such compensation as said farm-land banks shall determine.

"It shall be the duty of the secretary-treasurer of every farm-land bank district to act as custodian of its funds, and to deposit the same in such bank as the farm-land banks may designate, to pay over to borrowers all sums received for their account from the Federal land bank upon first mortgage as in this act prescribed, subject to the orders of the farm-land banks. Said secretary-treasurers shall likewise collect, receipt for, and transmit to the Federal land bank all payments of interest, amortization installments, or principal arising out of loans made through said secretary-treasurers. He shall be the custodian of the securities, records, papers, certificates of stock, and all documents relating to or bearing upon the conduct of the affairs of said land bank in his district. He shall furnish a suitable surety bond, to be prescribed and approved by the Federal farm-loan board for the proper performance of the duties imposed upon him under this act, which shall cover prompt collection and transmission of funds. He shall make a quarterly report to the Federal farm-loan board upon forms to be provided for that purpose. Upon request from said board, said secretary-treasurer shall furnish information regarding the condition of all farms in his district for which he is acting, and he shall carry out all duly authorized orders of said board. He shall assure himself from time to time that the loans made by him are applied to the purposes set forth in the application of the borrower as approved, and shall forthwith report to the land bank of the district any failure of any borrower to comply with the terms of his application or mortgage. He shall also ascertain and report to said bank the amount of any delinquent taxes on land mortgaged to said bank and the name of the delinquent."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

Mr. McKELLAR. Mr. Chairman, I would like to be heard.

Mr. GLASS. I would like to inquire how many substitutes and amendments there will be to this section, if I can develop that fact.

Mr. MORGAN of Oklahoma. I have a substitute and two amendments.

Mr. MOORE of Pennsylvania. I have an amendment.

Mr. DILLON. I have two amendments.

Mr. HOWARD. I have three.

Mr. PLATT. I have one.

Mr. GLASS. Then, at that rate, it will be about to-morrow before we finish this section. I ask unanimous consent, Mr. Chairman, that all debate on this section and amendments thereto be concluded at 3.30 o'clock.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto be concluded at 3.30 o'clock. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Chairman, of course yesterday they had 35 minutes' debate in 25 minutes. They could not do it to-day. That would be only 35 minutes. Some of that would be lost.

Mr. GLASS. Then say 3.45 o'clock.

Mr. MORGAN of Oklahoma. Mr. Chairman, reserving the right to object, I do not think 45 minutes would be sufficient time.

Mr. MANN. That would be 50 minutes from now. I think that is reasonable. The Chair will control the time.

Mr. OLIVER. Mr. Chairman, I would like to have two minutes in which to ask a question.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on the pending section and amendments thereto close at 3.45 o'clock.

Mr. GREEN of Iowa. How are we to control the time?

The CHAIRMAN. The Chair will do the best he can to recognize gentlemen who have bona fide amendments to offer to the section.

Mr. GREEN of Iowa. I have no amendment other than a pro forma amendment, but I want to speak to the section.

Mr. MORGAN of Oklahoma. Reserving the right to object, Mr. Chairman, I think there should be more time allowed.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. MCKELLAR] is recognized for five minutes.

Mr. MCKELLAR. Mr. Chairman and gentlemen, the purpose of my amendment is to do away with some of the red tape in connection with this bill and what are to me two very unsatisfactory features—the 5 per cent stock subscriptions and the 10 per cent guaranty of other loans.

The CHAIRMAN. The committee will be in order. Gentlemen desiring to converse will please retire to the cloakroom. Some of these amendments may be of some importance. [Laughter.]

Mr. MCKELLAR. I think this amendment is important. It does away with a large amount of red tape in the bill. Under section 8 of the bill these farm-loan associations are created. My amendment is to strike out the section, which means to strike out the farm-loan associations and to substitute therefor the provisions of the bill as to secretary-treasurers, making the secretary-treasurers the secretary-treasurers of the farm-loan banks direct and not secretary-treasurers of the farm-loan associations.

Now, to my mind, to require the farmer to take 5 per cent of stock in the farm-loan association, and then have this farm-loan association in turn take 5 per cent of stock in the land bank, is wholly unnecessary.

Why, there is no use whatever for this double-stock subscription. It does not make the bill any better. It is a lot of red tape. It costs the farmer more, because the cost comes out of him in the end. Why have two associations or corporations to do the work of one? I think the direct plan is the better one. I think all that is necessary is to have the farm-land bank in the district and turn over to it the methods by which this rural-credit system is to be carried out. I do not see a particle of use in the provision for the borrower taking 5 per cent stock in the farm-loan association, and I certainly am opposed to making every borrower liable in the amount of 10 per cent of his loan for the debts of his neighbor. It is all wrong. It will not work. If we put it in this bill, we will have to strike it out again in some future bill. You gentlemen know it is not going to work. We are not going to have all that red tape. The scheme will not work if you keep it in. If you are going to have this a workable measure, you must make it simple. It is not going to work in its present form.

The farmers are not going to subscribe for this stock, in the first place, and, in the next place, they are not going to become responsible for one another's debts. We know that that will not work here in America. It is a part of the European scheme that is grafted onto this bill. I know that gentlemen have read the reports, which tell how beautifully this scheme works in foreign countries, and they want to adopt it here. They want to graft onto an American system the European system. We do not need to copy from these systems. I have read them all. They are not suited to our habits of business and customs of life. They are contrary to our democratic views. We believe in individualism. Let every man stand on his own merits. Do not require his neighbor to stand for him. When you let the merchant have money at a bank, you do not require him to go surety for all the other merchants in his city to the extent of 10 per cent of his loan. Then why make this requirement of the farmer borrower?

Mr. GLASS. If the gentleman will yield, it seems to me the statement that farmers are not willing to become responsible for other people's debts is a rather broad statement.

Mr. MCKELLAR. He does to the extent of 10 per cent of his loan.

Mr. GLASS. It is just 10 per cent.

Mr. MCKELLAR. Just 10 per cent! Would the gentleman, if he went to the bank to borrow money and was told all right, if he would also obligate himself to pay all his neighbors' debts to the extent of just 10 per cent of his loan—would the gentleman do it? Oh, no. Now, what does the farmer have to become responsible for? He loses the use of 5 per cent of his loan to begin with.

Mr. PHELAN. Will the gentleman allow me to interrupt him?

Mr. MCKELLAR. Just one moment. He first has to get nine neighbors together and organize an association. He can not borrow a cent till he does this. Then he has to take 5 per cent of stock. He has got that much dead money to begin with. Then what else does he have to do? He has to pay probably 6 per cent interest and all the expenses of organization, examination, appraisal, and purchase of title papers. And what else does he have to do? He has to become responsible to the amount of 10 per cent of what he borrows to secure his neighbors' loans. Gentlemen, that is not right. Let us make a workable measure out of this bill. Let us make a measure that will do the farmer some good. Let us make it simple. Let us make it direct. I think the bill is admirably arranged for the most part, but these provisions here complicate it and make it burdensome on the farmer, and do away with his individuality and attempt to graft on a worn-out system brought here from Europe, and these provisions are all wrong and ought to be stricken out of this bill. In my judgment, it is just a question of time when they will be stricken out, because they will not work. Let us pass a law that will be simple in its details and that all people may understand. Let us leave out the complications and unwise hardships.

Now I am glad to yield to any gentleman who wishes to interrupt me.

Mr. MORGAN of Oklahoma. I should like to ask the gentleman if under his amendment the farmers are not to subscribe for any part of the stock?

Mr. MCKELLAR. They do not subscribe to the stock at all. That part of it is stricken out. The amendment that I have offered just does this: It makes these secretary-treasurers who are provided for in this bill take the place of provisions for stock subscriptions, of agreements to pay in part the debts of his neighbors, and of all this red tape. It literally cuts out the farm-loan associations, the stock subscriptions, the 10 per cent guaranty of other loans of other stock subscribers, and practically all of the red tape in this bill.

Mr. PHELAN. Will the gentleman yield for a question?

Mr. MCKELLAR. Yes.

Mr. PHELAN. What security is there behind the mortgages on the farm lands?

Mr. MCKELLAR. They have the farm lands at 60 per cent of their value behind the mortgages, and they have all the farm-land banks themselves behind them and a Government board behind them. These backings will make them guilt-edge securities without the cumbersome and unnecessary farm-loan associations.

Mr. PHELAN. The money contributed by the Government.

Mr. MCKELLAR. Yes; and, besides, all the profits made by these banks are behind it. It is under the control of the farm-loan board; and, surely, under the control of the Federal farm-loan board, it will have the capital of all these various banks behind it, and the farm-loan board can see that enough profits are accumulated to make the bonds absolutely safe. In addition to all these is the additional security found in the amendment of the gentleman from South Carolina. Still, in addition, they have absolute exemption from all kinds of taxation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MCKELLAR. I ask unanimous consent for two minutes more.

Mr. DILLON. Is that to come out of the time already fixed?

The CHAIRMAN. Yes; the debate closes at 3.45 o'clock.

Mr. MCKELLAR. Then I will not ask for it.

Mr. SMITH of Michigan. The gentleman can ask that the time for debate extended.

Mr. MCKELLAR. I will not do that. I do not want to be unfair about it. The committee in charge of the bill are entitled

to consideration, and we should get along in the consideration of the bill.

The CHAIRMAN. The amendments will all be voted upon after the debate closes at 3.45 o'clock. Has the gentleman from Massachusetts [Mr. PHELAN] an amendment?

Mr. PHELAN. No; I want to answer the gentleman from Tennessee.

The CHAIRMAN. The Chair would like to make a statement. The indications are that gentlemen who have amendments to which they wish to address themselves will occupy the time from now until 3.30 or 3.35. The Chair thought he would reserve for the gentleman from Virginia [Mr. GLASS] at least five minutes.

Mr. MILLER of Pennsylvania. Mr. Chairman, before the time expires, I want to offer an amendment.

Mr. DILLON. I want to offer an amendment.

The CHAIRMAN. The gentleman from South Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DILLON: Page 92, line 12, after the word "association," strike out the period and insert the following:

"*Provided*, That no farm loan shall be made under the provisions of this act for speculative purposes, and that each borrower shall be limited to one loan: *And provided further*, That no loan shall be made to any borrower who owns property or equity in properties exceeding in value, above bona fide encumbrances, and debts, the sum of $10,000."

Mr. DILLON. Mr. Chairman, this amendment seeks to eliminate the speculator. It also seeks to allow the tenant or the small property owner to obtain the benefits of this act. If I mistake not, the real purpose of this bill is to help the tenant, to help the man to get a farm, to help him to get a start; it is not for the bankers, and they ought not to have any interest in it. It ought not to assist the speculator; it ought not to assist the large landowner.

In 1914 we loaned $210,000,000 of emergency currency to the banks at 3 per cent interest. Those really in need of money did not get any benefit from this loan. The banks, however, loaned it out at high rates of interest. The large property owner who owns large landed interests ought not to have any benefit from this bill, because he does not need it. I seek in this amendment to eliminate the speculator and the large landowner. If the amendment is adopted, the person obtaining the loan would have to show that he was not the owner of $10,000 of property above bona fide encumbrances and debts. If he is, he ought not to have a loan. We want the benefits to accrue to the small farmer, and it ought to be extended to the wage earner, so that these people may obtain homes under the provisions of this bill.

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. DILLON. Yes.

Mr. LA FOLLETTE. Under the amendment you would prohibit a man from getting the maximum loan of $10,000, because he could not borrow over 60 per cent.

Mr. DILLON. If he has that much property, he could get his loan anywhere and would not need the benefits of the act.

Mr. LA FOLLETTE. Your amendment cuts down the amount that a man can borrow.

Mr. DILLON. Yes. What would be the procedure under the terms of the bill? In my judgment, the speculator would execute mortgages upon each piece of land. He would buy a number of quarter sections and obtain a mortgage upon each quarter, which would be held for speculation, and thus would root out the small tenant; he would root out the small property owner.

Mr. MOSS of Indiana. Is it the gentleman's understanding of the bill that the man could get a number of separate loans? I would like to say to the gentleman that my impression, and also that of the framers of the bill, is that no man could get more than $10,000 on a loan.

Mr. DILLON. He could borrow $10,000 upon one quarter and get other loans in the names of the different members of his family. He could also buy lands already mortgaged and thus carry on his speculations. The main purpose of the amendment is to exclude the large landowner.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. PLATT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 92, line 21, after the word "than," where it appears the second time, strike out the figures "$100" and insert "$200."

Mr. PLATT. Mr. Chairman, I have offered this amendment simply to point out the extraordinary efforts the committee has made to do something for the small farmer. The bill as originally written had $200 as the minimum for a loan, and it seems questionable whether any man should be encouraged to mortgage his farm for 36 years for $100 and try to pay it back by amortization.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. PLATT. Yes.

Mr. MOORE of Pennsylvania. What qualifies a man as a shareholder? The payment of $5?

Mr. PLATT. Yes.

Mr. MOORE of Pennsylvania. Then he is qualified to borrow $100?

Mr. PLATT. Yes. He must obtain a loan before he becomes a full member.

Mr. MOORE of Pennsylvania. On what kind of property?

Mr. PLATT. I do not see how this minimum of $100 could be of any service in my part of the country except possibly to a market gardener; but the gentleman from Arkansas [Mr. WINGO] said that there were hill farms in his country of 100 acres that were not worth more than two or three hundred dollars.

Mr. MOORE of Pennsylvania. There must be an appraisement of that land.

Mr. PLATT. Yes.

Mr. MOORE of Pennsylvania. And the appraisement must be paid for out of the Treasury of the United States. That is to say, the appraiser gets his salary directly from the Treasury.

Mr. PLATT. Yes.

Mr. MOORE of Pennsylvania. The appraiser appraises certain territory where land may be worth $50 this year and only $10 the next year.

Mr. PLATT. I think that is an extreme statement.

Mr. MOORE of Pennsylvania. Well, let it rise or fall. What I want to get at is whether the Government, or the association primarily and then the Government, would lose if the appraisement has been unwisely made on one of these small tracts.

Mr. PLATT. The association would lose. The expenses of looking up the title, registration, and appraisement, and everything else, if there was any considerable number of these small loans, would swamp the whole system.

Mr. OLDFIELD. Will the gentleman yield?

Mr. PLATT. Yes.

Mr. OLDFIELD. Might not a person want to buy an addition to his tract of land, 5 or 10 acres, in addition to his farm?

Mr. PLATT. The gentleman would hardly advise a man to mortgage his farm and go to the expense of appraisement and looking up the title, and all that sort of thing, for $100. The gentleman would indorse his note himself, would he not, or loan him the $100?

Mr. OLDFIELD. I can see how a man might want to do that; he might want a tract of land adjoining his and be ready to mortgage his farm to get it.

Mr. PLATT. The purpose is to allow the man who has a little bit of a farm to mortgage it—not to encourage a large farmer to buy more land.

Mr. OLDFIELD. There are places in the country where you can buy land for $5 an acre and make a living off it.

Mr. PLATT. Possibly.

Mr. OLDFIELD. I know a great deal of land like that.

Mr. PLATT. Such farms do not pay, as a rule.

Mr. YOUNG of North Dakota. Will the gentleman yield?

Mr. PLATT. Yes.

Mr. YOUNG of North Dakota. Would not the expense of making the loan, which falls upon the borrower, be so great as to make his interest unusually high?

Mr. PLATT. It would; he might pay about 50 per cent of his loan in expenses, which would be ridiculous.

Mr. McKELLAR. Will the gentleman yield?

Mr. PLATT. Yes.

Mr. McKELLAR. The gentleman is a farmer?

Mr. PLATT. I was brought up on a farm, in part.

Mr. McKELLAR. Does not the gentleman think the provision that requires the farmers to organize into farm-loan associations and pay 5 per cent, and so forth, is too much red tape?

Mr. PLATT. You have to have some such "red tape" in order to form a cooperative association. You can not have cooperation unless the borrowers become also stockholders. I admit that many farmers may prefer to borrow in some more direct way.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask unanimous consent that the amendment which I offer may be considered as read.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that the amendment which he offers may be considered as read.

Mr. MADDEN. I object.

The CHAIRMAN. The Chair will state to the gentleman from Illinois that the substitute proposed by the gentleman from Oklahoma is of very great length.

Mr. MORGAN of Oklahoma. It is not of very great length, but it will take all of my five minutes to have it read. I would like to take the time in explanation of it.

Mr. MADDEN. I do not like to vote against it without hearing it read.

The CHAIRMAN. The gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Mr. Chairman, I have an amendment that I desire to offer.

Mr. MORGAN of Oklahoma. Then, Mr. Chairman, can I not offer my amendment and have it read in my time?

The CHAIRMAN. The Chair will recognize the gentleman.

Mr. MOORE of Pennsylvania. Who is recognized at present?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 92, line 12, after the word "treasurer," strike out the words "who need not" and insert the word "shall."

Mr. MOORE of Pennsylvania. Mr. Chairman, the amendment offered by the gentleman from New York [Mr. PLATT] struck me very favorably because of the possibility of a speculator, or anyone who happens to own a small piece of ground and who can not otherwise dispose of it, borrowing a sufficient amount of money upon it to let him out and then leaving the Government in possession of the property. There is no question but that that will follow in numerous instances. Some lot owner, or small-tract owner, will find it greatly to his advantage to leave the property with the Government after the Government or the farm association has loaned the money upon it. I have known small owners who would have been very glad, after obtaining 50 or 60 per cent of the value of their farms, to step out and leave the lender in possession of the property. The taxes and depreciation have much to do with that.

My amendment proposes that the secretary and treasurer of these land associations shall be a farmer himself. If we are to specialize and this bill is purely for the benefit of the farmer—no wage earner is to participate in it—let us require that a farmer shall be the secretary and treasurer of this farmers' land association.

Mr. YOUNG of North Dakota. Does the gentleman's amendment provide that a farmer shall be?

Mr. MOORE of Pennsylvania. Yes.

Mr. YOUNG of North Dakota. The gentleman said shareholder.

Mr. MOORE of Pennsylvania. I said shall be a shareholder in the association. The language of the bill is "who need not be a shareholder," and my amendment provides that he shall be a shareholder of the association. Only a farmer can be a shareholder, as I understand it.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. It is evident that nearly all of the business of these land associations is going to devolve upon one paid officer, the secretary and treasurer, and if the bill is left to stand as it is, that paid officer may be an attorney, an agent, an editor, an expert, a land shark, a speculator, anybody, who is instrumental in organizing this national land association of 10 men, who by contributing $5 a piece can get a charter from the United States. Speaking of red tape, to which the gentleman from Tennessee referred a little while ago, the real farmer would never touch bottom on this proposition at all unless you put the business in his hands.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. MOSS of Indiana. The gentleman does not want to make a mistake in his statement which he will regret later on. Ten men can not by contributing $5 each get a charter from the Government.

Mr. MOORE of Pennsylvania. The bill provides that 10 or more natural persons who are the owners or who are about to become owners of farms shall be qualified to form a national association, but the values represented must be not more than $10,000 nor less than $100——

Mr. MOSS of Indiana. Oh, it does not say that at all.

Mr. MOORE of Pennsylvania. Therefore, if one share of stock at $5 will qualify a member, 10 men at $5 each—a total of $50—forms a national association, provided they ask for a loan of $20,000.

Mr. PHELAN. Mr. Chairman, will the gentleman yield?

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Oh, this is delightful!

The CHAIRMAN. Does the gentleman yield, and to whom?

Mr. MOORE of Pennsylvania. I yield to the gentleman who will put his question the quickest.

Mr. PHELAN. Mr. Chairman, I would like to ask the gentleman if he has read any other part of the bill in connection with this proposition than this part?

Mr. MOORE of Pennsylvania. I have done the best I could to understand it, and if the poor farmer can understand it and work under it he will do a great deal better than I can.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MORGAN of Oklahoma. Mr. Chairman, I renew my request now.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to offer an amendment and to have it considered as read, and consume five minutes in explanation of it. Is there objection?

Mr. MOSS of Indiana. Mr. Chairman, I would like to have unanimous consent for one minute of time in order to make a statement to correct the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. I shall object to that, because I do not like to have my statements corrected without a chance to reply.

The CHAIRMAN. The gentleman from Pennsylvania objects. Is there objection to the request of the gentleman from Oklahoma?

Mr. WINGO. Mr. Chairman, what is the request—that this shall be five minutes additional?

The CHAIRMAN. No. Is there objection?

There was no objection.

The amendment of Mr. MORGAN of Oklahoma is as follows: Page 88, strike out section 8, and in lieu thereof the following:

FEDERAL FARM LOAN ASSOCIATION.

SEC. 12. That corporations to be known as Federal farm loan associations shall be organized as hereinafter prescribed. When five or more persons in any county shall have secured loans from any Federal land bank, such bank shall appoint three of such persons as directors of the Federal farm loan association of such county. Such directors shall hold their offices until their successors shall be duly elected at any regular meeting of the members of such association. The Federal Farm Loan Board shall prepare a form of an organization certificate to be used in the incorporation of Federal farm loan associations. At least two of such forms shall be transmitted to the persons so appointed as directors by the Federal land bank. Such directors shall sign such organization certificate and duly acknowledge the same before a notary public or some other officer duly authorized in such county to administer oaths. Such certificate shall be transmitted to the Federal Farm Loan Board, and a copy thereof shall be transmitted to the Federal land bank of such district.

If the Federal Farm Loan Board shall find that such organization certificate shall be duly executed and in proper form it shall approve the same and issue to said association a charter or certificate of its incorporation, and said Federal farm loan association shall become a corporation as of the date of the acknowledgment of its organization certificate.

Every person who shall obtain a loan from any Federal land bank shall thereby become a member of the Federal farm loan association of the county in which the land mortgaged to secure such loan shall be located, and in his application for loan he shall accept membership in such association, under the terms and conditions as prescribed in this act. He shall also, in such application, agree to assume all of the responsibilities and liabilities of such membership. He shall be entitled to all the advantages and benefits of membership in such association without the payment or any fee, commission, or assessment of any kind or character, except as provided in this act. His membership in such association shall continue until the payment in full of his loan, at which time his membership therein shall cease.

Federal farm loan associations shall have no capital stock and shall not be conducted for profit. Their objects shall be to assist in the administration of the system of land credits established by this act, to assist Federal land banks in conducting their business, and to provide an organization through which and by which the members thereof shall cooperate with each other in securing credit, in the payment of their loans and in other proper lines for their mutual benefit and for the promotion of agricultural development.

The directors elected at the first election of any Federal farm loan association shall hold their offices for one, two, and three years, respectively. Thereafter directors shall hold office for terms of three years each. The directors shall serve without pay. Any Federal land bank may, however, employ any director or member of any Federal farm loan association and pay him for such service. One of the directors shall be designated as chairman, one as vice chairman, and one as secretary-treasurer. Such officers shall perform such duties as are customary for such officers to perform and such other duties as may be prescribed by such association.

Every Federal farm loan association shall adopt by-laws and rules for its government on such form as shall be prepared and approved by the Federal Farm Loan Board.

Every Federal farm loan association shall appoint one or more appraisement committees consisting of three members, who shall perform such duties in the appraisement of land offered as security for loans in said county as shall be prescribed by the Federal Farm Loan Board.

Federal farm loan associations shall have power to adopt and use a corporate seal, to have succession until dissolved by act of Congress or under the provisions of this act, to sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons, to do any other act prescribed by law and to make such contracts as may be prescribed by the Federal Farm Loan Board.

The directors of Federal farm loan associations shall meet at such time and place as shall be designated by the chairman of the board. A majority of such board shall constitute a quorum for the transaction of such business.

The members of every Federal land bank association shall meet every three months in regular meeting. Special meetings may be called by the chairman of the board of directors. A majority of such members shall constitute a quorum. The officers of the board of directors shall

be the officers of the general assembly of the members of the Federal farm loan association. In all meetings of Federal farm loan associations each member thereof shall have one vote.

Until such time as borrowers in any county or parish shall be organized as provided in this section, the individual borrowers in such county shall be regarded as a national farm loan association, and all the provisions in this act in any way referring to national farm loan associations shall be held to refer to individual borrowers in any county before organized as herein provided.

Where it shall be determined by any Federal land bank that a county includes a larger area than should be included in a single national farm loan association, such county may be subdivided into more than one district, and a national farm loan association may be organized in each of said subdivisions, and each of such subdivisions shall be held to constitute a county so far as the provisions of this act shall relate to the organization and administration of national farm loan associations and the liabilities of the members thereof.

Mr. MORGAN of Oklahoma. Mr. Chairman, the amendment which I offer is an entire substitute for all of the provisions in the committee bill relative to farm-loan associations. It provides for the organization of these farm-loan associations. It provides that each member shall contribute his 5 per cent of a loan just as in the committee bill, to the stock of the Federal land bank, not to the stock of the farm-loan association. Whenever there are five persons in any county who have made loans from the Federal land bank, automatically they become a farm-loan association. Up until that time they will get their loans individually; so automatically they would become a farm-loan association. They have a secretary and a treasurer, and they have an appraisal committee, and they have their annual meeting, but they do not make loans. They are not allowed to pay a salary to the secretary-treasurer. They are not given the power to assess fines, to make levies, or to make a single dollar's worth of expense upon the borrower.

Mr. MOSS of Indiana. Will the gentleman yield for a moment?

Mr. MORGAN of Oklahoma. I hope the gentleman will make his question brief, because I have very little time.

Mr. MOSS of Indiana. Under the gentleman's bill, does not the farm-loan association make the first appraisement of the land that is offered for the loan through its loan committee? Is not that the fact?

Mr. MORGAN of Oklahoma. I prefer to answer in my own way, if the gentleman pleases. I have appraising committees—one, two, three, four—as many as you want. This appraising committee is required to go and appraise the land, but they are not expected to go 40, 50, or 60 miles, and they will appraise the land within their own neighborhood; and I believe they will do that local appraisement. It is not expected under the commitee's bill that these appraising committees shall be paid. The only salary provided for in the committee's bill is that of the secretary-treasurer, but there are other expenses that may be incurred.

Mr. MOSS of Indiana. That same feature is in the gentleman's bill, is it not?

Mr. MORGAN of Oklahoma. No. The trouble is that under this committee bill you have made your farm-loan association expensive, and under the substitute which I have offered they will contribute more for their assistance than they will under this expensive system which the committee has provided.

Mr. McKELLAR. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. McKELLAR. Does the gentleman's substitute provide that every borrower shall be liable for 10 per cent of his loan for his neighbor's debts?

Mr. MORGAN of Oklahoma. No, sir; they are liable for the amount of stock they hold in the Federal land company. Now, I think that it is a good deal to ask of the farmer to invest 5 per cent of the loan, but I believe, after all, it is not asking too much. Either we must expect private capital to furnish the funds or the farmers must contribute it, and I believe that the farmer can contribute 5 per cent and invest that in farm-loan bonds in a reserve fund which would draw back 4 per cent, and at the end of the loan the farmer is credited with the amount of his stock. He can not possibly lose but little, and yet he becomes independent of capital.

If you draw your bill right, he becomes independent of the speculator and those who would derive profit on him between him and the investment. Now, as I say, the adoption of my substitute would cut the expense of the farm-loan association, and we ought to have some concern for the National Government. If this bill should be enacted into law we may have 1,000, 2,000, or 3,000 of these farm-loan associations, and the National Government furnish and pay the inspectors to inspect them, and under this system you increase very largely the expense of the National Government in supervising these farm-loan associations. It is more expensive to the Government, more complicated, and certainly more aggravating to the farmers. Think about it. If an association is organized with 10 persons, how does the farmer go into that association? He can go in only by a two-thirds vote of the directors. Five directors can prohibit any man from becoming a member of that association.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of Pennsylvania. Mr. Chairman, I offer the following amendment:

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 94, after line 19, add the following:

"That in addition to the funds provided for in this bill from which loans may be made to borrowers, the moneys on deposit in the several postal savings banks shall be made available, and on the order of the Postmaster General the funds in the several postal savings banks throughout the United States shall be transferred to the Federal farm loan and by it transferred equitably to each of the Federal land banks, and the said banks shall loan the said funds so transferred to it in the same manner and upon the same terms and conditions as the other funds of the said banks are loaned and like security shall be taken therefor. The said farm-loan banks shall assign to the Treasurer of the United States the obligation of said farm-loan banks, paying thereon the same rate of interest the Government pays for said postal deposits. If the postal savings funds should prove insufficient to supply the funds required by said banks to either make the loans applied for, redeem the bonds that have fallen due, pay the interest thereon, or the interest on any bonds that may be due and unpaid, when, and if the banks, by reason of the default of the borrowers from any cause, have not the available funds to pay the same, then, and in such an event, whenever it occurs, the Comptroller of the Treasury may issue full legal tender paper money to create a fund to redeem the said due bonds and pay the interest in default on any of the bonds issued by said banks, and also to purchase any bonds that are undisposed of by reason of there being no other purchasers therefor.

Mr. SHOUSE. Mr. Chairman, I reserve a point of order on the amendment. It seems to me that that should be offered as a separate section; that it does not pertain to this section, and I make the point of order.

The CHAIRMAN. The gentleman from Kansas reserves the point of order.

Mr. SHOUSE. No; I make the point of order. I think it should be offered as a separate section. Evidently it is not germane in any sense to this section.

Mr. MILLER of Pennsylvania. Mr. Chairman, I offer this amendment on the strength of a letter I received from a constituent of mine, and it is practically in the very language of the letter——

The CHAIRMAN. The gentleman from Pennsylvania will suspend.

Mr. MILLER of Pennsylvania. Mr. Chairman, I hope this will not come out of my time.

The CHAIRMAN. The gentleman from Kansas makes the point of order. What is the point of order?

Mr. SHOUSE. That this should be offered as a separate section, and that it is not germane to the section.

The CHAIRMAN. Does the gentleman from Pennsylvania offer his amendment as a separate section?

Mr. MILLER of Pennsylvania. No, sir; I offer it as an amendment at the close of the paragraph that is under discussion.

The CHAIRMAN. The Chair desires to say——

Mr. MILLER of Pennsylvania. And I trust this will not come out of my time. Mr. Chairman, as I have said, this amendment I offered is in almost the language of the letter which I received from a constituent——

Mr. SHOUSE. Mr. Chairman, I would like to have a ruling upon my point of order.

The CHAIRMAN. The Chair will take advantage of two or three minutes in order to look up the precedents.

Mr. SHOUSE. I reserve the point of order.

The CHAIRMAN. The gentleman from Kansas [Mr. SHOUSE] reserves the point of order, to be passed upon before the amendment is voted on.

Mr. MILLER of Pennsylvania. I hope, Mr. Chairman, this will not be taken out of my time.

As I have said, this amendment is offered almost in the language of a letter written to me by a constituent on April 1. I wrote him that I thought Congress would hardly adopt such a bill as he suggested, and in answer to that he wrote me another letter. I will ask unanimous consent to insert the correspondence with my remarks.

The CHAIRMAN. The gentleman has that permission.

Mr. MILLER of Pennsylvania. Now, gentlemen, if you want to give the farmer a real bill, something that will accommodate the farmers beyond all question, which will provide that there will never be a default or deficiency, you want to adopt this amendment. As long as the printing presses can run the bills can be printed to buy up the bonds that are in default of payment, and pay the interest where it is in default. It is just as proper for the Government to take these bonds as it is to force them on an individual.

Mr. McKELLAR. Mr. Chairman——

The CHAIRMAN. Does the gentleman yield to the gentleman from Tennessee?

Mr. MILLER of Pennsylvania. Yes.

Mr. McKELLAR. Does the gentleman expect to vote for that kind of an amendment.

Mr. MILLER of Pennsylvania. I do not expect to vote for it, but I expect you gentlemen on that side of the House to vote for it. That will give you a real bill. It will give you something that will appeal to every farmer in the country that is in debt, and that is the kind of people who need help.

I will frankly say that this bill, or any of the amendments offered or adopted, is not needed in the district I represent. Every farmer in that district who needs money, who is industrious, and who tries to meet his obligations, and is a man of good character, can get all the financial help he should have, on a long-time loan, and at a rate of interest not exceeding 6 per cent per annum, without this bill. [Applause.]

I insert the correspondence to which I referred:

FREDONIA, PA., *April 1, 1916.*

Hon. S. H. MILLER,
*Washington, D. C.*

DEAR SIR: I hope to see a real rural-credits bill, based on a postal-savings-bank measure, that will allow owners of small farms and town properties to get loans on 50 per cent valuation of their property at 4 per cent and to run 25 years, the Government requiring a small payment of the principal, say 4 per cent, and giving privilege to pay off the whole loan any time at the option of the borrower. This would encourage young married men to try to buy and pay for a home of their own without the fear of sheriff foreclosure in case of sickness or temporary forced idleness.

Funds for such loans could be had from postal savings banks now in operation, and they could be materially increased by making the interest on unlimited deposits at 3 per cent, and the difference of 1 per cent would pay the Government expenses of making the loans, if done by a local board of loans created at each money-order office and consisting of the postmaster and two other disinterested freehold appraisers.

If the postal savings funds should prove inadequate, the Comptroller of the Treasury should be required to issue full legal-tender paper money with which to buy the real-estate mortgages as fast as they accumulate, as such money is now issued on assets of banks.

Rural communities could use these borrowed funds to form cooperative buying and marketing centers and help with surplus funds any deserving renter who has no land to better his condition and finally to own land of his own. This system is not new. It was used, by the advice of Benjamin Franklin, for the colony of Pennsylvania till forbidden by England, and, thus forbidden, was one prime source of the cause of the War of the Revolution.

Franklin said that though thousands of pounds of such paper money was issued it never fell in value, because the holder of a mortgage unable to use the borrowed money at a profit at 4 per cent interest went and paid off his mortgage, and that contracted the volume of money, and so kept up its value automatically.

You and I are getting well up in years, and I fear we have not looked well after the general welfare of our people as we should in our eagerness to better our own conditions. I notice that you intend to retire from politics, especially as a candidate for office, and it would please many of us to see your vote and time employed as above for the betterment of the whole people, and not all for a few. * * *

Yours, truly,

N. H. MOTSINGER.

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APRIL 3, 1916.

Mr. N. H. MOTSINGER,
*Fredonia, Pa.*

DEAR SIR: Your letter of April 1 received. I think a rural-credit bill will pass the House this session, but do not know what its fate will be in the Senate. However, I do not think it will be on the basis you suggest. Very few Congressmen, so far as I have heard them express themselves, are in favor of the Government becoming a banker and lending money direct to borrowers. The proposition that will likely pass is to authorize banks expressly chartered for the purpose to lend farmers and others who can give satisfactory security money on long-time payments, such loans, however, to be secured by long-time mortgages and bonds in denominations of $100 to $1,000, issued to secure payment of said mortgages. Something after this manner will pass.

Very truly, yours,

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FREDONIA, PA., *April 18, 1916.*

Hon. S. H. MILLER, M. C.,
*Washington, D. C.*

DEAR SIR: I thank you for sending me a copy of the Hollis bill, purporting to afford farmers a means of getting long-time low-rated money to help them improve their farms and to help young men acquire ownership of homes as farmers. I have read this complicated bill and noted how it is burdened with bonds that must be sold, that the borrower must put up himself 5 per cent of the money he borrows, and that there are several kinds of banks he may tackle for relief and find no relief in any of them.

I doubt if you can find 10 Mercer County farmers who will read this bill all the way through to determine which route for relief is the best that the Government offers. The bill furnishes plenty of "jobs" at good salaries and plenty of good picking for attorney fees and abstracts, and no limitation placed on the size of the fee; and, worst of all, there is not a rate named that will assure the farmer that he will pay less interest than a national bank would charge him, but he may get a longer time to pay his mortgage off if the Federal officials of the board of the land bank so decree. This bill was never intended to give the farmers any relief. It is an excuse to fool the farmers into the belief that Congress has tried to aid them, but in such a way that they will never be able to apply it. But the Congressmen can say, "We passed you a rural-credit bill and you haven't sense enough to use it."

It shows that Congress must have an awful grudge against the farmer to pass such a bill as that and call it a relief rural-credit bill. I hope you did not vote for it, as you surely have not such a grudge against the farmer as that.

Yours, truly,

N. H. MOTSINGER.

Mr. OLIVER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, by inserting the following in line 2, after the word "repayment":

"*Provided, however,* That when the loan is approved and the bonds negotiated the Federal land bank may pay to the secretary-treasurer of the national-loan association through which the said loan was applied for an amount annually equal to one-half of 1 per cent, the same to be paid out of the 1 per cent assessed for expenses against the borrower."

Mr. OLIVER. Mr. Chairman, I have been impressed with the very great care shown by the committee in the preparation of this bill, and I am in hearty sympathy with the general purposes of the bill, though I do not fully concur in the wisdom of some of its provisions. This amendment is offered for the purpose of eliciting information from a member of the committee relative to the matters referred to therein. I would like to ask the gentleman from Indiana [Mr. Moss] a few questions. Did the committee in the hearing consider or discuss the probable limit of territory within which national farm-loan associations would be allowed to operate?

Mr. MOSS of Indiana. I would like to say to the gentleman in reply to his question that neither the Banking and Currency Committee during the present session of Congress nor the joint committee during their sittings held any hearings whatsover on this subject.

Mr. OLIVER. No expense money is immediately provided in the bill for national farm-loan associations, unless raised by assessment on members. The only funds for meeting the necessary expenses of such associations are derived from dividends when declared. Did your committee consider when such dividends would probably be first declared and what the probable expense of conducting the business of those associations would be to the date when they might be so declared?

Mr. MOSS of Indiana. In reply, Mr. Chairman, the committee knew, of course, that the dividends could not be declared before the interest was paid into the land banks. Under the terms of the bill the interest is paid annually or semiannually. If the loans are made annually, I presume the dividends are paid annually. However, the dividends might be paid semi-annually. As to the expense, it was believed the conduct of the association would be largely altruistic and without expense. We did contemplate there would probably be some expenses connected with the secretary-treasurer.

Mr. OLIVER. Just one more question in that connection. When banks or trust companies are designated as agents to submit applications for loans to the Federal land banks, the Federal land banks under the bill as drawn may pay to such agents one-half of 1 per cent. Now, why did the committee not provide the payment of this one-half of 1 per cent to the national farm-loan association when loans were approved and the money collected thereon?

Mr. MOSS of Indiana. Because the relation between the farm-loan association and the land bank is totally different from that which would be between the agent and the land bank. The farm-loan association is a shareholder in the land bank and would naturally share in the dividends whenever declared. Now, then, the agent bank, having no connection whatsoever with the system, would not participate in any way in the earnings, and could not get any pay whatsoever for its labor unless it was by contract. The gentleman must remember the language is "not exceeding one-half of 1 per cent."

Mr. STEAGALL. Mr. Chairman, will the gentleman permit an interruption?

Mr. OLIVER. Yes.

Mr. STEAGALL. Answering further, also, it is a fact, is it not, that every member of the farm-loan association is a borrower and gets his benefit both as a borrower and as a stockholder, whereas in the case of the trust company which acts as agent it would have no such interest in it?

Mr. OLIVER. Mr. Chairman, my purpose in offering the amendment was to write into the record the views entertained by members of the committee on the matters inquired about, and I now ask to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. RUBEY having taken the chair as Speaker pro tempore, a message, in writing, from the President of the United States, was communicated to the House

of Representatives by Mr. Sharkey, one of his secretaries, who also informed the House of Representatives that the President had, on May 11, 1916, approved and signed bill of the following title:

H. R. 8067. An act to quiet title to certain lands in the possession of G. B. Dickson, and for other purposes.

RURAL CREDITS.

The committee resumed its session.

Mr. DILLON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from South Dakota [Mr. DILLON].

The Clerk read as follows:

Amendment by Mr. DILLON: Page 92, line 21, strike out "$10,000" and insert "$5,000."

Mr. GREEN of Iowa. Mr. Chairman, I am not well informed with reference to the conditions of the southern farmer. I do not pretend to know what he wants or what he needs. According to what some gentlemen have said here, on the other side of the House, he wants much, and his needs are very great. Indeed, if I may credit some of the statements that have been made, I would assume that his condition is pitiable, indeed, and such that the Federal Government might possibly be justified in going to his aid by what some gentlemen have called the "donations" of this bill.

But, Mr. Chairman, the conditions in the district which I have the honor to represent are far different. The farmers there who have land live in good houses—many have better than I could afford to own. As a rule they possess automobiles, and if they do not have money in the bank have a credit there to an extent that few of the merchants possess, and none of the officeholders. These men who own land can get money at the banks at a fairly reasonable rate for short-time loans. On farm loans, I think, the prevailing rate is now 5 per cent, with a small commission, although at times it has been higher.

But does any gentleman suppose, does anybody think, that these men who are in this condition financially are going to mortgage their farms in order to secure the loans of other parties? Yet that is what they must do in part if they obtain loans under this system. If gentlemen believe that they will do this, I think they are mistaken. No one seems to think that the rate will be less than 5 per cent under this bill. Surely a farmer would rather pay a small commission than to add one-tenth to his loan to help secure the loans of others and submit to the other restrictions of this bill. I can not believe that this system will work satisfactorily in the country at large, or that it will be of any particular benefit to the farmers of the district which I have the honor to represent. I hope it may, but I do not believe it will.

Of course, there is another class of farmers in my district, as there is in every district, I suppose—the tenant farmer. But this bill will not help the tenant farmer. He is the man who needs help most and ought to have it. I will ask any gentlemen in charge of the bill to point out how this bill could possibly help the tenant farmer.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. McKELLAR. If the tenant farmer has accumulated enough to pay 40 per cent on the farm, he can borrow money from this board.

Mr. GREEN of Iowa. Yes; in other words, if the farmer has enough means and credit to borrow from somebody else, this bill will help him to borrow more. He will be in the same condition as those who already own land. But that kind of a tenant in Iowa can get the money elsewhere as cheaply and without the added burdens of this bill.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HUMPHREY of Washington. Will not this bill increase the price of farm land, so that the prospective buyer will have more to pay?

Mr. GREEN of Iowa. Yes. It has been suggested by the gentleman from South Dakota [Mr. DILLON] that this bill will promote speculation in farm lands, and I think it will. At the time it was first proposed to have a bill of this kind passed by some Congress letters were sent to the farmers all over this country—to those in my district, at least—asking the farmers how much money they would want, and how they would use it. I knew one man who already owned several hundred acres of splendid land in my district who answered back that he could use $50,000, and in answer to the other question as to what he would do with it he said he would buy more land. So it is likely to be in the case of this bill; at least that is what it can be used for. A considerable portion of the money which the Government provides, I think, will be used by speculators. They are the persons who will probably get the greatest advantage from it. [Applause.]

Such in brief are my views of this bill. I hope I am wrong in my conclusions, as I have no doubt it will pass. I may say also that as it is all we are able to get, I am inclined to vote for it in the hope that it may do some good and in the belief that it will not do much harm. The committee has spent much time in preparing it. Their task has been a difficult one, and if they have not been successful it is certainly through no want of effort or desire to help the farmer.

Mr. PHELAN. Mr. Chairman, there are one or two things which I did not intend to touch upon, but I see there is some misunderstanding on the part of some gentlemen in regard to these. The bill is complicated, or seems to be on its first reading, and Members seem to misunderstand some of the provisions of the bill.

I want to call the attention of the gentleman from North Dakota [Mr. YOUNG] to the fact that there is a provision in the bill which absolutely prohibits a loan to one person of more than $10,000. It will be found on page 103, at the top of the page, and also on page 92. So it will not be possible, as was asserted, for one man to go out in 40 different districts and borrow $10,000 in each one, or a total of $400,000.

Mr. YOUNG of North Dakota. Not even by indirection?

Mr. PHELAN. Not even by indirection, as the gentleman suggests.

Now, I want to say in response to what the gentleman from Tennessee [Mr. McKELLAR] has said——

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. PHELAN. No; I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. PHELAN. I can not yield at present. With reference to what the gentleman from Tennessee stated, I want to say a word and call attention to the inconsistency of some of these gentlemen who are talking upon this rural-credit proposition. They will tell you that there is no better security in the world than these farm mortgages. Then they will tell you that it is a perfectly safe proposition to put into effect a system under which the borrower does not put anything into the guarantee fund of the system; that nobody can lose anything by it; that the Government can contribute; that the Government can guarantee; and that there is no danger of any loss. And then, in the next breath, they say, "Why do you put the liability on the poor farmer of the loss that he is likely to sustain under this system?"

My friends, we have attempted to draw this law so that there will not be any loss at any place; and if ultimately there is going to be any appreciable loss, there will be a failure of the whole system.

Let me point out the situation with reference to the contribution of the farmer. Here is the chance he stands of losing any money: He can not lose a nickel if the interest is paid on the mortgage in that association and if the principal is paid. If they are not paid, there is a 40 per cent margin on the land and 80 per cent on the buildings, because under the appraisal you can not loan more than 60 per cent on the land and 20 per cent on the buildings. So that, under the provisions of this bill, if the mortgage is to be foreclosed, the farmers in the association are not going to lose anything ultimately.

But suppose that temporarily the association can not meet its obligations immediately. We have provided in our bill for a special reserve of $150,000 in the land bank that can be drawn on temporarily by the association, so that that money can be used to meet the association's immediate debts. Thus, if the members can not pay their obligations, there will be foreclosure proceedings, if necessary, and the association will be absolutely solvent.

So all this talk about the tremendous responsibility that the farmer is assuming when he contributes 5 per cent to the stock of the association and assumes another 5 per cent of liability amounts to nothing at all.

In addition to that, let me point out that he is going to get something for that 5 per cent. He has got the stock, and it will earn dividends. If it earns dividends, he will get them. Nobody else is going to make any profit out of it. Under this cooperative system nobody can make a single dollar out of the operation of the system except the stockholders, who are themselves borrowers. So if there are no dividends, it will be because the farmer is getting his money at such a low rate of interest that no profits are earned. It is going to work to the benefit of the borrower one way or the other. If the rate of interest is higher than the bank needs to charge, the borrower will get the money back in the form of dividends on his stock.

If he does not get any dividends, it will be because he is getting his money at such a low rate of interest that no dividends are earned. He is bound to get the benefit of it one way or the other.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. McKELLAR. Mr. Chairman, it has been quite a while since my amendment was read. It is short, and I ask unanimous consent that it may be read again.

The CHAIRMAN. The amendments will be considered first. The amendment of the gentleman from Tennessee is in the nature of a substitute. It will be voted on after the amendments have been voted on. The vote will first be taken on what is known as the Dillon amendment No. 1.

The question being taken, the amendment was rejected.

The CHAIRMAN. The next amendment is the Platt amendment. The question is on that amendment.

The question being taken, the amendment was rejected.

The CHAIRMAN. The next amendment is that of the gentleman from Pennsylvania [Mr. MOORE].

The question being taken, the amendment was rejected.

The CHAIRMAN. The next amendment is offered by the gentleman from Pennsylvania [Mr. MILLER].

The question being taken, the amendment was rejected.

The CHAIRMAN. The next amendment is known as the Dillon amendment No. 2.

The question being taken, the amendment was rejected.

The CHAIRMAN. The next is the amendment in the nature of a substitute offered by the gentleman from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. I ask unanimous consent that that amendment may be read. It is short.

The CHAIRMAN. The gentleman from Tennessee [Mr. McKELLAR] asks unanimous consent that his substitute may be again reported. Is there objection?

Mr. SHOUSE. I object.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Tennessee [Mr. McKELLAR].

The question being taken, on a division (demanded by Mr. McKELLAR) there were—ayes 38, noes 44.

Accordingly the amendment was rejected.

The CHAIRMAN. The next amendment is in the nature of a substitute, offered by the gentleman from Oklahoma [Mr. MORGAN].

The substitute was rejected.

Mr. MURRAY. Mr. Chairman, I offer an amendment to come in as a new section.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MURRAY] offers an amendment, which the Clerk will report, in the form of a new section.

The Clerk read as follows:

Amendment by Mr. MURRAY:

Page 94, line 19, at the end of the line add the following as a new section:

"COOPERATIVE FARM-HOME SOCIETIES.

"SEC. 8a. The Federal farm-loan board shall authorize, under such rules as it may prescribe, the organization of cooperative farm-home societies, whose members shall consist solely of heads of families, citizens of the United States, whose taxable property does not exceed $1,000 and who own no farm real estate, and who bear a good reputation for thrift, sobriety, and fair dealing. No such society or its members shall be required to own any capital stock in any national farm-loan association, Federal land bank, or joint-stock land bank to entitle it or its members to the benefits hereunder, but such society shall be voluntary, organized wholly within a State, for the purpose of buying farm homes for its members who may each have the privilege, within the discretion of said Federal farm-loan board, of borrowing a sum not exceeding $2,000 with which to buy a tract or parcel of farm land and not to exceed 90 per cent of the cost thereof, exclusive of improvements. The members of such society may collectively or individually, by verified petition, make application to the Federal farm-loan board through the Federal land bank, on blanks furnished by the Federal farm-loan board, setting out their respective qualifications as above and as herein enumerated, each petitioner giving the names of at least two witnesses to sustain each of the requirements of this section to entitle each of them to the benefits thereof, and reciting by metes and bounds the tract or parcel of farm land which each desires to purchase as a farm home, giving the price of same as reasonable and the name of the owner who offers it for sale, and further stating that the petitioner desires said tract of land for a farm home, pledging to live upon it for the purpose of cultivation until the loan is discharged by repayment on an amortization plan, or until authorized to sell or dispose of the same or to remove therefrom by the Federal farm-loan board; and further stating that he will not commit waste nor permit it to be done, and that he will keep all taxes paid upon the said tract or parcel of land. Whenever a number of such petitioners, not less than 100, living within a convenient radius of each other and in the same State, shall have been received by said Federal farm-loan board it shall make or cause to be made investigation as to the truth of the statements of such petitioners, and appraisement of the value and investigation of the title to each tract of land desired to be purchased under this section, and if as many as 30 of such petitioners shall have established to the satisfaction of said Federal farm-loan board the truth that they have met the requirements in said petition and of this act, and are of suitable character authorizing them to come within the benefits extended to members of cooperative farm-home societies, then in that event the Federal farm-loan board shall authorize the Federal land bank of that district to loan to each of such petitioners individually a sum equal to 90 per cent of the value of each respective tract of land not to exceed in any event $2,000 to any one person, conditioned upon each petitioner's individually depositing in such Federal land bank to its credit a sum equal to 10 per cent of the value of said tract of land (exclusive of improvements) and an amount in addition thereto with which to pay the cost of investigation (the full amount so deposited shall be returned if the loan be denied), then in that event the Federal farm-loan board shall direct the purchase of such tract or tracts of land, and the Secretary of the Treasury of the United States is hereby authorized and directed to deposit in such Federal land bank, out of any moneys in the Treasury not otherwise appropriated, as a loan to the reserve fund of farm-home societies, a sum of money equal to 10 per cent of the aggregate loans to all members of such society as a reserve fund, which shall equal at all times the sum of 10 per cent of the outstanding loans to all members of all cooperative farm-home societies of such Federal land-bank district: *Provided*, That the said Federal farm-loan board shall exercise a supervision over the use and occupancy of said land with a view of enforcing purchaser's pledge as to residence, cultivation, preservation against waste, and payment of taxes, together with such other pledges or promises as may be provided in the rules of organization fixed by the Federal farm-loan board; that if any borrower or home purchaser under this section shall fail or refuse to keep any of said pledges the whole of the amount borrowed by him shall within 30 days become due and payable and the land forfeited by nonpayment to the Federal land bank, which shall have power to dispose of the same as in this act provided. Borrowers under this section shall be liable only for the amount of their individual loan.

"All net earnings and profits under this section in each of the 12 Federal land-bank districts shall be kept in a separate account, under the heading 'Reserve fund of cooperative farm-home societies,' and said fund shall at all times be equal to 10 per cent of the aggregate loans of all members of all the cooperative farm-home societies in such district either by a loan from the Government or by profits and net earnings or both: *Provided*, That as rapidly as said reserve fund shall accumulate from the net earnings of such societies the Government shall be reimbursed for the loans made to said reserves, reserving at all times 10 per cent as aforesaid: *Provided further*, That in all other particulars such cooperative farm-home societies, its members, the money borrowed, and the lands purchased by them shall be subject to the rules and regulations promulgated by the Federal farm-loan board, and to the provisions, requirements, limitations, and restrictions, conditions, and covenants as is in this act otherwise provided, so far as they may be applicable."

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. CULLOP having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment resolutions of the following titles:

House concurrent resolution 39.

*Resolved by the House of Representatives (the Senate concurring)*, That the President be requested to return to the House of Representatives the enrolled bill H. R. 759, entitled "An act to provide for the removal of what is known as the Aqueduct Bridge across the Potomac River and for the building of a bridge in place thereof.

House concurrent resolution 26.

*Resolved by the House of Representatives (the Senate concurring)*, That there shall be printed as a House document 1,500 copies of the journal of the fiftieth national encampment of the Grand Army of the Republic for the year 1916, not to exceed $1,700 in cost, with illustrations, 1,000 copies of which shall be for the use of the House and 500 for the use of the Senate.

House concurrent resolution 27.

*Resolved by the House of Representatives (the Senate concurring)*, That there be printed 20,000 copies of the revised edition of United States bankruptcy laws as prepared by the Committee on Revision of the Laws of the House of Representatives, the said 20,000 copies to be distributed as follows: Three thousand copies to the Senate folding room, 3,000 copies for the Senate document room, 7,000 copies for the House folding room, and 7,000 copies for the House document room.

RURAL CREDITS.

The committee resumed its session.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent that I may speak on this bill for 20 minutes.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MURRAY] asks unanimous consent to speak for 20 minutes. Is there objection. The Chair hears none.

Mr. MURRAY. Mr. Chairman, the purpose of a rural-credits bill, which is a species of "paternal" legislation, is justified in order to prevent home-owning farmers becoming tenants and to aid tenant farmers to become home owners, and both these in order to increase production so that the laboring man in the district of the gentleman from Pennsylvania [Mr. MOORE] and that all may have cheaper cost of living. However, as was the case with the gentleman from Pennsylvania, industrial centers seem to overlook the fundamental principle that when production runs low it increases prices of living, to the damage, particularly, of the laboring man. This bill will greatly aid the home-owning farmer by giving him a low rate of interest and easy time of payment, and thereby tend to prevent his becoming a tenant; but there is nothing in this bill to aid the homeless man unless he has 45 per cent of the cost of a farm when he seeks a loan, and, in my opinion, this class of farmers—the tenant class—are the first to consider, so far as it affects the country, in such legislation.

I agree with you that this is a remarkably good bill considering the fact that the question has been considered only since the campaign of 1912. All great questions require years of agitation, followed by years of deliberate consideration. The immigration question has been before the country for 14 years and yet not a law. We were nearly 30 years in getting the income tax, first placed upon the statute books during the present administration; we were more than 20 years electing Senators by direct vote of the people. Morgan, of Alabama, urged the digging of the Panama Canal for 20 years before it became a reality. Such has been the fate of all great questions. John H. Reagan was a constant advocate in Congress for 14 years of an Interstate Commerce Commission, and at last succeeded in creating that commission with the power to do nothing, but we have added to its power from time to time. Likewise the rural-credits bill, discussed but four years before the whole country, it is but remarkable that the bill is as good as it is. This one is much better than the one we passed two years ago, and if it had a discussion for four more years it could yet be made still better, and I am sure that as time goes along after this bill becomes a law it will be so amended as to permit the homeless man to borrow money with which to buy a home. Therefore I shall vote for the bill, notwithstanding the fact that it will do little to aid my State. I advocated a rural-credits law in my campaign in 1910, and again in 1912. I find here in Congress most men unable, as they admit to me, to draw into detailed form of a statute a rural-credits bill in aid of the man without land, and I agree with you that such is difficult; but if character is as good as collateral as security for a debt—and the late J. P. Morgan testified in an investigation before a committee of Congress that character is better than collateral—then my amendment, which I offer as section 8a, providing for loans of 90 per cent of the value of a farm, in such case not to exceed $2,000, to such United States citizens who have taxable wealth not in excess of $1,000, and who are homeless, thereby permitting them to make a payment of 10 per cent and enable tenant farmers to buy small homes, because a farm costing $1,000 would enable them, with a $100 payment to begin with running from 20 to 36 years, to make an annual payment under "amortization tables," so that annual payments would be less than rent. A farm costing $2,000 they could borrow $1,800 from the land bank, and by paying $200, or 10 per cent, procure that home, and proportionately less as the value of the farm became less. This would enable men who have no real estate and who do not own more than $1,000 worth of taxable property to buy homes, provided their reputation in their own community is good for sobriety, industry, and fair dealing, for such excessive loans would require men of character. Then, in order to make the loan safe, my provision directs that the Secretary of the Treasury shall deposit in the land bank 10 per cent of all loans as a reserve until the profits arising from that class of loans can return such reserve loan to the Government. This principle is identical with the principle in the bill which directs the Government to buy stock in the land bank without dividends upon such stock.

Many gentlemen find a "bugaboo" in Government aid, but just recently Canada has enacted a rural-credit bill providing that bonds in the sum of a million dollars in each issue should be sold by the fiscal agent of the Government, and then should be unconditionally secured by the Crown both for the payment of principal and interest, with the interest limited to 1 per cent above the interest which such bonds should bear. This makes them essentially Government bonds. Remember the four hundred million of Panama Canal bonds bore 3½ per cent. It is assumed therefore that such bonds could be sold at the same rate, making the interest at 4½ per cent to the borrower. I agree that direct Government aid is not essential for a rural credit, but if these bonds are made like the Canadian law provides and exempt from taxes, secured in addition by the land mortgages upon which they are based, there could not be a better security offered to the market, and every man having money to invest in larger or small amounts would gladly buy a hundred-dollar bond or a five-hundred-dollar bond or a five-thousand-dollar bond, because he could use it as collateral anywhere in the United States to borrow money if he needed it. At the same time the interest, as small as it is, would continue to accumulate. I may recite also that the very beginning of a rural-credit system was with Government aid. The first practical operation was proposed by an obscure merchant in Prussia by the name of Büring, who finally enlisted the aid of Frederick the Great, who, having absolute power, consulted no one, but put it into operation and forced all to come under it at the close of the seven-years war with the neighboring States of Europe. This was a devastating war and constitutes a very remarkable tale in the history of the world. I quote from a speech delivered by Mr. Speaker CHAMP CLARK, because that story can not be better told than he has given it in his speech, which is as follows:

With 5,500,000 people when he started, Frederick the Great fought France, Russia, Austria, Sweden, and Saxony, one of the largest of the German States, all at one time, and soundly thrashed the whole aggregation, although they had a population of 105,000,000 people. His kingdom was not half as large then as the Kingdom of Prussia is now, and consisted of three separate disconnected pieces. Although he was the victor in that war, he had lost one-ninth of his entire population, and there never has been a country in the history of modern times that was so thoroughly devastated as was the Kingdom of Prussia. There was not a square mile which had not been laid waste with fire and sword. Frederick started in to rehabilitate his country. The people did not have seed enough to plant a crop. He mortgaged the crown jewels and tore the silver bullion out of his palaces—for in those days they fixed up fine houses with a great deal of bullion. He melted it down and sold it and invested the proceeds of the bullion and the crown jewels in field seed for the farmers and gave it to them. They did not have horses enough to put the crop in, and he loaned them 60,000 cavalry and artillery horses to do their plowing. Then he undertook, furthermore, to reestablish their homes, and he constructed over 30,000 houses. Taken all in all, he is one of the greatest men who ever lived. This man Büring, the obscure merchant, went to Frederick the Great and pumped into his head this scheme of landschaft, farm loans or rural credits. Frederick changed it somewhat, but accepted the principle. He reached out and took the nobility of Silesia by the nape of the neck and dragged them into the landschaft. They did not have any choice about it; he made them go in; and in order to help it along he contributed $632,000 out of the royal revenues—a large contribution in those days.

The landschaft that he started in 1769 is running successfully yet, and it has been adopted in every country of Germany—the 26 States—except one, and has been adopted in France, where it has been reduced to almost an exact science.

So it will be observed that the system had its birth in governmental aid. I suspect that the fear excited by governmental aid is due to the fact that most of the advocates of governmental aid, both in and out of Congress, advocate governmental currency on land; but the currency question is a different question, and, in my opinion, they are unsound in this, because currency could not be issued for 20 or 30 years without a gold reserve of 40 per cent be piled up, just as it is provided in the regional reserve system, because no paper currency issued with a promise to pay, or in the form of debt, called asset currency, can ever be made sound without a reserve of money to pay it on demand. The gentlemen who want to issue currency unlimited by the Government, and who tell us they ask no more than is provided for the regional banks, overlook the fact that the currency issued to the regional reserve banks require 40 per cent gold reserve to pay them on demand; and I ask, Where is the farmer, should he get the same terms, to get 40 per cent of his loan in gold in order to secure such currency? Such would not serve the farmer, and therefore such idea should be dismissed as a plan merely to deceive the farmer, or as but a dream of some one who does not really know the banking law as it exists. The farmer is not worrying about currency. What he wants is money on low rate of interest, on such terms as will enable him to pay.

I feel that I have as good a record as any man on the rural credits.

Mr. Chairman, no Member of this House has been a more consistent, earnest advocate of genuine rural-credit legislation—legislation beneficial alike to tenant as well as land-owning farmers—than myself.

When the President called the Sixty-third Congress to meet in extraordinary session on April 7, 1913, and submitted to it the matter of revising the banking and currency law, the bill, after being prepared by the Committee on Banking and Currency, was submitted to the Democratic membership of the House in caucus on the 11th day of August, 1913. The bill was continuously considered, section by section, until the 28th day of August, 1913, when, as amended, it received the approval of the caucus.

An effort was made to incorporate in that bill a rural-credit provision, and I favored it because I believed a system of credits for the farmers and producers of the country was of equal importance and deserved the same consideration as a system of banking and currency for the commercial and industrial interests. The effort, however, was defeated, and the friends of rural credits legislation then moved that section 26 of the banking and currency bill and all amendments thereto be referred to the Banking and Currency Committee with instructions to bring in a bill providing for rural credits. This motion was agreed to, but subsequently a motion to reconsider was lodged, and a motion was then made and carried to lay the motion to reconsider on the table, which, under parliamentary law, carried with it the original and all subsidiary motions, and the whole matter, under the parliamentary status, was tabled. In the caucus all parliamentary questions are settled on general parliamentary law; in the House they are decided

on the general principles of parliamentary law, in so far as they have not been changed by the rules of the House and its practice and procedure.

On account of my experience as the proceedings advanced and my familiarity with the general principles of parliamentary law, by common consent, the friends of rural-credit legislation did me the honor to take charge of the parliamentary struggle and take the matter of rural-credit legislation from the table where the enemies of this class of legislation thought it had been put forever to sleep, breathe into it new life and make it possible at an early date.

On page 36 of the caucus proceedings the record discloses the following:

Mr. MURRAY, of Oklahoma, then moved to take from the table the motion to reconsider. Mr. UNDERWOOD made the point of order that the motion to lay on the table was tantamount to a disposal of the motion. Mr. MURRAY, of Oklahoma, made the point of order that the House rules did not operate in the caucus, but that the caucus was governed by general parliamentary law.

His point of order was sustained. Mr. HAY then moved to postpone indefinitely the motion made by Mr. MURRAY to take from the table the motion to reconsider, but this was refused on the point of order being made against it by Mr. MURRAY and sustained by the Chair.

This motion of Mr. MURRAY'S to take from the table the motion to reconsider the vote by which section 26 was referred to the Banking and Currency Committee with instructions to bring in a bill providing for rural credits was carried, and a roll call was had, and after that a recapitulation, which resulted in the motion of Mr. MURRAY being carried by a vote of 116 ayes to 66 noes.

Mr. MURRAY, of Oklahoma, then offered the following amendment, and it was adopted: "I move that all amendments be committed to the Committee on Banking and Currency with instructions that it bring in a bill for farm credits during the regular session of Congress."

This record ought to entitle my opinion to consideration on this subject.

My efforts have been concentrated along the line that it seems difficult to get others to think about, to wit, to aid the tenant farmer, for the reason that my conception of government is that the poor and weak should have first consideration. The rich and powerful can take care of themselves, although their rights should be protected the same as the poor.

As I said a moment ago, there are many men in my country and in Arkansas and Texas whom this bill would not serve without my amendment or something like it. These men are tenant farmers. Their fathers before them were tenants; their children will be tenants, for the reason they have never developed the faculty of management which ownership of property develops in any man. You must remember also that the first $100 is the most difficult to lay up. I remember when I worked for $7.50 per month for a farmer down at Garvin, Wise County, Tex., that it was more difficult for me to get hold of $100 then than it would be to get $5,000 now, and this is the experience of all men. If you can not aid this class, what argument can you make to aid the class who have already scaled the ladder? Gentlemen on this floor speak of their knowledge of farming and of farm life, but I fear the most of them only know that life which landowners live, and some of them from the South, where all of the tenants are negroes, have but little care for that reason, but they ought not to begrudge giving an opportunity even to a poor old darkey; but the tenants of my State are white men, and I know their life and the hardships which they must undergo. When a recess in Congress comes I always go down there to help them and encourage them. When I quit the practice of law in 1902 and moved to my farm there was but one man in that community who owned the land upon which he lived. Since that time some six or eight have bought homes, and I have aided three of them in their effort. My experience with them convinces me that if given an opportunity they could own a home by providing a system whereby they could make an annual payment that would be less than the rents they pay. The statement made by Mr. CARAWAY, of Arkansas, to the gentleman from Pennsylvania on yesterday that many tenant farmers live on less than many members of Congress spend for luxury is literally true.

I am sending to two tenant farmers who have four in their family $10 a month, and this is all they have to live on. I send them this money to save them interest. I am on the notes of four other tenant farmers with six in their families, who draw at the bank on that loan not exceeding $20 per month with which to support their families while making their crop. That sounds like a fairy tale to many of you, but that is the literal truth. I remember one man in my community who bought 50 acres of land at $50 an acre. He was afraid to make the purchase; but after he got into it, partly due to my advice and promise to aid, he succeeded in paying for that farm in six years, and now has bought another, and he can pay for it much easier than he paid for the first. Why not aid these men? I know of another man in my county who has lived all his life as a tenant on two farms. He is an old man with grandchildren. His father before him was a tenant. He is industrious, sober, and upright. The only thing wrong with him is that he votes the Republican ticket; but if he finds that you are going to give direct governmental aid to the man already up in the world and not to him, he is liable to do worse, and you could not blame him for voting the Socialist ticket. It is little wonder that my State had 53,000 Socialist votes in the last election. Of course, I agree with you that there is no sense in their casting that vote, because that would not aid them. Carl Marx, the greatest of all Socialists, correctly stated a truth when he stated there is nothing in farm life to justify a farmer becoming a Socialist, but they do it as a protest to governmental power. In this they are wrong. If they had not been with us when the Oklahoma constitutional convention was called our constitution would not have contained the reforms it does.

In my amendment I have sought to adopt the machinery and the principle of the bill itself, which is sound in its financial make-up, and certainly legislation of this character must be as financially sound as the regional reserve system. The gentleman from Illinois [Mr. CANNON], whom we love to call Uncle Joe, quoted some figures to show that the farmers were wealthy; but Uncle Joe has not breathed the air of this tenant class which we find down in Oklahoma, Arkansas, and Texas. Give this class an opportunity. In other words, supply what they lack—a fostering care of the Government that will give them an opportunity under management in such a way that their annual payments by "amortization" will be less than their rents, and in a very few years they will learn to manage for themselves. They will increase the production of the country and prove a greater guaranty in all political movements, aiding greatly the preservation of our institutions and the integrity of the Republic.

Mr. FESS. Will the gentleman yield?

Mr. MURRAY. No. The learned gentleman from Ohio, I fear, wants to interrupt. I am sure that he knows little about this class of farmers. I will yield if he wants information.

Mr. FESS. The gentleman's State was opened in 1889. Why is it that there are so many tenant farmers in Oklahoma?

Mr. MURRAY. It is true that in 1889 the west half of Oklahoma was opened and settled entirely under the homestead law, but the east half of the State, or the Indian country, was owned by the Indians, and these lands are cultivated by white men, and this is the reason why Oklahoma has 104,000 tenants, 75 per cent of whom are in the east half of the State.

Mr. FESS. It is only 27 years ago that the State was opened for settlement. Are these men tenants because they can not buy the Indian lands?

Mr. MURRAY. They are tenants because when the restrictions were removed on the Indian lands they were unable to make the cash payment down that the Indian demanded, and it has resulted in the wealthy classes or land companies buying the land upon which restrictions are removed and thus aggravating the hardships of tenant conditions, because the land companies are more exacting with their tenants than the Indian landlord, and it will continue until all Indian restrictions are removed, unless some provision like mine is put into this bill; because when you remove the Indian's restrictions and the Indian demands one-third or one-half down—and oftentimes he demands all of it—and there is no law that Congress can pass to compel the Indian to sell it on any better terms, because it is the Indian's property, any more than you can force a white man to sell his property on time. All these lands have been allotted and become private property. Therefore Congress can not order them sold on time payment. Therefore the removal of restrictions without a governmental aid to the tenant farmer would in no sense enable the tenant farmer to buy his home, and things would continue to occur just as they have in the past—the tenant would be just as homeless as ever. Of course, we in Oklahoma are all in favor of removal of restrictions, but I say to you, along with it should be such a provision as I am advocating in order to enable this homeless class to buy a home. Otherwise the tenant would later buy from the white purchaser and pay, in addition, the white man's speculation. Under my provision, as you can readily see, a farmer can put up 10 per cent on not to exceed a $2,000 tract of land, and he could pay $200, or less, if it cost less; whereas under the bill as it stands, without my provision, he would have to put up at least $990. I submit it would be much easier to make a payment of $200 than it would $990, and I say to you that none of the tenants in my country could do that. I agree with you about the difficulty of drafting legislation of this kind and making it at the same time financially sound, but if any man can criticize my provision I would be pleased for him to do it from any standpoint. I have had a lot of experience in drafting laws to protect the weak, and with tolerable success.

Some gentlemen object to this legislation because they say it is "special" legislation. Now, what harm is there in that? We have made "special" laws for all classes of people. We have made a "special" law in the interest of the railroads when we gave them the power of "eminent domain"—the power to take your land or mine, by paying for it, whether we would or not, over which to run their road. This is a king's power, the power of a monarch, but it is necessary in the interest of progress. Otherwise the road would not be built. All the States have passed "special" laws for the laboring man, giving him the first lien for his labor. We have passed "special" laws here in Congress for the bankers, and it is essential to husband the credits and money of the country. I do not object to "special" legislation which will prove beneficial to any class, provided it does not hurt any other class. That is the dead line. No legislation is objectionable solely because it is "special." It only becomes objectionable when it hurts some one else, and I submit, Is not aid to make a home owner out of a tenant not only beneficial to him as a "special" act but also beneficial to society in general in this, that it improves the citizenship, gives him something to be interested in in the country, and increases production, which aids the whole society by lowering the cost of living?

The gentlemen from Pennsylvania, Massachusetts, and New York in their opposition seem not to understand the philosophy upon which their own citizens subsist. I am sure they are equally as honest as I am, but the trouble is they do not see it from my viewpoint, because they have not been in the position, but they ought to be able to see that their existence grows out of the production of crops in the West, South, and Northwest, and that any aid to production is an aid to the industrial centers of the East. I realize that you are surrounded by labor votes who do not comprehend this, but why not show them this indirect benefit just as I have attempted to show the people of my district the necessity for a merchant marine, which directly concerns you, yet indirectly concerns the people of Oklahoma, by giving them transportation to market? Let us be as broad as the Republic.

If you adopt this amendment of mine, the only one offered for the tenant farmer, you will have a provision in this bill sound financially, agreeing to the machinery of the system that will prove practical and workable. If you are going to give the farmers of the country a rural-credit system, why not give one to all of them? I agree with you that you can not serve the penniless man who will not try to do anything, but you can aid the man who is honest, industrious, and sober. We have aided all the other classes, and it is the farmers' time now. You do not violate any principle. You do no violence to the rich and strong. You only make government just and fair to all.

Now, in conclusion I want to thank the House for their generous, "unanimous consent" for me to speak longer than the rules would otherwise permit, but let us amend this bill so as to give to the class of which I speak that to which they are entitled. I agree with you that this bill is remarkably good, considering the short time it has been before the country, realizing as I do the difficulty of drawing new legislation. I also agree with you that new laws have to have a demonstration in practical operation in order to show their weakness and that amendment from time to time may be made to the end that they may be perfected, but we can afford to delay now long enough to criticize the provision I have drawn in every light, first, to determine whether it will meet the condition; second, whether it is financially sound; and third, whether it will be practical; and I invite such criticism. If it be defective, I fail to see it.

Again I thank you. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, I move to strike out the last word. That is one of the features of the bill I wish to mention. It seems to me to be discriminatory. It does not include enough people who are interested in farms and farming to make it of the value that it is intended to be or to cover the ground. For instance, a great many of the farms are worked by farmers who are not cultivating the land themselves. A mortgage would be just as good if it is a land mortgage, whether the person cultivated the farm or lived on the farm or not. The question has been raised as to why an industrial bond or a municipal bond is better security than a bond secured by real estate. The gentleman from Oregon [Mr. HAWLEY] spoke of that yesterday. I will say that the gentleman from Oregon, who has had a great deal of experience in investing money, would not invest in securities or in bonds or in any paper to the extent of 60 or 80 per cent of the value of the property. For instance, when he purchases a municipal bond he will look to see that the indebtedness of the district covered by that municipal bond or the property in the township or the property in the city or the property in the school district does not exceed 10 per cent of the assessed valuation of the property.

When you come to purchase bonds that equal in amount 60 to 80 per cent of the value of the property, they are not as good security as a municipal school, township, or county bond that covers property of from three to ten times the value of the bond or where the indebtedness upon the property, including the bond, is only 10 per cent of the assessed valuation of the property. Then a municipal or an industrial bond has a fixed rate of value upon the stock exchange. These bonds are to sell, if they are sold at all, upon their own merits in the open market. There is no function performed by these farm banks that you are establishing here to-day but what can be performed by the banks that are already established. These farm mortgages in no way will exceed 25 per cent of all the real-estate mortgages of the country. There are more real-estate mortgages in the United States other than farm mortgages than there are of farm mortgages. No provision is made for them, and the hundreds of millions of dollars loaned in the United States upon real estate other than farms very largely exceeds the amount and value of mortgages given upon farm property. On the 30th of June, 1914, 26,765 banks reported that they had loaned out on farm mortgages $542,100,000 and on other real-estate mortgages $2,965,900,000; and at the same time the life-insurance companies of the country had loaned out $654,650,505 on farm mortgages and $993,480,170 on other real-estate mortgages. (Report of ninth annual meeting of life insurance presidents, Dec. 15, 1915, p. 17.)

I am not speaking as a banker. The gentleman from Alabama, for instance, thought that I represented some banking institution. I will say to him that there is no farmer in my vicinity who would not as soon go to a bank to make his loan as to anyone else; and, if he offered the security, would get it as readily of the bank as he would any place else. And he would get it at a reasonable rate and for the length of time he wanted it. He would not have to keep the money for five years, but could pay it off in installments on any interest day. He would only be charged annual interest, while you propose to charge him semiannual interest. [Applause.]

Mr. MANN. Mr. Chairman, I move to strike out the last word. A man acquires property by labor and saving and he never will acquire much by borrowing money. He may get a little money, but if he is not willing to work and save he never will pay back what he gets. A young man, or an older man, for that matter, can go into the State of Illinois, and doubtless almost any other State in the Union to-day, and go on a farm as a farm laborer where he can gain experience all the time and save $20 to $30 a month. If he will do that, by the time he is really ready to own a farm and operate it on his own account, he will have some money to help purchase a farm, but to say that you will loan money to a man who has nothing either in the way of experience or accumulation is not to give an advantage to such a man, because it is harmful rather than helpful to him. There are not many men in this Chamber who commenced life with either a gold or a silver spoon. The men here in the main who have accumulated farms or other property on even terms with those around them did it by hard work and by saving a portion of their earnings. That opportunity is open in the world, especially in this country, to every young man and to those who are older, and the man who wants to own a farm can easily accumulate enough money, if he will save what he earns and work for what he wants, to help buy the farm with the aid that this bill will give him without saying to everybody who is either thrifty or thriftless, "We invite you to borrow money which you will never pay back."

Mr. BENNET. Mr. Chairman——

Mr. GLASS. Does the gentleman desire to speak?

Mr. BENNET. For five minutes.

Mr. GLASS. I ask unanimous consent, Mr. Chairman, that all debate on this amendment be closed in seven minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in seven minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BENNET. Mr. Chairman, the conditions which have been described by the gentleman from Illinois obtain in the State of New York and in the northern part of New Jersey. I have in mind at the moment the case of a man going on a farm after he arrived at the age of 45 years, without money, working as a tenant farmer for four years, as I recall it, going from that farm with somewhere between $1,500 and $2,000 from the township of Wantage, in the northern part of New Jersey, from the district of the gentleman from New Jersey [Mr. HART] into the western part of New York State, buying land and starting to

farm with the money that he himself had acquired after arriving at that somewhat advanced age. And he succeeded as a farmer. I have in mind another man, now I think the sheriff of the county of Sussex, in northern New Jersey, or recently the sheriff—I think his term has just expired—and in my boyhood in northern New Jersey he was a farm hand. Now he owns not one farm but several, acquired through his own efforts and not with any aid either from the State of New Jersey or from the Federal Treasury. All over the older States that condition has obtained, and there is a serious question in my mind whether there is not a tendency in this sort of paternal legislation to dull the edge of husbandry. Oh, you let people get money easily. Why, there are some gentlemen here who can recall when the United States Government handed $38,000,000 to the several States. To be distributed where? Amongst the farmers—to be loaned. My State of New York got four and a half million dollars, and we handled it considerably better than some of the other States. Have we that four and a half million now, if the United States Government should call on us to hand it back to them?

Mr. MOORE of Pennsylvania. Will my colleague yield——

Mr. BENNET. Yes.

Mr. MOORE of Pennsylvania. The gentleman from Oklahoma——

Mr. BENNET. I am not the gentleman's colleague, but I am his friend.

Mr. MOORE of Pennsylvania. I am glad to think we are both. The gentleman from Oklahoma [Mr. MURRAY], in his very eloquent speech, said in substance that if we wanted to help these poor farmers in his section to become landowners we could do so by giving them Government money, and that that was the only way in which they could become the owners of the land. Is it not a fact we have many poor people in the cities who labor just as hard and as industriously as the farmer, who do not own their own homes? If we give them Government money also, could they not become owners of their homes?

Mr. BENNET. Oh, yes; but that is an unfair comparison.

Mr. MOORE of Pennsylvania. Why is it unfair?

Mr. BENNET. Because the gentleman from Oklahoma, to be fair to him, said if we could propose any bill that would help those people he would be for it, and this bill practically referred to farmers.

Mr. MOORE of Pennsylvania. Does not the gentleman know there are many people in the cities, thousands of them, who do not own their own homes, but who have worked industriously all their lives?

Mr. BENNET. And never will own their own homes. Of course, there is a larger opportunity out on the farm.

As I was about to say, what have the States done with this $38,000,000 that the United States Government gave some time in the fifties, I think? Have all those States got that money? Not one single State—not Indiana, not Illinois, not a single cent of it left in Indiana. Is not that correct?

Illinois has not any of it left. It we in New York should call our loans and force payment, I think, although we carry them on the books at something like $3,750,000, we could not get a million and a half. That was the result of distributing money from the United States Treasury around amongst the States. We did not exercise ordinary care. One State was as reckless as another. We ought to guard against that in this bill. I participated in my time in this House in two attempts to help the people of the country, once the people of the United States and once the people of the Philippines——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. I will have to talk about it some other time.

Mr. GLASS. Mr. Chairman, I desire to say that I have listened with considerable interest to the remarks of the gentleman from Oklahoma [Mr. MURRAY], and, I might add, with considerable sympathy to some of the things said; but, after all, what the gentleman from Illinois [Mr. MANN] said so happily awhile ago goes to the very foundation of this whole question. It was as philosophic as anything he has ever said in the 14 years I have been here or that he may ever say, regardless of how long he shall stay here. I have no doubt that there is some merit in the suggestions of the gentleman from Oklahoma [Mr. MURRAY], some merit to his bill, but I do not think it ought to be projected into the provisions of this bill. Therefore I hope the amendment will not prevail.

The CHAIRMAN. The question is on the amendment of the gentleman from Oklahoma [Mr. MURRAY].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MURRAY. Division, Mr. Chairman.

The committee divided; and there were—ayes 23, noes 56.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CAPITAL STOCK AND SPECIAL PROVISIONS OF NATIONAL FARM-LOAN ASSOCIATIONS.

SEC. 9. That the shares in national farm-loan associations shall be of the par value of $5 each.

Every shareholder shall be entitled to one vote on each share of stock held by him at all elections of directors and in deciding all questions at meetings of shareholders: *Provided*, That the maximum number of votes which may be cast by any one shareholder shall be 20.

No persons but borrowers on farm-land mortgages shall be members or shareholders of national farm-loan associations.

Any person desiring to borrow on farm-land mortgage through a national farm-loan association shall subscribe for shares of stock in such farm-loan association to an amount equal to 5 per cent of the face of the desired loan, said subscription to be paid in cash upon the granting of the loan. If the loan is granted, the applicant shall, upon full payment therefor, become the owner of one share of capital stock in said loan association for each $100 of the face of his loan or any fractional part thereof. Said capital stock shall be held by said association as collateral security for the payment of said loan, but said borrower shall be paid any dividends accruing and payable on said capital stock while it is outstanding.

Every national farm-loan association formed under this act shall by its articles of association provide for an increase of its capital stock from time to time for the purpose of securing loans for its members and providing for the issue of shares to borrowers in accordance with the provisions of this act. Such increases shall be included in the quarterly reports of the Federal farm-loan board.

Any person whose application for membership is accepted by a national farm-loan association shall be entitled to borrow money on farm-land mortgage upon filing his application in accordance with section 8 and otherwise complying with the terms of this act whenever the Federal land bank of the district has funds available for that purpose, unless said land bank or the Federal farm-loan board shall, in its discretion, otherwise determine.

Any person desiring to secure a loan through a national farm-loan association under the provisions of this act may, at his option, borrow from the Federal land bank through such association the sum necessary to pay for shares of stock subscribed for by him in the national farm-loan association, such sum to be made a part of the face of the loan and paid off in amortization payments: *Provided, however*, That such addition to the loan shall not be permitted to increase said loan above the 60 per cent limited in section 12.

Shareholders of every national farm-loan association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares.

After a charter has been granted to a national farm-loan association, any natural person who is the owner, or about to become the owner, of farm land qualified under section 12 of this act as the basis of a mortgage loan, and who desires to borrow on a mortgage of such farm land, may become a member of the association by a two-thirds vote of the directors upon subscribing for one share of the capital stock of such association for each $100 of the face of his proposed loan or any fractional part thereof. He shall at the same time file with the secretary-treasurer his application for a mortgage loan, giving the particulars required by section 12 of this act.

If membership is refused to any applicant under this section, or if the loan applied for is for any reason rejected, the sum deposited by him shall be returned without deduction.

Mr. TRIBBLE. Mr. Chairman, I offer an amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Strike out, on page 96, lines 20, 21, 22, 23, 24, and 25 and insert in lieu thereof the following:

"Shareholders of national farm-loan associations shall not be held responsible for contracts, debts, and engagements of such association or members thereof."

Mr. TRIBBLE. Mr. Chairman, I move to amend this section of the bill by striking out that part of the section which provides that the borrower shall be subject to sustain loss to the extent of 10 per cent of the loan granted him.

I trust the membership of this House will not pass over this section without giving it serious consideration. I consider the greatest errors that have been made in this bill are in this section. Now, if you turn to page 99 you will find that this bank, this association of farmers, is authorized to acquire land, indorse notes, and perform other functions of a corporation, and yet your bill requires a farmer desiring to borrow money to purchase stock in the associated bank and become responsible for losses and expense of operating such an institution. The farmer desires a loan and not joint bank stock, but in order to borrow money in this rural-credit system you are now offering to the farmers he must become a stockholder and become jointly liable with the other shareholders in that corporation for the losses to a certain amount. First he pays expense of examination of title, which is right, but that should be the extent of his expense. In addition to other expenses, where there is a loss he must bear double the amount of his stock.

Now, Mr. Chairman, there is where you will drive away the farmers who would otherwise apply for loans and secure loans and be benefited by them. This bill should not require the borrower to stand sponsor for the failures of his neighbor to repay his loan.

Mr. Chairman, on page 97 notice the other section. This section over here provides that after an association has been

formed—I will call it a corporation—of 10 farmers, a board of directors is selected, and before another farmer can get into that association and become a borrower he must receive a two-thirds vote of those directors. Now, where is the danger in this? I will show it to you. The farmers with financial backing will go into this corporation willingly and organize it, and they will become jointly responsible for the shareholders in the stock company, knowing that the rules will enable them to keep out bad loans. They become personally interested in preventing losses. Personal interest would cause them to select with great care their associates to whom loans are to be made, being liable for double their stock for losses. Experience and observation cause me to fear that they will force out all the little fellows who are not able and who are not responsible and whom they do not want in the association as a borrower, fearing personal loss. The man who has little and no financial friends and is helpless in the world is the man we are supposed to help most by this bill. These directors, knowing there will be losses in this company and knowing they will have to share those losses will refuse to take these farmers of small means into the association of borrowers because of the extra prospect of losses which would fall on the members of the association.

Mr. GLASS. The fundamental error my friend makes is in the supposition that this bill is designed to help the helpless man who has no friends and no money. That is not what it is designed for.

Mr. TRIBBLE. I regret to hear the gentleman from Virginia, the chairman of the committee having this bill in charge, make that statement. My own idea is that this bill should benefit most the farmer who is worthy but financially unable to help himself.

Mr. GLASS. It is designed to afford facilities to men who are thrifty and have friends.

Mr. TRIBBLE. My reply is this: That a man who has friends and the man who has land and has ability does not need help from the Government or anybody else nearly so much as the poor man, because the man of wealth can go to the bank and get money whenever he needs help. The bank doors are open to him now. I wish to aid the farmer of financial standing to get money at lower rates of interest and longer terms; but, I repeat, the farmer who needs help most is the worthy man struggling to provide a little home for his wife and children, and who has no financial standing to aid him in getting a rise in the world.

Mr. PHELAN. Are there many of the latter class?

Mr. TRIBBLE. There are many of them.

Mr. PHELAN. What is to prevent those men, if they can not go into this one association, forming an association of their own? All it takes is 10 men.

Mr. TRIBBLE. I will tell you the reason they can not do it. Suppose 10 rejected applicants should apply for a charter. The Federal land bank, having control of charters, is required to send an inspector and investigate the solvency, character of applicants, and value of land, and if the report is unfavorable the charter is refused. It is left with the inspector to investigate and see whether or not these 10 men who desire to form the association are men of good character and men of good standing, and, as the gentleman from Virginia [Mr. GLASS] says, men of influence, with money in their pockets, and if they are not, they are turned down and can not get into the organization.

Mr. GLASS. Oh, I did not exactly say that.

Mr. TRIBBLE. That is the substance of what the gentleman said.

Mr. GLASS. Would you have a system of loaning money on land without inspection and without examination?

Mr. TRIBBLE. I would have a system where a farmer could go and apply for money without becoming a member of any association. Let him send his application and have an inspection made of his application, his security offered, appraisement, and so forth, without any stock-subscription feature connected therewith.

Mr. GLASS. He can do that under this bill.

Mr. TRIBBLE. Oh, yes; by becoming responsible for somebody else's debts.

Mr. GLASS. He can do it under this bill.

Mr. TRIBBLE. Under the joint-stock land banks, the banking proposition you provide for, financed by private funds or corporations?

Mr. GLASS. Yes; certainly.

Mr. TRIBBLE. Read page 96, at the bottom, in the rural credit. I want a rural-credit bill backed by the Government and not by mortgage-security companies. We can have the mortgage-security companies without this bill. It reads as follows:

Shareholders of every national farm-loan association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares.

Mr. GLASS. That is the Federal land bank. That is not the joint-stock bank. He has no liability for one cent except what he borrows.

Mr. TRIBBLE. Yes; and you propose to give him more benefits under the joint-stock company than you do under the rural-credit bill we are trying to give the farmer. After finishing your rural-credit bill, then you place in the same act a provision legalizing charters for mortgage-security companies. You relieve them of tax and authorize them to issue bonds, and you propose to give the farmer more privileges under the joint-stock company—mortgage-security company—than you do in the rural-credit land banks. I stand for the rural-credit Federal farm-loan association, and there is where the farmer should be protected and cared for, and not turn him over to this mortgage company you have chartered by this bill.

Mr. GLASS. We are standing for both propositions.

Mr. TRIBBLE. I am only standing for one—the rural-credit association feature of the bill—and I am trying to amend it so the farmer may be benefited.

Mr. GLASS. Well, this bill is for both.

Mr. TRIBBLE. The Baltimore platform promised the farmers a rural-credit bill. My amendment would remove the most objectionable feature in the bill. If this House refuses to so amend this bill that it may respond to the needs of the farmers, I promise you now, if I am permitted to remain in Congress, I will continue this fight until this bill is perfected by amendments. This House is making progress in giving aid to the agricultural pursuits. We have established a plant to manufacture Army nitrates and fertilizers for the farm, and this bill, though imperfect, will become a law at this session. The friends of rural credit will amend the bill now or at some future time, and I trust make it a real rural-credit bill fully responding to the needs of the rural districts. [Applause.]

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

Mr. GLASS. How many amendments will be proposed?

Mr. MORGAN of Oklahoma. I have but one more. It is a short one.

Mr. MANN. I want a little time on this section.

Mr. GLASS. Will the gentleman indicate how much? I would like to get through by 5 o'clock.

Mr. MANN. I would like to have five minutes. I want to ask something about the section. It may take longer than five minutes.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MORGAN of Oklahoma: Page 96, line 23, after the words "extent of," strike out the words "the amount of" and line 24.

Mr. MORGAN of Oklahoma. Mr. Chairman, if the members of the committee will look at the bill on page 96 they will see the effect of this amendment. Instead of making the borrowers liable for their stock of 5 per cent and also for another 5 per cent equal to the amount of stock, it will make the members of the loan association liable only for the 5 per cent of stock.

I believe that under all the circumstances it is right, in view of the aid and assistance that the National Government will give the farmers under this bill, that the farmers should help protect their own security by providing 5 per cent of the capital amount of the loan, but I do not believe you should put an additional liability upon them of 5 per cent.

There is another reason. When they put up 5 per cent of stock the association and the land bank has that stock and it is held as security for their loans. It can be used to meet any default of the borrower in the payment of interest or otherwise. But this other 5 per cent is a sort of contingent proposition. It would be very difficult to enforce. It can not be realized upon. It is a security that the Federal land bank can not go out and use to borrow money on. It is a sort of indefinite liability, and yet it would be a liability that it seems to me would be very objectionable to the farmers—to the borrowers.

It looks to me, gentlemen, as if you were putting unnecessary "red tape" upon the borrowers under the Federal land-bank system.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Indiana?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. Has not the gentleman criticized the committee bill because there is not enough reserve capital held in this system?

Mr. MORGAN of Oklahoma. Yes; I have.

Mr. MOSS of Indiana. And is not the effect of the gentleman's motion, if it were adopted, to take away some of the reserve and guarantees that the committee has put into this system?

Mr. MORGAN of Oklahoma. I will concede that. But I believe that a reserve, as I understand that term, in every banking system is security of some kind that is tangible, that can be used on a moment's warning, that is held to meet emergencies, that is to meet default, that in times of stress and trouble and financial difficulty the bank has something to lay its hands on. But you have fixed here an indefinite liability of 5 per cent additional, making it still more objectionable for the farmers to go into this system. It looks to me as if the framers of this bill—and I do not wish to criticize them—have put so many restrictions and limitations upon those who wish to borrow of the Federal land bank that it seems almost intended to drive the farmers away from the Federal land bank and drive them into the profit-sharing institutions which you propose to create.

Where is the self-respecting farmer who will want to go into these Federal land banks under all these restrictions which you have made? You have put up these restrictions, these limitations, these conditions to such an extent that you drive the farmer into the joint-stock land bank, where capitalists can profit from the interest payments upon their loans. You are, I think, unnecessarily putting limitations and restrictions upon the borrowers in the Federal land banks. And while I would strike out this extra 5 per cent liability, which is not an asset that can be realized upon by the bank at any time when it needs it, I would increase the reserve that will be in the hands of the bank, that will be held, as it were, by the bank for the benefit of the bondholders, because if the farmers have any real credit and standing among investors it must be because the bonds, the securities that you have manufactured and created and sent out into the world, are good. But they will not be good unless you have a sufficient reserve, a real reserve, not a liability, not something that you can not realize upon in time of danger, but a real reserve that stands there forever to meet emergencies, to meet defaults, to meet difficulties, to be a real reserve that will enable the farmers of that section to command credit at the very lowest rate of interest. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GLASS. I ask unanimous consent that debate on this amendment be now closed. Did I understand that the gentleman from Illinois [Mr. MANN] wanted to offer an amendment to this section?

Mr. MANN. I want to call the attention of the committee to some contradictory provisions in the section, as it seems to me.

Mr. GLASS. I ask unanimous consent that all debate on this pending amendment be closed and that the vote be taken at once.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

The question being taken, the amendment was rejected.

Mr. SHOUSE. Mr. Chairman, I have a committee amendment.

The CHAIRMAN. The gentleman from Kansas offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Page 96, line 2, after the word "report," strike out the word "of" and insert the word "to."

Mr. SHOUSE. Mr. Chairman, this amendment is to correct a purely typographical error.

The amendment was agreed to.

By unanimous consent, Mr. MURRAY was given leave to extend his remarks in the RECORD.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MORGAN of Oklahoma: Page 97, line 6, strike out the word "may" and insert in lieu thereof the word "shall"; strike out, after the word "association," the words "by a two-thirds"; strike out, in line 7, the words "vote of the directors."

Mr. GLASS. I ask unanimous consent that all debate on this section and all amendments thereto be closed at 5 o'clock.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close at 5 o'clock.

Mr. MANN. Will I be recognized then?

The CHAIRMAN. Yes. Is there objection?

There was no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman, if the members of the committee will look at page 97 they will notice that in lieu of the conditions there expressed my amendment will provide that a person who desires to borrow on a mortgage on such farm lands shall become a member of the association upon subscribing for one share of the capital stock of such association.

Under the provisions of the bill, as was pointed out by the gentleman from Georgia, a man, to become a member of this association—and he must become a member before he can secure a loan—after the association is first organized, he must become a member of the association by a two-thirds vote of the directors. There are five directors, and after the loan association is once organized no other person can become a member of that association and no other person can get a loan through that association except by a two-thirds vote of the directors. There are five directors. Two-thirds of five is three and one-third. It would thus require four votes out of the five directors. The farmers will not like this.

We will suppose that in a community there is an association organized of 10 members. That can be organized in a secret way; one man can go out and pick out ten of his friends, persons that he has confidence in and that he would like to get the benefit of these loans. They take in 10 persons, but any citizen, any farmer in that community, could not get into the association except by a two-thirds vote of the directors. That is what I suppose would be called a "close" corporation. It provides for discrimination against another man who might be worthy.

If you will strike out the words suggested in my amendment you will still have this restriction: The appraisement committee would have a right to appraise the land; the Federal land bank sends an inspector or appraiser, and he appraises the land; so that it seems to me that you would take all the precautions that are necessary.

If a man has a farm, if he has the security, and the association members are to appraise his security, and the Federal land-bank appraiser, a Government officer, is also to appraise his farm, why should you say that he can not get his loan accepted except by two-thirds vote of these directors. I repeat what I said before, that if you place the restrictions and limitations in various ways that will irritate the American farmer, you will drive him away to other institutions. It will have that effect; and I want to know why you should do it. I think it would be better to take the old commission plan, as represented by the joint-stock company, if we could get the proper kind of a bill, with proper restrictions and limitations, make a proper reserve fund, give them a proper capital, than to have the system that you are going to provide here. I would like to see this amendment carried.

Mr. MANN. Mr. Chairman, I want to call the attention of the gentleman in charge of the bill to what seems to me an apparent contradiction in the hope that they may be able to remedy it. I know perfectly well what they are trying to do, and it may be that a law enacted in this form would be construed as they intend it to be.

You say that no persons but borrowers on farm-land mortgages shall be members or shareholders of the national farm association. Without taking the time to dwell on the words "members" and "shareholders," which I assume to mean the same, I will say that on page 96 you say "any person whose application for membership is accepted by a national farm-loan association shall be entitled to borrow money on farm-land mortgage upon filing his application." In other words, having first said that he must be a borrower before he can become a member, you then say his membership may be accepted and then he can file his application for a loan.

Again, on page 87 you say that certain persons may apply and may become members of the association by a two-thirds vote of the directors upon subscribing for one share of the capital stock, and so forth. Having become a member by subscribing for one share of capital stock, you say he shall at the time file with the secretary-treasurer his application for a mortgage loan.

Now, a borrower is not the applicant for a loan. The borrower is the one who receives the loan. He certainly must have executed the papers. In other words, the language of the bill as I read it would say that a man must be a shareholder before he is a borrower, and he must be a borrewer before he is a shareholder, and that is impossible.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. MANN. Yes.

Mr. MOSS of Indiana. Has the gentleman's attention been called to the language on page 95, lines 12 to 14: "If the loan is granted, the applicant shall upon full payment therefor be-

come the owner of one share of capital stock in said loan association"? So he does not become a shareholder——

Mr. MANN. That only shows another conflict that I did not take the time to call attention to. You have said that he may become a member of the association by a two-thirds vote of the directors upon subscribing for one share of the capital stock of the association. I understand what gentlemen are trying to accomplish, but when you are writing a law it seems desirable that you should not have to make a forced construction of it after it is enacted into law.

Mr. MOSS of Indiana. Not speaking for the committee, I would say that it is not strange that there is some language in the bill that is not perfectly clear.

Mr. MANN. Oh, I hope the gentleman will not think that I am criticizing the committee at all. I do not intend to do that.

Mr. MOSS of Indiana. As a matter of fact, the reason this language came to be changed is that when a man made his application it was thought that he should tender 5 per cent of his stock in cash——

Mr. MANN. I hope the gentleman will not think that I am criticizing the draftsman of the bill. I have had too much to do with drafting bills in this House not to understand the difficulty in a long bill of making everything absolutely coordinate.

Mr. MOSS of Indiana. I appreciate the position of the gentleman. We believe that the bill as written expressed the intention of the committee perfectly; but if not, I presume the committee will be very glad to have it clarified.

Mr. MANN. I am calling it to the attention of the committee, and I hope the gentleman in charge will correct it. There is no occasion for having one provision inconsistent with another.

Mr. GLASS. We will be very glad to have our attention called to any seeming inconsistency.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. TRIBBLE. Mr. Chairman, I offer an amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Strike out, on page 96, lines 20, 21, 22, 23, 24, and 25 and insert in lieu thereof the following:

"Shareholders of national farm-loan associations shall not be held responsible for contracts, debts, and engagements of such association or members thereof."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The question was taken, and the amendment was rejected.

Mr. GLASS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2986 and had come to no resolution thereon.

## MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The SPEAKER laid before the House the following message from the President of the United States:

*To the House of Representatives:*

In compliance with the resolution of the House of Representatives (the Senate concurring) of May 12, 1916, I return herewith House bill No. 759, entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge across the Potomac River, and for the building of a bridge in place thereof."

## THE AQUEDUCT BRIDGE.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent for the present consideration of the following concurrent resolution, which I send to the desk and ask to have read.

Mr. MANN. Mr. Speaker, has the bill referred to in the resolution come back?

Mr. ADAMSON. Yes; the bill is here; and I will ask the Speaker to lay it before the House.

The SPEAKER. The Chair lays before the House the bill (H. R. 759) to provide for the removal of what is now known as the Aqueduct Bridge across the Potomac River, and for the building of a bridge in place thereof. The gentleman from Georgia asks unanimous consent for the present consideration of the following resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 40.

*Resolved by the House of Representatives (the Senate concurring)*, That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, requested to cancel their respective signatures to the enrolled bill (H. R. 759) entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge across the Potomac River, and for the building of a bridge in place thereof"; that upon the cancellation of said signatures the Clerk be directed to reenroll said bill with an amendment as follows:

On page 4, line 10, strike out the word "five" and insert in lieu thereof the word "four."

The SPEAKER. Is there objection to the consideration of the resolution? [After a pause.] The Chair hears none. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the concurrent resolution was agreed to was laid on the table.

## PENSIONS.

Mr. SHOUSE. Mr. Speaker, I call up the bill H. R. 15494——

Mr. MANN. Ask unanimous consent to consider this bill in the House as in the Committee of the Whole.

Mr. SHOUSE. Mr. Speaker, I make that request.

The SPEAKER. The gentleman asks unanimous consent to consider these pension bills in the House as in the Committee of the Whole. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, do we have an understanding that there will be no other business transacted to-night except these pension bills?

Mr. RUSSELL of Missouri. Not from this committee. We only have one House bill and one Senate bill.

Mr. MANN. Can we have an understanding that there will be nothing else coming up to-night except these pension bills?

Mr. GLASS. I have nothing further.

The SPEAKER. That is the understanding, and the Chair will enforce it. The Chair hears no objection, and the Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors and the Civil War and certain widows and dependent children of soldiers and sailors of said war.

Mr. SHOUSE. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill for amendment.

The Clerk calls the attention of the Chair to the fact that there is a mistake in the title of the bill. Of course, it will have to be amended after the bill is passed. The word "and" should be changed to the word "of."

The Clerk read as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Ellen Rohr, former widow of William E. Scott, late of Company B, Thirteenth Regiment Indiana Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of John W. Guilliams, late of Company B, One hundred and fifty-first Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of John Welsh, late of Company G, Tenth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Elizabeth Maurer, former widow of Frederick Neigeman, late of Company E, Sixteenth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of John Wilson, late of Company D, Third Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Joseph McCain, late of Company G, Twenty-sixth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Carrie M. Peters, widow of Samuel S. Peters, late of Company H, One hundred and thirty-third Regiment Ohio Volunteer Infantry, and unassigned, Fifth Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Jacob A. Wandling, late of Company H, Thirty-third Regiment, and Company I, Thirty-fourth Regiment, Iowa Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John H. Murrey, late of Company I, One hundred and ninety-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Emma A. Gasper, widow of John Gasper, late of Company C, Fifty-first Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Sylvester T. Chick, late of Company K, One hundred and seventy-third Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Samuel Lenix, late of Company E, Forty-second Regiment Illinois Volunteer Infantry, and Company F, Fourth Regiment Veteran Reserve Corps, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Joseph J. Sanson, late of Company F, Twenty-sixth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Margaret L. Miller, widow of John Miller, late of Company G, One hundred and first Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Sarah E. Toon, widow of Harvey B. Toon, late of Company B, Fifty-fifth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Robert L. Stroud, late of Company D, Sixteenth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Sarah Jane Elliott, widow of Edwin Elliott, late of Company B, One hundred and twenty-third Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John W. Skiff, late of Company K, Nineteenth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Marian Lemon, former widow of John C. Stockton, late of Company E, Thirteenth Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Margaret Berigan, widow of Nicholas Berigan, late of Company C, Seventeenth Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Silas M. Abers, late of Company E, Thirty-sixth Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Mary B. Cooley, widow of Darius Cooley, late of Company G, Fourth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Alpheus D. Coulson, late of Company B, Second Regiment Ohio Volunteer Heavy Artillery, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Calvin Covert, late of Company E, Fiftieth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Philip L. Davis, late of Company A, Thirty-first Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Samuel Prisk, late of Company K, Eleventh Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Mary Peach, widow of Joseph Peach, late of Company K, One hundredth and thirty-eighth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of George H. Beeber, late of Company D, Twenty-ninth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of George W. Taylor, late of Company B, Thirty-sixth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Isaac Strauss, late a landsman, United States Navy, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Charles H. Hoos, late of Company H, Fifty-ninth Regiment, and Unassigned, Fifty-second Regiment, New York Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Joseph A. Saunier, late of Company F, Forty-seventh Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Jeremiah Fleagle, late of Company F, Seventh Regiment Maryland Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of William P. English, late of Company E, Fifty-first Regiment New York Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Mary C. Hynes, widow of Samuel Hynes, late of Company H, Sixty-first Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Ross M. Stephens, late of Company E, Fifty-fifth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Alonzo M. Hobbs, late of Company E, Sixty-second Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Benjamin W. Havner, late of Company B, One hundred and seventieth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of James Martin, late of Company I, One hundred and eighty-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Benjamin B. Clark, late of Company B, One hundred and twenty-first Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Frances M. Eaton, widow of George C. Eaton, alias George Purdy, late of Company D, Fifty-second Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Constantina E. Pollard, widow of William Pollard, late commissary sergeant Sixth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Nancy J. Debolt, widow of Meker Debolt, late of Company B, One hundred and seventy-fourth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Joseph N. Murray, late of Company E, Thirty-third Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Sarah C. Rawlins, widow of Daniel S. Rawlins, late of Company B, Sixty-seventh Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of George E. Doty, late of Company F, Second Regiment New York Veteran Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Bridget Murray, widow of Thomas Murray, late of Company G, Fifth Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Lodema C. Hodges, widow of Henry Hodges, late of Company H, Seventy-fourth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John C. Logue, late of Company I, Eighty-fourth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Bridget Lohman, widow of Henry F. Lohman, late of Company M, Thirteenth Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Henry C. Jones, late of Company A, Forty-ninth Regiment Missouri Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Eliza J. Griffin, widow of William Griffin, late of Company D, Forty-fourth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Virginia E. Jones, former widow of Henry C. Smith, late of Company I, Tenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Samuel T. Maxey, late of Company H, Sixth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Wallace W. Bailey, late of Company C, Sixteenth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of William H. Crites, late of Company F, Seventh Regiment West Virginia Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Julia E. Crawford, widow of Samuel K. Crawford, late surgeon, Seventeenth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Taubyna Bourstine, widow of Simon Bourstine, alias Simon Bursint, late of Companies B and C, Twenty-second Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Louisa Snyder, widow of William Snyder, late of Company F, One hundred and twenty-ninth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Margaret A. G. Macnamara, widow of Daniel G. Macnamara, late first lieutenant and quartermaster, Ninth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $24 per month in lieu of that she is now receiving.

The name of Jennie Allen, helpless and dependent child of Thomas Allen, late of Company E, Third Regiment Pennsylvania Volunteer Heavy Artillery, and pay her a pension at the rate of $12 per month.

The name of James Davis, late of Company E, Fourteenth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Robert F. Rice, late of Company K, Fortieth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Mary E. Temple, widow of Thomas Temple, late of Company H, Fifteenth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Eliza E. Sutherland, widow of Richard L. Sutherland, late unassigned, Eleventh Regiment Missouri Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Jeremiah Vance, late of Company C, One hundred and fortieth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Isaiah Walker, alias Isaiah Pittman, late of Company G, One hundred and twenty-third Regiment United States Colored Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Delia E. Griswold, widow of Oscar C. Griswold, late of Company C, One hundred and thirty-second Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $24 per month in lieu of that she is now receiving: *Provided*, That in the event of the death of Lena Griswold, helpless and dependent child of said Oscar C. Griswold, the additional pension herein granted shall cease and determine: *And provided further*, That in the event of the death of Delia E. Griswold, the name of said Lena Griswold shall be placed on the pension roll, subject to the provisions and limitations of the pension laws, at the rate of $12 per month from and after the date of death of said Delia E. Griswold.

The name of David G. Bliss, late of Battery F, First Regiment New York Volunteer Light Artillery, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Elizabeth Melvin, widow of James Melvin, late of Company B, Eighth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Olive M. Ross, widow of Charles S. Ross, late of Company H, Forty-sixth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Ann Quinn, widow of Felix Quinn, late of Company K, First Regiment Connecticut Volunteer Heavy Artillery, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John L. Welch, late of Company E, Fourth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Edmund P. Matheny, late of Company H, Fourth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Sanford R. Bryant, late of Company D, Twelfth Regiment Kentucky Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of William K. Sanders, late of Company E, Eighty-ninth Regiment Indiana Volunteer Infantry, and Company A, First Regiment Mississippi Marine Brigade, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Sarah E. Hamilton, widow of David N. Hamilton, late of Company C, Fourteenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Frank Haight, helpless and dependent child of Frederick G. Haight, late of Company B, Twenty-fifth Regiment Michigan Volunteer Infantry; Company K, Fifteenth Regiment, and Thirty-fourth Company, Second Battalion, Veteran Reserve Corps, and pay him a pension at the rate of $12 per month.

The name of George W. East, late of Company E, One hundred and thirty-sixth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Joseph H. Woolaston, late of Battery D, First Regiment United States Artillery, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Ellen Champion, widow of William Champion, late of Company H, Eighth Regiment Missouri Volunteer Infantry, and unassigned, Veteran Reserve Corps, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Washington H. Switzer, late of Company A, One hundred and forty-sixth Regiment Illinois Volunteer Infantry, and pay him

a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of William A. Miller, late of Company E, One hundred and second Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Peter A. Cox, late of Company A, Sixty-first Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John Heimroth, late of Company D, One hundred and sixty-first Regiment New York Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Uriah T. Tapscott, late of Company I, Seventh Regiment, and Company E, Sixth Regiment, Kentucky Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Elizabeth Schwing, former widow of John Meyers, late of Company C, Sixteenth Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of Hiram Morgan, late of Company F, Thirty-ninth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Benjamin L. Sayler, late of Company K, Forty-eighth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William Jackson Gilpin, late of Company L, First Regiment Ohio Volunteer Cavalry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Andrew G. Scott, late of Company F, Seventy-eighth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Matilda C. Boulden, widow of Joseph L. Boulden, late of Company I, First Regiment New Mexico Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Hiram Powers, late of Company H, One hundred and fifty-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Samuel Gooding, late of Company F, One hundred and seventieth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Myron H. Isbell, late of Company E, Eleventh Regiment Michigan Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Stephen S. Wilson, late of Company D, Sixteenth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John Branson, late of Company I, Fiftieth Regiment Missouri Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Frederick Flesher, late of Company A, One hundred and fiftieth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Albert McHenry, late of Company F, First Battalion, and Capt. Thomas's company, One hundred and third Regiment, Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of Thomas Armstrong, late of Company D, Thirty-ninth Regiment, and Company I, Fifteenth Regiment, Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Lutisha A. Carpenter, widow of John H. Carpenter, late of Company D, Forty-sixth Regiment Missouri Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Francis Ashens, late of Company M, Fifteenth Regiment Kansas Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Maria L. Farnsworth, widow of Seth Farnsworth, late of Company H, Second Regiment Iowa Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary Fieber, widow of John Fieber, late of Tenth Battery Ohio Volunteer Light Artillery, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary Pross, widow of George W. Pross, late of Fifth Independent Ohio Battery, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Sanford P. Clark, late of Company K, First Regiment Ohio Volunteer Cavalry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Mary Keeny, widow of Jacob Keeny, late of Company E, Thirty-sixth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Semantha Williams, former widow of Nicholas Van Deusen, late of Company K, Forty-ninth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Clark N. Ditto, late of Company M, Second Regiment Ohio Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Delos Johnson, late of Company G, Sixth Regiment Michigan Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Margaret Berg, widow of Frank J. Berg, late of Company D, Ninth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Ellen M. Stafford, widow of Henry A. Stafford, late of Company H, Fifth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Della C. Ross, former widow of Charles B. Clark, late of Company I, One hundred and twenty-second Regiment New York Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Samuel McC. Reynolds, late of Company C, Sixth Regiment Missouri State Militia Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Ella Morrow, widow of Hezekiah Morrow, late of Company F, Tenth Regiment Maryland Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Robert Elliott, late of Company B, Thirty-ninth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of David E. Lindsey, late of Company F, One hundred and eighty-sixth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Julia Dumas, widow of Peter Dumas, late of Company D, Seventy-sixth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Marion E. Laird, widow of George F. Laird, late of Company D, Sixth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Verona Thurber, widow of Ira H. Thurber, late of Company D, Twelfth Regiment Vermont Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Samuel Daniels, late of Company D, Twelfth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Jacob Winter, alias Jacob Strisle, late of Company F, Fourteenth Regiment Michigan Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Thomas Kildurff, late of Company H, Eleventh Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Catherine Rose, widow of George W. Rose, late of Company I, One hundred and ninety-second Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of John H. Smith, late of Company E, Twenty-third Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William R. Rennels, late of Company K, One hundred and twenty-third Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Mariam Hall, widow of Jeremiah Hall, late of Company H, Ninth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Newton G. Baker, late of Company F, Thirteenth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John H. Larry, late of Company H, Third Regiment Massachusetts Volunteer Heavy Artillery, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Marietta Trowbridge, widow of James A. Trowbridge, late of Company F, First Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Benjamin F. Eddins, late of Company H, Tenth Regiment Tennessee Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of James C. Baker, late of Company F, Twenty-seventh Regiment Massachusetts Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Edna J. Ward, widow of Peter Ward, late of Company B, Twenty-second Regiment New Jersey Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Charles H. Edgecomb, late of Company I, Fifteenth Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Thomas Hart, late of Company B, One hundred and third Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Hamilton S. Gillespie, late of Company B, and lieutenant colonel, Fiftieth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Elijah Bagley, late of Company D, Twenty-first Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Emma L. Edwards, former widow of Gilbert Keene, late of Company A, One hundred and forty-third Regiment New York Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Pattie D. Davis, widow of Jonathan B. Davis, late of Company F, Twelfth Regiment West Virginia Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Electa Bellen, widow of Anthony Bellen, late of Company K, Eleventh Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John D. Shick, late of First Independent Battery Iowa Volunteer Light Artillery, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Elijah W. Taylor, late of Company C, Fifty-second Regiment Kentucky Mounted Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Ellen A. Phillips, widow of Albert H. Phillips, late of Company A, Thirty-fourth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Emma Rudy, widow of Jacob W. Rudy, late of Company D, One hundred and fifty-first Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of John M. Gray, late of Company B, Twentieth Regiment, and Company K, Eighty-sixth Regiment, Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving, the same to be paid to him under the rules of the Bureau of Pensions as to modes and times of payment, without any reduction or rebates on account of former alleged overpayments or erroneous payments of pension.

The name of Ellen Jane Taylor, former widow of George M. Taylor, late of Company F, Sixth Regiment Tennessee Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Mary J. Wooley, former widow of Nelson Raymond, late of Company M, Ninth Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of Emma L. Porter, widow of George W. Porter, late of Company B, One hundred and thirty-fifth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Martin Frey, late of Company A, Two hundredth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of David R. Edmonds, late of Company A, Thirty-fifth Regiment Kentucky Volunteer Mounted Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of James A. White, late of Company F, Second Regiment Massachusetts Volunteer Heavy Artillery, and Company D, Seventeenth Regiment Massachusetts Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Adelaide McGreevey, widow of James W. McGreevey, late of Company A, Second Regiment United States Veteran Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Arah Ann Bussard, widow of John S. Bussard, late of Company G, Ninety-ninth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary Redman, widow of Washington Redman, late of Company K, First Regiment West Virginia Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary Kilian, widow of Leonard A. Kilian, late a sergeant United States Marine Corps, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Lavinia H. Pierce, widow of Benjamin F. Pierce, late assistant surgeon, United States Navy, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Sarah C. Knights, widow of Jacob M. Knights, late of Company E, Seventh Regiment Pennsylvania Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Rubin A. J. Hornsby, late a landsman, United States Navy, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Hannah I. Fortune, widow of William M. Fortune, late of Company I, Tenth Regiment, and Company M, Second Regiment, Missouri Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary A. Hicks, widow of Andrew E. Hicks, late of Company D, Second Regiment Missouri Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John J. Collins, late of Company C, Eighty-fifth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Janet W. Smith, widow of John D. Smith, late of Company A, Twenty-eighth Regiment, and Company H, One hundred and forty-seventh Regiment, Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Eliza Amanda Haines, widow of William R. Haines, late of band, Twenty-eighth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Jephtha Harrow, late of Company B, Eighty-eighth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of James D. Roberts, late first lieutenant and adjutant, Fifty-third Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of William Duffy, late of Company A, Seventh Independent Battery Massachusetts Light Artillery, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of James E. Leslie, late of Company C, One hundred and forty-third Regiment New York Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Charles H. Twomey, late of Company H, One hundred and thirty-ninth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Catharine McCullough, widow of Hugh McCullough, alias John Williams, late a seaman, United States Navy, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Thomas A. Carter, late of Company A, Thirty-sixth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Susan C. Clough, widow of Oliver G. Clough, late of Company D, Fourteenth Regiment New Hampshire Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of James W. Pace, late of Company G, Third Regiment Iowa Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Harmon Kaylor, late of Company A, Thirteenth Regiment Indiana Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Thomas A. Shepherd, late of Company L, Twelfth Regiment Missouri Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of James M. Jobe, late of Company G, Forty-seventh Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Annie E. Rhoads, widow of John Rhoads, late of Company A, Seventh Regiment Pennsylvania Reserve Infantry, and Company I, One hundred and ninetieth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Zachary Miller, late of Company A, Twentieth Regiment Pennsylvania Volunteer Cavalry, and Company A, First Regiment Pennsylvania Provisional Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Fannie T. Smith, widow of Henry C. Smith, late of Company K, Seventh Regiment, and Company F, Tenth Regiment, Maryland Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Emma Zapf, former widow of Curtis Blanchard, late of Company K, Sixteenth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Huldah E. Bryant, former widow of John W. Walker, late of Company L, Sixth Regiment New York Volunteer Heavy Artillery, and pay her a pension at the rate of $12 per month.

The name of Aaron Angle, late of Company C, First Regiment New York Engineers, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Mary A. Allen, widow of Joshua B. Allen, late of Companies I and A, First Mississippi Marine Brigade United States Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Elizabeth Collier, widow of Paris J. Collier, late of Company M, Fourth Regiment Indiana Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of John N. Havlin, late of Fifth Independent Battery Ohio Light Artillery, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of William Roush, late of Company E, Seventy-second Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of James M. Minton, late of Company G, Seventh Regiment Tennessee Mounted Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Otis Miller, late of Company A, Thirty-ninth Regiment Missouri Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Thomas Smeaton, late of Company A, One hundred and fifteenth Regiment, and Company F, One hundred and ninety-second Regiment, New York Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of James Horton, late of Company E, Tenth Regiment New Hampshire Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Joseph A. Hesler, late of Company B, One hundred and fifty-fourth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Henry Startzel, late of Company B, Second Battalion Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of James Wilkins, late of Company G, One hundred and thirty-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Harriet E. Corbly, widow of Aaron S. Corbly, late of Company A, Thirty-fourth Regiment, and Company C, Thirty-sixth Regiment, Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Ezra Rodgers, late of Company L, Fourteenth Regiment Kansas Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John Peck, late of Company B, Forty-fifth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of Darius Emmons, late of Company H, One hundred and fifty-sixth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Lee Brand, widow of John C. Brand, late of Company A, Seventh Regiment Illinois Volunteer Infantry, and pay her a pension att he rate of $20 per month in lieu of that she is now receiving.

The name of Samuel P. Mariette, late of Company A, First Regiment Minnesota Volunteer Heavy Artillery, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Ann E. Capner, widow of Hugh Capner, late of Company B, Twenty-third Regiment New Jersey Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Pierson Hendrickson, jr., late of Company D, Twenty-third Regiment Connecticut Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John Seidel, helpless and dependent child of John Seidel, late of Company H, Fourth Regiment New York Volunteer Cavalry, and pay him a pension at the rate of $12 per month.

The name of Albert Scott, late of Company C, Thirty-first Regiment Massachusetts Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Henry J. Doyne, late of Company C, Ninety-third Regiment New York Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Matilda Gnau, widow of John Gnau, late of Company E, First Regiment Pennsylvania Light Artillery, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Lamanda E. Busey, widow of Charles H. Busey, late of Company K, Eighty-seventh Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Zachary T. Francis, late of Company F, Fifteenth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Sarah Kissinger, widow of Emanuel Kissinger, late of band, First Regiment Maryland Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Sarah C. Hikes, widow of Andrew G. Hikes, late of Company E, Two hundredth Regiment Pennsylvania Volunteer Infantry, any pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Albert H. Holtzinger, late of Company E, One hundred and ninety-fifth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of William A. Cheney, late of Company A, Fifth Regiment New Hampshire Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Eliza H. Hector, widow of John H. Hector, late of Company G, Eleventh Regiment United States Colored Heavy Artillery, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary A. Brady, widow of Samuel R. P. Brady, late of Company D, Seventy-eighth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Franklin Deal, late of Company C, One hundred and seventy-third Regiment Pennsylvania Drafted Militia, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Lucy A. Manrose, widow of Charles Manrose, late of Companies L, G, and E, Twelfth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Margaret Baylis, widow of Benjamin M. Baylis, late of Company A, Ninth Regiment Delaware Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Edward L. Swem, late of Company A, Fourteenth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Rachel S. Flood, former widow of John B. Rice, late of Company K, Ninth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Anna Delong, widow of Abraham Delong, late of Company D, Eighty-third Regiment New York Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Agnes B. Thomson, widow of James L. Thomson, late of Company B, Fifth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John L. Morgan, late of Company L, Fourth Regiment West Virginia Volunteer Cavalry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Sarah A. Thatcher, widow of Jonas P. Thatcher, late of Company C, Tenth Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John M. Millan, late of Battery A, First Regiment West Virginia Volunteer Light Artillery, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Katharine Fey, widow of Ferdinand Fey, late of Company H, First Regiment West Virginia Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of Antoine Conia, late of Company E, Eleventh Regiment, and Company K, Eighth Regiment, Michigan Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John Shadinger, late of Company E, Thirty-eighth Regiment New Jersey Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Chauncey A. Mead, late of Company E, First Regiment Michigan Volunteer Engineers and Mechanics, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of George L. Johnson, late of Company B, Thirty-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Lewis Brown, late of Company I, First Regiment Ohio Volunteer Heavy Artillery, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Barton Kearns, late of Company C, Fifty-ninth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Ellen B. Thomas, widow of Dexter S. Thomas, late of Company B, Fifteenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The foregoing bill is a substitute for the following House bills referred to the Committee on Invalid Pensions:

H. R. 1002. Ellen Rohr.
H. R. 1004. John Guilliams.
H. R. 1362. John Welsh.
H. R. 1617. Elizabeth Maurer.
H. R. 1802. John Wilson.
H. R. 1826. Joseph McCain.
H. R. 1854. Carrie M. Peters.
H. R. 1855. Jacob A. Wandling.
H. R. 1919. John H. Murrey.
H. R. 2007. Emma A. Gasper.
H. R. 2709. Sylvester T. Chick.
H. R. 2803. Samuel Lenix.
H. R. 2875. Joseph J. Sanson.
H. R. 3124. Margaret L. Miller.
H. R. 3128. Sarah E. Toon.
H. R. 3148. Robert L. Stroud.
H. R. 3213. Sarah Jane Elliott.
H. R. 3734. John W. Skiff.
H. R. 3805. Marian Lemon.
H. R. 3817. Margaret Berigan.
H. R. 3820. Silas M. Abers.
H. R. 3866. Mary B. Cooley.
H. R. 4060. Alpheus D. Coulson.
H. R. 4329. Calvin Covert.
H. R. 4446. Philip L. Davis.
H. R. 4621. Samuel Prisk.
H. R. 4860. Mary Peach.
H. R. 4863. George H. Beeber.
H. R. 4955. George W. Taylor.
H. R. 4980. Isaac Strauss.
H. R. 4983. Charles H. Hoos.
H. R. 5011. Joseph A. Saunier.
H. R. 5104. Jeremiah Fleagle.
H. R. 5135. William P. English.
H. R. 5146. Mary C. Hynes.
H. R. 5152. Ross M. Stephens.
H. R. 5158. Alonzo M. Hobbs.
H. R. 5167. Benjamin W. Havner.
H. R. 5234. James Martin.
H. R. 5280. Benjamin B. Clark.
H. R. 5393. Frances M. Eaton.
H. R. 5480. Constantine E. Pollard.
H. R. 5839. Nancy J. Debolt.
H. R. 5930. Joseph N. Murray.
H. R. 5944. Sarah C. Rawlins.
H. R. 5962. George E. Doty.
H. R. 6112. Bridget Murray.
H. R. 6184. Lodema C. Hodges.
H. R. 6365. John C. Logue.
H. R. 6477. Bridget Lohman.
H. R. 6505. Henry C. Jones.
H. R. 6678. Eliza J. Griffin.
H. R. 7033. Virginia E. Jones.
H. R. 7091. Samuel T. Maxey.
H. R. 7202. Wallace W. Bailey.
H. R. 7284. William H. Crites.
H. R. 7376. Julia E. Crawford.
H. R. 7917. Taubyna Bourstine.
H. R. 7979. Louisa Snyder.
H. R. 8001. Margaret A. G. Macnamara.
H. R. 8072. Jennie Allen.
H. R. 8098. James Davis.
H. R. 8105. Robert F. Rice.
H. R. 8119. Mary E. Temple.
H. R. 8131. Eliza E. Sutherland.
H. R. 8249. Jeremiah Vance.
H. R. 8288. Isaiah Walker.
H. R. 8309. Delia E. Griswald.
H. R. 8554. David G. Bliss.
H. R. 8556. Elizabeth Melvin.
H. R. 8596. Olive M. Ross.
H. R. 8636. Ann Quinn.
H. R. 8705. John L. Welch.
H. R. 8741. Edmund P. Matheny.
H. R. 8797. Sanford R. Bryant.
H. R. 8936. William K. Sanders.
H. R. 8956. Sarah E. Hamilton.
H. R. 8993. Frank Haight.
H. R. 9065. George W. East.
H. R. 9117. Joseph H. Woolaston.
H. R. 9157. Ellen Champion.
H. R. 9182. Washington H. Switzer.
H. R. 9239. William A. Miller.
H. R. 9613. Peter A. Cox.
H. R. 9636. John Heimroth.
H. R. 9645. Uriah T. Tapscott.
H. R. 9649. Elizabeth Schwing.
H. R. 9765. Hiram Morgan.
H. R. 9857. Benjamin L. Sayler.
H. R. 9880. William Jackson Gilpin.
H. R. 10100. Andrew G. Scott.
H. R. 10445. Matilda C. Boulden.
H. R. 10502. Hiram Powers.
H. R. 10616. Samuel Gooding.
H. R. 10710. Myron H. Isbell.
H. R. 10713. Stephen S. Wilson.
H. R. 10740. John Branson.
H. R. 10954. Frederick Flesher.
H. R. 10965. Albert McHenry.
H. R. 10972. Thomas Armstrong.
H. R. 11011. Lutisha A. Carpenter.
H. R. 11019. Francis Ashens.
H. R. 11147. Maria L. Farnsworth.
H. R. 11198. Mary Fieber.
H. R. 11264. Mary Pross.
H. R. 11267. Sanford P. Clark.
H. R. 11317. Mary Keeny.
H. R. 11447. Semantha Williams.
H. R. 11565. Clark N. Ditto.
H. R. 11799. Delos Johnson.
H. R. 11808. Margaret Berg.
H. R. 11833. Ellen M. Stafford.
H. R. 11889. Della C. Rose.
H. R. 11931. Samuel McC. Reynolds.
H. R. 12098. Ella Morrow.
H. R. 12163. Robert Elliott.
H. R. 12245. David E. Lindsey.
H. R. 12347. Julia Dumas.
H. R. 12348. Marion E. Laird.
H. R. 12349. Verona Thurber.
H. R. 12388. Samuel Daniels.
H. R. 12454. Jacob Winter, alias Strisle.
H. R. 12468. Thomas Kildurff.
H. R. 12511. Catherine Rose.
H. R. 12523. John H. Smith.
H. R. 12569. William R. Rennels.
H. R. 12595. Mariam Hall.
H. R. 12706. Newton G. Baker.
H. R. 12819. John H. Larry.
H. R. 12846. Marietta Trowbridge.
H. R. 12851. Benjamin F. Eddins.
H. R. 12884. James C. Baker.
H. R. 12915. Edna J. Ward.
H. R. 12920. Charles H. Edgecomb.
H. R. 12938. Thomas Hart.
H. R. 12942. Hamilton S. Gillespie.
H. R. 12969. Elijah Bagley.
H. R. 12987. Emma L. Edwards.
H. R. 13086. Pattie D. Davis.
H. R. 13154. Electa Bellen.
H. R. 13186. John D. Shick.
H. R. 13213. Elijah W. Taylor.
H. R. 13244. Ellen A. Phillips.
H. R. 13270. Emma Rudy.
H. R. 13288. John M. Gray.
H. R. 13289. Ellen Jane Taylor.
H. R. 13296. Mary J. Wooley.
H. R. 13314. Emma L. Porter.
H. R. 13353. Martin Frey.
H. R. 13375. David R. Edmonds.
H. R. 13377. James A. White.
H. R. 13379. Adelaide McGreevey.
H. R. 13430. Arah Ann Bussard.
H. R. 13439. Mary Redman.
H. R. 13586. Mary Kilian.
H. R. 13592. Lavinia H. Pierce.
H. R. 13595. Sarah C. Knights.
H. R. 13599. Rubin A. J. Hornsby.
H. R. 13680. Hannah I. Fortune.
H. R. 13681. Mary A. Hicks.
H. R. 13692. John J. Collins.
H. R. 13753. Janet W. Smith.
H. R. 13787. Eliza Amanda Haines.
H. R. 13798. Jeptha Harrow.
H. R. 13856. James D. Roberts.
H. R. 13894. William Duffy.
H. R. 13939. James E. Leslie.
H. R. 14003. Charles H. Twomey.
H. R. 14007. Catharine McCullough.
H. R. 14013. Thomas A. Carter.
H. R. 14028. Susan C. Clough.
H. R. 14037. James W. Pace.
H. R. 14135. Harmon Kaylor.
H. R. 14213. Thomas A. Shepherd.
H. R. 14239. James M. Jobe.
H. R. 14251. Annie E. Rhoads.
H. R. 14252. Zachary Miller.
H. R. 14257. Fannie T. Smith.
H. R. 14322. Emma Zapf.
H. R. 14333. Huldah E. Bryant.
H. R. 14360. Aaron Angle.
H. R. 14363. Mary A. Allen.
H. R. 14411. Elizabeth Collier.
H. R. 14413. John N. Havlin.
H. R. 14451. William Roush.
H. R. 14512. Otis Miller.
H. R. 14517. Thomas Smeaton.
H. R. 14485. James M. Minton.
H. R. 14561. James Horton.
H. R. 14566. Joseph A. Hesler.
H. R. 14567. Henry Startzel.
H. R. 14573. James Wilkins.
H. R. 14602. Harriet E. Corbly.
H. R. 14613. Ezra Rodgers.
H. R. 14658. John H. Peck.
H. R. 14692. Darius Emmons.
H. R. 14710. Lee Brand.
H. R. 14715. Samuel P. Mariette.
H. R. 14717. Ann E. Capner.
H. R. 14718. Pierson Hendrickson, jr.
H. R. 14722. John Seidel.
H. R. 14759. Albert Scott.
H. R. 14787. Henry J. Doyne.
H. R. 14792. Matilda Gnau.
H. R. 14793. Lamanda E. Busey.
H. R. 14801. Zachary T. Francis.
H. R. 14848. Sarah Kissinger.
H. R. 14849. Sarah C. Hikes.
H. R. 14852. Albert H. Holtzinger.
H. R. 14855. William A. Cheney.
H. R. 14857. Eliza H. Hector.
H. R. 14858. Mary A. Brady.
H. R. 14859. Franklin Deal.
H. R. 14912. Lucy A. Manrose.
H. R. 14925. Margaret Baylis.
H. R. 14985. Edward L. Swem.
H. R. 15043. Anna Delong.
H. R. 15078. Rachel S. Flood.
H. R. 15081. Agnes B. Thomson.
H. R. 15128. John L. Morgan.
H. R. 15130. Sarah A. Thatcher.
H. R. 15131. John M. Millan.
H. R. 15137. Katharine Fey.
H. R. 15189. Antoine Conia.
H. R. 15200. John Shadinger.
H. R. 15204. Chauncey A. Mead.
H. R. 15234. George L. Johnson.
H. R. 15235. Lewis Brown.
H. R. 15236. Barton Kearns.
H. R. 15364. Ellen B. Thomas.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. SHOUSE. Mr. Speaker, I move to amend the title, line 2, by striking out the word "and" and inserting the word "of."

The question was taken, and the amendment was agreed to.

On motion of Mr. SHOUSE, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. SHOUSE. Mr. Speaker, I call up the bill S. 5221.

The SPEAKER. The Clerk will report the title.

The Clerk read as follows:

A bill (S. 5221) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

Mr. SHOUSE. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Cornelius A. Ahearne, late acting assistant surgeon, United States Army, and pay him a pension at the rate of $12 per month.

The name of Eliza J. Crittenden, widow of Charles Crittenden, late of Company I, Twenty-fifth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Delia Carey, widow of Michael Carey, late of Company I, Seventh Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Susan Bryant, widow of George Bryant, late of Company D, First Regiment Connecticut Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Lucy Babcock, widow of Aaron E. Babcock, late of Company B, Sixth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Walter H. Hutchinson, late first lieutenant Company A, Ninety-ninth Regiment United States Colored Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Joseph W. Crowell, late of Company D, First Battalion Nebraska Veteran Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Mary Megrady, former widow of Edward Hancy, late of Company B, Fourteenth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Luther W. Garrett, late of Company D, One hundred and forty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William M. Dern, late of Company A, Forty-sixth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of James Cronan, late of Company C, Forty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Jeremiah Cramer, late of Company D, One hundred and fifty-second Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Francisco Wadsworth, late of Company C, First Regiment Maine Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Sewell W. Hewett, late of Company C, Fourth Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Mary F. Pulcifer, widow of Alfred H. Pulcifer, late captain Company D, Second Regiment Massachusetts Volunteer Heavy Artillery, and pay her a pension at the rate of $24 per month in lieu of that she is now receiving.

The name of Nancy D. Morey, widow of Israel C. Morey, late of Company F, Seventh Regiment Minnesota Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Austin L. Myers, helpless and dependent child of Thomas W. Myers, late of Company C, Thirty-ninth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of John M. Jennings, late second lieutenant Company K, Seventy-fourth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of George W. Parsons, late of Company K, One hundred and seventeenth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Richard Simpson, late of Company B, Forty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Clinton Neligh, late of Company I, Sixty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Cyrus Stephenson, late of Company I, Fifty-fifth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John P. Walker, late of Company H, One hundred and thirtieth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Jesse Miller, late of Company L, Eighth Regiment Indiana Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Mauris Summers, late of Company D, Eighty-second Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John Withers, late of Company A, One hundred and ninety-second Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Susan Backus, widow of Jerome Backus, late of Company D, Thirty-fourth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary McHenry, widow of Charles H. McHenry, late of Company H, Fifty-first Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Jonathan B. Huffman, late of Company A, Thirty-fourth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Cyrus Bowman, late of Company B, McLaughlin's Squadron Ohio Volunteer Cavalry, and Company C, Fifth Regiment Ohio Volunteer Cavalry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of William Green, late of U. S. S. *Rattler, Great Western,* and *Tyler,* United States Navy, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Asa Gatton, late of Company A, One hundred and eighty-seventh Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Thomas O. Oliver, late unassigned, Twenty-second Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Henry S. Fargo, late of Company D, Third Regiment, and Company A, Fifth Regiment, Michigan Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James Bosley, late of Company E, Sixty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of May Vandiver, widow of Benjamin F. Vandiver, late of Company C, Sixty-sixth Regiment, and Company K, Seventy-third Regiment, Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Luther H. Palmer, late of Company C, Third Regiment California Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of William A. Willard, late of Company H, One hundred and forty-fourth Regiment New York Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William L. Mayden, late of Company B, Thirteenth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Samuel Graham, late of Company A, Ninetieth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Parthenia Mattingly, widow of David C. Mattingly, alias Cosmas Mattingly, late of Company H, Sixth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of William Hall, late of Company C, One hundred and thirty-first Regiment, and Company F, Twenty-ninth Regiment, Illinois Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of John Lynn late of Company A, Forty-eighth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John Penrod, late of Companies C and D, Twentieth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Walter S. Gibson, late of Company D, Fortieth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Adam Pulley, late of Company F, Thirty-fourth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of George C. Warrick, late of Company C, Eighty-sixth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Mary E. Corson, widow of John W. Corson, late of Company F, Twenty-fifth Regiment New Jersey Volunteer Infantry, and former widow of Alexander McCormick, late of U. S. S. *Shenandoah,* United States Navy, and pay her a pension at the rate of $12 per month.

The name of Dolores Lucero de Salaz, widow of Vicente Salaz, late of Company G, First Regiment New Mexico Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of James McKinney, late of Company A, First Regiment Michigan Volunteer Engineers and Mechanics, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Thomas F. Rowley, late of Company A, Twelfth Regiment Massachusetts Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Francis M. Kenerson, late of Company F, Seventh Regiment New Hampshire Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Nancy L. King, widow of John H. King, late of Company C, Ninety-third Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Samuel A. Hogue, late of Company G, Fortieth Regiment Illinois Volunteer Infantry, and captain Company H, Thirteenth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Isaac F. Green, late of Company A, Osage County Regiment Missouri Home Guards, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of William Etheredg, late of Company I, Third Regiment Iowa Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of William Roberts, late of Company H, Fifty-first Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Lydia A. Heatherly, widow of Elam T. Heatherly, late of Company E, Eleventh Regiment West Virginia Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Charles W. Thornton, late of Company B, Eighth Regiment New York Volunteer Heavy Artillery, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Charles E. Abbott, late of Company B, One hundred and forty-seventh Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William B. Dickey, late captain and assistant quartermaster, United States Volunteers, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of James A. Gould, late of Company E, Sixteenth Regiment Vermont Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Edwin Bates, late of Company I, One hundred and fifty-sixth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Alonzo Newell, late of Troop F, Sixth Regiment United States Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Joseph N. Foster, late of Companies B and D, Ninth Regiment New York Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Gilman P. Lombard, late of Company C, Twenty-first Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Arthur G. Sawyer, late of Company I, First Regiment Maine Volunteer Heavy Artillery, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of George H. Stillman, late of Company G, One hundred and twenty-third Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James S. Anderson, late of Company M, Fifth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Mary E. Lindsay, former widow of Henry Schively, late of Company G, Sixteenth Regiment Pennsylvania Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of Ella C. Moody, widow of Joel Moody, late captain Company H, Second Regiment Indian Home Guards, and former widow of John M. Porter, late of Company H, Twenty-ninth Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Lars Isaacson, late of Company A, Second Battalion, Sixteenth Regiment United States Infantry, and Company K, Forty-fourth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John D. Vance, late of Company D, and sergeant major, Twenty-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Stephen M. Teachout, late of Company F, First Regiment Michigan Volunteer Light Artillery, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Adonirum C. Harper, late of Company A, One hundred and thirty-second Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Parley B. West, late of Company B, Sixty-fifth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Samuel Campman, late of Company B, One hundred and eighth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Shirley M. Nichols, widow of Edwin C. Nichols, late captain of Company G, Eighth Regiment New Jersey Volunteer Infantry, and first lieutenant of Company F, Twenty-fourth Regiment Veteran Reserve Corps, and pay her a pension at the rate of $24 per month in lieu of that she is now receiving.

The name of Frank Seavey, late of Company A, Twenty-seventh Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Kate A. Brown, widow of Thomas G. Brown, late major, Sixty-fifth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Louise M. Wilson, widow of William M. Wilson, late of Company C, Third Regiment Rhode Island Volunteer Cavalry, and former widow of Landric M. Holcomb, late of Company D, Fourteenth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Lloyd Roberts, late of U. S. S. *Sabine, Ohio,* and *New Hampshire,* United States Navy, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Marion K. P. Sellmer, widow of Charles Sellmer, late captain of Company B, Eleventh Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Samuel Mercer, late of Company I, Second Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Harriet A. Mills, dependent mother of Charles B. Mills, late of Company B, Thirteenth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Emily Thompson, widow of Jonah Thompson, late of Company I, One hundred and fifty-first Regiment Indiana Volunteer Infantry, and former widow of Henry H. Brown, late of Company G, One hundred and eighteenth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Cora E. Gossin, widow of Andrew J. Gossin, late of Company A, Thirteenth Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of George W. Fernald, late of Company C, Eighty-second Regiment New York Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Rollin O. Joslyn, late of Company I, Fifteenth Regiment Vermont Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Hester Ann Steel, widow of James M. Steel, late of Company A, Eighty-seventh Regiment Indiana Volunteer Infantry, and Company A, First Regiment United States Veteran Volunteer Engineers, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Samuella Goodrich, widow of John T. Goodrich, late of Company F, Twenty-third Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Ruth J. McCann, widow of Thomas K. McCann, late captain and assistant quartermaster, United States Volunteers, and pay her a pension at the rate of $24 per month in lieu of that she is now receiving.

The name of Morris P. Gossard, late of Company C, One hundred and forty-ninth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James H. Isbell, late of Company H, Eighteenth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Henry D. Lockwood, late of Company E, Twenty-third Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Amos L. Griffith, late of Company F, Fifth Regiment Tennessee Volunteer Cavalry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Elvira H. Jackson, widow of Isaac Jackson, late unassigned, Thirty-third Regiment Indiana Volunteer Infantry, and former widow of Daniel Miller, late of Company B, Third Regiment Michigan Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of Henry M. Chase, late of Campany A, Coast Guards, Maine Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Jeremiah Lloyd, late of Company C, One hundred and eighteenth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Lidia M. Gosnel, widow of Simeon Gosnel, late of Company E, Second Regiment North Carolina Volunteer Mounted Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Janet Lamoreux, widow of Pardon B. Lamoreux, late second lieutenant Company K, First Regiment Wisconsin Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John Cook, jr., late of Company H, One hundredth Regiment, and Company A, One hundred and eighty-seventh Regiment, New York Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Mary Thibodo, widow of Stephen Thibodo, late of Troop G, United States Mounted Rifles, War with Mexico, and Company B, Twelfth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Henrietta Thayer, former widow of Septimus Ireland, late of Company K, Thirty-third Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Emma E. Keyes, widow of William T. Keyes, late of Company C, Tenth Regiment, and Company D, Twenty-ninth Regiment, Maine Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Virginia Bailey, widow of Mark Bailey, late of Company D, Ninth Regiment United States Colored Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Lydia C. Locke, widow of Charles E. Locke, late of Company I, Eighth Regiment, and Company B, Sixty-seventh Regiment, Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Invalid Pensions:

S. 202. Cornelius A. Ahearne.
S. 288. Eliza J. Crittenden.
S. 293. Delia Carey.
S. 299. Susan Bryant.
S. 314. Lucy Babcock.
S. 326. Walter H. Hutchinson.
S. 803. Joseph W. Crowell.
S. 1121. Mary Megrady.
S. 1129. Luther W. Garrett.
S. 1132. William M. Dern.
S. 1134. James Cronan.
S. 1136. Jeremiah Cramer.
S. 1242. Francisco Wadsworth.
S. 1245. Sewell W. Hewett.
S. 1247. Mary F. Pulcifer.
S. 1330. Nancy D. Morey.
S. 1467. Austin L. Myers.
S. 1496. John M. Jennings.
S. 1500. George W. Parsons.
S. 1501. Richard Simpson.
S. 1503. Clinton Neligh.
S. 1504. Cyrus Stephenson.
S. 1509. John P. Walker.
S. 1512. Jesse Miller.
S. 1515. Mauris Summers.
S. 1591. John Withers.
S. 1788. Susan Backus.
S. 1897. Mary McHenry.
S. 1966. Jonathan B. Huffman.
S. 2489. Cyrus Bowman.
S. 2553. William Green.
S. 2586. Asa Gatton.
S. 2589. Thomas O. Oliver.
S. 2600. Henry S. Fargo.
S. 2792. James Bosley.
S. 2794. May Vandiver.
S. 2864. Luther H. Palmer.
S. 2865. William A. Willard.
S. 2872. William L. Mayden.
S. 2873. Samuel Graham.
S. 2874. Parthenia Mattingly.
S. 2875. William Hall.
S. 2876. John Lynn.
S. 2957. John Penrod.
S. 2959. Walter S. Gibson.
S. 2962. Adam Pulley.
S. 2964. George C. Warrick.
S. 3063. Mary E. Corson.
S. 3076. Dolores Lucero de Salaz.
S. 3136. James McKinney.
S. 3155. Thomas F. Rowley.
S. 3156. Francis M. Kenerson.
S. 3182. Nancy L. King.
S. 3183. Samuel A. Hogue.
S. 3188. Isaac F. Green.
S. 3189. William Etheredg.
S. 3190. William Roberts.
S. 3303. Lydia A. Heatherly.
S. 3400. Charles W. Thornton.
S. 3514. Charles E. Abbott.
S. 3531. William B. Dickey.
S. 3537. James A. Gould.
S. 3590. Edwin Bates.
S. 3675. Alonzo Newell.
S. 3679. Joseph N. Foster.
S. 3686. Gilman P. Lombard.
S. 3687. Arthur G. Sawyer.
S. 3752. George H. Stillman.
S. 3757. James S. Anderson.
S. 3846. Mary E. Lindsay.
S. 3935. Ella C. Moody.
S. 4027. Lars Isaacson.
S. 4047. John D. Vance.
S. 4105. Stephen M. Teachout.
S. 4191. Adonirum C. Harper.
S. 4192. Parley B. West.
S. 4193. Samuel Campman.
S. 4220. Shirley M. Nichols.
S. 4234. Frank Seavey.
S. 4286. Kate A. Brown.
S. 4297. Louise M. Wilson.
S. 4336. Lloyd Roberts.
S. 4337. Marion K. P. Sellmer.
S. 4339. Samuel Mercer.
S. 4377. Harriet A. Mills.
S. 4385. Emily Thompson.
S. 4397. Cora E. Gossin.
S. 4406. George W. Fernald.
S. 4436. Rollin O. Joslyn.
S. 4441. Hester Ann Steel.
S. 4549. Samuella Goodrich.
S. 4576. Ruth J. McCann.
S. 4578. Morris P. Gossard.
S. 4579. James H. Isbell.
S. 4580. Henry D. Lockwood.
S. 4605. Amos L. Griffith.
S. 4610. Elvira H. Jackson.
S. 4611. Henry M. Chase.
S. 4635. Jermiah Lloyd.
S. 4680. Lidia M. Gosnel.
S. 4736. Janet Lamoreaux.
S. 4792. John Cook, jr.
S. 4805. Mary Thibodo.
S. 4816. Henrietta Thayer.
S. 4821. Emma E. Keyes.
S. 4960. Virginia Bailey.
S. 4969. Lydia C. Locke.

The Clerk read the following committee amendment:

Page 1, strike out lines 6, 7, and 8.

Mr. SHOUSE. Mr. Speaker, we desire to withdraw the committee amendment, and ask that those lines be left in the bill.

The SPEAKER. The gentleman withdraws the committee amendment and asks that it be restored to the bill. Is there objection? [After a pause.] The Chair hears none.

Mr. SHOUSE. Mr. Speaker, the dollar sign is omitted in front of the figures "30," page 4, line 1, and I ask that that be corrected.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Page 7, strike out all of lines 3 to 6, inclusive.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Page 10, line 14, strike out the letter "C" and insert the letter "G."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Page 14, line 5, strike out the name "Adonirum" and insert "Adoniram."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Page 14, line 6, after the word "company," strike out the letter "A" and insert the letter "B."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Page 17, strike out all of lines 7 to 10, inclusive.

The question was taken, and the amendment was agreed to.

The Senate bill as amended was ordered to be read the third time, was read the third time, and passed.

On motion of Mr. SHOUSE, a motion to reconsider the vote by which the bill was passed was laid on the table.

## MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5966. An act to amend an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 562) entitled "An act to amend the act approved June 25, 1910, authorizing a Postal Savings System."

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 6099. An act to amend section 72 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

LEAVE OF ABSENCE.

By unanimous consent, Mr. AIKEN was granted leave of absence indefinitely on account of illness.

EXTENSION OF REMARKS.

Mr. HADLEY. Mr. Speaker, I request permission to extend my remarks in the RECORD on the question of woman suffrage by incorporating a short communication forwarded by a mass meeting of the citizens of the city of Bellingham, Wash.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD on woman suffrage by incorporating a memorial from certain citizens of Bellingham, Wash. Is there objection?

Mr. GARRETT. Mr. Speaker, is the gentleman willing to let that go to the committee in the usual way or is there any special reason why it should be incorporated in the RECORD now?

Mr. HADLEY. Mr. Speaker, I realize that ordinarily a memorial would go through the basket, but the form of this petition as presented to me is such that I felt that I should present it on the floor, I will state to the gentleman.

Mr. GARRETT. If there is something special about it, that makes it necessary in the gentleman's opinion that it should go in——

Mr. HADLEY. This communication incorporates the request that I read it into the RECORD, and that request being made in that way I felt that I should present it in this manner.

The SPEAKER. Is there objection to the request? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned to meet to-morrow, Saturday, May 13, 1916, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of White River at Batesville, Ark., with a view to determining what improvements, if any, are necessary in the interest of navigation to prevent the further caving of Ferrill Island, and the danger from such caving that might injure or impede navigation (H. Doc. No. 1109); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of South Milwaukee Harbor, Wis. (H. Doc. No. 1110); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on reexamination of Amite River and Bayou Manchac, La. (H. Doc. No. 1111); to the Committee on Rivers and Harbors and ordered to be printed.

4. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Anclote River, Fla., from the county bridge to the head of navigation (H. Doc. No. 1112); to the Committee on Rivers and Harbors and ordered to be printed.

5. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination and survey of Dorchester Bay and Neponset River, Mass., up to the Neponset highway bridge (H. Doc. No. 1113); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

6. A letter from the Rock Creek and Potomac Parkway Commission, transmitting report of Rock Creek and Potomac Parkway Commission, 1916 (H. Doc. No. 1114); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Secretary of State, submitting an urgent estimate of deficiency in the appropriation for salaries, chargés d'affaires ad interim and vice consuls, for the fiscal year ending June 30, 1916 (H. Doc. No. 1115); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Acting Secretary of the Treasury, transmitting a copy of a communication from the Secretary of War, submitting a supplemental estimate of appropriation required by the War Department for topographic maps, the same to be made immediately available and to remain available until expended (H. Doc. No. 1116); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. BURKE, from the Committee on the Merchant Marine and Fisheries, to which was referred the joint resolution (H. J. Res. 218) authorizing the acceptance of the gift of the Berkshire trout hatchery, Berkshire County, Mass., reported the same without amendment, accompanied by a report (No. 680), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 13001) to provide additional assistants in the Bureau of Fisheries, Department of Commerce, for the purpose of aiding in the development of the shellfish industries, reported the same without amendment, accompanied by a report (No. 681), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. BURKE, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (S. 4760) to authorize the change of name of the steamer *Normania* to *William F. Stifel*, reported the same without amendment, accompanied by a report (No. 679), which said bill and report were referred to the Private Calendar.

Mr. MURRAY, from the Committee on Indian Affairs, to which was referred the bill (H. R. 12391) to reimburse Douglas H. Johnston, reported the same without amendment, accompanied by a report (No. 682), which said bill and report were referred to the Private Calendar.

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (H. R. 12472) authorizing the submission to the Court of Claims of the claims of sundry citizens of Idaho for damages sustained by reason of the overflow of their lands in connection with the construction of the reservoir to irrigate lands belonging to the Indians on the Fort Hall Reservation in Idaho, reported the same with amendment, accompanied by a report (No. 683), which said bill and report were referred to the Private Calendar.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE: A bill (H. R. 15617) to establish fish-hatching and fish-cultural stations in the States of Alabama, Louisiana, Florida, Georgia, South Carolina or North Carolina, Maryland or Virginia, Orégon or Washington, Texas, Oklahoma, Illinois, Washington, Arizona, New Mexico, Michigan, Idaho, Missouri, Pennsylvania, Delaware or New Jersey, and Minnesota; to the Committee on the Merchant Marine and Fisheries.

By Mr. CAREW: A bill (H. R. 15618) to amend section 4215 of the Revised Statutes of the United States, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. CARY: A bill (H. R. 15619) to set aside certain national homes for veterans of the Civil War and certain national homes for veterans of the War with Spain; to the Committee on Military Affairs.

By Mr. GOODWIN of Arkansas: A bill (H. R. 15620) to establish the National Chamber of Agriculture for the purpose of promoting the equitable distribution of farm products; to the Committee on Agriculture.

By Mr. HAYES: A bill (H. R. 15621) to provide for the purchasing of desert land by entrymen who can not make final proof; to the Committee on the Public Lands.

By Mr. SABATH: Joint resolution (H. J. Res. 223) for the relief of the victims of the *Eastland* disaster; to the Committee on Claims.

By Mr. DYER: Resolution (H. Res. 235) relating to treatment of Irish revolutionists by the British Government; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 15622) granting an increase of pension to Nathan Smith; to the Committee on Invalid Pensions.

By Mr. BARKLEY: A bill (H. R. 15623) granting an increase of pension to Isaac Koon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15624) granting an increase of pension to John Reid; to the Committee on Invalid Pensions.

By Mr. CANTRILL: A bill (H. R. 15625) granting an increase of pension to W. B. Newton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15626) granting an increase of pension to Jesse Lunsford; to the Committee on Invalid Pensions.

By Mr. CARAWAY: A bill (H. R. 15627) granting an increase of pension to George Binnix; to the Committee on Invalid Pensions.

By Mr. CONRY: A bill (H. R. 15628) granting a pension to Mary J. Burns; to the Committee on Pensions.

By Mr. COX: A bill (H. R. 15629) granting a pension to George Payton; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 15630) granting a pension to Mary E. Cole; to the Committee on Invalid Pensions.

By Mr. HENSLEY: A bill (H. R. 15631) granting an increase of pension to Charles A. Herter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15632) granting an increase of pension to Frederick Schwartz; to the Committee on Invalid Pensions.

By Mr. HOLLINGSWORTH: A bill (H. R. 15633) granting a pension to Douglas D. Powell; to the Committee on Pensions.

By Mr. HOPWOOD: A bill (H. R. 15634) granting a pension to Elizabeth Beal, widow of Eli Beal; to the Committee on Pensions.

By Mr. LINTHICUM: A bill (H. R. 15635) for the relief of the Eastern Transportation Co., of Baltimore, Md.; to the Committee on Claims.

By Mr. OAKEY: A bill (H. R. 15636) granting an increase of pension to Mary Duffy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15637) granting an increase of pension to Marion G. Scott; to the Committee on Invalid Pensions.

By Mr. OLNEY: A bill (H. R. 15638) to remove the charge of desertion from the record of Sanford K. Knox; to the Committee on Military Affairs.

By Mr. POWERS: A bill (H. R. 15639) for the relief of Emily J. Mullins; to the Committee on Claims.

By Mr. PRICE: A bill (H. R. 15640) granting a pension to Julian Edmond; to the Committee on Pensions.

By Mr. NEELY: A bill (H. R. 15641) granting a pension to Joseph Miley; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 15642) for the relief of the estate of Swinney A. Magnum; to the Committee on Claims.

By Mr. RUBEY: A bill (H. R. 15643) for the relief of J. C. Likes; to the Committee on Claims.

Also, a bill (H. R. 15644) for the relief of James S. Risher; to the Committee on Military Affairs.

By Mr. RUSSELL of Missouri: A bill (H. R. 15645) granting an increase of pension to William A. Swearingin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15646) granting a pension to David Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15647) granting a pension to Reuben Barnard; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 15648) granting a pension to Henry O. Weckle; to the Committee on Pensions.

By Mr. SHOUSE: A bill (H. R. 15649) granting an increase of pension to Brother Buis; to the Committee on Pensions.

By Mr. STEDMAN: A bill (H. R. 15650) for the relief of Levi R. Whitted; to the Committee on Claims.

By Mr. VAN DYKE: A bill (H. R. 15651) granting an increase of pension to Mary L. King; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By the SPEAKER (by request): Memorial of the Wisconsin Conference of the Evangelical Association, relative to warning American citizens to keep off armed merchant vessels; to the Committee on Foreign Affairs.

Also (by request), memorial of mass meeting of Apollo, Pa., favoring the adoption of an amendment to the Constitution forbidding polygamy in the United States; to the Committee on the Judiciary.

Also (by request), petition of officers of the Porto Rico Regiment of Infantry in re Porto Rican bill; to the Committee on Insular Affairs.

By Mr. BOOHER: Petition of M. L. Duty and 25 other citizens of Halls, Mo., against the enforcement of the regulations concerning migratory birds; to the Committee on Agriculture.

Also, petition of C. W. Willetts and 23 other citizens of St. Joseph, against the Taylor system and asking for the passage of House bill 8665; to the Committee on Labor.

Also, petition of L. F. Gerding, O. H. Leake, and 35 other citizens of St. Joseph, Mo., against the passage of House bill 6468 and Senate bill 491; to the Committee on the Post Office and Post Roads.

By Mr. CAREW: Petition of Amateur Athletic Union of the United States in re national playground and stadium; to the Committee on Appropriations.

By Mr. CURRY: Petition of 25 citizens of Lodi, Cal., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Memorial of 300 citizens of Butte, Mont., favoring passage of suffrage amendment; to the Committee on the Judiciary.

Also, memorial of convention of milk producers and other dairy interests of the United States, relative to contagion among dairy herds; to the Committee on Agriculture.

By Mr. DAVIS of Texas: Memorial of thirty-first annual encampment of the Grand Army of the Republic, Department of Texas, indorsing Senate bill 1161; to the Committee on Invalid Pensions.

Also, memorials of sundry organizations of Texas, indorsing the Gillett bill; to the Committee on Alcoholic Liquor Traffic.

Also, petitions of sundry citizens and firms of Texas, opposing the passage of the Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Immanuel's Lutheran Church, in reference to our foreign relations and opposing war with Germany; to the Committee on Foreign Affairs.

By Mr. DILLON: Petition of citizens of South Dakota, against war with Germany; to the Committee on Foreign Affairs.

By Mr. DYER: Petition of the Engineers' Club of St. Louis, Mo., favoring Senate bill 4874, relative to engineering experiment stations; to the Committee on Agriculture.

Also, petition of W. G. Mueller Produce Co., of St. Louis, Mo., relative to House bills 14945 and 14976, as to measure for strawberries; to the Committee on Coinage, Weights, and Measures.

By Mr. ESCH: Memorial of Wisconsin Antituberculosis Association, against Senate joint resolution 120, relative to members of Public Health Service; to the Committee on Interstate and Foreign Commerce.

Also, petition of A. G. Leindorff and 14 others of Prairie du Sac, Wis., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of Lewis A. Young and 14 others of Prairie du Sac, Wis., against appropriations for sectarian schools; to the Committee on Indian Affairs.

By Mr. FLYNN: Memorial of convention of milk producers and other dairy interests of the United States, relative to contagious abortion among the dairy herds; to the Committee on Agriculture.

By Mr. FULLER: Petition of the Omar Machine Co., of Chicago, Ill., favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Streator, Ill., against Taylor system in Government shops; to the Committee on Labor.

By Mr. GLYNN: Petition of Harry E. Vail and others, of Torrington, Conn., favoring House bill 8665, against Taylor system; to the Committee on Labor.

By Mr. HADLEY: Petition of sundry citizens of the State of Washington, opposing passage of House bill 652; to the Committee on the District of Columbia.

Also, petition of sundry citizens of the State of Washington, opposing House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

By Mr. HAYES: Petition of citizens of Soledad, Cal., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HENSLEY: Petition of Charles R. Pratt, of Flat River, Mo., favoring exemption of telephone companies from operations and provisions of House bill 563; to the Committee on Interstate and Foreign Commerce.

By Mr. HOPWOOD: Petition of Christian Endeavor Society of Carmichaels Presbyterian Church, against intoxicating liquors in Porto Rico; to the Committee on Insular Affairs.

By Mr. KING: Petition of William J. Ruff and 200 other citizens of Quincy, Ill., protesting against further appropriation of public funds for the enforcement of the migratory-bird law; to the Committee on Agriculture.

Also, petition signed by M. O. King and divers citizens of Williamsfield, Ill., protesting against the passage of House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

By Mr. KINKAID: Petition of merchants in the sixth congressional district of Nebraska, favoring taxing mail-order houses; to the Committee on Ways and Means.

By Mr. LOUD: Petition of Rev. A. D. Fample and Methodist Episcopal Church of Turner, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. McDERMOTT: Petition of Messrs. M. J. Doyle, L. O. Leonard, James Upton, Daniel Russell, and others, all of Chicago, Ill., favoring the passage of the Lobeck classification bill; to the Committee on Agriculture.

By Mr. McFADDEN: Memorial of Presbyterian Church and Sunday School, Woman's Christian Temperance Union, and Methodist Episcopal Church, all of Monroeton, Pa., and Presbyterian Church of Powell, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. NEELY: Papers to accompany House bill for the relief of Joseph Miley; to the Committee on Invalid Pensions.

By Mr. OAKEY (by request): Petition of citizens of Connecticut who are members of organized labor, in favor of House bill 8665, the Tavenner bill, to prohibit and prevent the introduction of the Taylor and other similar systems in Government workshops; to the Committee on Labor.

By Mr. PRICE: Petitions of sundry business men of Maryland, favoring tax on mail-order houses; to the Committee on Ways and Means.

By Mr. ROWLAND: Petition of citizens of Bradford, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. SLOAN: Petition of Nebraska Frauenbund, Lincoln, Nebr., favoring Emerson resolution, relative to shipments of milk; to the Committee on Foreign Affairs.

By Mr. SMITH of Michigan: Papers to accompany House bill 11525, for relief of George R. Rosenbrook; to the Committee on Invalid Pensions.

## SENATE.

### SATURDAY, *May 13, 1916.*

*(Legislative day of Tuesday, May 9, 1916.)*

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Gore | Lea, Tenn. | Smith, Ga. |
| Bankhead | Gronna | McLean | Smith, S. C. |
| Brady | Hardwick | Martine, N. J. | Smoot |
| Brandegee | Hitchcock | Myers | Stone |
| Catron | Hollis | Nelson | Sutherland |
| Chamberlain | Husting | Norris | Swanson |
| Chilton | James | Overman | Taggart |
| Clapp | Johnson, Me. | Page | Thompson |
| Clarke, Ark. | Johnson, S. Dak. | Phelan | Tillman |
| Colt | Jones | Ransdell | Townsend |
| Culberson | Kenyon | Shafroth | Vardaman |
| Curtis | Kern | Sheppard | Warren |
| Dillingham | La Follette | Sherman | Works |
| Gallinger | Lane | Simmons | |

Mr. CHILTON. I wish to announce the absence of my colleague [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. MARTINE of New Jersey. I should like to state that the Senator from Mississippi [Mr. WILLIAMS] is unavoidably detained. He is paired with the Senator from Pennsylvania [Mr. PENROSE].

Mr. CURTIS. I desire to announce the absence of the Senator from Maine [Mr. BURLEIGH] because of the death of Mrs. Burleigh. I am confident that on the death of his wife the Senator from Maine has the sincere sympathy of all his associates here.

The VICE PRESIDENT. Fifty-five Senators have answered to their names. A quorum is present.

#### HEARINGS BEFORE THE COMMITTEE ON TERRITORIES.

Mr. KENYON. Mr. President——

Mr. PITTMAN. Mr. President, I should like to be permitted to submit and have passed a resolution authorizing the Committee on Territories to employ a stenographer to take down hearings before that committee. Will the Senator from Iowa yield to me for a moment?

Mr. KENYON. I yield for that purpose.

Mr. PITTMAN submitted the following resolution (S. Res. 192), which was read:

*Resolved*, That the Committee on Territories or any subcommittee thereof be, and hereby is, authorized during the Sixty-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding $1 per printed page, to report such hearings as have been had or may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee or any subcommittee thereof may sit during the sessions or recess of the Senate.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. PITTMAN. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. The resolution goes to the Committee to Audit and Control the Contingent Expenses of the Senate under the statute. The statute so provides.

Mr. PITTMAN. Very well. I thank the Senator from Iowa.

#### RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

[Mr. KENYON resumed and concluded the speech begun by him on Tuesday. The entire speech is printed in the Senate proceedings of May 9, 1916.]

Mr. CURTIS. Mr. President, the other day, I understand, the Senator from Colorado [Mr. THOMAS] asked some question in reference to an amendment which was put in this bill upon my motion. It will be found on page 54, and is as follows:

State of Kansas, floods in: Investigate the flood periods of the waters of the State of Kansas by an examination of the territory and from data already gathered by governmental, State, and private efforts by the Board of Engineers of the War Department, and to devise some general plan which will best guard against the recurrence of such floods and diminish their damaging effects upon the lower valleys of the Kansas, Arkansas, Missouri, and the Mississippi Rivers.

That amendment, as I stated the other day, would have been offered to another measure if it had not been limited to the lower Mississippi and to certain parts of California by another legislative body.

This amendment is not in the interest of commerce in our State, and yet I judge from some of the remarks made by the Senator from Iowa [Mr. KENYON] that probably the Kansas River would be more entitled to an appropriation for navigation and for commerce than many of the rivers referred to by him and many of the projects that are covered by this bill.

I would prefer to have this amendment embodied in a broad and comprehensive measure drawn for the purpose of having the flood question studied in the different sections of the country, but I offered the amendment to the pending bill because I thought it was the best way to get it before Congress.

I wish just in a few minutes to point out some of the reasons for the amendment, or, rather, I want to call the attention of the Senate to what has been done by the State in securing data on the flood question.

As was said the other day in the debate upon this question, the senior Senator from Nevada [Mr. NEWLANDS] visited our State at the request of the governor and other citizens. There was a convention called in Topeka to discuss this question, and the Senator was invited to attend that convention and address the people who were interested. As a result of that meeting a committee was appointed to look into this subject. One of the leading engineers of the city of Topeka, who is employed by the State public-utilities commission, was put in charge, and it was thought advisable to consult an engineer from an adjoining State who had had large experience in matters of this kind.

I want now to read the letter of the engineer of the city of Topeka to Mr. Wanzer on this question, and then to read Mr. Wanzer's letter recommending this amendment:

MY DEAR MR. WANZER: In accordance with our conversation of even date, I am inclosing herewith a list of the gauging stations which have been maintained by the United States Geological Survey in the State

of Kansas during the years as shown. This list has been furnished to me by Prof. C. C. Williams, of the State university.

As I understand the situation to-day, no gauging stations are now being maintained by the United States Geological Survey in this State, while there are numerous stations maintained by this bureau in other States, where the problems involved are of much less relative importance than those at stake here in Kansas.

It seems to me that the best plan would be to make some arrangement with the Geological Survey for the establishment or resumption of a number of these stations, the location and operation of the stations to be made and carried on after a conference with the engineering committee of our Flood and Water Congress.

It is absolutely necessary that we have these stations established at the controlling points on our important streams, in order that we may have the necessary basic data to work from when we come to a full study of our flood-control problems; but it seems to me that these locations should only be made after a very complete study of our watersheds. * * *

Very truly, yours, T. J. STRICKLER, *Engineer.*

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. HUSTING in the chair). Does the Senator from Kansas yield to the Senator from Colorado?

Mr. CURTIS. Certainly.

Mr. THOMAS. I merely wish to say to the Senator that the query which I propounded to the Senator from Louisiana [Mr. RANSDELL] regarding that amendment was prompted by his statement that every scheme or enterprise or proposition covered by the bill had been recommended and had estimates made concerning it from the Board of Engineers. I turned to that one because it was quite distinguished, having been printed in italics, with a view of ascertaining whether his observation appled to that as well as to other items. My own personal view is that the amendment is not germane to the river and harbor bill, but the merit of the amendment is much more apparent to me, at least, than a great many of the appropriations in the measure made for different places in the country.

Mr. CURTIS. I greatly appreciate the expression of the Senator from Colorado in regard to the merits of the item.

Mr. THOMAS. I did not intend so much to criticize the amendment itself as to ascertain whether it had been recommended and what was the reason for its appearance in this bill instead of in a flood-control measure.

Mr. CURTIS. For fear other Senators may desire information on this subject I will proceed, with the consent of the Senate, to publish the list that was furnished by Mr. Strickland to Mr. Wanzer without reading it.

The PRESIDING OFFICER. Without objection, the list will be printed.

The list referred to is as follows:

Arkansas River near Syracuse, 1902–1906.
Arkansas River near Dodge, 1902–1906.
Arkansas River near Coolidge, 1903.
Arkansas River near Hutchinson, 1895–1905.
Arkansas River near Arkansas City, 1902–1906.
Walnut River near Arkansas City, 1902–3.
Cimarron River near Arkalon, 1895–96, 1903–1905.
Medicine River near Kiowa, 1895–96.
Verdigris River near Independence, 1904.
Verdigris River near Liberty, 1895–1903.
Verdigris River near Fall River, 1904–5.
Neosho River near Neosho Rapids, 1904.
Neosho River near Iola, 1895–1903.
Neosho River near Humbolt, 1904.
Kansas River near St. George, 1904.
Kansas River near Topeka, 1904.
Kansas River near Lecompton, 1899–1906.
Kansas River near Lawrence, 1895–1899.
Smoky Hill River near Solomon, 1904.
Smoky Hill River near Ellsworth, 1895–1903.
Beaver Creek near Fort Scott, 1904–5.
Saline River near Beverly, 1895–1897.
Saline River near Salina, 1897–1903.
Solomon River near Beloit, 1895–1897.
Solomon River near Niles, 1897–1903.
Blue River near Manhattan, 1895–1905.
Osage River near Ottawa, 1902–1905.

Mr. CURTIS. I desire to read to the Senate the recommendation of Mr. Wanzer, and to place in the RECORD a little history of floods in the State of Kansas:

I recommend an amendment to the river and harbor bill about as follows—

The amendment is substantially as I offered it, except I add the Arkansas and other rivers.

I recommend an amendment to the river and harbor bill, about as follows:

"To appropriate the sum of $50,000 for the purpose of investigating the flood periods of the waters in the State of Kansas, and from examination of the territory, and from data already gathered, by governmental, State, and private efforts, devise some general plan which will best guard against the recurrence of such floods and diminish their damaging effect upon the lower valleys of the Missouri and Mississippi Rivers."

The later periods of flood damages in the State of Kansas of which data have been compiled occurred in the years 1903, 1908, and 1915.

The United States Weather Bureau gives the following estimate of flood losses during the years 1903 and 1908:

*Estimate of flood losses 1903 and 1908.*

| | Lives lost. | Property loss. | Crop loss. | Loss from erosion. | Loss from suspension of business. |
|---|---|---|---|---|---|
| 1903 | | | | | |
| Topeka and vicinity | 38 | $2,000,000 | [1] | [1] | [1] |
| Kansas City (Kansas and Missouri) | 19 | 15,000,000 | [1] | [1] | [1] |
| Total, 1903 | 57 | 17,000,000 | | | |
| Kaw Valley (1903) | | 22,000,000 | | | |
| 1908 | | | | | |
| Kansas River Valley | | 55,000 | $1,500,000 | [1] | $30,000 |
| Kansas City (Kansas and Missouri) | | | | [1] | 90,000 |
| Blue River Valley | | 200,000 | 400,000 | $100,000 | |
| Republican River Valley | | [1] | 300,000 | [1] | |
| Solomon River Valley | | [1] | 300,000 | [1] | |
| Smoky Hill River Valley | | [1] | 100,000 | [1] | |
| Total, 1908 | | 255,000 | 2,600,000 | 100,000 | 120,000 |
| Total loss 1903 and 1908 | 57 | 17,255,000 | 2,600,000 | 100,000 | 120,000 |

[1] No data. [2] Not including Topeka and Kansas City.

Total loss, both years, lives 57; property, crops, etc., $20,075,000.

The following extract from a paper written by Mr. H. B. Walker, of Kansas State Agricultural College, gives some physical facts concerning the floods of 1903, 1908, and 1915, especially as to the damage inflicted along the valleys in the State of Kansas, and where such immense losses are locally entailed it must follow that these same floods necessarily contribute materially to the greater damage incurred along the lower valleys of the Missouri and Mississippi Rivers—

That is what we contend in support of this amendment, that if the flood waters are controlled at the heads of these various streams it will lessen the damage on the Missouri and on the Mississippi and will necessarily save a great deal of money that is now expended in protecting the banks of those rivers.

SCOPE OF THE FLOOD PROBLEM.

Since 1903 that part of Kansas lying east of the ninety-eighth meridian has suffered a number of disastrous floods. Many of the small valleys have had an overflow practically every year, and three general flood periods have prevailed, the first and most destructive coming in 1903, the second and least destructive in 1908, and the third in 1915. For the purpose of discussion I have divided the State east of the ninety-eighth meridian into four groups, as follows: First, the Kaw River watershed; second, the Arkansas River watershed; third, the Neosho River watershed; fourth, other independent smaller watersheds.

The first mentioned is the largest, and therefore subject to the greatest destruction when inundated. The Arkansas River overflows infrequently, since its source is in a region of high altitude and scant rainfall. The other watersheds all lie wholly within the State and are subject to frequent and destructive overflows.

KAW RIVER VALLEY.

The total drainage area of the Kaw River is approximately 60,000 square miles, most of which is located within the State. Two principal tributary streams, however—the Republican and the Blue Rivers—have a considerable portion of their drainage areas in Colorado and Nebraska. The Smoky Hill, with its two tributaries—the Solomon and Saline Rivers—forms a large drainage basin almost entirely within the State. Streams of smaller drainage areas, but which contribute large quantities of flood waters to the main river, are the Vermillion, Delaware, and Wakarusa Rivers and Stranger, Soldier, and Mill Creeks. The importance of these smaller streams must not be underestimated. The maximum flood discharge for the Kaw River in 1903 was estimated to be between 250,000 and 300,000 cubic feet per second, while the Delaware River, with a drainage area in eastern Kansas covering 1,100 square miles, had a maximum flood discharge for the same flood of approximately 44,000 cubic feet per second, or a maximum flood flow approximately equal to one-seventh of the maximum flood discharge of the Kaw River. Of course it is evident that these smaller drainage areas can not in themselves cause serious flood conditions in the Kaw River Valley, but when added to the flood waters contributed by the Blue, Republican, and Smoky Hill Rivers great damage and destruction to property may result.

The Kaw River watershed has approximately 682,880 acres of land subject to overflow. Besides this, there are 81 cities and villages which are directly affected by floods. Two of these are cities of the first class, 13 of the second class, and 66 of the third class. The total population represented by these municipalities is 225,000.

Approximately 783 miles of main-line railroad are located in this flooded area.

Besides the numerous railroads which pass through the valley there are about 1,900 miles of public roads which are subject to inundation. This important drainage area of Kansas has experienced three general overflows since June of 1903. The losses during the 1903 flood were by far the greatest, but for the 13-year period the total loss to Kansas may be conservatively estimated at $40,000,000, distributed as follows:

| | |
|---|---|
| 1903 | $22,000,000 |
| 1908 | 3,000,000 |
| 1915 | 12,000,000 |
| Other miscellaneous floods | 3,000,000 |
| Total | 40,000,000 |

ARKANSAS RIVER VALLEY.

The drainage area of the Arkansas River above the point where it passes out of the State is approximately 35,000 square miles, about 75 per cent of which is outside of Kansas. Most of this drainage basin is situated in a semiarid country and the valley therefore does not often suffer from floods. East of the 98th meridian some losses have occurred. In 1904 the floods in the Arkansas River Valley from Wichita to Arkansas City were the highest ever recorded. Reports state that about three-tenths of the city of Wichita was covered with water and a property loss of $30,000 was reported. The losses, however, were greatest in the farming communities where the crops were entirely swept away. The Arkansas River Valley has an overflow area of approximately 73,600 acres. Nine cities and villages are also directly affected, two of these being cities of the first class, three of the second class, and four of the third class, and representing a total population of 93,000.

The railroads in the Arkansas River Valley are generally not much affected by flood conditions, there being only about 35 miles of railroad directly located in the flood plane of this stream. In this valley, however, there are practically 220 miles of public roads subject to overflow. The total property loss in this basin during the past 13 years has been approximately $1,500,000.

NEOSHO RIVER VALLEY.

The Neosho River is a true Kansas stream, since it has its headwaters entirely within the State. Floods in this district have been frequent and particularly destructive, especially to farm crops. The area drained is approximately 5,090 square miles, and the highest floods cover approximately 262,000 acres. Twenty-seven cities in this drainage basin are directly affected by floods. Seven of these are cities of the second class and 20 are cities of the third class, with a total population of 50,000. Approximately 269 miles of railroad are located within the flooded area, and 740 miles of public road are also subject to overflow. The most destructive flood in the Neosho Valley occurred in 1904. The property losses for this inundation alone were estimated at $1,200,000. The probable total loss by floods in the Neosho River Valley during the past 13 years is approximately $5,500,000.

OTHER INDEPENDENT SMALLER WATERSHEDS.

The remaining drainage areas in Kansas include the Verdigras, Marais de Cygnes, and the Marmaton Rivers. These streams are all especially subject to frequent periodic floods, resulting in heavy crop and property losses. The total flooded area in this group is approximately 137,000 acres. Twenty-six cities, including 2 of the first class, 10 of the second class, and 14 of the third class, and having a total population of 62,000, are directly affected by these floods. The total mileage of railroads subject to direct injury is 156 miles. Five hundred and forty miles of public roads are subject to inundation. The greatest property losses from floods occurred in 1904, 1909, and 1915. During the past 13 years the total flood losses have amounted to approximately $3,500,000.

*Summary of flood losses in Kansas for a 13-year period.*

| | |
|---|---|
| Kaw River Valley | $40,000,000 |
| Arkansas River Valley | 1,500,000 |
| Neosho River Valley | 5,500,000 |
| Other streams | 3,500,000 |
| Total property loss | 50,500,000 |

For the 13-year period this gives a loss of a little over $3,800,000 per annum. However, this is not a fair conclusion, since floods have been more frequent in recent years than formerly. The first Kansas flood on record occurred in 1844, and was the highest ever known. Other floods followed in 1877 and 1885. No other floods of a general nature occurred until 1903. It would seem, therefore, that the period above mentioned has been one of unusual conditions, and that it is not probable that we will soon have a repetition of such heavy losses.

Besides the property losses given above, there have been many indirect harmful results. Railway traffic has been greatly delayed and the entire public thereby inconvenienced, public roads and bridges have been damaged, and the seeds of noxious weeds have been widely disseminated. Moreover, these frequent and periodic floods have had a very discouraging effect upon the development of our very best agricultural land.

In addition to property losses, there have been a number of lives lost. The 1903 flood left a death list of 57. A number of lives were lost in the floods of the present year; just how many is not known, but the probable total number of lives lost during the 13-year period just mentioned due directly to floods is perhaps 75.

The total overflow area for the State is 1,205,520 acres. This represents the very best of Kansas soil. From an agricultural standpoint the protection of this area is of the greatest importance to the agricultural interests of the State. All of this splendid territory is contiguous to the best market centers the State affords, which insures rapid development, with consequent rapid advances in land values as soon as a reasonable protection system can be worked out.

Very truly, yours,

CHAS. WANZER.

As I stated, this amendment is offered to the pending bill. I believe it is a justifiable appropriation. If I did not believe so, I would not have offered it. I want to say, however, that the fact that I offered this amendment shall not in any way affect my vote upon other provisions of the bill. I believe we should honestly and fairly appropriate all the money that is needed to protect streams where appropriations are needed in the interest of commerce, and I shall do what I can to support and help pass such provisions; but where appropriations are not needed, it seems to me that we ought now to refuse to make them. Nor should we appropriate for rivers where there can be no benefit to commerce, navigation, or flood control.

Mr. President, just another word before I close. In the speeches made by the Senator from Iowa [Mr. KENYON] and the Senator from Illinois [Mr. SHERMAN] reference was made to the Fifty-first Congress, which was condemned as a billion-dollar Congress. That Congress, of which Mr. Reed, of Maine, was Speaker, appropriated in its two sessions for the two fiscal years of 1889 and 1890 the sum of $1,023,972,365. The Democratic Members of that Congress and the Democratic press of the country charged it with being a billion-dollar Congress. Mr. Reed answered that this was a billion-dollar country. If our friends on the other side of the Chamber then thought that Congress was extravagant with the people's money, what will they think of the present Democratic administration and Congress, with its majority in the House and in the Senate in the last Congress and in this session of this Congress?

I call your attention to the appropriations of the Sixty-third Congress and the estimates for the first session of the Sixty-fourth Congress. The Sixty-third Congress appropriated in its two sessions, for the two fiscal years 1915 and 1916, a total of $2,231,055,150, which was more than double the appropriations of the Fifty-first Congress; and this vast sum of over $2,000,000,000 does not cover all the money appropriated for the years 1915 and 1916, for it has taken four urgent deficiency bills so far this session, covering $25,731,229, to make up deficiencies for 1916.

More than that, the estimates submitted to this session of the present Congress for the next fiscal year amounted, for one year only, to $1,287,857,808. To that you must add the deficiency appropriations of this session, which will go into the report of the next Congress, which will make $1,311,588,000 appropriated by this session of this Congress for the fiscal year 1917, and that does not include appropriations for several measures which have passed this body and which will no doubt become laws before this session adjourns.

I think the time has come when we should call a halt upon the extravagance of this administration. It came into power under a promise of economy, but the records show that it has been the most extravagant in the history of the country, and the estimates for this year far exceed the estimates that have ever been sent to any Congress in the history of the country.

We, as representatives of the people, should stand for the reduction of taxation and for the strictest economy in the administration of the affairs of the Nation. We on the Republican side advocate this because it is right, and it is our duty in making appropriations to practice the strictest economy and only make such appropriations as are actually necessary and which will result in benefit to the people.

Mr. CLARKE of Arkansas. Mr. President, under the existing program there is no Senator ready to address the Senate further on the pending bill at this time. There has been expressed a general desire that the business of the day should be suspended at this point, so I ask unanimous consent that the further consideration of the pending bill may be postponed until the morning business is disposed of, or dispensed with on Tuesday morning next; and, if that request is granted, I shall then move that the Senate adjourn. I have made the request due to the fact that Monday will be devoted to business before the Senate in executive session.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 5221) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a concurrent resolution requesting the Speaker of the House of Representatives and the President of the Senate to cancel their respective signatures to the enrolled bill H. R. 759, entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof," etc., in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 15494) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. MYERS. I present a resolution unanimously passed by 300 citizens at the Auditorium, at Butte, Mont., in favor of a national constitutional amendment for woman suffrage, which I ask may be printed in the RECORD.

There being no objection the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution unanimously passed by 300 citizens at the Auditorium, Butte, Mont., May 7, 1916.

Whereas we believe that greater than all laws is the right of the people to share in the making of those laws; and

Whereas the party in power has blocked the passage of the Federal suffrage amendment enfranchising women: Be it

*Resolved*, That we call upon the administration to put its strength behind this amendment and secure its immediate passage during this present session of Congress; be it further

*Resolved*, That copies of this resolution be sent the administration leaders, the chairman and members of the House Judiciary Committee and to the Montana congressional delegation, with the request that Senator MYERS and Congressman EVANS read it into the minutes of the CONGRESSIONAL RECORD.

HELEN FITZGERALD SANDERS, *Chairman*.

Mr. MYERS. I present resolutions unanimously passed by 100 women citizens of Butte, Mont., favoring a national constitutional amendment for woman suffrage, which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Unanimously passed by 100 women citizens of Butte, Mont., at a luncheon given the envoys of the Congressional Union at the Hotel Butte, May 8, 1916.

Whereas the passage of the Susan B. Anthony Federal suffrage amendment is being unfairly blocked by the action of the Judiciary Committee of the House of Representatives: Be it

*Resolved*, That we demand of the committee an immediate favorable report on the amendment, that it may be voted upon in the House without delay; be it further

*Resolved*, That we hold the administration responsible for the passage of the amendment through this session of Congress; be it finally

*Resolved*, That copies of this resolution be sent the President of the United States, Majority Leaders KERN, of the Senate, and KITCHIN, of the House; Speaker CLARK, of the House; and the members of the Judiciary Committee, and to the Montana congressional delegation.

JOANNA S. GRIGG, *Chairman*.

Mr. ASHURST. I present resolutions adopted by the Central Labor Union of Oatman, Ariz., which I ask may be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

CENTRAL LABOR UNION,
*Oatman, Ariz., May 6, 1916.*

Hon. HENRY F. ASHURST,
*Senator from Arizona, Washington, D. C.*

DEAR SENATOR: By instructions from the above body, I am sending you the following resolutions:

"Whereas there exists an almost universal state of warfare between the nations of Europe; and

"Whereas there exists strained relations between the United States of America and the Republic of Mexico, chiefly due to the influence of large commercial interests; and

"Whereas there is serious danger of this country becoming involved in the European conflict; and

"Whereas the immediate burdens of warfare, as well as the ultimate results, weigh most heavily upon the shoulders of labor, the great producers of the world: Therefore be it

"*Resolved by the Central Labor Union of Oatman, Ariz.*, That our Senators and Representative in Congress be requested to use all means in their power to maintain strictest neutrality with European nations and to avert a conflict with Mexico."

Signed by committee on resolutions: S. W. Collins, Ora Page, and B. O. Lechens.

With kindest regards, I remain,

Yours, respectfully, B. O. LECHENS, *Secretary*.

Mr. CHAMBERLAIN presented petitions of sundry citizens of Oregon, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. PAGE presented a memorial of sundry citizens of Cavendish, Vt., remonstrating against any change being made in the parcels-post law, which was referred to the Committee on Post Offices and Post Roads.

Mr. McLEAN presented a petition of Local Union No. 210, United Brotherhood of Carpenters and Joiners of America, of Stamford, Conn., praying for the enactment of legislation to grant pensions to employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of West Hartford, Conn., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

He also presented a petition of the Woman's Christian Temperance Union, of Torrington, Conn., praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented memorials of Fyrtornet Lodge, International Order of Good Templars, of Stamford; of North Star Lodge, International Order of Good Templars, of Bridgeport; of Framat Lodge, International Order of Good Templars, of Ansonia; of Svea Lodge, International Order of Good Templars, of Branford; of Sveaborg Lodge, International Order of Good Templars, of New Haven; of Trochet Lodge, International Order of Good Templars, of Naugatuck; of Oscar II Lodge, International Order of Good Templars, of Waterbury; of Norden Lodge, International Order of Good Templars, of New Britain; of Freja Lodge, International Order of Good Templars, of Hartford; of Enighet Lodge, International Order of Good Templars, of South Manchester, and of Dristigheten Lodge, International Order of Good Templars, of Middletown, all in the State of Connecticut, remonstrating against an increase in armaments, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Connecticut, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of Local Union No. 39, Cigar Makers' International Union, of New Haven; of Local Branch Sheet Metal Workers' Union, of New Haven; of Elm City Division, No. 317, Order of Railway Conductors, of New Haven; of Local Union No. 173, United Association of Plumbers and Steam Fitters, of Bridgeport; of Local Union No. 201, Brotherhood of Railroad Trainmen, of New Haven; of the Plumbers and Steam Fitters' Union of New Haven; and of Local Union No. 79, United Brotherhood of Carpenters and Joiners, of New Haven, all in the State of Connecticut, praying for the passage of the so-called Panama civilian compensation bill, which were referred to the Committee on Appropriations.

He also presented a petition of the National Association of Conservation Commissioners, praying for the enactment of legislation to establish game sanctuaries in national forests and also for the protection of migratory birds, which was referred to the Committee on Forest Reservations and the Protection of Game.

Mr. PHELAN presented a petition of sundry citizens of San Bernardino County, Cal., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

He also presented a petition of the congregation of the First Presbyterian Church of Berkeley, Cal., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of General Jacob H. Smith Camp, No. 6, United Spanish War Veterans, of Fresno, Cal., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

He also presented petitions of Local Union No. 256, Laundry Wagon Drivers' Union, of San Francisco, and of the Trades and Labor Council of Vallejo, in the State of California, praying for an investigation into the conditions surrounding the marketing of dairy products, which were referred to the Committee on Agriculture and Forestry.

Mr. JONES presented a memorial of sundry citizens of Colville, Wash., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

## REPORTS OF COMMITTEES.

Mr. SWANSON, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 5854) to provide for the erection, furnishing, and equipping of a building in the city of Washington, D. C., for the Department of Justice, reported it without amendment and submitted a report (No. 436) thereon.

Mr. ASHURST, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 1045) to provide for the erection of a public building at Prescott, in the State of Arizona, reported it without amendment and submitted a report (No. 434) thereon.

He also, from the same committee, to which was referred the bill (S. 1046) to provide for the purchase of a site for a public building in the city of Bisbee, Ariz., reported it with an amendment and submitted a report (No. 435) thereon.

Mr. NEWLANDS, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 308) to amend the act to regulate commerce as amended, and for other purposes, reported it without amendment and submitted a report (No. 437) thereon.

## BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERMAN:

A bill (S. 5982) to provide for the purchase of a site and the erection of a public building thereon at Marion, McDowell County, N. C. (with accompanying papers); to the Committee on Public Buildings and Grounds.

By Mr. PHELAN:

A bill (S. 5983) to acquire a site and for the erection and completion thereon of a public building in the city of San Mateo, Cal.; and

A bill (S. 5984) directing the Secretary of the Treasury to sell the present Federal building and site at San Jose, Cal., and to acquire a new site and to provide for the erection and completion thereon of a public building in the said city of San Jose, Cal.; to the Committee on Public Buildings and Grounds.

A bill (S. 5985) authorizing the Commissioner of Navigation to cause the steamship *Republic* to be enrolled and licensed as a vessel of the United States; to the Committee on Commerce.

By Mr. ASHURST:

A bill (S. 5986) making an appropriation for the construction of a bridge at Nogales, Ariz.; to the Committee on Finance.

By Mr. SIMMONS:

A bill (S. 5987) to amend subsection 11 of section 3244, Revised Statutes; to the Committee on Finance.

By Mr. SHIELDS:

A bill (S. 5988) granting a pension to Otto Greenlee; to the Committee on Pensions.

By Mr. JONES (by request):

A joint resolution (S. J. Res. 130) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. OVERMAN submitted an amendment proposing to appropriate $2,880 for additional compensation to 16 privates, Capitol Police, at the rate of $180 per annum each for the fiscal year 1917, etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. TOWNSEND submitted an amendment proposing to increase the appropriation for sugar-beet investigations from $41,495 to $51,495 and that not less than $10,000 of this appropriation shall be used for the development and improvement of American strains of sugar-beet seed, etc., intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. MARTINE of New Jersey submitted an amendment proposing to increase the number of messengers at $720 each, in the Division of Publications, Agricultural Department, from two to four, etc., intended to be proposed by him to the agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. BROUSSARD submitted an amendment proposing to amend the act of August 30, 1890, so as to authorize the Secretary of Agriculture to permit the admission of tick-infested cattle from Mexico, South and Central America, the islands of the Gulf of Mexico, and the Caribbean Sea into those parts of the United States below the southern quarantine line, etc., intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

THE NEW AQUEDUCT BRIDGE.

The PRESIDING OFFICER laid before the Senate the following concurrent resolution (No. 40) of the House of Representatives, which was read:

*Resolved by the House of Representatives (the Senate concurring)*, That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, requested to cancel their respective signatures to the enrolled bill H. R. 759, entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof;"

That upon the cancellation of said signatures the Clerk be directed to reenroll said bill with an amendment, as follows: On page 4, line 10, strike out the word "five" and insert in lieu thereof the word "four."

Mr. SWANSON. I move that the Senate concur in the resolution of the House.

The motion was agreed to.

PENSIONS AND INCREASE OF PENSIONS.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 5221) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, which were, on page 4, line 1, after "of," where it first occurs, to insert "$"; on page 7 to strike out lines 3 to 6, inclusive; on page 10, line 14, after "Company," to strike out "C" and insert "G"; on page 14, line 5, to strike out "Adonirum" and insert "Adoniram"; on page 14, line 6, to strike out "A" and insert "D"; and on page 17 to strike out lines 7 to 10, inclusive.

Mr. JOHNSON of Maine. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

HOUSE BILL REFERRED.

H. R. 15494. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war was read twice by its title and referred to the Committee on Pensions.

Mr. CLARKE of Arkansas. I move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 35 minutes p. m.) the Senate adjourned until Monday, May 15, 1916, at 12 o'clock m.

## HOUSE OF REPRESENTATIVES.

### SATURDAY, *May 13, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord, our God and our Father, let Thy blessing descend upon us in all its fullness to quicken our minds and bring our souls en rapport with Thee and Thy holy purposes, that we may think well and act well in all the relationships of life and merit the "Well done, good and faithful servant," after the manner of the Christ, the world's great Exemplar. Amen.

The Journal of the proceedings of yesterday was read and approved.

WITHDRAWAL OF PAPERS.

Mr. ASHBROOK, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, papers in the case of Gifford Ramey, Sixty-second Congress, no adverse report having been made thereon.

EXTENSION OF REMARKS.

Mr. McKINLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of rural credits.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the subject of rural credits. Is there objection?

There was no objection.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 5966. An act to amend an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913; to the Committee on Ways and Means.

SAMUEL SCHWARTZ.

Mr. BENNET. Mr. Speaker, I move to discharge the Committee on Foreign Affairs from the further consideration of the following resolution of inquiry.

Mr. GARNER. What is it?

The SPEAKER. The gentleman from New York moves——

Mr. GARNER. Mr. Speaker, I demand the regular order.

Mr. MANN. The rules provide——

The SPEAKER. This rule simply provides that the bill is to be in order. The Chair thinks this is a privileged resolution, and the Clerk will report it.

The Clerk read as follows:

House resolution 210.

*Resolved*, That the President of the United States be, and he is hereby, requested to furnish the House of Representatives with a statement of what he has done under the provisions of section 2001 of the Revised Statutes to secure the release of Samuel Schwartz, an American citizen unjustly deprived of his liberty by or under the authority of the Government of Great Britain.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. BENNET. Mr. Speaker, I have consulted with the chairman of the Committee on Foreign Affairs for several days past, and he told me yesterday that unless he got certain information from the State Department by to-day which would enable him to make the customary adverse report giving me the information I would be justified in moving to discharge the Committee on Foreign Affairs from the further consideration of this resolution.

Mr. FITZGERALD. I wish to suggest to the gentleman that this resolution contains the statement that the man is unjustly

deprived of his liberty by a foreign Government. It seems to me that that should be somewhat modified.

Mr. BENNET. I would say "alleged to be." I am perfectly willing to say that. In line 6, after the word "citizen," insert the words "alleged to be."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FITZGERALD. I would suggest to the gentleman also that he amend by inserting "if not incompatible with the public interest." It is a matter suggesting what has been done by some foreign Government, and it is the customary phrase in such resolutions.

Mr. MANN. When we address the President it is customary.

Mr. FITZGERALD. I suggest that the gentleman insert "if not incompatible with the public interest."

Mr. BENNET. Mr. Speaker, I ask unanimous consent to amend, after the word "requested," in line 2, by inserting "if not incompatible with the public interest."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

In line 2 insert, after the word "requested," "if not incompatible with the public interest."

Mr. DUPRÉ. Mr. Speaker, I ask for a reading of the amended resolution.

The SPEAKER. At the request of the gentleman from Louisiana, the Clerk will report the amended resolution.

The Clerk read as follows:

House resolution 210.

*Resolved*, That the President of the United States be, and he is hereby, requested, if not incompatible with the public interest, to furnish the House of Representatives with a statement of what he has done under the provisions of section 2001 of the Revised Statutes to secure the release of Samuel Schwartz, an American citizen alleged to be unjustly deprived of his liberty by or under the authority of the Government of Great Britain.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

Mr. BENNET. Mr. Speaker, that simply discharges the committee. Now I would like to have the resolution adopted.

The SPEAKER. It is all one motion.

RURAL CREDITS.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2986, with the gentleman from Texas [Mr. GARNER] in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2986, the title of which the Clerk will report.

The Clerk read as follows:

An act (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes.

APPRAISAL.

SEC. 10. That whenever an application for a mortgage loan is made to a national farm-loan association, it shall be first referred to the loan committee provided for in section 8 of this act. Said loan committee shall examine the land which is offered as security for the desired loan and shall make a detailed written report signed by all three members, giving the appraisal of said land as determined by them, and such other information as may be required by rules and regulations to be prescribed by the Federal farm-loan board. No loan shall be approved by the directors unless said loan committee agrees upon a favorable report.

The written report of said loan committee shall be submitted to the Federal land bank, and the directors of said land bank shall examine said written report when they pass upon the loan application which it accompanies, but they shall not be bound by said appraisal.

Before any mortgage loan is made by any Federal land bank, or joint-stock land bank, it shall refer the application and written report of the loan committee to one or more of the appraisers appointed under the authority of section 3 of this act, and such appraiser or appraisers shall investigate and make a written report upon the land offered as security for said loan. No such loan shall be made by said land bank unless said written report is favorable.

No borrower under this act shall be eligible as an appraiser under this section, but borrowers may act as members of a loan committee in any case where they are not personally interested in the loan under consideration. When any member of a loan committee or of a board of directors is interested, directly or indirectly, in a loan, a majority of the board of directors of any national farm-loan association shall appoint a substitute to act in his place in passing upon such loan.

Mr. HAWLEY. Mr. Chairman, I would like to ask the distinguished gentleman from Virginia [Mr. GLASS] if, in line 3, page 98, before the word "favorable," the word "unanimously" was not intended to be inserted? Then it would read:

No loan shall be approved by the directors unless said loan committee agrees upon a unanimously favorable report.

Mr. GLASS. No; that proposition was suggested, but the committee decided to use the term there employed, "favorable report."

Mr. HAWLEY. So that a vote of the two out of three appraisers would be sufficient to pass a loan?

Mr. GLASS. Yes. That was the idea.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last word.

Mr. MOORE of Pennsylvania. Mr. Chairman, the matter of appraisals is one of the keynotes to this proposition. If a man wants to borrow $100, having qualified by making himself a stockholder, at an expense of $5, he then must proceed to obtain an appraisal of the property upon which he desires to obtain his loan. In order to do that he must obtain the assistance of pretty much the entire system provided for in this act. If the piece of ground upon which he desires to borrow the money is remote, the expenses of the appraisers and others interested will, of course, be a matter to be considered; the compensation of those who are engaged in passing upon such an important matter as the loan of $100 on a piece of ground will also have to be considered.

This paragraph illustrates more than anything else, perhaps, the amount of detail that the average poor farmer must go through in order to obtain any satisfaction or relief under this bill. The loan committee of the national association, formed by 10 borrowers, must examine the land; then their report must be presented and passed upon, all the way up practically to the Federal land bank. For a loan of $100 it would seem as if the Government of the United States and the land associations would be required to spend in salaries for attorneys, for inspectors, for agents, for expenses in connection with the papers to be drawn, for the affidavits to be filed, for the traveling expenses, for the clerk hire, for the overhead charges, about as much as the loan is worth.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I do.

Mr. FESS. Line 17 and part of line 18 seem to exempt a borrower from acting as a member of this appraising committee, but lines 18 and 19 let him in. Borrowers can act as members if they are not personally interested. What would determine whether they were personally interested or not?

Mr. MOORE of Pennsylvania. I suppose that would be determined very largely by the opinion of those who were about to make the loan.

Mr. FESS. The fellow who wants the money can appraise it?

Mr. MOORE of Pennsylvania. Yes; very much as men in a legislative body, who are supposed not to vote upon anything in which they are interested, frequently have a great deal more to do with it than those who are not interested.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. MOSS of Indiana. The gentleman realizes the fact that the man shall make an application for the loan. The appraisal by the land bank is the official appraisal.

Mr. MOORE of Pennsylvania. That is true; but is it not true also that before a poor farmer can get $100 on a piece of land which he offers as security under this bill he will have to pay his proportion of the expense all the way back to the maintenance of the three $10,000 men who are to be at the headquarters here in Washington—experts, lawyers, and all?

Mr. MOSS of Indiana. He may or he may not.

Mr. MOORE of Pennsylvania. I ask if his application will not have to be passed on first by the land-bank association, with its paid secretary-treasurer?

Mr. MOSS of Indiana. That is true.

Mr. MOORE of Pennsylvania. I ask if he will not have to pay his proportion of the expense of the committee that is appointed to appraise his property?

Mr. MOSS of Indiana. If the gentleman had read the bill he would have found out that the expense may be borne by the individual borrower or by the system as a whole.

Mr. MOORE of Pennsylvania. It is extended along the line of the various officers, and there are plenty of them.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GLASS. Mr. Chairman, I understand that this is only a pro forma amendment. What is the discussion about?

The CHAIRMAN. To strike out the last word.

Mr. GLASS. I ask unanimous consent that all debate on this section and amendments thereto close in five minutes.

Mr. MORGAN of Oklahoma. I have an amendment, Mr. Chairman.

Mr. BENNET. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from New York [Mr. BENNET] objects.

Mr. GLASS. I move, Mr. Chairman, that all debate on this section and amendments thereto close in five minutes, unless somebody has a definite amendment to offer.

Mr. MANN. I would not do that if I were the gentleman.

Mr. MORGAN of Oklahoma. I have a definite amendment to offer.

Mr. GLASS. I have no disposition in the world to be unreasonable, but I object to wasting time on pro forma amendments to strike out the last word and the last two words.

Mr. MANN. I wanted to strike out the last word myself, in order to get some information.

Mr. GLASS. We are glad to give anybody any information when we can. How much time is wanted now?

Mr. MORGAN of Oklahoma. I shall want about five minutes.

Mr. MANN. I suggest 15 minutes on the section.

Mr. GLASS. Very well.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that debate on the section and amendments thereto close in 15 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORGAN] offers an amendment, which the Clerk will report.

Mr. MORGAN of Oklahoma. I move to strike out lines 2 and 3, on page 98.

The Clerk read as follows:

Amend, page 98, by striking out lines 2 and 3.

Mr. MORGAN of Oklahoma. Mr. Chairman, section 10 refers to the appraisal; and the question propounded by the gentleman from Oregon [Mr. HAWLEY], it seems to me, is important.

Now, if the committee will notice, beginning on line 20 on page 97 it says:

Said loan committee shall examine the land which is offered as security for the desired loan and shall make a detailed written report, signed by all three members, giving the appraisal of said land as determined by them and such other information as may be required by rules and regulations to be prescribed by the Federal farm-loan board.

Now, the part which I wish to strike out is what follows in the next two lines:

No loan shall be approved by the directors unless said loan committee agrees upon a favorable report.

Now, in the first place, that language is somewhat indefinite. It is uncertain. I would like to know what that means. If some of the committee will indicate, I will pause for an answer. I do not know just what that means—a favorable report.

Mr. HAWLEY. Mr. Chairman, will the gentleman yield to me?

Mr. MORGAN of Oklahoma. Yes; I will be glad to yield.

Mr. HAWLEY. I think it clearly means that unless these three men find the land worthy of making a loan upon, and the title clear and in fee simple in the owner or purported owner of the land, no loan shall be recommended to the Federal land bank for this applicant.

Mr. MORGAN of Oklahoma. Does the gentleman think that the loan committee or this appraisal committee is to pass on the title?

Mr. HAWLEY. The loan committee ought not to recommend a loan to a man who has not a fee-simple title in the land, if they know it.

Mr. MORGAN of Oklahoma. I think that is true. Now, Mr. Chairman——

Mr. HOWARD. Will the gentleman from Oklahoma, right in that connection, let me propound a question to the gentleman from Oregon [Mr. HAWLEY]?

Mr. MORGAN of Oklahoma. I am glad to yield to the gentleman.

Mr. HOWARD. Does the gentleman from Oregon interpret these lines, that the gentleman from Oklahoma [Mr. MORGAN] seeks to strike out, to mean that all three of the appraisers shall agree upon the valuation, or that a majority of them shall agree?

Mr. HAWLEY. I asked that question when the section was first read. I thought from the preceding language that it was intended that no loan should be recommended unless all three appraisers had agreed upon a favorable report.

Mr. CULLOP. Under the language of this provision——

Mr. MORGAN of Oklahoma. Mr. Chairman, I do not wish to lose all my time by yielding to too many gentlemen.

Mr. HOWARD. Like the gentleman from Oklahoma [Mr. MORGAN], I am trying to get some information about this. I would like to have somebody tell us what it does mean. Does it mean that a majority shall agree on the appraisement, or does it mean that they must be unanimous in their appraisement or that the farmer's loan will be rejected?

Mr. MORGAN of Oklahoma. I concede that the expression is indefinite and uncertain, but I think the entire language ought to go out. The appraisal committee, as properly understood, should have nothing to do except to appraise the value of the land.

The members of this committee will not be lawyers; they are not to pass on the title to the land. Their business is to make an estimate on the value of the land, furnish information as to its character, and such other information as will be required of them. When this is done their work is completed. They have done all that the members of any appraisal committee should be required or should be allowed to do. Under the provisions of this bill, as I have heretofore pointed out, a man can not become a member of the national farm-loan association except upon a two-thirds vote of the five directors thereof. They can not secure a loan unless the loan is recommended favorably by the appraisal committee. Then, after that, his loan can not be accepted by the Federal land bank until after one of its appraisers has visited the land and made an appraisement thereof. Under such provisions it is my fear that many worthy farmers will not be able to secure loans through the Federal land banks and the farm-loan associations. My idea is that all of these restrictions should be stricken out. There is only one question that should be determined, and that is, What is the land worth? If, after final appraisement, a man's farm is determined to be worth so much, he is entitled to a loan of 60 per cent of that value. One farmer is as good as another. The only thing that the Government or the bank or the association has a right to ask is that whoever secures a loan shall furnish proper security, and when a farmer has done this he is entitled to a loan. A business conducted on any other line will necessarily lead to great dissatisfaction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN of Oklahoma. I ask unanimous consent for one minute more. My time has been taken up.

The CHAIRMAN. The gentleman asks unanimous consent for one minute. Is there objection?

Mr. SHOUSE. I object.

Mr. MANN. This does not extend the time. It comes out of the 15 minutes.

Mr. MORGAN of Oklahoma. Did the gentleman object?

The CHAIRMAN. The gentleman from Kansas [Mr. SHOUSE] objected.

Mr. MORGAN of Oklahoma. I make the point of order that there is no quorum present.

Mr. MANN. I hope the gentleman will not object to the extension for one minute. It will come out of the 15 minutes.

Mr. HOWARD. I will give the gentleman the time.

Mr. MOORE of Pennsylvania. I make the point of no quorum.

The CHAIRMAN. The gentleman from Pennsylvania makes the point of no quorum. The Chair will count.

Mr. MOORE of Pennsylvania. If gentlemen do not want discussion of this bill, if they want to rush it through, let them do it. It takes $9,000,000, and if nobody is to say anything except those in favor of the bill——

The CHAIRMAN. Eighty-two members present, not a quorum, and the Clerk will call the roll.

Mr. MANN. Mr. Chairman——

The Clerk called the name of Mr. ABERCROMBIE.

Mr. MANN. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Illinois moves that the committee do now rise.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MANN. I ask for a division.

The committee divided; and there were—ayes 27, noes 40.

Mr. MANN and Mr. GLASS demanded tellers.

Tellers were ordered; and the Chairman appointed Mr. MANN and Mr. GLASS.

The committee against divided; and the tellers reported—ayes 2, noes 101.

The CHAIRMAN. On this vote the ayes are 2 and the noes are 101. A quorum is present.

Mr. MOORE of Pennsylvania. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. Mr. Chairman, I make the point of order that under the rule, the Chair having announced that no quorum was present and having directed the Clerk to call the roll, which the Clerk began to do, the roll call must pro-

ceed. I quote for the information of the Chair section 2 of Rule XXIII:

Whenever a Committee of the Whole House or of the Whole House on the state of the Union finds itself without a quorum, which shall consist of 100 Members the Chairman shall cause the roll to be called, and thereupon the committee shall rise, and the Chairman shall report the names of the absentees to the House—

Which has not been done—

which shall be entered on the Journal; but if on such call a quorum shall appear the committee shall thereupon resume its sitting without further order of the House.

My point is that under the rule, the Chair having declared that no quorum was present, and having directed the Clerk to call the roll, the roll call must proceed.

Mr. MANN. Mr. Chairman, all rules are construed at different times, and precedents become a part of the rules. When the Chair declared that there was no quorum present I immediately rose to make the motion that the committee do now rise.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. MANN. Yes.

Mr. MOORE of Pennsylvania. Is it not a fact that before the gentleman made that motion the Chair stated that there were 82 Members present—not a quorum, and that the Clerk would call the roll, and that the Clerk began to call the roll, and called the name of Mr. ABERCROMBIE?

Mr. MANN. The Clerk called the name of Mr. ABERCROMBIE while I was making that motion, and on my feet for that purpose, and the Chair could not cut me out from making that motion by the activity of the Clerk. You can not cut out the right of a Member because the Clerk is unduly—I will not say unduly, but properly—active. [Laughter.] This rule has been frequently construed in the same way, and the Chair has always held heretofore that when on a motion to rise the presence of a quorum was developed, there was no roll call required because there was a quorum present.

The CHAIRMAN. The point of order is overruled. The Clerk will read.

Mr. BENNET. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. GLASS. Reserving the right to object, how much more time is there under the unanimous-consent agreement?

The CHAIRMAN. Ten minutes. Is there objection?

There was no objection.

Mr. BENNET. Mr. Chairman, the gentleman from Oklahoma [Mr. MURRAY] and the gentleman from Georgia [Mr. TRIBBLE] and other gentlemen who have taken the position that this bill confers no substantial benefit on the people who ought to be benefited are, it seems to me, quite correct. I come from a city district, and therefore come under the inhibition of the gentleman from Alabama [Mr. HEFLIN] and others, but it does seem to me that when we are attempting to pass a bill to benefit the people we ought to benefit somebody. The gentleman from Oklahoma [Mr. MURRAY] said yesterday that a man who had $200 ought to have the right to enter into the occupancy of a $2,000 property. That may seem fantastic to some people, but it ought not to seem fantastic to any resident of the State of New York.

In village after village and city after city in the State of New York a man that has saved up $200 can buy a lot and go to his local building and loan association, take his plans, take his proposed contract with the material man, and that building and loan association will build a house for him.

All over the State of New York, and I do not doubt it is so in the States of Illinois and Indiana, probably in the States of Vermont and New Hampshire, a man that has had the thrift to save $300 can go to a loan and building association and it will build him a little home. In the city or village where I was born I can show you block after block of little homes built by men whose initial saving was not over $200 or $300. How do they do it? By marshaling the assets of the community for the benefit of the members of the community.

Mr. McFADDEN. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. McFADDEN. Have those loan and building associations ever asked for Government aid?

Mr. BENNET. I was coming to that. None of these associations have ever asked for Federal or State aid. The Federal aid in this bill is a delusion and a sham. It is not helping out anybody except a few farmers, if it helps them. It does help the farmer who has acquired a large amount of land and who wants to borrow what would be called a savings-bank mortgage up in my country. This bill does not put one single landless man on a farm. If we are to pass a bill for the benefit of the people, we ought to exercise more care.

The gentleman from South Carolina [Mr. LEVER] and the gentleman from Alabama [Mr. HEFLIN] alluded to the bill for the Philippines. I was here when the bill passed and voted for it. The gentleman from Illinois [Mr. MANN] voted against it. Time has vindicated him. It has not vindicated me. The gentleman from North Carolina [Mr. SMALL] and the gentleman from Kentucky [Mr. SHERLEY] voted for it; they spoke for it all in the very best intention, because they wanted to benefit the Filipinos. We passed it by a vote of 188 to 69. Why did not the gentlemen talk about what we did for the Filipinos under the agricultural banking bill and tell what happened. It was passed in 1907, nine years ago, and there has not been an agricultural bank established under it in the Philippines yet. You can not legislate economic conditions simply by statute.

Mr. GARRETT. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. GARRETT. There has never been any legislation here where the Government undertook to do anything about Filipino banks.

Mr. BENNET. It was passed here nine years ago under suspension of the rules.

Mr. GARRETT. It was passed through the House but no such bill ever became a law. The Philippine Commission subsequently passed an act.

Mr. BENNET. I have just come from the library, and the bill that passed the House was a Senate bill. It was passed under a suspension of the rules on motion made by the gentleman from Indiana, Mr. Crumpacker, and the motion was carried by a vote of 188 to 69. If the gentleman will look at page 4538 of the RECORD of the Fifty-ninth Congress, he will see that that is a fact and that the law was approved by the President.

Mr. GARRETT. I am familiar with it; but there never was a bank authorized under it.

Mr. BENNET. Well, I would like to make that part of the speech myself. [Laughter.] The law was passed, and there never has been a bank organized under it.

I was a Member of Congress when the House, by unanimous consent, voted, in the interest of the farmer—and we all believed it was in the interest of the farmer—for a bill of the gentleman from North Dakota, Mr. Marshall, in relation to denatured alcohol; recommended not only by him but by everybody. What has become of that? In the limbo of forgotten things. This bill is as absolutely useless for the ordinary farmer as those two bills turned out to be.

Mr. GLASS. Will the gentleman permit an interruption?

Mr. BENNET. I will.

Mr. GLASS. I believe the gentleman has admitted that time has not vindicated his judgment in those two matters. Is it not barely possible that time will not vindicate his judgment in this matter? [Laughter.]

Mr. BENNET. I have been more generous; I have admitted that time has not vindicated the judgment of the House because the House passed the bill by a vote of 188 to 69. Better men than I voted for the bill. There was the gentleman from Missouri, Mr. De Armond, and others—good men all of us. [Laughter.]

Mr. GLASS. The gentleman is a good man, but good men make mistakes.

Mr. BENNET. I am calling the attention of the gentleman that he is making a mistake now.

Mr. GLASS. I think the gentleman from New York is making a woeful mistake.

Mr. BENNET. No; because the gentleman from Virginia can not point out to me, and neither can the gentleman from Oklahoma point out to me, where there is a provision in this bill that will put a landless man on the land.

Mr. GORDON. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. GORDON. Does the gentleman think that this House ought to pass a law to put every man on a farm? [Laughter.]

Mr. BENNET. No; not if it included the gentleman from Ohio. [Laughter.]

Mr. Speaker, the real life, the real people, and the real happenings of the homes of New York City are rarely heard of outside our city limits. On Monday, May 15, a man whose very name is unfamiliar went to his grave. His coffin was of plain pine boards, unadorned. Yet 120,000 people followed the hearse through the city streets. There were only a mere handful of police, but no disorder, for those who thronged the streets mourned. It was the greatest spontaneous gathering of the people in the history of our city. Factories and workshops found it difficult to proceed, and toilers, men and women alike, who could ill afford the loss, sacrificed the

day's wage to join in the tribute. And the dead man was neither rich nor powerful. Sholem Ben Menachem Rabinowitz was just a writer. "Sholem Aleichem" (Peace to you) his Hebrew readers called him. But so truly did he write the gay and the grave, the tender, the true, and the delightful that he gripped the hearts of his people.

Stories, humorous stories with a kindly cast, were what he was principally known for, but my colleague, Mr. SIEGEL, tells me that on the editorial pages of the Yiddish and Hebrew papers of our city he wielded a trenchant pen, and that in behalf of those in public life whom he cared for, in which category I was glad to be found, he wrote strong, persuasive words. Of the home, of husbands, of wives, and of little children he wrote, and the Jewish people, a home and family loving people, thronged our streets to honor his memory.

He rose superior to misfortune. A large fortune was lost in Russia, but no tinge of bitterness crept into his writings. His oldest son died, but the shining radiance of his affection turned his falling tears into a rainbow of promise. Through it he looked forward with hope, and under its arch his message to his people lost none of its tender sympathy. All his life he was the sincere friend of his people. When he died they passed by the tens of thousands beside his dead body in his humble home in The Bronx, and followed by scores of thousands his plain coffin to its last resting place. "Call no man happy until he is dead," said the cynic of old; but Sholem, the son of Rabinowitz, of the tribe of Manasseh, just a singer of songs as was David, King of Israel, from out the grave tells us that a lover of his kind who lives to make them happy may in his lifetime gain much joy and, dying, be mourned as the rich and the powerful rarely are. Throned in loving memories of real friends his kingdom is secure.

I append his unique and entirely characteristic will:

WILL OF SHOLEM ALEICHEM.

I ask that it be opened and published on the day of my death.

To-day, the day after Yom Kippur, a new year has just begun, and a great misfortune has befallen my family. My oldest son, Misha (Michael) Rabinowitz, has died, and with him part of my life has gone down into the grave. It remains for me now to redraw my will, which I had written in Nerve, Italy, when sick there in 1908.

Being in good health and of sound mind, I write my will, which consists of 10 parts:

I. Wherever I die I want to be placed not among aristocrats, or among the powerful, but among plain Jewish laborers, among the people itself, so that the gravestone that is to be placed upon my grave should illumine the simple graves about me, and these simple graves should adorn my gravestone, even as the plain, good people during my lifetime illumined their Folkschrieber.

II. No titles of any kind, with praises, with rabbinical honors, should be placed upon my gravestone, with the exception of the name Sholem Aleichem on the one side and the Jewish inscription, herewith inclosed, on the other side.

III. There should be no kind of debate or discussion among my colleagues as to making my name eternal, as to a monument to be erected in New York, etc. I shall not be able to rest quietly in my grave if my colleagues make themselves foolish. The best monument for me will be if my works are read and if there be found among the better-to-do classes of our people Maecenasas who will publish and distribute my works in Yiddish or in other languages, and thus give the people the possibility of reading and my family an honorable existence. If I have not been worthy or have not earned Maecenasas during my lifetime, perhaps I shall be worthy of them after my death. I go away from the world in the full belief that the people will not forsake my orphans.

IV. At my grave and throughout a whole year, and then every year on the Jahrzeit, my remaining son, and my sons-in-law if they are so minded, should say Kaddish after me. And if they do not wish to do this, or if they have no time for it, or if it be against their religious convictions, they can be absolved from this duty only if they all come, together with my daughters and my grandchildren and with good friends, and read this my will, and also select one of my stories, one of the really joyous ones, and read it aloud in whatever language they understand best, and let my name be mentioned by them with laughter rather than not be mentioned at all.

V. My children and children's children can have whatever religious convictions they will. But I beg of them to guard their Jewish descent. Those of my children who want to cut themselves off from their race and want to join another faith have by that very desire already cut themselves off from their race and their family, and have thus erased themselves from my will, "and they shall have no portion and inheritance among their brethren."

VI. Everything that I have, be it money—if any such thing be in my possession—be it books, printed or in manuscript, in Yiddish or in other languages (except those translated into Hebrew) belongs to my wife Hodel, the daughter of Elimelech (Olga Rabinowitz), and after her death it belongs to my children—in equal parts to my daughter, Chaye Esther Berkowitz; to my daughter, Sarah Kaufman; to my daughter, Naomi Rabinowitz; to my daughter, Miriam Rabinowitz; and to my son, Hanum Rabinowitz. And as to my works in Hebrew, they belong to that master translator, my son-in-law, J. D. Berkowitz, and to his daughter, my grandchild, Tamar Berkowitz—that should be her marriage dowry. The royalties which result from my plays in Russia or in America should go half to my heirs and half should be set aside in the name of my grandchild Bella, the daughter of Michael and Sarah Kaufman—that should be her marriage dowry.

VII. Out of all of the income mentioned in the foregoing paragraph there should be taken for the fund for Jewish writers (in Yiddish and in Hebrew) 5 per cent, up to 5,000 rubles, and if the income be more than 5,000 rubles a year, 10 per cent (e. g., from 6,000 rubles 600, from 7,000 rubles 700, from 8,000 rubles 800, etc.). If at that time there be such a fund here in America or there in Europe, the percentage shall be paid into the fund yearly, and the fund will act according to its statutes. If, however, at that time there be no official fund, or if there be a fund that does not correspond with my will as mentioned at the beginning of this paragraph, the percentages shall be distributed among the most needy authors by my heirs direct after agreement among themselves.

VIII. If I am not able during my lifetime to place a stone over the grave of my recently deceased son, Michael (Misha) Rabinowitz, in Copenhagen, my heirs should do this with a generous hand, and on his Jahrzeit every year Kaddish should be said, and there should be given to the poor 18 crowns charity.

IX. My wish is that my heirs should so arrange that my works and my plays be not sold in perpetuity either here in America or in Europe. They should try to live from the permanent income due them according to law. Should there, however, come a time, or should there be found such a fool who will pay for the privilege a sum that will suffice for the support of a family, then all the heirs shall consult with one another, and if the majority agree, the money should be divided, share and share alike, in accordance with Paragraph VII. But first of all the 10 per cent shall be deduced for the Jewish literary fund, in accordance with Paragraph VII.

X. My last wish to my successors and my prayer to my children:

To protect mamma, to beautify her old age, to make her bitter life sweet, to heal her broken heart; not to weep after me, on the contrary, to think of me with joy; and the main thing—to live together in peace, to bear no hatred one for another, to help one another in bad times, to remember one another upon occasion in the family, to have pity on a poor man, and when circumstances permit, to pay my debts, should I have any. Children! Carry with honor my hard-earned Jewish name, and may God in heaven come to your help. Amen!

SHOLEM BEN MENACHEM RABINOWITZ (SHOLEM ALEICHEM).

I also append an appreciative editorial from this morning's New York Times:

A TOUCHING APPEAL TO CHILDREN.

In the whole great domain of testamentary literature it would be hard to find a will better deserving to be viewed as a "human document" in the full sense of that term than is that of the man whose least apposite title was "the Jewish Mark Twain." It merits recognition as such because with remarkable clearness it reveals an equally remarkable personality, and so well explains why he preferred and successfully chose to be known among his own people by a name—"Sholem Aleichem"—the exact Hebrew equivalent of the Latin "pax vobiscum" and the English "peace be with you," than by one that referred to his extraordinary abilities as a humorist. Those abilities he had, but he had much more, else would he not have won, as the enormous popular demonstration at his funeral showed, the respect and affection which an amuser who is nothing else can never earn.

The distinctive quality of the man is perhaps best illustarted by the last clauses of his testament, called by him "my wish to my successors and my prayer to my children." They read:

"To protect mamma, to beautify her old age, to make her bitter life sweet, to heal her broken heart; not to weep after me, on the contrary, to think of me with joy; and the main thing—to live together in peace, to bear no hatred one for another, to help one another in bad times, to remember one another upon occasion in the family, to have pity on a poor man, and, when circumstances permit, to pay my debts, should I have any. Children, carry with honor my hard-earned Jewish name, and may God in heaven come to your help. Amen."

This paragraph, of course, should be read in connection with the rest of the will, as it reveals only one side of a many-sided, and yet harmonious and consistent, nature—one that could be proud of achievement and yet modest in appreciation of its kind and extent. And one of the very best features of the document, perhaps, is that in it there is nothing of an attempt firmly to fix a "dead hand" on the minds of those to whom it is addressed or to control from beyond the grave their actions in matters on which they should be left free to exercise their own judgment. Of that too common form of weakness and egotism "Sholem Aleichem" seems to have been without a trace. He advised and appealed, but he did not command or bind.

The CHAIRMAN. All time has expired, and the question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

POWERS OF NATIONAL FARM-LOAN ASSOCIATIONS.

SEC. 11. That every national farm-loan association shall have power:

First. To indorse, and thereby become liable for the payment of, mortgages taken from its shareholders by the Federal land bank of its district.

Second. To receive from the Federal land bank of its district funds advanced by said land bank, and to deliver said funds to its shareholders on receipt of first mortgages qualified under section 12 of this act.

Third. To acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of its business.

Fourth. Against deposits of current funds, to issue certificates for $20 and $50, or any multiple of either, convertible into Federal farm-loan bonds; such deposits to be forthwith transmitted to the Federal land bank of the district. The land bank shall, as soon as practicable after the receipt of any money so deposited with any national farm-loan association, forward to such association Federal farm-loan bonds of a par value equal to the amount received from such association. Such association shall hold such bonds in trust, to redeem its outstanding convertible certificates, and shall not deliver them except in exchange and upon presentation for redemption and cancellation of an equal amount of such convertible certificates. When such certificates are redeemed by the association issuing them they shall be canceled. Such association may charge the holder of such certificates the actual expense incurred in forwarding the bonds from the land bank to the association, together with accrued interest. Such accrued interest, if collected, to be forwarded to the Federal land bank.

Mr. POWERS. Mr. Chairman, I move to strike out the last word. While this measure does not by any means put the Government back of the farmers' credit to the same extent——

Mr. GLASS. Mr. Chairman, I ask unanimous consent that debate on this section and amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this section and amendments thereto close in five minutes. Is there objection?

Mr. McLAUGHLIN. Mr. Chairman, reserving the right to object——

Mr. McFADDEN. Mr. Chairman, I desire to make a statement in regard to the third clause of the section.

Mr. GLASS. Then I make it 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close in 10 minutes. Is there objection?

Mr. YOUNG of North Dakota. Mr. Chairman, reserving the right to object, I would like to have five minutes.

Mr. POWERS. Mr. Chairman, I make the point of order that the gentleman from Virginia can not break in on my remarks without first asking permission. I was recognized.

Mr. MANN. Is the request to close the debate on the amendment or on the section?

Mr. GLASS. I inquired if anyone wanted to offer an amendment, and nobody indicated they did.

Mr. MANN. Several gentlemen indicated to me that they did.

The CHAIRMAN. The Chair will state to the gentleman from Kentucky [Mr. POWERS] that the gentleman from Virginia [Mr. GLASS] was on his feet asking for recognition at the time the Chair recognized the gentleman from Kentucky, but the gentleman from Kentucky having been on his feet prior to the closing of debate on the last amendment, the Chair thought he would recognize him, though he also had the right to recognize the gentleman from Virginia, in charge of the bill, to submit a request for unanimous consent.

Mr. FESS. Mr. Chairman, a parliamentary inquiry. May I ask whether, when the gentleman from Kentucky is speaking, anyone can interrupt him without his permission, even to make a request for unanimous consent?

The CHAIRMAN. He can not; but the Chair made that statement to indicate that it was his duty, probably, to recognize the gentleman from Virginia, in charge of the bill.

Mr. GLASS. I do not want to cut anybody off who desires to offer a specific amendment to any section of the bill, but I do not want to lose time on these pro forma amendments. I ask unanimous consent that debate on this section and amendments thereto close in 10 minutes.

Mr. MANN. Make it 15.

Mr. GLASS. Very well; I will make it 15.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close in 15 minutes. Is there objection? [After a pause.] The Chair hears none, and the Chair recognizes the gentleman from Kentucky [Mr. POWERS].

Mr. POWERS. Mr. Chairman, while this measure does not by any means put the Government back of the farmers' credit to the same extent that another measure passed by Congress puts the Government back of the bankers' and business men's credit, still I expect to give this bill my support, although I am afraid it will not do the farmers much good. It is not what they are entitled to. This bill will not help the poor man who owns no farm.

I am in favor of the proper sort of rural-credits legislation. I have been advocating it for years and I had hoped that the system, when once set up, would at least be free from the evils of the spoils system. The country would be inclined to overlook any ordinary errors of judgment that might be made in an honest endeavor to work out and set up a system of rural credits for the benefit of the agricultural interests of our Nation; but it will not overlook the deliberate injection of the admittedly injurious effects that will result from the placing of it under the spoils régime. The country had a right to expect better at the hands of the Democratic Party—that is, it did at one time. And while it is my purpose a little later on to offer some observations upon the merits of the bill before us, it is not out of place at this time to call attention to one more of the long list of oft-repeated broken promises of the Democratic platform upon which the Wilson administration was elected.

One plank of the Democratic platform adopted at Baltimore, July 2, 1912, reads, in part, as follows:

> The law pertaining to the civil service should be honestly and rightly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party.

And yet in the face of that sacred pledge to the people of this great country, we find deliberately and advisedly placed in the bill before us a provision that all the "attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers" to be appointed by the Federal loan board shall not, before appointment, be required to pass a civil-service examination, but may be selected, and doubtless will be selected, from that long list of "deserving Democrats" whose chief qualifications are that they have rendered, and are still willing to render, valuable party service.

Mr. Chairman, the purpose of the amendment I propose is to force all these employees to pass, before appointment, a civil-service examination.

But few of the farmers of our country have ever sought political preferment. The business of their lives is far removed from that ever-continuing struggle for place and power. They have never stood at the public trough, nor waited before the pie counter. "The loaves and fishes" of Government have gone to other hands. All they wish or have ever asked for is good government—efficient government. They are entitled to this. They are entitled to have, free from every vestige of the spoils system, the rural-credits legislation, alleged to be intended for their benefit.

Merit alone should be the standard of appointment of all the employees whose services are required to put into effective operation and keep in effective operation the system of rural credit we are about to set up. Time forbids me at this time to discuss the merits of this measure.

The amendment I have proposed, putting these employees in the classified service, ought to be adopted, but well do I know that it awaits undoubted defeat. The purpose of the Democratic Party is to fill all these places with "deserving Democrats," and after it has done that it then proposes to have President Wilson, by Executive order, place them in the classified service for life. The bill now under consideration makes provisions for that. It says "that nothing herein shall prevent the President from placing said employees in the classified service."

Woodrow Wilson will be President until next March the 4th. After that it will be back to Princeton with the President. In the meantime and before he goes out of office and after these places are all filled with deserving Democrats he will issue an Executive order putting them into the classified service, and thereby the spoils system will be fastened on the farmers of this generation for the rest of their natural lives. It will be fastened on them by President Wilson. It will be fastened on them by the once vice president of the National Civil Service Reform League. As I said, it will be fastened on them by President Wilson, who was vice president of this league up to the time of his election, and who when a candidate for President wrote to it as follows:

> I am a hearty believer in the principles of civil-service reform and shall take pleasure at all times in doing what I can to promote those principles in practice.

And the President who wrote these lines has done more to debauch civil service and its principles than any other President that has ever occupied the White House. From March 4, 1913, to May 13, 1916, he has admitted to the service by Executive orders 253 persons, waiving the civil-service rules in so doing.

As soon as he was inducted into office, if not before that date, he surrendered body and soul to the hungry horde of Democratic office seekers who raised the Jacksonian cry "To the victor belongs the spoils."

A good deal of the extravagance and most of the inefficiency of the Wilson administration is due to its flagrant disregard of both the spirit and the letter of the civil-service laws.

When the candidates of the Democratic Party and President Wilson come before the electorate of this country in the approaching November election, seeking an indorsement of what they have done, the voters will remember that the Democratic Party in the Baltimore platform, upon which its candidates were then elected, pledged itself to the maintenance of the merit system in Government service. They will not forget that President Wilson, the professed friend of the principles of civil service, and pledged to their practice, has issued more Executive orders relieving job-seeking Democrats from the operation of the civil-service law than any other President this country has ever had.

He has been utterly oblivious to the demoralizing effect his course has had upon the public service in his mad efforts to provide places for faithful party workers.

The Democratic Congress, with the hearty cooperation and approval of the President, has let no opportunity pass to set aside the provisions of the classified-service law so as to make way for the onward march of "deserving Democrats" and ardent champions of the spoils system—champions of it when it is to their political advantage so to do.

The very first law—the Underwood Tariff Act—that was passed after the Wilson administration came into power, exempted from the civil-service regulations more than 600 agents, deputy collectors, inspectors, and other income-tax employees to be employed in the collection of the new internal-revenue taxes.

In the very first general deficiency bill put upon the statute books by the Wilson administration there was a provision authorizing appointments and removals, without reference to the civil-service act, of 1,145 deputy collectors of internal revenue and 176 deputy United States marshals.

When the Federal reserve banking law was enacted the Democrats, over the earnest protest of the Republican Members of Congress, inserted a provision in it exempting from the classified competitive test all appointees of the board.

By an act of December 17, 1914 (38 Stat., 789), over the protest of Republican Members of Congress, there were exempted from competitive test 200 employees in the Internal-Revenue Service to enforce the provisions of the act regulating the distribution and sale of narcotics.

By the act of December 26, 1914, the Democrats again ignored their platform pledge and exempted from the civil-service laws the secretaries, clerks, attorneys, special experts, and examiners in the Federal Trade Commission.

By an act of July 16, 1914, the Democrats again forgot all about their sacred promises to the American people to uphold the civil-service laws, when they exempted from competitive test the commercial attachés in the Department of Commerce.

The Democratic Party by the act of January 28, 1915, again reminded the American people that it had no regard for its platform pledges when it included in the Coast Guard, and relieved them from the civil-service laws, the members of the Life-Saving Service.

By the acts of March 4, 1913, August 1, 1915, and other acts, the Democrats have shown their utter disregard for civil-service laws and their platform pledges to uphold them.

Following the unhappy advent of the Wilson administration, with bugle blasts it manifested its purpose to put the 45,000 fourth-class post offices in this country into the classified service, or rather the people to fill them.

Where the salary of the office per annum ranged between $180 and $500, a competitive examination was required for appointment. The three making the highest average on the examination were eligible to appointment. Since the Democratic pie distributors had the right to recommend any Democrat in the list of eligibles, and since he was sure to be appointed, and since this by experience became to be an accepted fact among Republicans, naturally they did not trouble themselves to take the examinations, knowing that it would profit them nothing. In this way and by this clever ruse the Democratic politicians found a way to put deserving Democrats into most of the post offices of this whole country where the salary ranged from $180 to $500 annually. They did it, too, under the guise of extending the civil service. The postmasters in all the fourth-class post offices in the whole country, where the salary of the office is less than $180 annually, are now appointed upon the recommendation of post-office inspectors sent to the locality for that purpose. It is a well thought out scheme. It works like a charm.

Post-office inspectors under a Democratic administration naturally recommend, when they can, Democrats to hold the offices. No doubt they have been taught to believe that it stands them in hand to do this, since every post-office inspector appointed by this administration has been a Democrat. Not a single Republican have they appointed. By these methods substantially the whole post-office force of the country is now Democratic. I know that that is true in the district I have the honor to represent. Other Members of Congress say it is true as to their districts, although scattered here and there over the country are Republicans still holding on.

This complete overthrow of the merit system, the turning out of office trained and experienced Republicans, and putting in their places untrained and inexperienced Democrats, has given us the poorest mail service within the recollection of this generation.

Business men have bitterly complained at the confusion and delay in the transmission and delivery of the mails, but the rural districts have suffered most in the shortening and abolishing of rural routes for the sake of economy in the Post Office Department. And while it would appear that the Democratic politicians ought to be satisfied with the number of Republican postmasters they have turned out of office and the number of Democrats they have put in, still their thirst seems insatiable. Only last year they tried to put all the assistant postmasters of the country, in the larger sized offices, under the spoils system, but failed. Now they are trying a new method—now they are resorting to a most revolutionary and far-reaching plan to make a political machine out of the entire post-office force and system.

There passed the United States Senate on March 15, 1916, a bill styled a "postal-savings" bill containing this provision:

SEC. 18. That hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting offices, or stations of any post office for the transaction of such postal business as may be required for the convenience of the public.

It looks innocent. It appears harmless. Its purpose seems to be studiously concealed in the language used. Let me reveal its meaning through the gentleman from Wisconsin [Mr. STEENERSON], the ranking Republican member on the Post Office and Post Roads Committee. He said concerning it:

It amounts to this, that the Postmaster General can abolish some fifty-odd thousand post offices and annex them as substations to the principal offices that he may select. It is proposed by some to make the county a postal division under this bill, and the First Assistant Postmaster General stated in the hearings that he would have authority under the law to establish one post office in each county of the United States and have all the other offices as substations.

Now, there are 533 first-class offices, 2,139 second-class offices, 6,248 third-class offices, and 56,380 fourth-class offices in the United States. If that plan as proposed should go through, it would be possible, and it is evidently the intention of the department, to make one post office in each county. There are 3,000 counties in the United States. You would therefore abolish something like 55,000 or 56,000 post offices and make them substations. It would create that many vacancies to be filled, whether they appointed the old postmasters as superintendents of substations or selected new men. * * * If you pass this law you could make vacancies for 56,000 men, to be filled in this case by worthy Democrats, and then put them into the civil service forever. As to the efficiency, who can tell?

I do not believe this postal bill will become a law at this session of Congress. There are men in this House, Democrats though they are, who will not stand for this legislation.

In my judgment, the Democratic majority in this House is too small to pass this bill at this time, but with a larger Democratic majority, in all probability, it would go through. But that majority will not be larger for years to come. The people will have their say about that in November. When they have spoken again there will be returned to this House an old-time Republican majority.

The Democratic Party has been weighed in the balance and found wanting. It has failed to keep the faith.

The Democratic leaders have broken their Baltimore platform pledges on the immigration question and the labor question. They reversed themselves completely on the Panama Canal tolls plank. Their broken pledges of economy is known of all men and denied by nobody. The high cost of living has soared still higher since their advent into power, although they pledged themselves to reduce it at once. The only reason they can give for it is that it has gone higher because it has not come lower. They promised they would put a tariff law on the statute books of our country that would not injure legitimate industry. And yet but for the European war, the darkest and grimmest panic this country has ever seen would now be upon us. They said that the laboring classes, along with the great masses of our citizenship, were staggering under the weight and burden of robber protective tariff laws. They promised relief in free trade. They promised the laboring man cheap sugar for his breakfast coffee. They put it on the free list. The price went higher, and this country lost annually in revenues over $50,000. They promised cheap shoes for the poor man. They put hides on the free list, and the price of shoes are higher than ever before. They promised jobs for the laboring men. They fulfilled their promise by turning 5,000,000 of them out of employment. They promised a general reduction in the price of the necessaries of life. The average increase in price since the Democrats came in is about 17 per cent.

They pledged themselves to a single presidental term. They have broken that pledge in so far as in their power lies. It is the one pledge they are most anxious to break; but the American people will see to it that that pledge is not broken.

In the face of this amazing record, what faith can the American people place in the future promises of the leaders of the Democratic Party? Their appalling number of betrayed trusts considered, can they hope for a return to power by again making a lot of other promises, which in their turn could be and would be broken just as easily?

Mr. McFADDEN. Mr. Chairman, I desire to call the attention of the committee to the first paragraph of section 11, on page 99. In my judgment, it confers power on this board to acquire real estate, upon which it might erect buildings for the purpose of conducting the business of these 12 banks. It seems to me that provision is a pretty generous authority to be given under this section and might lead to the erection of additional Government owned and controlled buildings,

and thus tie up in permanent investment the working capital which is advanced by the United States.

Mr. YOUNG of North Dakota. Mr. Chairman, I would like to ask the gentleman from Virginia a question, if he will be kind enough to give me his attention. Is there anything in this bill which permits general deposits in banks?

Mr. PHELAN. Mr. Chairman, with the permission of the gentleman from Virginia, I will say that there is no provision which permits general deposits, if by general deposits the gentleman means deposits from anyone.

Mr. YOUNG of North Dakota. I would like to ask the gentleman why he calls these banks at all? Are they not just simply Government loan agencies?

Mr. PHELAN. These banks receive deposits and they do make loans, and those are the functions of a bank. Banks, to be sure, in many cases have a third function of issuing notes; but an institution may be called a bank if it makes loans and receives deposits, and they do receive deposits.

Mr. YOUNG of North Dakota. As I understand it, no deposits are provided for excepting those contained in section 11, which are not deposits in the ordinary acceptation of that word. This section simply provides for payments to the banks for bonds. The banks are simply to take in the money and forward it for bonds. They are not general deposits nor time deposits. Webster defines a bank in this way:

> An establishment for the deposit, custody, and issue of money, and also for making loans and discounts and facilitating the transmission of remittances from one place to another.

It would seem to me that the agencies created by this bill might be more appropriately and sincerely called Government loan agencies. There is nothing in the bill if it should be operated for a hundred years, so far as I can see, that will ever take the farmer out of the position of having to go to somebody else to get his money. There is nothing here that will help the farmer to establish a real bank through which money will be slowly collected and conserved even if it should take a quarter of a century, so that they would some time come to the point where others would not fix the rate for them. At this time the price is fixed by some one else on everything that the farmer buys and everything that he sells. On everything that he borrows at this time the terms are fixed by some one else. I am absolutely unable to find anything in the bill whereby if these banks be operated for a hundred years or two hundred years the farmer will ever be taken out of that position. It seems to me that what is of very much greater importance than Government aid is to make these institutions real banks, make them banks of deposit so that the farmers can some time in future history get to the point where they will have some independence, and have something to say at least in fixing the conditions of their own credit and in financing their own business.

Now, as to the item of cooperation. I am also unable to find any cooperation in this bill. The only principle upon which they are to share anything is to share the liabilities, and there certainly are going to be some. The Federal reserve act has failed to meet the expectation even of its friends. The complaints most frequently heard against it are along the line that there is too much machinery connected with it. There are some good features to the Federal reserve act; but all the good features that are provided for in that act might very well be taken care of in a bureau of the United States Treasury. So, also, all the good features of this bill could be taken care of with very much less expense and red tape, and I think that a serious mistake is being made in this bill to load it up with a lot of machinery, expensive machinery, which is entirely unnecessary.

When the Federal reserve bill was before Congress every official, almost, from the President of the United States down promised the farmers a real, genuine rural-credit bank of their own that would some day make them independent. What are they being given? Something not worthy of being called a bank. The most important function of a bank is lacking—deposits. The bill, in fact, provides only for loan agencies. It is conceivable that some good may be done by such agencies in some localities, but it is monstrous to think or say that the farmers are to have what they were promised—a real bank.

Mr. Chairman, there was a time when the committee had in the bill a provision permitting general deposits of money to be made, and they expected to report out the bill to the House in that form. Why was the change made? At whose request, and upon what theory? These are questions which should and must be answered sooner or later. So far as the provisions of this bill are concerned, those who control the present sources of money and credit will remain in control for all time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McLAUGHLIN. Mr. Chairman, I desire to offer an amendment, and I offer that amendment to be added to line 6, page 99.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

> Add, at the end of line 6, page 99, the following: "That no mortgagor shall in any manner or to any extent be held liable beyond or in excess of the amount of principal and interest unpaid on his own mortgage."

Mr. McLAUGHLIN. Mr. Chairman, the first power of the loan association to be organized under this section of the bill is to indorse and thereby become liable for the payment of mortgages taken from its shareholders. These associations, as I understand, are to be made up of borrowers, farmers who have mortgaged their farms to obtain money in some way or another from the funds available for the purpose.

Other features of the bill provide that the borrower shall become liable, in excess of the amount of his own loan, for 5 per cent of his loan originally and for 5 per cent more under certain circumstances; but the provisions of this section to which I offer an amendment, it seems to me, would make these associations, made up of individual borrowers, liable for the entire sum of all mortgages, and, of course, each member of the association would be liable to the extent of his ability to respond, certainly to the extent of the amount for which he has mortgaged his property or to the value of his property placed under mortgage.

Mr. PHELAN. Will the gentleman yield?

Mr. McLAUGHLIN. I will.

Mr. PHELAN. I will state positively that that is not so, and that there is no construction of the bill under which it can be so interpreted.

Mr. McLAUGHLIN. Mr. Chairman, the fact is that after a careful reading of these provisions, and of this one in particular, by myself and other Members, we are led to the conclusion that the interpretation I have given is proper evidence at least of the difficulty of construing it and, further, that it ought to be amended so that there will be no misunderstanding, and so that the responsibility of the individuals composing the associations may be made clear.

Now, it seems to me that under this bill as it stands, if a lot of farmers, all of them borrowers, form an association, that association will be required to indorse and become liable for the payment of the mortgages of all of the members.

Mr. SWITZER. Will the gentleman yield?

Mr. McLAUGHLIN. In a moment—makes it clear each and every individual borrower must become liable to the extent of his property, certainly to the extent of the loan that he has made from this association.

Mr. SWITZER. Will the gentleman permit a question?

Mr. McLAUGHLIN. Yes.

Mr. SWITZER. The other parts of the act fix the liability not to exceed 10 per cent of the amount he borrows. Now, I am in sympathy with the gentleman——

Mr. McLAUGHLIN. Other parts of the act relating to farm-loan associations alone?

Mr. SWITZER. He is responsible, of course, for the 5 per cent of the stock he has already paid in and also 5 per cent additional liability——

Mr. McLAUGHLIN. That is true as to the——

The CHAIRMAN. The time of the gentleman has expired.

Mr. SWITZER. Mr. Chairman, I will ask that the gentleman have two minutes.

The CHAIRMAN. There are two minutes remaining. Is there objection to the gentleman from Michigan consuming those two minutes? [After a pause.] The Chair hears none.

Mr. McLAUGHLIN. Now, I will say that is true, as I understand, as to some other features of the bill, some other kind of organization effected under this bill; but here is a clear provision, it seems to me, that the stockholders, already members of the association, shall be liable for the full amount of all the mortgages.

Mr. SWITZER. Here is my question: Does not the amendment of the gentleman make each individual borrower liable to the full extent of his mortgage and increase the liability?

Mr. McLAUGHLIN. I believe not.

Mr. SWITZER. It seems to me like it does.

Mr. McLAUGHLIN. I think it does not in any manner.

Mr. SUMNERS. Will the gentleman yield?

Mr. McLAUGHLIN. I will.

Mr. SUMNERS. Are not these institutions incorporated under laws, holding a charter?

Mr. McLAUGHLIN. Oh, no; except that this law be presumed——

Mr. SUMNERS. But they have to get a charter, and if they do get their charter, under the charter the liability of the stockholder is limited to the amount of stock he subscribes.

Mr. McLAUGHLIN. I think the only safe way is to express it in words limiting that liability. I think one of the very

objectionable if not the fatal feature of this bill is that the borrower is made liable to some extent beyond the amount of his own borrowing, and we will find in the practical operation of this law that the farmer borrowers will refuse altogether to borrow money if their liability is to extend beyond the amount they themselves borrow.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

Mr. YOUNG of North Dakota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. YOUNG of North Dakota: Page 100, line 7, after the word "bank," insert "Fifth. Receive general deposits of money."

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESTRICTIONS ON LOANS BASED ON FIRST MORTGAGES.

SEC. 12. That no Federal land bank organized under this act shall make loans except upon the following terms and conditions:

First. Said loans shall be secured by duly recorded first mortgages on farm land within the land-bank district in which the bank is situated.

Second. Every such mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a given number of annual or semiannual installments sufficient in amount to cover, first, interest on the loan at a rate which shall be the same as that of the last series of farm-loan bonds issued by the bank making the loan; second, a charge for administration and profits at a rate which shall not exceed 1 per cent per annum of the outstanding loan; and, third, such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than 5 years nor more than 36 years: *Provided*, That after 5 years from the date upon which a loan was made additional payments in sums of $25, or any multiple thereof, for the reduction of the principal may be made on any regular installment date under the rules and regulations of the Federal farm-loan board.

Third The rate of interest charged for such loans shall not exceed 6 per cent per annum.

Fourth. Such loans may be made for the following purposes and for no other:

(a) To provide for the purchase of land for agricultural uses.

(b) To provide for the purchase of equipment and live stock necessary for the proper and reasonable operation of the farm; the term "equipment" to be defined by the Federal farm-loan board.

(c) To provide buildings and for the improvement of farm lands; the term "improvement" to be defined by the Federal farm-loan board.

(d) To liquidate indebtedness of the owner of the land mortgaged, existing at the time of the organization of the first national farm-loan association established in or for the county in which the land mortgaged is situated, or indebtedness subsequently incurred for one of the purposes above mentioned.

Fifth. No such loan shall exceed 60 per cent of the value of the land mortgaged and 20 per cent of the value of the permanent, insured improvements thereon, said value to be ascertained by appraisal, as provided in section 10 of this act. In making said appraisal the value of the land for agricultural purposes shall be the basis of appraisal and the earning power of said land shall be a factor. A reappraisal may be permitted at any time in the discretion of the Federal land bank, and such additional loan may be granted as such reappraisal will warrant under the provisions of this paragraph. Whenever the amount of the loan applied for exceeds the amount that may be loaned under the appraisal as herein limited, such loan may be granted to the amount permitted under the terms of this paragraph without requiring a new application or appraisal.

Sixth. No such loan shall be made to any person who is not at the time, or shortly to become, engaged in the cultivation of the farm mortgaged. In case of the sale of the mortgaged land, the purchaser shall have the option within 60 days to assume the mortgage and stock obligations of the mortgagor on the mortgaged farm. In case of the death of the mortgagor, his heir or heirs, or his legal representative or representatives, shall have the option, within 60 days of such death, to assume the mortgage and stock obligations of the deceased on the mortgaged farm.

Seventh. The amount of of loans to any one borrower shall in no case exceed a maximum of $10,000.

Eighth. Every applicant for a loan under the terms of this act shall make application on a form to be prescribed for that purpose by the Federal farm-loan board, and such applicant shall state the objects to which the proceeds of said loan are to be applied, and shall afford such other information as may be required.

Ninth. Every borrower shall undertake to pay when due all premiums on insurance and also all taxes and local assessments which may be lawfully assessed against the land mortgaged.

Tenth. Every borrower who shall be granted a loan under the provisions of this act shall enter into an agreement, in form and under conditions to be prescribed by the Federal farm-loan board, that if the whole or any portion of his loan shall be expended for purposes other than those specified in his original application, or if the borrower shall be in default in respect to any condition of the mortgage, the whole of said loan shall, at the option of the bank holding same, become due and payable: *Provided*, That the borrower may use part of said loan to repay any sum borrowed to pay for his stock in the national farm-loan association, and the land bank holding such mortgage may permit said loan to be used for some other purpose specified in this section.

Mr. PHELAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr PHELAN: Page 101, line 3, after the word "principal," insert the words "or the payment of the entire principal due."

Mr. PHELAN. Mr. Chairman, the purpose of that may be briefly stated. As the section reads it permits the application upon the principal of $25 or any multiple thereof. It may call for a reduction of something other than a multiple of $25. It may be $27 or $23, and this amendment would take care of that.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was agreed to.

Mr. MOSS of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

Mr. MOSS of Indiana. It is a committee amendment.

The Clerk read as follows:

Page 100, strike out lines 15 to 25, inclusive, and on page 101, strike out lines 1 to 5, inclusive, and insert in lieu thereof the following:

"Second. Every such mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover, first, a charge on the loan which shall be at the same rate as the interest rate in the last series of farm-loan bonds issued by the land bank making the loan; second, a charge for administration and profits which shall not exceed 1 per cent per annum on the outstanding loan, which two charges combined shall constitute the interest rate on the mortgage; and, third, such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than 5 years nor more than 36 years: *Provided*, That after five years from the date upon which a loan was made additional payments in sums of $25, or any multiple thereof, for the reduction of the principal may be made on any regular installment date under the rules and regulations of the Federal farm-loan board: *And provided further*, That before any farm-loan bonds shall have been issued by any land bank the interest rate may be determined in the discretion of said land bank subject to the provisions and limitations of this act."

Mr. MOSS of Indiana. Mr. Chairman, the gentleman from Illinois very pertinently called the attention of the committee to the fact that perhaps the interest rate, as contemplated in this bill, was not accurately defined in this section. It was the intention of the committee in framing this language to make the interest rate include an amount equal to the interest on the bonds for which the mortgage would stand as security, plus whatever charge the bank might make for administration. And in order to make it perfectly plain we divided the installment into three primary elements. Now, all that this amendment does is, it states that the first element, namely, an amount equal to the amount which would be paid on interest on a bond that had been issued to secure money to make the loan, and the amount which the bank would charge for administration, not exceeding 1 per cent on the unpaid principal loaned, when combined, should constitute the interest rate.

Mr. HAWLEY. When the gentleman has concluded his statement I would like to ask him a question.

Mr. MOSS of Indiana. I yield for that purpose.

Mr. HAWLEY. In the amendment offered by the gentleman from Indiana he provides that the interest on the mortgages taken succeeding any bond issue should be taken "at the same rate as" the bond issue. This condition might arise: The market might have absorbed that bond issue at a premium, so that the next bond issue can be made for a somewhat materially lower rate of interest. I would like to ask the gentleman if it would not be advisable that a mortgage taken after the bond issue shall "not exceed" the rate of interest at which the bonds were floated. That would give the farmer the advantage of the declining interest rate.

Mr. MOSS of Indiana. I will say to the gentleman from Oregon that that condition has been considered by the committee, but we believe that the wording can be worked out in conference better than on the floor of the House.

Mr. HAWLEY. I would suggest to strike out the words "shall be the same as" and say "shall not exceed that."

Mr. MOSS of Indiana. There may arise a condition where the bank would not be able to loan at the same rate of the last bond issue. It might require the rate to be raised or to be lowered, and there might be a reciprocal arrangement brought about. The committee desires to pass that question over to the conferees and let them work it out.

Mr. HAWLEY. With the provision that they allow discretion to the farm-land bank issuing the bond that, as the condition of the market justifies it, the farmer shall be given the advantage of the declining rate.

Mr. MOSS of Indiana. It has that power now.

Mr. HAWLEY. It limits it to that rate.

Mr. MOSS of Indiana. I will say that I know the gentleman has given very careful attention to that matter. It is one upon which his judgment and mine may differ, as to the powers conferred on the farm-loan board.

Mr. HOWARD. Will the gentleman yield?

Mr. HAWLEY. Will the gentleman yield further?

Mr. MOSS of Indiana. I will yield to the gentleman from Oregon.

Mr. HAWLEY. Since you have submitted this amendment to paragraph 2, would it not be in the interest of simplicity and clearness for the paragraph marked 3 to be eliminated altogether? I do not see any use of it.

Mr. MOSS of Indiana. Personally I have no objection to the elimination. I do not know how the other gentlemen of the committee would view it.

Mr. HOWARD. I would like to ask the gentleman this question: His amendment does not in any way limit the provision in the bill that the maximum rate of interest on bonds shall not be in excess of 6 per cent?

Mr. MOSS of Indiana. Five per cent. That is in another section of the bill. This section does not change the meaning of that at all, except that it does definitely and clearly define the term "interest rate" as the committee used it in framing this bill.

Mr. HOWARD. If the gentleman will please refer to page 101, line 6, it is there stated, in the third section, that—

The rate of interest charged for such loans shall not exceed 6 per cent per annum.

Does that mean 5 per cent plus 1 per cent for expenses or 6 per cent plus 1 per cent?

Mr. MOSS of Indiana. It means 5 per cent plus 1 per cent, and it is made perfectly plain in this amendment which we have submitted.

Mr. HOWARD. That is what I wanted to know.

Mr. MORGAN of Oklahoma. I notice, in lines 22 and 23 of page 100, it is provided that the charge for administration and profits shall not exceed 1 per cent per annum of the outstanding loan.

Now, the gentleman intends by that language to mean 1 per cent—and it is included in his amendment in the same language—

One per cent per annum of the amount due on the outstanding loan.

Mr. MOSS of Indiana. That is precisely what the language means. You do not have anything outstanding except that part which is unpaid.

Mr. MORGAN of Oklahoma. It seems to me that that might be capable of misconstruction or misunderstanding.

Mr. MOSS of Indiana. I will say to the gentleman from Oklahoma that such result hardly seems possible. No man has a loan outstanding after he has paid it off.

Mr. MORGAN of Oklahoma. I will ask the gentleman if he does not think it would make it clearer and more definite if he would insert, after the word "of," in line 22, the words "the amount due on the outstanding loans"? That would make it absolutely definite and certain.

Mr. MOSS of Indiana. This language has been worked over repeatedly by the committee. I will say to the House that we found this to be the most difficult section in the bill to express. The members of the committee have worked on it at different times, I may say for at least a month, and I will guarantee that this language has been rewritten by the different members of the committee at least a hundred times. Every member of the committee worked on the language over and over again, and we believe it now expresses exactly what the committee intended and will mean what every Member on the floor wishes it to mean.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I would like to get a little information if I can. As I understand, while the interest on the bonds shall not exceed 5 per cent, it is not necessary that it should be uniform throughout the United States. Is that correct?

Mr. MOSS of Indiana. That is true.

Mr. MANN. It may be different in different districts?

Mr. MOSS of Indiana. Yes.

Mr. MANN. Provided it does not exceed 5 per cent?

Mr. MOSS of Indiana. Yes. It may not exceed 5 per cent in any district.

Mr. MANN. Now, you provide here, first, interest on the loan; that is 5 per cent. Then you originally provided for 1 per cent administration charges on the outstanding loans. Do you endeavor to make a distinction between interest on the loan at 5 per cent and interest on the outstanding loan? In other words, is the 5 per cent to be charged on the full amount of the loan until it is all paid in, or is it to be charged only on the outstanding principal?

Mr. MOSS of Indiana. I will say to the gentleman that that matter is settled by the tables of amortization.

Mr. MANN. Oh, that matter is settled by the language of the law.

Mr. MOSS of Indiana. A man pays 5 per cent only on the amount of the loan remaining unpaid?

Mr. MANN. Then the language ought to be changed, so as not to say in one place "interest on the loan" and in another place "1 per cent on the outstanding loan," because there you make a distinction between the full amount of the loan, the face value, and the outstanding loan.

Mr. MOSS of Indiana. If that be true, to make it clear——

Mr. MANN. That is the reason I asked the question.

Mr. MOSS of Indiana. It certainly is not the intention of the bill to charge any man interest except upon the part of his loan which remains unpaid.

Mr. MANN. Then I should say "the outstanding loan" in the first case, as well as in the last case, because where you use two different expressions——

Mr. MOSS of Indiana. What suggestion does the gentleman make?

Mr. MANN. Just insert the word "outstanding," so as to make it read "the outstanding loan," in the first place.

Mr. MOSS of Indiana. On what page and line?

Mr. MANN. Page 100, line 19, in the bill as printed.

Mr. MOSS of Indiana. I will say to the gentleman that, as I am not a lawyer myself, I would much prefer that he permit that suggestion to go into the RECORD——

Mr. MANN. I am quite willing to do that. I am not offering any amendment. I am only calling attention to it. It is not wise ever, when you mean the same thing, to use two different expressions in two different places, because it is the duty of the court to see if you mean a different thing when you use different words.

Mr. PHELAN. I do not want to take the gentleman's time, but I want to say one word. The reason that was put in was this——

Mr. MANN. I am not complaining of why it was put in.

Mr. PHELAN. Under many systems they charge one-half of 1 per cent, or whatever the amount is, on the original loan.

Mr. MANN. I am calling attention to the fact that the language here is that the interest is on the loan——

Mr. PHELAN. I think it is better to make it clear, as the gentleman suggests.

Mr. MANN. You make a differentiation, and I did not think you intended to charge the interest on the full loan until the end.

Another thing I would like to call attention to, for the benefit of the committee, is this: This section provides that no Federal land bank organized under this act shall make loans "except upon the following terms and conditions." One of those terms and conditions is:

Fourth. Such loans may be made for the following purposes, and for no other.

Now, what happens if they loan a man money for some other purpose? Is this directory merely; or does it invalidate the loan? It seems to me that under the language of the bill it invalidates the loan; that the association has gone beyond the power conferred upon it, and if it lets a man have money for some other purpose or he uses it for some other purpose than that prescribed in the bill and you endeavor to foreclose, he can set up his answer that the loan is invalid.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Arkansas?

Mr. MANN. Yes.

Mr. WINGO. Mr. Chairman, the gentleman certainly would not present that as a legal proposition.

Mr. MANN. I certainly do.

Mr. WINGO. Let me ask the gentleman this question: This foreclosure would come in the gentleman's State and in mine in a court of equity?

Mr. MANN. Yes.

Mr. WINGO. Would he in a suit in equity be permitted to set up that defense?

Mr. MANN. Certainly. He could not come into court for relief without clean hands, but he can set up any defense he pleases if he is brought into court. He is not asking for action by the court. He is denying the action of the court.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANN. Mr. Chairman, I would like to have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MANN. If you say that the bank can not loan money except upon certain conditions, it has not the power to loan it otherwise. I would not say that the bank could not possibly sue him for the money advanced, but they could not foreclose

on his mortgage; and if the land had passed into the hands of a purchaser, you would have no lien on the land.

Mr. WINGO. The purchaser would take notice of the incumbrance upon it.

Mr. MANN. If the incumbrance is invalid, it would not make any difference whether there was notice or not.

Mr. WINGO. If there was notice, it would not be more invalid to the purchaser than to the borrower.

Mr. MANN. Well, that is neither here nor there. What I want to have is a clear understanding here. If it is the intention of the committee that a loan made to a farmer not for this purpose is valid, and that these directions are merely directions, let us make that clear, that the person who violates the law or the officers who loan the money will know it. But if it is the intention of the committee or the House in passing the legislation that the mortgage shall be invalid, let us make that clear.

Mr. BENNET. Mr. Chairman, will the gentleman yield?

Mr. MANN. Not for the present. I want to speak for a minute. Now, one of the main purposes of this bill is, and must be, to obtain for the farmers the benefit of good credit. That is the primary object of the bill. In many parts of the country where farmers now pay higher rates of interest than that provided in the bill the purpose of this bill is to enable people in other parts of the country, who have money that they want to invest, to invest it, so that the farmers may get the benefit of it at the rate of 5 per cent, and you can not do that unless your securities are beyond question. [Applause.]

If the farmer borrows money under the terms of this bill, and borrows it for some other purpose not authorized by the law, and obtains the money and a bond is issued against it, then the farmer can say, "True, I have borrowed this money, but it was a violation of the law. They had no right to loan it to me. My mortgage is not valid." If you can escape the validity of the loan in that way, you can never obtain credit in that way.

Mr. CULLOP. Mr. Chairman, will the gentleman yield there?

Mr. MANN. Not for a moment. I have an idea here that I want to express. You have got to make it clear, if you want to make it so that you can obtain money by investors. You have got to make it clear that nothing can defeat the foreclosure of these mortgages in the end. There is no other way to obtain the money. You can not obtain money at 5 per cent from people in New York to be invested in Arizona unless the people in New York who advance the money know that there is nothing in the way of a technicality which can defeat the enforcement of the payment by the borrower.

Now, I say that under the terms of this bill as now drawn, in my judgment, any loaning of money by these associations, if it was borrowed for some other purpose than that named here, would be ultra vires, in so far as this association is concerned, and that that defense could be set up in a suit to enforce the payment of it.

I yield now to the gentleman from Indiana.

Mr. CULLOP. Would not the mortgagor in the case the gentleman has put by his own action be estopped from making that defense, and nobody could make it but an innocent purchaser in good faith without notice?

Mr. MANN. Oh, all over the United States, a few years ago, municipalities were borrowing money on bonds, and then during a series of years of hard times they did not pay the bonds or the interest. Suits were begun all over this country against municipalities to enforce the payment of those bonds, and in every case the courts held that technical compliance with the law was necessary, and that the municipalities had the right to set up as a defense that the technicalities had not been complied with; and thousands and millions of dollars of bonds were defeated on that ground.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CULLOP. Mr. Chairman, I do not agree with the gentleman from Illinois [Mr. MANN] on the legal proposition he has laid down in reference to the defense of a party who has executed a mortgage and secured a loan under this law. The mortgagor would be estopped under the law from setting up and maintaining in any court a defense of that kind. In other words, the law would not permit him knowingly to commit a fraud, be a party to it, and then take advantage of it to relieve himself from responsibility under the contract which was entered into by him.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. CULLOP. Certainly.

Mr. MANN. Whatever may be the facts about that, here is an argument—and the gentleman is a better lawyer than I am: Would it not be better to make it clear in this bill what we intend by it? If any such defense can be set up, let us say so, so that a man who wants to loan money on the bonds will know it, without having to argue it out in court some time hence.

Mr. CULLOP. There might be a difference of opinion in construing the measure. In my judgment, it is written in the bill. The bill itself as written carries in it the well-settled principles of law applicable to it, and therefore a party can not come into a court of justice under its provisions and take advantage of his own fraud or his own wrong and be relieved from his responsibility.

Mr. DILLON. Will the gentleman yield?

Mr. CULLOP. Yes.

Mr. DILLON. Is not the gentleman mistaken on this theory, that the party would have the right to defend, because, if unauthorized and without authority, the right of the Government would be for money had and received independent of the contract?

Mr. CULLOP. The right of action could be asserted under both theories and the pleader could set up both causes of action in a foreclosure suit where there was a default in the terms of the mortgage for the collection of a debt, and he would have the advantage of both of them on a suit to recover.

Mr. DILLON. His right of defense would be absolute, except that it was unauthorized and without authority. He could defend on that ground, but he could not defend on the ground that it was for money had and received.

Mr. CULLOP. The court would so hold, no doubt, and there is where the gentleman from Illinois would be correct, that an innocent purchaser in good faith could come into court and successfully defend on that ground. But one of the original parties to the transaction would not be able to take advantage of it and relieve himself of the liability and the law. Hence the measure should be made certain in this respect so as to obviate that danger.

Mr. HOWARD. Will the gentleman yield?

Mr. CULLOP. Yes.

Mr. HOWARD. Is it not a fact that the books are full in every State in the Union where a municipality has bonded itself for a specific purpose, to wit, to build a schoolhouse, and diverted that fund and used it for some purpose other than what the bonds were issued for, and the municipality came in and defended against the suit on the bonds and successfully defended it?

Mr. CULLOP. The gentleman is invoking a different principle of law which has no application here; it is not an analogous proposition in any respect whatever. It involves a different principle of law, where a municipality can defeat the issuance of bonds, to the principle involved in this proposition. The parties seeking relief in the question presented by the gentleman from Georgia are not parties to the contract, have not executed the contract, but it has been executed under some law by public officials for the benefit of the public in the discharge of a public duty, and the parties made responsible have not and could not in the nature of things participate in the execution of such obligations. Hence there is no analogy existing in the two propositions. I anticipate no dangers arising in this matter in the practical working out of this system under this provision.

Mr. RODENBERG. Mr. Chairman, I move to strike out the last word. I want to ask a question of some gentleman from Texas who is familiar with land titles in that State. I have received a letter from a former constituent of mine now living in Texas, asking for information which I can not supply. The letter is dated Fort Worth, Tex., May 2, and is as follows:

FORT WORTH, TEX., *May 2, 1916.*

Hon. W. A. RODENBERG,
*Washington, D. C.*

DEAR MR. RODENBERG: I formerly resided in Washington County, Ill., and was a constituent of yours for several years. For the past few years I have been engaged in farming near Fort Worth. I write you to ascertain whether the rural-credits bill will apply to Texas. I have read a good deal about the bill, and think it a good one, and I hope it will go through. I have been told that possibly it would not affect Texas because the lands here have never been surveyed and patented by the United States, and no one can tell what lands belong to Texas and what belong to persons claiming under grants made by Spain and Mexico before Texas came in as a State. Ever since I came here from Illinois I have heard that before you could get a fee-simple title to lands the Government would have to make a survey separating the vacant and unappropriated from the appropriated and separate the valid from the invalid land grants, and this can only be done by Congress. Until this is done all that we can hold in Texas is what we call a State possessory right. If this is the situation, would the Government approve a first mortgage on land here, so that we could take advantage of the rural-credits bill?

I may be mistaken about this matter, and I hope you will look into it and give me your opinion.

Very truly, yours, GEORGE E. WATTRUS.

Now, I would appreciate it if some gentleman from Texas could explain this.

Mr. HARDY. Mr. Chairman, I am glad to inform the gentleman from Illinois that his friend and former constituent has got a whole mare's nest of absolute absurdities. There is scarcely an acre of ground in my county to which the title is at all in question. Lands there—a great many of them—were not surveyed originally by the square system—miles, rods, acres, and so forth—but they were surveyed under grants, some of them from the old Mexican authorities, in leagues, labors, and square varas. In my county there is a survey of 11 leagues called the B. J. Chambers survey. A league is 2⅓ miles square, a labor is 177⅓ acres, and 5,645 varas make 1 acre—a vara being 33⅓ inches. There have in the past been some conflicts between these old surveys, but 95 per cent of all those conflicts have been settled, and loan companies have invested their money in loans upon the lands of Texas all over the State. There may be here and there a question in regard to title growing out of some defect in the chain of title, but there is absolutely nothing in the many fears and suggestions in the letter which has been read by the gentleman. The truth is, that until about 30 years ago there were a great many defective titles to lands in Texas, and a great deal of litigation between conflicting claims to land, but that has practically ended. Our people used to be careless about their deeds and title papers. They failed to record them and lost them or they would pay off their vendor's lien notes and fail to secure releases. When we began to deal with land-mortgage companies these companies insisted on clearing up the titles. These companies have been loaning money in Texas for over 30 years and to-day there is no question of the titles to 95 per cent of the lands of Texas. Our homestead laws are sometimes said to stand in the way of the operation of this law. That is true, where a man owns a home fully paid for, because our law prevents any incumbrance on the homestead except for purchase money—but this law can be used by persons in buying land for homes or in taking up and extending what they owe for purchase money, or any part of such purchase money provided only that the mortgage given to the land bank shall be the first lien on the property.

Mr. CARAWAY. Mr. Chairman, I wish to offer an amendment to the amendment of the gentleman from Indiana.

The Clerk read as follows:

Amend, on page 100, after the word "loan," in line 23, by inserting the following: "And which shall include the expenses incident to securing the loan by the borrower under provisions in this bill except the cost of procuring an abstract and subscription to stock."

Mr. GLASS. Mr. Chairman, I would like to find out how many amendments are likely to be offered to this section.

Mr. SUMNERS. I have one.

Mr. MORGAN of Oklahoma. I have five.

Mr. CARAWAY. Mr. Chairman, I want this amendment adopted to cure this defect. Under the provisions of the bill as now written, a man who seeks to become a borrower is subject to many expenses. Among these are the appraisement and examination of the title. If we could adopt this amendment and make this 1 per cent that is charged for administration expenses cover these expenses incident to procuring the loan, the original borrowers at least will come into the system under more equitable conditions than under the bill as now written. Under the present bill when a borrower shall go into the system he applies for a loan, we will say, for 36 years; the expenses incident to securing the loan which he must pay is a part of the salary of the secretary-treasurer, the appraisement, examination of title, and in addition pay this 1 per cent that is charged for administration. On maturity of his loan he is required to cancel out his stock at par. What is the injustice of this? The bill provides that he shall receive what dividends that stock may earn, but he does not get it for this reason: Twenty-five per cent of all the net earnings must be passed to a reserve until that reserve equals 20 per cent of the capital stock of the Federal land banks. For instance, if he goes into the system at the beginning and stays in for 36 years and pays in 1 per cent of the amount of his loan all those 36 years, 25 per cent of the net earnings of that stock for 36 years is passed to the reserve, unless the accumulation of 20 per cent has been made in less time than that. When he goes out all that reserve is left to the system; he pays it but does not participate in its benefits.

Under that system I think if a million farmers go into the system at the beginning and stay in for these 36 years, when they go out they will leave to the system anywhere from twenty to thirty millions of dollars. They accumulated it but can not enjoy its benefits. If this amendment is adopted and the expenses incident to procuring the loan are paid out of this 1 per cent, they are permitted to share to that extent in the earnings of their stock. There is one other reason: Even if he saves nothing by this amendment, and he would, he does not have to pay until he has received some benefits. The bill now provides that when a man procures a loan he has his land appraised. It is a little hazy as to whether that appraisement by the local committee is to cost him anything, but in one place it says that the expense of appraisement shall be paid by the borrower. After this local committee shall have made its report, the Federal land bank shall have an appraiser also make a report, the expense of which the borrower must pay. It provides in another section that the cost of determining the title shall be paid by the borrower. It may happen that a man will be compelled to pay out a considerable sum before he perfects his loan.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. CARAWAY. Yes.

Mr. FESS. According to that this section 3 fixing the maximum rate at 6 per cent does not mean what it says.

Mr. CARAWAY. I do not mean to say that it could raise the rate of interest above that, but it may mean that a man will have to pay——

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CARAWAY. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CARAWAY. The rate of interest can not exceed 6 per cent, but it may cost the borrower considerably more than that, because, if he is compelled to be at the expense of a hundred dollars, say, to procure his loan, he pays 6 per cent, not on $900 but 6 per cent on $1,000, the face of his loan.

Mr. QUIN. How does the gentleman's amendment correct that?

Mr. CARAWAY. The amendment undertakes to say that this 1 per cent shall cover all of this expense of procuring the loan other than the cost of procuring an abstract and the subscription to the stock.

Mr. BARKLEY. Would the amendment also cover the expense of drawing the mortgage, the notary's fees, the jurats, and all those things?

Mr. CARAWAY. Everything except the expense of procuring the abstract and the payment of his initial stock investment. That is what I intend to do.

Mr. BARKLEY. Then under this amendment the 1 per cent would also cover the appraisal ordered by the Federal land bank after this committee has gone over it?

Mr. CARAWAY. Yes; and it should, because the original borrower does not get any dividend on his stock. He must give up 25 per cent of its net earnings to accumulating a 20 per cent reserve in which he never can share and be at other expense which wipes out all dividends. This places the initial borrower at a disadvantage, because this 25 per cent of the net earnings on his stock is contributed by him to build up a reserve for others to profit from. Therefore he should be relieved of all expense not strictly individual.

Mr. PHELAN. Mr. Chairman, I just want to say that if that amendment were adopted and did what the gentleman thinks it will do, the system would never get started. These banks can not pay for the looking up of titles and all of these other expenses.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas to the amendment of the gentleman from Indiana.

Mr. HOWARD. Mr. Chairman, I want to ask the gentleman from Massachusetts a question. As I understand the gentleman's amendment, he exempted from this 1 per cent the expense of the title.

Mr. PHELAN. He thinks he does, but he does not.

Mr. CARAWAY. Oh, I know what I do.

Mr. PHELAN. He says "an abstract of title." In my State and in a dozen other States an abstract of title is not worth the paper it is written on. A man has to look up the title afterwards. We have had the same experience before. Members will take some local application and attempt to write it into the law and have it apply to the whole country. An abstract of title furnished to me in my State does not mean anything at all. After I get the abstract I have to have the title looked up and paid for.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this amendment be now closed.

Mr. CARAWAY. Mr. Chairman, I ask unanimous consent for one minute to answer the gentleman from Massachusetts.

The CHAIRMAN. There is one request for unanimous consent already pending.

Mr. GLASS. I have no objection to the gentleman having one minute.

The CHAIRMAN. Is there objection to the gentleman from Arkansas proceeding for one minute?

There was no objection.

Mr. CARAWAY. Mr. Chairman, the amendment introduced by myself, which the gentleman from Massachusetts assures the House would make it impossible for the banks to go into business if it should prevail, does not undertake to impair the capital stock of the bank at all, because it exempts the 5 per cent he must subscribe to the capital stock and the expense of procuring the title. It simply means to say that that expense in the examination of the title, appraisement, secretary hire, and recording title shall be paid by this 1 per cent collected for administrative and other expenses. That is all. The gentleman, as usual, did not know what he was talking about.

Mr. GLASS. Mr. Chairman, I renew my request.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment be now closed. Is there objection?

Mr. MAPES. Mr. Chairman, is that to the substitute or to the amendment offered by the gentleman from Indiana?

The CHAIRMAN. On this amendment and——

Mr. GLASS. On this amendment and the substitute.

The CHAIRMAN. If the Chair understands, the gentleman from Virginia asks unanimous consent that all debate on the Moss amendment——

Mr. GLASS. On the pending amendment.

The CHAIRMAN. On the pending amendment shall now close. Is there objection?

Mr. HAWLEY. Mr. Chairman, reserving the right to object, I have an amendment I want to offer and discuss for two or three minutes. The amendment I desire to offer is an amendment to the amendment offered by the gentleman from Indiana, and I should like to discuss my proposed amendment two or three minutes.

Mr. GLASS. I have no objection to that; I am asking to close debate on the pending amendment.

Mr. HOWARD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOWARD. Does that prevent the introduction of other amendments to the section?

The CHAIRMAN. Certainly not.

Mr. BARKLEY. The gentleman's request was to the Caraway amendment.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate be closed on the Caraway amendment. Is there objection? [After a pause.] The Chair hears none. The question is on the amendment offered by the gentleman from Arkansas to the amendment offered by the gentleman from Indiana.

The question was taken, and the Chair announced that the "noes" seemed to have it.

On a division (demanded by Mr. CARAWAY) there were—ayes 21, noes 42.

So the amendment was rejected.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman permit me to make a request—to ask unanimous consent to offer a modification of my amendment?

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to modify his amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. MOSS of Indiana. Mr. Chairman, I ask to modify my amendment so as to include the amendment of my colleague [Mr. PHELAN] offered on behalf of the committee, and which was adopted previously.

The CHAIRMAN. Is there objection to the amendment being modified as indicated by the gentleman from Indiana? [After a pause.] The Chair hears none. The gentleman from Oregon offers an amendment, which the Clerk will report.

Mr. PHELAN. After the words "reduction of the principal" insert "or the payment of the entire principal due."

The CHAIRMAN. That amendment has been agreed to and by unanimous consent is incorporated in the amendment of the gentleman from Indiana.

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. As I understand the object of the gentleman from Indiana it was to meet this situation, and I want to see that it has been met by the action of the committee. The gentleman from Massachusetts offered an amendment, which was accepted, to the original text as appears in the printed bill, and the gentleman from Indiana then offered an amendment which is a substitute for the entire text. Now, his request was that the amendment be modified to the extent of the amendment which had already been adopted to the original text.

The CHAIRMAN. The Chair put that unanimous-consent request and all this is superfluous.

Mr. WINGO. The Chair is certain that has been done, then?

The CHAIRMAN. The gentleman from Oregon offers an amendment which the Clerk will report.

Mr. HAWLEY. In that part of the amendment of the gentleman from Indiana where it says, "First, interest on the loan at a rate which shall be the same as that of the last series of farm-loan bonds," and so forth, strike out the words "be at the same as" and insert the words "not exceeding," so that it will read:

First, interest on the loan at a rate which shall not exceed that of the last series of farm-loan bonds, etc.

Mr. SHOUSE. Will the gentleman yield? The gentleman from Indiana has substituted an entire section for that. The gentleman must amend his amendment.

Mr. HAWLEY. I am asking to do that.

Mr. SHOUSE. The gentleman did not read the text right. I suggest the gentleman get his text and amend that.

Mr. HAWLEY. My amendment proposes that the phraseology in the amendment where it says the loan to the farmer shall be at a rate of the last bond issue be changed so that it shall be at a rate not to exceed that of the last bond issue.

The CHAIRMAN. The gentleman from Oregon offers an amendment which the Clerk will report.

The Clerk read as follows:

In the fourth line of the Moss amendment strike out the words "be at the same rate as" and insert "shall not exceed."

Mr. MOSS of Indiana. Will the gentleman permit a question?

Mr. HAWLEY. If the gentleman will proceed, I have only five minutes. I will be glad to yield to the gentleman.

Mr. MOSS of Indiana. I desire to ask if the gentleman had taken into consideration the fact that the farm-loan board under this is given the power to fix the rate of interest on the bonds, and that each new issue of bonds must have a decision from the farm-loan board, therefore it is incredible that the conditions which the gentleman seeks to cure can arise.

Mr. HAWLEY. If the gentleman is right, the language of the amendment is not correct. This is the purpose here. The land bank sells an issue of 5 per cent bonds running for five years, and the condition of the market is such that they have been taken by investors on a 4¾ interest basis, which would be at a price of 101.10, or 1.10 premium.

That is, the bonds sold better than was anticipated when they offered them. Now, they propose to loan money to the farmers out of the proceeds of these bond sales and other money in their banks. Now, under the provision in the bill they must charge the farmer 5 per cent.

Mr. MOSS of Indiana. Now, if the gentleman will yield, that objection is corrected in the form in which the amendment is offered, namely, that the banks must loan under the regulations and limitations of the bill. The farm-loan board is given specific authority in section 4 to review and alter the rates made to borrowers.

Mr. HAWLEY. What does it mean here by saying that the interest on the loan at a rate which "shall be the same as" that of the last series of farm-loan bonds?

Mr. MOSS of Indiana. I will say to the gentleman that this amendment seeks to make a new definition of the rate of interest. The rate of interest as fixed in the new amendment may be 1 per cent higher than that on the bond; but whether it shall be 1 per cent higher or one-tenth of 1 per cent higher is left in the amendment to the discretion of the farm-loan board.

Mr. HAWLEY. This is the situation I am trying to cure, and I doubt if the gentleman has cured it in his amendment. As I said a moment ago, a land bank sells an issue of 5 per cent bonds in a favorable market on a 4¾ interest basis. These sold at 101.10 premium. Therefore there is a market for those bonds at 4¾ per cent interest when offered and sold at par. The bank ought not to charge the farmers a rate of interest greater than the rate they can sell their bonds at par for.

Mr. WINGO. Will the gentleman yield right there?

Mr. HAWLEY. And if the bonds sold above par, they are taking from the farmer an amount of money that ought not to be taken from him.

Mr. WINGO. I think I am in accord with the gentleman's view on that point. Your amendment, instead of making the language mandatory as to what the rate of interest shall be, says it "shall not exceed"?

Mr. HAWLEY. Yes.

Mr. WINGO. That makes it possible to make the rate of interest upon the loans that were made subsequent to a 5 per cent issue 4¾ per cent?

Mr. HAWLEY. Yes. Instead of requiring the bank to be bound by an iron-clad phraseology, it says "not exceed." It

gives them all the power they have now and gives them power to reduce the rate.

Mr. WINGO. I agree with the gentleman.

Mr. SHOUSE. Has the gentleman taken this into account. A situation might arise where they would be able to put out a bond issue at 3 per cent under the most favorable conditions. Then conditions six months later might not be so favorable. Now, if the amendment of the gentleman were adopted, would it be possible to put out a 3½ per cent bond issue three months later?

Mr. HAWLEY. It would not affect that at all for this purpose. The proposal here relates to the interest rate in the mortgages following the bond issue.

Mr. SHOUSE. The gentleman realizes that the bonds are based on mortgages previously taken and not on mortgages subsequently taken?

Mr. HAWLEY. I understand. The condition of the market and the mortgages subsequently taken are the basis for subsequent issues. They have sold an issue of 5 per cent bonds on a 4½ basis. My amendment would allow them to loan money on that basis. And then there occurs an unfavorable turn in the market—a fluctuation such as is bound to occur from time to time—and they find that they must fix a 5 per cent basis again in the sale of the bonds. This amendment of mine does not affect that situation at all. It only allows the bank to lower the rate of interest to the farmer below the last bond rate of interest. They may fix any rate they find necessary up to the 5 per cent rate in the subsequent sales of bonds.

Mr. GLASS. Mr. Chairman, I think the committee will accept the amendment of the gentleman from Oregon.

The CHAIRMAN. Without objection, the amendment of the gentleman from Oregon to the amendment of the gentleman from Indiana is adopted.

Mr. MORGAN of Oklahoma. A parliamentary inquiry.

The CHAIRMAN. The Chair is undertaking to put a unanimous-consent request. Without objection, the Clerk will again report the amendment to the amendment.

Mr. BARKLEY. Mr. Chairman, reserving the right to object, I would like to amend that request by having the Moss amendment reported as it would appear if this amendment is accepted. There have been so many amendments to it that we have been lost in the woods.

The CHAIRMAN. Without objection, the Moss amendment will be reported as it would read if the Hawley amendment were agreed to.

The Clerk read as follows:

Strike out lines 15 to 25, inclusive, on page 100, and on page 101 strike out lines 1 to 5, inclusive, and insert:

Second. Every such mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover, first, a charge on the loan which shall not exceed the interest rate in the last series of farm-loan bonds issued by the land bank making the loan; second, a charge for administration and profits which shall not exceed 1 per cent per annum on the outstanding loan, which two charges combined shall constitute the interest rate on the mortgage; and, third, such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than 5 years nor more than 36 years: *Provided*, That after 5 years from the date upon which a loan was made additional payments in sums of $25, or any multiple thereof, for the reduction of the principal may be made on any regular installment date under the rules and regulations of the Federal farm-loan board: *And provided further*, That before any farm-loan bonds shall have been issued by any land bank the interest rate may be determined, in the discretion of said land bank, subject to the provisions and limitations of this act.

Mr. MANN. Now, I would like to know what the Hawley amendment is—the language of it.

The CHAIRMAN. Without objection, the Clerk will report the language of the Hawley amendment.

The Clerk read as follows:

After the word "shall," in line 4 of the Moss amendment, strike out the words "be at the same rate as" and insert the words "not exceed."

The CHAIRMAN. Is there objection to accepting the amendment to the amendment?

There was no objection.

Mr. MORGAN of Oklahoma. Mr. Chairman, I have an amendment that I wish to offer to subdivision second on page 100. Will it be necessary for me to offer this to the Moss amendment in order to get it in?

The CHAIRMAN. The gentleman can offer it as an amendment to the Moss amendment or as a substitute. The gentleman from Virginia [Mr. GLASS] will be recognized. The gentleman from Oklahoma [Mr. MORGAN] simply rose to a parliamentary inquiry, and was not recognized for the purpose of offering an amendment.

Mr. GLASS. I ask unanimous consent, Mr. Chairman, that we may vote on the Moss amendment as amended.

Mr. HAUGEN. Mr. Chairman, will the gentleman yield for a question?

Mr. GLASS. Yes.

Mr. HAUGEN. If I understand the bill correctly, each borrower who becomes a stockholder shares equally in the profits?

Mr. GLASS. Yes.

Mr. HAUGEN. If that is so, the rate of interest should be uniform. It is not fair to give the borrower paying 4 per cent an equal share in the profits with one paying 5 per cent. If they are to share equally, the rate of interest should be uniform.

Mr. MOSS of Indiana. I will say to the gentleman from Iowa that the profit is the excess that the bank gets from its mortgages over what it pays on its loans. That is the purpose of this—to fix it, regardless of the sale of the bonds, so that the profits of the bank will always be the same on the same volume of business.

Mr. HAUGEN. Certainly. The excess on 4½ per cent is one-fourth of 1 per cent, but the excess on a 4 per cent loan is nothing.

Mr. MOSS of Indiana. The bill does not propose anything of the kind. It proposes to do it under the rules and regulations to be prescribed by the Federal farm-loan board.

Mr. HAUGEN. I think under the Hawley amendment you have given him an advantage.

Mr. BENNET. Mr. Chairman, I move to strike out the last word, for the purpose of asking a question, or I will reserve the right to object. I want to ask a question.

The CHAIRMAN. Does the gentleman from Virginia [Mr. GLASS] yield?

Mr. GLASS. Yes.

Mr. BENNET. As I read the bill, the authorized capital of the bank is $9,000,000. They can also issue bonds twenty times that, which would make a total altogether of $189,000,000.

Mr. GLASS. That is simply the Government subscription to the capital. You understand that the capital stock of the bank is constantly increasing from the funds of the borrowers. It carries with it a corresponding increase in the amount of the bonds to be issued.

Mr. BENNET. I could not find that in express language, and I wanted to ask the gentleman, in connection with that, this question——

Mr. GLASS. And it is provided that when these subscriptions to the individual farm associations shall aggregate the full Government subscription, thereafter a certain percentage shall be set aside to pay the Government the initial subscription.

Mr. BENNET. Yes; but that does not increase the amount of the fund that can be loaned.

Mr. GLASS. That percentage does. Section 6 of the bill will explain the whole inquiry.

Mr. BENNET. I have read section 6, "That every Federal land bank shall have, before beginning business, a subscribed capital of not less than $750,000," and so forth.

Mr. PHELAN. What is the trouble? What do you want to know about?

Mr. BENNET. I am trying to state what I would like to know about. Starting with that $189,000,000, and putting it aside for a moment, then you provide for the joint-stock bank, which does not have the restrictions around it that the land bank has, and there is apparently no limit to the amount of these joint-stock banks. What I wanted to ask was whether, under the bill as framed, there would not be a possibility that there would be a great deal more money available to the joint-stock banks than there would be through the land banks?

The CHAIRMAN. The time of the gentleman has expired. All time has expired on this amendment.

Mr. SHOUSE. Mr. Chairman, I ask for an extension of one minute in order to answer the question of the gentleman from New York.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the gentleman's time be extended one minute. Is there objection?

There was no objection.

Mr. SHOUSE. At the top of page 81, if the gentleman will read the third provision there as to Federal land banks, he will see they are given an opportunity to increase their capital by subscriptions that will come to them. That is indefinite and automatic.

Mr. BENNET. Is it the statement that the gentleman makes that the Federal land banks can increase the capital indefinitely as applications for loans come in?

Mr. SHOUSE. Absolutely. It is automatic.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORGAN] offers an amendment to the amendment, which the Clerk will report.

Mr. MORGAN of Oklahoma. I move to strike out and insert after the words "shall not exceed" the words "one-half of," so as to make it read, "charge for administration and operation at a rate which shall not exceed one-half of 1 per cent per annum."

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on the Moss amendment and all amendments thereto be closed in five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on the Moss amendment and all amendments thereto close in five minutes. Is there objection?

Mr. MORGAN of Oklahoma. Mr. Chairman, reserving the right to object, I have three amendments that I want to offer.

Mr. GLASS. To the section?

Mr. MORGAN of Oklahoma. To the Moss amendment.

Mr. CULLOP. I have an amendment to the section.

Mr. GLASS. I ask that the gentleman from Oklahoma put in all three of his amendments and let us see what they are.

Mr. MORGAN of Oklahoma. I do not think the chairman of the committee ought to insist on that, or ask me to do that.

Mr. GLASS. The gentleman from Oklahoma has consumed more of the time of this committee than any other 10 men here. It is unreasonable to ask us to stay here all the day. One would suppose we were considering the Morgan bill rather than the bill reported by this committee.

Mr. MORGAN of Oklahoma. I am willing, Mr. Chairman, to be lectured by the chairman of the Committee on Banking and Currency, but what he says will not deter me from performing my duty.

Mr. GLASS. I am simply standing by my rights.

Mr. MORGAN of Oklahoma. The gentleman may be standing by his rights, but he can not push me from my rights.

Mr. GLASS. I am compelled to do this.

Mr. MORGAN of Oklahoma. I object, Mr. Chairman.

Mr. GLASS. Then I move, Mr. Chairman, that all debate on the Moss amendment and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Virginia moves that all debate on the Moss amendment and all amendments thereto close in five minutes.

Mr. GLASS. Now, the gentleman from Oklahoma can make the point of no quorum, if he wants to.

Mr. MANN. I move to amend by making it 15 minutes. Let us get along peaceably if we can.

The CHAIRMAN. The gentleman from Illinois moves to amend the motion of the gentleman from Virginia. He moves that all debate on the Moss amendment close in 15 minutes.

Mr. GLASS. I would like to develop whether there are any further amendments to be proposed to this section.

Mr. McFADDEN. I have one.

Mr. MORGAN of Oklahoma. I have two.

Mr. MANN. Quite a number of gentlemen rose to offer amendments when the section was read.

Mr. GLASS. If the gentleman will make it 10 minutes——

Mr. MORGAN of Oklahoma. Make it 15.

Mr. MANN. I ask unanimous consent that all debate on the Moss amendment and amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that all debate on the Moss amendment and amendments thereto close in 10 minutes. Is there objection?

Mr. MORGAN of Oklahoma. Reserving the right to object, this has been up a long time. Gentlemen have had their say. I have three amendments which I want to offer.

Mr. MANN. Why does not the gentleman offer his three amendments and take 10 minutes on the three together?

Mr. MORGAN of Oklahoma. I will consent to that.

Mr. MANN. I ask unanimous consent that the gentleman from Oklahoma may offer three amendments and have them pending, and have 10 minutes, and that at the end of that time all debate on the Moss amendment and amendments thereto be closed.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] modifies his request and asks unanimous consent that the gentleman from Oklahoma [Mr. MORGAN] may have the privilege of offering three amendments to the Moss amendment, and may have 10 minutes to discuss them. Is there objection?

Mr. MANN. And that at the end of that time all debate on the Moss amendment and amendments thereto be closed.

The CHAIRMAN. And that at the end of that time all debate on the Moss amendment and amendments thereto be closed. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma will offer his amendments.

Mr. MORGAN of Oklahoma. I have already offered the first one. Now I will offer the second and third ones. I move to strike out——

Mr. NORTON. Mr. Chairman, may we have those amendments reported by the Clerk?

The CHAIRMAN. The Chair will have them reported when the gentleman from Oklahoma submits them.

Mr. MORGAN of Oklahoma. I move as my second amendment to strike out the word "thirty-six" and insert the word "sixty."

The CHAIRMAN. The gentleman will kindly state his third amendment.

Mr. MORGAN of Oklahoma. The third amendment is in line 1, on page 101, to strike out the word "five" and insert the word "two."

The CHAIRMAN. The Clerk will report the three amendments offered by the gentleman from Oklahoma to the Moss amendment.

The Clerk read as follows:

Amend the Moss amendment by inserting, after the word "exceed," in line 7 of the amendment, the words "one-half of."

In line 11 of the Moss amendment, strike out the word "thirty-six" and insert the word "sixty."

After the word "after," in the same line, strike out the word "five" and insert the word "two."

The CHAIRMAN. Under the unanimous-consent order just made, the gentleman from Oklahoma [Mr. MORGAN] has 10 minutes.

Mr. MORGAN of Oklahoma. Mr. Chairman, the amendments which I have offered apply to section 12 of the committee bill, as found on page 100 of the bill. I regard this as one of the most important sections of the bill. The section in part is as follows:

SEC. 12. That no Federal land bank organized under this act shall make loans except upon the following terms and conditions:

* * * * * * *

Second. Every such mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a given number of annual or semiannual installments sufficient in amount to cover, first, interest on the loan at a rate which shall be the same as that of the last series of farm-loan bonds issued by the bank making the loan; second, a charge for administration and profits at a rate which shall not exceed 1 per cent per annum of the outstanding loan; and, third, such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than 5 years nor more than 36 years: *Provided*, That after five years from the date upon which a loan was made additional payments in sums of $25, or any multiple thereof, for the reduction of the principal may be made on any regular installment date under the rules and regulations of the Federal farm-loan board.

Third. The rate of interest charged for such loans shall not exceed 6 per cent per annum.

Fourth. Such loans may be made for the following purposes, and for no other:

(a) To provide for the purchase of land for agricultural uses.

(b) To provide for the purchase of equipment and live stock necessary for the proper and reasonable operation of the farm; the term "equipment" to be defined by the Federal farm-loan board.

(c) To provide buildings and for the improvement of farm lands; the term "improvement" to be defined by the Federal farm-loan board.

(d) To liquidate indebtedness of the owner of the land mortgaged existing at the time of the organization of the first national farm-loan association established in or for the county in which the land mortgaged is situated, or indebtedness subsequently incurred for one of the purposes above mentioned.

* * * * * * *

Sixth. No such loan shall be made to any person who is not at the time, or shortly to become, engaged in the cultivation of the farm mortgaged.

I have offered three amendments to this section, and I wish to support the amendment which proposes to limit the rate of interest charge by these Federal land banks to 5 per cent per annum instead of 6 per cent per annum, as appears in the original section of the committee bill.

The first amendment which I propose limits the charge which the Federal land banks may make for "administration and profits" to one-half of 1 per cent per annum on the amount due on any mortgage, instead of allowing a charge for administration and profits of 1 per cent per annum on the amount due on any loan as provided in the committee bill.

The second amendment which I propose is that the maximum period at which loans should be made should be increased from 36 to 60 years.

The third amendment which I propose is to permit the borrowers to pay off the principal or any part thereof at any time after two years of the date of the mortgage. The committee bill does not permit any payment other than the various amortization payments to be made on any mortgage until five years after date of the mortgage.

The fourth amendment which I should like to see made to this section is this: I would like to see the maximum interest charge limited to 5 per cent per annum instead of 6 per cent per annum,

as is provided in the bill, and this to include charges for administration.

My first proposition is this: That one-half of 1 per cent per annum on the amount due on a loan is sufficient to provide administration expenses and reasonable profits. I am therefore opposed to authorizing a charge of 1 per cent per annum for such purposes. It is well to bear in mind that this bill creates two kinds of land banks, namely, the 12 Federal land banks and any number of joint-stock land banks which may be organized under the provisions of the bill. The 12 Federal land banks are nonprofit-sharing institutions. That is to say, all net profits will ultimately be returned in dividends to the borrowers, all of whom, through the farm-loan associations, will be shareholders in the Federal land banks. This will not be true, however, of the joint-stock land banks which will be purely private profit-sharing, dividend-paying, and surplus-creating land banks with no object in view except to make money. But I believe that the Federal land banks can be operated on a charge of one-half of 1 per cent per annum and that there will be sufficient left to provide for proper dividends on the stock held by the borrowers. These 12 Federal land banks will employ many persons. They will spend money in many ways. They must either own or rent buildings in which to do business. Much depends upon how all of this is to be done. If through the provisions in the law a large amount of money is set aside for expenses, the natural effect of this will be to encourage the directors and managers of the banks to be extravagant in expenditures for administration purposes. On the other hand, if the amount set aside to be used for expenses is somewhat limited and restricted the managers of the banks will be compelled to operate upon a scale that will bring the expenses within the amount provided by law. These land banks may be regarded as public institutions. We all know how easy it is to have extravagance in the management of public affairs. We know how cities, counties, and States from year to year increase their expenditures and thus add to the taxes upon the people. We all know that as a rule local, State, and national governments are not conducted as economically as private business concerns are conducted. The danger is that the great Federal land banks we are creating will not be operated economically. Indeed, this is one of the criticisms which I have frequently made upon the bill proposed by the committee. In my judgment its machinery is too cumbersome, complex, and extensive to be operated economically. In the preparation of the bill which I introduced I took great care to present administrative machinery that could be economically operated. I am profoundly impressed in my belief that one important way to insure economical administration is to limit the amount that may be used for this purpose. I therefore believe that it is very unwise to set aside 1 per cent per annum to be used for administration and profits even by the 12 Federal land banks which are nonprofit-sharing institutions.

But a different proposition is presented when this section is applied to the joint-stock banks. Section 16 of this bill creates the joint-stock land banks. The section creating the joint-stock banks does not limit their profits but does prohibit them from making loans at a rate of interest which exceeds the interest on their bonds by more than 1 per cent per annum. I am opposed in the first place to creating the joint-stock land banks, but if they should be created I am especially opposed to permitting them to make a charge of 1 per cent per annum upon all loans to provide for expenses and profits. If the joint-stock land banks shall sell the bonds bearing 4 per cent interest under this provision of the law they would charge the farmers 5 per cent interest. The banks would thus receive one-fifth, or 20 per cent, of the entire interest paid by the borrowers every year. So that 20 per cent of the interest charge under this law will be consumed in providing the middlemen with salaries, expenses, and profits. Now, I think this is altogether too much.

The position which I take is fully supported by the amount consumed for administration and profits by the land-credit institutions of Europe.

The administrative charges made by the 16 state or provincial mortgage credit banks of Germany range from one-fourth to one-half of 1 per cent per annum. The rate of interest charged by the Credit Foncier of France must not exceed more than six-tenths of 1 per cent of the rate of interest on the bonds, from the sale of which the funds were raised. The Prussian Central Land Credit Co. of Germany charges borrowers for cost of business as a commission on the face of the loan from 1 to 1¼ per cent, with an additional one-half of 1 per cent as a profit to the bank. This charge is introductory, and is made but once. Mr. Cahill, in his report, as shown by Senate Document No. 17, pages 44 and 45, Sixty-third Congress, gives a summary of the costs of the administration charges of the Landschaften of Germany. This report shows that these institutions never charge to exceed one-fourth of 1 per cent per annum for expenses. Some of them indeed make no charges to borrowers for expenses. Funds for this purpose are secured otherwise. The expenses of the Hungarian Land Credit Institutions are run on less than one-half of 1 per cent per annum upon the loan. The Bavarian Agricultural Bank charges only one-fourth of 1 per cent on the amount due on the loan for expenses. The Nassau Mortgage & Savings Bank of Germany charges but one-fourth of 1 per cent for running expenses. The Landschaft of Saxony charges only one-fourth of 1 per cent for general expenditures. These are sufficient to show that the land-credit institutions of Europe meet their expenditures by charges of less than one-fourth of 1 per cent per annum on the amount due on the loan. The Prussian Central Land Credit Co., one of the largest land-credit institutions of the world, conducts its business upon an administrative charge of only thirteen-one-hundredths of 1 per cent per annum upon its total loans.

If European land-credit institutions can be operated on an expense of one-fourth of 1 per cent per annum of the amount due on loans, I see no reason why our land-credit institutions could not be operated on the same amount, but I would be willing in the law to give them a maximum of one-half of 1 per cent, because I believe that conditions are such in the United States that our land-credit institutions can not be operated at so small an expenditure as European institutions. But I believe that 1 per cent per annum is extravagant and unnecessary and will tend to encourage the managers of such institutions to be reckless in their expenditures. The farmers must, of course, pay the entire cost. I believe in aiding them in every way possible. I am opposed to placing in the statute a provision which, in my judgment, will cost the farmers in the future years many and many millions of dollars.

Mr. FESS. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Just for a question.

Mr. FESS. Has the gentleman estimated what the interest would amount to after all expenses are paid, how much above 6 per cent, or would it be below 6 per cent? I mean all expenses, not alone the rate of interest but the cost to the borrower under the bill?

Mr. MORGAN of Oklahoma. It makes 6 per cent under this section. Besides he will have to pay an amortization fee of over 1 per cent, which will make 7 per cent.

My second proposition is that Federal land banks should be allowed to make loans run for 60 years. Under the provisions of the committee bill the loans made by Federal land banks as well as joint-stock land banks are limited to a period of 36 years. To my mind, there are many reasons why this should be amended. I do not know what object the members of the committee had in limiting the length of loans to 36 years?

Mr. SHOUSE. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. SHOUSE. Is it not the rule to charge a half per cent on the total loan and not on the outstanding amount?

Mr. MORGAN of Oklahoma. No; I think not.

Mr. SHOUSE. I think the gentleman will find that to be the case.

Mr. MORGAN of Oklahoma. I say a loan payable in 12 years is not as secure as one payable in 36 years, and a loan payable in 25 years is not as secure as one payable in 36 years.

Mr. SHERLEY. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. SHERLEY. Why?

Mr. MORGAN of Oklahoma. Because when you limit the term of years that the man must pay the loan in, say you limit it to 12 years, then he must pay one-twelfth of the principal every year, and you place on him a burden that perhaps he can not meet, and if he can not and he defaults, the whole institution is injured thereby. On the other hand, if he pays one-half of 1 per cent—if he is allowed 60 years to pay the principal—the annual contribution is much smaller and is not so burdensome on the borrower.

Mr. SUMNERS. But if you increase the length of time and decrease the amount of the annual payments, do you not lessen the relative value of the security?

Mr. MORGAN of Oklahoma. Certainly not, because the land is growing in value every year.

Mr. BARKLEY. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. BARKLEY. Would it not be harder to sell bonds that run for 60 years than it would be to sell those that run for 30 years?

Mr. MORGAN of Oklahoma. That is not true. In the landschaft of Germany the bonds have no date of payment. In many other institutions in Germany the bond is absolutely without date of payment, as gentlemen know who have studied the question thoroughly.

Mr. SHERLEY. Did the gentleman ever take into consideration the difference between Germany and France and America; that there they are tied to the soil, whereas here they are not?

Mr. MORGAN of Oklahoma. Yes.

Mr. SHERLEY. That is worth considerable on this point.

Mr. MORGAN of Oklahoma. There has been a good deal said about the fact that this bill would not reach the man who needed it. There is a basis for this charge. You take a man with a limited amount of means who wishes to secure a farm loan, and if you do not give him 60 years in which to pay it you prevent him from getting the benefits of this act. Borrowers who are better able to pay and who do not need assistance will have the advantage. There is only one way that you can reach the poor man, and that is what this legislation is intended to do, to give him a loan for 60 years so that he can pay the principal off at a half of 1 per cent per annum. So I assert that in limiting loans to 36 years you are discriminating against the farmers of limited means.

Mr. JOHNSON of Washington. The Senate bill carries a 60-year term, does it not?

Mr. MORGAN of Oklahoma. I can not say.

Mr. JOHNSON of Washington. I think it does.

Mr. MORGAN of Oklahoma. That I am right in this matter is shown by the length of loans made by European land-credit institutions. In France the land-credit institutions make loans for a period of 75 years, in Ireland loans may be made for a period of 68½ years, in Switzerland loans may be made for 57 years, in Germany for 56½ years, in Sweden for 56½ years, in Russia for 55½ years, in Australia for 54½ years, in Japan for 50 years, in Italy for 50 years, and in Austria for 42 years. The loans made by the banks we are creating must be paid by annual installments. The object of making the loan for a long period of years is to make the various payments as small as possible. It will require 56 years to pay a loan by paying one-half of 1 per cent annually on the principal. To pay a loan in 36 years will require something over 1 per cent annually to be paid upon the principal. The difficulty in this is that borrowers are required to pay 1 per cent annually on the principal. This payment, together with the interest rate, will in many cases make the annual payment too large for the borrowers to meet. This is why European land-credit institutions generally require only one-half of 1 per cent annually to be paid on the principal. My conception has been that under our new system of land credits the average farmer throughout the United States should be able to pay both the principal and interest on his loan at a rate that would be somewhat less than what he is now paying as interest. If the institutions which we are creating will not enable our farmers to do this, we have fallen far short of what we should have accomplished. As I have studied the bill which the committee has presented I have been impressed with the fear that the farmers will be disappointed in the benefits which they shall receive from these institutions. We must bear in mind that one-third of the farmers of the United States are tenant farmers. We had in 1910, 2,354,576 tenant farmers. One great object of this legislation is to enable tenant farmers to purchase farms of their own. To require these tenant farmers, who are ambitious to acquire farm loans, to pay 1 per cent or more annually upon the principal of the loans is an unnecessary burden placed upon them. My amendment is supported by the example of European land-credit institutions. It will in no way weaken the strength of the system of land-credit institutions we are creating. The 60-year loan would be more satisfactory to the borrowers, because, of course, they are given the privilege to pay off the entire loan at any time they may choose or to make any payment thereon that they may desire. One of the chief advantages of long-time loans is that the borrowers may have practically unlimited time in which to pay the principal, but yet he may have the advantage of paying all or any amount thereof at any time. By limiting the loan to 36 years you are thereby in a measure destroying one of the chief benefits supposed to be derived from what is known as long-time loans. Besides, I regard it as a discrimination against the farmer of small means in favor of the farmer of large means. I am opposed to any discrimination at all in favor of anyone, but I am in favor of a system that will meet equally the needs of the well-to-do farmer as well as the needs of his less fortunate brother.

My third proposition is that I propose to permit borrowers to pay off the principal or any part thereof at any time in two years after the date of the mortgage. Under the provision in the committee bill the borrower is not permitted to pay any part of the principal for five years, except the annual amortization payment. I believe that we should permit any part of the principal to be paid at any time after one year of the date of the mortgage. Gentlemen, we should bear in mind that in the United States it is seldom that a farm loan is made for more than a period of five years. Most of the existing farm-loan companies making five-year loans, give the borrower the privilege of paying off the principal at any interest payment. It is strange to me that we should propose to create a land-credit system and yet not give the borrower privileges equal to those given by existing private loan companies. My view is that we should give the borrower every encouragement to pay his loan at the earliest date possible. So far as I can see, the land bank could suffer no loss by permitting the borrower to pay all or any part of his loan at any time after two years from the date of the mortgage. This privilege would not in any way endanger the safety of the land-credit banks. It would not entail upon them any material losses. On the other hand, it would be more satisfactory to borrowers and in many cases would be a great advantage to them.

My fourth proposition is this: Section 12 of the bill limits the interest charged to 6 per cent per annum. My proposition is to limit the interest charged to 5 per cent per annum, and that to include administration charges. I believe that a farm-mortgage bond, except from national, State, and local taxation, bearing 4 per cent interest, will sell at par. If the bonds issued by these banks, free from taxation and bearing 4 per cent interest, will not sell at par, then there will be something wrong with our land-credit institutions. Bonds of the United States Government bearing 3 per cent interest in recent years sold at a premium. In European countries farm-mortgage bonds sell on a par with the bonds of the National Government. If the bonds of the United States bearing 3 per cent interest sell at a premium, I see no reason why farm-mortgage bonds, wholly exempt from taxation, could not be sold at par at 3 per cent interest. I think, therefore, we are perfectly safe in assuming that if Government bonds bearing 3 per cent interest are sold at a premium, farm-mortgage bonds bearing 4 per cent interest can be sold at par. Allowing 1 per cent additional for expenses and profits, the total interest charged ought not to exceed 5 per cent. To this must be added the annual payment on the principal, which would require under this bill 1 per cent per annum more. This would make 6 per cent per annum as the total payment the borrowers would make. If, however, the interest charged is 6 per cent and 1 per cent be added as payment on the principal, the borrower would be required to pay 7 per cent per annum. This would be unsatisfactory to many borrowers. In the bill which I have prepared and which I have presented as a substitute for the committee bill I have planned that the total annual charge to the farmer shall be but 5 per cent per annum.

The CHAIRMAN. Under the order of the committee all time has expired, and the Clerk will read the first amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

Line 7, of the Moss amendment, after the word "exceed," insert the words "one-half of."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read the second amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

In line 11 strike out the words "thirty-six" and insert the word "sixty."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read the third amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

In line 11 strike out the word "five" and insert the word "two."

The question was taken, and the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment to the section.

The CHAIRMAN. That is not in order, and the question is on the Moss amendment as amended by the Hawley amendment.

The question was taken, and the amendment as amended was agreed to.

Mr. McFADDEN. Mr. Chairman, I offer the following amendment. I move to strike out, on page 101, lines 6 and 7.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 101, strike out lines 6 and 7, which read as follows: "Such accrued interest, if collected, to be forwarded to the Federal land bank."

Mr. McFADDEN. Mr. Chairman, I want to call attention to the fact that this clause of the bill attempts to fix by legislation

the rate of interest in the United States, and its very purpose, if accomplished, in my judgment, will work to the defeat of the successful operation of this measure.

In the first place, suppose the bonds are selling at 4 per cent in the open market. You permit an extra charge of 1 per cent, which would make 5 per cent the rate of interest which could be charged to the farmer. If the bonds were selling at 5 per cent in the open market, you charge the farmer 6 per cent. If, on the other hand, as does sometimes occur in this country, the demand for money increases, as we have had evidence of in the last few years, when leading railroad, industrial, and other high-grade securities were sold as high as 8 per cent in the open market, the farmer under this provision who, if he desired to obtain money under similar conditions, could not obtain it under this system, because it limits the rate of interest to 6 per cent which could be charged him.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. For a question.

Mr. MOSS of Indiana. If the provision now in the bill remains, and which we will reach in a subsequent section, that no bonds may be sold at a rate of interest higher than 5 per cent, then does the gentleman from Pennsylvania believe that the conditions he has just outlined can possibly obtain?

Mr. McFADDEN. Mr. Chairman, I think that clause ought to be left open, so that the matter of supply and demand could fix the question of the rate.

Mr. MOSS of Indiana. Is it the intention of the gentleman from Pennsylvania, if this amendment be adopted, to later on offer an amendment striking out the 5 per cent?

Mr. McFADDEN. I think I would; yes.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. FESS. The object in the sale of bonds would be to get as high an interest as possible on the bonds. The purpose of the issuance of bonds is not only security, but interest.

Mr. McFADDEN. Yes.

Mr. FESS. The object in the issuance of bonds is to make them sufficiently secure and of a sufficiently high rate of interest to make them marketable. Those two elements necessarily must obtain in a good bond; otherwise we would not be able to make a sale of them. It is this fear that caused you to ask the Government to secure the interest upon them. That is one side of the question; on the other side you are limiting the interest that is to be paid by the borrower. The two things seem to be in conflict. In one case you are trying to get as high a rate as possible and in the other case as low a rate as possible. In the interest of the former case we have arranged that the Government shall pay the interest upon the bond, and in the second place we provide that the interest paid by the borrower shall be fixed at a definite rate. The two things seem to me to be somewhat contradictory, and the amendment to strike out should be agreed to.

Mr. GLASS. Mr. Chairman, will the gentleman point to the provisions of the bill which provide that the Government shall pay the interest upon the bonds?

Mr. FESS. We adopted such an amendment the other day.

Mr. GLASS. Oh, I do not think that amendment is properly presented by that description.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOWARD. Mr. Chairman, I offer an amendment to the amendment of the gentleman from Pennsylvania.

The Clerk read as follows:

Page 101, line 7, strike out the word "six" and insert the word "five."

The CHAIRMAN. The Chair understands that the gentleman offers this as an amendment to the amendment of the gentleman from Pennsylvania?

Mr. HOWARD. Yes; not to strike out the whole section.

Mr. CULLOP. Mr. Chairman, I desire to offer an amendment to the amendment to perfect the text of what the gentleman from Pennsylvania offers to strike out.

The CHAIRMAN. The Chair will state that that is what the gentleman from Georgia also offers—an amendment to the amendment of the gentleman from Pennsylvania, and the gentleman from Georgia is entitled to recognition. The Chair will endeavor to recognize every gentleman in due course.

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, I want to say this impressively if I can. I have been watching the reading of this bill and the comments upon it, and I want to say this: If I have any judgment about anything, I do not believe that when this bill is finished, from the standpoint of an investor, there is going to be a security issued in the United States that will be any better than the securities issued under the provisions of this bill. They will be better than any municipal bond on the face of the earth.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. Not right now. I want to make myself plain on what I have in mind and I will try to yield to the gentleman later. What do you do? In the first place you take the basis of all security on earth—land—and you take 60 per cent of its value. Then when the loan is granted to the farmer you require him under the provisions of the bill to increase that security by expending every dollar of the money that he borrows upon the enhancement of the original land upon which he borrowed the money. The gentleman from Pennsylvania [Mr. McFADDEN], who has just taken his seat, who knows something about finances, talks about railroad bonds and other bonds, but when this bond is issued, if it does not sell readily in the open market at from 4 to 4½ and 5 per cent, this system is not going to be what we think it will be and hope for. You can talk about your Government aid all you want. I have not paid one particle of attention to the amount of Government aid carried in this bill. This $750,000 subscribed here by the Government for each bank does not amount to a bagatelle.

The only reason for the appropriation of this money is the fact that it starts these banks in operation. If that capital is not absorbed under the provisions of this bill, if the Government is not repaid, and repaid quickly, under the provisions of this bill, your system will not be working like it should, and that is all there is to it.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. McFADDEN. Does the gentleman contend that the Government will receive back this $750,000 which it subscribes?

Mr. HOWARD. I say this, that under the provisions of this bill, as I understand it, when the capital is subscribed by the borrower, when a certain point is reached, to wit, 25 per cent, I believe, of the original capital——

Mr. MADDEN. No. When all of the capital is paid in, 25 per cent will be taken out and paid back.

Mr. HOWARD. Then, 75 per cent of all of the capital. I have forgotten the provision exactly, but I know that that provision is here for the retirement of this capital. That is what is contemplated by the bill. The point I am driving at is this, that if, instead of calling these banks Federal land banks, you would call them Federal brokerage associations you would hit the nail on the head. They are not banks at all; they are nothing in the world but clearing houses to bring the collective credit of the farmers of this country together under practical, strict, governmental supervision, in order that they may put bonds on the open market and sell them for what money is bringing for first-class long-term bonds. Now, then——

Mr. QUIN. Then that feature is good?

Mr. HOWARD. Of course it is good. Now, as a matter of fact, this Government-aid proposition that is here is all buncombe. That is all there is about it, and it does not amount to a row of pins except to start out the system, and I am not going to stand up here and try to make my farmer constituents believe that a little $9,000,000 contribution to these banks by the Government of the United States is material aid, except for the purpose of blowing breath in these land banks.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOWARD. I would ask that I may have three minutes more.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that he may proceed for three minutes.

Mr. HAUGEN. Make it five minutes.

The CHAIRMAN. The gentleman from Iowa modifies it by asking that the gentleman have five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HOWARD. I simply desire the time to finish what I started out to say.

Mr. HAUGEN and Mr. SMITH of Michigan rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. HOWARD. I yield to my friend who got me the two additional minutes, the gentleman from Iowa.

Mr. HAUGEN. I would like to ask the gentleman if he seriously believes that there will be any demand for bonds guaranteed by a mortgage in amount equal to 60 per cent of the land value and 20 per cent of the permanent improvements, which will average 70 per cent of the land values—if the gentleman knows of anybody with money to loan who will loan any such amount?

Mr. HOWARD. Mr. Chairman, here is what I honestly believe, and I introduced a bill here once that I did not draw by myself, just like all the balance of these bills, not drawn by

any particular person, but they have been collaborated with, and everybody has his idea in here. My idea was 50 per cent ought to have been the basis of the real property, the improvements not to be taken into consideration at all. But the committee disagreed, but they thought that last year, and they have increased it to 60 per cent on the real property and 20 per cent on the improvements. Now, here is what I am talking about: All the limitations, the restrictions, and everything that is thrown around this bill, all of them that I have seen, every single, solitary, blessed one is in the interest of the investor, and no advantage can be taken of him. You take a farmer who loses his stock or a farmer who has had bad luck, sickness in his family or anything else, and he has to meet these interest and amortization payments. Your local association, gentlemen, has got to supply this money. The local association has got to see that this money is expended by the farmer for the purposes for which it was loaned. The local association, so far as supervisory powers under this bill go, is weak, and I hope it can be strengthened.

Mr. PHELAN. Will the gentleman yield?

Mr. HOWARD. I will.

Mr. PHELAN. I will point out that the gentleman's amendment does not do anything of the kind. The gentleman's amendment says the loan shall not be made at a rate greater than 5 per cent.

Mr. HOWARD. That is what I said.

Mr. PHELAN. The gentleman just stated the bonds should not be issued at a greater rate than 5 per cent.

Mr. HOWARD. If I understand this section, I meant that this section reads "the rate of interest for such loans shall not exceed 6 per cent," and I say 5 per cent. I desire to say this, that I have never seen a law on the statute books in a State in the Union where a rate was fixed by law—for instance, 8 per cent as a legal rate of interest—where every bank, every blooming money-lending concern in the country, did not charge the limit always. You never catch them charging anything below the limit. Why? Because the man who has the money can fix the rate, and if you put it at 6 per cent every farmer in this country who uses this system will pay 6 per cent; and if these bonds do not sell on the open market readily at 5 per cent and the investing public is not clamoring for these bonds, then your system is not working. That is true.

Mr. GLASS. I would like to ask the gentleman if the earnings of the system are not returned to the farmer?

Mr. HOWARD. Yes—well, after it gets started.

Mr. GLASS. Suppose the bank would make a difference between the rate charged and the rate proposed by the gentleman; does it not go right back to the borrower?

Mr. HOWARD. I will answer my friend by saying this: You tell your initial borrower he has to subscribe to 5 per cent of the stock. You tell him he will get back certain dividends; but that if the dividends do not pay for the stock, if they do not pay the expenses, you will assess them against him.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GLASS. Mr. Chairman, I want to develop how many more amendments are to be offered to this section. Here we have been two hours, lacking five minutes, on the section.

Mr. MANN. Oh, we have not been two hours on this section.

Mr. GLASS. Very nearly that. I would like to develop how many more amendments are to be offered to this section. I judge there will be eight more amendments to this section.

Mr. MANN. The gentleman counted eight on that side.

Mr. GLASS. I did not. I counted four on this side. I am going to ask unanimous consent to close debate——

Mr. NORTON. May I have the attention of the gentleman from Virginia?

Mr. GLASS. Let me prefer my unanimous-consent request, please. I am going to ask unanimous consent to close debate on this section and all amendments thereto at 3 o'clock.

Mr. HAUGEN. Mr. Chairman, may I have five minutes?

Mr. GLASS. That will make an hour and ten minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on this section and all amendments thereto close at 3 o'clock. Is there objection?

Mr. MANN. Reserving the right to object, I want to expedite the bill as rapidly as possible. A number of gentlemen want to offer amendments. I wanted myself to have a little time on this section.

Mr. GLASS. I would cheerfully like to see the gentleman from Illinois get any time he needs, because he always talks to the merits of the bill.

Mr. MANN. That would only allow six amendments to be discussed on both sides.

Mr. GLASS. Make it a quarter past 3 o'clock, then.

Mr. MANN. Make your request then for an hour and 25 minutes, so that the time in reading amendments will not be taken out.

Mr. HAUGEN. Then I suggest that the time be divided between the two sides.

Mr. GLASS. Then I will say 1 hour and 25 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on the section and all amendments thereto close in 1 hour and 25 minutes. Is there objection?

Mr. MORGAN of Oklahoma. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORGAN of Oklahoma. Does that mean the vote will have to be taken in 1 hour and 25 minutes?

Mr. MANN. That means 1 hour and 25 minutes.

The CHAIRMAN. As the Chair understands the request, all gentlemen who have amendments may now offer them.

Mr. MANN. Oh, let them offer them as they want to and have 1 hour and 25 minutes of debate. There might be time taken in voting, and that ought not to be taken out of the time for debate because the Chair can not figure it out.

Mr. GLASS. Then I move that all debate close in 1 hour and 25 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on the present section and amendments thereto close in 1 hour and 25 minutes.

Mr. DILLON. Reserving the right to object, who will control the time?

The CHAIRMAN. The Chair will control it.

Mr. DILLON. I want five minutes.

Mr. CULLOP. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CULLOP. I would like to inquire of the Chair whether the amendment of the gentleman from Georgia is an amendment to the text of the bill.

The CHAIRMAN. The Chair understands it to be the text.

Mr. CULLOP. I desire to offer an amendment to his amendment by striking out the word "five" and inserting the word "four," so that it will read "four per cent." In order to perfect the text I understood an amendment was in order before an amendment to strike out the text.

Mr. MANN. That has nothing to do with this now.

The CHAIRMAN. The Chair will state the proposition. The gentleman from Pennsylvania [Mr. MCFADDEN] moves to strike out two or three lines of the bill. The gentleman from Georgia [Mr. HOWARD] offers an amendment to perfect the text of the lines sought to be stricken out, striking out the proposition of 6 per cent. The gentleman from Indiana [Mr. CULLOP] desires to offer an amendment to the amendment of the gentleman from Georgia, which was an amendment to the text.

Mr. MANN. Was the request of the gentleman from Virginia [Mr. GLASS] agreed to?

The CHAIRMAN. The question is on the request of the gentleman from Virginia [Mr. GLASS].

The motion was agreed to.

The CHAIRMAN. The Chair will recognize the gentleman from Indiana [Mr. CULLOP] to perfect the text. The gentleman offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend the amendment by striking out the word "five" and inserting in lieu thereof the word "four."

Mr. SMITH of Michigan. Let us have the amendment read, so that we can tell to what it applies.

The CHAIRMAN. Without objection, the Clerk will read the lines sought to be stricken out, and then read the amendment of the gentleman from Georgia and the amendment of the gentleman from Indiana.

The Clerk read as follows:

Amendment offered by the gentleman from Pennsylvania [Mr. MCFADDEN]: Page 101, strike out lines 6 and 7, which reads as follows: "Third. The rate of interest charged for such loan shall not exceed 6 per cent per annum."

Amendment offered by Mr. HOWARD: Page 101, in line 7, strike out the word "six" and insert the word "five," so that the line will read "not exceed five per cent per annum."

Amendment offered by Mr. CULLOP: Amend the amendment by striking out the word "five" and inserting in lieu thereof the word "four," so that the line will read "not exceed four per cent per annum."

Mr. CULLOP. Mr. Chairman, the question of what the interest shall be upon these loans is one of the most important questions to settle in the consideration of this bill. If the rate of interest is not to exceed 6 per cent, this measure is not going to be patronized as much as if the maximum limit was fixed

at 4 per cent. Already loans are being made all over the country by private concerns at 4½ and 5 per cent, so that if the rate of interest is left at 6 per cent you are going to do the farmer an injury instead of a benefit by the adoption of this measure [applause], for the reason that with the private concern now loaning money at 4½ and 5 per cent, the rate being established by law at a higher per cent than now offered them, and hence they will patronize private concerns. By leaving the maximum at 6 per cent, it will enable and encourage private concerns to raise their rates on farm loans, and will for this reason prove injurious instead of beneficial.

I for one am solicitous about the success of this plan. I believe it a workable one, and have confidence in its future. I therefore desire a rate should be fixed in the law which will cause it to be a competitor with private concerns and be the cause of them reducing the rate now charged.

Mr. FESS. Would the gentleman yield?

Mr. CULLOP. Certainly.

Mr. FESS. I want to confirm what the gentleman says about low interest rates in certain sections—4 and 5 per cent.

Mr. CULLOP. I want the gentleman to hurry, because I have only five minutes.

Mr. FESS. What is the use of this bill if that be the case?

Mr. CULLOP. The use of this bill is very plain. It will bring the rates of interest down on farm lands in sections of the country where they can not obtain low rates at present.

Mr. GLASS. Mr. Chairman, will the gentleman yield?

Mr. CULLOP. In one moment. In the case of money stringencies and in a time of scarcity in money circles it will prevent money lenders from increasing the rate and punishing the farmer. That will be the result of it, and because of this fact it will serve a most useful purpose.

Mr. GLASS. I will state to the gentleman from Indiana that the rate of interest is not the only thing in this bill by any means. The bill provides an amortization plan for payments which no banking system of this country has ever provided.

Mr. CULLOP. I thank the gentleman from Virginia for his suggestion. This feature will prove of great aid to the farmer, and will enable him to liquidate his mortgage indebtedness when otherwise he would be unable to do so. This feature of the law will prove of great assistance to farmers. This plan in building and loan associations has been successful, and has enabled many a person to become a home builder in this country who otherwise would have remained a tenant under the domination of an exacting landlord.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. CULLOP. In a moment. This system is not being instituted as a money-making concern, but as a concern for the relief of the greatest industry of the country and the men engaged in it. It ought not to be constructed on a profit-making basis or as a money-making concern. That is not the intention of it. [Applause.]

Now, then, the security offered for these loans is the very best security that can be afforded for a loan. It is both adequate and safe. The farms of this country constitute a safe security, and if the system is honestly and properly handled it will prove a great boon to many people in this country who desire to avail themselves of its provisions.

Mr. SWITZER and Mr. PHELAN rose.

The CHAIRMAN. Does the gentleman yield, and to whom?

Mr. CULLOP. I will yield to the gentleman from Massachusetts.

Mr. PHELAN. If we can fix in this bill the rate at which investors are willing to lend the money to the farmer, why put it at 4 per cent? Why not put it at 3 per cent or 2 per cent and give the farmer the benefit?

Mr. CULLOP. This is not to exceed 4 per cent, and it may be less than that. I believe the maximum should not exceed 4 per cent, and then if the business warrants the rate can be lowered by those interested with the administration of the law.

Mr. PHELAN. That is what we say about 6, and you say 4.

Mr. CULLOP. Yes. The bill as written fixes the maximum limit at 6, and by this amendment I propose to have it fixed at 4 per cent. That is the difference between us. I believe the committee have fixed the rate higher than it should be in order to secure the desired results by the enactment of the measure. If its adoption will secure a reduction of interest charges on farm lands by private concerns, then it has accomplished its purpose and brought about the relief desired. If private concerns can loan money on farm lands at 5 per cent, then under this system it can be loaned for a lower rate of interest, because these loans are exempted from taxation and those of private concerns are not, and this feature alone will make a great difference, one that should receive due consideration in the enactment of this measure. Do not hold out to the farmer a promise not to be redeemed.

Again, the overhead charges, as some gentlemen have pleased to call them, the expense for securing the loan, are not different from those in obtaining loans from private concerns, except in perhaps one particular, and that one particular is in some instances the borrower has to pay a commission. This plan will relieve the borrower from that expense. But the difference in interest charges more than overcomes that expense, if the present rates are continued.

Now, it is evident that if private concerns can loan, as they are now and have been doing, at 4½ and 5 per cent and pay taxes on the loans, under this system it can be loaned at a lower rate, when such loans are exempted from taxation. Now, for this reason I feel the maximum rate should be fixed at 4 per cent; and if fixed at that percent, the administrators of the law will be able to loan at a still lower rate. Exemption from taxation means much in this law and should receive the consideration it deserves. I would remind those in charge of this measure that if the volume of property for taxation be reduced, necessarily the rate of taxation must be increased, and that increase will fall heavily on the visible property. The property of the farmer is visible as a rule, and hence the burden of the increase will fall upon him. He can not escape it.

Now, if improvement bonds, such as highway improvement bonds, drainage bonds, school bonds, and other improvement bonds, exempted from taxation, drawing 4 per cent and 4½ per cent, will sell on the open market above par, why will not these farm-mortgage bonds, drawing a similar rate of interest, be just as desirable an investment and sell just as readily? They will do so, and there will be a demand for them by investors, just as there is now for the bonds I have above named. Then fix this maximum rate at 4 per cent, and by so doing competition has been established between this system and the private concerns loaning on farm property, which will lower instead of raise the interest charges. By so doing, the farmer will be helped and his business benefited. Leave it as now fixed in the measure and an inducement has been furnished to increase rates over what they are now in many localities. Again the banks of this country pay 3 per cent on time deposits. These loans are subject to taxation. Now, if loans of this character can be made at 3 per cent, surely those who make them would not hesitate to take a farm loan at 4 per cent exempt from taxation.

The security is just as good, the investment is just as safe, if not safer, and the evidence of indebtedness as marketable. It is asserted that in some localities money commands a higher rate than even 6 per cent, and hence it would deprive farmers, for this reason, of the benefits of this measure. In other words, because of this fact farmers could not avail themselves of the measure because capital would not invest at such places in these securities. In this view they are greatly mistaken. It would be true if local capital were to be invested, but it is not the purpose to have solely local capital invested. Under this system the organization would get its loans together, issue the bonds, and sell them elsewhere and obtain distant capital and bring it into such localities, and thereby it would reduce the rates of interest on local capital desired for other enterprises. The rate would therefore be uniform for farm loans, and it would reduce interest charges on capital for other local purposes. This would be the effect, the opposite one from that which some here have contended. I do not see how any other effect than the one I have presented could result. If this be true, then the effect would be most wholesome, because it would stimulate other lines of industry along with farming, and the result would redound to the benefit of all except the money changers in such localities. I most earnestly hope the amendment which I have offered will be adopted, as it will, I am confident, add to the success of the measure, popularize it, and prove of great benefit to those for whom this legislation is being enacted. If we are to help the farmer by this measure—and that is its purpose, which is most laudable—then let us do so substantially and increase his opportunities for building up the country and adding to the wealth of the Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent for five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I had intended to ask for longer time, but the time has been fixed, and I will not.

Mr. Chairman, gentlemen here seem to fondly hope and believe we will fix the rate of interest at which investors will

invest their money. We may fix the rate of interest at which we will permit somebody to loan money, but we can not fix the rate of interest at which the borrower will get the money.

I hold in my hand a copy of a daily newspaper giving the New York bond transactions on Wednesday of this week. Several million dollars' worth of bonds every day are sold and bought over there. Here is a long column of different kinds of bonds sold and bought in quantities, listed all the way from $1,000 to over a half million dollars, of different kinds of bonds.

Now, some of these gentlemen may be able to tell why New York City 4½ per cent bonds due in November, 1957, sold at 106½ and bonds due in 1964 sold at 102½, or why 4½ per cent New York City bonds sold at 102½ and 4 per cent bonds sold at 100, almost the same, or why Chicago, Burlington & Quincy general fours sold for 92½ and Chicago, Burlington & Quincy (Illinois division) fours sold for 95⅛, and why Nebraska fours sold for 99½.

Everybody knows that the men who invest their money know that there is a little difference in the security. Bonds that you and I think are perfectly good—4 per cent bonds, some of them—sell for as high as 100, and what apparently are equally well secured, to a greenhorn—6 per cent bonds—will sell at 100.

We can not say what the bonds will sell for. In my judgment it is a mistake to put into this bill any provision limiting the rate of interest. This bill can be made to reduce the rate of interest paid by the farmer, at least in the Northwest, the Southwest, and the South, but I doubt very much whether it will make any difference in my State. Perhaps it will. But the only way you can reduce the interest paid by the farmers under this bill is to get people to buy the bonds. You can not force anybody to buy the bonds. They will buy the bonds in competition with other bonds. There are plenty of railroad bonds. Armour & Co. 4½ per cent bonds sell for 93 and 94; Sulzberger 6 per cent bonds sell for 99—only a little more. There is quite a difference in the interest rate. Somebody believes there is a little difference in the security.

Mr. CULLOP. Mr. Chairman, will the gentleman yield?

Mr. MANN. No; I have not the time. I would yield if I had the time.

We make a mistake when we think that we can fix the rate of interest at which the investors will invest their money. They will invest it if they think these bonds are good and of equal security on about the same terms and at the same rate that they will invest in other bonds that they think are equally good, depending somewhat on how they are advertised and handled. If we fix no rate of interest, but endeavor to let some brokerage house for a commission make people understand that the bonds are good, you can sell the bonds at a lower rate of interest than otherwise, and you can loan the money to farmers at the rate of interest that the bonds bear.

It is sometimes cheaper to pay a firm for underwriting expenses than to attempt to sell the bonds directly over the counter. Millions of dollars will be invested every day in the country in bonds of some kind. People do not have to buy bonds. People do buy bonds—railroad bonds and other kinds—on the market. These bonds can be put on the market in the New York Stock Exchange, and you can convince people that the security is good, as it will be if the provisions of this law are carefully executed. You can borrow money at 4½ and 5 per cent. Some of the districts may be able to borrow money at less, but you can not borrow cheaply by fixing the rate in this bill low.

The CHAIRMAN. The Chair will ask the indulgence of the committee to make the statement that under the rules all time on the present amendment is exhausted, and that the time is limited as to all amendments pertaining to this section. The Chair thinks it is better to submit the pending amendment.

Mr. SMALL. Mr. Chairman——

Mr. DILLON. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DILLON. There has been no direct opposition to the original motion made by the gentleman from Pennsylvania.

The CHAIRMAN. The Chair will answer that by saying that under the rules there is supposed to be one speech for and one against, or 10 minutes on an amendment.

Mr. PHELAN. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHELAN. We have not had any speech against the amendment for which the gentleman from Illinois obtained time by unanimous consent.

Mr. MANN. That is all you are entitled to, and I think that is enough.

Mr. PHELAN. If it is, I am perfectly satisfied.

Mr. DILLON. I ask unanimous consent that I may have five minutes.

The CHAIRMAN. The gentleman from South Dakota [Mr. DILLON] asks unanimous consent to proceed for five minutes.

Mr. SMALL. Mr. Chairman, I thought I addressed the Chair before the gentleman from South Dakota did.

Mr. CLARK of Missouri. Mr. Chairman, some time shortly in the general mêlée I would like to get 10 minutes on the bill itself.

The CHAIRMAN. After the time which has been limited on this section?

Mr. CLARK of Missouri. Yes. I am in no hurry.

Mr. GLASS. Mr. Chairman, I call for the regular order.

The CHAIRMAN. The question is on the amendment of the gentleman from Indiana [Mr. CULLOP] to the amendment of the gentleman from Georgia [Mr. HOWARD] to strike out 5 per cent and substitute 4 per cent.

Mr. DILLON. I ask that my request for unanimous consent may be put to the committee.

The CHAIRMAN. The Chair put it and the gentleman from Virginia [Mr. GLASS] demanded the regular order.

Mr. DILLON. I did not hear him.

The CHAIRMAN. The Chair will submit the request again. The gentleman from South Dakota [Mr. DILLON] asks unanimous consent that he be allowed to speak on this amendment for five minutes. Is there objection?

There was no objection.

Mr. DILLON. Mr. Chairman, I want to speak in reference to the question of limiting the interest rate, and to call the attention of the committee to a few facts contained in the report of the Comptroller of the Currency, in reference to usurious charges made by national banks. I call attention to a statement on page 29 of the annual report of the Comptroller of the Currency to the first session of the Sixty-fourth Congress, December 6, 1915, as follows:

The records also show that as of September 2, 1915, 1,022 national banks in 25 States were, by their sworn reports, charging an average of not less than 10 per cent, and in some cases 18 per cent, on all their loans. The sworn statements of the banks in one particular State include a list of 131 banks whose maximum rates of interest ranged from 15 to 24 per cent; 67 banks whose maximum rate was between 25 and 60 per cent; 22 banks which charged between 60 and 100 per cent; and 26 banks whose maximum rates were 100 per cent or more.

I call attention to another statement of the comptroller, on page 194 of the same report, in which he gives a list of 29 loans made to a widow.

SPECIMEN LIST OF USURIOUS LOANS MADE TO A WOMAN BY A NATIONAL BANK.

A certain national bank, in response to request from this office, sent in a list of loans made by it since the preceding call, upon which it had charged interest at the rate of 12 per cent or more.

From this list of borrowers one name was selected at random, to whom several loans had been made during the preceding 60 days at usurious rates, and the bank was requested to send a list of all loans which had been made to this borrower during the preceding 12 months.

In reply to that request the bank submitted, under oath, a list of 29 loans which had been made to this borrower who, upon investigation, was found to be a woman who owned a farm about 6 or 7 miles from the town in which the national bank was located. The bank when asked for what purposes the money was borrowed professed ignorance, but stated that it thought that one loan of $110 for 30 days, upon which interest at the rate of 120 per cent was charged, was for the purchase of a horse. The bank furthermore stated that all of the loans to this borrower had been paid in full.

The following is a copy of the affidavit made by the bank as to the loans and the rates of interest charged. In five cases the interest appears to have been incorrectly calculated by the bank, and the figures placed in parentheses are those inserted by this office as being apparently the figures intended.

[Copy of affidavit of bank.]

THE NATIONAL BANK OF ———,
*October 12, 1915.*

Hon. COMPTROLLER OF CURRENCY,
*Washington, D. C.*

DEAR SIR: We acknowledge receipt of your telegram of the 11th instant. * * *

The following is a list of the notes made to this bank for the past 12 months as requested:

| Date. | Time. | Amount. | Maker (name of borrower not printed). | Interest discount, or commission collected or charged. | Rate per annum. |
|---|---|---|---|---|---|
| 1914. | *Days.* | | | | *Per cent.* |
| Oct. 12 | 30 | $11.00 | | $1.00 | 120 |
| 26 | 30 | 21.50 | | 1.50 | 90 |
| Nov. 5 | 25 | 33.00 | | 2.00 | 93 |
| 16 | 15 | 27.00 | | 2.00 | 195 |
| Dec. 1 | 30 | 162.50 | | 5.00 | 36 |
| 12 | 19 | 27.00 | | 2.00 | 151 |
| 17 | 14 | 55.00 | | 5.00 | 259 |
| 18 | 60 | 97.50 | | 7.50 | 50 |
| 28 | 34 | 377.00 | | 15.00 | 44 |

| Date. | Time. | Amount. | Maker (name of borrower not printed). | Interest discount, or commission collected or charged. | Rate per annum. |
|---|---|---|---|---|---|
| 1915. | *Days.* | | | | *Per cent.* |
| Jan. 30 | 60 | $433.00 | | $24.50 | 36 |
| Feb. 5 | 26 | 35.25 | | 7.25 (363 %) | 112 |
| 12 | (1) | 120.00 | | 5.00 | 75 |
| Mar. 3 | 23 | 620.25 | | 30.00 | 77 |
| 13 | 17 | 22.00 | | 2.00 | 210 |
| 16 | 14 | 7.00 | | 1.00 | 426 |
| 20 | 10 | 6.00 | | 1.00 | 720 |
| 25 | 5 | 6.00 | | 1.00 | 1,450 |
| Apr. 10 | 20 | 28.00 | | 3.00 (219 %) | 1,080 |
| 17 | 13 | 12.00 | | 2.00 (561 %) | 183 |
| 19 | 11 | 5.00 | | 1.00 (830 %) | 682 |
| 23 | 7 | 29.50 | | 2.00 | 383 |
| 26 | 4 | 11.00 | | 1.00 | 900 |
| 27 | 3 | 7.00 | | 1.00 | 2,000 |
| May 1 | 30 | 110.00 | | 10.00 | 120 |
| 3 | 27 | 6.00 | | 1.00 | 267 |
| 10 | 20 | 23.50 | | 3.50 | 315 |
| 25 | 5 | 3.50 | | .50 | 1,200 |
| July 10 | 30 | 58.50 | | 5.00 | 113 |
| Sept. 13 | 48 | 20.00 | | 5.00 (253 %) | 187 |

[1] Demand.

Mr. McKENZIE. Will the gentleman yield for a question.

Mr. DILLON. I have not time to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. DILLON. I call attention to page 217 of the same report in which the comptroller says:

Another one of these banks, with capital, surplus, and undivided profits of about $35,000, declared that the highest rate which it had charged between September 2, 1915, and November 10, 1915, was 147 per cent, the lowest rate 10 per cent, and the average rate on all loans made during that period 36 per cent. Population of the town about 700.

The third of these three banks had a capital, surplus, and undivided profits of about $30,000, and reported its average rate on all loans made between September 2, 1915, and November 10, 1915, to be 40 per cent. The highest rate charged during that period was declared to be 300 per cent, and the minimum rate 8 per cent. This bank was located in a town with a population of about 1,400.

I call the attention of the committee to the further fact that under the laws of practically every State in the Union usurious interest is prohibited and interest rates are fixed. This report shows that the Comptroller of the Currency knows these facts. I want to know why he does not enforce the provisions of law against these national banks all over this country that are exacting usurious interest from borrowers. [Applause.] There is no question in reference to the authority of the National Government in that regard. The Comptroller of the Currency is permitted by a direct statute to bring a suit for the cancellation of the charters of these banks for violation of law. The report of the comptroller shows that he had in his possession affidavits in which it was admitted that many of the national banks were violators of section 5198, United States Revised Statutes. Why does this department allow these agencies to constantly violate the law?

This bill is cumbersome, and the machinery provided is extremely complicated. It provides for an army of useless officials, agents, and servants. It is loaded down with extravagant salaries.

It occurs to me that there is no necessity for having 12 Federal land banks. Each of these banks must have 9 directors, making a total of 108, when 7 directors ought to be able to handle the business from one bank with proper assistants. They are each authorized to employ attorneys, experts, assistants, clerks, laborers, and other employees.

Again, the Federal farm-loan board consists of three members, who are allowed large salaries and traveling expenses, and have power to appoint attorneys, experts, assistants, clerks, and laborers. Many of these expenses could be reduced by providing for a commissioner, with a provision for assistants and necessary help to carry on the work.

I am also impressed that we could adopt the county and State unit and use the machinery already established, and thus be able to reduce extravagant operating expenses. For instance, the board of county commissioners or State officers could be utilized, and thus form a part of the working machinery. Or, again, the postmasters, United States marshals and deputies, United States internal-revenue collectors and deputies could be used, and by the use of existing machinery expenses could be materially reduced.

It appears to me that under the terms of the bill the banking industry will operate and control the entire machinery. If this system could be divorced from commercial banking and operated without extravagant administrative features and money furnished by the Government on the same terms as now furnished to banking houses, loans could be obtained at a much less rate of interest.

In the State of South Dakota we have about $5,000,000 in loans belonging to the school fund, loaned on farm mortgages at 5 per cent interest. We have about $6,000,000 running on deferred payments at 6 per cent. When paid in it is loaned out at 5 per cent. It is estimated that we have about $27,000,000 of insurance funds loaned at about 5½ per cent.

The most serious criticism of this bill is its extravagant operating features. For instance, New Zealand issues bonds at 3 per cent to 3½ per cent and loans to the farmers. The Government expense of handling these loans is fifteen one-hundredths of 1 per cent, and these mortgages run 36½ years.

This bill has many good features, but it ought to be simplified and operating expenses reduced. Otherwise the farmers are not going to get loans at a greatly reduced rate of interest.

Mr. SMALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMALL. If I could get recognition now, would it be in order to offer another amendment to this section, other than this one?

The CHAIRMAN. The Chair does not think so. The Chair thinks under the rules of the House all amendments that are in order are now pending, unless it be a substitute. The question is on the amendment of the gentleman from Indiana [Mr. CULLOP] to strike out 5 per cent and insert 4 per cent.

The question was taken; and on a division (demanded by Mr. CULLOP) there were—ayes 12, noes 47.

Accordingly the amendment was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from Georgia (Mr. HOWARD).

Mr. FINLEY. I would like five minutes on that.

The CHAIRMAN. All debate on the present amendment is exhausted. When these amendments are disposed of there will be opportunity for other amendments and other debate.

Mr. FINLEY. I ask unanimous consent that I may have five minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that he may be permitted to address the committee for five minutes. Is there objection?

Mr. GLASS. I ask for the regular order.

The CHAIRMAN. The gentleman from Virginia objects, and the question is on the amendment offered by the gentleman from Georgia [Mr. HOWARD] to the text of the bill to strike out 6 per cent and insert 5.

The question was taken; and on a division (demanded by Mr. GLASS) there were—ayes 25, noes 49.

Accordingly the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania, which the Clerk will report.

The Clerk read as follows:

Page 101, strike out lines 6 and 7.

The question was taken, and the amendment was rejected.

Mr. WOOD of Indiana. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 102, line 17, after the word "become" insert the words "personally or through his agent."

Mr. WOOD of Indiana. Mr. Chairman, if this clause is not amended and it is strictly construed it would be absolutely impossible for anyone to obtain a loan unless he individually intends to do the farming. If the man is the owner of the farm and is farming it by his tenant, under this clause he could not obtain this loan. The purpose of the amendment is that a person may obtain the loan if he, or through his agent, is doing the farming.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. MOSS of Indiana. I would like to ask the gentleman how the land can be farmed except by a man or through his agent.

Mr. WOOD of Indiana. That is not the provision of the bill. It says:

No such loan shall be made to any person who is not at the time or shortly to become engaged in the cultivation of the farm mortgaged.

The amendment is for the purpose of making it absolutely clear, and it will save a lot of trouble and annoyance on that proposition. It would make the clause clear, so that a person can obtain a loan if he is going to do the farming through his agent. It strikes me that it will strengthen the bill rather than weaken it.

Mr. CLARK of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the time heretofore fixed by the committee may be increased 10 minutes and that that time be allowed to the gentleman from Missouri.

The CHAIRMAN. The gentleman from Illinois asks that the time heretofore fixed be increased by 10 minutes and that time be allowed to the gentleman from Missouri. Is there objection?

There was no objection.

Mr. CLARK of Missouri. Mr. Chairman, I am very much in favor of passing this bill. [Applause.] I think we are all under obligations to pass it—not this particular bill, perhaps, but some general bill on this subject; and as this is the only bill in sight I am heartily for it.

I believe that men in this life should keep their promises in politics, in religion, in business, and everything else. [Applause.] In my judgment that is the only rule of conduct to live by or die by.

Here is what the Democrats said in their latest platform:

Of equal importance with the question of currency reform is the question of rural-credit or agricultural finance. Therefore we recommend that an investigation of agricultral credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real estate security.

The Republicans raised us at our own game, to use the phraseology of a game I have heard much about but do not understand [laughter], and here is what the last Republican platform said. In one paragraph it says:

We need better currency facilities for the movement of crops in the West and South.

In another paragraph it says:

It is of great importance to the social and economic welfare of this country that the farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their lands. It is as important that financial machinery be provided to supply the demand of farmers for credit as it is that the banking and currency system be reformed in the interest of general business. Therefore we recommend and urge an authoritative investigation of agricultural credit societies and corporations in other countries and the passage of State and Federal laws for the establishment and capable supervision of organization having for another purpose the loaning of funds to farmers.

The progressive platform says this:

Country life.—The development and prosperity of country life are as important to the people who live in the cities as they are to the farmers. The increase of prosperity on the farm will favorably affect the cost of living and promote the interest of all who dwell in the country and all who depend upon the products for clothing, shelter, and food We pledge our party to foster the development of agricultural credit and cooperation, the teaching of agriculture in schools, agricultural college extension, the use of mechanical power on the farms, and to reestablish the Country Life Commission, thus directly promoting the welfare of the farmers and bringing the benefits of better farming, better business, and better living within their reach.

So we all promised to do this thing. I do not mean that we promised to pass this particular bill, but to pass some legislation on this subject. In the situation in which we find ourselves it is for this session this bill or nothing.

There has been much investigation on this subject. We sent a commission to Europe to examine into this subject. They made a very strong, luminous, and exhaustive report. In addition to that, we had a joint congressional committee here in our own country to investigate it. They have made their report, and it is clear and comprehensive. The people of the United States want some legislation on this subject, and they demand it now.

I will tell you one of the strangest things that I ever witnessed in this House, and I have witnessed a great many. When we sent the Agricultural bill over to the Senate last year there were only seven Senators in the Chamber. They hitched on the McCumber rural-credits bill to the Agricultural bill, which not a single man in this House probably had ever read. It came back to us when time was the essence of things in the closing days of the Sixty-third Congress. I have seen a dozen men on the floor simultaneously trying to get recognition from the Chair on several occasions, but on that day it seemed to me that the majority of all the Members of the House rose up, demanding recognition.

It was like Roderick Dhu's men jumping up out of the heather all of a sudden, and if the parliamentary situation had been that a Member could move to concur in the McCumber bill amendment that day under the rules of the House, it would have been adopted so quickly that it would have made our heads swim. I am glad it was not so adopted, because that is not the proper way to legislate.

Mr. GLASS. Is not that a commentary upon the American Congress?

Mr. CLARK of Missouri. Of course it is, and the gentleman from Virginia [Mr. GLASS] and myself also could make several interesting commentaries. That was an amazing performance, but it demonstrated beyond even the shadow of doubt that the majority of the national legislators were overwhelmingly in favor of some legislation upon this important subject. I can not investigate all of these bills for myself—none of us can—but I have faith in these men who are on these great committees, and while probably this bill may have been improved by amendment, and frequently that is the case, yet these gentlemen on the committee, Mr. Chairman GLASS and the rest of them, have investigated the subject, and when I have not investigated the matter for myself particularly I follow the committee. [Applause.] That is the only way to get legislation through.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. CLARK of Missouri. Yes; with pleasure.

Mr. MANN. Did not the distinguished Speaker vote for the Lever amendment the other day?

Mr. CLARK of Missouri. I think so; but I did not say that I would not vote to amend the bill.

Mr. MANN. That was against the committee.

Mr. CLARK of Missouri. That may be true, but in the main I follow the committee. Of course, I reserve the right to vote for an amendment to the bill if I desire to, where I think it may be improved.

This is not an experiment, Mr. Chairman. It is not even new in this country. Two or three States have tried it heretofore but they did not make a success of it. The principle underlying this bill is very old. In First Kings, fourth chapter, twenty-fifth verse, it is related that in the spacious days of King Solomon, "Judah and Israel dwelt safely, every man under his vine and under his fig tree, from Dan even to Beersheba, all the days of Solomon."

And in the fourth chapter and fourth verse of the Prophet Micah it is written: "But they shall sit every man under his vine and under his fig tree; and none shall make them afraid."

This bill is intended to aid people to sit under their own vines and fig trees—in other words, to increase the number of home owners—a great desideratum.

I will tell you where this plan in concrete form was started and who made it practicable. There was a man in Germany named Büring, an obscure merchant, who went around like one crying in the wilderness for years to get what they called the landschaft system put in operation over there. He could not make it go; he was poor, did not have influence enough; he was sneered at as a "mere theorist," but one of the greatest men of modern times breathed into the nostrils of this system the breath of life, Frederick the Great, of Prussia, and it is a remarkable tale. He not only was one of the foremost soldiers of all time, but he was also a wise statesman. What is more, he was a very successful business administrator. So this man Büring induced Frederick the Great to take it up. Of course the king was absolute and could do as he pleased. It was just at the close of the Seven Years' War, and the story of that war is one of the most remarkable tales ever told in the history of wars.

With 5,500,000 people when he started, Frederick the Great fought France, Russia, Austria, Sweden, and Saxony, one of the largest of the German States, all at one time, and soundly thrashed the whole aggregation, although they had a population of 105,000,000 people. His kingdom was not half as large then as the Kingdom of Prussia is now, and consisted of three separate, disconnected pieces. Although he was the victor in that war, he had lost one-ninth of his entire population, and there never has been a country in the history of modern times that was so thoroughly devastated as was the Kingdom of Prussia. There was not a square mile which had not been laid waste with fire and sword. Frederick started in to rehabilitate his country. The people did not have seed enough to plant a crop. He mortgaged the crown jewels and tore the silver bullion out of his palaces—for in those days they fixed up fine houses with a great deal of bullion. He melted it down and sold it and invested the proceeds of the bullion and the crown jewels in field seed for the farmers and gave it to them. They did not have horses enough to put the crop in, and he loaned them 60,000 cavalry and artillery horses to do their plowing. Then he undertook, furthermore, to reestablish their homes, and he constructed over 30,000 houses. Taken all in all, he is one of the greatest men that ever lived. This man Büring, the obscure merchant, went

to Frederick the Great and pumped into his head this scheme of landschaft, farm loans or rural credits. Frederick changed it somewhat, but accepted the principle. He reached out and took the nobility of Silesia by the nape of the neck and dragged them into the landschaft. They did not have any choice about it; he made them go in; and in order to help it along he contributed $632,000 out of the royal revenues—a large contribution in those days.

The landschaft that he started in 1769 is running successfully yet, and it has been adopted in every country of Germany—the 26 States—except one, and has been adopted in France, where it has been reduced to almost an exact science.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman may have 10 minutes more, not to be taken out of the time already fixed for debate.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CLARK of Missouri. I thank the gentleman from Illinois [Mr. MANN] and the committee. I made the preface to my remarks longer than I intended. Our people went over to Europe and studied the system there. I understand perfectly well that with such a large country as we have, with our everlasting incorrigibility about moving from pillar to post—nearly every man who has lived west of the Missouri has lived in three different States—on account of the size of the country and of our migratory habits, it is going to be harder to make this thing work in the United States than it was in Germany.

My friend from Philadelphia [Mr. MOORE], of whom I think a great deal and who is a very bright man, was objecting to this bill because it did not do the cities any good.

I want to suggest to him that we have been legislating ever since I have been here and ever since the Government has existed for some one else beside the farmer. [Applause.] We have legislated for the bankers, for the manufacturers, for wage earners, for nearly everyone else, and now it is our time. I desire to make another suggestion to him. As the farmers of this country prosper so do the cities prosper. [Applause.] If the farmers did not prosper, the grass would grow in Broad Street and Chestnut Street in Philadelphia and in the streets of all the great cities; but in ordinary fairness it ought to be stated that if it were not for the vast population of the great cities—laborers, merchants, lawyers, doctors, and men and women in other walks of life and the great army of children, all consumers of agricultural products—the farmers would be in a bad way. Truth to tell, we are all interdependent on each other, and all of us should encourage every legitimate and useful industry in the land.

The learned gentleman from Ohio [Mr. FESS] asked the gentleman from Indiana [Mr. MOSS] a very pertinent question, and that was, If farmers could borrow money at 4½ or 5 per cent now or at 6 per cent, what is the sense in passing this bill? In the first place, they can not borrow money at 4½ per cent, and, in the second place, theoretically they can borrow it sometimes at 5 per cent, although things, including rates of interest, have gone up somewhat lately. You can only borrow under present practice for five years at a clip. In addition to that, by the time you pay the bonuses and other charges you have run up to 6 or 7 per cent. That is not the principal thing. Even if this bill fixed the per cent at exactly what the farmer could borrow for now I would still be in favor of this bill, and I will tell you why. The most valuable feature of this bill is the long-term loan [applause] and the amortization feature. I will give you a concrete example. You borrow money for five years from one of the land agencies or one of the insurance companies. You want to plant an orchard. There are some species of apple trees which come into bearing in seven or eight years to some extent, but you can not count reasonably on a full apple crop from a new set of trees in less than 10 years. The same thing is true of pecan orchards and some others.

Another thing about it: The man who borrows on one of these long-term loans, certainly if he complies with the terms of it, can keep that money, paying the interest and part of the principal each year, practically a lifetime. Some of these concerns in Europe have a 100-year period; some of them, I think two or three, have more; many 75, 50, 25. The man gets that money. He gets it at a low rate on easy terms of payment; the loan runs a long time; he can lay his plans reaching far into the future; he starts in to make that farm a home for himself and his children forever.

Mr. EAGLE. Will the gentleman from Missouri permit?

Mr. CLARK of Missouri. I will.

Mr. EAGLE. May I call the attention of the gentleman from Missouri in this connection to this fact, that even if the current present average rate of interest that the farm mortgages of America bear be as small as 6 per cent, which I doubt, notwithstanding that he takes care only of the current interest rate, whereas under the system we are here setting up that same amount paid every year will not only take care of the system and the current interest rate but amortize and in a period of 30 years pay off the principal. [Applause.]

Mr. CLARK of Missouri. I thank the gentleman for his suggestion. He is entirely correct. Now, the fact that he secures a long-time loan, the fact that he has easy payments, induces a man to go in and do the most important thing on a farm, and that is improve the quality of the soil and put better improvements on the farm. Five or six or seven years ago, when James J. Hill, the great empire builder, made a speech at an agricultural fair, in which he said that unless we learned how to make an acre of land produce more than it was doing now, in less than 20 years we would be habitually importing foodstuffs, it sounded like a firebell at midnight, and scared the wits out of half of us.

Now, this bill that Mr. Chairman GLASS has reported here has a tendency to make conditions under which farmers will make an acre produce more than it has produced heretofore. [Applause.] Suppose it is defective, and I would not be at all surprised if it is in some regards, but it is laying a foundation on which we can build hereafter, and if it is not right improve it by amendment. Now, gentlemen, that is about all I have to say or desire to say. I want to see this bill pass because we all promised it, every one of us. And I will tell you another thing about it. There is not a man representing an agricultural district in this House on either side of this aisle who can vote against this bill and go home to his people without being put on explanation. [Applause.]

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. CLARK of Missouri. If I have time. How much time have I remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has two minutes remaining.

Mr. HENRY. The gentleman from New York [Mr. BENNET] said that there is not anything in this bill that will benefit the landless man. I want to suggest the landless man can avail himself of the benefits of this bill, because he can borrow 60 per cent from the Government and can turn over that money to the man who has land for sale, say, 200 acres at a value of $10,000, and then the owner of the land can take a second lien for the other 40 per cent, and every year the second lien becomes more valuable because the principal and interest are being paid off.

Mr. CLARK of Missouri. Of course it does. I believe as firmly as I am standing here that the passage of this bill will increase the number of landowners—home owners—in the United States—a consummation devoutly to be wished. [Loud applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

Mr. SUMNERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SUMNERS. I desire to oppose the amendment, and I ask unanimous consent that that amendment be again reported.

The amendment was again reported.

Mr. SUMNERS. Mr. Chairman, I want to speak in opposition to the amendment offered by the gentleman from Indiana [Mr. WOOD]. He is apprehensive that the benefits of this bill do not extend to the man who does not live on the land upon which the loan is sought and does not intend to, while I am apprehensive—in fact, I am certain—that it does extend the benefits to such a man. The gentleman from Indiana now offers an amendment which, if adopted, would remove his apprehension, and I shall offer just the contrary amendment.

Mr. Chairman, this is a most vital question with which we are dealing now, one which calls for a disregard of personal interest and political considerations. Whether this legislation is to be a blessing or an injury to this country will depend upon whether in its operation it facilitates home getting by the homeless or facilitates the extension of landed holdings by the nonoccupiers of the land. In the competition for the land between the man who wants it to establish his home upon and the man who wants it to rent, there is no uncertainty as to which one's winning would accord best with sound public policy. We can not close our eyes to the fact that there are three more or less distinct classes—the home builder, the landlord as such, and the speculator—who are competing with each other for the ownership of the lands of this country.

I am not criticizing either class. I have no prejudice in the matter. Most of what I have is invested in a farm. But I know as a matter of broad national policy we have reached a condition in which attention must be given to absentee landlordism. We must extend the hand of encouragement, the hand

of help, if you please, to the man who is willing and able with that help to build a home for himself and live in that home.

This is no small matter of passing importance we are dealing with. It reaches to the very foundation of governments. There is strength in that nation where the people who own the lands live on them. I do not want to help the man get lands who is going to live in town and rent them, as does the gentleman from Indiana. Not because I have aught against him, but it is not good for the Nation. I want to help the man who is going to live on the land. I want to help the man to get a home who has no home. Not because I think he is any better than the other man, but because it is good for the Nation that this homeless man get a home and occupy it. We are here to legislate for the good of the Nation. If this bill gives a much cheaper rate of interest, as it is hoped it will, and that cheap money is available to the speculator it will be more difficult for the poor man to get a home then than now, because the price of land is largely controlled by the rate of interest where it is located. Reduce the rate of interest on money available for land purchase and the price of land is increased. The higher the value per acre the greater, of course, will be the sum necessary to make the initial investment. Forty per cent of the price is the initial investment contemplated under this bill. The first 40 per cent is the hardest part for a poor man to get. We do not want to increase that difficulty. We will increase that difficulty unless the benefits of this bill are limited to the home builder. I hope the gentleman's amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WOOD].

The question was taken and the amendment was rejected.

Mr. CARAWAY. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Arkansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, at the bottom of page 101, at the end of line 23, by striking out the word "above" and add to line 24 the words "in this section."

Mr. CARAWAY. That is an amendment that the committee, I believe, agrees to accept.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 101, at the end of line 23, strike out the word "above" and after the word "mentioned," in line 24, insert the words "in this section."

Mr. MOSS of Indiana. I will be glad to say to the gentleman from Arkansas, in behalf of the committee, that I am quite willing to accept that amendment.

The CHAIRMAN. Without objection, the amendment will be agreed to.

Mr. MANN. Reserving the right to object, I would like to have the amendment again reported.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. NORTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NORTON: Page 102, line 16, after the word "sixth," strike out all of line 16 and all of lines 17, 18, 19, and 20 and all of line 21 to the word "In," and substitute in lieu thereof the following:

"No loan shall be made to any person who is not at the time or who does not in his application state his intention to become within six months engaged in the cultivation of the farm mortgaged. In case of the sale of the mortgaged land the Federal land bank may, in its discretion, declare the mortgages thereon due and payable, or permit the mortgage to be assumed by the purchaser."

Mr. NORTON. Mr. Chairman, some who have made a study of this subject believe that these loans should be made to anyone who owns farm property. I believe the loan should be extended only to those who own farm property and who cultivate that property. I believe one of the important purposes of this legislation is, and should be, to encourage the ownership and cultivation of farm property, to encourage the living upon farms by more people in this country.

The provision as it stands in the bill would permit one who owns farm property to make a loan and then to sell the property, and have that loan assumed by the buyer, who might not be a farmer at all, but who might be purely a speculator in farm lands. In my own State we have a system whereby we loan on farm property funds belonging to the schools of the State. These mortgage loans are made at the rate of 5 per cent for a period of 12 years. A few years ago, on making an examination of these loans, I found that most of the loans at that very favorable rate of 5 per cent had been made to land speculators, to merchants, and bankers, and not to actual farmers. In many cases land speculators, merchants, and bankers who had received from our board of university and school lands the privilege of these State loans at 5 per cent were making farm loans to actual farmers at rates of 10 and 12 per cent.

I firmly believe if there are any benefits connected with this system they should go to the man who is actually operating the mortgaged farm, either by his servants or directly by himself. That is the purpose of the amendment that I have offered. It is provided by my amendment that when the land mortgaged is sold the farm-land board may, in its discretion, declare the mortgage due and payable.

Mr. FESS. Will the gentleman yield there?

Mr. NORTON. Certainly.

Mr. FESS. Is it possible for you to make a law so as to prevent a man from acting by proxy? May not one own farm land and have certain servants work it?

Mr. NORTON. Of course, that can not be done, as the gentleman well knows. My amendment does not propose to do anything of that kind.

Mr. FESS. You do not prevent a man living in the town from owning a farm and letting somebody else do the farming?

Mr. NORTON. I would not propose or favor any legislation that would discourage a landowner from personally operating or supervising the operation of his farm, but I do desire the benefits of this legislation to accrue to actual farmers who occupy their farms rather than to soap-box or swivel-chair farmers.

Mr. FINLEY. Mr. Chairman——

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

Mr. MOORE of Pennsylvania. Mr. Chairman——

The CHAIRMAN. Does the gentleman from South Carolina [Mr. FINLEY] desire to be recognized in opposition to the amendment?

Mr. FINLEY. I do. Mr. Chairman, I think the provision in the bill is very well worked out, and I am of the opinion that if the amendment of the gentleman from North Dakota was incorporated in the bill it would bring about more or less confusion and interfere with the administration of the bill as contemplated in its general outlines.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from South Carolina yield to the gentleman from North Dakota?

Mr. FINLEY. Certainly.

Mr. NORTON. The gentleman argues that my amendment will bring about confusion. Now, that is not so. I want to say——

Mr. FINLEY. Well, Mr. Chairman, I do not yield to the gentleman for a speech.

The CHAIRMAN. The gentleman declines to yield.

Mr. FINLEY. There is no doubt about it, Mr. Chairman, that a proper rural-credit law should be for the benefit of the farmer. But you must have some system, some theory upon which to operate. And not only that, Mr. Chairman, but here we wish to encourage a large class of people who are not landowners to become landowners. A great many of those people are in the country. We wish to reduce that class to a minimum as far as possible under the operations of this bill. Besides that, there is a large percentage of the city population of this country who are without homes. They can do better in the country than they can do or than they are doing in the town or in the city, and they should go, and should be encouraged to go, to the country and become landowners. [Applause.]

Mr. Chairman, I think the plan as worked out here, and of which the gentleman from North Dakota has complained, should remain in the bill.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from South Carolina yield to the gentleman from Wisconsin?

Mr. FINLEY. Yes.

Mr. COOPER of Wisconsin. What does the gentleman from South Carolina think of that part of the amendment offered by the gentleman from North Dakota, which proposes to change this language of the bill—"No such loans shall be made to any person who is not at the time, or shortly to become, engaged in the cultivation of the farm mortgaged"—by making it require, in substance, that in the application for the loan the applicant shall declare that he is, within six months of the date of the application, to become engaged in farming?

Mr. FINLEY. The gentleman asks what my view is of striking that out?

Mr. COOPER of Wisconsin. No; the language of the bill is "shortly to become," which in itself is very indefinite, and the amendment of the gentleman from North Dakota proposes to change this to an absolute definite requirement that in the application for the loan the borrower shall declare that within six months' time he will be a farmer.

Mr. FINLEY. I stated that in my opinion the language employed by the gentleman from North Dakota in his amendment would bring about an indefinite or unsatisfactory state of affairs.

Mr. COOPER of Wisconsin. Could it be more indefinite than to say "shortly to become"? The amendment simply proposes that the borrower be required in writing to declare that within six months of the date of the application for the loan he is to become a farmer, and so forth. What does "shortly" mean?

Mr. FINLEY. Well, the gentleman is able, and I will leave that question for him to answer himself. I think some discretion should be lodged in the board. It may be that sometimes six months would not be the proper time. So, Mr. Chairman, I think the amendment should be voted down. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from North Dakota [Mr. NORTON].

The question was taken, and the amendment was rejected.

Mr. SMALL rose.

The CHAIRMAN. Has the gentleman from North Carolina an amendment to offer?

Mr. SMALL. I have.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SMALL: Page 103, after line 26, insert a new section, No. 11, as follows——

Mr. MANN. Mr. Chairman, that is not in order yet.

The CHAIRMAN. Not at this time. That would not be in keeping with the spirit of the agreement. This is an entirely new section, as the Chair understands.

Mr. SMALL. It is an amendment to the section.

Mr. MANN. No; a new section is not an amendment of the present section.

The CHAIRMAN. The Chair will state that he was not in the chair at the time the agreement was entered into. The Chair understands that there was an agreement of 1 hour and 20 minutes on this section and all amendments thereto, and in keeping with that agreement the Chair believes that a new section ought not to be debated within that time.

Mr. SMALL. This is not a new section.

The CHAIRMAN. The amendment says "a new section."

Mr. SMALL. I mean it is a subsection.

The CHAIRMAN. Very well. The Clerk will report the amendment.

The Clerk read as follows:

That no loan or the mortgage securing the same shall be impaired or invalidated by reason of the exercise of any power by any Federal land bank or national farm-loan association in excess of the powers herein granted or any limitations thereon.

Mr. SMALL. Mr. Chairman, the beginning of this section under consideration contains this language: "That no Federal land bank organized under this act shall make loans except upon the following terms and conditions." The gentleman from Illinois [Mr. MANN], during the early stage of the consideration of this section, submitted a query as to whether a loan made by the Federal land bank beyond the powers or contrary to the limitations contained in the several provisions of the subsections of this section would impair the obligation or relieve the mortgagor from his liability.

I respectfully submit that substantially the interpretation made by the gentleman from Illinois [Mr. MANN] is correct. It may well be that a mortgagor could not himself make the defense that it was ultra vires. It may well be that if a suit were brought in equity to foreclose the mortgage he could not plead that his mortgage was void. But it is, I think, quite true as a matter of law that if any loan were made contrary to the exceptions or inhibitions contained in this law it could be taken advantage of by a third party, so that if the mortgagor had given a second mortgage, or if he had conveyed the land, the second mortgagee or the grantee could take advantage of it, and as a defense could set up the action of the Federal land bank in exceeding its powers or the limitations imposed upon it. This Federal land bank is a creation of law. It has no powers except those which are granted to it. Such powers as are granted are to be rigidly construed, and if they exceed those powers or violate any limitations imposed upon them, I think a proper interpretation would be that a loan made in excess of those powers would not be binding upon any third party as grantee or mortgagee of the same land. I think it may well be true that the borrower would be personally liable for the amount. He would not be permitted to set up this violation of law by the Federal farm-loan board, to relieve himself of his liability, because he had had value received and he would therefore be personally liable. And, as I said, in any suit in equity to foreclose the mortgage I think he might not be able to set it up. But it is extremely probable that a third party could set up this defense.

Now, the gentleman from South Carolina [Mr. LEVER] and others upon this floor during this debate have constantly and repeatedly made the statement that the vital feature of this act was the bond, and that we must keep the security of that bond intact, that we must make it attractive as an investment, and that if we do not do so, then the workability of this law will be seriously impaired.

[Mr. WINGO addressed the committee. See Appendix.]

Mr. MANN. Mr. Chairman, before I came to Congress I was a real estate lawyer. I had handled more than a thousand foreclosure suits. I think I was fairly well acquainted with the law when I came here. There is no reason on earth why you should leave a question of this sort in doubt. I say that in my opinion the chances are that the court under this would hold that, while a man could be sued for money had, he could not have his mortgage foreclosed; that it is essential to have it clear one way or the other if you want this a success.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

Mr. LEVER. Mr. Chairman, I desire one minute. I hope this amendment will be adopted. If there is to be any doubt of the right of the parties involved in this matter, it is going to affect very much the salability of these bonds, and we can not afford to take any chances on that. I trust that this amendment will go into the bill and that we will depend on the conferees to work it out carefully, so that there will be no doubt on the subject.

Mr. NORTON. Mr. Chairman, can we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again read the amendment.

The amendment was again reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. SMALL].

The question was taken, and the amendment was agreed to.

[Mr. CANNON addressed the committee. See Appendix.]

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 101, lines 11, 12, and 13, after the word "equipment," strike out the words—

Mr. CULLOP. Mr. Chairman, I make a point of order against the amendment. This is a land bill, and the amendment relates to live stock.

The CHAIRMAN. The Clerk will finish reporting the amendment.

The Clerk read as follows:

Page 101, after the word "equipment," lines 12 and 13, strike out the words "and live stock."

Mr. MOORE of Pennsylvania. I am glad the gentleman from Indiana agrees with me that we ought not to lend Government money to farmers for the purchase of live stock.

Mr. CULLOP. Not in this bill; it does not belong here.

Mr. MOORE of Pennsylvania. I appreciate the gentleman's support; the gentleman does not believe we ought to take money out of the Treasury to lend to men for the purchase of live stock.

Mr. CULLOP. The gentleman is misquoting me; I am not taking that position.

Mr. MOORE of Pennsylvania. If the gentleman thinks we ought to lend money on live stock, he can take that angle of it. While the bill does not lend Government money directly on live stock, it authorizes the land board to lend the money to farmers to buy live stock. So that if he buys live stock with it and an epidemic of foot-and-mouth disease sets in and the loser sees fit to take himself to other parts, the Government gets the farm. It is a splendid opportunity for the Government to get into the farming business; it may pick up lots of poor farms in this way.

I have offered this amendment because I do not think the farmer, the real farmer of the country, apart from the land shark, the speculator, or the agitator, wants to have the Federal Treasury used in this manner. That is not a fair deal to other people who have to buy their own stock.

Mr. Chairman, the Speaker of the House of Representatives, in his splendid historical review of foreign land-loan organizations a few moments ago, took occasion to refer to the fact that some of us did not agree with him upon this proposition. He did me an unintentional injustice when he said that I objected to this bill because it would do the cities no good. I have never taken any such position. Since I have been in this House I have stood up for the farmer of the country along with the city man. My position on this bill, as a man representing a city constituency which buys everything it eats from the farmer, is this: This bill specializes in the interest of the farmer. It takes $9,000,000 out of the Treasury which belongs to the men in the cities as well as to the men in the country, and it applies that money to the purposes of the farmer alone. The pretense is that it is going to give the farmer who never could earn a farm for himself an opportunity to own a farm. It does not give the city worker any such advantage.

I have contended in the spirit of fairness, in that spirit which I think animated the framers of the Constitution in regard to the uniformity of laws, that what is fair in the matter of governmental control and supervision for the farmer is fair for the man in the city. There ought to be no special advantage of one over the other. The distinguished gentleman from Missouri [Mr. CLARK] says that we have been voting everything to the man in the city and to the manufacturer in particular. I have been in this House now for five terms, and I have not heard one kind word from that side about the manufacturer. He has more often been the subject of unjust denunciation. I have heard very few words about the industrialist who constitutes the major portion of the population of the country. He is overlooked in this special legislation. I have observed that the people in my city who have to buy their own homes, who get no governmental support in that regard, who have to bear the burden of taxes for all the people of the country, are depended upon to buy everything the farmer has to sell. I observe that the burden borne by the man in the city receives scant sympathy in the laws we pass here and that he gets no such favoritism as is here intended to be conferred upon the farmer at his expense.

Mr. BLACK. Mr. Chairman, I wish now to discuss briefly the rural credits bill which we have under consideration. I do not think the House would be interested in a history of rural credit legislation in European nations, such as Germany and France have, because most of the membership of this House are more or less familiar with that. There has been a great deal said in our farm papers and magazines during the last few years with reference to these European systems and, in fact, it was the admirable results of rural credits over there which first attracted the attention of this country and caused Congress to send a commission to Europe to make a study of its different systems. This commission on its return made a very full report of its investigation which was printed and made available for study and reference by those who were interested in this important subject. At the closing session of the Sixty-third Congress, a commission was appointed, composed of Members from the Senate and House of Representatives to make further investigation of the subject and report back a bill for the consideration of the present session of Congress.

The committee performed its labor, and the bill which we now have under consideration follows, in the main, the recommendations which they made. The legislation does not follow the precise lines of any of the European systems for the very simple reason that conditions there are in many respects entirely different from those which prevail here. For instance, the German Empire, with an area of 208,780 square miles, supports a population of nearly 70,000,000 of people; while our own State of Texas has an area of 265,896 square miles—nearly a third larger than the whole German Empire—and has a population of only 4,000,000 people, or about 6 per cent as large as the population of Germany. Therefore it necessarily follows that the same identical system of rural credits which prevails in countries where farming is done on the intensive plan and the population is more stationary in their abodes can not be entirely applicable where the lands are not so well improved and the population is more migratory. Now, to illustrate the point I am trying to make: The landschaft system, which is largely used in Germany, is often referred to here in this country. It is purely a cooperative system, and a member who desires a loan on his land does not get the money from his association, but gets a landschaft bond, which he himself sells on the open market and gets his money in that way. It works admirably in that highly developed Empire, but perhaps would not prove to be a great success in this country.

So the task of Congress was to study these different foreign systems, and, using them as a basis, work out an independent plan suitable to conditions in the United States. This they have done; and while no one would expect a great constructive measure of this kind to be perfect in all of its details, the country is to be congratulated on the measure which the committee has given us, and there is every reason to believe that it will take its place alongside of the Federal reserve act as one of the greatest pieces of constructive legislation ever enacted in the history of the American Congress.

Now, it would be useless for me to take up any of your time in a discussion of the needs of rural-credits legislation. It is generally recognized throughout the country that our Nation has reached that point in its economic development where an independent system of agricultural finance is absolutely necessary. Perhaps no people preach more fervently than we the value of home-owning citizenship. The idea has perhaps been nowhere expressed with more happy and varied eloquence. It has been coined into ten thousand epigrams, all of them resplendent and inspiring. But what have we done? That is the question. The awakening to our responsibility is the occasion for the passing of this bill. So, instead of addressing myself to the needs of rural credits, I will confine my remarks to a brief analysis of the provisions of the bill which we have devised to meet our responsibilities. In the first place, this bill provides for two means of effecting the end sought, namely, the Federal land banks, which are based in part on the cooperative idea of the European nations, but in a modified form, and the joint-stock land banks, which are more individual in their conception and where each borrower stands on his own footing.

A study of rural credits in foreign countries has shown these two systems working satisfactorily, side by side, and it was thought by those who had made a close study of conditions in this country that it was a matter of supreme importance to give our borrowers the benefit of both systems. The reason for this will become more apparent as we familiarize ourselves with the details of the Federal land banks and the joint-stock land banks provided for in this bill.

FEDERAL LAND BANKS.

This bill provides for 12 Federal land banks, to be located in different sections of the United States, such locations to be determined by the Federal land-loan board, and no two of which shall be in the same State. The capital stock of each of these Federal land banks shall be not less than $750,000 each, and the stock subscriptions shall first be open to the public, and if within 90 days after the opening of such stock subscription books all or any part of the stock remains unsubscribed, then the Secretary of the Treasury is authorized to subscribe for said stock for and in behalf of the United States. This insures that these Federal land banks will be actually established and that if the investing public does not care to take hold at the start, then the system will not fail because of that fact, but will go right on and will be provided with its initial capital by the United States Government.

Now, there has been a good deal of criticism directed at this Government-aid feature, but when it is studied and analyzed it seems to me that there can be no valid objection to it. This contribution is in the nature of an advance, which is to be subsequently restored to the Treasury of the United States as fast as the stock is subscribed by the farm-loan associations. In other words, this Government stock is to be retired by the successful workings of the cooperative plan provided for in the bill. While it is true that this generous subscription of $9,000,000 on the part of the United States Government is perhaps larger than any initial subscription ever made by any Government to any similar rural-credit system, the purpose of it is laudable in the extreme, the benefits to be expected are manifold, and there is no reason to believe there will be any ultimate loss to the Government. Of course it is well understood by the framers of this bill that this initial amount of $9,000,000 would only, when considered by itself, be a small beginning to take care of the demand for farm lands in the United States, and the natural inquiry is, How will additional capital be procured? Well, gentlemen, that is the vital feature of this bill.

The means which it provides to accomplish this end are substantially as follows: After these Federal land banks are organized with their initial capital stock of not less than $750,000 each, the next step is for prospective borrowers to organize themselves into farm-loan associations. Ten or more persons desiring loans on farm land may join together to form these associations. After a prospective borrower becomes a member, he then makes his application to the association for a loan. His application is then passed upon by the officers of the local association; the land is appraised, and if it is approved the

application is passed on to the Federal land bank, and if it is there approved the loan is made—conditioned, of course, upon proper execution and delivery of the mortgage papers. After the Federal land bank has made loans to the extent of as much as $50,000 through these various farm-loan associations on first mortgages it may take these mortgages and file them with the Federal loan board and get the approval of the board for a bond issue of an amount equal to the face value of the mortgages which have been filed; these bonds to be issued in denominations of $20, $50, $100, $500, and $1,000, and not to draw more than 5 per cent interest per annum. The bonds can then be sold on the open market, and the money thus obtained from their sale will furnish additional capital for the banks to make other loans; and thus this process may continue on and on until the bank shall have sold bonds equal in amount to twenty times its capital stock, when it would have to stop under the limitations of the law. So it will readily be seen that the success of the system depends upon the simple question of whether or not the public will buy the bonds. And when their ample—and I might say "gilt edge"—security is considered, there ought to be little doubt but that the investing public will not only be willing to buy them but will be anxious to have the opportunity to do so.

Let us see how well these bonds are to be secured under the law: (1) By the capital, reserve, and earnings of the land bank which issues it; (2) by the capital, reserve, and earnings of the 11 other Federal land banks in the United States, because the law provides that each Federal land bank guarantees the payment of every bond and coupon issued by every other Federal land bank; (3) by the collective security of all the mortgages pledged and segregated in the custody of the farm-loan registrar, a Government official, which must at least equal in amount the outstanding bonds unless replaced by United States bonds or cash.

Every mortgage mentioned in paragraph 3 above is secured as follows: (1) By the personal undertaking of the borrower; (2) by the security of the mortgaged land; (3) by the capital, reserves, and earnings of the local association indorsing the loan; (4) by the individual liability of the members of the indorsing association.

In addition to the advantages of the iron-clad security above mentioned, these bonds are exempt from Federal, State, and municipal taxation, and during consideration of the bill an amendment was adopted authorizing the Secretary of the Treasury of the United States, in times of financial stress, to deposit with these Federal land banks as much as $500,000 each in any one year for the purpose of meeting any default in the principal or interest of the bonds.

Thus it will be seen that every possible safeguard has been thrown around them. In fact, some have complained that the framers of the bill have been really too cautious in safeguarding the security of these bonds, but this criticism loses much of its weight when it is remembered that the absolute success of this whole rural-credit system rests upon the ready salability of the bonds at advantageous prices. This bill takes into consideration this fundamental fact and, in my opinion, is both sound and practical in its provisions.

JOINT-STOCK LAND BANKS.

Now, there will perhaps be a great many borrowers who desire a loan on land who will not desire to go into the cooperative farm loan associations, but will prefer to act in their own individual capacity. The bill takes into consideration that fact and has provided for that class of borrowers by authorizing the organization of joint-stock land banks. These banks must have a minimum capital stock of $250,000, which capital must be subscribed wholly by private individuals. They are limited in their loans to the territory of the single State where they are organized and can not issue bonds beyond an aggregate amount of fifteen times their capital and surplus, and are confined in their operations to farm-loan business. In other words, they have no authority to do a general banking business. In countries where rural credits have been studied, it has been found that these banks are a very useful part of agricultural finance and have worked successfully, side by side, with the cooperative system.

In procuring a loan from these joint-stock land banks, the borrower does not have to join any association, but simply makes his application in the ordinary way that is now pursued in private loan transactions. The bonds issued by these joint-stock land banks will be distinctive in their character so as not to be confused with the bonds of the Federal land banks, and will be secured as follows:

(1) By the capital, reserves, and earnings of the land bank which issues them; (2) by the double liability of stockholders (similar to the liability of a stockholder in a national bank); (3) by the collective security of all the mortgages pledged and segregated in the custody of the farm-loan registrar—a Government official—which must at least equal in amount the outstanding bonds, unless replaced by United States bonds or cash. Thus it will be seen that these bonds are also well and amply safeguarded and should find a ready market with the investing public.

INTEREST RATES ON FARM LOANS.

I have now briefly reviewed some of the essential features of the machinery, so to speak, of this bill as it relates to the two separate plans, namely, the Federal land banks and the joint-stock land banks. Of course, I have not discussed all the details of administration, because that would be a tiresome rehearsal of particulars which would not be interesting and would be an undue trespass upon your time.

I now wish to address myself to the real meat of the subject, and that is as to the result which the bill is designed to accomplish. In the first place, the supreme object of the bill is to bring the idle capital of the country to the disposal of the man who either desires to buy a home and improve it or to improve and equip the one which he already has; and with the further object that he shall be able to borrow this money on long time and at a reasonable rate of interest.

If the bill accomplishes this end, then it will be, without a doubt, one of the most useful pieces of legislation ever enacted by the American Congress. This bill provides that the interest rate charged on the loans, either by the Federal land banks or the joint-stock banks, shall not exceed 6 per cent per annum. It was sought by some Members of Congress, by amendment, to lower this maximum rate of interest to 4 per cent per annum, but the majority of the membership of Congress did not deem it wise to do so. Of course, Congress is desirous of seeing these farm loans bear the lowest possible rate of interest, but we further realize that capital can not be conscripted and forced to invest in these bonds; and if the interest is made too low, so that the public will not buy the bonds, then the whole system would fall down and prove a dismal failure.

Congress can not, with a mere stroke of the pen, ordain that the public shall buy these bonds, and the man who argues so is either "beside himself" or is an enemy of the bill. It must be understood that the limitation of 6 per cent is a maximum amount, and whenever the farm-loan board finds that the bonds can be sold at a lower rate of interest than 5 per cent it is their duty to reduce the rate of interest on these bonds and thereby reduce the rate on farm loans. It is the confident expectation of all who have studied this question that farm-loan bonds drawing only 4 per cent can be easily marketed, and this would bring the rate of interest down to 5 per cent on farm loans. This is a very reasonable prospect, and there is but little doubt that it will be accomplished. Any man who has made any study of these matters knows that interest rates fluctuate in the financial centers in accordance with the law of supply and demand, and I can conceive of no greater folly than for Congress to "hamstring" this system by providing a rate of interest which the investing public would not take. The maximum rate of 6 per cent takes into consideration these fundamental facts and insures the safe working of the system.

Therefore I affirm that this bill meets the interest situation with the very best of wisdom and good judgment.

AMORTIZATION FEATURE.

Now, as to the long-term feature: The bill provides that loans shall be made for periods of not less than 5 years and not more than 36 years, depending on the wishes of the borrower, and that the payments shall be made on the amortization plan, which is to say that a definite installment is paid regularly by the borrower semiannually or annually, as the case may be; and in which installment is included the interest charge, the expense charge, and a payment on the principal. As the principal is reduced by the application of the amortizement to the reduction of principal, the interest is therefore reduced from time to time, and a constantly greater portion of the installment is applied to the extinguishment of principal. This long-term amortization feature is, of course, the real heart of the bill. The great need of the man of small means to-day is to have some source from which he can borrow money on long time at a reasonable rate of interest and pay it back in small annual installments. He is not able to do that now in most of the States, and under the present system must procure his loan at a high rate of interest and for a comparatively short time and run the risk of getting it extended at maturity.

Extensions are sometimes very difficult to procure and foreclosure is not infrequently the result. I know that in the State which I have the honor to represent in part, that for a time after the outbreak of the European war it was almost impossible to procure farm loans, and the result was that a great

deal of farm paper which matured during that time was very difficult to extend; and, unhappily in some cases, it could not be done at all and foreclosure was the result. I am, therefore, enthusiastic about the long-term amortization feature of this rural-credits bill. The gentleman from Massachusetts [Mr. PHELAN] who wrote the report recommending the passage of this bill, has given an excellent illustration of the admirable results which may be expected from the feature I have just been discussing. In this report, he said:

The general average farm mortgage interest rate has been conservatively estimated at 7½ per cent. It has furthermore been estimated that the total farm mortgage indebtedness of the Nation approximates $4,000,000,000. Accepting these estimates the annual interest charge will equal $300,000,000 with no reduction of principal. If this indebtedness could be refunded under the provision of this bill at a rate of 5 per cent per annum, the same sum as is now being paid for interest alone, the entire debt, principal and interest, would be paid in 22 years and 6 months. This would mean a net saving of more than $175,000,000 per annum. It would mean the extinguishment of the entire existing farm-mortgage debt by the operation of the system provided for in the bill in 22 years and 6 months, without increasing the annual payments over that now made to meet interest charges alone.

Now, what about that, critics? Is not that a result worthy to engage the attention of every man interested in the progress and welfare of agriculture in these United States? All honor to the gentlemen who have worked long and faithfully in framing this bill, and my hope is that even their most sanguine expectations will be surpassed by the actual results obtained.

HOME BUILDERS.

The home builder is the Nation builder, and upon his shoulders must depend the ultimate destiny of this Republic.

A prince can make a belted knight,
A marquis, duke, and a' that;
But an honest man's aboon his might,
Guid faith, he maunna fa' that.

Edmund Burke, in his great speech on the excise bill, said:

The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter; the rains may enter, but the King of England can not enter; all his forces dare not cross the threshold of the ruined tenement.

The home—the poet has sung of it in his sweetest song; the artist has painted it with his loveliest colors, and the musician has dedicated to its sacred precincts, his most charming strains.

God grant that its domestic purity may continue to be preserved, and its fireside still remain the altar of American liberty.

Mr. CARAWAY. Mr. Chairman, I offer the following amendment——

The CHAIRMAN. If the committee will indulge the Chair for one statement, he will state that there are only 20 minutes left. The Chair would like to recognize all gentlemen having bona fide amendments to offer to the bill. During those 20 minutes if he recognizes gentlemen to offer amendments and then some one in opposition to them, naturally but two amendments can be offered; but if the committee will grant unanimous consent that these amendments offered may be considered as pending and be voted on at the conclusion of the debate, the Chair thinks it would facilitate matters. Is there objection to that procedure?

Mr. RAGSDALE. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Arkansas [Mr. CARAWAY] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. CARAWAY: Amend, on page 102, in line 19, after the word "land," strike out the remainder of the sentence and insert: "If the purchaser is not eligible to borrow under the provisions of this act, the entire amount of such loan, at the option of the Federal land bank, shall become due and payable, or, if the purchaser is eligible to borrow, all excess of the loans above $10,000 shall be due and payable."

The CHAIRMAN. The Chair will state to the gentleman from Arkansas that there is an amendment now pending offered by the gentleman from Pennsylvania, and the question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was rejected.

Mr. CARAWAY. Mr. Chairman, I should like to have the attention of the committee, if I may.

Mr. QUIN. What page and line?

Mr. CARAWAY. I am seeking to amend subdivision 6.

Mr. SHOUSE. The committee is going to accept the gentleman's amendment.

Mr. CARAWAY. Then I do not care to argue it.

Mr. SHOUSE. Mr. Chairman, on behalf of the committee, I am authorized to accept the amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Arkansas will be agreed to.

Mr. SMITH of Michigan. Let us have it again reported.

The amendment was again reported.

The CHAIRMAN. Without objection, the amendment——

Mr. HAWLEY. Mr. Chairman, reserving the right to object, I would like to ask the committee if, in accepting this amendment, they mean to eliminate the rights of the heirs or successors in interest of the deceased borrower?

Mr. SHOUSE. No; that follows.

The question was taken, and the amendment was agreed to.

Mr. MORGAN of Oklahoma. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 101, lines 8 to 24, section 12, strike out all of lines 8 to 24, inclusive.

Mr. MORGAN of Oklahoma. The members of the committee will note that I have stricken out the lines which contain the four restrictions for which loans may be made. A few days ago, in making some remarks here, I opposed these restrictions placed upon the loan. If I remember correctly, the gentleman from Virginia, the chairman of the committee, questioned the statement that I made to the effect that as a rule the European land-credit institutions did not restrict the purposes for which loans are made. Now, to show I am correct about that——

Mr. GLASS. If the gentleman will permit an interruption?

Mr. MORGAN of Oklahoma. I will be glad to do so.

Mr. GLASS. All I meant to imply was that there was no banking system in this country or in any European country or any other country of which I had any knowledge that did not take the precaution to restrict its loans.

Mr. MORGAN of Oklahoma. Now, of course, that somewhat modifies the gentleman, as I understood what he said, but I insist that these limitations were not placed upon loans in European land-credit institutions, and my statement was called in question. Now, I want to read what Mr. Herrick says in a pamphlet which he has issued, page 25, where he says, referring to the landschaft:

No other maximum is set for the amount, nor is the mortgagor required to be the resident cultivator or to use the proceeds for any specified and sworn-to purposes. A landschaft is concerned only with the adequacy of the security, and this is determined through appraisers and officers, who see that the occupant is a good farmer and that the farm is productive and capable of yielding an annual income equal to the dues which the borrower obligates himself to pay. To go further than that, and require the loan to be used for some particular purpose, would necessitate an attention to details that the landschaft could not give without complicating its operations and increasing the cost of business.

Now I want to read from Mr. Cahill's report, with which I am sure Members are familiar, and whom they recognize as probably the best authority on this question. On page 11—and this is published as Senate Document 17, Sixty-third Congress:

The various agencies may be divided into three main classes, according to the purposes for which their loans are granted. In the first class there are four groups of institutions, namely, the land mortgage credit associations (landschaften) in the State, provincial and district mortgage credit banks, the joint-stock mortgage banks, and the savings banks, all of which grant mortgage credit without requiring, in ordinary circumstances, any declaration as to the purpose of the loan.

So there can be no question that in the committee bill you have put restrictions and limitations for which you can give no authority in existing land-credit institutions.

Now, what benefit can that be——

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. RAGSDALE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RAGSDALE. The gentleman from Mississippi [Mr. QUIN] before the motion was put, demanded recognition of the Chair.

The CHAIRMAN. If the gentleman from Mississippi demands recognition he can have it for the purpose of opposing this amendment. Does the gentleman desire to oppose the amendment?

Mr. QUIN. I desire to offer one.

The CHAIRMAN. The Chair is going to recognize the gentleman from Kentucky [Mr. BARKLEY] to offer an amendment as he agreed to do, and he will then recognize the gentleman from Mississippi if he gets a chance.

Mr. BARKLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 103, line 21, after the word "payable" insert:

"*Provided*, That the whole of said loan shall not become due and payable on account of any default in the payment of any installment of interest or principal except upon the existence of at least two of such defaults, unless such default by the borrower shall have been for the purpose of defrauding the holder of such mortgage."

Mr. BARKLEY. Mr. Chairman, under the bill as it is drawn it is provided that if the borrower shall be in default in reference to any condition of the mortgage the whole of such loan shall at the option of the bank holding the same become due and payable.

Mr. RAGSDALE. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum. The Clerk will call the roll.

Mr. BARKLEY. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BARKLEY. Has a gentleman a right when another gentleman has been recognized and been speaking, to take the floor away from him?

The CHAIRMAN. The point comes too late now. The point of no quorum has been ascertained.

Mr. GLASS. Mr. Chairman, I move that the committee do now rise. I hope the motion will be voted down.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. GLASS. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 14, noes 66.

Mr. MOSS of Indiana. Mr. Chairman, I demand tellers.

Tellers were ordered, and Mr. Moss of Indiana and Mr. GLASS took their places as tellers.

The committee again divided; and the tellers reported—ayes 1, noes 107.

So the motion to rise was rejected.

The CHAIRMAN. A quorum is present. The gentleman from Kentucky [Mr. BARKLEY] has the floor.

Mr. BARKLEY. Mr. Chairman, under the provisions of this bill on page 103 it is provided if there shall be any default by the borrower in any of the conditions of the mortgage the whole debt shall then become due at the option of the bank holding the mortgage. Now, we can all very readily understand that there may be such a thing as the failure of a crop, or a man may have misfortune; he may have sickness in any given year, and by reason of these misfortunes he may be unable to meet the installments, either of interest or principal, for that one year, and yet under the terms of the bill automatically, if the bank holding the mortgage desires, the whole mortgage may become due and payable, and it may enforce collection.

Now, under my amendment I provide that two defaults in payment of interest and principal must occur before the bank has the right automatically to enforce the collection of the entire debt unless the default is brought about by the mortgagor to defraud the holder of the mortgage. It seems to me, instead of giving the option to the bank holding the mortgage to bring about the collection of the entire loan on the default of any condition of the mortgage, the farmer, who for any reason can not pay the installment in any year should have another year in which to make payment before the debt becomes entirely due at the option of the bank. And I trust that the conditions of this amendment are so reasonable that they will appeal not only to the House but to the committee which has produced this bill, so that they will recommend it and accept it for passage in the House.

Mr. RUSSELL of Missouri. How do you propose to be able to establish whether his intent was a fraudulent intent or not?

Mr. BARKLEY. They can bring a suit to enforce collection, and prove whether there was an intent to defraud, and if they can not show it is due to fraud the borrower will have two years in which to make the payment.

Mr. RUSSELL of Missouri. I think oftentimes there are circumstances over which the debtor would have no control whatever that make it very unreasonable for them to act simply because of the first default.

[Mr. WINGO addressed the committee. See Appendix.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kentucky [Mr. BARKLEY].

The question was taken, and the amendment was rejected.

Mr. QUIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Mississippi [Mr. QUIN].

The Clerk read as follows:

On page 102, in line 2, strike out the words "20 per cent of" and add, in line 3, the word "combined," after the word "thereon."

Mr. QUIN. Mr. Chairman, this amendment I offer provides that a farmer can get 60 per cent of the combined value of his land, of his residence, his barn, or his gin. The bill as it reads provides that he can get only 20 per cent of the value of his insurable improvements, his residence, his barn, or his gin. I ask by this amendment that 60 per cent of the value of his improvements may be borrowed.

I consider this one of the most important parts of this bill, because when a land-bank association proposes to loan they are going to be hampered in getting the proper valuation, and it will be difficult for the farmer to realize the proper loan on his property. His insurable improvements may constitute two-thirds the value, and under the language of the bill he can borrow only 20 per cent on such improvements. It strikes me it could not hurt the bill and would be a benefit to the bill itself and to the bond itself, as well as an advantage to the farmer, the borrower.

Mr. GLASS. The gentleman is proposing to reduce the amount the borrower can get by his amendment. It does not say "60 per cent of the value of the land mortgage or 20 per cent of the value of the improvements," but it says "and."

Mr. QUIN. Yes; but it says "and" 20 per cent of the insurable improvements.

I want it to say "60 per cent of the improvements" instead of 20 per cent; 60 per cent of the combined value of the land and the house and the barn and his gin, and so on. Surely the farmer should not be barred from that.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. QUIN. Yes.

Mr. WINGO. Why should not the farmer be permitted to borrow 100 per cent?

Mr. QUIN. I do not believe anybody ought to be loaned over 60 per cent of the value of the property when it comes to a loan. You talk foolishness when you think any business man will buy a bond on the full face value of property. Sixty per cent is about right. That is my idea about it. I think they are entitled to 60 per cent of the value of all their property—the land, the residence, the barn, and so on. For that reason, Mr. Chairman, I ask that the amendment I have offered be adopted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for one minute.

The CHAIRMAN. The gentleman has the privilege of offering an amendment after the time has expired. The question is on agreeing to the amendment offered by the gentleman from Mississippi.

The question was taken, and the amendment was rejected.

Mr. RAGSDALE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina [Mr. RAGSDALE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAGSDALE: Page 101, line 20, strike out all after the word "mortgage."

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from South Carolina may proceed for five minutes.

Mr. GLASS. I was going to make the same request, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from South Carolina [Mr. RAGSDALE] may proceed for five minutes. Is there objection?

There was no objection.

[Mr. RAGSDALE addressed the committee. See Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. RAGSDALE].

The question being taken, on a division (demanded by Mr. RAGSDALE) there were—ayes 21, noes 51.

Accordingly the amendment was rejected.

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Michigan: Page 102, line 5, after the word "the," insert the word "market."

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent to address the committee for five minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to address the committee for five minutes on his amendment. Is there objection?

There was no objection.

Mr. SMITH of Michigan. Mr. Chairman and gentlemen of the committee, the appraising of the land that is to be mortgaged is a very important factor in the loaning of money. A good deal has been said here about the benefits of this law. I think the law is a little intricate. When a man wishes to borrow money

upon his land, he has first to sign an application. Then he must subscribe for certain stock in the land bank:

Any person desiring to borrow on farm-land mortgage through a national farm-loan association shall subscribe for shares of stock in such farm-loan association to an amount equal to 5 per cent of the face of the desired loan, said subscription to be paid in cash upon the granting of the loan.

Then there is a committee of three that is sent by the land-bank association for the appraisal of his land, and under the law as it now reads the land is to be appraised according to its value for agricultural purposes. It occurs to me that the market value of the land should be the basis, and not what the land is worth simply for agricultural purposes. The act provides that there may be three appraisals of the land:

APPRAISAL.

That whenever an application for a mortgage loan is made to a national farm-loan association, it shall be first referred to the loan committee provided for in section 8 of this act. Said loan committee shall examine the land which is offered as security for the desired loan and shall make a detailed written report signed by all three members, giving the appraisal of said land as determined by them. (Sec. 10.)

Before any mortgage loan is made by any Federal land bank, or joint-stock land bank, it shall refer the application and written report of the loan committee to one or more of the appraisers appointed under the authority of section 3 of this act, and such appraiser or appraisers shall investigate and make a written report upon the land offered as security for said loan. (Sec. 9.)

The Federal farm-loan board shall from time to time require examinations and reports of condition of all land banks established under the provisions of this act, and shall publish consolidated statements of the results thereof. It shall cause to be made appraisals of farm lands as provided by this act, and shall prepare and publish amortization tables which shall be used by national farm-loan associations and land banks organized under this act. (Sec. 3.)

We have heard a good deal about land being the very best security that can be offered to the investor.

Mr. COX. Will the gentleman from Michigan yield for a question?

Mr. SMITH of Michigan. I yield to the gentleman from Indiana.

Mr. COX. Does not the gentleman think there will be a good deal of trouble in determining the value of the land?

Mr. SMITH of Michigan. My amendment does not say just the value of the land. It says the market value of the land and the earning power, both.

Mr. COX. I can readily see that the market value of an acre of land might be $200 or $500, while for agricultural purposes it would not be worth that at all.

Mr. SMITH of Michigan. It depends on whether or not you put the land into strawberries or some very productive crop. If you put it into strawberries, it is worth under this bill $400 an acre for agricultural purposes, and you use $400 an acre as the mortgage basis.

Mr. COX. Take the case of a piece of land situated close to a town, the market value will not be the agricultural value at all, because the market value may be $500 an acre.

Mr. SMITH of Michigan. The law as provided in this bill does not say anything about the location of the land. The amendment says the market value for agricultural purposes. It is not for speculative purposes, but for agricultural purposes. I want to read from the Weekly News Letter issued by the Department of Agriculture on April 26, 1916, as to the value of land and how it would affect a mortgage loan:

Recently 64 groups of farms in 19 States were studied in order to ascertain what the farmer obtained for his year's work after deducting the interest at 5 per cent on the value of his farm and other capital; in other words, to find out his labor income or wages. In each of these groups, which included altogether 4,400 farms, the conditions were reasonably similar. In each group the farmers were divided into five numerically equal classes, according to their labor incomes.

THE SUCCESSFUL FIFTH.

It was found that although the average labor income for all the groups was only $387, the average for the farmers in the first class—that fifth of the farmers who did best—was $1,421. In the second class it was $642. The last class—the fifth of the farmers who were least successful—got nothing for wages and lost, on the average, $517. That is to say, the interest on the amount of money represented by their farm, stock, and equipment would have been $517 more than the farm returned them. It should be borne in mind in this connection that the labor income is merely the farmer's wages, and that the family has, in addition, besides interest on investment, the use of the farmhouse and such fuel and food as the farm supplies free of money cost.

As to the average income of the third and fourth classes, I present a letter received only a few days ago, also from the Department of Agriculture:

UNITED STATES DEPARTMENT OF AGRICULTURE,
STATES RELATIONS SERVICE,
*Washington, D. C., May 10, 1916.*

Hon. J. M. C. SMITH,
*House of Representatives.*

DEAR SIR: Replying to your letter of the 1st, addressed to the Weekly News Letter, we would beg to advise that the average labor income of the third and fourth classes of farmers was $331 and $49, respectively. Of these 64 groups, 6 were in the State of Michigan.

We have made no effort to determine the average size of these farms. They are located in all sections of the country, as stated in the article mentioned by you, and the average farm income of these sections is several times as great as in others. You will find this same matter more thoroughly presented in the recent hearings before the Agricultural Committee of the House, pages 1157 to 1173.

Trusting this gives you the information desired,

Very truly, yours,

C. B. SMITH, *Chief.*

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Michigan. I ask for two minutes more, in order to complete this statement.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. SMITH of Michigan. This article states that the last class, the fifth of the farmers who were least successful, got nothing for wages and lost on the average $517. That means that the farmers in that class would each have made $517 more if they had had the value of their farms and investments on a 5 per cent loan. That is to say, the interest on the amount of money represented by their farms, stock, and equipments would have been $517 more than the farm returns.

Now, there are three appraisers to go and appraise a man's farm. They set a certain day to go and appraise it. On that day one of the appraisers finds that his own farm is under water, and he can not go. The second man is busy killing boll weevils, and he can not go. The third man is dipping his cattle to get rid of the cattle ticks, and so on. [Laughter.] You have provided a system of appraisal that is complicated and expensive. And think of the fees of the lawyers who will examine the titles. Section 5 provides for a set of lawyers in the land bank, and the Federal land board, by section 3, is provided with a set of lawyers. It requires good lawyers who are competent to examine land titles. It is the most intricate work there is. It requires care and skill. It requires experience. The lawyer must report on the title. If the title is not good, the mortgage will not be good, nor the bond it secures. I want to consider this from the standpoint of the borrower of the money. He does not want to pay large or small fees to appraisers, attorneys, experts, assistant clerks, laborers, and other employers such as are provided for in this bill. What he wants is to get his money readily and at a low rate of interest, devoid of publicity and red tape. The money lender deals directly with the farmer. Why can not we enact a law whereby the farmer can get his money with the same ease and with as little expense as he can at a State, savings, or national bank at the present time. The farmer has good security, and wants a correspondingly low rate of interest. We all agree to that.

Mr. SWITZER. Will the gentleman yield?

Mr. SMITH of Michigan. Yes, for a question.

Mr. SWITZER. Will there be just one appraiser selected by this land bank, or will they have a number?

Mr. SMITH of Michigan. The land board has appraisers.

Mr. SWITZER. I mean this land bank.

Mr. SMITH of Michigan. And the land bank has appraisers and the land association has got appraisers. They have all got them everywhere.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment of the gentleman from Michigan [Mr. SMITH].

The amendment was rejected.

Mr. SUMNERS. Mr. Chairman, I offer the following amendment.

Mr. WINGO. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. Was not all debate closed on this section and amendments thereto?

The CHAIRMAN. All debate on this section and amendments thereto were closed and have been closed for some time, and we are proceeding by unanimous consent. The Clerk will report the amendment of the gentleman from Texas.

The Clerk read as follows:

Page 103, line 12, after the word "mortgage," strike out the period and insert "and that he and his assignees will continue to occupy and cultivate said land, provided the farm-loan board may waive the undertaking as to occupancy where the owner thereof or the members of his family are personally engaged in the cultivation of said land."

Mr. SUMNERS. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for three minutes. Is there objection?

Mr. WINGO. Mr. Chairman, I shall not object to this, but I shall be compelled to object to any further requests on this section.

Mr. MANN. I would like to get three minutes myself to call attention to one matter.

Mr. WINGO. Then, Mr. Chairman, I ask unanimous consent that all debate close on this section in six minutes, the gentleman from Illinois to have three minutes and the gentleman from Texas three minutes.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent that all debate close on this section and amendments thereto in six minutes, three minutes to be occupied by the gentleman from Texas and three minutes by the gentleman from Illinois. Is there objection?

There was no objection.

Mr. SUMNERS. Mr. Chairman, I say candidly to the committee that I do not expect that this amendment will be adopted now. But I want to call to the serious attention of this committee the fact that this bill provides that these loans shall be limited to those who occupy, or are about to occupy, the land; but there is not a line in the bill to prevent a man from abandoning the property on which a loan is gotten the day after he gets the loan.

Another thing, you make the maximum loan $10,000, but there is not a thing in the bill to prevent a man who already owns $100,000 worth of land taking advantage of the provisions of the bill. My amendment would limit the benefits of the bill to the home builders and prevent the speculator from using it to the detriment of the home builders.

I say to you, gentlemen, that no man ought to get one dollar of this money except the home builder. If you give cheaper money and make it available for general use you make it more difficult for the poor man to get his home than now, for the reason that you will increase the price of land. It would be harder for him to get the first 40 per cent, that part which this bill does not help with regard to, than now. Instead of doing the poor man a service you will do the speculator a service and the poor man an injury.

I know what I am talking about. Take Texas, with 52 per cent of its farms occupied by tenants. We need more home owners and fewer landlords there. The home, the owned home, is the foundation upon which the Nation rests. Facilitate their increase and strengthen the foundation of the Government. That is our duty now. I hope the committee in charge of this bill will seriously consider this matter. I appeal to you, gentlemen, because I know that I am right, and I ask you to see if you can not consent to so amend the bill that it will take the privileges of the measure away from the speculator and give it to the man who is trying to build a home for his family and is not ashamed to live in the country after he has gotten it. [Applause.]

Mr. MANN. Mr. Chairman, I wish to call attention to something that I think may be worthy of attention. Page 102, paragraph 6, says:

Sixth. No such loan shall be made to any person who is not at the time, or shortly to become, engaged in the cultivation of the farm mortgaged. In case of the sale of the mortgaged land, the purchaser shall have the option within 60 days to assume the mortgage and stock obligations of the mortgagor on the mortgaged farm. In case of the death of the mortgagor, his heir or heirs, or his legal representative or representatives, shall have the option, within 60 days of such death, to assume the mortgage and stock obligations of the deceased on the mortgaged farm.

I do not know just what is meant by this, but it is quite evident that if it amounts to anything 60 days is too short a time to require the heirs or the legal representatives of a deceased farmer to determine what they are going to do. I can not see that it amounts to very much unless giving an option means that they have the option to do or not to do. Of course there is a mortgage on the land; it is a lien on the land.

Mr. WINGO. I think there is something in the gentleman's suggestion, and what time would the gentleman indicate?

Mr. MANN. I do not know. I do not undertake to say, but I think it ought to be a longer time than 60 days.

Mr. WINGO. I think the committee agrees with the gentleman, and we have thought of it before.

Mr. MANN. This bill is going to the conferees, and I make the suggestion with the view of having it corrected deliberately. If the option means that the purchaser may refuse, that is one thing, but I do not know just what it would mean. The purchaser takes the farm subject to the mortgage anyhow; he does not need to assume it. Somebody has to pay it, but if it means anything at all it ought not to be such a short time in the case of the estate of a deceased farmer.

Mr. SHERLEY. What does it mean?

Mr. MANN. I do not know.

Mr. CULLOP. Does not the gentleman think that one year would be a reasonable time?

Mr. MANN. I do not know.

Mr. CULLOP. I would like to call the gentleman's attention to another thing. Does not the gentleman from Illinois think that the State courts should have jurisdiction in foreclosure proceedings on the mortgages?

Mr. MANN. I think they do.

Mr. CULLOP. There is nothing to indicate it in the bill, and I think State courts ought to have jurisdiction.

Mr. MANN. I will say to the gentleman that one distinguished Member of the House—and a very able Member of the House, too—came to me awhile ago and insisted that the Federal courts ought to have exclusive jurisdiction over the foreclosure of mortgages under the bill.

The CHAIRMAN. All time has expired, and the question is on the amendment offered by the gentleman from Texas [Mr. SUMNERS].

The question was taken, and the amendment was rejected.

The Clerk, proceeding with the reading of the bill, read as follows:

POWERS OF FEDERAL LAND BANKS.

SEC. 13. That every Federal land bank shall have power, subject to the limitations and requirements of this act—

First. To issue, subject to the approval of the Federal farm-loan board, and to sell, farm-loan bonds of the kinds authorized in this act, to buy the same for its own account, and to retire the same at or before maturity.

Second. To invest such funds as may be in its possession in the purchase of qualified first mortgages on farm lands situated within the Federal land-bank district within which it is organized.

Third. To receive and to deposit in trust with the farm-loan registrar for the district, to be by him held as collateral security for farm-loan bonds, first mortgages upon farm land qualified under section 12 of this act, and to empower national farm-loan associations, or duly authorized agents, to collect and immediately pay over to said land bank the dues, interest, amortization installments, and other sums payable under the terms, conditions, and covenants of the mortgages and of the bonds secured thereby.

Fourth. To acquire and dispose of—

(a) Such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be in part leased to others for revenue purposes.

(b) Parcels of land mortgaged to it as security.

(c) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debt due to it, for a longer period than five years, except with the special approval of the Federal farm-loan board in writing.

Fifth. To deposit its securities, and its current funds subject to check, with any member bank of the Federal Reserve System, and to receive interest on the same as may be agreed.

Sixth. To accept deposits of securities or of current funds from national farm-loan associations holding its shares, but to pay no interest on such deposits.

Seventh. To buy and sell United States bonds.

Eighth. To charge borrowers, under rules and regulations promulgated by the Federal farm-loan board, reasonable fees not exceeding the actual cost of appraisal and determination of title. Legal fees and recording charges imposed by law in the State where the land to be mortgaged is located may also be included in the preliminary costs of negotiating mortgage loans. The borrower may, at his option, pay such fees or he may require them to be advanced by the Federal land bank making the loan, in which case said expenses shall be made a part of the face of the loan and paid off in amortization payments. Such addition to the loan shall not be permitted to increase said loan above the limitations provided in section 12.

Mr. SHOUSE. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 105, line 8, after the word "years" strike out the balance of line 8 and line 9.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas.

Mr. HUMPHREY of Washington. Mr. Chairman, I desire recognition. I have been listening to this debate for several days. Like the distinguished Speaker, I want to vote for the bill, but if I do I am going to be compelled to forget a good deal that I have heard in this debate.

The more I know about this bill the less enthusiastic I am about supporting it. I doubt whether it will help that class that most needs help—the farmer that is struggling with poverty and debt. I doubt if it will help any man to secure a home for himself and family. Yet, as it is the only legislation of this character that the Democratic Party will permit Congress to consider, poor as it is, failing as it does to meet the promises made to the country by the majority and solely because we can not get something better, I shall support it, hoping it may be of at least some benefit to the farmer and trusting that it will do him no harm.

The sudden anxiety of the Democratic Party to pass this legislation and, as they claim, to redeem their platform promise after forgetting this promise for more than three years, is at least sufficiently surprising to attract attention. Why this sudden desire on the part of the Democratic Party to keep a platform promise? Have they shown any desire to keep any other platform promise? Will some good Democrat point out any promise that they made in their platform at Baltimore that has been redeemed? If he can it certainly will be interesting information to the American people. Have the Democrats redeemed their

promise to reduce the high cost of living? Have they redeemed the pledge that they made that their candidate would seek but one term for President? Is there a Democrat in this House that dares even assert that he is in favor of keeping this pledge? Does any Democrat feel proud of the way his party kept its promise in regard to free tolls for American ships using the Panama Canal? How can you explain the Democratic failure to keep any other promise in that platform and their great anxiety now to keep the one about rural credits. Is it possible that the Democratic Party desires to be in a position at the coming St. Louis convention so that they can point with pride to the fact that of all the promises made in the last Democratic platform, they have attempted to keep at least one? Why have they waited so long to redeem this pledge? Why their feverish haste now? Can it be that the Democratic Party is more anxious to pass this law in time to boast of it at the coming convention than they are to get it on the statute books in order that it might be given a fair trial before election? Do the Democrats think that they are deceiving the American farmer by such performances?

Much has been said during this long consideration of this bill about the farmer and farming.

I labor under no delusions in regard to the glories and the beauties of farm life. I know what farm life is; I have lived it. I know what it means to rise early and work late. When I was a boy on the farm we worked 10 hours before noon and 9 hours after noon. We slept only when we could not see to work. Much of the poetry and romance of farming is written by those who have plowed the fields only in a swivel chair in some comfortable city office. It is true that the interurban railroad, the telephone, the automobile, the rural route, the modern machine have removed much of the isolation and inconvenience and hardship of the farmer to-day as compared with the farmer of 25 years ago. But the life of the farmer is still one of hard work and self-denial, of saving and frugality. It is a life of good living and independence but not of luxury, ease, and extravagance.

Our farmers to-day, we are told, are prosperous. We rejoice that this is true. But the farmer that grows independent does not do it by speculation or by the accidental stroke of good fortune. He does it by industry, by economy, and by the exercise of sound judgment. There are no eight-hour days for the successful farmer. His days of watchfulness, anxiety, and care contain 24 hours.

The farmer is the most independent man in all the world. He has the most initiative. His success depends, perhaps, more largely on his individual effort than that of any other class. He is the strongest character of our race, always has been and probably always will be. The farmer of all classes is the most opposed to paternalism. Of all classes he most despises the fallacy that you can make prosperity by law. He of all classes demands no special favors. He wants only an equal chance. The farmer of this country demands only a fair deal.

In war and in peace the security of the Nation has largely rested with those who came from the farm. In time of peace the farmer keeps us from starvation. In time of war he is the backbone of the Nation's defense. It was the farmer's boy that helped more than any other class to establish our national independence and to preserve the Union. If the shock of war comes again, it will be the boy from the farm upon whom the Nation will chiefly rely for its protection.

To say that the farmer feeds the world is a trite saying. But he does far more than this. His sons and daughters keep the race from death.

In Grecian mythology we are told that one of the greatest feats of the mighty Hercules was the killing of Antæus. Antæus was a giant wrestler, and every time his antagonist threw him to earth he rose with his strength renewed, and Hercules could only slay him by holding him high in the air and strangling him to death. There is truth as well as poetry and imagination in that story. Great men keep close to the soil. The Nation that does not renew its strength by coming in contact with Mother Earth must die. If it were not for the new and clean blood that comes from the farms of this Nation, our country would perish in 50 years, the victim of its own degeneracy.

THE FARMER'S BOY.

The farm furnishes us not only with the foundation of national prosperity and the chief sources of our wealth, is not only the great power upon which the Nation leans in time of peace and in time of war, but the farm also furnishes the men that fill the leading places in all the world of success. In art and literature and profession and business and politics the boy from the farm stands first. The figures upon this subject are instructive and astonishing. Not one in every hundred of the men to-day in all the various walks of life who are leaders were born and raised in cities. The great judges, inventors, and scientists, lawyers and physicians, politicians and statesmen, have nearly all come from the country. The boy reared in the city rarely has the opportunity to fully develop either mind or body. He does not have to work, and, above all, he does not know the value of money measured in human toil. He fails to comprehend the primal lesson of every real success—that it can only be achieved by hard work.

I like to recall the story that was told to me by a former member of McKinley's Cabinet. He said that one time President McKinley and his Cabinet were riding upon a train through the State of Iowa. Early in the morning, looking out on the frost-covered fields, President McKinley said, "Gentlemen, do you know what that sight recalls to my memory? It makes me think of the days when I was a barefooted farmer's boy and when I used to drive up the cows in the early morning when the frost was still heavy on the grass and when I would stop to warm my feet in the places where the cows had lain." Each member of the Cabinet replied that he had gone through that same experience, except one, and he had been born and raised upon a farm, but it was in the South, where they had no frost.

It is the barefooted country boy that drives up the cows on the frosty morning and stops to warm his feet where they had lain that will make the man that will win and hold the highest prizes that success can give.

The boy that has never lived in the country, gone barefooted and bareheaded, who has never driven home the cows nor ridden the horses from the plow to the barn, who has never worked in the harvest field, who never cared for the horses and cattle, who never toiled in the garden, who never fished in the little stream, who never wandered in the shady woods, who never saw the minnow in the quiet pool nor the squirrel in the autumn trees, who never hunted the fields and hills and forests when white with the winter snow, who never has been taught to work, who has never learned the value of a dollar measured in human labor—that boy has missed the best and most valuable training that this world can give.

When I see the boy in the city, with his starched collar, his polished shoes, his well-fitting clothes, his artificial manners of a man, his pale, untanned face, my heart and sympathy go out to that boy. He does not have a fair chance in life.

The country boy, barefooted and ragged, hatless and sunburned, familiar with the fields and woods, who comes face to face with nature, who learns by actual experience, who earns what he spends, who works with his hands, who has his duties and responsibilities, the farmer's boy who goes after the cows in the early morning frost—that boy is gaining strength and character that will make him a leader among men.

GIRL, WIFE, AND MOTHER.

The farmer's girl is the sweetest blossom that sheds its perfume in this world of sunshine and shadow.

The one person in this world that works harder, bears heavier burdens, and has greater responsibilities than the farmer and to whom the world owes a greater debt than it does to the farmer is the farmer's wife. In a little country graveyard is the last resting place of her who gave me birth—a country girl, a farmer's wife, the mother of a farmer's family. The mothers of most of the men who have served in Congress were born and lived and toiled and raised their families and died in the country.

The mother of the farmer's boy has done more to direct and mold the destiny of the race than any other human being that ever blessed this world of ours. Hers is the most successful, the grandest, noblest life that God in his infinite wisdom has ever yet created beneath the stars. In the kingdom of the brain, in the empire of the heart, her sons and daughters rule the earth.

To-day, in the little home upon the farm, in the modest cottage, in the country village, in the humble home everywhere throughout this land, the tired and patient mother, with loving hand, is rocking the future great of the world. That mother, on the quiet summer's evening, in singing a lullaby to him, who, in the future years, will dictate the policy of the Nation and direct the destiny of mankind.

To that mother, the ideal American woman, the woman who with her own hand rocks the cradle of her child, I pay my tribute. She is our country's security, humanity's hope, the salvation of the race.

All great mothers do not have great sons, but all great sons do have great mothers. This is the law eternal of our race, fixed by the Infinite Wisdom.

[Mr. SISSON addressed the committee. See Appendix.]

Mr. MANN. Mr. Chairman, if I understand the amendment pending, it is to strike out, page 145, lines 8 and 9, the words "except with the special approval of the Federal farm-loan board in writing." I think this is the fact. Most of the States, many of them, have provided that the corporation acquiring title to real estate shall not hold the real estate beyond a certain number of years—in other words, must dispose of it—and if the corporation does not dispose of the real estate the only person who can raise the question is the State.

A few years ago in our State we passed a law providing that no one could acquire real estate in Illinois except a citizen of the United States. It was not on the statute books very long. There is no title to-day examined in the State of Illinois and elsewhere where they are very careful about titles in our State; they do not have to prove citizenship of everybody who owned property during that time. It was not a question under the law. The law was positive. It was not a question that could only be raised by the State. The abstract and the title people said that it was a question of holding the title. Now, this provision in the bill is:

But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debt due to it for a longer period than five years.

It might easily happen the title would be in dispute for longer than five years. Litigation is prolonged, especially chancery real-estate litigation. This bank might acquire title to a piece of property by foreclosure, somebody else intervene, file a suit, set aside the proceedings, and it might not be determined within the five years.

Mr. SISSON. Will the gentleman permit an interruption? If the gentleman will look at line 6 in the bill——

Mr. MANN. I have read it.

Mr. SISSON. It would indicate clearly that the bank should hold both title and possession of real estate, and to hold title would be at the outset——

Mr. MANN. Not at all; you would determine at the end of a lawsuit that you have just acquired title. You do not determine whether you had title in commencing. You hold title. It may not be an undisputed title. That would not amount to anything at all. That would not amount to a row of pins. There ought to be some method by which under proper circumstances title should be legally retained. I think there could be an ouster here, but it would cloud the title when they went to sell to a purchaser. There might be a panic at the end of the five years; there might be a contract to sell the property, and that might be in litigation.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. MANN. I think it would be wise to leave in the provision that the Federal farm-loan board's consent in writing might remain, and in a particular case hold the title for a sufficient time.

Mr. SHALLENBERGER. The gentleman has practically made the point I intended to raise, that it might occur that they would be compelled to sell under circumstances and at certain times, and that quite a loss might occur, and it would be very necessary, in order to preserve the institution, that this authority should be held by the governing board.

Mr. MANN. After the Chicago fire, when real-estate mortgages were foreclosed there by insurance companies on properties that had become absolutely valueless, or practically so, those companies held the property longer than was allowed by law, until in the course of time and the development of the city property which no one would have bought from them more than paid them back their investment.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. PHELAN. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois may have two minutes more. I would like to ask him a question.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. PHELAN. I do not object to the amendment, but I did not like the wording as it was. I wanted it in another wording in the committee room. If it had said for a further period of five years, I would have no objection. As it read, if the board once gave its approval for five years it might run on indefinitely. That was the objection I had to the particular provision as it stood in the bill. If it had said for a further period of five years, I would not object. I think that can be fixed.

Mr. SISSON. I would like to suggest that in the contingency such as the gentleman from Illinois states would exist in reference to real estate this amendment might be adopted and might be settled in conference.

Mr. MANN. It is easier to be settled in conference by leaving something in than it is by leaving something out.

Mr. SISSON. Let the committee amendment be adopted, and if they desire to do so——

Mr. MANN. The committee amendment is to strike something out, so that they will have nothing before them in conference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. SHOUSE].

The question was taken, and the amendment was rejected.

Mr. DAVIS of Texas. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of section 13 add:

"And whenever any Federal land bank shall deposit with the Federal reserve board farm-loan bonds of any amount the Federal Reserve Board shall cause to be issued and advanced thereon Federal reserve notes upon the same terms as Federal reserve notes are now issued to member banks under the provision of the Federal reserve act: *Provided*, That the amount so advanced shall never exceed the sum of $200,000,000, and the reserve board shall have power to control the amount of these reserve notes outstanding by sale of said bonds and retirement of said reserve notes at its discretion."

Mr. WINGO. Mr. Chairman, could we reach an agreement as to time on this particular amendment? How much time does the gentleman want?

Mr. DAVIS of Texas. I have about a three hours' speech wound up in this, but I can get through in five minutes.

Mr. WINGO. Mr. Chairman, I will withdraw the request and let the debate proceed.

The CHAIRMAN. The gentleman from Texas [Mr. DAVIS] is recognized.

Mr. DAVIS of Texas. Now, Mr. Chairman and gentlemen of the committee, I have tried to be during this whole discussion very demure and decorous, and yet this is the most important question that has been before this House, so far as I am individually concerned. It involves, in a measure, a life's work for myself and a lot of men who have gone to the great beyond with whom I worked. And I am not going to play politics. I want to suggest to our friends from the Republican side of the House who have been making fun of this rural-credits measure and wanted to romp on Woodrow Wilson and the Secretary of the Treasury, that if you want to play politics with me on this or any other question the Democrats have passed thus far you meet me in the next campaign, have your best silk-hatted and kid-gloved men, and tease me in joint debate in the general campaign, and I will play politics with you to your heart's content.

I am not going to discuss the political phase of this question. I want to treat it in its economic sense. The question was raised by the Republican side of the House, wanting to know why we did not just start the grinding machine and grind out a lot of money for the farmer, because the farmers have never expected that. That was a peculiar operation of the Government given by the Republicans to the Aldrich gang. They had millions and hundreds of millions ground out and handed to them under the Aldrich-Vreeland Act, and our Republican friends seemed to think that was "safe and sane" grinding.

Now, the whole problem resolves itself into this one question: Are you willing to do for the farmer just what you have done and are by law doing now for the commercial banking associations of this country?

Some friend will ask, "Is the security good?" Why, bless God, I can prove by every man that has made a speech in the committee that it is the best security on earth—the earth itself. So the security is good. The discretion is handed over to the Reserve Board to retire the notes, and you will have no inflated currency. The bonds are to be sold if necessary at the discretion of the Reserve Board to retire the currency issued to the farmer. The limit is fixed at $200,000,000, and you need not be uneasy about "flooding the country with currency." The whole question comes now to this one point: Is this a measure to relieve the agricultural industries of this country? If it is, give them a just measure, a fair measure, one that will meet them on equal terms as it meets the commercial world.

But some man says, "It is class legislation to go to the farmer." Now, listen: I live on a farm, and it is perhaps natural, having been raised on the farm and having lived on a farm for the last 15 years, that my judgment is biased, because I am one of those who believe that class consciousness is just as natural as class interest. But I have spent 20 years in the courthouses, and my books tell me that the prime object of all government is to restrain the strong and vicious, to assist the weak and helpless, to establish and maintain that which is right, and to condemn and prohibit that which is wrong.

So I ask you whom are you seeking to benefit? Can you establish and maintain that which is right in relation to the farmer, and have him hawked on the money market and devoured by

greedy corporations. Several gentlemen on the Republican side of the House talked about the farmers being so wealthy and so prosperous. The reverse is true. There are over 2,000,000 farmers in this country whose life—one-fourth of it—under the tenant laws, regulations, and customs goes to the men who own the earth.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes.

The CHAIRMAN. The gentleman from South Carolina [Mr. LEVER] asks unanimous consent that the gentleman from Texas may proceed for five minutes more. Is there objection?

There was no objection.

Mr. DAVIS of Texas. I had the honor, Mr. Chairman, to be the national political lecturer, so designated by the Farmers' Alliance for nearly three years in its palmiest days. Their statistics developed the proposition that upon an average the tenant farmer vacated one-fourth of his life to the landlords. I come to you with the statement that just about two-thirds of the wheat, just about two-thirds of the corn, and far more than two-thirds of the cotton in this Republic are raised by men who do not own the soil upon which they are raised. I come to you with the statement that in the South, where we produce upon the average something like 15,000,000 bales of cotton, more than 5,000,000 bales of that cotton are raised under chattel mortgage, and that means a distress call in which the cotton is forced to go to market to liquidate and satisfy a mortgage. You can take the trade journals and consult the organs of the cotton factors of Europe and see therein statements of the fact that when the put-in calls take place in the money market in October there must be a rush to the market to sell the cotton even at a sacrifice. Maturing mortgages, representing so many millions of dollars, compel the farmers to sell. We have seen the same situation all over the country, and yet when you come to relieve the farmer by a just rural-credit measure, a lot of good-looking fellows rise up and ridicule the proposed law and others malign and abuse it as simple sophistry and demagoguery.

Now, I want to suggest if this House had left the preparation of this measure to JOE EAGLE, BOB HENRY, OTIS WINGO, and my old friend HUGHES and myself and others who have been working for years, we would have fixed a long ways better bill to my liking. But I am going to support the bill, and I am going to support it because it stands as a framework for what can be made a great system for the farmer. I am like John Smith was—you have heard of him—when he went to see his best girl and saw a fellow in the parlor sitting cross-legged, twisting his moustache at her. He thought it was no place for him, and so he went to see his second-best girl, and there he found a fellow with sweet ointment on his hair rolling his eyes at her; and about that time he heard the church bell ring and went to prayer meeting, and he got into the church just at the moment when the preacher was calling for the first prayer. He says, "Here is Brother Smith; he will lead the prayer." So Brother Smith dropped on his knees and said, "Oh, God, we come to Thee to-night because we have nowhere else to go." [Laughter.]

I am in the same shape. I have been fighting for rural credits for 20 long years. The best bill I have had the good fortune to see was the bill introduced by the Farmers' Union, presented by the gentleman from Arkansas. I voted for that; and the next best proposition was by my friend from Kansas [Mr. DOOLITTLE], and I voted for that. I did not get either of them, and now I have nowhere else to go.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. HENRY. Mr. Chairman, I ask unanimous consent that my colleague may have five minutes more.

The CHAIRMAN. The gentleman from Texas [Mr. HENRY] asks unanimous consent that his colleague may have five minutes more. Is there objection?

Mr. GLASS. I would like to develop, Mr. Chairman, the number of amendments that will probably be offered to this section, so that we may agree upon some limit of time.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on this section and amendments thereto close—in what time?

Mr. SMITH of Minnesota. I would like to have five minutes, Mr. Chairman.

Mr. THOMPSON. I reserve the right to object, Mr. Chairman.

Mr. GLASS. Thirty minutes is wanted over here.

Mr. MANN. Ten minutes is wanted over here.

Mr. GLASS. I ask unanimous consent, Mr. Chairman, that all debate on this section and all amendments thereto conclude at half past 5 o'clock—that is, in 45 minutes.

Mr. MADDEN. I would like to make a suggestion in connection with that.

Mr. MANN. This is Saturday night, and we have had an unbroken custom here of quitting at 5 o'clock on Saturday night when we meet at 11 o'clock in the morning. In fact, this is my week to take a bath. [Laughter.]

Mr. GLASS. Then let us say that the debate on this section and all amendments thereto close in 40 minutes.

Mr. MADDEN. And that 20 minutes of that time be given to this side.

Mr. SISSON. I would like five minutes.

Mr. THOMPSON. Reserving the right to object, I want to get five minutes of that time. If I can not, I will object.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that debate on this section and all amendments thereto close in 40 minutes. Is there objection?

Mr. FINLEY. I object.

The CHAIRMAN. The gentleman from South Carolina objects.

Mr. GLASS. Mr. Chairman, I move that all debate on this section and amendments thereto close in 40 minutes.

The CHAIRMAN. The gentleman from Virginia moves that debate on this section and amendments thereto close in 40 minutes.

Mr. THOMPSON. If I can get five minutes, I have no objection. If I can not, I will make the point of no quorum.

The question was taken, and the motion was agreed to.

Mr. HENRY. Now, Mr. Chairman, I renew my request that my colleague [Mr. DAVIS of Texas] may have five minutes.

The CHAIRMAN. The gentleman from Texas [Mr. DAVIS] is recognized for five minutes.

Mr. OGLESBY. Will the gentleman yield for a question?

Mr. DAVIS of Texas. I yield to the gentleman.

Mr. OGLESBY. I know something about the conditions in the cotton-raising section of the South that the gentleman has referred to, and I should like to ask the gentleman if he thinks this bill will aid in the solution of that problem; and if so, I should like to know in what way it will do it.

Mr. DAVIS of Texas. I was just reaching that point. The features of this bill that make its salvation for future service are, first, that it has established the fact that the Democrats and a large element of the Republican Party are carrying out their pledges to make a rural-credit system. It will settle the constitutionality of the law to be tested. It will commit the Government to a rural-credit plan, and thereby put the Government in shape to go on with the service. For I call to mind the fact that my old friend the gentleman from Georgia [Mr. HUGHES] and other older men here remember very well, as I do, that when the Interstate Commerce Commission was first created it was after a hard-fought battle, and the commission was a very crude machine for relief, but it was perfected and made a great power for public good. The same is true of most of our institutions. So this bill provides now for the man who can make a land estate available. It will follow that the farmers themselves will demand, and they will send representatives here pledged to, the proposition to enlarge the scope of the law and to apply its benefits to the people down below the man who owns the land. When you once admit the soundness of the doctrine, you have laid the foundation for the future service of the country, and the city man will be made to understand that his salvation depends upon the success of the farm. Why are foodstuffs so high to-day? Because four-fifths of the world are not making foodstuffs, but burning up and destroying them and consuming them, and the other fifth has to supply the world. So in the same way when you enlarge the productiveness of the country and make contented the man on the farm you have laid the foundation for the best system of preparedness this Republic can ever have. [Applause.]

For, my Republican friends, James G. Blaine said in 1884 that the farmer represented the bacon and greens of civilization. Thomas Jefferson said that the farmer represented the hope of civilization, and that in all ages civilization began and ended with the prosperity of the plowman, and that his condition gauged the progress of civilization. So we are making a start. I have helped in every way I could to make this bill as nearly what I wanted it as possible. It is not what I want, but I am going to support it, in the hope that it will be enlarged, amplified, and made a fine measure of relief for the people of the country. [Applause.]

Mr. FESS. Will the gentleman yield?

Mr. DAVIS of Texas. If I have time.

The CHAIRMAN. The gentleman has one minute remaining.

Mr. FESS. The amendment was originally $100,000,000. It has been enlarged to $200,000,000. Why does not the gentleman make it $500,000,000?

Mr. DAVIS of Texas. I took the figure of $200,000,000 on the theory that there is about $400,000,000 floating indebtedness on the farms of this country, and, in my judgment, I put the figure at about half that, which would stabilize the money market, give relief, and then the outside money market would be forced to compete with that agency, and we would have an open and sure method for the obtaining of money on reasonable terms, for I am one of those fellows who believe you can not legislate as to the rate of interest and make it an ironclad proposition. You must control the issue and movement of money. If there is anything that yields to the law of supply and demand, it is the money market.

Mr. FIELDS. Mr. Chairman, it is indeed gratifying to me to see the rural-credits bill nearing its completion in this body. Its ultimate enactment into law, which I trust may be within the next few days, will mark a new epoch in the economic life of the Nation, for it will extend to the farmers of the United States advantages in securing loans that can not be had under our present banking system or any other banking system not established and operated solely and exclusively for the benefit of the farming class of our people.

It is true that our present national banking system—the Glass-Owen law—is a decided improvement from the standpoint of the farmers' interests over the previous law. The Glass-Owen law, by a provision of which I was the author and the adoption of which I secured by an extremely hard fight in the Democratic caucus, permits national banks to make loans of not to exceed five years' time on improved farm lands. But it is optional with the bank whether or not it makes such loans, and even if it does, the period of time is too short for a farmer to buy a farm and pay for it from the proceeds of its own products, and that is what this bill is designed to do and will do, for the loans under this system are to extend over a period of not less than 5 years and for as long as 36 years, at the option of the borrower, and can only be secured on a guaranty that they will be used solely for the purchase or improvement of farms, which will include the purchase of farm implements or live stock to be used for the improvement of the farm or to increase the value of its products.

The system will be independent of State or National banking institutions and its operations confined solely and exclusively to farm loans. There will therefore be money at all times within the reach of the farmer, an advantage which he does not always enjoy under our present State and National banking systems, for the reason that our present systems as a rule give preference in loans to industrial and mercantile institutions, and naturally so, for they make the major part of their loans from funds deposited with them and the industrial and mercantile institutions handle more money and turn it more rapidly and make larger and more frequent deposits than the farmers do. It is therefore only natural and proper that the banks who do business on funds deposited with them should give preference to their best and most frequent depositors when such depositors need to borrow, which most industrial institutions do at frequent intervals. And under that method the slightest stringency in our financial system forces the banks to curtail their loans, which affects first the less frequent depositors who, as a general rule, are the farmers whose deposits to a great extent are governed by their sales of farm products, which are not made often.

Then, again, the bank which operates under the deposit system can not afford to make long-time loans except from its surplus, for the reason that it does not know at what time conditions may arise in the financial affairs of the country which will not only curtail deposits but will cause the heavy withdrawal of funds already on deposit. In fact, our present State and National systems were not designed to fully meet the needs of the farming interests of the country and especially those farmers who need to borrow money with which to buy farms and can not do so without endangering their solvency, and because of this condition a separate system of banking designed to accommodate the farmers and the farmers only is of great necessity and its necessity has long since been recognized. But until recently each attempt to inaugurate such a system has been met with the argument that it could not be properly installed or successfully operated in this country, notwithstanding the fact that such systems have long been in operation in the leading countries of Europe and also in Canada to the north of us and have worked most admirably.

We have all realized that a system of this character could not be put into operation without Government aid sufficient to start and support it until it could become self-sustaining, and that is where the barrier always arose. Everybody is interested in the welfare of the farmers, who feed the world. Some of us are interested in them to the extent that we have always been willing to put the support and the guaranty of the Federal Treasury behind them until they could, by cooperative methods, build up a self-sustaining banking system that would meet their needs. Others have been interested in them to the extent of kind words and beautiful phrases but were ever ready to revolt at every attempt to extend to them the aid of the Federal Government, without which they could not establish the much-needed system of "rural credits," and the class last referred to has until recently been in control of the Congress of the United States.

Why, Mr. Chairman, when I came to this body, only five years ago, a suggestion of Federal aid to public roads of the rural sections or Federal aid to the establishment of a system of rural credits for the benefit of the farming class of our population, was regarded by many as an absurdity and by others as an impossibility.

We saw pictured by even the city folk the beauties of country life. We heard shouted from every quarter the slogan, "Back to the farm." We heard advocated everywhere that true and indisputable doctrine that "No nation has ever achieved permanent greatness unless its greatness was based on the well-being of the great farmer class, the men who live upon and till the soil, for it is upon their welfare, material and moral, that the welfare of the rest of the nation ultimately rests." But even in the face of that doctrine and with a full and thorough knowledge of its efficacy, the controlling influences of Congress have until recently stubbornly declined to extend to the farmer class that one and all-essential necessity, the financial aid of the Federal Government in the construction of roads and the establishment of a system of rural credits, and, in addition to that, time has been lost by the failure of the proponents of rural credits to agree upon minor details.

But the present Committee on Banking and Currency is to be congratulated on bringing in a bill so comprehensive and so workable. The bill may not be all that we wish it to be. Many of us would have preferred certain changes. Personally, I would have preferred the major part of the bill which was prepared by the farmers' union and introduced by the gentleman from Arkansas [Mr. CARAWAY], and others preferred the bill introduced by the gentleman from Kansas [Mr. DOOLITTLE], and others preferred various other bills. But we all realize that we may each be forced to make concessions on some points in the enactment of a measure of the magnitude and importance of a measure like this one. By making concessions the individual members of the committee have been able to agree upon the bill which we all admit is a good bill and which may be a better bill than the others referred to. It is true that we may find defects in the bill after it goes into operation, but if we do we can correct those defects by future amendments. The question that we are most interested in at present is not the question of minor details, but the question of general principle. Let us adopt the principle and enact the bill into law and then correct the defects as they become evident if there prove to be defects.

Mr. Chairman, as I have previously said, it is the purpose of this bill to extend to the farmer class of our population financial assistance that they can not otherwise secure. The general plan of the bill is to divide the Continental United States into 12 Federal land-bank districts, with 1 Federal land bank to each district and such branch banks as the supervising board may deem advisable or authorize. Each district bank shall be organized with a capital stock of not less than $750,000, divided into shares of $5 each. The United States Government, through the Secretary of the Treasury, will subscribe for the original stock. Then each borrower will be required to purchase one $5 share of this stock for each $100 that he borrows, but may pay for same out of the fund borrowed. In other words, for each $100 loan the borrower will receive $95 in cash and a certificate for one share of stock, or for each $1,000 loan the borrower will receive $950 cash and certificates for 10 shares or $50 worth of stock in the district or branch land bank. By this method the entire stock of the district bank will pass from the Federal Government to the borrowers, after which the Federal Government will no longer be a stockholder in the institution.

The question has been repeatedly asked by those not familiar with the proposed plan how the system can endure after the Federal Government withdraws, with its loans nineteen times as great as its stock sales. Well, the plan is this: Before a farmer can borrow money from his district land bank or one of its branch banks he must join a local borrowers' association composed of not less than 10 members. When such local association is organized each of its members is permitted to borrow to the amount of 50 per cent of the appraised value of such property as he may offer as surety by executing a mortgage on the property. The mortgage is then indorsed by the local bor-

rowers' association of which he is a member. This mortgage is then deposited with the branch bank which makes the loan. The branch bank then indorses it and deposits it with the district land bank. The district land bank then indorses it and sells it or its equivalent in its own bonds in the stock or "bond markets" of the country. The mortgage reaches the stock market secured, first, by the property on which it is given; second, by the total assets of the members of the local borrowers' association; third, by the indorsement of the branch bank through which it passes; and, fourth, by the indorsement of the district land bank to which it goes, which makes it an absolutely safe investment. In fact, it will be the safest investment that can be made, for the farms of the country, which will constitute the fundamental basis of the surety of the whole system, will, under the operation of the system, with all of its safeguards, become more valuable each year, which will add to the solvency and strength of the whole system, which will be inviting to the money owners, who are seeking opportunities to make long-time investments on good paper, many of whom are to-day investing their money in foreign bonds of various kinds, many of which are not as secure as these mortgages or bonds will be.

The proceeds of the sales of these mortgages will come back from the district land bank to the branch banks in exchange for other mortgages and from the branch banks to the borrowers for additional mortgages.

There is but one conceivable chance for this system to fail to accomplish the purposes for which it is designed and that would be through the failure of the district land banks to find a market for their paper, which is almost inconceivable in view of the fact that investors are eagerly looking for an opportunity to make investments and, as I have previously stated are now making investments in foreign bonds, many of which are not as strongly secured as the paper of these banks will be. It is the theory of the best students of finance in the country that the system will work admirably, thereby calling the money which is now piled up in the great financial centers of the country into circulation among the farmers of the country, thereby keeping it in constant circulation, which constitutes the basic principle of a country's prosperity. Mr. Chairman, this bill, when enacted into law, will afford many monumental advantages to the farmers, some of which are, first, money will always be available to meet their needs in buying or improving their lands; second, they can borrow for a period of 36 years if they desire to do so, which will enable them to make the land pay for itself, and thereby they can borrow at a less rate of interest than is afforded under any other banking or credit system.

In my State the statutory rate of interest is 6 per cent, and we often pay 7 per cent or 8 per cent, and are glad to secure loans at that under certain conditions. Under this system a 6 per cent rate of interest will keep paid the annual or semiannual interest payments, and also pay the full principal in the maximum period of 36 years. For illustration: If it were possible, which it is not, for a farmer to borrow $1,000 for a period of 36 years under our present system, at 6 per cent interest, and keep his interest paid up annually or semiannually, as the case may be, at the maturity of the debt, 36 years hence, he would still owe the principal of $1,000. But under the system provided for in this bill his interest payments of 6 per cent, or, strictly speaking, 5 per cent interest plus 1 per cent of the original amount, will pay both the interest and principal. Therefore at the end of 36 years he will have satisfied both principal and interest under this bill, with the amount that would be required to pay the interest under our present banking system. In other words, he gains an advantage to the amount of the whole principal during the period of the loan.

And, Mr. Chairman, the great advantages that will accrue to the farming section of the country under this system by bringing the money that has become centralized in the large cities back to the rural sections will do more to induce the city folk to return to the country and the country boys and girls to remain on the farm than all the lectures that could be delivered from all the rostrums of all the cities on the beauty of country life.

Our people have drifted to the cities, not particularly because they preferred city life to country life, but because the bulk of the money of the country had drifted to the cities carrying with it the business opportunities, and to take advantage of these opportunities it became necessary for those who were eager to acquire wealth or secure employment to likewise drift to the cities. But turn the money of the cities back to the country and put it within easy reach of the people, as this bill proposes to do, and you will see the country blossom as the rose, and the drift of the population will speedily turn from the city to the country to enjoy the advantages and blessings of country life made possible by this legislation.

Mr. Chairman, I look with an optimistic eye upon the future possibilities of the country under this system which we are about to inaugurate. By looking 5, 10, or 20 years into the future I can see with my mind's eye the ragged and unprofitable farms of to-day converted into beautiful and profitable ones covered with herds of the finest blood, and I can see our millions of acres of waste lands of to-day converted into beautiful homesteads inhabited by a prosperous and contented people. And better still I can see the tenant and the landless man of to-day in possession of a farm and a home of his own, and further still it is a well-recognized fact that better farms always insures better roads. I can therefore see a busy, prosperous, and contented citizenry traveling to and fro on model roads through every community; and, in connection with all this, I can see greater social advantages and better schools with higher educational systems, attended by bright and contented pupils thrilled with the joys of country life and content to remain therein.

Mr. Chairman, when this vision is fully realized, which it will be if this bill is enacted into law, the inhabitants of the rural sections of the country will invoke the blessings of Providence upon the makers of the law that made such conditions possible.

Now, Mr. Chairman, one other thought and I close. I want to refer briefly to a minor provision of the bill that we have already passed over. I regret that I did not have the opportunity to do so at the time we were considering it. I trust that I may have the attention of the chairman of the committee and those Members who will serve with him as conferees. I trust that the correction which should be made and which was refused a while ago, when the amendment offered by my colleague, Judge BARKLEY, was defeated, may be made in conference. That is with reference to the provision on page 103, which reads as follows:

> Tenth. Every borrower who shall be granted a loan under the provisions of this act shall enter into an agreement, in form and under conditions to be prescribed by the Federal farm-loan board, that if the whole or any portion of his loan shall be expended for purposes other than those specified in his original application, or if the borrower shall be in default in respect to any condition of the mortgage, the whole of said loan shall, at the option of the bank holding same, become due and payable.

Mr. Chairman, the provisions contained in the last clause of the paragraph of the bill just quoted are objectional, and, in my opinion, will in some instances place unwarranted hardships upon honest borrowers by giving advantages to unscrupulous ones who may, perchance, hold membership in the local borrower associations or be in control of the bank holding the mortgage of some one whom misfortune may overtake.

The gentleman from Arkansas [Mr. WINGO] has called attention to the provision for a reserve fund, in section 21 of the bill, which is designed to take care of borrowers who find themselves temporarily unable to meet their interest payments which is amply sufficient to safeguard the legitimate interest of every borrower, provided there are no land sharks who desire to take advantage of the provisions of the law to which I have just referred. I am one of those who believe that every man is honest until he has proven himself otherwise, but we all recognize the fact that there are men in this country everywhere who will take advantage of their fellow men where the law permits them to do so; not a large class I admit, but there are some, and if a borrower should become delinquent it is possible under this provision of the law for the bank owning the mortgage, or for any member of the association which has indorsed it, to proceed to foreclose the mortgage, and there is no provision in the law to provide for the redemption of the property on which foreclosure is made. Mr. Chairman, I fear that this provision is too drastic; it would give a covetous, unscrupulous man the advantage of the delinquent borrower if the latter owned property that the former desired. It should be changed so that the unscrupulous strong man could not take advantage of his weaker neighbor.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. FIELDS. Yes.

Mr. MOSS of Indiana. The foreclosure will take place under the State law, and whatever provision the State law makes will be the same under this bill as before the bill passed.

Mr. FIELDS. All right; very well for that. But there are many conditions that may arise that would make it impossible for a man to meet the payment when due, by no fault of his own, and under such conditions the borrower should be given at least a reasonable time in which to meet the payment or a chance to redeem his property after foreclosure and the provisions for such safeguards should be carried in this bill and not made dependent upon State statutes, and I sincerely hope that the conferees will provide for such safeguards, so that there will be no room in this law for one man to take undue advantage of another. [Applause.]

Mr. THOMPSON. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from Oklahoma makes the point of no quorum.

SEVERAL MEMBERS. Move that the committee rise.

Mr. GLASS. I have no special objection, Mr. Chairman, but the gentleman from Texas [Mr. HENRY] wanted five minutes to-night, and I was willing that he should have it.

Mr. THOMPSON. I have been here trying to get recognition for an hour, and some gentlemen have spoken three or four times during the last three hours.

Mr. MANN. It is 5 o'clock, Saturday night; let the gentleman move that the committee rise.

Mr. GLASS. Mr. Chairman, I want to say that I have made no objection to the recognition of the gentleman from Oklahoma. I was hoping that he would get time.

The CHAIRMAN. The Chair will state that the Chair has the gentleman from Oklahoma down on the list for recognition immediately after the gentleman from Texas. The gentleman from Texas [Mr. HENRY] requested recognition earlier than did the gentleman from Oklahoma. The Chair promised to recognize the gentleman from Texas next, and the Chair is going to keep that promise.

Mr. HENRY. Mr. Chairman, I am willing to reverse it and let the gentleman from Oklahoma come in first.

The CHAIRMAN. If the gentleman from Texas will give way, the Chair will recognize the gentleman from Oklahoma.

Mr. THOMPSON. Mr. Chairman, I do not care to speak under those circumstances. I will withdraw the point of order of no quorum, but I do not now care to speak this afternoon.

Mr. HENRY. Mr. Chairman, I shall not consume more than the time allotted to me, and I hope I may have the attention of the committee for a brief time. The gentleman from Texas is right in his contention that the Government should place the farmer on the same footing as the commercial world.

From the very beginning I have said that there are admirable features in this bill, and I shall support it, but it does not go as far as it should in behalf of the farmer. To-day I picked up the report just issued by the Department of Commerce, and I want to read into the RECORD this statement for the benefit of the House and of the country:

The agricultural credits act passed by the British Columbia Legislature last year, became effective on April 26, 1916. Agricultural bonds to the amount of $1,000,000 have been disposed of by the provincial government, making available a fund for immediate use in loans to farmers. Another sale of bonds for farm loans is contemplated, and it is anticipated that the application of the new law will have a stimulating effect upon agriculture in the Province.

* * * * * * *

All money borrowed by the commission must be negotiated through the minister of finance, acting for and on behalf of the commission, the due payment of all securities, both as to principal and interest issued by the commission and sold through the department of finance, shall be unconditionally guaranteed by the Crown in the right of the Province of British Columbia.

Mr. Chairman, British Columbia guarantees these bonds based on farm loans. Every other country, practically, in the world guarantees them, and I say that there ought to be a specific provision in this bill guaranteeing these bonds by the Government of the United States.

Mr. MOSS of Indiana. I wish the gentleman would put into the RECORD the country that guarantees them.

Mr. HENRY. Your neighboring country guarantees the bonds based on the farmers' mortgages under the act that went into effect in April, 1916, and this House should write the same provision into this bill.

I continue to read from the provisions of that act:

No loan will be accepted for a less amount than $250 or for a greater amount than $10,000, and no loan will be accepted for an amount exceeding 60 per cent of the appraised value of the land offered as security, calculated on the basis of value and productiveness when the improvements in respect of which the loan is required shall have been effected. The commission may advance by proportionate installments as the work progresses * * *.

The rate of interest shall not exceed 1 per cent more than the interest paid by the commission on the bonds issued to secure the funds. The combined charge of interest and principal shall be payable half-yearly.

There is a case in point, where the loans may run to $10,000, where the Government guarantees the payment of the bond, the principal and interest, under this law just passed. Why should this House halt and fail to say that these bonds are guaranteed by this Government? You have guaranteed all of the money issued to the bankers of the country. Why should not we put the good faith of the Government behind the security of the farmer? It is better security than promissory notes; it is better security than bills of exchange, than the mere promises of men to pay. Why not follow in the wake of every civilized country and go right to the point and do as much for the farmer as you are doing for the business men?

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SHERLEY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment the following concurrent resolution:

House concurrent resolution 40.

*Resolved by the House of Representatives (the Senate concurring)*, That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, requested to cancel their respective signatures to the enrolled bill (H. R. 759) entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge across the Potomac River, and for the building of a bridge in place thereof"; that upon the cancellation of said signatures the Clerk be directed to reenroll said bill with an amendment as follows:

On page 4, line 10, strike out the word "five" and insert in lieu thereof the word "four."

RURAL CREDITS.

The committee resumed its session.

Mr. THOMPSON. Mr. Chairman, this is the most important bill that will come before this Congress. It deals with a subject that vitally affects 40,000,000 of our people, and on its proper solution depends the happiness and the prosperity of the whole country, not for to-day but for to-morrow and all future time.

A rural-credits system, properly speaking, is not a banking system; it is the opposite. In commercial banking the money of a community is gathered up from all the people and congregated into a common fund—"mobilized"—and the banker loans out these deposits. The depositors, having placed their money in the bank subject to call, have the right to withdraw it whenever they desire. On the other hand, the rural-credits system collects the assets of a community, its mortgages, bonds, and other commercial securities, and secures money for that community.

The law makes the commercial bank insolvent the moment it is unable to pay in cash on demand any of its depositors, no matter how much property the bank may own or how solvent, as a matter of fact, it may be. The commercial banker is, therefore, compelled to loan the money of his depositors for such lengths of time and on such security as will enable him at all times to be in a position to repay any or all of his depositors on demand. In order to do this he is compelled to loan for short periods on first-class personal or chattel security. In other words, his loans must be what has come to be known as "liquid assets," which means they must be easily and readily convertible into money.

The farmers' requirements are of two kinds—a long-term land loan, to be repaid on the installment or amortization plan out of the proceeds of his farm products, and a crop loan advanced at planting time to assist in the cultivation of his crop and repaid from its proceeds. Neither of these loans comes within the definition of a liquid loan for two reasons—the length of the loan is for too great a length of time and the security is not such that the money advanced can be returned on demand. For this reason the farmers, as a class, have been discriminated against in the rate of interest they have been compelled to pay, from the period when our Government was established down to this time. While the Government of the United States has been able to borrow money at from 2½ to 4 per cent and States, cities, towns, and school districts at from 3 to 5 per cent, and railroads and other industrial corporations at from 4½ to 6 per cent, the farmers of the country have been required to pay two, three, four, five, and often ten and twenty times that rate of interest. No one can view this condition without alarm, and no one attempts to justify it. The farmers have been a long time waking up to the fact that they have been discriminated against. They have finally learned that credit systems have been established that enable practically every other character of business to secure money at a greatly reduced rate from that which they are compelled to pay, and they are demanding that they be treated with the same consideration that has been extended to all other lines of business and industry. The farmer has the best security in the world—the land out of which come the products that sustain the life of the world and the labor which produces those products. What he needs is some system that will connect him with the man who has money and wants to loan it on good security.

In order to enable the farmer to secure money at a reasonable rate of interest on long time a system must be devised that will mobilize the farmers' assets without making them jointly liable for each other's obligations or subjecting their property to the payment of the indebtedness of their neighbors, and at the same time do away with the large number of middlemen in every man that is negotiated between the farmer and the lender, who charge

large commissions for their services. The farmer is waking up and demanding that legislation bringing this relief be enacted. He is entitled to it, and not only will it benefit him but it will benefit every citizen of our country and the Government as a whole.

In 1770 Oliver Goldsmith wrote that greatest of his poems, The Deserted Village. It was a thrilling recital of English history, past and present, and an accurate forecast of its future. No one familiar with conditions existing in our country to-day can read these lines—

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates, and men decay;
> Princes and lords may flourish, or may fade;
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroyed, can never be supplied.
> A time there was, ere England's griefs began,
> When every rood of land maintain'd its man:
> For him light labor spread her wholesome store,
> Just gave what life required, but gave no more;
> His best companions, innocence and health,
> And his best riches, ignorance of wealth.
> But times are alter'd; trade's unfeeling train
> Usurp the land, and dispossess the swain;
> Along the lawn, where scatter'd hamlets rose,
> Unwieldy wealth and cumbrous pomp repose,
> And every want to luxury allied,
> And every pang that folly pays to pride.
> Those gentle hours that plenty bade to bloom,
> Those calm desires that ask'd but little room,
> Those healthful sports that graced the peaceful scene,
> Lived in each look, and brighten'd all the green;
> These, far departing, seek a kinder shore,
> And rural mirth and manners are no more—

without being convinced that we as a Nation are fast drifting into the unhappy condition that England found herself just prior to the American Revolution.

The increase of population in the rural districts is not keeping pace with the increase in the cities. The ratio of increase during the decennium between 1900 and 1910 was 3 to 1 in favor of the cities. During the same decade the increase in population in the United States was more than twice as great as the increase in farm products. During the same 10-year period the supply of meat animals—sheep, swine, and cattle—decreased a little more than 7 per cent. The census figures for the same period further disclose that the number of tenant farmers also increased. The average profit of the farmer on invested capital is about 5½ per cent, and the fact that he is compelled to pay an interest rate greatly in excess of his profit explains why so many farmers are abandoning the farms and moving to the congested centers of population. More than 60 per cent of our population reside in cities and towns having a population of more than 2,500, and less than 40 per cent reside in the country and towns containing a population of less than 2,500, and there is actually residing on the farm not to exceed one-third of our population.

Farming is the most important industry in the world. Without the farm all other business would stagnate and die, the railroads would cease to run, the banks and mercantile establishments could no longer operate, and grass would grow in the streets of our cities. No other business can succeed without the farmer, but the farming business can succeed, if left unfettered, without the aid of any other business.

The necessity for establishing a system of rural credits was recognized by the two great political parties that seriously contended for the Presidency in the campaign of 1912. The Democrats in the platform promulgated at Baltimore used this language:

> Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore, we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable portion of their funds on real-estate security.

And the Republicans at Chicago said:

> It is of great importance to the social and economic welfare of this country that its farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their land. It is as important that financial machinery be provided to supply the demand of farmers for credit as it is that banking and currency systems be reformed in the interest of general business. We therefore recommend and urge an authoritative investigation of agricultural credit societies and corporations in other countries and the passage of State and Federal laws for the establishment and capable supervision of organizations having for another purpose the loaning of funds to farmers.

This bill is before the House in response to the declaration of the Baltimore platform.

As I have said, agriculture calls for two kinds of credit—the long-term mortgage loan and the short-term credit loan. Advocates of rural-credit legislation are not agreed as to the form corrective legislation should take. Some believe in a system fostered by direct Government aid; others insist that the system should be organized wholly on the cooperative association plan. I believe in the direct Government-aid plan for the long-term mortgage loan, and I believe the cooperative credit-association plan, subject to conservative guidance and control of Federal authority, is best suited to the short-term personal or chattel loan. When the security is land and the loan advanced does not exceed 60 per cent of its value, there is absolutely no hazard to the Government in mobilizing the land mortgages of the country, issuing land-mortgage bonds on them, guaranteeing their payment, and giving the farmers of the country the benefit of the low rate of interest this plan would insure. This plan would not work in the short-term credit loan secured by personal indorsement or chattel mortgage, for the reason that the length of time between the making of the loan and its maturity would be so short as to render it impossible for the Government to make the loan, and, second, the Government would take too great a risk by accepting either personal or chattel security. The percentage of loss would be too great.

The people themselves, by organizing cooperative credit associations in a community where they are acquainted with one another, where they know who is honest and who is dishonest, who will pay and who will not pay, are better prepared to handle the matter of short-term credit loans than is the Government. A dishonest man is not entitled to credit, either by the Government or by his neighbor, and his neighbors would know if he were dishonest and could refuse him assistance. If the Government were to embark directly in the personal credit loan business, it could not discriminate as between borrowers, and the loss on this class of loans would be enormous. Of course whatever the Government loses the taxpayers must make good, because the Government can no more create wealth than can an individual. Wealth is created by labor, not by law. Property is obtained by one of two methods—by production or by plunder, by making it or taking it from another who has made it.

In February, 1915, after very careful consideration, I introduced a rural-credits bill for long-term land loans, which, in my judgment, is a better measure than the bill we are considering. In brief, my bill provided for the creation of a land-loan bureau in the Treasury Department, to be in charge of three farm-loan commissioners. Two of these commissioners were to be actual farmers at the time appointed and one a person skilled in the bond business. My idea was that the two farmers could look after the application for loans, the appraisement of the land, the taking of mortgages, the amount of the loan, and the accumulation of the mortgages in the farm-loan business. The third member could look after the issuing of farm bonds on these mortgages and the sale of these bonds. My bill constituted every presidential postmaster in the United States an agent for the farm-loan bureau to accept applications for loans. The bureau was required to supply these postmasters with blanks, on which applications for loans could be made, and all the borrower had to do was to go to the postmaster, call for one of these blanks, fill it out, describing his land, its character, amount in cultivation, improvements, the value of the land and the value of the improvements separate from the land, the amount of loan desired, and the term during which he wished it to run. This he filed with the postmaster.

The postmaster was required to call in three reputable citizens residing in the neighborhood where the land was located, and they were to appraise the land, giving a description, character, amount in cultivation, improvements, location, and so forth, and swear to this appraisement. The postmaster under his official certificate was to give a separate appraisal. The application, the appraisement, and the postmaster's official certificate were to be forwarded to the farm-loan bureau at Washington, accompanied by an abstract. The bureau, if it found any reason to doubt the value of the land or the improvements, was authorized to send its appraiser and to finally fix the value on which it would make the loan. When this was determined the farm-loan bureau prepared a mortgage containing the amortization principle, made out a check, and forwarded the mortgage and the check to the postmaster. The check represented 60 per cent of the value of the land and 25 per cent of the value of improvements in addition. The postmaster, on the execution of the mortgage, recorded it and turned over the check to the borrower. The mortgage contained a provision with reference to the borrower keeping the taxes paid, insurance on the improvements, and so forth. On these mortgages accumulated from all parts of the United States, the farm-loan bureau from time to time issued farm-loan bonds, the payment of which was guaranteed by the United States, and the rate of interest that the farmer paid was the interest at which the bonds could be sold at par plus whatever amount was necessary to take care of the amortization payments and the expenses incurred by the United States

in making the loan, and whatever fund the farm-loan bureau ascertained was necessary to add to each mortgage in order to create a guaranty fund to protect the Government against loss where the land and improvements did not sell for a sum sufficient to discharge the mortgage obligation. These bonds would sell on the market at the same rate Government bonds sell, because they would have borne the guaranty of the Government. There would have been no chance for the Government to lose, because every bond guaranteed would have been secured by land worth $1 where 60 cents was advanced, and improvements worth $1 where 25 cents was advanced, and in addition the Government would collect from each borrower a small per cent in the nature of a guaranty fund to save itself harmless in case of loss in isolated cases. In no case would the farmer have been required to pay more than 6 per cent for his money, and this 6 per cent would cover the interest rate, the amortization payment, the guaranty per cent and the overhead charge in the way of expenses incurred by the Government in carrying on the business.

I have a number of amortization tables which I desire to place in the RECORD and make a part of my remarks in order to demonstrate just how the amortization plan works.

In the first the amount of the loan is $1,000, the length of the term 16 years, the rate of interest 6 per cent, and the amount $100.

| Annual periods. | Total annual payment. | Interest at 6 per cent. | Paid on principal. | Amount of principal still unpaid. |
|---|---|---|---|---|
| 1 | $100.00 | $60.00 | $40.00 | $960.00 |
| 2 | 100.00 | 57.60 | 42.40 | 917.60 |
| 3 | 100.00 | 55.06 | 44.94 | 872.66 |
| 4 | 100.00 | 52.36 | 47.64 | 825.02 |
| 5 | 100.00 | 49.50 | 50.50 | 774.52 |
| 6 | 100.00 | 46.47 | 53.53 | 720.99 |
| 7 | 100.00 | 43.26 | 56.74 | 664.25 |
| 8 | 100.00 | 39.85 | 60.15 | 604.10 |
| 9 | 100.00 | 36.25 | 63.75 | 540.35 |
| 10 | 100.00 | 32.42 | 67.58 | 472.77 |
| 11 | 100.00 | 28.37 | 71.63 | 401.13 |
| 12 | 100.00 | 24.07 | 75.93 | 325.20 |
| 13 | 100.00 | 19.61 | 80.49 | 244.71 |
| 14 | 100.00 | 14.68 | 85.32 | 159.40 |
| 15 | 100.00 | 9.56 | 90.44 | 68.96 |
| 16 | 73.10 | 4.14 | 68.96 | ..... |
| Total | 1,573.10 | 573.10 | 1,000.00 | ..... |

In the next the amount of the loan is $1,000, the length of term 19 years, the rate of interest 6 per cent, and the annual payments $90.

| Annual periods. | Total annual payment. | Interest at 6 per cent. | Paid on principal. | Amount of principal still unpaid. |
|---|---|---|---|---|
| 1 | $90.00 | $60.00 | $30.00 | $970.00 |
| 2 | 90.00 | 58.20 | 31.80 | 938.20 |
| 3 | 90.00 | 56.29 | 33.71 | 904.49 |
| 4 | 90.00 | 54.27 | 35.73 | 868.76 |
| 5 | 90.00 | 52.13 | 37.87 | 830.89 |
| 6 | 90.00 | 49.85 | 40.15 | 790.74 |
| 7 | 90.00 | 47.44 | 42.55 | 748.18 |
| 8 | 90.00 | 44.89 | 45.11 | 703.08 |
| 9 | 90.00 | 42.19 | 47.82 | 655.26 |
| 10 | 90.00 | 39.32 | 50.68 | 604.58 |
| 11 | 90.00 | 36.28 | 53.72 | 550.85 |
| 12 | 90.00 | 33.05 | 56.95 | 493.90 |
| 13 | 90.00 | 29.63 | 60.37 | 433.54 |
| 14 | 90.00 | 26.01 | 63.99 | 369.55 |
| 15 | 90.00 | 22.17 | 67.83 | 301.72 |
| 16 | 90.00 | 18.10 | 71.90 | 229.82 |
| 17 | 90.00 | 13.79 | 76.21 | 153.61 |
| 18 | 90.00 | 9.22 | 80.78 | 72.83 |
| 19 | 72.20 | 4.37 | 72.83 | ..... |
| Total | 1,697.20 | 697.20 | 1,000.00 | ..... |

In the next the amount of the loan is $1,000, the length of term 20 years, the rate of interest 5 per cent, and the annual payments $80.24.

| Annual periods. | Total annual payment. | Interest at 5 per cent. | Paid on principal. | Amount of principal still unpaid. |
|---|---|---|---|---|
| 1 | $80.24 | $50.00 | $30.24 | $969.76 |
| 2 | 80.24 | 48.48 | 31.75 | 938.00 |
| 3 | 80.24 | 46.90 | 33.34 | 904.67 |
| 4 | 80.24 | 45.23 | 35.01 | 869.66 |
| 5 | 80.24 | 43.48 | 36.76 | 832.90 |
| 6 | 80.24 | 41.64 | 38.59 | 794.31 |
| 7 | 80.24 | 39.71 | 40.52 | 753.79 |
| 8 | 80.24 | 37.68 | 42.55 | 711.23 |
| 9 | 80.24 | 35.56 | 44.68 | 666.56 |
| 10 | 80.24 | 33.32 | 46.91 | 610.64 |
| 11 | 80.24 | 30.98 | 49.26 | 570.39 |
| 12 | 80.24 | 28.51 | 51.72 | 518.67 |
| 13 | 80.24 | 25.93 | 54.31 | 464.36 |
| 14 | 80.24 | 23.21 | 57.00 | 407.34 |
| 15 | 80.24 | 20.36 | 59.87 | 347.46 |
| 16 | 80.24 | 17.37 | 62.87 | 284.60 |
| 17 | 80.24 | 14.23 | 66.01 | 218.59 |
| 18 | 80.24 | 10.93 | 69.31 | 149.28 |
| 19 | 80.24 | 7.46 | 72.78 | 76.50 |
| 20 | 80.24 | 3.82 | 76.50 | ..... |
| Total | 1,604.80 | 604.80 | 1,000.00 | ..... |

In the next the amount of loan is $1,000, the length of term 20 years, the amount of interest 4 per cent, and the annual payments $73.58:

| Annual periods. | Total annual payment. | Interest at 4 per cent. | Paid on principal. | Amount of principal still unpaid. |
|---|---|---|---|---|
| 1 | $73.58 | $40.00 | $33.58 | $966.42 |
| 2 | 73.58 | 38.65 | 34.92 | 931.50 |
| 3 | 73.58 | 37.25 | 36.32 | 895.18 |
| 4 | 73.58 | 35.81 | 37.77 | 857.40 |
| 5 | 73.58 | 34.30 | 39.28 | 818.12 |
| 6 | 73.58 | 32.72 | 40.86 | 777.26 |
| 7 | 73.58 | 31.09 | 42.49 | 734.77 |
| 8 | 73.58 | 29.39 | 44.19 | 690.59 |
| 9 | 73.58 | 27.62 | 45.96 | 644.63 |
| 10 | 73.58 | 25.79 | 47.79 | 596.83 |
| 11 | 73.58 | 23.87 | 49.71 | 547.13 |
| 12 | 73.58 | 21.89 | 51.70 | 495.43 |
| 13 | 73.58 | 19.81 | 53.76 | 441.66 |
| 14 | 73.58 | 17.66 | 55.91 | 385.75 |
| 15 | 73.58 | 15.43 | 58.15 | 327.60 |
| 16 | 73.58 | 13.10 | 60.48 | 267.12 |
| 17 | 73.58 | 10.68 | 62.90 | 204.22 |
| 18 | 73.58 | 8.16 | 65.41 | 138.81 |
| 19 | 73.58 | 5.55 | 68.03 | 70.79 |
| 20 | 73.58 | 2.83 | 70.79 | ..... |
| Total | 1,471.60 | 471.60 | 1,000.00 | ..... |

In the next the amount of the loan is $1,000, the length of term 36 years, the rate of interest 4 per cent, and the annual installments $52.887:

| Annual periods. | Installments. | Interest. | Applied on principal. | New principal. |
|---|---|---|---|---|
| 1 | $52.887 | $40.000 | $12.887 | $987.113 |
| 2 | 52.887 | 39.484 | 13.403 | 973.710 |
| 3 | 52.887 | 38.948 | 13.939 | 959.771 |
| 4 | 52.887 | 38.390 | 14.497 | 945.274 |
| 5 | 52.887 | 37.810 | 15.077 | 930.197 |
| 6 | 52.887 | 37.207 | 15.680 | 914.517 |
| 7 | 52.887 | 36.580 | 16.307 | 898.210 |
| 8 | 52.887 | 35.928 | 16.959 | 881.251 |
| 9 | 52.887 | 35.250 | 17.637 | 863.614 |
| 10 | 52.887 | 34.544 | 18.343 | 845.271 |
| 11 | 52.887 | 33.810 | 19.077 | 826.194 |
| 12 | 52.887 | 33.047 | 19.840 | 806.354 |
| 13 | 52.887 | 32.254 | 20.633 | 785.721 |
| 14 | 52.887 | 31.428 | 21.459 | 764.262 |
| 15 | 52.887 | 30.570 | 22.317 | 741.945 |
| 16 | 52.887 | 29.677 | 23.210 | 718.735 |
| 17 | 52.887 | 28.749 | 24.138 | 694.597 |
| 18 | 52.887 | 27.793 | 25.094 | 669.503 |
| 19 | 52.887 | 26.780 | 26.107 | 643.396 |
| 20 | 52.887 | 25.735 | 27.152 | 616.244 |
| 21 | 52.887 | 24.649 | 28.238 | 588.006 |
| 22 | 52.887 | 23.520 | 29.367 | 558.639 |
| 23 | 52.887 | 22.345 | 30.542 | 528.097 |
| 24 | 52.887 | 21.123 | 31.649 | 496.448 |
| 25 | 52.887 | 19.857 | 33.030 | 463.418 |
| 26 | 52.887 | 18.536 | 34.351 | 429.067 |
| 27 | 52.887 | 17.162 | 35.725 | 393.342 |
| 28 | 52.887 | 15.733 | 37.154 | 356.188 |
| 29 | 52.887 | 14.247 | 38.640 | 317.548 |
| 30 | 52.887 | 12.701 | 40.186 | 277.362 |
| 31 | 52.887 | 11.094 | 41.793 | 235.569 |
| 32 | 52.887 | 9.422 | 43.465 | 192.104 |
| 33 | 52.887 | 7.684 | 45.203 | 146.901 |
| 34 | 52.887 | 5.876 | 47.011 | 99.890 |
| 35 | 52.887 | 3.995 | 48.892 | 50.998 |
| 36 | 52.887 | 2.039 | 50.848 | .150 |
| Total | 1,903.932 | 903.997 | 999.860 | ..... |

An examination of these amortization tables will disclose that a loan of $1,000 bearing 6 per cent interest can be paid off in 16

years by the payment of $100 annually for 15 years and $73.10 for the sixteenth year. In other words, for a little less than 10 per cent straight interest not only can the interest and all overhead charges be taken care of, but the principal can be paid off and wiped out as well. Under the plan now followed, the farmer would have paid $960 interest during the 16 years of the loan, and the principal, $1,000, would still be due in a lump sum. A loan of $1,000, bearing 6 per cent interest and running for the term for 19 years can be paid off at a little less than 9 per cent straight interest. Under the plan now followed, the farmer would have paid $1,140 interest during the 19 years of the loan, and the principal, $1,000, would still be due in a lump sum.

A loan of $1,000, bearing interest at the rate of 5 per cent and running for 20 years, can be paid off in 20 annual installments of $80.24 each, or just a little more than 8 per cent straight interest. Under the plan now followed, the farmer would have paid $1,000 interest during the 20 years of the loan, and the principal, $1,000, would still be due in a lump sum.

A loan of $1,000, bearing interest at the rate of 4 per cent for 20 years, can be paid off in 20 annual installments of $73.58, or a little more than 7 per cent straight interest. Under the plan now followed, the farmer would have paid $800 interest during the 20 years of the loan, and the principal, $1,000, would still be due in a lump sum.

A loan of $1,000, bearing interest at the rate of 4 per cent, running for 36 years, can be paid off in 36 annual installments of $52.88, or a little more than 5 per cent straight interest. Under the plan now followed, the farmer would have paid $1,440 interest during the 36 years of the loan, and the principal, $1,000, would still be due in a lump sum.

The benefits the farmer would derive from this method of meeting his obligation is evident. The principal does not all become due at one time, but, like the interest, it is divided up into small annual and semiannual installments, which he is able to meet without imposing an impossible burden such as the present system does, paying it all at one time.

The great difficulty with which our farmers are confronted and compelled to struggle under the present system is in meeting the annual interest charge, overhead charges, such as abstract fees, commissions, appraisers' expenses, and recording fees. The loan runs but from 5 to 10 years and at the end of the terms the entire principal is payable in a lump sum. The bill which I introduced and the bill which we are now considering both contain the amortization plan, and under it a small amount in addition to the interest is paid at each interest-paying period, and these small sums paid in this way from time to time at the expiration of the term discharge the entire indebtedness. Under the present system the farmer can not maintain his family, pay the expenses of his farm, his labor, his taxes, insurance, keep up the repairs, and pay his interest charges, and at the same time within a period of 5 or 10 years set aside a sum sufficient to discharge the mortgage in a lump sum. As a consequence from time to time, as his mortgage matures, he is compelled to execute a new mortgage and incur new expenses which in time eat up the value of his farm. The virtue possessed by my bill was that there would be practically no overhead charges, no complicated machinery, no vast horde of employees. The postmaster could have been required to perform his services without additional compensation, and the expense of administering the act would have been inconsequential.

The bill we are now considering is 59 pages long, and it will require too much time to review all its details. It follows neither the direct Government-aid plan nor the cooperative credit association plan. Briefly it creates:

1. A Federal farm-loan board to consist of three members at an annual salary of $10,000 each and necessary traveling expenses.

2. A farm-loan registrar for each land-bank district.

3. Such number of appraisers, examiners, attorneys, experts, assistants, clerks, laborers, and other employees as the farm-loan board may deem necessary, all of whom, with the exception of the appraisers, shall be paid their salary and expenses out of the Treasury of the United States.

4. Continental United States shall be divided into 12 districts and a Federal land bank shall be established in each, with a capital of not less than $750,000, which may be increased from time to time for the purpose of providing for the issuing of shares to national farm-loan associations and stockholders, who may secure loans through agents of the Federal land bank.

5. These Federal land banks are to be officered by a president, vice president, secretary-treasurer, and such other employees as the board of directors may determine.

6. The board of directors consists of nine members—six to be elected by the national farm-loan association and three appointed by the Federal farm-loan board, one of the three to be made chairman, and all, in addition to any compensation for services, shall be allowed a reasonable amount for expenses.

7. The capital stock of each Federal land bank is divided into shares of $5 each, and may be subscribed for and held by any individual, firm, or corporation, or by the Government of any State or of the United States.

8. Stock held by the United States shall receive no dividend.

9. The farm-loan board is required as soon after the passage of the act as practicable, to open books for subscription for the capital stock of the Federal land bank in each district.

10. If within 90 days after the opening of the books any part of the $750,000 remains unsubscribed, the Secretary of the Treasury of the United States shall subscribe that amount.

11. Twenty-five per cent of all capital stock subscribed after the bank is established shall be applied semiannually to retire all original stock subscribed at par.

12. Federal land banks and joint-stock banks are made financial agents of the United States Government.

13. National farm-loan associations may be organized by persons desiring to borrow money on farm-mortgage security under the terms of the act.

14. Ten or more persons may unite to form such an association.

15. There shall be a board of directors for each farm-loan association, composed of five who shall elect a president, vice president, secretary-treasurer, and a loan committee composed of three members, the officers and directors except the secretary-treasurer to serve without compensation unless the payment of salaries to them is provided by the Federal farm-loan board. The duties of the secretary-treasurer as defined by the act are numerous and extensive. It is provided that he shall act as custodian of its funds, deposit the same in bank, pay over to the borrowers all sums received for their account, meet all other obligations of the association, collect, receipt for, and transmit all payments of interest, amortization, installments, or principal arising out of loans, act as the custodian of securities, records, papers, certificates of stock, and all documents relating to or bearing upon the affairs of the association, furnish a suitable security bond for the proper performance of his duties, make quarterly reports to the Federal farm-loan board, and, on request by said board, furnish information relative to national farm-loan associations for which he is acting, and carry out all orders of the board. It is made his duty to assure himself from time to time that loans made from the national farm-loan association, of which he is an officer, are applied to the purpose set forth in the application of the borrower, and to report to the land bank any failure of any borrower to comply with the terms of his application or mortgage. He is further required to ascertain and report any delinquent taxes and to name the delinquent.

16. No one can become a member of the association except a borrower, and no member can borrow a sum in excess of $10,000, nor less than $100.

17. Each member of a farm-loan association shall own stock to the extent of 5 per cent of his loan, and his stock is held as additional security for his loan, but it is provided that the dividends on it shall be paid to him, and he may include the amount of his stock in the face of his loan and pay it off on the amortization plan.

18. Shareholders are liable only for their own loans, except to the extent of double the value of the stock they may own.

19. On application made for a loan the land tendered as security is examined by the loan committee, who shall make a detailed written report, signed by all three members, giving the appraisal as found, which shall be filed with the directors of the association, and they are not bound by the report of the association committee. The Federal land bank again has the land appraised by one or more of its appraisers, and can make no loan unless the appraisers report is favorable.

20. Farm-loan associations can not accept deposits.

21. The Federal land bank can make loans only on first mortgages, providing repayment on an amortization plan by means of annual or semiannual installments sufficient in amount to cover the interest on the loan, the charge for expenses, and profits, which shall not exceed 1 per cent, and such further sum as will extinguish the debt in not less than 5 nor more than 36 years, provided that after 5 years from date on which the loan was made the borrower, at his option, may make additional payments in the sum of $25, or any multiple thereof, for the reduction of the principal.

22. It provides that in no case shall the interest exceed 6 per cent per annum.

23. Loans may be made to purchase land for agricultural use, for purchase of equipment and live stock necessary for the operation of the farm, for the erection of buildings, and the improvement of the farm, to pay off indebtedness of the owner

of the land mortgaged existing at the time the farm-loan association was organized or indebtedness subsequently incurred for one of the foregoing purposes.

24. No loan shall exceed 60 per cent of the value of the land and 20 per cent of the value of the improvements, the value to be ascertained by appraisal.

25. No loan can be made except to an actual farmer or a person who is to become an actual farmer.

26. If the land is sold, the purchaser shall have the option for 60 days to assume the mortgage and the stock of the borrower, and, in case of death of the borrower, his heirs have the same option.

27. Every borrower is required to pay, when due, all insurance premiums, taxes, and local assessments lawfully assessed against the land.

28. If the borrower uses the money for any other purpose than that stated in his application, or if he defaults in the conditions of the mortgage, the whole of the loan becomes due at the option of the holder of the mortgage.

29. Federal land banks may be authorized by the Federal farm-loan board, when no national farm-loan association is organized in any particular locality, to make loans through agents approved by the board, the borrower in such case to purchase stock to the extent of 5 per cent of his loan.

30. Only incorporated banks, trust companies, mortgage companies, or savings institutions can act as agents. These agents may be paid for their services not to exceed one-half of 1 per cent per annum on the unpaid principal for their services, and they must collect and forward to the Federal land bank all interest and amortization payments and indorse and become liable for all loans which they negotiate.

31. Corporations to be known as "joint-stock land banks," for carrying on the business of lending on farm-mortgage security and issuing farm-loan bonds, are authorized and are made subject to the provisions of the act, except that the Government is not required to take any of their stock.

These constitute the material provisions of the act in so far as they relate to the creation of the system, its scope, and purpose. The remaining provisions of the act are largely administrative and treat of applications for farm-loan bonds, the issuing of farm-loan bonds, the form of farm-loan bonds, special provisions of farm-loan bonds, application of amortization and interest payments, reserves and dividends of land banks, exemption from taxation, investments in farm-loan bonds, examination, dissolution, and appointment of receivers, State legislation, penalties, organization expenses, and limitation of court decisions. While the bill does not go as far as I would have it go, it is so much better than I had expected the committee to report that I am gratified to be able to support it.

In my judgment it presents a workable plan, and when established will result in reducing interest rates to our farmers. It carries a provision of Government aid to the extent of requiring the United States to subscribe the stock to the 12 land banks, which will be $9,000,000. It gives Government supervision, and this insures the ready sale of the bonds at a low rate of interest, not so low perhaps as if their payment were guaranteed by the Government, but it will at least enable the farmer who owns land to borrow money as cheaply as those engaged in other lines of business.

The establishment of these banks, these farm-loan associations, and all the multitude of officers—presidents, vice presidents, directors, examiners, attorneys, clerks, appraisers, and so on—will not have the effect of reducing overhead charges to that extent which ought to have been done in order to relieve the farmers of that burden. I have made an estimate of the cost of administration under this bill:

| | |
|---|---|
| 3 members Federal farm-loan board, each annually $10,000 | $30,000 |
| 12 farm-loan registrars, each annually $5,000 | 60,000 |
| 12 (at least) land-bank appraisers, estimated salary each $3,000 | 36,000 |
| 12 (at least) attorneys, estimated salary each $3,500 | 42,000 |
| 12 (at least) assistants, estimated salary each $2,500 | 30,000 |
| 12 assistant land appraisers, estimated salary each $2,000 | 24,000 |
| 1 Federal board attorney, estimated salary | 10,000 |
| 12 bank examiners, estimated salary each $3,000 | 36,000 |
| Mileage and expenses, estimated $5 per day | 18,000 |
| Expense preparing amortization tables | 2,500 |
| Mileage and expenses directors | 10,800 |
| 1,000 (estimated) secretaries farm-loan associations, each $250 | 250,000 |
| 108 directors for banks, estimated salary each $2,500 | 270,000 |
| Expense loan committees | 7,500 |
| Premiums on surety bonds | 50,000 |
| Cost of dies, engraving, and special papers | 20,000 |
| Fixtures for 12 banks, at least $5,000 each | 60,000 |
| Clerks, laborers, etc., estimated | 65,000 |
| Investigation of farm-loan associations, estimated $25 each | 25,000 |
| 5 per cent of association loans (for stock) | 100,000 |
| 5 per cent membership for loans | 100,000 |
| Special organization expense (bill appropriation) | 100,000 |
| Total | 1,346,800 |

Another provision of the bill which I believe ought to be left out is the double-liability provision. These farm-loan associations are not organized for the purpose of profit. They are essentially a borrower's institution. It was the intention of the committee that the institution should not be operated for gain, because it wisely prohibited anyone from owning stock except the borrower. I presume the double-liability provision was placed in this act because it is the national banking act, and stockholders in those banks are made doubly liable. There is a vast difference between farm-loan associations and national banks. Stockholders in national banks purchase their stock for the dividends it pays. The law permits national banks to accept deposits and to loan out these deposits. In this manner the stockholders make a profit on their investment. Stockholders who enjoy these privileges and the chance to make a profit ought to be required to give attention to the business in order to insure the depositor against loss. Not so with these farm-loan associations. The investment is not made for profit and the association is not permitted to accept deposits. Another thing, a farmer is naturally timid about going into something that he does not thoroughly understand, and, when the chance of loss in double the amount of his stock is put before him, it will cause a great many who otherwise might avail themselves of the benefits offered by taking stock to refrain from doing so.

The act very wisely provides that the Federal land bank may, where no other farm-loan associations are organized in any particular locality, make loans through agents, but it is further provided that only incorporated banks, trust companies, mortgage companies, or savings institutions, can act as agents, and these agents are required to collect and forward to the Federal land bank all interest and amortization payments and to indorse and become liable for all loans made through them. Now, I do not believe that it will be possible for any land bank to appoint an agent under those conditions. The land bank reserves the right to accept or refuse all loans sent it by the agents. It reserves the right to have the land and improvements appraised and to fix the amount of the loan; still the act requires the agent to indorse and become liable for the loan. It does not provide compensation for such liability assumed by the agent.

In a very large part of the United States it will be impossible to organize these farm-loan associations, and if section 15 is not amended the people of those sections where farm-loan associations are not organized will not be able to enjoy the benefits of this act. The fact that no one except an incorporated bank, trust company, mortgage company, or savings institution can be appointed an agent and the fact that these agents must indorse and become responsible for every loan made through them will make it impossible to secure agents. You might as well destroy the entire act as to expect it to be a workable law if this section is retained. There is no necessity for the restrictions contained in this section. The Federal loan bank reserves the right to reject applications made through its agents and the act provides that no loan can be made until it has been reviewed and a favorable report made by one of its appraisers. So finally the Federal land bank makes the loan itself and the agent has nothing to do with it.

Now, these restrictions ought not to have been placed in this section unless it was the idea of those who drew the bill to make it unworkable.

With section 15 amended as I have indicated, the bill will be a long step in the direction of the establishment of an effective rural-credits system that will do justice to the producing classes of our country. It is opposed by the Chamber of Commerce of the State of New York. I have before me their resolutions, passed at the one hundred and forty-eighth annual meeting of that body, held May 4, 1916, and, among other things, the resolutions say:

*Resolved*, That the Chamber of Commerce of the State of New York opposes any method of agricultural banking in the United States which requires the use of Government funds or the use of any postal savings deposits in any rural banking project, or any legislation exempting from taxation any particular class of obligations.

These resolutions are signed by many eminent financiers, and among them are Mr. Frank A. Vanderlip, president of the National City Bank of New York City; Cleveland H. Dodge, a director with J. P. Morgan, of the National City Bank of New York, and a director of the American Brass Co., Commercial Mining Co., Copper Queen Consolidated Mining Co., Detroit Copper Mining Co. of Arizona, Lackawanna Iron & Coal Co., Montezuma Copper Co., and the United Globe Mines; and George F. Baker, jr., a director of the First National Bank of New York and the son of a director of the United States Steel Corporation. If their advice were followed, it would be impossible to establish a system of rural credits in this country.

No successful system has ever heretofore been established by any country in the world without Government aid.

The "landschaften" system received subsidies from the German Government when it was organized, and the German Government now provides supervision and control. Under this system the farmers in Germany get money on land at 3½ per per cent, adding 1½ to 2½ per cent per year as amortization payment to apply on extinguishing the debt, and the total cost of their loan is from 5 to 6 per cent, which takes care of the interest and discharges the principal in a given number of years.

The Credit Foncier, when it was established, was subsidized by the French Government and given a monopoly for 25 years. It is a Government subsidized and controlled bank for loaning money on real estate, and the interest rate is 4.2 per cent. The Crédit Agricole Mutuel is subsidized by the French Government, money obtained from the Bank of France being supplied the district banks without interest, and these funds loaned to local associations upon suitable security.

In 1883 the Russian Peasant Land Bank was organized, and loans to the extent of 90 per cent of the value of land are made, repayable from 13 to 55½ years, with interest at 4 per cent, to which is added the amortization payment.

The Austro-Hungarian Government aided rural-credit institutions in starting.

Switzerland has 28 land-credit institutions, operated by the State, whose debentures are guaranteed by the State.

Denmark—about the size of the average congressional district—advanced $5,360,000, without interest, to establish the Mortgage Bank of the Kingdom of Denmark. This bank is of the same character as the land bank established under the provisions of this bill. It buys the debentures of the local land institutions, and, in addition, Denmark makes annual appropriations out of its treasury, which amounted in 1909 to $1,720,000, to be lent to small holders.

Sweden endowed the Sweden General Mortgage Bank at its founding with $2,144,000, and in 1890 the bank was given a subsidy of $8,040,000 in Government bonds. This is a central institution to aid the 10 local landowners' mortgage associations in the sale of their debentures.

The Agricultural Bank of Egypt is controlled by the State. The National Bank of Egypt, closely connected with the State, owns one-half of its capital stock, a 3 per cent dividend is guaranteed on the stock by the Government, and when it is necessary to sell its bonds at a reasonable rate of interest, the Government guarantees their payment.

Japan guarantees a 5 per cent dividend for 10 years on the stock of Kwango Ginko, or central land-credit bank of Japan. It also gives a subsidy of $4,980,000 to the 46 local or district land banks, called the Noko Ginko.

There is a class of farmers, Mr. Chairman, for whose interest this bill makes no provision. I refer to the tenant farmer, who owns no land and who is unable to pay 40 per cent of the purchase price of a farm before he can enjoy the benefits of this act. There are a large number of farmers in my State that belong to this class and they will compare with any other class of our citizenship in intelligence, in patriotism, and in industrious habits. They have been unfortunate, and they are struggling from 12 to 14 hours a day in order to take care of their families and to lay aside enough with which to purchase a permanent home. This class is perhaps larger in my State than in any other State in the Union, and this grows out of the fact that more than one-half of the area of our State, up until a few years ago, was an Indian reservation and no one owned a fee simple title to an acre of it. When this Indian reservation was divided up it was given in allotment to the members of the tribe and certain restrictions were placed upon their power to alienate it. So the larger part of the land in the eastern part of our State is cultivated by tenants. More than 60 per cent of the farmers of Oklahoma are renters, and practically 40 per cent of the farmers throughout the United States are tenants.

These tenant farmers are the ones who should receive our most earnest attention. To relieve their condition and make it possible for them to own a home is a duty which Congress not only owes them, but owes, as well, to all the people of the United States. No country occupied by those who are compelled to rent land, in all the history of the world, has ever maintained prosperity for any considerable length of time. It is only a question of time until dissatisfaction, disorder, riot, and anarchy break loose.

That conditions like these have not existed in the United States already is very largely due to the fact that heretofore the Government has had unlimited millions of acres of public domain to give away, or practically so, to actual settlers, but the desirable lands, suitable for cultivation, have all been homesteaded, and there remains but a few hundred million acres of arid or semiarid land that is not subject to occupation by farmers. As time goes on and our population increases in density this question will grow more pressing, and we had as well look it squarely in the face now as to be compelled to do so later. Being unable to locate our landless farmers on unoccupied public domain, the Government of the United States had just as well prepare to furnish them homes in another way. Not by giving them anything, but by assisting them, by their own industry, to acquire a home and thereby add to the prosperity of the whole country.

A few years ago England found herself face to face with this problem in Ireland, and in the last 35 years the English Government has purchased and taken over a large number of the landed estates in Ireland and sold them direct to the Irish farmer on long time, bearing a low rate of interest. The total appropriation out of the English treasury during the past half century for this purpose has been more than $2,000,000,000. As late as 1913 the English Parliament appropriated $500,000,000 to help Irish tenants buy land, they to become owners by paying 3½ per cent a year (2¾ per cent interest and ¾ per cent on the amortization plan), the annual payments to be extended over a period of 68 years.

The school districts of Texas and Oklahoma have been sold to actual settlers on 40 years' time at a low rate of interest. The amortization plan of payment was not included in the sale because the idea at that time was not thoroughly understood. Had it been included, the proposition would have been a great deal more ideal both to the purchaser and to the State.

Russia has gone even further than Great Britain in extending State aid to the purchasers of small farms. Through land-purchasing acts 20,000,000 small holdings to the value of more than $1,000,000,000 were created, the Government funds so advanced being repaid on long time and at a very low rate of interest.

Land is advancing in value, and the denser our population becomes the more valuable land will grow. The Government ought to establish the farm-loan bureau provided for in my bill, and, in addition to providing direct aid to the borrowers who already own land, it should be authorized to purchase good farm land and sell it out in small tracts to the farmers who now own no land on long time, at a low rate of interest, to be paid on the amortization plan. I know this idea will be frowned on at this time; that it will be called a dream and criticized as impossible; but within the next 25 years those of us who live that long will see the idea well advanced. The sooner it is begun the better off our people will be. It is not giving away anything. It is merely helping a worthy class of our people, who have been unfortunate, to acquire a home and permitting them to pay full value for everything they receive.

We appropriated $35,000,000 to build a railroad up in Alaska in order to develop that country and not render it necessary to turn it over to private greed and exploitation. We have spent nearly $400,000,000 to construct a canal across the Isthmus of Panama, and we will never be able to collect 2 per cent on that investment. We spent a thousand million dollars to free the people of Cuba, and in the 18 years that have elapsed since the close of the War with Spain we have expended nearly a billion dollars in uplifting and enlightening the people of the Philippine Islands. Since 1802, when we first commenced to make river and harbor appropriations, we have appropriated out of the United States Treasury more than $850,000,000 for deepening harbors, digging out rivers, and making dry creeks navigable. We have before us now a bill carrying an appropriation of $50,600,000 to levee the Mississippi and Sacramento Rivers and to prevent overflows and floods on the adjacent lands. We have been spending for a number of years more than $250,000,000 a year for the support of the Army and Navy, and some of our people are now trying to scare us into making appropriations of a billion dollars a year for that purpose.

Here is a bill more general in its application than any or all of the bills mentioned, a bill which will carry relief and encouragement to more people than any or all of the other bills combined; yet Members profess that it is a dangerous bill because it carries an appropriation of $9,000,000 to establish the system; and when it is suggested that the Government purchase land and sell it to the tenant farmers they almost go into hysterics.

Mr. Chairman, this bill will pass in some kind of form, and I am going to vote for it, not because I approve of its provisions as a whole, but because it is a long step in the right direction, and, in my judgment, will provide the opening wedge that will enable the people of the United States within a very few years to establish a system of rural credits that will take care of the three classes who need aid: First, those who own land or are able to pay 40 per cent on the purchase price of a farm; second,

those who own no land and are unable to pay any part of the purchase price; and, third, those who are compelled to borrow at planting time in order to cultivate their crop and make payment at gathering time; and an ideal system in my judgment would be: For the first class, Government aid; for the second class, Government purchase and sale on long time, purchase price to be repaid on the amortization plan and the loan to bear a low rate of interest; for the third class, the establishment of joint-stock associations, because this involves credits secured by a personal indorsement or mortgage on personal property, and, the property being destructible, an element in the credit is necessarily the honesty and integrity of the borrower. When a system has been evolved which contains these three elements the Government will have discharged its obligation to the producing masses of our country. This bill opens the way and it will not be long until a perfect system will have been established.

Mr. Chairman, all this talk about the Government being unable to collect these loans is balderdash. A number of our States are, and have been, engaged for many years in loaning their school funds to the farmers with great success. I have a letter from the secretary of the school-land board of my State, Mr. George A. Smith, and in it he says that since statehood in 1907 the State has made 6,686 loans on five years' time at 5 per cent, and that these loans aggregate $6,538,928.03; that the State has not lost 1 cent.

The farmers of the United States are among its best credit risks. They do not seek special favors; all they ask is fair terms.

I have given much attention to the subject of legislation for the benefit of the farmers since I have been a Member of Congress, and I am glad to have contributed, in a small way, to the passage of the bill appropriating $25,000,000 in aid of good-road construction; the Post Office appropriation bill, which extends better rural mail delivery service; the bill creating a bureau to investigate and establish a system of farm marketing which will increase the price received by the farmer for his products and at the same time reduce the cost of these products to the consumer by cutting out the profits of the middleman; a bill prohibiting dealing in cotton futures; the grain-grade bill, which makes the grading of grain uniform, so that the farmer may sell his products in his home market on the same grade that is applied to them in all the markets of the world; the bill creating a system of licensed warehouses for the storage of cotton, grain, and other farm products, and the issuance of warehouse receipts which are made negotiable instruments, enabling the farmer to warehouse his products and use the receipts as collateral security.

All of these laws have passed the House during this session of Congress, and it is a record of constructive legislation in the interest of the farmers unparalleled in the history of our country. The Democratic Party can very confidently go to the country on its record of constructive legislation for the relief of the producers of our country without fear of their verdict. [Applause.]

Mr. HAUGEN. Mr. Chairman, I very much dislike to differ with the chairman and members of this committee. I dislike it because I know that each and every one of them has given this matter most conscientious and careful consideration with the view of reporting and passing a workable bill. That is what is desired and that is what Congress ought to provide. I regret exceedingly to have to say that in my opinion the bill will not be operative and will not bring about the results so much desired.

This bill provides, first, for a Federal farm-loan board, which shall consist of three members appointed by the President, each receiving an annual salary of $10,000, together with actual necessary traveling expenses. Next, it provides for one farm-loan registrar in each of the 12 land-bank districts, one or more appraisers, one or more examiners, attorneys, experts, assistants, clerks, laborers, and others that may be deemed necessary to conduct the business of said board; the salaries to be fixed by the board, and all appointments made without regard to the classified civil service. Here it is proposed to employ a large army of people and make expenditures estimated at $500,000 annually in addition to the $9,000,000 capital stock to be subscribed by Uncle Sam. All appointments are to be made under the spoils system with no limit upon the board in fixing salaries, there being the possibility of nothing for them to do.

Mr. PHELAN. Let me point out that the farmers' loan board by this provision will not be paid by the farmers, except so far as the farmer pays taxes to the United States Government.

Mr. HAUGEN. Uncle Sam will have to pay the bill.

Mr. PHELAN. The system does not pay the bill.

Mr. HAUGEN. But Uncle Sam will have to pay a large share of the expenses and the borrower the balance. We will have a large army of employees, with salaries to be fixed by the various officers, which, I believe, is absolutely unnecessary.

We already have a Federal Reserve Board, with an army of employees, drawing large salaries, with very little to do. Why not turn this proposed branch of Uncle Sam's banking institution over to the Federal Reserve Board, already established, and thus do away with the proposed unnecessary overhead charges, so the $10,000 men already in the service, playing golf, may have something to do. That is, they will have something to do if the system is found workable and is proven to be a success, which, of course, is very much in doubt; in doubt, first, because of the red tape.

Mr. MOSS of Indiana. Who pays the salary of the present reserve board?

Mr. HAUGEN. It does not matter. I am not finding any fault with the board, but——

Mr. MOSS of Indiana. Paid by the commercial banks and not by the Government.

Mr. HAUGEN. I am merely suggesting that some of these overhead charges and the red tape that has been pointed out may be eliminated. Under the bill the borrower, in order to come in under the act, must subscribe for stock in the association to an amount equal to 5 per cent of the face of the desired loan, to be paid in cash upon the granting of the loan. So if a farmer desires to borrow $1,000 he must either pay $50 in cash or accept only $950 and a $50 stock certificate for his $1,000 mortgage. In either event he subscribes and pays for the stock and pays interest not only on the money received, but on the stock subscribed for, and also takes chances on ever getting anything in return for the money thus invested or dividends thereon. In order to become a member of the association he must be accepted by a two-thirds vote of the directors. He makes application, an appraisal is made, which is referred to the loan commission. The commission examines the land and in turn make a detail written report, which must be signed by all of its three members. The report goes to the Federal land bank, whose directors examine and refer it to one or more of the appraisers appointed, as provided for in this act, who investigate and make a written report. If that report is favorable, if the Federal farm-loan bank approves and accepts the report and application and if bonds can be or have been sold so that there is money on hand, Mr. Farmer finally gets $950 cash, less expenses incurred, and $50 stock certificate for every $1,000 mortgage, interest at 5 per cent, with 1 per cent added for subsequent expenses, aggregating 6 per cent. That is, provided the loan is made for the purchase of land for agricultural use, equipment, and live stock necessary for the proper and reasonable operation of the farm, or to provide buildings and improvements for the farm land, or to liquidate indebtedness.

If any of the $950 is expended for purposes other than specified in his original application the whole of said loan shall, at the option of the bank holding same, become due and payable. So if any borrower uses $1 of the money borrowed for buying groceries the whole loan becomes due and may be called in by the bank. If so, Mr. Borrower, instead of having 36 years in which to pay the loan, under the amortization plan, must pay upon call, and this, after having stood all the expense in obtaining the loan. Besides he has $50 stock pledged for every $1,000 loan, or made liable for losses incurred not only by one bank but by 12 banks.

Section 20 provides that every land bank issuing farm-loan bonds shall be primarily liable therefor, including interest payments; that bonds issued shall include a statement that the assets of all the Federal land banks are jointly and severally liable for the payment of each bond, and that the bond is legal and regular in all respects; and that the directors of every Federal land bank shall obligate the bank to become liable on farm-loan bonds as provided in this section. So there is no question about Mr. Borrower's bond being made liable for losses and expenses incurred by all of the 12 banks, a proposition which, I believe, will cause the borrower to think twice before making the investment. Though a borrower in Iowa may have confidence in the management of the bank in his district, he may question it in some of the other 11 districts. Furthermore, he may question the advisability of pledging his farm in part as security for loans more undesirable in other districts.

Next the bill provides that the amount loaned to any one borrower shall in no case exceed $10,000, and that no loan shall exceed 60 per cent of the value of the land mortgaged plus 20 per cent of the value of permanent improvements thereon. If a farmer in my section of the country owns, say, 160 acres of land valued at $125 an acre, although most of it is valued above

that, with permanent improvements worth $5,000, under the bill he might, if it were not for the limit, borrow 60 per cent of the value of the land, or $12,000, and 20 per cent of the value of the improvements, or $1,000; total, $13,000 in cash and bonds, but the limit is $10,000; that is, $9,000 in cash and $1,000 in stock. Hence if he needs more than $9,000 in cash he is barred from getting more.

With the red tape, the possibility of the expenses piling up into the hundreds, as, for instance, has been alleged was the case in perfecting title and passing on abstracts in acquiring title under the Weeks Act, the restrictions, the numerous items of expense, the time consumed in making the loan, and high rate of interest to be charged, it is fair to assume that few, if any, in my section of the country will come in under this act, certainly not as long as money can be had at a lower rate of interest.

In Iowa the rate of interest, including commissions, as shown by reports and tables here in evidence, is reported to average less than 6 per cent. If so, I take it that no one would pay 6 per cent on $1,000 for every $950 received, when he can get money elsewhere at a lower rate, at less expense, in a shorter time, and with less inconvenience.

But you say this bill is not in the interest of these people.

Mr. PHELAN. Of course, the committee does not say any such thing. Do not quote the committee as saying that.

Mr. HAUGEN. The committee will have to admit it.

Mr. PHELAN. We do not admit it at all.

Mr. HAUGEN. Evidently this bill is not framed in the interest of the borrower. If made operative it would, of course, be of great advantage to the capitalist. They were the first to suggest the legislation, as is well known. First, bankers and capitalists appeared before the Committee on Agriculture. Since then the matter has been referred to the Committee on Banking and Currency. I take it that heavy money lenders have been generous in offering suggestions as to the framing of this bill.

It goes without saying that capitalists, or anybody with money to loan, would much prefer to walk up to a counter and subscribe for bonds exempt from taxes, with title guaranteed, and with the land, permanent improvements, and Uncle Sam's $9,000,000 pledged as security, rather than employ fiscal agents, or they themselves receive and pass upon applications, abstracts, and look after the payment of taxes, insurance, interest, and principal when due. Certainly, if the security and rate of interest on the bonds are the same or better than the mortgages. But with the sane and conservative investor the first thing to be taken into consideration is the security offered. Insurance companies, savings banks, capitalists, and others who have money to loan, generally loan it expecting to have it repaid, and not for the purpose of getting the land; therefore, security is first considered. That is why money is loaned in the "corn belt" at a lower rate of interest than in other sections where the land is less productive. In the corn belt, where the soil is rich and productive, when industry is intelligently applied, foreclosures and sheriff sales are practically unknown. In other sections, with limited and uncertain rainfall, with large expenditures for commercial fertilizers, with adverse labor conditions, and with farms yielding small if any returns, mortgages are foreclosed and lands deeded by the sheriff to the mortgagee. As a result the securities offered there are less attractive than those offered in the corn belt and more fertile and productive sections. I take it that for that reason it is contended by some that the security of one should be made liable for the other, and thus make the undesirable security more attractive. But that has not been provided for, aside from the capital stock. Hence we are exactly where we started. Nothing has been added to the undesirable security in those districts except the capital stock subscribed.

I appreciate that Congress can, by legislation, safeguard the banking system, but it is beyond the power of Congress to legislate confidence or value into farm lands without adding something material in form to the land. Congress can appropriate money from the Treasury or pledge Uncle Sam's credit; it can provide for the necessary machinery to conduct the business; but, after all that is done, the soil and permanent improvements remain the same. If the land and permanent improvements are poor at the start, such legislation has added nothing to its productiveness, location, or value.

With this situation, I take it that the high rate of interest now charged will continue, especially with the provision granting authority to loan 60 per cent on the value of the land and 20 per cent on the value of the permanent improvements, which, in my opinion, would result in loading down the banks with real estate, and leave them without money to pay the interest or principal of the bonds. The 60 per cent and 20 per cent would equal probably 70 per cent of the value of the land. I know of no one now loaning such an amount. Several years ago millions and millions of dollars were loaned in some of the Western States on the bases of 40 per cent and 50 per cent. Crops failed, and mortgagors defaulted both in interest and principal. Mortgages were foreclosed. The mortgagee had costs and taxes to pay, and in many instances did not realize enough out of the land to pay the costs and taxes. From that time, interest on farm loans has been high in those sections and will be unless conditions materially change. If not deemed safe by the money lender to loan 40 per cent or 50 per cent of the value of the land in those sections, certainly they will not invest in bonds of a bank or corporation, such as Federal land banks, national farm-loan associations, joint-stock land banks, Government agencies, or agencies of Federal land banks, as provided for in this act, loaning 70 per cent of the value of the land. As we all know, there is a limit to everybody's credit, even Uncle Sam's when indiscriminately pledged. If so, the scheme of the money lenders has been interfered with.

If the farmer, with choice and attractive security to offer, will not borrow and pay the rate and expense demanded, there will be no securities against which to issue bonds. But the contention is, that the bill under consideration was not drawn with the view of benefiting the borrower in the corn belt or in sections of the country where the rate of interest is low, nor for the investor. The contention is that they need no help, as they are now able to borrow money on reasonable terms and rate of interest, but that we must help those now paying a high rate of interest, especially the poor people of the South. Again and again it is the South. Help the poor people down South.

If the investor will not invest in the less desirable security, there will be no one to buy, and as a result the proposed plan becomes inoperative, and the only ones to be benefited are the army of employees who are to be employed at Uncle Sam's expense. If so, and if we are to redeem pledges made in party platforms, we should enact laws to make money easy, not to the position holder but to the borrower. Instead of providing for more overhead charges, we should utilize the machinery which we already have. Instead of Uncle Sam's now subscribing for stock, we should, when loans are made on conservative bases, backed by proper and adequate security, and guaranty made that the business will be conducted in a safe and businesslike manner, rather deposit with the institution, for its use and the benefit of the borrower, some of the idle funds stored away in the Public Treasury. Instead of passing sectional measures, drawing on the funds of one community from the North to pay losses and expenses of another from the South, as is proposed in this bill; instead of appropriating $20,000,000 for a nitrate plant on Muscle Shoals or Coosa River, down South, to supply the South with cheap fertilizer; instead of appropriating $105,000,000 for the construction of levees and revetments, as is proposed in the floods bill and pointed out by the gentleman from Wisconsin, practically all of it for the Southern States; instead of appropriating $632,400 and $60,000 for the eradication of southern cattle ticks and live-stock demonstration, $661,300 for the eradication of the cotton-boll weevil, and numerous other like appropriations, particularly for the South, and sectional in their character; and in the same bill denying the people in the North and the corn-belt section $150,000 for the construction and maintenance of a hog-cholera serum laboratory, it seems to me that it is high time to enact practical legislation that will benefit people in all sections of the country. It is said that a hog-cholera serum laboratory, to give the department an opportunity to demonstrate the merits of the serum, is Government ownership and is socialistic in character, but $20,000,000 for a fertilizer plant in the South is not. No; it is the old story; it is the dog that wags the tail. It is the majority that rules. The South being in the majority and always in control of the Democratic Party continues to rule. And as the prospects for its party success are not the brightest, evidently the plan is to take no chances but take everything in sight. Therefore the process of lining up Democrats of the North for sectional measures favorable to the South through the caucus system goes on. With a majority in the caucus, all the important committee chairmanships, with the exception of the one held by Tammany, and the President back of them, the South has the unquestionable power as well as the inclination. As a result, the American people will have added to their burden not only the items referred to, but cotton and other war claims, aggregating hundreds of millions of dollars, made legal and proper by proposed legislation relieving claimant of proving loyalty.

Going back to the bill under consideration, this much can be said for it: At the start it will cost Uncle Sam only $750,000 for each district organized, and expenses incurred which are estimated at $500,000 annually for all of the districts, and as

amended $500,000 annually to pay interest on bonds. So far, every taxpayer must pay his share; beyond that it is permissive, not compulsory. If made operative, it may be worth the price. If inoperative and no organizations are made under it, no subscription by Uncle Sam will be required. Furthermore, in time of stress, when money can not be had from insurance companies, banks, or capitalists, it is possible that it may serve some good, and as it is the only legislation that can be had upon the subject it may be worth a trial.

For years the people in the rural districts have been promised relief. They have a right to expect and insist upon beneficial legislation along the lines suggested in this bill; hence in the hope that the bill will be amended and improved upon in conference, or if not and if found inoperative, that it will later be amended, I shall join with the many who doubt its being workable in voting for the bill—that is, if it is not loaded down with further unwise and impracticable amendments.

Mr. DILL. Mr. Chairman, I have sat here several days listening to discussion of this bill and, first, I desire to say that I hope the amendment of the gentleman from Texas will be adopted, because I believe farm-loan bonds are as safe a form of security upon which to base Federal reserve notes as any commercial paper that can be found anywhere. I shall vote for this amendment, just as I have voted for a number of other amendments to this bill, a few of which have been adopted, but most of which have been defeated. But whether this amendment is adopted or not, I intend to vote for this bill on final passage, because I desire to see some kind of rural-credits legislation enacted at this session of Congress. [Applause.]

During the past few months I have received a large number of letters from farmers in my district on the subject of rural credits, and many of them have urged me to vote against this bill. A number of granges and farmers' unions in my district have sent me resolutions asking me to vote against this bill, but I have uniformly replied that I hoped to see the bill so amended that it would enable the farmers of the country to borrow money for a long period of time at low rates of interest. Even though the bill before us does not contain all of the provisions we desire, I think it better to adopt it and thereby place upon the statute books some system of rural credits rather than to defeat it and have no legislation on the subject whatsoever.

IF THIS PLAN FAILS WE CAN AMEND IT.

If the theories of those who have written this bill are correct and we find that the farmers are able to secure money, as gentlemen here say they will be, we shall all rejoice that the bill was passed. If, on the other hand, the law should prove a failure, we can then amend the legislation in such a manner as to give the desired relief, and I feel certain that those who oppose some of the amendments now brought forward will then be glad to champion them. A law of this kind is at best an experiment and we shall certainly improve it as we learn of its defects.

WASHINGTON FARMERS ARE INTERESTED.

Mr. Chairman, I am indeed glad to have the opportunity to make a few remarks upon this bill. The people whom I have the honor to represent are most vitally interested in this legislation. They have suffered severe hardships because of the lack of a system of banking by which they could secure money at a low rate of interest for long periods of time. They live in a new State and in its settlement they have been beset by all of the misfortunes attendant upon the development of a new country. One of the greatest handicaps to the people of the State of Washington has been, and still is, the lack of capital with which to develop the land. I want a rural-credit bill passed, because I believe it will lead to the development of more land and thereby make more homes as well as better homes. I want this bill passed, because I believe it will result in more of our citizens having an interest in the land. This will mean a stronger and a happier people, because land and liberty are closely associated. I believe that the full fruition of rural-credit legislation will eventually draw thousands of people nearer the soil and inevitably bring a higher degree of physical and political health.

WASHINGTON'S INCREASE IN PRODUCTION OF WHEAT AND APPLES.

The State of Washington has made wonderful development during recent years along agricultural lines in spite of the exorbitant rates of interest charged our farmers. Two decades ago we produced only 8,000,000 bushels of wheat, while last year our production exceeded 50,000,000 bushels. Washington ranks fourth among the States in the production of spring wheat, and in 1913 ranked fifth in both fall and winter wheat. In the average yield per acre of winter wheat only two States surpassed the State of Washington.

The rapid development of the apple industry throughout that State, and especially in my district, has never been equaled at any time or in any place in the history of this country. In 1900 our apple production was 728,978 bushels. Last year we produced 7,299,000 bushels of apples. Not only do we produce large quantities of apples but we produce the finest apples in all the world. The apples which won the world's sweepstakes at the Panama-Pacific Exposition at San Francisco were grown in the State of Washington, in my district, near the town of Brewster. The apples of Wenatchee, the Okanogan Valley, North Yakima, and, in fact, of the whole inland-empire country surrounding Spokane are not surpassed anywhere in the world. Yet there are literally hundreds of thousands of acres of land in the State of Washington capable of producing fine fruit and grain which are barren because men are without capital to develop the land.

FARMERS NEED THIS ASSISTANCE.

This bill, however, is designed primarily to help the farmers already living on the land, and there are thousands of such farmers who need help. A friend of mine, in speaking against rural-credit legislation, said to me recently, "When you adopt a rural-credit law you will encourage the farmer to be extravagant, and within two years every farmer in the country will be owning and driving an automobile when he should be at work on his farm." I replied, "I do not believe it, but I hope it is true." It is just this sort of feeling which for years has been a stumbling block to the passage of legislation designed to aid the men and women who till the soil. God speed the day when every American farmer can have his automobile and enjoy life like other men. Speed the day when the farmer's boys and the farmer's girls will be able to enjoy the same advantages now enjoyed by the boys and girls of city folks. I am still young enough to remember the trials and disadvantages that come to a farmer's boy whose parents are poor. As long as I shall be able to remember anything I shall remember how the debts owed by my father when I was a boy seemed always to cast a shadow—sometimes almost a pall—over the sunlight of my hope for advancement in later years. Well do I remember when as a boy I was denied the purchase of books I wanted and subscriptions to newspapers and magazines for which I longed, and all because the burden of interest kept us so poor. This is a kind of poverty that pinches in places where boys do not soon forget. Nor was our family the only one in that condition. It was a condition common to many of our neighbors who had mortgages falling due and high rates of interest to pay on their debts. This condition existed, too, in a fertile farming country.

Nor have conditions changed greatly since those times. There are to-day literally hundred of thousands of farmers all over this country, who with their families struggle from year to year to pay off the interest on their mortgages, to say nothing of paying the principal, farmers who grow gray eking out an existence and trying to save a few dollars for the rainy day which is sure to come. And why? Primarily because of the high rates of interest they are compelled to pay and the terms upon which they must pay the principal. For my part I am willing and anxious to vote for any law that is designed to help that class of people. I am sure that those who do not need the help which such a law will give will have no objection to its passage, while those who do need it will never cease to be thankful. [Applause.]

FARMING BUSINESS NEEDS CREDIT.

One of the things which we should remember is that farming is a business just the same as manufacturing, railroading, or merchandising is a business, and like any other business it can be successfully developed only when given sufficient adequate credit. I submit that the farmer's needs are just as important to the farmer and to the country as the merchant's needs are to the merchant and the country. We all know that credit is the foundation upon which our commercial and industrial structure rests. Take credit from the merchant, the railroad president, or the manufacturer and their business must stop and go into bankruptcy. I am told that while their is only $4,000,000,000 of actual money in the United States, the people of this country deposited in the banks more than $19,000,000,000 last year. Where did the other $15,000,000,000 come from? Why, it is credit. If you go to the bank and borrow a thousand dollars you do not take out $1,000 in cash, or if you do you are the exceptional borrower. What you do usually is to get credit for $1,000 against which you check until that credit is exhausted. It is just such credit that is used by the entire commercial and industrial world. The trouble is, that this credit is industrial and commercial, and not agricultural.

The Sixty-third Congress performed what is probably the greatest achievement in the financial history of this country by passing the Federal reserve bank act, because it makes possible the expansion of credit in accordance with the needs of business,

but that law does not pretend to give the farmers any great amount of agricultural credit. It fails to supply credit to the millions and millions of American farmers with which to purchase land, farm implements, and better stock, all of which are necessary if the farming business is to thrive as it should thrive.

OUR GOVERNMENT THE LAST TO ESTABLISH A RURAL-CREDIT SYSTEM.

Of all the Governments of civilized peoples of which I have been able to learn, ours is the last to put its shoulder to the wheel of agricultural advancement. We have watched other countries prosper under rural-credit systems for years, while we have held aloof. Even now there is such tremendous opposition to the Government's giving direct aid to the establishment of a rural-credit plan that those of us who want real Government assistance admit we must take what we can get. Even in face of this condition, I desire to pause long enough to review briefly what other Governments have done toward the establishment of such systems, and thereby show the singular position in which this Government is placing itself by refusing substantial Government aid to this system.

WHAT OTHER GOVERNMENTS HAVE DONE.

As long ago as 1769 Frederick the Great inaugurated the landschaft system in Prussia to assist the impoverished peasant people of that country. They have developed the system under Government supervision to the point that they borrow money at 3½ to 4 per cent on land. Modern Germany has organized agriculture on such a plane of efficiency that to-day she feeds her people at home and her armies in the field, although surrounded by a ring of steel on both land and sea.

France has the Credit Foncier system, under which the Government advances large sums to a central organization. By means of a kind of a lottery this organization sells lands and distributes the profits to its members, bringing interest rates down to 4½ per cent. The Credit Agricole Mutual is subsidized by the Federal Government. The Bank of France furnishes large sums of money to the district banks without interest, and the district banks loan these funds to local associations upon suitable security at low rates of interest.

Even in oppressed and benighted Russia as early as 1883 the Government provided for the organization of the Russian Peasant Land Bank. It loans money up to 90 per cent of the value of the land for periods ranging from 13 to 55 years at an interest charge of 4 per cent. Through land-purchasing acts 20,000,000 small farms, worth more than $1,000,000,000, were bought by peasants who borrowed Government funds, to be repaid on long-time and low rates of interest.

The Austro-Hungarian Government also gave aid to rural-credit institutions at the time of their establishment.

In Switzerland the State operates 28 land-credit institutions and guarantees the bonds which are based on the land as security.

Denmark, a little Kingdom not as large as two counties of my district, advanced $5,360,000 to aid in the establishment of the Mortgage Bank of the Kingdom. This bank is similar in many ways to the banks provided for by this bill, and the Danish Government makes an annual appropriation, amounting to between $1,000,000 and $2,000,000, to be lent to small borrowers.

A few years ago England determined to aid the Irish peasants. The Government bought up many large estates in Ireland and sold them direct to the Irish farmer on long time at a low rate of interest. The Government appropriations for this purpose have amounted to more than $2,000,000,000. In 1913 the English Government appropriated $500,000,000 to be loaned to Irish peasants at 2¾ per cent interest for 68 years. The payments amount to 3½ per cent, three-fourths per cent being for amortization, so that in 68 years they will have paid both the loan and the interest.

Sweden endowed the Sweden Mortgage Bank at its founding with $2,144,000, and in 1800 gave the bank a subsidy of $8,040,000 in Government bonds. This is a central institution to aid the 10 local landowners' mortgage associations in the sale of their debentures.

The State controls the Agricultural Bank of Egypt. The National Bank of Egypt, closely connected with the State, owns one-half of its capital stock, a 3 per cent dividend is guaranteed on the stock by the Government, and when it is necessary to sell its bonds at a reasonable rate of interest the Government guarantees their payment.

Japan guarantees a 5 per cent dividend for 10 years on the stock of Kwango Ginko, or central land-credit bank, of Japan. It also gives a subsidy of $4,980,000 to the 46 local or district land banks, called the Noko Ginko.

YET SOME OPPOSE GOVERNMENT AID.

Yet when it is proposed that this Government give real and substantial assistance to the establishment of a rural-credit plan we are told such action would be favoritism to our farmers. Why, Mr. Chairman, there are more farmers in the United States than in any other nation on earth except Russia. There is more capital in this country than anywhere on earth. The farming lands of this country are worth more than the farm lands of any other nation. Our farmers produce more than the farmers of any other nation in the world. Yet with all this farm land, all this production, all the tremendous possibilities of America's resources in the form of fertile soil and home-loving, industrious people, the American farmers must pay a higher rate of interest and submit to more stringent terms of borrowing than any other farmers in any civilized country, or than the men in any other line of business in our own country.

DIFFICULTIES CONFRONTING THE FARMERS.

Why have the farmers of this country been compelled to pay such high rates of interest? The men with money to loan say that it is because he is often unable to pay his debts at maturity. Unfortunately there is some truth in that statement. But let us consider for a moment the conditions under which the farmer lives. He is at the mercy of the seasons. He may plant his crop ever so industriously, but nature determines how long he must wait for the new crop to mature and again and again refuses to hasten the time of harvesting. When he gives his note he knows that its payment depends upon maturity of his crop. He may figure out the price at which he must sell his grain or stock if he is to make any profit, but he is absolutely helpless to really fix or even affect the selling price. Not even the seasons are more merciless than those who gamble in the prices of farm produce. The very fact that he is at the mercy of the seasons and the manipulators of the markets is all the more reason why the Government should do everything that can be done to establish a credit system for the farmer so that he may secure money at lower rates of interest than in the past.

INTEREST RATES TO FARMERS DOUBLE THAT TO RAILROADS.

Consider a few figures for a moment. The farms of this Nation are valued at $41,000,000,000. They produce annually $10,000,000,000 in wealth. The farmers borrow about $6,000,000,000, and they pay from 7 to 9 per cent for their money.

Let us compare these figures with figures touching another kind of business, the railroad business. The railroads, including all their watered stock, are valued at less than $20,000,000,000. They have an annual income of $3,000,000,000, and they borrow $11,000,000,000, and, according to Poor's Manual on Railroads, they pay from 3½ to 4 per cent for their borrowed money. In other words, the farmers, with property worth $40,000,000,000, producing $10,000,000,000, and borrowing $6,000,000,000, pay more than twice as much interest on borrowed money as the railroads, with property worth $20,000,000,000, producing $3,000,000,000, and borrowing $11,000,000,000, pay for their borrowed money. What is the reason? The answer is simple. The farmers borrow for short periods of time on small amounts of property, while the railroads borrow for long periods of time on large amounts of property. What we should do by a rural-credits bill is to make it possible for the farmer to borrow money for long periods of time by means of an organization by which the investor will be assured that his security is absolutely sound.

AVERAGE INTEREST RATE TOO HIGH.

The average rate of interest to farmers throughout the United States is 7.5 per cent, but to most of the farmers of my district it is nearer 9 or 10 per cent. As I understand it, this bill will limit the rate of interest to 6 per cent, and it is believed that money can be loaned to farmers at 5 per cent. Although I believe this rate still too high, the change will be a great relief. No business can prosper permanently on borrowed money at the rate of 9 or even 8 per cent.

HOW $1 GROWS.

The difference in the burden of interest charges caused by a lowering of the rate by 2 or 3 per cent is far greater than would seem at first glance. A great mathematician, Ainsworth R. Spofford, has figured out this difference in a most amazing manner by computing the sums to which $1 will amount at different rates, where the interest is compounded. While it is true that most farmers do not permit interest to be compounded, because they pay it as it falls due, yet if they were able to keep this money themselves they undoubtedly could make it earn the same amount as though it were compounded. The figures as given by this mathematician are as follows:

| | |
|---|---|
| $1 loaned for 100 years and compounded at 3 per cent will amount to | $19.25 |
| At 6 per cent, to | 340.00 |
| At 8 per cent, to | 2,203.00 |
| At 10 per cent, to | 13,809.00 |
| At 12 per cent, to | 84,075.00 |
| At 18 per cent, to | 15,145,007.00 |
| At 24 per cent, to | 2,551,799,404.00 |

Thus, the difference in the interest which accumulates on $1 in a hundred years at 6 per cent and 8 per cent is $1,863, and at 6 per cent and 10 per cent is $13,469. For every $1,000 borrowed at the higher rates the above sums change to millions, and for every million borrowed they change to billions. Thus we can get some slight idea of the burden of high rates of interest upon the agricultural industry of the Nation in a hundred years. When we remember that the sums borrowed by the farmers of the Nation aggregate between $5,000,000,000 and $6,000,000,000, the importance of lower rates of interest to the future development of the agricultural business becomes evident.

INTEREST IS A GREEDY CANNIBAL.

Interest is the greediest creature ever invented by the human mind. It feeds alike by daylight and by dark and eats both ways. The more it eats the hungrier it becomes. It is both civilized and savage. It whets its appetite on the natural food of time, until, no longer able to satisfy itself with that, it turns cannibal and fattens upon its own growth. Then, with ever-increasing rapidity, it doubles and redoubles so often and so fast that only the brain of the trained mathematician can follow the course of its geometrically enlarging circles as it adds to its size. More burdensome than taxes, relentless as time, and certain as death, it has become a blight upon the future growth of American agriculture, a blight which, in part at least, this Congress should destroy.

WILL SAVE LARGE SUMS TO WASHINGTON FARMERS.

Now, let me for a moment apply this proposed law to the farmers of my own State and see just what the benefits will be. According to the last census, the mortgage indebtedness of the farmers of the State of Washington was $43,000,000, and the Agricultural Department gives the average interest rate on real estate mortgages there at 8 per cent, which does not include the charges for commission, examination of title, and abstract fees. Thus the interest alone is $3,440,000. Should these same farmers be able to take advantage of a rural-credit law, as a majority of them should be able to do if this bill is properly drawn, and secure their money at 5 per cent, they will save approximately $1,300,000 in interest alone, to say nothing of the excessive additional charges they are now compelled to bear. But greater than this will be the encouragement it will give to the development of the land and the happiness it will bring by making money more plentiful.

HOW IT WILL WORK.

Assuming that the rate of interest of the proposed bill is 5 per cent and accepting the report of the Secretary of Agriculture that our farmers under the present system are paying on an average of 8 per cent interest, the results of the present bill are easily ascertained. Were the farmers to continue paying the present rate of interest under the amortization plan, they would pay off the entire principal and interest in 20 years and 6 months, while under the present manner of securing money they would not have reduced the principal a single dollar in 20 years and 6 months. This is not a mere statement or guess. It is a problem in simple interest that any seventh or eighth grade boy or girl in the State of Washington can solve. To show how this will work out I shall place in the RECORD as part of my remarks a table illustrating just how the principle of amortization is applied in paying off a loan. If a farmer borrows $1,000 and wishes to pay annually $80, when the rate of interest is 5 per cent, the principal will be eliminated as follows:

| Number annual payments. | Amount annual payment. | Interest at 5 per cent. | Paid on principal. | Amount of principal unpaid. |
|---|---|---|---|---|
| 1 | $80.00 | $50.00 | $30.00 | $970.00 |
| 2 | 80.00 | 48.50 | 31.50 | 938.50 |
| 3 | 80.00 | 46.93 | 33.07 | 905.43 |
| 4 | 80.00 | 45.27 | 34.73 | 870.70 |
| 5 | 80.00 | 43.53 | 36.47 | 834.23 |
| 6 | 80.00 | 41.71 | 38.29 | 795.94 |
| 7 | 80.00 | 39.80 | 40.20 | 753.74 |
| 8 | 80.00 | 37.79 | 42.21 | 713.53 |
| 9 | 80.00 | 35.68 | 44.32 | 669.21 |
| 10 | 80.00 | 33.46 | 46.54 | 622.67 |
| 11 | 80.00 | 31.13 | 48.87 | 573.80 |
| 12 | 80.00 | 28.69 | 51.31 | 522.49 |
| 13 | 80.00 | 26.12 | 53.88 | 468.61 |
| 14 | 80.00 | 23.43 | 56.57 | 412.04 |
| 15 | 80.00 | 20.60 | 59.40 | 352.64 |
| 16 | 80.00 | 17.63 | 62.37 | 290.27 |
| 17 | 80.00 | 14.51 | 65.49 | 224.78 |
| 18 | 80.00 | 11.24 | 68.76 | 156.02 |
| 19 | 80.00 | 7.80 | 72.20 | 83.82 |
| 20 | 80.00 | 4.19 | 75.81 | 8.01 |
| 21 | 8.41 | .40 | 8.01 | ..... |
| Total | 1,608.41 | 608.41 | 1,000.00 | ..... |

In other words, if the borrower can pay at the rate of 8 per cent interest before the end of 21 years he will have paid off both the interest and the principal under the new rural-credit system, while under the present system he would be forced to pay the $1,608 as interest and would still be owing the $1,000 as principal. If he could pay $90 per year he would pay off both principal and interest in 17 years, and if $100 each year, in 14 years and 6 months. Not only will such a plan save the farmer money, but it will lighten his load by making it unnecessary to raise the whole amount of money at a stated period, only a few years after securing the loan. Such a plan will enable the farmers of the State of Washington and of every other State to do one of two things—either they can pay off their entire indebtedness in a few years without great inconvenience or they can secure much larger amounts of money with which to develop their land.

THIS BILL A COMBINATION OF TWO PLANS.

This bill covers 59 pages, and I have not the time to review all of the details it contains, but I am impressed that this bill is a combination of the Government-aid plan and the cooperative association plan.

FARM-LOAN BOARD AND GOVERNMENT AID.

It provides first for a Federal farm-loan board of three members, at an annual salary of $10,000 each and necessary traveling expenses. This board will have general charge of the whole system. These men are to be appointed by the President and to divide the United States into 12 districts, with a Federal land bank in each district, with a capital of $750,000, all of which will be furnished by the Federal Government if not subscribed within 90 days after establishment. In other words, the Government will place $9,000,000 in these banks to help start the system if necessary.

THE LAND BANKS.

The capital stock of the land banks is to be divided into shares at $5 each, and any individual, firm, corporation, or the Government may purchase the stock, but no dividends shall be paid the Government on its stock. These Federal land banks and the joint stock banks are to be financial agents of the Federal Government.

HOW TO BORROW MONEY.

Any 10 farmers who desire to borrow money on farm-mortgage security can form a farm-loan association and apply to the Federal land bank for the loans desired, but only borrowers can be members of the farm-loan association. Members of the association can borrow not less than $100, nor more than $10,000, for not less than 5 years, nor more than 36 years, and no loan can be made except to an actual farmer or to one who is to become an actual farmer. The loan can not exceed 60 per cent of the value of the land and 20 per cent of the value of the improvements. Rates of interest shall not exceed 6 per cent and payments can be arranged on the amortization plan. Every borrower must purchase stock to the value of 5 per cent of his loan, although this may be taken out of the amount borrowed, but he can arrange to pay this on the amortization plan also. The joint-stock banks referred to are corporations to be organized for carrying on the business of lending on farm-mortgage security and issuing farm-loan bonds. The loans may be made for the following purposes:

1. To purchase land for agricultural purposes.
2. To purchase live stock and equipment.
3. For erection of buildings.
4. To refund existing mortgages.
5. To liquidate indebtedness incurred for any of the foregoing purposes.

OTHER FEATURES.

These are the principal provisions of interest to the borrower. Other parts of the bill treat of the safeguarding of the bonds, reserves, and dividends, exemptions of the bonds from taxation, penalties, and limitations on court decisions. While the bill does not go as far as I would like to have it go in aiding the farmers, it is such a marked improvement over present conditions and will at least establish a rural-credit system that I think the passage of the legislation is in reality a great achievement.

BETTER DAYS FOR AMERICAN FARMERS.

I believe this bill is only the first step in rural-credit legislation. I know there are some who will be dissatisfied with this measure and say it should never have been passed. They will criticize it not for the provisions it does contain, but for the provisions it fails to contain. They are as honest as we are and mean as well, but just because I can not secure all I desire does not preclude me from taking what I can get.

The same kind of criticism was made of those who voted the first rural mail-delivery law some years ago. We have amended and improved this law year by year. Think of the millions and

millions of country people who now receive their daily mail, but who otherwise would be compelled to travel miles and miles to get it, and then consider whether or not those Members of Congress acted wisely in starting the system, imperfect though it was. We heard the same sort of critics decry the beginning of the parcel-post system and the postal savings bank, yet now we hear only proposals to enlarge and improve them, without even a suggestion of their abolition. Just so I believe it will be with the establishment of a rural-credit system. We shall improve and extend it, but once established we will never abolish it. The wheel of progress always moves forward and the passage of this law means that the American farmers as a class are on the threshhold of better days. We have been slow to establish a rural-credit plan, but we shall develop it into an American system. Just as the American people are the product of the assimilation of the best blood of every nationality, so will the American rural-credit system eventually be the product of the best parts of the rural-credit systems of every nation.

AMERICA THE MELTING POT.

The history of the world nowhere records anything like the assimilation of peoples now going on in America. We mix here the rugged people of the bleak, frozen lands of northern Europe with the smiling, happy sons and daughters of vineclad France and sunny Italy. Here meet and mingle on a common plane the persecuted of every part of earth with those descended from the same ancestry as their one-time persecutors. The stubborn, thrifty Scotchman here finds himself matched against the systematic and industrious Teuton, and the sons of Erin often lord it over those of English descent, sometimes by a swinging policeman's club, and at other times by the less potent scepter of political power. Here in America we are blending every people into one general type which the world knows as the American, the finest citizenship in all the world.

IDEAL TYPE OF AMERICAN TO BE ON BANKS OF COLUMBIA.

As a representative of the West, I say to you that in that new land as nowhere else the gates of opportunity still swing ajar. When that great empire builder, James J. Hill, said that the ideal type of American citizen will develop somewhere on the banks of the majestic Columbia, he spoke the words of a seer. We who live there urge you to come and abide among us. We have inscribed above our portals the invitation of the legend, "All hope and none despair." [Long and continued applause.]

Mr. DILL. I yield the balance of my time to the gentleman from Missouri [Mr. HENSLEY].

[Mr. HENSLEY addressed the committee. See Appendix.]

Mr. GLASS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee had had under consideration the bill S. 2986, the rural-credit bill, and had come to no resolution thereon.

AQUEDUCT BRIDGE BILL.

The SPEAKER announced the cancellation of his signature to the bill H. R. 759, an act to provide for the removal of what is now known as the Aqueduct Bridge across the Potomac River and for the building of a bridge in place thereof, in accordance with House concurrent resolution 40.

Mr. MANN. Mr. Speaker, did we receive a message from the Senate to the effect that the concurrent resolution had passed?

The SPEAKER. Yes; it has come over.

Mr. MANN. I did not recall it.

The SPEAKER. I did not, either.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 562. An act to amend the act approved June 25, 1910, authorizing the Postal Savings System, and for other purposes.

MOTHERS' DAY.

Mr. BRUMBAUGH. Mr. Speaker——

The SPEAKER. The gentleman from Ohio [Mr. BRUMBAUGH].

Mr. BRUMBAUGH. Mr. Speaker and gentlemen of the House, at the close of this day, which we have spent considering how to benefit the home life of the people, I deem it not inappropriate before we adjourn to call the attention of the House to the greatest, strongest, and sweetest influence not only in the home but in all our lives for the joy of the home and for the joy of our lives. Two years ago to-day the Heflin resolution designating the second Sunday in May as Mothers' Day was signed by the President of the United States.

Because the House is now about to adjourn, I can do no more at this time than to call attention to the fact that to-morrow is Mothers' Day, and in my time I want to have read the very beautiful editorial which I have clipped from the Ohio State Journal, of Columbus, Ohio. I know we will all approve and be delighted with the beauty, sentiment, and holy and sacred memories which it awakens in every heart.

I shall also print in this connection the no less beautiful editorial which I have clipped from the Catholic Columbian, of Columbus, Ohio.

[From the Ohio State Journal, Columbus, Ohio.]

MOTHERS' DAY.

Next Sunday is Mothers' Day. It ought to be more popular than all other public days, for it is in recognition of the finest personality on earth. When one suggests the name of "mother" it calls up all the sweet and noble qualities of human life. From her radiate all the purest and hollest aspirations of one's nature.

To honor this tender memory, this loving personality, next Sunday is selected as the day of all the year on which we are to wear our white flowers and offer our tributes of praise to the one person who is greater than all the greatest of earth. The tribute may not be in grand demonstration or in magnificent display and noise, but, what is better, in the silent homage of the heart or in the quiet expression of a tender memory.

Nor is the day to honor the mother alone, but ourselves. It is we, the people, who need the inspiration of her unselfish spirit. We are all nobler for thinking of mother, for paying tribute to her virtues, and for remembering her many sacrifices. No man or woman can afford to get beyond the sway of her gentle spirit, and to keep within its influence and to honor her memory next Sunday is set apart. Wear a white flower to keep you constantly in mind of the meaning of the day.

[From the Catholic Columbian, Columbus, Ohio.]

MOTHERS' DAY.

Let every mother's son not forget to wear on next Sunday the white flower betokening love for her to whom, after God, he owes devotion. On Mothers' Day the wanderer from the rooftree of home reverts tearfully to other times when the little family encircled the board where mother's good things smiled or steamed. On Mothers' Day those at home should sing sweet songs to her who in the olden time gave lullabies that hushed fears and invited quiet slumber.

Mother! There is no dearer name. Mother, who is the personification of sacrifice. Mother, who is incarnate love. Mother, who is the light of the home. Mother, whose hands never grow tired, whose heart never weakens in solicitude. Mother, whose zealous work is prayer, whose prayer is zealous work. Mother, who first told us of God, who first pointed to heaven. Mother, a heavenly name, for it tells us of Him who was all devotion to blessed Mary, queen of May, as she is queen of the countless thousands who sing forever in heaven the story of the Christ.

Mr. ASHBROOK. Mr. Speaker——

The SPEAKER. The gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. I read this editorial in the Ohio State Journal to-day, and I want to thank my colleague from Ohio [Mr. BRUMBAUGH] for calling the attention of the House to this beautiful editorial.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. HOLLINGSWORTH, for one week, on account of illness in his family.

To Mr. DALE of New York, indefinitely, on account of illness of his wife.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until Monday, May 15, 1916, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Ancortes Harbor, Wash., with a view to improving Cap Sante waterway (H. Doc. No. 1117); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

2. A letter from the chief clerk of the Court of Claims, transmitting a certified copy of the order filed by the court dismissing the petition in the case of Robert K. Scott *v.* The United States (H. Doc. No. 1118); to the Committee on War Claims and ordered to be printed.

3. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Nancy E. Stewart, widow of John F. Stewart, *v.* The United States (H. Doc. No. 1119); to the Committee on War Claims and ordered to be printed.

4. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Sarah A.

McNally, widow of John McNally, deceased, *v.* The United States (H. Doc. No. 1120); to the Committee on War Claims and ordered to be printed.

5. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of George H. Losey *v.* The United States (H. Doc. No. 1121); to the Committee on War Claims and ordered to be printed.

6. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Charles W. Lockman *v.* The United States (H. Doc. No. 1122); to the Committee on War Claims and ordered to be printed.

7. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of James T. Joslin *v.* The United States (H. Doc. No. 1123); to the Committee on War Claims and ordered to be printed.

8. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Otis G. Gerould *v.* The United States (H. Doc. No. 1124); to the Committee on War Claims and ordered to be printed.

9. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Solomon F. Flint *v.* The United States (H. Doc. No. 1125); to the Committee on War Claims and ordered to be printed.

10. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Adeline Benjamin, sister of William H. Benjamin, deceased, *v.* The United States (H. Doc. No. 1126); to the Committee on War Claims and ordered to be printed.

11. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Ettie Pope, widow of Byron Pope, deceased, *v.* The United States (H. Doc. No. 1127); to the Committee on War Claims and ordered to be printed.

12. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Timothy L. Baldwin *v.* The United States (H. Doc. No. 1128); to the Committee on War Claims and ordered to be printed.

13. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Sallie J. Boyd, widow (remarried) of Aurelius Hight, deceased, *v.* The United States (H. Doc. No. 1129); to the Committee on War Claims and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. KITCHIN, from the Committee on Ways and Means, to which was referred the bill (H. R. 12954) for the establishment of Northport, Chopaka, and Laurier, in the State of Washington, as ports of entry and delivery for immediate transportation without appraisement of dutiable merchandise, reported the same with amendment, accompanied by a report (No. 684), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (S. 5708) for the establishment of Winston-Salem, in the State of North Carolina, as a port of delivery under the act of June 10, 1880, governing the immediate transportation without appraisement of dutiable merchandise, reported the same without amendment, accompanied by a report (No. 685), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HENRY, from the Committee on Rules, to which was referred the resolution (H. Res. 233) providing for the consideration of House bill 15455, reported the same without amendment, accompanied by a report (No. 686), which said bill and report were referred to the House Calendar.

Mr. KITCHIN, from the Committee on Ways and Means, to which was referred the bill (S. 3536) to provide for the storing and cleansing of imported Mexican peas, commonly called "garbanzo," reported the same without amendment, accompanied by a report (No. 687), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ALLEN, from the Committee on Ways and Means, to which was referred the bill (H. R. 9542) to amend the second paragraph of section 3264 of the Revised Statutes of the United States as amended by section 5 of the act of March 1, 1879, and as further amended by the act of Congress approved June 22, 1910, reported the same without amendment, accompanied by a report (No. 688), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (S. 3861) to amend an act entitled "An act for the withdrawal from bond tax-free of domestic alcohol when rendered unfit for beverage or liquid medicinal uses when mixed with suitable denaturing materials," approved March 2, 1907, reported the same without amendment, accompanied by a report (No. 689), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. STEPHENS of Texas, from the Committee on Indian Affairs, to which was referred the bill (H. R. 9621) for the relief of J. W. Dellinger, reported the same without amendment, accompanied by a report (No. 690), which said bill and report were referred to the Private Calendar.

Mr. MILLER of Delaware, from the Committee on Claims, to which was referred the bill (H. R. 14889) for the relief of the estate of Jackson J. Mash, deceased, reported the same with amendment, accompanied by a report (No. 691), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 1571) for the relief of Albert T. Huso, reported the same with amendment, accompanied by a report (No. 692), which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12360) granting a pension to Charlie Forbes; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 15083) granting an increase of pension to Melvina J. Jarvis; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. ADAMSON: A bill (H. R. 15652) extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting the health, sanitation, quarantine, taxation, and police powers on the Canal Zone, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH: A bill (H. R. 15653) for the relief of the victims of the *Eastland* disaster; to the Committee on Claims.

By Mr. HENRY: Resolution (H. Res. 236) providing for the consideration of the bill H. R. 15455; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 15654) granting a pension to Gifford Ramey; to the Committee on Pensions.

Also, a bill (H. R. 15655) granting an increase of pension to Edgar G. Spaid; to the Committee on Invalid Pensions.

By Mr. BENNET: A bill (H. R. 15656) for the relief of Charles W. Anderson; to the Committee on Claims.

Also, a bill (H. R. 15657) granting a pension to Mrs. Max Ferber; to the Committee on Pensions.

By Mr. CHANDLER of New York: A bill (H. R. 15658) granting a pension to Ellen Merritt; to the Committee on Pensions.

By Mr. ESCH: A bill (H. R. 15659) granting an increase of pension to James Livingstone; to the Committee on Invalid Pensions.

By Mr. FESS: A bill (H. R. 15660) for the relief of Samuel B. Dump; to the Committee on Naval Affairs.

Also, a bill (H. R. 15661) to confer jurisdiction upon the Court of Claims to try and determine the validity of any claims George C. Jenkins, late second lieutenant, First Regiment Alabama Volunteer Cavalry, may have against the Government for services rendered in the military service of the United States during the War of the Rebellion; to the Committee on War Claims.

By Mr. FINLEY: A bill (H. R. 15662) for the relief of J. R. Howe; to the Committee on Claims.

By Mr. FOSS: A bill (H. R. 15663) granting a pension to George R. Rowling, helpless child of Charles J. Rowling, deceased; to the Committee on Invalid Pensions.

By Mr. HILLIARD: A bill (H. R. 15664) granting an increase of pension to Belle Corey; to the Committee on Invalid Pensions.

By Mr. HOLLINGSWORTH: A bill (H. R. 15665) for the relief of Mary A. Horning, widow of Frederick Horning; to the Committee on Military Affairs.

By Mr. HOUSTON: A bill (H. R. 15666) granting an increase of pension to John M. Gilbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15667) granting a pension to George Morris Shaw; to the Committee on Pensions.

By Mr. NELSON: A bill (H. R. 15668) granting a pension to Mrs. Aurora C. B. Kinnie; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 15669) granting a pension to Frank A. Smith; to the Committee on Pensions.

By Mr. PATTEN: A bill (H. R. 15670) for the relief of Richard Henry Greene; to the Committee on Military Affairs.

Also, a bill (H. R. 15671) for the relief of Walter Franklin Jones; to the Committee on Military Affairs.

By Mr. RAMSEYER: A bill (H. R. 15672) granting an increase of pension to Reuben Kinder; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 15673) granting a pension to Alice J. Selden; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 15674) granting an increase of pension to Matilda E. Cole; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Texas: A bill (H. R. 15675) for the relief of W. M. McCord; to the Committee on Claims.

Also, a bill (H. R. 15676) granting a pension to Arthur H. Brady; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 15677) granting an increase of pension to Samuel B. Morris; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 15678) granting an increase of pension to Benton Allen; to the Committee on Invalid Pensions.

By Mr. THOMAS S. WILLIAMS: A bill (H. R. 15679) granting an increase of pension to George A. Greenwood; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CAREW: Petition of former citizens of New York now citizens of Oregon, in re Oregon-California land grant; to the Committee on the Public Lands.

By Mr. COLLIER: Petitions of Jones & Lewis and other merchants, of Mahon; John McGrath's Sons Co., of Canton; W. G. Barnes and other merchants, of Brandon; H. J. Lewis and other merchants, of Edwards; Taliaferro & Janis and other merchants, of Yazoo City; W. J. Bill and others, of Pelahatchee; Harmond & McDowell and other merchants, of Flora; L. Lynn and other merchants, of Midnight; W. E. Campbell & Co. and other merchants, of Silver City, all in the State of Mississippi, urging the passage of House bill 2120 and Senate bill 712; to the Committee on Ways and Means.

Also, petition of Gaer & Bros. and other merchants, of Vicksburg; R. E. Kennington Co. and other merchants, of Jackson; and D. C. Simmons and other merchants, of Utica, all in the State of Mississippi, urging the passage of House bills 270 and 712; to the Committee on Ways and Means.

By Mr. DALE of New York: Petition of sundry citizens of the United States, favoring suffrage amendment; to the Committee on the Judiciary.

Also, petition of Palmer Lime & Cement Co., of New York City, favoring House bill 14298, to standardize the weights of lime barrels; to the Committee on Coinage, Weights, and Measures.

Also, petition of Peter Robertson, of Cleveland, Ohio, favoring House bill 8036, relative to safety at sea; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Southern Hardware Jobbers' Association, favoring legislation for prevention of floods; to the Committee on Rivers and Harbors.

By Mr. DAVIS of Texas: Memorial of Building and Loan Association League of Texas, in re House joint resolution 55; to the Committee on Ways and Means.

By Mr. ESCH: Petition of sundry citizens of Wisconsin, against war with Germany; to the Committee on Foreign Affairs.

Also, memorial of Second Convention of Mental Hygiene Societies of the United States, favoring bill for division of mental hygiene in United States Public Health Service; to the Committee on Interstate and Foreign Commerce.

Also, petition of Southern Hardware Jobbers' Association, Richmond, Va., for flood-prevention legislation; to the Committee on Rivers and Harbors.

By Mr. EVANS: Petitions of 300 citizens of Butte; 300 citizens of Great Falls; Mrs. M. K. Nelson and 250 women of Great Falls; and various citizens of Helena, all in the State of Montana, asking for the immediate consideration of the suffrage amendment; to the Committee on the Judiciary.

By Mr. FLYNN: Petition of Palmer Lime & Cement Co., of New York, favoring House bill 14298; to the Committee on Coinage, Weights, and Measures.

Also, memorial of Southern Hardware Jobbers' Association, in re flood control; to the Committee on Flood Control.

Also, memorial of Marine Engineers' Beneficial Association, indorsing House bill 8036; to the Committee on the Merchant Marine and Fisheries.

By Mr. FULLER: Petition of employees of the Quartermaster's Corps, United States Army, favoring the Nolan minimum-wage bill; to the Committee on Labor.

By Mr. GARDNER: Petition of Marion Thornton, of Haverhill, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HASTINGS: Petitions of merchants of Beggs, Okmulgee, Mounds, and Boynton, all in the State of Oklahoma, favoring tax on mail-order houses; to the Committee on Ways and Means.

By Mr. KETTNER: Petition of Eva Cargill and one other, of San Marcos, Cal., protesting against a bill to provide for the closing of barber shops in the District of Columbia on Sunday; to the Committee on the District of Columbia.

Also, petition of Michael Murphy and Ellen B. Murphy, of Riverside, Cal., protesting against passage of the Hobson nationwide prohibition resolution; to the Committee on the Judiciary.

Also, petition of Henry A. Clock and 20 others, of San Bernardino County, Cal., favoring passage of a law that will stop the indiscriminate homesteading of mineral lands in the Angeles Forest Reserve; to the Committee on the Public Lands.

Also, petitions of John Weisemann and 9 others, of San Bernardino; Adolph Schmidt and 12 others, of Anaheim; and Herman Goedke and 1 other, of Valyermo, all in the State of California, opposing war with Germany; to the Committee on Foreign Affairs.

Also, petition of Dr. Sydney A. Smith and 41 others, of San Diego; Eva Cargill and 11 others, of San Marcos; J. W. Jones and 13 others, of Escondido; and Mrs. J. L. Cotton and 24 others, of San Diego, all in the State of California, protesting against House bills 6468 and 491, to amend postal laws; to the Commitee on the Post Office and Post Roads.

Also, petition of men and women voters of San Diego, at the Panama-California Exposition, favoring the passage of Susan B. Anthony Federal suffrage amendment, known as the Raker resolution; to the Committee on the Judiciary.

Also, petition of William Thompson and 25 others, of San Marcos, Cal., favoring Ashbrook pension bill; to the Committee on Invalid Pensions.

By Mr. LOUD: Petition of Annibel McLean and Sunday School of Hale, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MAPES: Petition of the Grand Rapids Union of Christian Endeavor, urging the passage of the Smith-Hughes bill providing for the Federal censorship of motion-picture films; to the Committee on Education.

Also, resolutions adopted by the delegates of Ukrainian organizations in Michigan, held at Grand Rapids, Mich., April 16, 1916, petitioning the Government of the United States, which it believes will be a factor in the formation of peace terms when the European war is ended, to proclaim at such peace conference as may be held the inviolable right of all nationalities to independence and self-government and protect such rights; to the Committee on Foreign Affairs.

Also, petition of the Grand Rapids Union of Christian Endeavor, urging the passage of the bill to prohibit the manufacture or sale of intoxicating liquors in the District of Columbia; to the Committee on the District of Columbia.

By Mr. O'SHAUNESSY: Memorial of Rhode Island Branch of the Woman's Auxiliary to the Board of Missions, in re Senate bills 3904 and 4452 and House bill 108; to the Committee on Indian Affairs.

Also, memorial of the Merchants' Association of New York, in re legislation; to the Committee on Military Affairs.

Also, memorial of Southern Hardware Jobbers' Association, in re flood control; to the Committee on Flood Control.

By Mr. PATTEN: Memorial of Irish-American Athletic Club of New York, indorsing the Hulbert bill; to the Committee on Appropriations.

Also, memorial of New York Academy of Medicine, in re preparedness; to the Committee on Military Affairs.

By Mr. SMITH of Idaho: Memorial of Hyde Park Woman's Christian Temperance Union of Idaho, protesting against shipment of rum to Africa; to the Committee on Alcoholic Liquor Traffic.

Also, papers to accompany House bill 6793, for the construction of a Federal building at Caldwell, Idaho; to the Committee on Public Buildings and Grounds.

Also, petitions of sundry citizens of Idaho, against Sunday closing in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SMITH of Michigan: Petition of R. B. Pettit, 37 citizens of Hillsdale, and 11 citizens of Reading, both in the State of Michigan, protesting against House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of R. B. Pettit and 70 citizens of Hillsdale, Mich., protesting against House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of Charles W. Bennett and 32 citizens of Coldwater, Mich., protesting against House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also petition of F. M. Matthewson and 33 citizens of Battle Creek, Mich., protesting against House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of J. Q. Foy and 23 citizens of Battle Creek, Mich., protesting against House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of J. V. O'Neil and 86 citizens of Charlotte, Mich., protesting against House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of Otto Gelow and 74 citizens of Kalamazoo, Mich., protesting against House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of Roy Culp and 94 citizens of Kalamazoo, 2 citizens of Vicksburg, 1 citizen of Oshtemo, and 1 citizen of Grand Rapids, all in the State of Michigan, favoring Burnett immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of H. A. Cramer and 8 citizens of Fulton, 5 citizens of Vicksburg, and 8 citizens of Scotts, all in the State of Michigan, favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of George E. Burroughs and 58 citizens of Galesburg, 1 citizen of Richland, 1 citizen of Kalamazoo, and 1 citizen of Climax, all in the State of Michigan, favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of Benjamin A. Shepard, M. D., and 27 citizens of Kalamazoo, Mich., favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of F. E. Culkins and 37 citizens of Coldwater, Mich., favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of E. C. Hoffman and 25 citizens of Quincy and 2 citizens of Coldwater, all in the State of Michigan, favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of George D. Yinger and the official board of First Methodist Episcopal Church of Quincy, Mich., favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of Rev. C. W. Miller and the First Free Methodist Church of Kalamazoo, Mich., favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of R. E. Meader and the congregation of the Methodist Episcopal Church of Coldwater, Mich., favoring national prohibition, House Joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of Hugh Kennedy and the Methodist congregation of Algansee, Mich., favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of E. D. Cheny and East Cambria Farmers' Club, of Cambria, Mich., favoring national prohibition, House joint resolutions 84 and 85; to the Committee on the Judiciary.

Also, petition of C. G. Foster and 11 citizens of Vicksburg, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of Decker J. Rogers and 11 citizens of Hillsdale, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of George A. Schmidt and 4 citizens of Hillsdale, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of Kay Rice and 7 citizens of Camden, and 5 citizens of Montgomery, all in the State of Michigan, favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of M. N. Etheridge and 11 citizens of Quincy, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of W. H. Davis and 7 citizens of Bronson, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of Benge & Son and 7 citizens of Allen, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of L. C. Coller and 13 citizens of Coldwater, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of F. J. Reed and 8 citizens of Coldwater, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of E. J. Worden and 8 citizens of Union City, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of S. D. Chapin and 8 citizens of Schoolcraft, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of R. W. Cutler and 6 citizens of Sherwood, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of T. E. Estes and 7 citizens of Athens, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of E. H. Laddon and 9 citizens of Jonesville, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of W. C. Spott and 6 citizens of Pittsford, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of H. G. Crego and 4 citizens of Burlington, Mich., favoring House bill 5308; to the Committee on Ways and Means.

Also, petition of H. B. Williams and 5 citizens of Tekonsha, Mich., favoring House bill 5308; to the Committee on Ways and Means.

By Mr. STEPHENS of Texas: Memorial of Texas Live Stock Association, at Fort Worth, Tex., January 26, 1916, adopted by their fortieth annual convention, requesting the passage of a law to require the Federal Trade Commission to investigate the beef-packing interests of the United States; to the Committee on the Judiciary.

By Mr. WINGO: Petition of citizens of Arkansas, relative to amending rural-credit bill; to the Committee on Banking and Currency.

## SENATE.

### MONDAY, *May 15, 1916.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we have assembled in Thy name. We have come out of the rest of the holy Sabbath day, after its refreshment, with its refining power, with its Divine inspirations, to address ourselves once more to the task committed to us in the providence of God. We pray that we may come to this task with the spirit of the God of our fathers resting upon us. We thank Thee that back of us is that patriotism which is not founded upon a narrow community of interests, but upon the great spiritual ideals that have been wrought into the fundamental laws of our land. We pray that we may be true to Thee and that Thou wilt guide the ship of state onward in its course. We pray that over us there may be constantly the hand of God guiding to the fulfillment of the Divine plan in us as a Nation. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, May 9, 1916, when, on request of Mr. STONE and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

WORKING CONDITIONS OF RAILROAD EMPLOYEES.

The VICE PRESIDENT laid before the Senate a communication from the United States Board of Mediation and Conciliation, transmitting, in response to resolution of the 3d instant, a report on the effects of arbitration proceedings upon rates of pay and working conditions of railroad employees, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a petition of sundry officers of the Porto Rico Regiment of Infantry, praying that they be invested with the full rights and privileges of American citizenship, which was referred to the Committee on Pacific Islands and Porto Rico.

Mr. MYERS presented a petition of the Chamber of Commerce of Butte, Mont., praying for the enactment of legislation to regulate the price of gasoline, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of the Chamber of Commerce of Baker, Mont., praying for the enactment of legislation to provide arbitration of disputes between railway companies and their employees, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Anaconda, Mont., praying for the enactment of legislation to prohibit the use of stop-watch devices in the work of Government employees, which was referred to the Committee on Education and Labor.

Mr. GALLINGER presented a petition of Camp Derwin, No. 5, United Spanish War Veterans, of Manchester, N. H., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was referred to the Committee on Pensions.

Mr. GALLINGER (for Mr. BURLEIGH) presented petitions of sundry citizens of Maine, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. MARTIN of Virginia presented a petition of Colonel A. M. Higgins Camp, No. 8, United Spanish War Veterans, National Soldiers' Home, Va., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

Mr. WEEKS presented petitions of sundry citizens of Massachusetts, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of George H. Patch Camp, No. 80, United Spanish War Veterans, of Malden, Mass., praying for an increase in armaments, which was ordered to lie on the table.

He also presented a petition of the Woman's Relief Corps of Worcester County, Mass., praying that an appropriation be made for the construction of a building as a memorial to the women who served during the Civil War, which was referred to the Committee on Public Buildings and Grounds.

Mr. THOMPSON presented petitions of sundry citizens of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of Wheat Belt Grange No. 1735, Patrons of Husbandry, of Lewis, Kans., remonstrating against any change being made in the parcel-post law, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Reno County Ministerial Association, of Hutchinson, Kans., praying for prohibition in the island of Porto Rico, which was referred to the Committee on Pacific Islands and Porto Rico.

He also presented a petition of Manila Camp, No. 1, United Spanish War Veterans, Department of Kansas, National Military Home, Kans., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

He also presented a petition of Manila Camp, No. 1, United Spanish War Veterans, Department of Kansas, National Military Home, Kans., praying for the enactment of legislation to grant pensions to survivors of certain Indian wars, which was ordered to lie on the table.

Mr. O'GORMAN presented a petition of the Board of Trade and Transportation of New York City, N. Y., praying that an appropriation be made for the improvement of the East River at New York City, which was ordered to lie on the table.

He also presented a memorial of the Board of Trade and Transportation of New York City, N. Y., remonstrating against the proposed discontinuance of the pneumatic-tube mail service in that city, which was referred to the Committee on Post Offices and Post Roads.

Mr. PHELAN presented a memorial of the Central California Conference of the Seventh-day Adventists, held at Fresno, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented a memorial of Guenoc Grange, Patrons of Husbandry, of Middletown, Cal., remonstrating against any change being made in the parcel-post law, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Local Grange No. 342, Patrons of Husbandry, of Dinuba, Cal., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of the California Associated Societies for the Conservation of Wild Life, of Berkeley, Cal., praying for the establishment of a national-park service, which was referred to the Committee on Appropriations.

He also presented a memorial of Cremieux Lodge, No. 325, Independent Order of B'nai B'rith, of San Francisco, Cal., remonstrating against the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. WARREN presented memorials of sundry citizens of Campbell and Sheridan Counties, in the State of Wyoming, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

Mr. STONE presented a petition of the Engineers' Club of St. Louis, Mo., praying for the enactment of legislation to establish engineering experiment stations in connection with the land-grant colleges, which was referred to the Committee on Agriculture and Forestry.

Mr. WADSWORTH presented a memorial of sundry citizens of Albany, N. Y., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented memorials of sundry citizens of New York, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of New York City, N. Y., praying for the enactment of legislation to prohibit the exportation of materials used in making paint, which were referred to the Committee on the Judiciary.

Mr. THOMPSON. Mr. President, I have here a letter from Mr. Ewing Herbert, a prominent editor of my State, and who is also the publisher of the St. Joseph Daily Journal and Stockyards Daily Journal at St. Joseph, Mo., calling attention to the extremely high price of print paper charged by the paper houses and paper mills of the country. I desire to have the letter printed in the RECORD that the Congress and the proper departments of the Government may have the information. It seems to me that some decisive action should be taken to remedy the evil complained of.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

ST. JOSEPH, MO., *Tuesday, May 9, 1916.*

Hon. WILLIAM THOMPSON,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: I wish that you would look into the prices being made on print paper by the various paper houses and paper mills. They are dealing most unfairly with the newspaper publishers.

On account of war conditions they can sell their products for high prices to foreign countries, and they are making the home publishers pay those high prices. In all fairness they should continue the same prices that have prevailed heretofore to home publishers, and sell the surplus to foreign countries at the war prices.

The hardship of the raise in prices is borne by the small publishers of the country. I presume the great newspaper publishers in the cities are amply protected because most of them either hold majority of stock in mills or have contracts to take the output of several different mills, and, of course, they are not affected by the war prices. The price of print paper has doubled, and many paper houses will not put a price on it, but sell it to the publisher at whatever price the mills make on it. This is an outrage that no publisher can stand and I think that it demands congressional action. I think it would be only right to forbid the sale of any paper for export except surplus products, and I think the prevailing prices for the last 5 or 10 years should be the prices for publishers in this country.

Very respectfully, yours,

THE ST. JOSEPH JOURNAL PUBLISHING CO.,
Per EWING HERBERT, *Manager.*

REPORTS OF COMMITTEES.

Mr. MYERS, from the Committee on Public Lands, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 529. An act creating an additional land district in the State of California, and for other purposes (Rept. No. 438); and

H. R. 4297. An act for the relief of Frances L. Llewellyn (Rept. No. 439).

Mr. NELSON, from the Committee on Commerce, to which was referred the bill (S. 5103) authorizing and directing the

Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River, in West Virginia, reported it without amendment.

Mr. CLARK of Wyoming, from the Committee on Public Lands, to which was referred the bill (S. 4282) to permit the State of Wyoming to relinquish to the United States lands heretofore selected and to select other lands from the public domain in lieu thereof, reported it with amendments and submitted a report (No. 442) thereon.

Mr. POMERENE, from the Committee on the District of Columbia, to which was referred the bill (S. 681) providing for the election of a Delegate to the House of Representatives from the District of Columbia, and for other purposes, reported it with amendments and submitted a report (No. 443) thereon.

Mr. PITTMAN, from the Committee on Territories, to which was referred the bill (S. 5716) to establish the Mount McKinley National Park, in the Territory of Alaska, reported it without amendment and submitted a report (No. 440) thereon.

THE ALASKAN RAILROAD.

Mr. PITTMAN. From the Committee on Territories, I report back favorably with amendments the bill (S. 5790) to confer additional authority upon the President of the United States in the construction and operation of the Alaskan railroad, and for other purposes, and I submit a report (No. 441) thereon.

I wish to state that the committee have unanimously reported this bill, and in the report state that there is an emergency existing for this legislation. It empowers the President of the United States to make rules and regulations not inconsistent with the laws of the United States for sanitation along the Alaskan railroad. They are to be purely sanitary rules. There will be probably 15,000 men employed there in the very near future, and this measure seems to be a necessity.

Mr. SMOOT. Is it a Senate bill or a House bill?

Mr. PITTMAN. It is a Senate bill. As proposed to be amended it deals only with sanitation.

Mr. SMOOT. The bill ought to pass.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

Mr. GALLINGER. Let the bill be read.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

Mr. PITTMAN. I will state that the amendments of the committee strike out the police power, so that it simply empowers the President to make regulations with regard to sanitation.

The amendments of the committee were, on page 1, line 3, after the word "construction," to strike out the word "and"; on page 1, line 4, to strike out the word "operation" at the beginning of the line; page 1, line 10, to strike out the word "police"; page 1, line 11, after the word "necessary," to strike out the words "to preserve order and"; page 1, line 13, after the word "railroad," to strike out the words "or railroads constructed" and the comma and insert the word "while"; page 2, line 3, after the word "fourteen," insert: ": *Provided*, That this shall not apply to incorporated towns"; and on page 2, line 10, after the word "not," to strike out the words "less than 10 days nor," so as to make the bill read:

*Be it enacted, etc.*, That in connection with and during the construction of the Alaskan railroad, under the provisions of the act of Congress approved March 12, 1914, entitled "An act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes," the President is hereby authorized and empowered to make and promulgate such quarantine and sanitary rules and regulations as shall be necessary to preserve the public health along and in the vicinity of said railroad while being constructed, or located by survey, and within town sites established, or to be established, under and pursuant to said act of March 12, 1914: *Provided*, That this shall not apply to incorporated towns.

SEC. 2. That such rules and regulations shall become effective on a date to be named in proclamation of the President promulgating same, and any person violating such rules or regulations, or any of them, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof in the courts of Alaska, be fined not more than $500 or be imprisoned not more than one year, or both.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LIGHTHOUSE RESERVATION AT SCITUATE, MASS.

Mr. LIPPITT. From the Committee on Commerce I report back favorably without amendment the bill (S. 5910) authorizing the sale of the lighthouse reservation at Scituate, Mass.

Mr. LODGE. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered as in Committee of the Whole. It authorizes the Secretary of Commerce to sell to the town of Scituate, Mass., for $1,000, that certain piece or parcel of land pertaining to the Lighthouse Service situate and lying on Cedar Point, Scituate, county of Plymouth, Commonwealth of Massachusetts, described April 4, 1811, by Seth Sprague, Joshua Thomas, and Nathan Rice, a committee appointed under the act of the Legislature of the Commonwealth of Massachusetts, ceding jurisdiction and authorizing the appraisement of land at Scituate Harbor, and recorded in Plymouth register of deeds, book 116, folio 183, and book B, page 159, as follows: All the land and beach that lies southeasterly of a line beginning on the easterly side of Cedar Point at a place that bears south 49½° west from the Old Sow, so called, and that bears north 4° east from the willow tree on the first cliff, so called, and from said place running south 74° west across said Cedar Point to the harbor, together with the right of way and shore privilege, including the improvements thereon, no longer required for lighthouse purposes: *Provided*, That the town of Scituate shall maintain the site and structure thereon as an historic landmark.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

E. C. HORNOR.

Mr. CLARKE of Arkansas. I ask unanimous consent for the present consideration of the bill (H. R. 8068) for the relief of E. C. Hornor. It is a local bill, not of very great importance to the country but of quite considerable importance to the beneficiary.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It proposes to pay to E. C. Hornor, of Helena, Ark., $1,000 on account of forfeiture of bond in case of Anna B. Taylor.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS (by request):

A bill (S. 5989) to create a Department of the Civil Service and to provide for its organization, and for other purposes; to the Committee on Civil Service and Retrenchment.

By Mr. CHAMBERLAIN:

A bill (S. 5990) to prohibit telephone companies and telegraph companies from engaging in the sale of merchandise; to the Committee on Interstate Commerce.

Mr. BORAH. I introduce a bill and ask that it lie on the table, to be called up later.

The bill (S. 5991) to prevent discrimination in prices and to provide for publicity of prices to dealers and to the public was ordered to lie on the table.

By Mr. PITTMAN:

A bill (S. 5992) authorizing the cutting of timber for mining purposes by corporations organized in one State and conducting mining operations in another; to the Committee on Public Lands.

By Mr. STERLING:

A bill (S. 5993) granting an increase of pension to Thomas McDonald (with accompanying papers); and

A bill (S. 5994) granting an increase of pension to Allen B. O'Connor (with accompanying papers); to the Committee on Pensions.

By Mr. GALLINGER (for Mr. BURLEIGH):

A bill (S. 5995) granting an increase of pension to Eliza J. Eddy;

A bill (S. 5996) granting an increase of pension to Francis A. Gilbreth; and

A bill (S. 5997) granting an increase of pension to Charles N. Chatto; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 5998) granting an increase of pension to Elize King; to the Committee on Pensions.

A bill (S. 5999) for the relief of Watson B. Dickerman, administrator of the estate of Charles Backman, deceased; to the Committee on Claims.

By Mr. POMERENE:

A bill (S. 6000) for the retirement of public-school teachers of the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 6001) to amend section 19 of the Federal reserve law relating to reserves; to the Committee on Banking and Currency.

By Mr. GORE:

A bill (S. 6002) granting a pension to Melvin G. Cornell;

A bill (S. 6003) granting a pension to Wylie Brown;

A bill (S. 6004) granting a pension to Frank H. Latham;

A bill (S. 6005) granting a pension to Evan Watson;

A bill (S. 6006) granting a pension to Lizzie J. McCollum; and

A bill (S. 6007) granting a pension to Percy Jones; to the Committee on Pensions.

By Mr. WARREN:

A bill (S. 6008) granting an increase of pension to Charles William Finley (with accompanying papers); to the Committee on Pensions.

By Mr. KERN (for Mr. TAGGART):

A bill (S. 6009) granting an increase of pension to Nathan Martin;

A bill (S. 6010) granting a pension to Reuben J. Powell;

A bill (S. 6011) granting a pension to Clarence McClintic; and

A bill (S. 6012) granting an increase of pension to John W. Shepherd; to the Committee on Pensions.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL.

Mr. CHAMBERLAIN submitted an amendment proposing to appropriate $200,000 for experimental well boring in the semi-arid regions of central and eastern Oregon, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

RESTORATION OF PEACE.

M. GORE. I submit a concurrent resolution and ask that it may go over under the rule. I ask that it may be read.

The concurrent resolution (S. Con. Res. 22) was read as follows:

*Resolved by the Senate of the United States (the House of Representatives concurring)*, That the Congress and the people of the United States are desirous of maintaining an honorable and lasting peace with all the nations of the world, and pending war among other nations are desirous of maintaining even-handed and undiscriminating neutrality;

Second. That the Congress and the people of the United States will support all efforts on the part of the President to preserve such a peace and to observe such neutrality;

Third. That the Congress and the people of the United States earnestly desire and would hail with profound satisfaction the return or restoration of permanent peace to the warring nations of the Old World:

Fourth. That the Congress and the people of the United States would approve and support all seasonable efforts on the part of the President to encourage or to facilitate the establishment of a permanent peace among the warring nations upon such principles as would best conserve the interest of civilization and insure, so far as may be, international peace and justice for the future.

The VICE PRESIDENT. The concurrent resolution will go over under the rule and be printed.

DEPARTMENT OF JUSTICE BUILDING.

Mr. SWANSON. I ask unanimous consent that the Senate proceed to the consideration of the bill (S. 5854) to provide for the erection, furnishing, and equipping of a public building in the city of Washington, D. C., for the Department of Justice.

Mr. MYERS and Mr. STONE addressed the Chair.

Mr. SWANSON. I move that the Senate proceed to the consideration of the bill.

Mr. MYERS. I rose to ask the Senator from Virginia upon the question of unanimous consent how long he thinks it will take to dispose of the bill?

Mr. SWANSON. I do not think it will take very long. Its passage has been urged for years and years.

Mr. MYERS. I think we ought to call the calendar for the consideration of unobjected bills, but as the motion has been made I have nothing more to say.

The VICE PRESIDENT. The Senator from Viriginia moves that the Senate proceed to the consideration of the bill.

Mr. GALLINGER. Mr. President, pending the motion I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fall | Jones | Norris |
| Bankhead | Gallinger | Kenyon | Page |
| Beckham | Gore | Kern | Pittman |
| Broussard | Gronna | Lane | Poindexter |
| Catron | Harding | Lea, Tenn. | Pomerene |
| Chamberlain | Hardwick | Lippitt | Ransdell |
| Clapp | Hitchcock | Lodge | Saulsbury |
| Clarke, Ark. | Hollis | McLean | Shafroth |
| Colt | James | Martine, N. J. | Sheppard |
| Curtis | Johnson, Me. | Myers | Sherman |
| du Pont | Johnson, S. Dak. | Newlands | Simmons |
| Smith, Ariz. | Sterling | Thompson | Wadsworth |
| Smith, Md. | Stone | Tillman | Warren |
| Smith, S. C. | Swanson | Underwood | Weeks |
| Smoot | Thomas | Vardaman | Williams |

Mr. CLAPP. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] has been called from the city by serious illness in his family, and that he has a general pair with the junior Senator from Florida [Mr. BRYAN]. I will let this announcement stand for the day.

Mr. SWANSON. I desire to state that I am paired with the junior Senator from Pennsylvania [Mr. OLIVER], who is absent. I will let this announcement stand for the day.

Mr. KERN. I wish to announce the unavoidable absence of the Senator from Indiana [Mr. TAGGART]. I will let this announcement stand for the day.

Mr. JAMES. I desire to announce that the following Senators are absent attending a meeting of the Judiciary Committee:

The Senator from Texas [Mr. CULBERSON], the Senator from North Carolina [Mr. OVERMAN], the Senator from West Virginia [Mr. CHILTON], the Senator from New York [Mr. O'GORMAN], the Senator from Florida [Mr. FLETCHER], the Senator from Missouri [Mr. REED], the Senator from Montana [Mr. WALSH], the Senator from Georgia [Mr. SMITH], the Senator from Wyoming [Mr. CLARK], the Senator from Minnesota [Mr. NELSON], the Senator from Vermont [Mr. DILLINGHAM], the Senator from Utah [Mr. SUTHERLAND], the Senator from Connecticut [Mr. BRANDEGEE], the Senator from Idaho [Mr. BORAH], and the Senator from California [Mr. WORKS].

The VICE PRESIDENT. Sixty Senators have answered to the roll call. There is a quorum present. The Senator from Virginia has moved that the Senate proceed to the consideration of the bill (S. 5854) to provide for the erection, furnishing, and equipping of a building in the city of Washington, D. C., for the Department of Justice.

The motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That a commission, consisting of the President of the United States, the Secretary of the Treasury, and the Attorney General, be, and is hereby, created, with full power and authority to obtain, through competition, under such conditions as the commission may prescribe, or from an architect specially selected by said commission, such designs, plans, estimates, specifications, etc., and such modifications therein as may be necessary, in connection with the construction of a suitable fireproof building, hereby authorized to be erected in the city of Washington, D. C., for the Department of Justice.

SEC. 2. That payment for the architectural services hereinbefore authorized shall be made from the appropriation for the building for the Department of Justice, at such prices or rates of compensation as may be fixed by said commission, not in excess, however, of the customary and prevailing rates for similar services, and said commission is hereby authorized to enter into contract to such extent as it may deem necessary for such architectural services, or to delegate its authority to enter into such contract to the Secretary of the Treasury: *Provided*, That nothing herein contained shall be construed as including the superintendence or local supervision of the work of constructing said building as a part of the architectural services hereinbefore authorized.

SEC. 3. That the limit of cost of said Department of Justice building, with fireproof vaults, elevators, equipment, and furnishings, ready for occupancy, and including compensation for architectural and other expert technical and clerical services, but exclusive of approaches and apparatus for generating electric current and heat, shall not exceed the sum of $3,000,000.

SEC. 4. That said Department of Justice building shall be located upon such portions of squares 226 and 227 immediately south of Pennsylvania Avenue between Fourteenth and Fifteenth Streets northwest as may be designated by the above-named commission.

SEC. 5. That upon the approval of the designs, plans, etc., and the designation of the location as aforesaid, by said commission, the Secretary of the Treasury be, and he is hereby, authorized and directed to enter into contracts for the construction, equipment, and furnishing of the said Department of Justice building, and to employ such expert technical and clerical services as he may deem necessary and specially order in writing, to be employed exclusively in the Office of the Supervising Architect in connection with the work on said building, all within the total limit of cost hereinbefore fixed: *Provided*, That the contracts for the furnishings for said building shall be made for only such articles as may be approved by the Attorney General.

SEC. 6. That the adoption and approval of the design, plans, etc., for said Department of Justice building by the above-named commission shall not prevent subsequent changes in the design, arrangement, materials, or methods of construction, or cost which may be found necessary or advantageous: *Provided*, That no changes shall be made involving an expense in excess of the limit of cost hereinbefore fixed.

SEC. 7. That for the payment of architectural and other expert technical and clerical services and necessary expenses in obtaining designs, plans, estimates, specifications, etc., and for beginning the construction of said Department of Justice building, the sum of $500,000 be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available.

Mr. LODGE. Mr. President, I am very glad that there is pending here a bill providing for the construction of a building for the Department of Justice, which, in my judgment, ought to have been undertaken long ago; but I wish that the plans and designs for the building might be open to competition, and that its construction should not be confined to "an architect specially selected by said commission." I think the results of competition heretofore have been extremely good. Of course under this

bill there will be no competition. The architect, I take it, has already been selected.

Mr. SWANSON. If the Senator from Massachusetts will permit, I wish to say that the plans for this proposed building have been practically paid for, though there might be some alteration in them as prepared by Mr. Barber.

Mr. LODGE. I take it that the Senator from Virginia refers to the plans for the building which it was intended to locate opposite Lafayette Square?

Mr. SWANSON. Yes; some time ago.

Mr. LODGE. I remember that.

Mr. SWANSON. But I have no objection to the Senator from Massachusetts having an amendment inserted to the effect that if new plans are adopted the matter shall be open to competition. I think that would be proper. I presume, however, that the plans have been paid for and that they will be practically adopted, except as I have stated there might be some modification in them. We might wish to pay the architect something for modifying, improving, or changing the present plans. I think we have appropriated heretofore $50,000 for the plans.

Mr. LODGE. Yes; and I remember that the plans were agreed upon, but the building was not constructed because the expenditure could not be brought within the appropriation, and the matter all went over.

Mr. SWANSON. As I understand, the reason why the provision was inserted in the bill was because we expected to modify the plans to a certain extent, and possibly there will be some expense incident to that. I shall not object, if the Senator from Massachusetts desires to have an amendment inserted in the bill to the effect that, if new plans are adopted, it shall be after competition. As I have stated, I think that would be perfectly proper.

Mr. LODGE. I move, in section 1, page 1, line 6, after the word "competition," to insert the words "if new plans are to be adopted."

Mr. SWANSON. I accept that amendment.

Mr. LODGE. Then, in section 1, page 1, line 8, after the word "commission," I move to insert "if existing plans are to be used."

Mr. SWANSON. I accept the amendment.

The VICE PRESIDENT. The amendments proposed by the Senator from Massachusetts will be stated.

The SECRETARY. In section 1, page 1, line 6, after the word "competition," it is proposed to insert "if new plans are to be adopted;" and in line 8, after the word "commission," to insert "if existing plans are to be used," so as to read:

That a commission, consisting of the President of the United States, the Secretary of the Treasury, and the Attorney General, be, and is hereby, created, with full power and authority to obtain, through competition, if new plans are to be adopted, under such conditions as the commission may prescribe, or from an architect specially selected by said commission, if existing plans are to be used—

And so forth.

Mr. SWANSON. I accept the amendments.

The VICE PRESIDENT. Without objection, the amendments are agreed to.

Mr. NEWLANDS. Mr. President, I presume the Senator from Virginia will have no objection to inserting an amendment in this bill providing that, before entering into the contract for the building herein provided for, the plans shall be submitted to the National Commission of Fine Arts?

Mr. SWANSON. I shall have no objection, if the amendment is framed in the language of the act previously passed, to the effect that the commission "shall advise" with the Fine Arts Commission.

Mr. NEWLANDS. That they shall have their advice?

Mr. SWANSON. I shall have no objection to a provision to the effect that they shall advise with the Fine Arts Commission. I shall be very glad to accept an amendment to that effect, if the amendment which the Senator from Nevada desires to have inserted is in section 2, page 2, after line 17, to insert:

*Provided*, That the Commission of Fine Arts shall be advised with before such plans are adopted.

Mr. OVERMAN. That must be done, anyhow, under the law.

Mr. SWANSON. No; the law provides that the Fine Arts Commission shall be advised with. That is the language of the statute, I think.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 2, line 17, after the word "authorized," the last word in section 2, it is proposed to insert a colon and the following words:

*Provided*, That the Commission of Fine Arts shall be advised with before each plans are adopted.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. WILLIAMS. Mr. President, I do not think that is the amendment which the Senator from Nevada wants to offer.

Mr. SWANSON. I will accept an amendment of similar purport at the same place, if the Senator from Nevada is not satisfied with the one suggested.

Mr. NEWLANDS. I will suggest to the Senator from Mississippi that the act creating the Fine Arts Commission provides that matters of art shall be submitted to the Fine Arts Commission for their counsel and advice. That is the language, I think, There is nothing in the original law that absolutely requires their approval.

Mr. WILLIAMS and Mr. STONE addressed the Chair.

The VICE PRESIDENT. The Senator from Mississippi.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Virginia, who is in charge of the bill, a question about it, with a view of getting some information. Why did the committee come to the conclusion that $3,000,000 was needed for the proposed building for the Department of Justice?

Mr. SWANSON. That was the estimate made last year and is the estimate which has heretofore been made from time to time by the Supervising Architect's Office and the commission in charge of the plans. They have all estimated that it will require $3,000,000 to erect the building.

Mr. WILLIAMS. Mr. President, it seems to me that if we were going to erect all the buildings which the Government needs and make them adequate to house the various departments and at the same time make works of art out of them we do not need to appropriate $3,000,000 for each building. I can understand that if it were the design to construct a building to house other departments in addition to the Department of Justice a very large building might be required; but it seems to me it is wasting public money to appropriate $3,000,000 to erect a building simply to house the Department of Justice, and in order to get the sense of the Senate upon it and to get the matter fully ventilated in debate I shall move to strike out the numerals "$3,000,000" and substitute the numerals "$1,000,000" at the proper places in the bill.

I understand that the building for the Department of Agriculture cost only a million dollars, and that a number of other buildings here cost no more than that. A million dollars is a right large sum of money, especially now when we will have to spend all sorts of money for all kinds of new purposes.

When it comes to beautiful buildings Greece and Rome both taught us years and years ago that it did not require $3,000,000 to erect them. You can construct a very cumbersome, ugly building, like the present Department of State, War, and Navy, for example, very easily by the expenditure of a whole lot of unnecessary and wasted money. Unless there is some satisfactory explanation of the necessity of expending this very large amount of money I shall insist upon a motion to amend.

Mr. SWANSON. Mr. President, I do not care whether the Senate makes the appropriation $2,000,000, $1,000,000, or what not. The plans for the building have been practically adopted, and an estimate has been made by the Supervising Architect's Office as to what the new department building will cost to construct in accordance with those plans. I have no doubt that architects can erect an office building for a million dollars, but the proposed new building for the Department of Justice is to be constructed opposite the Treasury Department on land heretofore purchased by the Government for this purpose. The plans call for a very handsome structure, a very beautiful building, to be located, as I have said, opposite the Treasury, between Fourteenth and Fifteenth Streets. The department thinks it impossible to construct a building in accordance with the plans which have been agreed upon for a less sum of money than is provided for in the bill. I repeat that that estimate has been made by the Supervising Architect's Office and those who prepared the plans for the building. If the Senator thinks——

Mr. WILLIAMS. Mr. President, as I understand the Senator, the only reason is that somebody has recommended the $3,000,000 building.

Mr. SWANSON. It is not that some one has recommended that kind of a building, but the estimates have been made on the plans which have been adopted.

Mr. WILLIAMS. Undoubtedly, for $1,000,000 a magnificent and beautiful Department of Justice building can be erected in this city, especially as we already own the site, and we are going to need the other $2,000,000 very soon for a great many things. There is no use in our trying to make a reputation among the nations of the earth for architecture, which is simply the most stupendous that exists, and there is no use founding our reputation in architecture on the size of the buildings we erect or their cost. I can reproduce the Pantheon for half a million dollars or less, and I can reproduce the Parthenon probably for a similar sum.

If it were proposed to erect a building for a great department which had a large number of employees and required and demanded very large accommodations, perhaps such an expenditure might be justified—the mere item of stone would, of course, cost a great deal; but the Department of Justice is one of the smallest departments, so far as the number of its employees are concerned, in the entire Government; and if we are going to spend $3,000,000 for it, I presume, in proportion, we should spend $5,000,000 for the Department of Commerce and perhaps $6,000,000 for some other department.

Mr. SWANSON. Mr. President, if the Senator will permit me, an estimate was made as to how much such buildings will cost per cubic foot according to the architectural design; but if the Senator can erect the needed building for a million dollars, I think it would be very well to save the money.

Mr. VARDAMAN. Mr. President——

Mr. WILLIAMS. By the way, before I yield, the Senator from Indiana [Mr. KERN] makes a very valuable suggestion. The appropriations for the present session are going to exceed past appropriations by hundreds of millions of dollars.

Mr. KERN. By over $200,000,000.

Mr. WILLIAMS. We do not want to waste the public money.

Mr. VARDAMAN. Mr. President, I should like to ask the Senator in charge of this bill if the building to be constructed is to be used for any other purpose than the occupancy of the Attorney General and officers and employees of his department?

Mr. SWANSON. It is to be used for the Department of Justice. At one time it was contemplated to have the Departments of Justice and of State combined in one building, but the plans which have been prepared recommend that the building be devoted to the purposes of the Department of Justice alone.

Mr. VARDAMAN. Will it be occupied by the Supreme Court?

Mr. SWANSON. No; it will not be occupied by the Supreme Court.

Mr. VARDAMAN. It would take the place of the building now occupied by the Department of Justice?

Mr. SWANSON. I presume it will include the Court of Claims and everything that pertains to the work of the Department of Justice.

Mr. VARDAMAN. Mr. President, I agree with my colleague that a million dollars would be ample to construct a building for the purposes for which this building may be desired, and I do not see any necessity for extravagance in such a matter.

Mr. STONE. Mr. President, I rise merely to supplement what the Senator from Mississippi [Mr. WILLIAMS] said. The Senator from Mississippi asked the chairman of the committee, who has charge of this bill, whether a suitable and adequate building for the Department of Justice could not be constructed for a much less sum than that carried in the text of the bill, $3,000,000. The Senator from Virginia [Mr. SWANSON] said you can make it three millions, two millions, or one million, as you please. There is a significance to that answer. The Senator from Virginia did not intend, perhaps, that the answer should bear the significance I have in mind.

Mr. SWANSON. Mr. President, if the Senator will permit me, I say you can construct an office building for a million dollars. If you are going to put a building there that is in accord with the architecture of the Treasury, and in accord with the architecture of the plans that have been adopted for this building, the estimate is, as I have stated, that it will cost about $3,000,000. They have advertised for plans for a handsome building there.

Mr. STONE. Yes; the Senator has made that statement several times, and what he said is understood. What I wish to impress is that whether you make it one million, two millions, or three millions, the Senate can very reasonably depend upon the assurance that before the building is completed large additional appropriations will be asked.

Mr. President, I am as conscious as any Senator of the fact that the Department of Justice is not housed as we would like to see it.

Mr. OVERMAN. This is only an authorization.

Mr. STONE. It authorizes the construction of this building.

Mr. OVERMAN. It does not appropriate any money.

Mr. STONE. Well, it starts in that way. I should like to see the Department of Justice accommodated with a structure ornate and adequate. My friend from Virginia stated when he moved to take up this bill that there was a constant complaint that we were expending large sums for rentals. That is true; and that is the reason why, as soon as it can be done and ought to be done, always having in view our circumstances and environment, a building for this department should be in some way provided better than it now has at its service. But, Mr. President, the Senator from Mississippi [Mr. WILLIAMS] well remarked—I think both the Senators from that State so remarked—that we are now entering, and have already entered, upon a program of legislation that involves unusual and extraordinary expenditures, mounting into hundreds of millions of dollars. Already the Committee on Ways and Means of the House of Representatives are struggling with great difficulty to find ways and means for providing the revenue necessary to meet these extraordinary and enormous expenditures. I agree with the Senators from Mississippi that this is a time when we ought not to make appropriations that are not absolutely imperative or at least in some way of commanding importance.

We have gone along for a good many years without a building for this purpose. Perhaps it ought to have been constructed long ago. Let that be conceded. But at this time this Congress is facing the difficult proposition of providing very large and unusual revenues that must be collected in some form of taxation. I think we could defer expenditures of the kind covered by this bill for a while. Three million dollars is a considerable sum. My friend from Virginia and others in both Houses who are members of Public Buildings and Grounds Committees have led us to believe that at this session there would be no general buildings bill, and I have heartily approved that policy. I approved of it for the reason I have indicated, that this is peculiarly a time when we ought to husband our resources and limit our expenditures, where expenditures are not of greatest importance—of such importance, indeed, as to make appropriations almost imperative—with a view to meeting more easily the vast appropriations we are going to be compelled to make. I call the attention to this fact to the Senate generally, but to Democratic Senators especially, for Senators on this side bear the responsibility attaching to those representing the responsible majority.

I do not know when or where we can better begin than now. This large expenditure is not absolutely essential. I have as much regard for the Department of Justice as has my friend from Virginia. I should love to see that department have a beautiful home. I would love to see such a building in Washington. But the Department of Labor is also without a permanent abiding place. That department is renting, as the Department of Justice is renting, and perhaps others are also renting. That has been going on for a long time.

Mr. NELSON. Mr. President, will the Senator yield to me?

Mr. STONE. Certainly.

Mr. NELSON. I want to say that this bill never ought to pass. The Department of Justice building, which will include the Supreme Court and the Law Library, ought to be up here within the reach of Congress. The Department of Justice building ought to be here on Capitol Hill, right across from the Congressional Library. Senators have occasion time and again to go and consult the Law Library. We have occasion oftentimes to go before the Supreme Court and move the admission or our friends to the bar, and we have occasion to look up the decisions of the court. Now, why make the judges, and why make us, travel down to the lower end of Pennsylvania Avenue?

Mr. STONE. The Senator in charge of the bill has just stated that this building is not intended to be used by the Supreme Court. Possibly, he says, the Court of Claims and other inferior tribunals will assemble there and perform their duties in this building if constructed. He does not say that these inferior courts would use the building, but he says they might possibly.

Mr. NELSON. But they have ample room down here on Judiciary Square. There is a great big white building there. Is that to be pulled down, like the Department of Justice building, which formerly stood next to the Riggs Bank?

Mr. STONE. Mr. President, I am not disposed to enter upon that line of the argument. My one purpose is to impress, if I can, upon the minds of Senators on both sides of the Chamber, but particularly upon this side, since this is the majority side, the fact—and call that fact to their minds to reflect upon—that we are appropriating, and will be almost compelled to appropriate enormous sums of money, running into hundreds of millions, beyond the ordinary appropriations hitherto made by the Congress. It is a question of economy I am talking about. In view of this situation I insist, with such energy as I can, that common prudence, to say nothing of common sense, demands of us, especially those of us in the majority, that we strip out of our line of appropriations every measure that is not absolutely necessary and imperative for the immediate uses of the Government.

Mr. WILLIAMS. Mr. President, if the Senator will pardon an inquiry there, does he not believe that even if this building were imperatively and vitally necessary this amount of money is out of all proportion for the mere purpose of housing the Attorney General and his employees?

Three per cent upon $3,000,000 is $90,000 per annum. The upkeep at 1 per cent, which is a very low estimate, would amount to $30,000. There is $120,000 per annum that the Government would have to spend; and certainly we are not paying that amount now for rents for the Attorney General and his employees. So, if we are going to capitalize the rents, which is what we ought to try to do, we should also capitalize the expense the Government would incur if this building should be erected.

Mr. STONE. Mr. President, I have been impressed by what the Senator said—for it was in accord with my own thought—that $3,000,000 was very much in excess of the amount needed to construct a building adequate for the uses of the Department of Justice; and I am impressed by what he says about the comparative expense of renting quarters for the department and constructing a $3,000,000 building and maintaining it; although, of course, the cost of maintenance will apply in some proportion to rented property as well.

Mr. SWANSON. Mr. President, if the Senator will permit me, Congress authorized a competition for this building. The competition was held. Fifty thousand dollars was appropriated for plans. The plans were accepted. We have never made an appropriation to construct the building. The lots were bought years and years ago at this place for the Department of Justice. It is estimated that the building will cost about $3,000,000. There will be nothing spent which is unusual in the case of buildings of this kind. We have a commission of three persons—the President, the Attorney General, and the Secretary of the Treasury—who will have charge of this building, the plans, and the amount expended. This bill was prepared after consultation with these three departments and persons as to the kind of building they would like to have there.

I know you can construct an office building for a smaller sum than this; but as soon as an office building is constructed between Fourteenth and Fifteenth Streets on Pennsylvania Avenue opposite the Treasury Department—which is recognized as being the finest piece of art in Washington—as soon as an office building is constructed there without art, without beauty, and not in accord with the Treasury Building there will be universal condemnation for it. Now, I want the responsibility to rest with the Senate.

Mr. WILLIAMS. What did the Treasury Building cost?

Mr. SWANSON. I do not know what the Treasury Building cost.

These plans have been prepared. The amount of square feet necessary has been computed. They make an estimate of the space that is needed for the department and its growth in the future, and figure over what it will cost, and then an estimate is made, approximating about this sum.

I felt this way, if the Senator will permit me—I do not want to interrupt him: There has been complaint here all the time that we are paying six or seven hundred thousand dollars a year for rent. I, for one, think this Government ought not to pay rentals in Washington. In some places the rentals are extravagant. For the Department of Justice they are not extravagant. They only amount, I think, to forty or fifty thousand dollars, somewhere between those figures, and they have been housed for 10 years in the most wretched condition of any department of this Government.

Mr. STONE. Mr. President, we all understand that. The Senator merely enforces upon our attention a knowledge common to us all.

Mr. President, I would not have a structure put up at a point angling across from the Treasury Department—which, I agree with the Senator from Virginia, is the most artistic structure among the public buildings in Washington—that did not comport in architecture, style, and character with the Treasury Building. I would not wish this building, if constructed, to jar, so to speak, upon artistic taste, when men and women having artistic taste look upon both of them. I would not wish that. But I am not at all sure that what my friend from Minnesota [Mr. NELSON] said was not wisely said. We have discussed this question here before—that when we come to construct a building of this kind, it ought to house the Supreme Court, whose quarters here we know to be inadequate.

Mr. WILLIAMS. And the law library.

Mr. STONE. When I say "the Supreme Court" I mean everything connected with the Supreme Court.

Mr. SUTHERLAND. Mr. President, why does the Senator say that the quarters of the Supreme Court are inadequate? The court room is large enough to accommodate the court. Rooms have been set aside for the judges in this wing of the building, and the rooms that have been set aside have not been occupied by them, with the exception of one or two.

Mr. SWANSON. Mr. President, if the Senator will permit me——

Mr. STONE. I can not permit further interruption just now.

Mr. SWANSON. I simply wish to say that I think the Supreme Court is not desirous of moving. The members of it with whom I have consulted in reference to this matter are desirous of remaining where they are.

Mr. SUTHERLAND. That is my information about it.

Mr. SWANSON. That is my information. I approached some members of the court with a view of having it included. I think they desire to remain where they are.

Mr. STONE. Mr. President, I do not know as to that. I do know that if we or the court merely wish a little room where judges can assemble and hand down decisions, the present room will answer that purpose; but if we wish a place as big as a good country courthouse court room, where the people of the United States who come here and who would like to see the Supreme Court in session and witness its proceedings and learn something about this great tribunal, then they need better and larger accommodations. I have stood out here in the corridors day after day and seen hundreds of people lined up waiting to get into the court room just to see the Supreme Court of the United States in session. Ought the people not to have that privilege? Would it not be educational?

Mr. NELSON. Mr. President, if the Senator will allow me to make a suggestion, everybody who has been in the quarters knows that our Supreme Court library has utterly insufficient quarters. I never knew a law library to be cooped up in such miserable quarters as our Supreme Court library. We ought to have ample room for that library, so that it could be utilized by Congress and by the members of the bar.

Mr. STONE. Mr. President, the time is up and I must quit. But at this point, I wish to say that I understand the rental now paid for the buildings occupied by the Department of Justice is, in round numbers, only about $36,000 a year.

### EXECUTIVE SESSION.

The VICE PRESIDENT. The hour of 1 o'clock having arrived, in accordance with the unanimous-consent agreement heretofore entered into, the Senate will go into executive session. The Sergeant at Arms will clear the galleries and close the doors.

The Senate thereupon proceeded to the consideration of executive business. After 4 hours and 25 minutes spent in executive session the doors were reopened.

### PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had on this day approved and signed the act:

S. 4432. An act to amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that, in accordance with the provisions of the concurrent resolution of the two Houses, the Speaker of the House had canceled his signature to the enrolled bill (H. R. 759) to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof.

### ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 562) to amend the act approved June 25, 1910, authorizing the Postal Savings System, and for other purposes, and it was thereupon signed by the Vice President.

### THE NEW AQUEDUCT BRIDGE.

The VICE PRESIDENT. The Chair announces the cancellation of his signature, in accordance with the concurrent resolution of the two Houses, to the enrolled bill (H. R. 759) to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof.

### NOMINATION OF GEORGE RUBLEE.

Mr. HOLLIS. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from the vote on the confirmation of the nomination of George Rublee as a Federal trade commissioner and that the vote be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The vote was—yeas 36, nays 42, as follows:

YEAS—36.

| | | | |
|---|---|---|---|
| Ashurst | Johnson, Me. | Myers | Ransdell |
| Beckham | Johnson, S. Dak. | Newlands | Shafroth |
| Chilton | Kenyon | Norris | Sheppard |
| Clapp | Kern | Overman | Simmons |
| Culberson | La Follette | Owen | Smith, Ariz. |
| Fletcher | Lane | Phelan | Stone |
| Hitchcock | Lea, Tenn. | Pittman | Thompson |
| Husting | Lee, Md. | Poindexter | Tillman |
| James | Lewis | Pomerene | Walsh |

NAYS—42.

| | | | |
|---|---|---|---|
| Bankhead | Dillingham | Martin, Va. | Smoot |
| Borah | du Pont | Martine, N. J. | Sterling |
| Brady | Fall | Nelson | Sutherland |
| Brandegee | Gallinger | O'Gorman | Underwood |
| Broussard | Gronna | Page | Vardaman |
| Catron | Harding | Reed | Wadsworth |
| Chamberlain | Hardwick | Saulsbury | Warren |
| Clark, Wyo. | Hollis | Sherman | Weeks |
| Clarke, Ark. | Lippitt | Smith, Ga. | Works |
| Colt | Lodge | Smith, Mich. | |
| Curtis | McLean | Smith, S. C. | |

On the vote on the confirmation of the nomination of George Rublee to be a Federal trade commissioner the following pairs were announced:

Mr. BRYAN with Mr. TOWNSEND;
Mr. ROBINSON with Mr. BURLEIGH;
Mr. SWANSON with Mr. OLIVER;
Mr. HUGHES with Mr. GOFF;
Mr. THOMAS with Mr. MCCUMBER;
Mr. WILLIAMS with Mr. PENROSE; and
Mr. SHIELDS with Mr. JONES.

Mr. KERN. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, May 16, 1916, at 12 o'clock meridian.

## NOMINATIONS.

*Executive nominations received by the Senate May 15, 1916.*

APPOINTMENT IN THE ARMY.

CHAPLAIN.

Rev. John Granville Breden, of Illinois, to be chaplain with the rank of first lieutenant from May 3, 1916, vice Chaplain Michael G. Doran, Tenth Infantry, resigned April 14, 1915.

PUBLIC HEALTH SERVICE.

Asst. Surg. Charles L. Williams to be passed assistant surgeon in the Public Health Service, to rank as such from May 23, 1916. This officer has served the required time in his present grade and has passed the necessary examination for promotion.

POSTMASTERS.

ARIZONA.

Milville C. Hankins to be postmaster at Douglas, Ariz., in place of Fred E. Cadwell. Incumbent's commission expires June 7, 1916.

Hugh E. Laird, to be postmaster at Tempe, Ariz., in place of James W. Woolf, resigned.

CALIFORNIA.

Charles F. Evers to be postmaster at Fortuna, Cal., in place of Charles E. Tucker. Incumbent's commission expired March 21, 1916.

FLORIDA.

T. J. Hammond to be postmaster at Hawthorn, Fla., in place of W. H. Berkstresser. Incumbent's commission expired April 25, 1916.

GEORGIA.

T. B. Banks to be postmaster at Grantville, Ga., in place of C. D. O'Kelly. Incumbent's commission expires June 7, 1916.

J. Frank Stovall to be postmaster at Madison, Ga., in place of James F. Boughton. Incumbent's commission expires June 14, 1916.

IOWA.

Arthur A. Dingman to be postmaster at Aurelia, Iowa, in place of William C. Marsh. Incumbent's commission expires June 14, 1916.

KANSAS.

Alexander Burgess to be postmaster at Mulvane, Kans., in place of T. C. Conklin. Incumbent's commission expires June 5, 1916.

LOUISIANA.

J. A. Melton to be postmaster at Coushatta, La., in place of Robert A. Giddens. Incumbent's commission expires June 12, 1916.

Albert Nunez to be postmaster at Arabi, La., in place of Alexander Latil. Incumbent's commission expired December 18, 1915.

Lou E. Russell to be postmaster at West Monroe, La., in place of Lou E. Russell. Incumbent's commission expires June 12, 1916.

MAINE.

Harry E. Roberts to be postmaster at Kittery Point, Me., in place of Edgar M. Frisbee, deceased.

MASSACHUSETTS.

Charles W. Swift to be postmaster at Yarmouth Port, Mass., in place of Elmer W. Hallett, deceased.

MICHIGAN.

R. W. Doyle to be postmaster at Merrill, Mich., in place of Charles E. Johnston, resigned.

Walter G. Fogel to be postmaster at Pittsford, Mich., in place of Charles N. Spear. Incumbent's commission expires June 5, 1916.

C. W. Hartwell to be postmaster at Reading, Mich., in place of E. C. Corbett. Incumbent's commission expires June 5, 1916.

MINNESOTA.

John Engebretson to be postmaster at Elbow Lake, Minn., in place of Oscar T. Stromme, resigned.

Edward L. Wurst to be postmaster at Richmond, Minn. Office became presidential January 1, 1916.

MISSISSIPPI.

Andrew J. Darden to be postmaster at Centerville, Miss., in place of Andrew J. Darden. Incumbent's commission expires June 12, 1916.

George C. Gunn to be postmaster at Agricultural College, Miss., in place of L. M. Joyner. Incumbent's commission expires May 28, 1916.

Kirk M. Heflin to be postmaster at Baldwyn, Miss., in place of Effie DuBerry. Incumbent's commission expired May 10, 1916.

MISSOURI.

Thomas F. Benson to be postmaster at Sturgeon, Mo., in place of Roy C. Barnes, resigned.

Hefner F. Hoover to be postmaster at Hardin, Mo., in place of William H. Howe. Incumbent's commission expires June 5, 1916.

NEW HAMPSHIRE.

Elmer T. Ford to be postmaster at Hanover, N. H., in place of H. E. Hurlbutt. Incumbent's commission expired February 13, 1916.

Frank L. Marston to be postmaster at Conway, N. H., in place of Albert H. McLain, declined.

NEW JERSEY.

Richard M. Crawford to be postmaster at Westville, N. J., in place of Daniel M. Fox, resigned.

James D. Moriarty to be postmaster at Orange, N. J., in place of Edward S. Perry. Incumbent's commission expired December 11, 1915.

Sol Needles to be postmaster at Cape May, N. J., in place of James E. Taylor. Incumbent's commission expired January 11, 1916.

NEW YORK.

Lewis O. Davis to be postmaster at Port Jefferson, N. Y., in place of John M. Brown, resigned.

Richard J. Gilmer to be postmaster at Kings Park, N. Y., in place of Patrick H. Lyons, deceased.

Richard F. Hayes to be postmaster at Ticonderoga, N. Y., in place of Albert Weed. Incumbent's commission expires May 24, 1916.

Florence L. Johnson to be postmaster at Elmsford, N. Y., in place of Florence L. Johnson. Incumbent's commission expired December 18, 1915.

John Lemmon to be postmaster at Churchville, N. Y., in place of J. A. C. Knapp, removed.

Timothy D. Mulcahy to be postmaster at Lawrence, N. Y., in place of J. E. Morgan Dodge, resigned.

L. G. Quackenbush to be postmaster at Oneida, N. Y., in place of Jay Farrier. Incumbent's commission expired February 1, 1915.

Benjamin B. Tooker to be postmaster at Center Moriches, N. Y., in place of E. S. Robinson. Incumbent's commission expires May 24, 1916.

Frederick M. Welsh to be postmaster at Patchogue,, N. Y., in place of John T. Dare. Incumbent's commission expired April 23, 1916.

Wilber W. Wilcox to be postmaster at Lacona, N. Y., in place of Peter G. Hydorn. Incumbent's commission expires May 24, 1916.

OHIO.

Fred H. Hart to be postmaster at Beverly, Ohio, in place of Samuel Bailey. Incumbent's commission expires June 12, 1916.

D. A. Muskoff to be postmaster at Navarre, Ohio, in place of H. A. Shafer. Incumbent's commission expires June 12, 1916.

Augustus S. Tuttle to be postmaster at Creston, Ohio, in place of John McGuff. Incumbent's commission expires June 12, 1916.

OKLAHOMA.

H. A. Seaton to be postmaster at Mooreland, Okla., in place of Omer Schnoebelen, resigned.

PENNSYLVANIA.

E. R. Criss to be postmaster at New Kensington, Pa., in place of A. M. Frederick. Incumbent's commission expired April 2, 1916.

Henry M. Good to be postmaster at New Castle, Pa., in place of David A. Moore. Incumbent's commission expires June 14, 1916.

SOUTH DAKOTA.

D. C. Campbell to be postmaster at Wolsey, S. Dak., in place of Harry E. Barnes. Incumbent's commission expired February 14, 1916.

G. A. Miller to be postmaster at Conde, S. Dak., in place of Albert Lewis, removed.

Frank E. Riley to be postmaster at Dupree, S. Dak., in place of James D. Stewart. Incumbent's commission expires June 14, 1916.

VIRGINIA.

Nannie B. Campbell to be postmaster at Amherst, Va., in place of C. M. Campbell, resigned.

Samuel R. Gault to be postmaster at Scottsville, Va., in place of Samuel R. Gault. Incumbent's commission expires June 12, 1916.

WISCONSIN.

Christian F. A. Mau to be postmaster at West Salem, Wis., in place of William A. Bradley. Incumbent's commission expired January 15, 1916.

Frank E. Poll to be postmaster at Almond, Wis., in place of W. F. Prochnow. Incumbent's commission expired April 17, 1916.

Henry B. Taylor to be postmaster at Iola, Wis., in place of Buck Williams. Incumbent's commission expired February 6, 1916.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate May 15, 1916.*

UNITED STATES DISTRICT JUDGE.

J. Warren Davis to be United States district judge for the district of New Jersey.

REGISTERS OF LAND OFFICES.

John L. Wiley to be register of the land office at Spokane, Wash.

William H. Canon to be register of the land office at Roseburg, Oreg.

PROMOTIONS IN THE NAVY.

The following named to be lieutenants:

Earle F. Johnson.
Henry K. Hewitt.
Felix X. Gygax.
Guy E. Davis.
Weyman P. Beehler.
Lemuel M. Stevens.
Joseph S. Evans.
John W. W. Cumming.
Charles R. Clark.
Roy LeC. Stover.
Chester H. J. Keppler.
Charles A. Dunn.
John W. Lewis.
James J. Manning.
Charles G. Davy.
Louis H. Maxfield.
Raymond F. Frellsen.
Alfred W. Atkins.
Philip H. Hammond.
Claud A. Jones.
Harry Campbell.
George W. Kenyon.
Allan S. Farquhar.
Lucien F. Kimball.
Harvey W. McCormack.
Harold M. Bemis.
Ernest D. McWhorter.
John M. Schelling.
Bert B. Taylor.
William O. Wallace.
Frank R. King.
Bruce R. Ware, jr.
Carl T. Osburn.
William S. Farber.
Archibald D. Turnbull.
Harry J. Abbett.
George McC. Courts.
Charles W. Crosse.
Lieut. (Junior Grade) Albert M. Cohen.
Lieut. (Junior Grade) Emil A. Lichtenstein.
Lieut. (Junior Grade) George M. Ravenscroft.
Lieut. (Junior Grade) Arie A. Corwin.

Assistant Paymaster Oscar W. Leidel to be a passed assistant paymaster.

Assistant Paymaster John H. Colhoun to be a passed assistant paymaster.

Ensign Herbert A. Ellis to be a lieutenant (junior grade).

Ensign Robert E. P. Elmer to be a lieutenant (junior grade).

Ensign Joseph E. Austin to be a lieutenant (junior grade).

POSTMASTERS.

ALABAMA.

J. F. Manley, Citronelle.

CALIFORNIA.

Sarah B. Anthony, Williams.
John B. Barnard, Niles.
Joseph Charles Beard, Burlingame.
John F. Conkey, Santa Maria.
Daniel McSweeney, South San Francisco.
Isidore J. Proulx, Willows (late Willow).

IDAHO.

Christopher O. Dice, Glenns Ferry.
M. P. Strecker, Stites.

ILLINOIS.

Eli Preston Sanders, Pawnee.
James E. Simpson, Collinsville.
Thomas P. McCann, Oglesby.

INDIANA.

Guy C. Hart, Kendallville.
Elmer Ritter, Fremont.
J. Ross Robertson, Brownstown.

KENTUCKY.

J. B. Stears, Nicholasville.

LOUISIANA.

George H. Thoede, Gretna.

MISSISSIPPI.

Harry L. Callicott, Coldwater.
Malcolm S. Graham, Forest.
Bennett A. Truly, Fayette.
Martha Ann Womack, Bogue Chitto.

NEBRASKA.

Calvin L. Demarest, Bethany.
George McCawley, Seneca.

NEW JERSEY.

S. L. Boone, Penns Grove.

NEW YORK.

Thomas Havey, Orangeburg.
Thomas McMahon, Poland.
Mary L. McRoberts, Tompkinsville.
Henry J. Neumann, Tuxedo Park.

NORTH CAROLINA.

Bettie Belle Pearson, Moravian Falls.

NORTH DAKOTA.

F. O. Hunger, Hankinson.

OHIO.

John L. Norris, New Matamoras.

PENNSYLVANIA.

Frederic J. Dahlen, Belleville.
George W. Lutz, Ambler.

SOUTH CAROLINA.

George L. Hardy, Johnston.

VIRGINIA.

Samuel R. Gault, Scottsville.
Joseph H. Nave, Broadway.

WEST VIRGINIA.

J. H. Long, Huntington.

## REJECTIONS.

*Executive nominations rejected by the Senate May 15, 1916.*

POSTMASTER.

Hugh C. Dever to be postmaster at South Glens Falls, N. Y.

FEDERAL TRADE COMMISSIONER.

George Rublee, of New Hampshire, to be a Federal trade commissioner.

## HOUSE OF REPRESENTATIVES.

MONDAY, *May 15, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we lift up our hearts unto Thee, from whom cometh all wisdom, power, and goodness. Impart unto us plenteously of these gifts, that we may be wise to comprehend, strong to act in accordance with our highest convictions. Fill our hearts with love and good will to all men, that we may do unto others as we would be done by, and so fulfill the law and the prophets, to the honor and glory of Thy holy name. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of Saturday, May 13, 1916, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 5221) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

RURAL CREDITS.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2986, the rural-credits bill, with the gentleman from Texas [Mr. GARNER] in the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2986, the rural-credits bill, with Mr. GARNER in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. DAVIS].

Mr. GLASS. Mr. Chairman, I would like to inquire how much time remains.

The CHAIRMAN. Fifteen minutes' more debate on this section and all amendments thereto. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. DAVIS].

The question was taken, and the amendment was rejected.

Mr. DAVIS of Texas. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 6, noes 26.

So the amendment was rejected.

Mr. SMITH of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Texas: On page 106, in line 6, add a paragraph to section 13, to read as follows:

"Ninth. To accept time deposits, as defined by the Federal reserve act, subject to the same reserve requirements as therein provided, and to pay interest on the same."

Mr. SMITH of Texas. Mr. Chairman, I believe this amendment ought to be adopted. By this bill we are creating Federal land banks, into which we hope and expect to gather a large amount of the investment funds of the country to be loaned to farmers at low rates of interest, and yet we have denied to them the right to receive time deposits—the source from which investment bankers usually get their investment funds. I can see no good reason why this is so unless it is out of deference to the wishes of existing investment bankers and of commercial bankers who enjoy this privilege and who largely, contrary to the purposes of their creation, are engaged in investment banking. The records of the Comptroller of the Currency will show that the national banks of this country alone are carrying more than a billion and a half dollars of time deposits which they have invested in stocks and bonds of various kinds, notwithstanding the fact that their function is to serve the commercial interests of the country through the handling of liquid capital and not to carry on an investment banking business.

However, it is not the purpose of this amendment to deprive the commercial banks of the right to receive time deposits. It is only to give the land banks the same privilege. If adopted, I believe it will result in placing much ready money within the reach of the farmer borrowers, that it will tend to reduce the rate of interest to them, and that it will strengthen the Federal land banks and promote their success from the beginning.

What objection can there be to this amendment? Would it weaken the banks in any respect or impair the solidity of their bonds in the least? Not at all. It is absurd and ridiculous to say that deposits have ever impaired the strength of a bank or weakened any of its obligations. It is true deposits add to the liability of banks, but they also add equally to the banks' resources and increase confidence in their strength, solidity, and obligations. While the committee has brought in a splendid bill, in my judgment the adoption of this amendment would greatly improve it, and I trust it will be favorably acted upon.

Now, Mr. Chairman, before I take my seat let me make some observations with regard to this proposed legislation and point out some of its best features. The time at my disposal will not permit a discussion of the details of the bill.

First. It provides legal processes through which lands as security may be marshaled and mobilized so as to attract investment capital and place it within the reach of farmers at a low rate of interest and on long time. The interest rate can not run higher than 6 per cent per annum, and the most expert opinion is that it will very likely run lower after the system is in operation.

It provides that loans may run from 5 to 36 years and be made payable under the amortization plan of payment. In explanation of what this plan is, let me here read from the report of the committee:

Under this plan a definite installment is paid regularly by the borrower, semiannually or annually, as the case may be. This installment includes the interest charge, the expense charge, and also an additional payment on principal larger or smaller in accordance with the length of the period for which the mortgage runs. The installment does not vary in amount, but remains equal during the term of the mortgage. As the principal is reduced by the application of the amortizement to the reduction of principal, a constantly greater portion of the installment is applied to the extinguishment of principal.

Some conception of what may be accomplished through a low interest rate, secured from the operation of the rural-credit system, in combination with the amortization principle, may be obtained from a consideration of the following calculation:

The general average farm-mortgage interest rate has been conservatively estimated at 7.5 per cent. It has furthermore been estimated that the total farm-mortgage indebtedness of the Nation approximates $4,000,000,000. Accepting these estimates, the annual interest charge will equal $300,000,000 annually, with no reduction of principal.

If this indebtedness could be refunded under the provisions of this bill at a rate of 5 per cent per annum, and the farmers would engage to pay annually $300,000,000—the same sum as is now being paid for interest alone—the entire debt, principal and interest, would be paid in 22 years and 6 months. This would mean a net saving of more than $175,000,000 per annum. It would mean the extinguishment of the entire existing farm-mortgage debt by the operation of the system provided for in the bill in 22 years and 6 months, without increasing the annual payment over that now made to meet interest charges alone.

Secondly, it will give the farmers of the country an exclusive financial system of their own. Loans are to be made to farmers only, and the borrowers are to be the exclusive owners of the capital stock. So profit-seeking persons and concerns are completely debarred from ever acquiring any interest in the system. It is controlled by the borrowers themselves under the general supervision of a board of three members, appointed by the President by and with the advice and consent of the Senate, whose salaries are paid out of the public Treasury and not out of the profits of the system.

It may be pertinently asked how the system is to be started if the stock of the banks is to be owned exclusively by the borrowers. It seems anomalous to say that persons who need money can borrow it from themselves. The answer is the system is started by Government aid. The capital of the 12 Federal land banks, which is fixed at $750,000 each, is, to start

with, advanced by the Government if same is not subscribed for within 90 days. Thus we will have $9,000,000 as capital at the beginning, and borrowers thereafter are required to take stock to the amount of 5 per cent of the loans they secure upon their mortgages, and if they so desire the stock thus taken by them may be retained out of their loans. Provision is made for the gradual retirement of all the original stock. No dividends are paid on the stock held by the Government. The intention of the framers of the bill, as I have already said, is for the borrowers to own the system, to secure loans at a minimum cost, but should profits accrue they are to be paid back to the borrowers in the nature of dividends; and the provisions of the bill are such as to gradually effect such a system.

Thirdly, the chief object of the bill is to enable farmers to own their own homes and make them productive. It is for real farmers—those who are actually engaged in farming or who desire to engage in that occupation; for the man who wants to pay for or improve the farm that he already owns, or who wants to acquire a farm if he does not already own one.

Mr. Chairman, there are more than 200,000 tenant farmers in my State, and the number is increasing yearly. It is an alarming situation and I believe this bill will go a long way toward correcting it. It is not pretended that it will enable every man engaged in farming to acquire a home any more than it could be contended that every man of any other occupation and calling may be able, under any other system, to acquire a home. We can legislate for the average man—the man who is industrious and provident and who earnestly strives to help himself. Those of us who have been most anxious to help the landless man without means have earnestly endeavored to find some way to place the benefits of this measure within his easy reach; but it is difficult to place money and credit at the command of any person who has absolutely no margin of security. However, I believe this measure may prove a Godsend to many such men. Under this system loans may be secured to the amount of 60 per cent of the value of the land, and I have no doubt many honest, industrious, worthy men—in fact, a large majority of them—will, through the aid of friends or second mortgages or personal savings, be able to take care of the other 40 per cent. Those worthy farmers who may be unable to acquire farms under this measure, and I hope they may be few, will require additional legislation. It will be necessary for further governmental aid to be extended to them, as is done in many other countries, and I want to say here, where the widest publicity is given to my utterances, that I for one stand ready, in every constitutional way, to extend such aid. Measures are now pending in this Congress looking to that end.

Mr. Chairman, this legislation will infuse a new hope, a new vigor, and greater energy into the agricultural life of this country. It is greatly belated—it ought to have been passed long ago. We have lagged behind many of the other great nations of the world in this matter, but I am glad to feel and realize that the country has at last awakened to the needs and importance of this great basic industry. Coming as it does in this administration in its first term, this legislation gives further proof of the loyalty and devotion of the Democratic Party to the needs of the masses.

I do not mean to imply that nothing heretofore has been done by Congress for the farming interests of this country. On the contrary, I want to say that much has been and is being done, both in a special and general way. The great Agricultural Department has been created and maintained. Its educational and scientific work is of tremendous value in the preparation and cultivation of the soil, in the improvement and sanitation of live stock, in the eradication and prevention of destructive pests and disease, in the propagation and improvement of plant life, in farm and home economics, in marketing, and in many other ways.

Much benefit has also come to the farmer from the establishment of rural free delivery of mail and from the parcel post, and he will be greatly advantaged by the inauguration of the licensed warehouse system which has been provided for in a bill which has recently been passed in this body, and by the improvement of the country highways, which we will very likely set on foot before this session closes, and by many other acts of legislation. But the bill we now have under consideration will, in my opinion, tower above them all, for it will mean less land tenantry and more and better rural homes for the people. And homes mean more independence, more prosperity, more patriotism, and more happiness. The best citizen in this country to-day is the farmer who owns his own home and cultivates his own land—who gathers his family around his own fireside after the day's work is done and with his good wife teaches their boys and girls the principles of patriotism and Christianity and molds them into good and useful men and women.

Life on the farm is a wholesome life, and boys and girls raised there, away from the temptations and unnatural environments of the cities, constitute the bulwark of our Government and the pillars of our churches. Unfortunate is the boy or the girl who has never enjoyed the blessings of a country home. Not for all the honors and wealth of this world would I exchange the sweet memories of my old country home in eastern Texas, where my father and mother enjoyed the simple life, reared their children in the fear of God, and happily lived and died with the consciousness that they had tried to do their duty toward God and man. The training I there received, the principles there instilled into my life, have been worth more to me than would have been the riches of a Carnegie or a Rockefeller. It is not strange, then, that I feel an unusual amount of enthusiasm for this bill. I hope it will accomplish all that we expect of it and more for the farmers of this country. We are talking much about "preparedness." We are reorganizing our land and naval forces, but, in my judgment, the best preparedness we can have—that any nation can have—is a happy, contented, patriotic, and independent people, who feel that their Government is fair and just, and who possess the strength of character and feel the sovereign power which nothing gives to such a degree as the ownership of the soil.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. SMITH].

Mr. PHELAN. Mr. Chairman, the suggestion that the gentleman makes is too important, perhaps, to pass unnoticed. The joint committee which sat between the Sixty-third and Sixty-fourth Congresses considered that matter very carefully. Some of the members of that committee were desirous of having savings deposits taken by these banks, and attempted to devise some system which would operate and which would be safe.

But we are met with these difficulties: In the first place, we had considerable difficulty in devising a system which would put sufficient capital behind these land banks to satisfy the prospective bondholder that everything would be safe. The man that buys the bonds has the mortgage, of course, as security, but something else is necessary also as a guaranty or as capital. As the bill is written, it is none too great. I think it is safe, but it is none too great. It amounts to at least 5 per cent of the amount of outstanding mortgages and probably a little more than 5 per cent of the outstanding bonds.

If we take these deposits we must make the banks responsible to the depositors therefor. If there should be some misjudgment in the investment of the deposits, or something of that sort, and the bank gets into difficulty, the man who has the first chance to come at the capital in that bank is not the man who buys the bonds, but the depositor, because his demand is a demand which must be met in 30 or 60 days, whatever it may be, whereas the man who buys the bond may not be enabled to make the demand for a longer time, perhaps 30 years. The funds in largest volume for loans to the farmer will come not from the savings deposits but from the bonds. Every member of the committee finally came to the conclusion that it would be making more doubtful the security behind the bonds if we allowed the banks to take the savings deposits, and therefore it would make the men who bought the bonds feel that they were not quite so safe if a large number of depositors would have the chance to come in ahead of them in case anything went wrong with the bank.

For that reason we tried another proposition which was suggested. In certain sections of the country—in New England in particular—we have a great many mutual savings banks, where the depositors get together and run their own banks without any capital whatever. We tried to put a provision into the bill whereby this could be done under this bill. At one time we had in the bill a provision to the effect that the capital of the bank would not be responsible to the savings depositor; that the bank could take the deposits and use them, but the bank would not be responsible, except in a most limited way. Inasmuch as the directors of these banks would be running the banks not for the savings depositors but would be administering the affairs of the banks in the interest of the borrowers, we thought it was an unsound and unsafe proposition to permit them to take the deposits from savings depositors and use those deposits.

If you could devise a system whereby depositors could run their own bank, that proposition might be safe. But when you are putting into a system a plan wherein the first object of the bank's directors is to represent the borrower, and when you let those directors handle the deposits without any liability upon the capital of the bank for those deposits, you are hardly establishing a sound system. As a result, we did not put the savings deposits feature into the bill at all.

Mr. SMITH of Texas. Will the gentleman yield?

Mr. PHELAN. Yes.

Mr. SMITH of Texas. I will suggest that I do not see that it is necessary to give depositors any preference representing the capital stock of the bank over the bondholders.

Mr. PHELAN. They will have it anyway.

Mr. SMITH of Texas. There is nothing in the bill that provides for it, and I see no reason why the deposits could not be invested in the bonds when received, the bonds being held as security.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Texas) there were 10 ayes and 57 noes.

So the amendment was rejected.

Mr. DILLON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 105, line 20, after the word "appraisal" strike out the following words: "and determination of title."

Mr. DILLON. Mr. Chairman, I would like the attention of the committee with reference to my amendment striking out these words. Do the words "and determination of the title" include reasonable attorney fees?

Mr. MOSS of Indiana. It is not intended that it shall include attorney fees because of the fact that under the provisions of the bill the farm-loan board employ their own attorneys, who are paid out of the Treasury of the United States.

Mr. DILLON. It would seem to me from the language used that it would include reasonable attorney fees. I call attention to the phraseology—

To charge borrowers under rules and regulations promulgated by the Federal farm-loan board reasonable fees not exceeding actual cost of appraisal and determination of title.

Mr. MOSS of Indiana. That language was put in for the purpose of giving the boards power to say whether the expenses which are ordinarily paid by the individual borrower shall be paid exclusively by the borrower, or whether they shall be paid by the bank, or whether they shall part be paid by the bank and part by the borrower. For instance, it would give them the power to make small loans, say of $100, because the land banks could bear a portion of the expense of negotiating the loan.

Mr. DILLON. It seems to me, however, that the words "reasonable fee for determination of title" must include examination of abstracts. My motion seeks to eliminate that language. I think it is susceptible of that interpretation. We ought not to have a clause in this bill that will allow the board to charge the borrower a reasonable attorney fee for the examination of the abstract, because it is an uncertain quantity. In one instance the attorney fee might be $5 and in another $250 for the same service. It seems to me the language ought to be eliminated.

Mr. MADDEN. Will the gentleman yield?

Mr. DILLON. Yes.

Mr. MADDEN. Does the gentleman believe that a man should have his abstract of title examined without cost to him?

Mr. DILLON. I think so.

Mr. MADDEN. Does the gentleman know of any case where that is done now?

Mr. DILLON. Yes. I will say to the gentleman that in my State there are about $27,000,000 loaned out by insurance companies in farm loans, and the insurance companies examine their own abstracts. It is done by their own attorneys without any charge to the borrower.

Mr. MADDEN. How much commission do they charge?

Mr. DILLON. They are loaning, I think, at about 5½ per cent on the average.

Mr. MADDEN. Yes; but they get a commission besides that, do they not?

Mr. DILLON. No; that includes the commission.

Mr. MADDEN. I suppose a half per cent would pay for the examination of the abstract.

Mr. DILLON. I will say further that I know of no loan companies in my State that charge the borrower for the examination of an abstract. It is the universal custom for the mortgagee to pay the attorney for the examination of all abstracts. This bill ought not to be left in this indefinite way.

Mr. MOSS of Indiana. They do, however, charge for getting up the abstract?

Mr. DILLON. Certainly. I will ask the chairman of the committee if he would have any objection to an express provision in the bill that no charge shall be made against the borrower for the examination of the abstract.

Mr. MOSS of Indiana. I am not going to speak entirely for the committee, but the committee believes, where it has a farm-loan board representing purely the public interests, and when that farm-loan board hires its own attorneys and have been given the power to make rules and regulations, we have given all the power that ought to go for the protection of the borrower in this system.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was rejected.

Mr. DILLON. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 106, line 6, at the end of the line, add the following: *Provided*, That no charge shall be made to the borrower for attorney's fees for the examination of abstracts.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was rejected.

Mr. DILLON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 106, line 6, after the word "twelve," insert a new paragraph, as follows:

"That whenever any Federal land bank, created under the provisions of this act, shall make application, through the Federal farm-loan board, for Federal reserve notes, and shall tender or deposit with the Federal reserve agent approved security, and shall in each and every particular comply with each and every provision of the act entitled 'An act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes,' approved December 23, 1913, then the Federal Reserve Board may permit the issue of Federal reserve notes to the Federal land bank under the provisions of the last-mentioned act, which notes shall be redeemed in the mode and manner as provided in said act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was rejected.

Mr. HOWARD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 106, after line 6, insert as a new paragraph, 9, the following: "That the postal savings-bank commission shall have power to invest 30 per cent of the funds in postal-savings banks in the bonds of the Federal land banks, to be prorated according to the amount of bonds issued by said Federal land banks."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. HOWARD. Mr. Chairman, I would like to consume about a couple of minutes.

The CHAIRMAN. The Chair will state to the gentleman that only one minute remains.

Mr. HOWARD. Mr. Chairman, I did not know that just one minute remained for debate on this proposition. Nearly all of the bills prior to this particular bill contemplated the investment of 30 or more per cent of the postal savings of the country in these bonds. I believe this provision, if adopted, will have a tendency to stabilize the bonds of these land banks by permitting the Government to invest 30 per cent of the postal savings, which is a safe margin to permit them to invest in these bonds. I believe if this provision is carried in this bill that at no time will the bonds of the several land banks provided for under this bill sell below par in the open market, and I believe it will have a most wholesome effect in stabilizing the price of the bonds. As a matter of fact, it will be the safest and most secure method of investing this portion of our postal savings. The postal savings come from a class of people who are in sympathy with the farmers, and they would feel safe if their money was invested in this character of security, which is just as safe and sound as any other security in which the general savings banks of the country are authorized by the law of the several States of the Union to now invest their funds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. HOWARD) there were—ayes 26, noes 43.

So the amendment was rejected.

Mr. TAYLOR of Colorado. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 106, at the end of line 6, insert the following:

"Any lien reserved to or for the benefit of the United States to secure payment under the reclamation act of June 17, 1902, or acts amendatory thereof or supplementary thereto, shall not be held to prevent a loan under this act: *Provided*, That 50 per cent of the construction charge for such lands has been paid."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

Mr. TAYLOR of Colorado. Mr. Chairman——

The CHAIRMAN. All debate on this section and all amendments thereto is exhausted.

Mr. TAYLOR of Colorado. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TAYLOR of Colorado. We are at the end of section 13, are we not?

The CHAIRMAN. Yes.

Mr. TAYLOR of Colorado. Can I withdraw the amendment and offer it as an amendment to section 14?

The CHAIRMAN. Does the gentleman withdraw his amendment?

Mr. TAYLOR of Colorado. I am making an inquiry. My inquiry is whether or not I could offer it as an amendment to section 14 and not have it ruled out on a point of order? Is it any less in order then than now?

The CHAIRMAN. The Chair will state to the gentleman from Colorado that we are at the end of section 13 and that all debate on the section and amendments thereto has been exhausted. Does the gentleman desire to withdraw his amendment in order to offer it to section 14 when it is read?

Mr. TAYLOR of Colorado. Yes.

Mr. KEATING. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado be given five minutes in which to state his proposition.

The CHAIRMAN. The gentleman from Colorado asks unanimous consent that his colleague may have five minutes in which to discuss his amendment. Is there objection?

Mr. MANN. Mr. Chairman, I think there ought to be a chance for five minutes on the other side.

Mr. KEATING. Mr. Chairman, I will make it 10 minutes—5 minutes for the affirmative and 5 in the negative.

The CHAIRMAN. The gentleman from Colorado asks unanimous consent that 10 minutes may be had for debate on the amendment offered by his colleague. Is there objection?

Mr. GLASS. I understood that the gentleman had withdrawn his amendment.

Mr. TAYLOR of Colorado. I prefer to introduce it later on.

Mr. GLASS. I would rather the gentleman would make his remarks when his amendment is before the committee. The gentleman may as well offer his amendment to this section, because I do not think it is germane to the next section.

Mr. TAYLOR of Colorado. That is what I would rather do.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Chairman, I ask unanimous consent that the time be extended 15 minutes.

The CHAIRMAN. Is there objection?

Mr. GLASS. I object to that.

The CHAIRMAN. Unanimous consent has been granted for 10 minutes.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Colorado.

There was no objection, and the Clerk again reported the amendment offered by the gentleman from Colorado.

Mr. TAYLOR of Colorado. Mr. Chairman, the object of the amendment I have offered is to allow, under certain conditions, the owners of lands under the 32 Government irrigation reclamation projects to avail themselves of the provisions of this law. At the present time these Government reclamation projects throughout the West include over 3,000,000 acres of irrigable lands. The land is not all now under irrigation, but about one-half of it is and the greater part of the rest of it will be when these projects are completed. Under the existing bill none of the 60,000 farms under those reclamation projects can ever borrow any money or get a particle of benefit under this law. I believe that after a man has put, say, $50 an acre in improvements upon his land, and after he has paid the Government one-half of all the Government construction charges on the land, he ought to be permitted to borrow some money upon his land, the amount depending upon the circumstances of each case; that is, the value of this land and improvements and the amount of the Government charges.

Mr. SHOUSE. Mr. Chairman, what is the attitude of the Department of the Interior toward the gentleman's amendment?

Mr. TAYLOR of Colorado. I have no authority to speak for the Secretary of the Interior, and I do not think the department has ever made any official report on this provision, but I am confident that the reclamation officials themselves personally and unofficially feel very favorably toward some legislation of this kind. After a man who has paid the Government one-half of all the charges and has made the required improvements, he certainly has a very substantial property right and a basis of credit that, it seems to me, would entitle him to a loan of some money that would be of great benefit to him and also be a benefit to the Government. He would be the sooner enabled to pay off the Government lien.

Mr. MANN. Will the gentleman yield for a question?

Mr. TAYLOR of Colorado. Certainly.

Mr. MANN. Why can not you loan under this and pay off the balance of the construction charges with it?

Mr. TAYLOR of Colorado. Because, as I understand it, the Government lien for the construction and maintenance charges and the general supervisory governmental control would prevent a settler from ever for 20 years borrowing any money under the terms of this bill, while his neighbor across the road outside of the project can borrow money at 5 per cent.

Mr. MANN. He could pay it off at any time.

Mr. TAYLOR of Colorado. I think the Government's lien and control is such that this law will not apply to the settlers under these reclamation projects.

Mr. MANN. He would not be affected by this; there is a lien for taxes, but that has nothing to do with the title.

Mr. TAYLOR of Colorado. I doubt very much whether he can borrow money under this.

Mr. MANN. Certainly he could; there is not a particle of question about it.

Mr. TAYLOR of Colorado. Well, there is nothing in this bill indicating or authorizing it. It seems to me a man has to have an absolute clear title before he can borrow any money at all.

Mr. MANN. There is no more lien on the property for maintenance charges than on everybody's property for taxes.

Mr. TAYLOR of Colorado. Even if the gentleman is correct, I doubt very much whether the average settler could borrow enough money under the provisions of this bill to pay off the Government of the United States. For instance, suppose the Government lien on the land for construction charges is $100 an acre. No Federal land bank would loan him $100 an acre upon the land; and yet the land might be worth twice that much. But if the Government charge is $100 an acre, and he has paid off $50 an acre, and made valuable improvements, he might safely borrow, say, $25 an acre, or $10 an acre.

Mr. MANN. The gentleman wants the Government to take a second mortgage on a piece of property that is already mortgaged for more than it is worth.

Mr. TAYLOR of Colorado. There is no thought or intention of that kind. Besides, the first lien of the Government is different from a first lien of an individual or corporation.

Mr. STERLING. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes; certainly.

Mr. STERLING. Do they pay this assessment or interest now?

Mr. TAYLOR of Colorado. The settlers, under these irrigation projects, pay no interest now, except on overdue payments.

Mr. STERLING. Then you would not want to borrow money to pay interest on that.

Mr. TAYLOR of Colorado. Of course not. A farmer would not, if he could, want to borrow the entire amount of the Government's lien upon which he pays no interest and then pay the bank 5 or 6 per cent interest on the amount. But a man would often borrow some money and pay that rate of interest to put in crops and make improvements, if he could.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Illinois desire recognition against the amendment?

Mr. MADDEN. Yes, sir; and I would like to have the amendment again reported.

The amendment was again reported.

Mr. MADDEN. Mr. Chairman, we have already expended $100,000,000 on the reclamation projects. We have arranged to give the people who are living on the reclaimed land the right to pay for the land in 20 annual installments. We have allowed them to have this and without the payment of any interest. We have borrowed $21,000,000 in addition to the $100,000,000 we have expended for the purpose of carrying on these projects. We have expended money in the Yuma district, and that has all been lost, in connection with the development of the reclaimed land. We have to expend at least $75,000,000 more before the projects that are now under way are completed. Not a dollar of interest has been collected from anybody——

Mr. RAKER. Will the gentleman yield?

Mr. MADDEN. I can not yield. Not a dollar of interest has been collected from any settler on this land. The amount of Government aid given these few people——

Mr. RAKER. Will the gentleman yield in that connection?

Mr. MADDEN (continuing). Living in that section of the United States is greater than all the Government aid ever given to any people in all history before, and now, with this favorable condition prevailing in the arid regions of the United States, where

all the revenues from the sale of public lands are being converted to their benefit, gentlemen from that territory come in here and want advantages under this bill that are not given to anybody else.

Mr. HENRY. Will the gentleman yield?

Mr. MADDEN. I will yield to the gentleman.

Mr. HENRY. How does the gentleman think this amendment compares with the amendment I offered the other day?

Mr. MADDEN. The gentleman's amendment reminds me of a man who moved from Texas in the pioneer days and opened a bank in Denver, and all the people who had assembled around Denver made their deposits in his bank, but shortly after the bank was opened he failed. After the failure he called the depositors together and explained to them that there was none of their money left in the bank and that he had no assets to turn over to them. He said there was nothing he could do for them at all, except to offer himself as a sacrifice and that they could do with him what they pleased. There was one man in the audience who cried out when that statement was made, "Well, when you are cutting him up I speak for his gall." [Laughter and applause.] And I say to the gentleman from Colorado, that this amendment is unjustifiable, that the people living in the territory represented by him and by other gentlemen on the floor of this House, coming from that region of the United States, where we are reclaiming land, have had more favors granted by the Government of the United States at the expense of the Treasury than all the other people of the Nation combined.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Colorado.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

RESTRICTIONS ON FEDERAL LAND BANKS.

SEC. 14. That no Federal land bank shall have power—

First. To accept deposits of current funds payable upon demand except from its own stockholders, or to transact any banking or other business not expressly authorized by the provisions of this act.

Second. To loan on first mortgage except through national farm-loan associations as provided in section 8 of this act, or through agents as provided in section 15.

Third. To accept any mortgages on real estate except first mortgages created subject to all limitations imposed by section 12.

Fourth. To issue or obligate itself for outstanding farm-loan bonds in excess of twenty times the amount of its capital or to receive from any national farm-loan association additional mortgages when the principal remaining unpaid upon mortgages already received from such association shall exceed twenty times the amount of its capital stock owned by such association.

Fifth. To demand or receive, under any form or pretense, any commission or charge not specifically authorized in this act.

Mr. SMITH of Minnesota. Mr. Chairman, if this bill remains in substantially the same form that it was when it came from the committee I shall vote for it. I do that not because my constituents have any special interest in it, but because I believe that it will be beneficial to the agricultural interests of the United States, especially those sections in which the rate of interest is high.

Interest rates are low in Minnesota and, therefore, there is not likely to be any demand in my State for the additional credit accommodations provided for in the bill under consideration.

The purpose of this bill is to afford those who are engaged in farming, or who desire to engage in that occupation, greater volume of land credit on more favorable terms and at lower and more uniform interest rates than at present. This is to be effected by the establishment of national chartered and Government supervised organizations, known as Federal land banks, that will make long-time amortizable loans at low interest rates upon agricultural lands, and will assemble in each organization individual farm mortgages, and issue upon this collective security credit instruments to be known as farm-loan bonds. It is confidently expected that the business of farming, by reason of the additional credit supplied through these Federal land banks, will develop and flourish as never before, and the increased production of farm products will benefit not only the farmer but the city dweller as well.

Mr. MORGAN of Oklahoma. Will the gentleman yield?

Mr. SMITH of Minnesota. Yes.

Mr. MORGAN of Oklahoma. I do not wish to interrupt the gentleman, but he says that money is cheap in Minnesota, and therefore he does not think that this bill will help the farmers of that State. What is the rate the farmers get?

Mr. SMITH of Minnesota. Over a large portion of our State money can be obtained for 5 per cent. Farmers make loans to each other, and in such cases there is no commission. In the northern part of the State the rate is from 6 to 7 per cent, including the commission.

Mr. MORGAN of Oklahoma. Does not the gentleman think that that will help at least the farmers of the northern part of the State?

Mr. SMITH of Minnesota. It is possible; but that section is so small I do not believe they will adopt it. Nevertheless, my thought is this: If it is going to affect any considerable portion of our country, it is well to adopt it. We have adopted the Federal reserve act, and by that act we have placed the Treasury of the United States at the command of the commercial interests of our country. This is paternalism pure and simple. By this rural-credit bill we are again placing the National Treasury behind the agricultural interests of the country, and in each case we are taxing the whole people for the benefit of two special classes, to wit, the commercial and the agricultural.

Now, I do not believe that paternalism should be practiced or adopted in cases where it can be avoided. Possibly this is a case where it can not be avoided, and, if so, let us adopt it; but if we are going to extend Federal aid to the commercial and agricultural classes, then there is every reason why it should be extended to the multitude of industrial workers of our land.

The larger share of our population to-day is engaged in industrial pursuits. The farm no longer has the attraction that it once had, because this country has changed from an agricultural Nation to an industrial Nation. We no longer depend upon the farm for the great amount of wealth that we are accumulating from year to year. We can not get along without the farmer, but the farm is not the sole source of our revenue.

Without Federal aid or assistance, private banks extend large credit to the business man on secured paper, and, likewise, the farmer has been able to secure credit on his farm from the loan agent.

There are no facilities in the banking systems of the United States, so far as the credit function, for the really laboring class of our citizenry. They are absolutely without any banking facilities except the simple facilities for saving, and in this respect the larger cities are well served by excellent savings banks and savings departments in our State and National banks. Within two hours' ride of New York City there are more than 50 settlements where neither credit nor saving facilities are at the disposal of the people.

There must be a new agency created to make the credit of an artisan effective for a loan.

The late Sir Robert Morier, addressing himself to cooperative banking, said:

All our people have security. The skilled artisans of a community are as good a subject for a mortgage as the steam mill which supplies it with flour, or the broad acres which furnish the corn for the mill.

Professional men, small tradesmen, and workingmen, in a limited sense, have more substantial security to offer than capitalists, if it can only be made effective. Of tangible, convertible security, however, it is true, they may have little, if any, of the description such as an ordinary business bank could take or be expected to take.

The problem in a nutshell is the creation of a new security which artisans can give a banking system where such security will be acceptable for a loan.

A number of countries have met the demand for this sort of banking by establishing cooperative banks, commonly known as people's banks. These banks have been successfully conducted for a number of years in Germany, Italy, Austria-Hungary, Switzerland, Belgium, Russia, France, Servia, Roumania, Bulgaria, Canada, Ireland, South Africa, Egypt, Japan, and China. The United States has given no attention to the establishment of a cooperative banking system to meet the necessities and demands of its industrial workers.

On Saturday, while addressing the House on the subject of rural credit, our distinguished Speaker, Mr. CLARK, called attention to the fact that all three parties in their platforms of 1912 adopted planks pledging their party to the enactment of rural-credit legislation. He might have added that they also pledged their party in the same platform to currency reform, meaning thereby the amendment of our banking and currency laws for the benefit of the business interests, and that these platforms were silent as to legislation that would meet the needs and necessities of the laboring class. I would suggest that since we are about to write new platforms for 1916 that some one, or all, of the political parties pledge its support to a system of cooperative banking that will take care of the needs and necessities of that numerous class of our citizens not provided for in either the Federal reserve act or the rural-credit system, for neither of these acts make any direct attempt to take care of the needs of the workingman.

The party that is far-sighted enough to recognize the necessity for a cooperative banking system deserves the loyal sup-

port and hearty cooperation of the laboring class. In the Federal reserve act provision is made to loan money on farm lands by national banks, while national banks are prohibited from loaning money on city property.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent that my colleague may proceed for five minutes more.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that his colleague may proceed for five minutes more. Is there objection?

There was no objection.

Mr. SMITH of Minnesota. There is no provision by which a cent can be loaned by a national bank on city property. If you are going to have industrial workers who are going to be satisfied with existing conditions, you will have to have them housed in comfortable homes, and unless you can furnish money for that purpose at reasonable rates they can not obtain and support these homes.

Mr. GLASS. Will the gentleman yield?

Mr. SMITH of Minnesota. I will yield to my colleague.

Mr. GLASS. I simply wanted to say to my colleague that I have introduced a bill, which has been referred to the Banking and Currency Committee, to permit national banks to loan money on urban property, and I hope I will have the gentleman's assistance to get a favorable report on it.

Mr. SMITH of Minnesota. You will have my hearty cooperation as you have had on both the Federal reserve act and the rural-credit bill, which largely through your able leadership and untiring efforts as chairman of the Banking and Currency Committee will be incorporated in the body of our laws. We are all citizens of the United States, whether we live in the country or whether we live in the city. What benefits one benefits the other; and it is on that theory that I am going to support this bill. The better our agricultural interests are taken care of, the better it is for us in the city. But the agricultural class should not have access to the Federal Treasury to the exclusion of the industrial class, since the Treasury is supported by a tax upon all the people. Considerable criticism has been leveled at the Federal Reserve System because of its neglect to take care in some way of the working class. You can allay that criticism by enacting legislation that will take care of their demands as fully and completely as the Federal reserve act and the rural-credit bill takes care of the merchant and the farmer. However, I am aware that is a hard task. The Federal reserve act and the rural-credit bill are much easier bills to draft and much easier laws to put into practice than a personal credits bill. Nevertheless, if we will go at it with the same determination that has been exhibited in framing this legislation, there is no doubt but what we can bring relief to that class of our citizens who sorely need it, and by benefiting them we are benefiting the farmer and the merchant as well. The Government can no longer shut its eyes to the requirements, needs, and demands of its industrial workers. They must be treated in a spirit of fairness and honesty.

And when it has satisfied them that it is trying to be fair and honest with them, recognizing their rights, dealing with them on the same plane that it deals with others, granting to no class of our citizens any special privileges, and that it is trying to bring home the benefits of government to all, the Government will forever establish itself in the affection, loyalty, and patriotism of the sons of toil, the main support of commerce, agriculture, and industry, and the principle defense of the Government itself.

Before the passage of the Federal reserve act postal savings were deposited in banks under Federal and State supervision, which qualified to accept them, and qualification was effected by a bank depositing with the Treasurer of the United States approved bonds as security for the payment of postal savings deposits on demand. The Federal reserve act, which went into operation November 15, 1914, under section 15 prohibited the deposit of postal savings in any bank except those belonging to the Federal Reserve System. In 1914 there were postal savings deposits of about $43,000,000. About twenty-five millions of this amount were deposited in State banks and trust companies not member banks of the Federal Reserve System. Since November 15, 1914, the date that the Federal reserve act went into effect, no postal savings deposits have been deposited by the Government in State institutions, but the surplus must be turned over to the banks belonging to the Federal Reserve System.

The Sixty-third Congress passed an act repealing section 15 of the Federal reserve act, in so far as that act prohibited the depositing of postal savings funds in State institutions. This bill was vetoed by the President on September 11, 1914. In his message the President stated that when the Federal reserve act was passed it was thought wise to make the inducements to State banks to enter the Federal Reserve System as many and as strong as possible. It was therefore provided in the act that Government funds should be deposited only in banks which were members of the Federal Reserve System, and that the principle of such a provision is sound and undisputable.

From the angle at which the President was viewing the question his conclusion is sound, but the question has a much broader aspect than simply the compelling of State banks to enter the Federal Reserve System, and I am confident that if the President had viewed the proposition from all its angles he would have arrived at a different conclusion.

The postal savings deposits are owned by the laboring classes residing in the industrial cities of the country. For example, 90 per cent of the postal savings deposits of the State of New York is in New York City, Brooklyn, Buffalo, Rochester, and Long Island City, and one-fourth of all the savings deposits—amounting now to $73,000,000—is in Greater New York. In the State of Minnesota 70 per cent of the deposits is in the cities of Minneapolis, St. Paul, and Duluth. What is true of New York and Minnesota is true of every other State in the Union. If these postal savings deposits are required to be deposited in banks belonging to the Federal Reserve System, which are organized and conducted solely for commercial purposes, the laboring masses of our great industrial cities who own practically all of the postal savings deposits will be unable to borrow a dollar of this money for the purpose of building or purchasing a city home.

It is an unwise policy to make all the financial institutions of the country subservient to the interests of the Federal Reserve System, which is a commercial banking system only. If the Federal Reserve System attempted to carry on, regulate, and control all classes of financial institutions, there would be some reason for turning over savings accounts and investment funds to that system.

The laboring man is discriminated against by placing deposits of postal savings banks in commercial banks, because these deposits are then used for commercial purposes, and the amount of money for long-time investment, such as mortgages, is lessened to the amount of savings deposited in the commercial banks.

These postal savings deposits naturally belong in a cooperative banking system such as I have suggested.

The CHAIRMAN. Does the gentleman from Virginia [Mr. GLASS] desire recognition?

Mr. GLASS. I wanted to inquire if amendments would be offered to this section?

Mr. MORGAN of Oklahoma. I have one.

Mr. GLASS. I have no doubt the gentleman from Oklahoma has one, but I wondered if any other gentleman had any.

Mr. FESS rose.

Mr. SWITZER. I want a little time. I have not said anything on the bill hitherto.

Mr. GLASS. I think the gentleman deserves it.

Mr. SWITZER. I have been here in attendance regularly.

Mr. GLASS. I would like to have a unanimous-consent agreement that all debate on this section and amendments thereto be concluded in 15 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto be concluded in 15 minutes. Is there objection?

Mr. MORGAN of Oklahoma. Reserving the right to object, Mr. Chairman, will it be understood that I shall be allowed five minutes?

Mr. GLASS. The Chair will judge of that. I ask unanimous consent to close in 15 minutes, Mr. Chairman.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate close in 15 minutes. Is there objection?

Mr. DOOLITTLE. Reserving the right to object, Mr. Chairman, I wanted to ask the gentleman from Virginia regarding the second and third subheads under section 14. I would like to have two or three minutes.

Mr. MANN. Several gentlemen over here would like to have 20 minutes.

Mr. GLASS. Then I ask unanimous consent, Mr. Chairman, that debate on this section and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, do we get 20 minutes?

The CHAIRMAN. Will the gentleman indulge the Chair for just a moment? For the committee during the remainder of the consideration of this bill the Chair will undertake to recognize and give preference to gentlemen having amendments when he knows that gentlemen have amendments.

Mr. MANN. The gentleman from Ohio [Mr. FESS] has the floor now, and the gentleman from Oklahoma [Mr. MORGAN] and the gentleman from Ohio [Mr. SWITZER] and the gentleman from North Dakota [Mr. YOUNG] desire time.

Mr. GLASS. I understand that gentlemen on that side want 20 minutes. I have had request for only five minutes over here.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, if I may have the attention of the committee, I wish to say that under general debate the question was asked whether you limited the number of Federal land banks to 12. It was understood that the answer was in the affirmative; that you did. Criticism has been made of the bill that the number of banks is unlimited, and, since the Government is to make a deposit of $750,000 to each bank, the amount of Government obligations would be therefore unlimited; and, since in this section now under consideration we allow an issue of bonds of twenty times more than the capital stock, that seems to me to be a very serious situation. The minimum capital in the banks would be $9,000,000 if you limited the number to 12 banks, and the minimum issue of bonds would be $180,000,000.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. HASTINGS. I want to refer the gentleman to section 5, which is found on page 79 of the bill, which provides that as soon as practicable the Federal board shall divide the United States, including Alaska, into 12 districts.

Mr. FESS. I have looked that up. That is not a limitation in section 5. That is an authorization. There should be a limitation in this bill. You have a limitation in the Federal reserve act which limits the number of Federal reserve cities. But in this proposed act you do not limit—in section 5 or elsewhere—the number of banks. Section 5 simply says the Federal farm-loan board shall establish in each Federal land-bank district a Federal land bank. Under that language you can establish one, two, three, or any other number in a district, and each one will be a Federal land bank under the terms of this bill. There is no limitation there at all. If you were to say "but one" or "only one" or "not more than one" then there would be a definite limitation. Such language should be employed. All the other legislative enactments make a limitation. Even this bill, in other provisions, as in section 12, where the language is used, "Such loans may be made for the following purposes, and no more," the last three words are a limitation. If not necessary, then they should be omitted.

Mr. WINGO. Mr. Chairman, will the gentleman yield for a question?

Mr. FESS. Yes.

Mr. WINGO. Let me offer this suggestion to the gentleman, that the board would not have authority to do anything else than is authorized by the act, and they are only authorized by the act to establish 12.

Mr. FESS. They are to establish 12 districts.

Mr. WINGO. Yes; and they are authorized to establish only one bank in a district.

Mr. FESS. Oh, no. It says the Federal farm-loan board shall establish in each Federal district a Federal land bank, but it does not say it may not create more than one. You might have any number and still be within the language. So long as an authorization is unlimited in terms, the number is not defined. Why not say "not more than," as you do in the Federal reserve act? You put the limitation there. I have the law here in my hand.

Mr. WINGO. I suggest to the gentleman to compare the two.

Mr. PHELAN. It says, "not less than 8 and not more than 12."

Mr. FESS. It says each district shall contain only one. There can be only one Federal bank in a reserve city. Why not say but one Federal land bank, as you do in the Federal reserve act?

Mr. WINGO. The gentleman is certainly familiar with the legal determination of what that language means. Under that language, let me suggest to the gentleman, they would have authority to establish only one, in my judgment.

Mr. FESS. I differ from the gentleman on that. My contention is that we ought to limit it to one. I am asking the question of the gentleman from Arkansas, whether his intention is not to extend it beyond one?

Mr. WINGO. It is the intention of the committee that there shall be only 12.

Mr. FESS. I think it is worth looking into. I think there is no limitation there.

I simply wanted to state, Mr. Chairman, that while I have called attention to some things objectionable to me, outside of the one amendment, the Government guaranty of the bonds that has gone into the bill, I think I could support it without much of a strain of conscience. I want to say that much. I am not an opponent of the principle of the bill, but I think this thing should be looked into. My claim is this: Section 5 allows an unlimited number of land banks. Section 6 makes the minimum capital stock $750,000 to be subscribed by the Government. Section 14, the one now under consideration, allows a bank to issue twenty times the amount of its capital stock in farm loans. This means the 12 banks can issue $180,000,000 of bonds. But an unlimited number of banks would issue an unlimited amount of bonds. Why not? The Lever amendment which we adopted in the earlier stages of the consideration requires the Government to take care of the interest and principal in case the bank can not do it.

This amendment I regard as vicious, and unless stricken out and the number of banks limited I can not support the bill.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. MORGAN of Oklahoma: Page 106, lines 10 and 11, after the word "deposits," in line 10, strike out the remainder of line 10 and all of line 11 preceding the word "to."

Mr. MORGAN of Oklahoma. Mr. Chairman, the first paragraph of section 14 of the committee bill provides that no Federal land bank shall have power "to accept deposits of current funds payable upon demand, except from its own stockholders, or to transact any banking or other business not expressly authorized by the provisions of the act." Under my amendment Federal land banks would be prohibited from accepting deposits of any kind or character. I am not an expert in the banking business. I am not certain that I know exactly what is a "deposit payable on demand." My impression is that time deposits are not payable on demand. If I am correct in this, the Federal land banks could accept time deposits from any person, corporation or municipality. I believe that we should create pure land-mortgage institutions. I know that in some countries in Europe they have land-credit institutions which do a general banking business. But the best type of land-credit institutions is the pure land-mortgage bank. That is to say, a banking corporation or institution which does strictly a land-mortgage business, secures mortgages from the farmers, and under the authority of law transforms these mortgages into debentures or bonds and sells those bonds on the market. The proceeds from the sale of those bonds are reinvested in farm mortgages. These farm mortgages are in turn transformed into bonds or debentures and sold. Thus the process goes on indefinitely. It is of the highest importance to the farmers that the institutions acting as the intermediaries between them and investors shall have the implicit confidence of investors. It is self-evident that the institutions that take the least risks, on the whole, will be the safest and thus will have the best credit among investors. Land-credit institutions strictly speaking are not banks. They are mortgage companies. Their business is to make mortgages, issue bonds, and dispose of those bonds; to collect the annual payments from borrowers and to use those payments to pay the annual interest on the bonds; and in the end to pay the principal of the bonds. If the business is conducted carefully and honestly, there is absolutely no chance for failure, but whenever a land-credit institution extends its business into other lines it takes additional risks and becomes less secure and increases the possibility of losses, failure, and bankruptcy. For this reason I have concluded that it is unwise to permit our land-credit institutions to accept even time deposits, but under the provision above referred to the Federal land bank would unquestionably have the authority and the right to accept deposits from its stockholders.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. Who does the gentleman understand would be the stockholders of the Federal land banks?

Mr. MORGAN of Oklahoma. The stockholders of a Federal land bank start out with, maybe, any individual; it might be a State, might be a corporation.

Mr. MOSS of Indiana. Those are only temporary stockholders.

Mr. MORGAN of Oklahoma. Does the committee intend by this language to authorize time deposits? This says "deposits on demand." Does that mean time deposits? Are these banks prohibited from accepting time deposits? If so, you will simplify the language by allowing my amendment to go through prohibiting them from accepting deposits of any kind.

Mr. MOSS of Indiana. The gentleman will remember that the stockholders are the land farm-loan associations. If he will remember that, his fears will disappear.

Mr. MORGAN of Oklahoma. May not corporations subscribe to the original stock?

Mr. MOSS of Indiana. Yes; but they will hold it temporarily.

Mr. MORGAN of Oklahoma. They might hold it 50 years.

Mr. MOSS of Indiana. Oh, no; not 50 years. We have put short limitations on the matter.

Mr. MORGAN of Oklahoma. Well, I think I now understand the gentleman. This provision at least allows the stockholders of Federal land banks to make deposits therein. I do not think that this is wise policy to allow even stockholders to make deposits in these Federal land banks. It introduces an element of uncertainty, an element of weakness, and an element of risk that might get the institutions into serious trouble. What is the object of permitting these banks to accept deposits even from their stockholders? For what purpose would these deposits be used? Certainly they should not accept such deposits and assume the responsibility of the safe-keeping thereof unless such deposits can be put to some good use. We must assume, therefore, that these deposits will be used. Presumably they would be used to make farm-mortgage loans. These Federal land banks are not permitted to make loans for less than five years, and the presumption is that most of the loans will be made for a much longer period, and perhaps a great majority will be made for the maximum period of 36 years. It always has been true in the history of this and all other Governments that there are times when money is scarce and when times are hard and, indeed, when the country is overwhelmed with a panic. Even time deposits must be paid on short notice. Under this provision a Federal land bank might have many millions of dollars on deposit. It would no doubt have these funds loaned out on long-time farm mortgages, as this would be the only legitimate investments for which such deposits should be used. It is possible, therefore, that the Federal land banks might find themselves in serious financial difficulties because they would not be in position to return to the depositors their money. I am opposed to permitting these Federal land banks to conduct their business by accepting either demand or time deposits, either from stockholders or others. These Federal land banks are to be borrowers' institutions. In due time all the capital of these banks will belong to borrowers. These borrowers, the farmers, should not be permitted through the land-credit institutions we are creating to engage in any line or character of business that is not necessary to accomplish the fundamental purpose for which these institutions shall be created.

There is another important matter outside of obligations due for current debts which should be and will be met promptly every month. These Federal land banks will have but one set of creditors. These creditors will be the bondholders. The bondholders naturally will feel more secured if they know that they are the only creditors which these Federal land banks have. They will know that all their moneys, all their property, and all their assets of every kind, character, and description are held sacredly for the interest and principal of these bonds. I will therefore place myself unreservedly against permitting Federal land banks accepting deposits of any kind. I believe that to do so would injure the credit of these institutions, and that would mean to injure the credit of the borrowers, the farmers, who will be finally the owners of all the capital and all the assets of these banks. Their interest should be safeguarded above all others, and it is in their behalf that I plead.

Mr. RAKER. Mr. Chairman, it is fairly easy to criticize whether your criticism amounts to anything or not. This committee reported the Federal reserve-bank act, and after it passed the House was considered by the Senate and sent through conference and became a law, and it is recognized as one of the greatest pieces of legislation of the administration and of the last 50 years. The Senate has passed a rural-credit bill, the House committee has reported a substitute, and with some amendments which are always necessary, the committee's report to the House will and should pass, and the committee are not so tied up but that they will recognize proper and valid amendments to it, and no doubt the House will adopt some. But when the House in the Committee of the Whole gets through with the bill I believe we are going to have a fairly good rural-credit bill, and after it is through the conference it is going to be in a shape that the people of this country will be satisfied with, to a great extent. It can not be perfect, no one expects it to be perfect, because there are bound to be some alterations and additions which may be found to be necessary afterwards. But they are going to be enacted into law by amendment to the bill and it will be a workable bill.

It is no criticism of the bill that we have not all at once provided for industrial loans. The committee has not placed on the bill any individual credits provisions. We have passed a Federal reserve act, have taken up a rural-credit bill, and it is only a question of time when this committee of the House and the present administration will give to the country legislation along all these lines, so that those who have security, those who are honest and will pay their debts, will be able to buy their homes, will be able to help their business and secure all the benefits that come from such legislation.

But I want to say to the committee that it is a measure of satisfaction that this great body of people who have been desirous of having a rural credits bill in order that they might get a reasonable rate of interest—not 1 or 2 per cent, for that is all imagination—are going to get a bill that will work out on a business basis to the end that they may have sufficient length of credit so that a man may go on his farm, improve it, and know that he is going to hold it and not, as at the present time, at the end of thee or four years, have the loan changed, the rate of interest raised, the expenses of having it renewed charged up against him of 5 or 10 per cent bonus for renewing it—all that will be done away with. Legislation of this kind is going to be of interest not only to the farming community but to the industrial community on the ground that it will give all an opportunity to build up their homes and improve their farms, and I shall vote for this legislation. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. YOUNG of North Dakota. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 106, line 10, after the word "First," strike out the words "To accept deposits of current funds payable upon demand except from its own stockholders or."

Mr. YOUNG of North Dakota. Mr. Chairman, I think everyone will agree that what made the rural banks of France and Germany strong and powerful and so immensely helpful to the farmers of those countries was not Government aid. The thing that made those banks overloaded almost with money was the deposits made by the farmers themselves. Now, it appears to me that in this bill the fundamental weakness is that the resources of the farmers themselves are not to be marshaled. There is no provision in the bill which will at any time enable the farmers to collect an adequate loan fund, make them independent in finance, and furnish an adequate supply of money to take care of their own business in the purchase of land, stock, or machinery, or anything else connected with their business. The farmers do not fix the price of anything. Others fix the price of what they sell. Others fix the price of what they buy. By the terms of this bill others will fix the price or the terms upon what they borrow. That condition will last for all time unless you vitalize this bill by permitting the farmers without exception to deposit money in the rural banks.

Mr. LEVER. Would you confine it to farmers only? Why not let everybody in?

Mr. YOUNG of North Dakota. I say, let everybody in.

Mr. LEVER. Does the gentleman's amendment do that?

Mr. YOUNG of North Dakota. Certainly. It at least cuts out the restriction.

Mr. LEVER. If the gentleman would permit, I wish the gentleman would make his amendment broad enough to permit these land banks to accept deposits from any source.

Mr. YOUNG of North Dakota. I did that a few days ago. On Saturday I offered such an amendment, and to-day I am proposing to cut out this particular restriction. I want to call attention to the fact that these gentlemen who have drafted this bill only permit those to deposit in these banks who have no money. The qualification is that a man shall make application to borrow money, and after he has borrowed the money, thus demonstrating that he has not any money to deposit, they are going to permit him to deposit it, and he is the only one permitted to make a deposit. In other words, deposits can only be made by shareholders, and to become a shareholder one must become a borrower.

Mr. RUBEY. There is no provision in this bill for the land banks to do anything with any such money. What would they do with it if people were permitted to make deposits?

Mr. YOUNG of North Dakota. It is the business of this committee to say what shall be done with it. Of course, it would be loaned back to farmers. The system in Germany and France would have amounted to nothing if they had not let the people generally over there make deposits in those banks.

Mr. MOSS of Indiana. If the gentleman wishes to make that effective, why not offer an amendment to permit farm-loan associations to receive deposits?

Mr. YOUNG of North Dakota. I offered such an amendment a few days ago—on Saturday. A member of the committee ought not to ask somebody else to fix the bill in a matter of details. I am talking about a fundamental principle, and am calling attention to a fundamental weakness in this measure. It is the business of the committee to work it out, and if they accept the principle it will be a comparatively small task to work out the details. The farmers want a real bank, not a loan agency. It will never be more than a mere agency until the farmers are permitted to build up an institution of their own with their own money gathered and built up over a period of years. Such a bank would revolutionize the farming industry. This bill as it is may be helpful in some areas of the country, and I may vote for it upon that theory, but I regret exceedingly the disposition of the committee to refuse to make needful amendments.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. SWITZER. Mr. Chairman, if the representations made by the various Members from New England, New York, Pennsylvania, and the Central States and some of the Northwestern States are accurate as to the financial conditions through these particular regions respecting the prevailing rates upon loans made upon farm property, it seems to me that it would be well for the committee to reconsider a considerable portion of this bill. What would be the use of creating quite a number of these Federal land banks, I believe they are called, especially throughout these particular localities and entailing upon the Government this great overhead expense? I believe that this system—that is, the proposed popular methods under the system—will not be workable, and in my locality it will be of no benefit to my constituents, although I expect to vote for the bill, for it matters not how cumbersome, how complicated, may be the method for obtaining money under it, with the provision in the bill creating joint-stock land banks there may possibly be opportunity to get a little cheaper rate of interest, or at least another opportunity will be offered, and it will tend to hold rates down and possibly drive down interest rates on loans made on farm property. In order to make these bonds salable, in order to induce investors to take them, you undertake a system which seems to me is uselessly complicated. In other words, you require the borrower to put up a bonus of 5 per cent of the amount he proposes to borrow. You further obligate him to another 5 per cent, something like a double stockholder's liability to 5 per cent of his loan. In other words, quoting the language of Mr. Hulings, who was a Member at the last session of Congress, you are trying to make a wig without hair. You require a man who desires money, who has no money, or he would not be making the application to get money, to put up a $50 cash bonus on every thousand he borrows, or a paper bonus to that extent. It seems to me that my people, when they learn that they are paying interest on a $50 bonus on every thousand dollars they borrow, and possibly get not nothing back in return, with the possibility of losing the whole $50, and in addition to that being made security for their neighbors in their farm-loan association as well as to the whole country for another 5 per cent of the amount they borrow, provided you can get it from them if they default in the payment of their mortgage, will not come in and you will drive out all of the thrifty, go-ahead people from the community who are desiring assistance, and you will simply get the undesirable element of the community into this system.

You do that for what purpose? In order to raise the loanable amount on farm property. I know it is difficult to map out any system that will be beneficial to my constituency under the prevailing rates in my district, but I would make this suggestion to the committee, that instead of this complicated machinery it wipe out these associations, wipe out these farm-land banks and make it more direct, and instead of having a loanable value to the amount of 60 per cent upon the farm property and 20 per cent upon the permanent improvements, make it only 50 per cent, because the man only gets about 50 per cent anyway. You take away from him 5 per cent, with the possibility of taking another 5 per cent. You really only give him 55 per cent, and it is possible that the amount may be cut down to 50 per cent of the value of the farm, and then I would suggest that instead of this double liability the Government of the United States guarantee the proposed 5 per cent reserve, you are trying to create, to the extent of $500,000,000 of loans. The liability of the Government would be fixed, it would be only $25,000,000, and I believe those bonds would sell more readily than the ones you have provided for here, and I know that the people will make applications for loans more freely and in larger numbers.

You hold out to the borrower that he will receive a dividend on the stock which he is compelled to take in the loan association, and if the thrift of the system comes up to the expectations of its proponents, these dividends, together with other earnings, could be held in the banks or invested in Government bonds, for the purpose of creating an additional reserve fund to secure the bonds issued and sold by the banks for the purpose of obtaining loanable funds, and by the time $500,000,000 have been loaned, or within 10 or 15 years, a reserve will accrue sufficiently large to release the Government from the 5 per cent guaranty. If the system is successful, the Government can well afford to make the 5 per cent guaranty; and if it fails, the loss is limited to twenty-five millions plus the nine millions of capital proposed to be supplied by the Government, an amount not much larger than that recently provided for the building of railways in Alaska.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken, and the amendment was rejected.

Mr. YOUNG of North Dakota. Mr. Chairman, I desire to offer an amendment which I send to the Clerk's desk, which will have to have two words, "*Provided*, That," placed in front of it.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 106, at the end of line 3, insert, "*Provided*, That"——

Mr. YOUNG of North Dakota. Perhaps I can state it better: *Provided*, That the farm-loan board may make such rules and regulations for the deposit of money and the reloaning of the same as they shall adopt.

The Clerk read as follows:

*Provided*, That the farmers' loan board may permit the Federal land banks to accept deposits and to invest the same under such rules and regulations as may be prescribed by the farm-loan board.

The CHAIRMAN. All debate is closed.

Mr. YOUNG of North Dakota. Mr. Chairman, I ask unanimous consent that the gentleman from South Carolina [Mr. LEVER] may be permitted to proceed for five minutes.

The CHAIRMAN. The gentleman asks unanimous consent that the gentleman from South Carolina [Mr. LEVER] be permitted to proceed for five minutes. Is there objection?

Mr. MANN. Mr. Chairman, I would like to have five minutes here in opposition.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that he may be permitted also——

Mr. GLASS. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

AGENTS OF FEDERAL LAND BANKS.

SEC. 15. That whenever it shall appear to the Federal farm-loan board that national farm-loan associations have not been formed, and are not likely to be formed, in any locality, because of some peculiar local conditions, said board may, in its discretion, authorize Federal land banks to make loans on farm lands through agents approved by said board.

Such loans shall be subject to the same conditions and restrictions as if the same were made through national farm-loan associations, and each borrower shall contribute 5 per cent of the amount of his loan to the capital of the Federal land bank, and shall become the owner of as much capital stock of the land bank as such contribution shall warrant.

No agent other than a duly incorporated bank, trust company, mortgage company, or savings institution, chartered by the State in which it has its principal office, shall be employed under the provisions of this section.

Federal land banks may pay to such agents the actual expense of appraising the land offered as security for a loan, examining and certifying the title thereof, and making, executing, and recording the mortgage papers, and in addition may allow said agents not to exceed one-half of 1 per cent per annum upon the unpaid principal of said loan.

Actual expenses paid to agents under the provisions of this section may be added to the face of the loan and paid off in amortization payments as provided in subsection 8 of section 13 of this act.

Said agents, when required by the Federal land banks, shall collect and forward to such banks without charge all interest and amortization payments on loans indorsed by them.

Any agent negotiating any such loan shall indorse the same and become liable for the payment thereof, and for any default by the mortgagor, on the same terms and under the same penalties as if the loan had been originally made by said agent as principal and sold by said agent to said land bank, but the aggregate of the unpaid principal of mortgage loans received from any such agent shall not exceed 10 times its capital and surplus.

If at any time the district represented by any agent under the provisions of this section shall, in the judgment of the Federal farm-loan board, be adequately served by national farm-loan associations, no further loans shall be negotiated therein by agents under this section.

Mr. HASTINGS. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all of section 15 and insert the following:

"SEC. 15. That whenever it shall appear to the Federal farm-loan board that national farm-loan associations have not been formed in any locality within 90 days after the establishment of the Federal land banks under this act, said board shall authorize Federal land banks to make loans on farms through agents approved by said board.

"Such loans shall be subject to the same conditions and restrictions as if the same were made through national farm-loan associations, and each borrower shall contribute 5 per cent of the amount of his loan to the capital of the Federal land bank, and shall become the owner of as much capital stock of the land bank as such contribution shall warrant.

"Agents appointed under the provisions of this section shall be paid by the Federal land bank which they serve, such compensation for supervising, making out, and forwarding each application for a loan not to exceed $2.50, as may be agreed upon: *Provided*, That postmasters of the first, second, or third class may be employed under the provisions of this section, but in the event postmasters are employed as agents, they shall not be paid nor permitted to receive or accept compensation therefor. For the purposes of this act an agent shall be authorized to take acknowledgments, administer oaths, and authenticate his acts with a seal.

"Each applicant for a loan under the provisions of this section shall make his application upon a form approved by the Federal farm-loan board duly verified, and each application shall be accompanied by the note and mortgage, and the affidavits of two landowners of the vicinity in which the land is located certifying to the value of the land, whose responsibility shall be certified to by the agent, and shall also be accompanied by an abstract or other evidence of title prescribed by said board.

"If at any time the district represented by any agent under the provisions of this section shall, in the judgment of the Federal farm-loan board, be adequately served by national farm-loan associations, no further loans shall be negotiated therein by agents under this section."

Mr. GLASS. Mr. Chairman, I would like to reach some agreement as to the time on this section and amendments thereto.

Mr. FERRIS. Mr. Chairman, I rather hope the gentleman will allow the debate to run a little while, as I might want to say a word, and there are some other gentlemen over here who desire to speak.

Mr. RUBEY. Mr. Chairman, I have an amendment to the original section which I desire to offer.

Mr. GLASS. Well, I would say on this amendment—I would like to know how much time——

Mr. MORGAN of Oklahoma. I would want five minutes on this amendment.

Mr. GLASS. May I ask my colleague how much time he desires?

Mr. HASTINGS. I would like to have about 10 minutes on the amendment, and I will ask the gentleman if he would not prefer to wait and then prefer his request? This might develop some inquiry from members of the committee, and I think if the gentleman will let me proceed for 10 minutes then he might close debate.

Mr. GLASS. I have no desire to shut off reasonable debate, but I would like to reach some agreement if I can.

Mr. FERRIS. Will the gentleman yield?

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. This is a motion to strike out and insert?

The CHAIRMAN. Yes; it is a substitute.

Mr. MANN. For the entire section?

Mr. HASTINGS. Yes, sir.

Mr. MANN. Pending that motion, will it be in order to offer an amendment to perfect——

The CHAIRMAN. It would.

Mr. GLASS. How much time is wanted on that side?

Mr. HAWLEY. On this amendment?

Mr. GLASS. On this section.

Mr. HAWLEY. I would like to have five minutes on the section.

Mr. MORGAN of Oklahoma. Mr. Chairman, I hope the gentleman will not try to close debate too quickly on this entire section.

Mr. GLASS. I want to reach some agreement. Does the gentleman want some time?

Mr. MORGAN of Oklahoma. I want five minutes on this amendment, but I have several amendments to the section which I desire to offer.

Mr. MANN. Suppose you close debate on the amendment first.

Mr. GLASS. Mr. Chairman, I suggest we agree to close debate on this particular amendment in 20 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this amendment close in 20 minutes. Is there objection?

Mr. GLASS. Of which 10 minutes is to go to the gentleman from Oklahoma, a member of the committee.

The CHAIRMAN. Is there objection?

Mr. DAVENPORT. Mr. Chairman, reserving the right to object, there are two or three of my colleagues who indicate they might want to be heard upon that, and I think the time ought to be a little extended.

Mr. GLASS. I have had no intimation to that effect. I asked if they wanted to be heard.

Mr. DAVENPORT. We are indicating it now by reserving the right to object, in order that they may discuss the amendment. I understand Mr. THOMPSON, Mr. FERRIS, and Mr. MORGAN desire time.

Mr. GLASS. Mr. Chairman, I make it 25 minutes.

Mr. MANN. How many Members are there from Oklahoma?

Mr. DAVENPORT. Eight, usually; and I think they are all here to-day.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on the pending amendment may close in 25 minutes, 10 minutes to be used by the author of the amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. HASTINGS. Mr. Chairman and gentlemen of the committee, no man in this Congress is more interested in rural-credits legislation than I am. I would rather be the author of a real rural-credits bill than of any other legislation that is pending in this Congress, and I want to have the attention of the members of the committee upon this particular amendment for a few minutes. My fear is that you will have too many delays in securing the loans under the terms of this bill. Now, I want to call the attention of the members of the committee to the methods of securing loans under this bill. You can secure a loan from the Federal land bank in two ways: First, through your farm-loan associations; second, through agents; now, third, you can secure loans under the terms of this bill from joint-stock land banks. I am going to eliminate the third, namely, the loans from joint-stock land banks, as we are only discussing loans from Federal land banks. Now let us see how you get loans under the terms of this bill from the Federal land bank. First, there must be at least 10 natural persons and you must want to borrow at least $20,000. Now, I believe that the average loan that will be desired to be borrowed in my State will be about $500.

You can see it will take 40 persons who will have to unite themselves into a farm-loan association before a loan association can be formed. Now, suppose you do not find 40 persons, say, for instance, in Cherokee County, the county in which I live. Then this would not be a workable bill so far as that locality is concerned. This amendment provides that in the event that no local association is formed within 90 days after the formation of the Federal land bank in the district, the land bank shall be the means whereby you can secure loans through local agents.

It is admitted here in the general debate that this section 15 is not workable. It is admitted that no agents will ever be appointed under it. Let me arouse the Members of this House to the importance of this substitute. Suppose that the local loan associations are formed. Or, if they are formed, how are you going to get money through them? First, you have to make application to join the association. How long is it going to take you? You have to be admitted as a member of the association, have you not? Very well. Then you make an application for the loan. That is referred to your loan committee of three.

Suppose there are 40 members that belong to this local association who are scattered over an area of 10 or 12 miles. Your loan committee is not paid anything. They must view the land. They must make a detailed written report, which must be unanimous. When are you going to get your loan committee together, a committee that is not paid anything? That may extend over a week or 10 days. After the report is made, then it is to be approved by the directors of the local association. There can not be less than five and there may be a dozen or more of these directors under the terms of this bill. They are not paid anything. They may live 10 or 15 or 20 miles apart in any county, as the case may be. When are you going to get the directors of your local association together to approve this loan? It may be a week or 10 days. Now then, after that is approved, it only initiates your loan and sends it to the Federal land bank. It is then referred to the legal department that examines the title, and if the title is found good then it is sent to the appraiser for that particular district, and the appraiser goes down there some 30 or 60 days thereafter. Now, gentlemen of the committee, suppose that the man is in financial distress or a man who wants to purchase some land or some equipment and he wants to make a deal or he wants the money for any purpose that is allowable under this bill. My judgment is there is too much delay in getting the borrower connected with the Federal land bank. Now, let us examine the terms of this proposed amendment.

It is admitted that this section 15 as it is in this bill is not workable, for a number of reasons. First, the first clause makes it only permissible. Second, it provides that mortgage companies and State banks only may be appointed. Third, it requires these State banks to indorse and become liable for this 36-year paper, and you know that will never be done and that no agents will be appointed, and the committee admits in general debate it will never be done. Section 15 is not workable. How about the substitute I propose? Remember, gentlemen of the committee, this only initiates the loan. It only puts the borrower in connection with the Federal land bank, and I provide that if, after 90 days, no local association is formed, agents may be appointed in any particular locality, and it provides that the prospective borrower shall go to this agent and upon a form that is prescribed by the Federal farm-loan board may take out his application for a loan.

It provides further that two landowners of that locality shall make an appraisement of it, which shall accompany the application, and that the agent shall certify to the responsibility of all of these men. Attached to the application is the note and mortgage, and attached to that is the abstract or other evidence of title. This loan is not made upon that alone. It only initiates the loan. That only puts the borrower in connection with the Federal land bank, and that is all. If the amendment is adopted and the loan be applied for, he takes out 5 per cent of the stock, just the same as if application was made through the local association, and that application can be made out, and it will be in the Federal land bank in 24 hours.

What course will it take when it gets there? It first is referred to the legal department. There the abstract is examined. If the title is found good, then it is referred to the Government appraiser, and no loan is made until the man who is appointed by the government as appraiser goes and views this land. So, gentlemen, you can see that this substitute I have offered only cuts out about 30 days' delay in having an examination made through a local loan association, and allows him to get his application to the Federal land bank at once and without any expense.

Mr. HELVERING. Just for information, I would like to ask the gentleman if he contemplates that the adoption of his amendment will in any way curtail the formation of these associations?

Mr. HASTINGS. It will not curtail the formation of the association; but this provides if these associations are not formed within 90 days, in that event only will an agent be appointed. The substitute also provides if associations are formed at any time, then these agents may be done away with.

Mr. MOSS of Indiana. Has the gentleman taken into consideration the fact that all 12 land banks throw their assets together and guarantee the loans? Now, under his amendment, will there be as much guaranty behind these loans as there would be through the loan association?

Mr. HASTINGS. My idea is that there will be ample, because you require the individual to take out 5 per cent of the stock, just as through the local association. Besides that, he can only secure 60 per cent of the value of his land, and that must be appraised by the Government appraiser.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN of Oklahoma. Mr. Chairman, I shall vote for this amendment. It applies to section 15 of the committee bill. This bill is drawn upon a theory that the Federal land banks will make loans, as a rule, only to national farm-loan associations. The committee in preparing the bill no doubt recognized the fact that in many localities farm-loan associations might not be organized. To meet such a condition section 15 provides that whenever it shall appear to the Federal farm-loan board that national farm-loan associations have not been formed, and are not likely to be formed in any locality, said board may authorize Federal land banks to make loans on farm lands through agents through Federal boards, and further on in said section such agents are limited to incorporated banks, trust companies, and so forth. Now, this would not be so bad were it not that further on in the section such banking institutions are required to indorse and become liable for the mortgages which they negotiate and turn over to the Federal land banks. This destroys the value of the first part of the section to a large extent. While banking institutions are in close proximity to farmers throughout every section of the land, it is not probable that very many banks would want to complicate their business by entering into the farm-mortgage business and becoming liable for the payment of farm mortgages which might run for a period of 36 years before their payment. So that in a community where there were no banking institutions which would become agent and indorser on mortgages, and also where there were no farm-loan associations, such farmers would have no facilities to secure loans through the Federal land-bank system.

The amendment now pending strikes out all of section 15, and provides in substance that in localities where there are no farm-loan associations the Federal land banks may make loans through agents, such agents to be approved through the farm-loan board.

Under the amendment offered the agent may be a bank, an individual, or a postmaster of the first, second, or third class. The agents are not allowed to charge the borrowers anything for services. The Federal land bank is to pay its own agents and postmasters are required to do their work without charge. An application made through such agent must be accompanied by an appraisement made by three landowners in the vicinity, and after that, of course, a Federal land-bank appraiser will personally inspect and appraise the land so that every wise precaution is taken to secure to the Federal land bank all necessary information, as well as to ascertain the character of the applicant and the value of his land and what would be a reasonable loan thereon. One chief objection that I have to section 15 is the proposition which allows the banking institutions which are appointed as agents of the Federal land banks to receive from the Federal land banks one-half of 1 per cent annually upon the loan as compensation for their services and for indorsements which they give to the mortgages of the farmers. It seems to me that the committee in charge of this bill has wholly failed to grasp the necessity of economical administration to erect between the borrowers and the Federal land banks, who really make the loans, another middleman institution, and permit them to charge one-half of 1 per cent annually for each loan made through them for a period of 36 years seems to me to be unjustifiable. I can not understand how the committee could propose and report such a proposition.

Under this section you authorize these banks to charge one-half of 1 per cent annually, going on for 36 years upon the loan of the farmer who gets it. If this amendment is adopted, you will strike out of the bill what I regard as an infamous charge upon the farmers of this country.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield there?

Mr. MORGAN of Oklahoma. Yes.

Mr. MOSS of Indiana. I would like to ask the gentleman from Oklahoma if that same provision is not in the bill which the gentleman from Oklahoma introduced, permitting the bank to make the charge and collect it off the borrower?

Mr. MORGAN of Oklahoma. That provision is not in the bill which "the gentleman from Oklahoma," myself, introduced. On the other hand, I authorize these Federal land banks to loan through agents and require national banks and authorized State banks to act as these agents. I will say to my friend, further, that I do not authorize these agents to charge one-half of 1 per cent annually running through 36 years upon the farmer.

Mr. MOSS of Indiana. What charge does the gentleman make?

Mr. MORGAN of Oklahoma. If I recollect correctly, I allow that fee to be fixed by the Federal farm-loan board, but the fee is small and every cent of it is required to be paid by the Federal land bank.

Mr. MOSS of Indiana. Precisely. I think I am more familiar with the bill than the gentleman. The gentleman allows the charge to be made by the Federal farm-loan board.

Mr. MORGAN of Oklahoma. But I call the attention of the House to the fact that under the provisions of my bill the agent does not become an indorser of the mortgage of the farmer. He simply assists in the negotiating and closing of a loan. He would be paid simply a small fee, which would compensate merely for the actual work performed. This would amount to but a few dollars on each loan, but the proposition which the committee presents in section 15 requires the banks to indorse the mortgages of the farmers and become liable for their payment and permit them to receive one-half of 1 per cent annually until the loans are paid. If a loan of $3,000 were made, the bank would receive $15 annually; in 10 years the borrower would pay to the bank $150; in 20 years he would pay to the bank $300. If the $3,000 loan should run the full time of 36 years, the borrower would have paid the bank for negotiating and indorsing his loan $540. All of this is absolutely unnecessary. No good purpose will be accomplished thereby. The note and mortgage of the farmer is absolutely secure without the indorsement of the local banking institution, and to require this useless and unnecessary indorsement and compel the farmers to pay this extra one-half of 1 per cent would be to my mind outrageous.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield there?

Mr. MORGAN of Oklahoma. Yes.

Mr. HASTINGS. Under the provisions of this substitute it would not cost the prospective borrower a penny to initiate his loan.

Mr. MORGAN of Oklahoma. That is true, and that is the way it should be. There is no good reason why these Federal land banks should not be permitted to make loans through agents. This is the method used by existing private farm-loan concerns. The great insurance companies of the Nation conduct their farm-loan business through agents. They have conducted their business successfully. They have conducted their business economically. They have conducted their business safely. So far as we can we should follow the business methods found to be wise and safe by business corporations. There is not a business corporation in the world that would for a moment consider the proposition presented in section 15, to add one-half of 1 per cent annually upon the interest charge of each loan, or one-half of 1 per cent annually to the cost of operation in order to secure the indorsement of a farm mortgage that was absolutely secure before such indorsement was made. We do not know how many loans would be made through these agents as provided in section 15 if it were enacted into law. So far as we know a large proportion of the loans made might come through these agents, but whether the amount should be great or small it would be an absolutely useless and unnecessary charge upon the borrowers, and I am unalterably opposed to it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SUMNERS. Mr. Chairman and gentlemen of the committee, I only want about one minute. I represent in part the greatest agricultural State in the Union. I believe I know the condition which obtains among the farmers of the country, I know the lack of community and class solidarity among them.

The provisions in this bill, as the committee has drawn it, would be all right for Germany or one of those European countries where there is class and community solidarity in the rural communities. But it does not fit the American situation. After all, the loan under the present plan of this bill is to be made upon the recommendation of the appraiser, who goes to see the land. The same inspection and appraisement would be made under this amendment. This amendment ought to be adopted, so that if in any community 25 or 30 or 40 men can not be gotten together who want to procure money through this system, the individual farmer who wants a loan could get it. It is absolutely safe, and I hope the amendment of the gentleman from Oklahoma [Mr. HASTINGS] will be adopted. [Applause.]

Mr. FERRIS. Mr. Chairman, the section 15 in this bill is a section that is admittedly a nonworkable proposition. I interrogated some of the members of the Banking and Currency Committee on it, and other Members of the House have interrogated the members of the committee on it, and section 15 as it stands is not workable. It is just a cumbersome provision that everybody understands will not work.

Listen to this provision in section 15:

> Any agent negotiating any such loan shall indorse the same and become liable for the payment thereof, and for any default by the mortgagor, on the same terms and under the same penalties as if the loan had been originally made by said agent as principal and sold by said agent to said land bank.

I undertake to say that no bank in the country will underwrite and indorse and in all things become liable on any 36-year-old paper. I would like to have some one rise in his place and deny that proposition. I do not think any thoughtful Member here even surmises that provision will work.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. NORTON. Is it not a fact that under most of the State laws the banks would not be permitted to indorse it?

Mr. FERRIS. I do not know as to that. But whether they are permitted to indorse or not, I am as sure as that I live that they will not do it. We can rely on their common sense for that. I do not think anyone can defend it. No one has even tried to defend it so far as I know.

Now, that is criticism No. 1. If it is admitted by the committee and by the House that this section is a section in this bill that will not work, why not in seriousness and good faith take a moment of time and deal with the amendment offered by my colleague, the gentleman from Oklahoma [Mr. HASTINGS]?

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. HARDY. When the gentleman first raised the question it seemed to me absolutely unanswerable.

Mr. FERRIS. Yes.

Mr. HARDY. But after reading the bill it seems to me simply intended to make corporations in that way to make the loan. Of course, they indorse in that way in order to sell their own paper.

Mr. FERRIS. Yes; but the gentleman does not believe that any bank in the State of Texas or in the State of Oklahoma would become liable on paper for any 36-year term.

Mr. HARDY. It is their own paper that they sell.

Mr. FERRIS. Oh, not at all. The agent acts as a forwarding agent, but under this section he must become the indorser, and he thereby becomes liable for it. No bank in my section will take on any such liability as that for one-half of 1 per cent, or any other per cent, covering a long term like 36 years. I want the House to do something about this provision.

Mr. HARDY. Practically, these agent banks are the ones who take the money and loan it.

Mr. FERRIS. Oh, no; they are forwarding agents if they are anything. The gentleman from Oklahoma [Mr. HASTINGS], a member of the Banking and Currency Committee, has given considerable thought to this and offered an amendment which may not be perfect. I am not a banker nor a member of the Banking Committee, but in my opinion he has offered you a razor that will shave. He has offered an amendment that will at least look like it would work and be practical. I think it will do the business. It leaves large latitude in the board; they can work out the details and make it workable. If it is not perfect let us amend it. Let us not pass roughshod over the section that you members of the committee know will not work. The Banking and Currency Committee are entitled to great credit for their work, and I want you to help get this section straightened out. I hope the Hastings amendment or one like it may be adopted. Now, Mr. Chairman, I yield to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to have three minutes, as I have not taken up much time in the debate.

Mr. DAVENPORT. Mr. Chairman, I ask unanimous consent that the gentleman from Alabama be permitted to proceed for five minutes.

The CHAIRMAN (Mr. FOSTER). The gentleman from Oklahoma asks unanimous consent that the gentleman from Alabama may proceed for five minutes. Is there objection?

There was no objection.

Mr. STEAGALL. Mr. Chairman, I want to say, first, that I have been impressed during the progress of this discussion that many men here are absolutely uninformed regarding business conditions in the section of the country which I have the honor to represent. I can understand well enough how it is that the gentleman from Oklahoma [Mr. FERRIS] should contend that the section of this bill now under consideration is without value. That is unquestionably true in many portions of the country, but I dare say this section would be of value in many instances. I believe that in the State of Alabama it would not infrequently happen that banks would indorse mortgages as provided in this section in order to obtain loans for their customers, and in that way reduce the accounts on their books. Many of them have numerous accounts that approach the limit allowed to be loaned under the laws prevailing in that State. I am confident this is true in many sections of the South and West.

I was interested in the speech made by the learned gentleman from Ohio, Dr. FESS, a day or two ago, in which he told of his difficulty in finding a borrower for a few thousand dollars of school funds in his county at 5 per cent, and how, after much effort, he succeeded in placing the money in small amounts at that rate. If this bill had been law at that time he would have found no difficulty in investing his funds in unquestionable security at the same rate on long term without the necessity for frequent renewals of his loan. This bill will assemble land securities where the investor can find them absolutely sound and upon suitable terms. That the gentleman from Ohio may understand the difference in conditions in his State and mine, I will say to him that in the county in which I live I could in 30 days loan $100,000 at 10 per cent on securities that I would unhesitatingly accept.

Mr. RAKER. And I could do the same thing in my State.

Mr. STEAGALL. I was impressed also by a speech of the gentleman from Georgia [Mr. HOWARD] made a day or two ago, in which he denounced the bankers down his way for charging exorbitant rates of interest. I have been inclined to follow him here. He is an older Member, and one of the ablest in this body. But on the occasion to which I refer I thought he was a

little reckless in his speech when he talked of putting so many bankers in the penitentiary. The gentleman used to be a prosecuting attorney in his district, and I spent a few years in that sort of service myself. I should be slow to talk much on this floor about putting my constituents in the penitentiary. The truth is, gentlemen, these bankers are not so much to blame as might appear upon first thought. They have to go to New York to get money, often paying as high as 6 per cent themselves. They have not in their capital and deposits sufficient funds to meet the demands upon them. The little country banks down there are usually capitalized from $50,000 to $100,000, and in many instances less than $50,000. The law, as a rule, provides that they can not loan more than 10 per cent of their capital. In that section a bank's deposits seldom more than doubles its capital. In the town in which I live, which has a population of 2,500, in a splendid agricultural county, the three banks there seldom have combined deposits of more than $250,000, which is about the amount of their combined capital.

My friend, Judge RAINEY of Illinois, has just been telling me of two small banks in his town about the same size as the town in which I live. He says the two banks in his town have deposits of about $1,000,000 each. So you see that different situations are presented in different sections. I believe that the section even as originally drawn and without being amended would carry some benefits to my section of the country, and that the banks there would avail themselves of its provisions.

Mr. DAVENPORT. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. DAVENPORT. The reason that they have to go to New York to borrow money is because they have long-time loans that they have to carry, because the farmers raise crops that mature annually and can not be put on the market except at regular periods.

Mr. STEAGALL. That is true.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. SMITH of Michigan. I understand the gentleman to say that the banks in his section would readily indorse this paper.

Mr. STEAGALL. Not as a general thing, but in many instances they would.

Mr. SMITH of Michigan. Will the gentleman explain how a bank organized for 20 years' existence could indorse paper that would run 36 years?

Mr. STEAGALL. The liability incurred would be a valid obligation and would continue in operation until extinguished by payment or operation of law.

But I wanted to say a word about the amendment offered by the gentleman from Oklahoma [Mr. HASTINGS]. His amendment will make this section more workable and of greater practicable value. The amendment provides that the Federal farm-loan board shall authorize the Federal farm-loan banks to make loans through agents. It does not provide that this shall be done, but merely gives authority to the Federal land bank to make such loans. It will still be left entirely in the control of the Federal land bank. I agree that the farm-loan associations provided for in this system constitute a splendid plan, and out of them will come great good. But there are sections where the farmers are scattered. There are counties down my way where the lands are largely occupied by negro tenants. In some sections you can ride 10 miles without coming to a landowner. The association plan is not adapted to such communities. Not only is this true, but men are going to be slow in organizing these associations. The truth is, where help is worst needed you will find the least spirit of independence and initiative. Under the provisions of this amendment every man will find a plain, practical plan that will appeal to him. And there is no danger whatever to the system involved in this amendment. It is merely left optional to the Federal land bank to adopt this plan, and they will not make such loans except in rare instances, and upon unquestionable security. The Federal land banks will be sure to discourage this plan, except in cases where it is absolutely necessary. They will make loans with greater caution and care than in the cases where they are made through the associations with all the additional safeguards obtaining in that system. The Federal land banks will be absolutely under the control of the borrowers through the farm-loan associations. The bill provides that they shall elect two-thirds of the directors of the Federal land bank, so that they have positive control of the management of the banks at every step. The bill goes further and provides that no money shall be paid out of the Treasury to any Federal land bank until 10 farm-loan associations shall be formed in such bank districts and applications for loans are made. So you see, that there is no danger that the funds of the banks would all be loaned through agents as provided for in the amendment. The directors of the Federal land banks, the majority of whom are to be elected by the farm-loan associations, would never allow reckless loans through agents to endanger the safety of the system and involve the members of the farm-loan associations in loss. There is no danger in the amendment; on the contrary, it will constitute a benefit to the system, which, without it, would be incomplete in many sections of the country.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Oklahoma [Mr. HASTINGS].

The question was taken; and on a division (demanded by Mr. MANN) there were 59 ayes and 31 noes.

Mr. GLASS. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers the gentleman from Virginia [Mr. GLASS] and the gentleman from Oklahoma [Mr. HASTINGS].

Mr. SWITZER. Mr. Chairman, can we have the substitute again read?

The CHAIRMAN. Without objection, the Clerk will again report the substitute.

The Clerk read the amendment.

The committee again divided; and the tellers reported that there were 53 ayes and 60 noes.

So the amendment was rejected.

Mr. RUBEY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

On page 108, strike out lines 14 to 21, inclusive, and insert:
"Every agent negotiating any such loan shall make a report and an appraisal of the land upon which application is made for the loan on blanks furnished by the Federal land bank, and such report and appraisal shall be referred to an appraiser as required in section 10 of this act, and no loan shall be made by the land bank unless the report of the appraiser is favorable. Every loan made under the provisions of this section shall be made to the applicant upon such forms and under such regulations as shall be prescribed by the Federal farm-loan board."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

Mr. GLASS. Mr. Chairman, I would like to see if we can not reach an agreement as to time on this section and amendments thereto.

Mr. NORTON. Mr. Chairman, I have a substitute I desire to offer.

The CHAIRMAN. Will the gentleman from Missouri yield for the purpose of permitting the gentleman from North Dakota to offer his substitute and have it pending?

Mr. RUBEY. I prefer to get through with this, and then the gentleman can offer his amendment.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this section and all amendments thereto close in 15 minutes. Is there objection?

There was no objection.

Mr. RUBEY. Mr. Chairman, I think that every gentleman on this floor who voted in favor of the substitute offered by the gentleman from Oklahoma [Mr. HASTINGS], a member of the Banking and Currency Committee, will certainly support this proposition.

Mr. MORGAN of Oklahoma. Mr. Chairman, will the gentleman yield for a question before he gets into his argument, for information?

Mr. RUBEY. No. I regret that I can not yield; my time is limited and I desire to state what my amendment means, and get the matter clearly before the committee. This whole section 15 as has been demonstrated by those who have spoken to-day as now written is wholly inoperative. It does not amount to anything. Unless you put some provision, such as the amendment that I have suggested into the section, you may just as well strike it out of the bill. The whole section is optional. The Federal farm-loan board is authorized, in its discretion, to make loans on farm lands through agents. These agents shall be incorporated banks, trust companies, mortgage companies, or savings institutions, and all loans shall be subject to the same restrictions and conditions as if made through farm-loan associations. The paragraph sought to be stricken out provides that every bank, trust company, or corporation that is appointed an agent must indorse each one of these loans, the same as if it were the maker of the loan in the first place, and that can not and will not be done. The banks in the State of Missouri and in all of the Western States under the banking laws could not possibly do that sort of thing. Inside of five years their liabilities would be ten times the amount of their assets if they follow the provisions of this paragraph. I provide here that this

bank, this agent which is a bank, trust company, or some organization of that sort, not a postmaster as was provided in the amendment of the gentleman from Oklahoma [Mr. HASTINGS], but a banking institution—one selected by the farm land-bank board—shall make examination of this land, shall report upon it, and appraise it. My amendment further provides that when the Federal farm-loan bank receives the report from its agent then that report shall be referred to one of its own appraisers, and he shall go and appraise the land as provided in section 10 of this act. My amendment provides that no loan can be made unless that appraiser approves the loan. It further provides that the loan shall be made direct to the applicant upon forms provided by the Federal farm-loan board, and under such rules and regulations as the board may prescribe.

Mr. GLASS. Mr. Chairman, will the gentleman yield?

Mr. RUBEY. Yes.

Mr. GLASS. I did not hear the amendment read, there was so much noise and confusion. Is it the idea that the loans shall be made directly without any liability upon the part of the applicant by the land bank?

Mr. RUBEY. The loan shall be made directly to the applicant, but before doing that the loan must be reported on by the agent, which is a bank, must be appraised by it, and must also be appraised by an appraiser sent out by the Federal farm-loan board.

Mr. GLASS. Does my friend think that there will be a single one of these cooperative associations organized if we adopt an amendment like that in this bill? What incentive would there be to any farmer to join an association if he could deal directly with the land bank without any liability?

Mr. RUBEY. I do not seek to interfere with section 15 except as to this one paragraph. In the first paragraph it says that these agents shall be appointed by the Federal farm-loan board in its discretion. I do not seek to interfere with any of the rest of this section, and the last paragraph says that when these loan associations are organized then the agent part of it shall be discontinued.

Mr. GLASS. The point I am inquiring about is this: What possible incentive could any farmer have to join an association and assume a liability if he might be accommodated by a direct application to the land bank?

Mr. RUBEY. I will answer that by saying that this section 15 evidently was put into this bill for the purpose of accommodating somebody, and I can not see any reason for leaving it in there unless we are going to put some provision in it that will make it workable.

Mr. GLASS. I suggest to my friend that it was intended to accommodate somebody, but upon terms analogous to the terms that prevail in the organized association.

Mr. RUBEY. I will say in answer to the gentleman that, in my opinion, this section 15 will be used only in exceptional cases and under the control of the Federal farm-loan board, and will be used only in exceptional cases. In communities here and there, as described by my friend from Alabama [Mr. OLIVER], where there is an incorporated banking institution or mortgage company recognized by the State and organized under the laws of the State, where they can not organize these farm-loan associations, the provisions of this section as sought to be amended by me will be used by the Federal farm-loan board.

Mr. MORGAN of Oklahoma. Will the gentleman yield?

Mr. RUBEY. I will.

Mr. MORGAN of Oklahoma. What compensation would these banks be allowed?

Mr. RUBEY. They would be allowed to receive the compensation as provided in the paragraph preceding.

Mr. MORGAN of Oklahoma. Would they be allowed one-half——

Mr. RUBEY. Not to exceed one-half of 1 per cent for attending to that business, in the discretion of the Federal farm-loan board.

Mr. MORGAN of Oklahoma. And without becoming responsible?

Mr. RUBEY. And without becoming liable.

The CHAIRMAN. The time of the gentleman has expired, and the question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the Chairman announced the noes appeared to have it.

On a division (demanded by Mr. RUBEY) there were—ayes 58, noes 29.

Mr. GLASS. Mr. Chairman, I ask for tellers.

The CHAIRMAN. Tellers are demanded. The Chair will count. [After counting.] Seventeen gentlemen have arisen, not a sufficient number.

So the amendment was agreed to.

Mr. SHOUSE. Mr. Chairman, I offer an amendment to strike out section 15. Mr. Chairman, in offering this amendment I desire to say that section 15 was left in the bill contrary to the judgment of a number of the members of the committee. It was admittedly not a workable section as it appeared in the bill. It was indefensible as it appeared in the bill, and no member of the committee and no other man on the floor of this House has attempted to defend it. It was left there because one or two gentlemen thought that in certain remote section of the country it might prove of some advantage.

Now, as section 15 has been amended by the gentleman from Missouri [Mr. RUBEY] it will absolutely destroy the whole superstructure of the bill as originally formed, because it stands to reason that if the farmer can get a loan, through an agent created under the machinery suggested by the gentleman from Missouri, without assuming any liability of any kind, that farmer is not going to join a national farm-loan association, where he has to assume liability, and you might just as well do away with every other section of the bill if you are going to leave this section in the bill. I therefore believe, and have believed all the time, and believe now more firmly than ever, that the bill will be vastly improved, and I think it is even now made absolutely necessary, if section 15 be stricken out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken, and the Chairman announced that the noes appeared to have it.

On a division (demanded by Mr. SHOUSE) there were—ayes 22, noes 46.

So the amendment was rejected.

Mr. MANN. Mr. Chairman, is the time all exhausted?

The CHAIRMAN. No; there are four minutes remaining.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I desire to ask a question. At the bottom of page 107 appears this language:

> No agent other than a duly incorporated bank, stock company, mortgage company, or savings institution, chartered by the State in which it has its principal office, shall be employed under the provisions of this section.

Why this discrimination made against the country national bank?

Mr. GLASS. What is the question?

Mr. MANN. Why is a discrimination made against the country national bank?

Mr. GLASS. Well, as a matter of fact, it was not seriously thought by many members of the committee that there was any necessity whatsoever for that section in the bill. It was not thought by many members of the committee that there would be a single community——

Mr. MANN. Well, I know; but why, then, do you discriminate? You must admit that there will be something done under it, and why did the committee discriminate against the country national bank?

Mr. GLASS. The idea of the proponent of the proposition was that the necessity, if any should arise for these agencies, would be in sparsely settled parts of the country where there were no national banks, but small State banks.

Mr. MANN. Well, they have small national banks now in a good many places. They are allowed to take savings deposits and to do the business of the community.

Mr. GLASS. Yes; but not in very small communities.

Mr. MANN. Well, I know of some national banks in what you would call very small communities.

Mr. GLASS. The minimum capital of a national bank, as the gentleman knows, is $25,000; and it was thought by the proponent of this proposition that if applied at all it would apply in sparsely settled and God-forsaken communities of the country where there are no national banks.

Mr. MANN. Mr. Chairman, I do not know whether this provision will apply, whether it will ever become operative or not. I do not see why the opportunity should not be given to see which will work the better. No one here certainly can predict how this law will operate or how the different features of it will operate; but it might provide different features, all of which are safeguarded, and if any of them operate it will be to the advantage of both the borrower and the lender.

Mr. GLASS. Well, I do not know. I marveled at the gentleman awhile ago, and a good many other gentlemen on that side as well as this side who voted for an amendment to the section that lopped away all the safeguards that this section had.

Mr. MANN. Oh, Mr. Chairman, you might just as well have put into this bill a provision that every farm mortgage should be guaranteed by every Member of Congress as to put in the one we struck out. That is the reason we struck it out; it was so very ridiculous.

Mr. GLASS. The gentleman will admit that loans ought to be guaranteed by some responsible person or institution, whether a Member of Congress or otherwise.

Mr. MANN. I admit, certainly, that there ought to be restrictions which make the loan safe and which will make the bonds issued against the loan so secure that you can get the money on them absolutely. I agree with the gentleman.

Mr. GLASS. If my friend will vote that way——

Mr. MANN. I have been voting that way more consistently, I think, than any other gentleman in the House.

Mr. MORGAN of Oklahoma. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 108, lines 5 and 6, strike out all in line 5, after the word "agents," and strike out all of line 6 and insert the following: "such compensation as may be prescribed by the Federal farm-loan board.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

Mr. MORGAN of Oklahoma. Mr. Chairman——

The CHAIRMAN. All debate on this section is closed.

Mr. MORGAN of Oklahoma. I want half a minute.

Mr. GLASS. Mr. Chairman, I call for the regular order.

The CHAIRMAN. The question is on the amendment of the gentleman from Oklahoma [Mr. MORGAN].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. GLASS. Division, Mr. Chairman.

The committee divided; and there were—ayes 25, noes 43.

So the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask for tellers.

Tellers were refused.

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent to present an amendment and for five minutes to talk on the amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 109, after section 15, insert:

"That the Government of the United States shall loan to the Federal land banks created and established (and to all member banks of the present Regional Reserve System) such public money as may be needed to loan on real estate mortgages under this act at 3 per cent interest, such Government loans to be secured by Government bonds or other acceptable bonds or the real estate mortgage bonds issued under this act: *And provided*, That such Government money shall be loaned to borrowers under this act at 5 per cent interest."

The CHAIRMAN. The gentleman from Michigan [Mr. SMITH] asks unanimous consent to address the committee for five minutes.

Mr. GLASS. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard. The question is on the amendment of the gentleman from Michigan [Mr. SMITH].

The question was taken, and the amendment was rejected.

Mr. NORTON. Mr. Chairman, since the guaranty provision was stricken out, in lines 14 to 21, I offer an amendment that on page 108, in line 4, after the word "papers," all the line be stricken out and that all of lines 5 and 6 be stricken out.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 108, by striking out all of line 4, after the word "papers," and lines 5 and 6.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken, and the amendment was rejected.

Mr. FERRIS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 107, line 23, after the word "by," insert "the Federal Government or."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. FERRIS].

The question was taken, and the amendment was agreed to.

Mr. LA FOLLETTE. Should not that be after the word "the" instead of after the word "by"?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

JOINT-STOCK LAND BANKS.

SEC. 16. That corporations, to be known as joint-stock land banks, for carrying on the business of lending on farm-mortgage security and issuing farm-loan bonds, may be formed by any number of natural persons not less than 10. They shall be organized subject to the requirements and under the conditions set forth in section 5 of this act, so far as the same may be applicable: *Provided*, That the board of directors of every joint-stock land bank shall consist of not less than five members.

Shareholders of every joint-stock land bank organized under this act shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares.

Except as otherwise provided, joint-stock land banks shall be subject to all the restrictions and conditions imposed on Federal land banks by this act, so far as such restrictions and conditions are applicable: *Provided, however*, That the Government of the United States shall not purchase or subscribe for any of the capital stock of any such bank; and each shareholder of any such bank shall have the same voting privileges as holders of shares in national banking associations.

No joint-stock land bank shall have power to issue or obligate itself for outstanding farm-loan bonds in excess of fifteen times the amount of its capital and surplus, or to accept deposits of current funds payable upon demand, or to transact any banking or other business not expressly authorized by the provisions of this act.

No joint-stock land bank shall be authorized to do business until capital stock to the amount of at least $250,000 has been subscribed and paid in cash and a charter has been issued to it by the Federal farm-loan board.

Farm-loan bonds issued by joint-stock land banks shall be so engraved as to be readily distinguished in form and color from farm-loan bonds issued by Federal land banks, and shall otherwise bear such distinguishing marks as the Federal farm-loan board shall direct.

Joint-stock land banks shall not be subject to the provisions of subsection (b) of section 4 of this act as to interest rates on mortgage loans or farm-loan bonds, nor to the provisions of subsections 1, 4, 6, 7, and 10 of section 12 as to restrictions on mortgage loans: *Provided, however*, That no loans shall be made which are not secured by first mortgages on farm lands within the State in which such joint-stock land bank has its principal office. Such joint-stock land banks shall be subject to all other restrictions on mortgage loans imposed on Federal land banks in section 12 of this act.

Joint-stock land banks shall in no case charge interest on farm loans exceeding by more than 1 per cent the rate of interest established for the last series of farm-loan bonds issued by them.

Joint-stock land banks shall in no case demand or receive, under any form or pretense, any commission or charge not specifically authorized in this act.

Each joint-stock land bank organized under this act shall have authority to issue bonds based upon mortgages taken by it in accordance with the terms of this act. Such bonds shall be in form prescribed by the Federal farm-loan board, and it shall be stated in such bonds that such bank is organized under section 16 of this act, is under Federal supervision, and operates under the provisions of this act.

Mr. SMITH of Michigan, Mr. MOORE of Pennsylvania, Mr. OLIVER, and Mr. GLASS rose.

The CHAIRMAN. Does the gentleman from Virginia [Mr. GLASS] desire recognition?

Mr. GLASS. Mr. Chairman, this is a very important section of the bill, and I am perfectly willing to have it debated in a serious way, and I would like some agreement as to time.

Mr. MANN. I do not believe it would be wise to try to fix the time just at present.

Mr. GLASS. It is an important section of the bill, and I do not want to cut off debate unnecessarily, but I would like to have some understanding if we can reach one.

Mr. MANN. Suppose we let it run a little bit, and then we could get some idea as to how many amendments are offered, and whether they are simply motions to strike out, or otherwise.

Mr. GLASS. How would it do to agree to close debate on this section and all amendments thereto at 3 o'clock, which would be one hour and a half?

Mr. MANN. And then somebody might make the point of no quorum.

Mr. GLASS. The time to be divided equally.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that all debate on this section and amendments thereto be closed at 3 o'clock, one-half of the time to be controlled by the gentleman from Virginia and one-half of the time by the gentleman from Illinois [Mr. MANN]. Or, would it be the gentleman from New York [Mr. PLATT]?

Mr. MANN. I think we had best make it an hour on a side.

Mr. GLASS. I think we can conclude the debate in an hour and a half. I think that ample time, and I hope that the gentlemen on that side will agree to it.

Mr. MANN. I hope that my distinguished friend from Virginia will agree to an hour on a side.

Mr. GLASS. I will say to the gentleman that we want to get through with this bill to-day.

Mr. MANN. I fully cooperate with the gentleman, but after all it is more important to have a good bill than it is to dispose of it in a minute.

Mr. GLASS. Let us say two hours.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close at 3.30 o'clock, one hour to be controlled by the gentleman from Virginia himself and the other hour to be controlled by the gentleman from New York [Mr. PLATT]. Is there objection?

Mr. COX. Reserving the right to object, Mr. Chairman, I want five minutes.

Mr. JOHNSON of Washington. I object, Mr. Chairman.

Mr. MILLER of Pennsylvania. With the understanding, Mr. Chairman, that there will be objection to anybody that gets up getting more time. [Laughter.]

Mr. GLASS. Then I move, Mr. Chairman, that all debate on this section and amendments thereto close in 1 hour and 30 minutes.

Mr. MANN. I move to amend that by making it two hours.

The CHAIRMAN. The gentleman from Virginia moves that all debate on this section and amendments thereto close in one hour and a half, and the gentleman from Illinois [Mr. MANN] moves to amend that motion by making it two hours. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. GLASS) there were—ayes 43, noes 42.

Mr. GLASS. I ask for tellers, Mr. Chairman.

The CHAIRMAN. Tellers are demanded.

Mr. MANN. I make the point of order, Mr. Chairman, that there is no quorum present. If gentlemen want to filibuster, we will accommodate them. If they want to do that, they will have to keep a quorum here all afternoon.

The CHAIRMAN. The Chair will count.

Mr. MANN. I submit that the Chair has counted.

The CHAIRMAN. The Chair has counted. One hundred and one gentlemen are present. The gentleman from Virginia asks for tellers.

Tellers were ordered, and the Chairman appointed Mr. GLASS and Mr. MANN to act as tellers.

The CHAIRMAN. All in favor of the amendment of the gentleman from Illinois to close debate on this section in two hours will pass between the tellers.

The committee again divided; and the tellers reported—ayes 64, noes 59.

Mr. MANN. Mr. Chairman, two gentlemen who voted in the affirmative have stated that they intended to vote in the negative. We have no authority to change it. It can only be done by unanimous consent.

Mr. SIMS. Mr. Chairman, I will state that so far as I am concerned personally I went through on the side that closed debate.

Mr. MANN. The gentleman was correct about that.

Mr. SIMS. I did it with the understanding that it was the same as it was the other day. I want to change my vote from the affirmative to the negative.

Mr. MANN. I ask unanimous consent, Mr. Chairman, that the two affirmative votes be subtracted from the ayes and added to the noes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the two affirmative votes be subtracted from the ayes and added to the noes. Is there objection?

There was no objection.

The CHAIRMAN. The vote stands ayes 62, noes 61.

So the amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the motion as amended.

The motion as amended was agreed to.

Mr. MANN. I ask unanimous consent that the time be controlled equally by the gentleman from Virginia [Mr. GLASS] and the gentleman from New York [Mr. PLATT].

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the time be equally divided between the gentleman from Virginia and the gentleman from New York. Is there objection?

Mr. WINGO. Mr. Chairman, I object to any further unanimous-consent agreements.

Mr. OLIVER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Alabama [Mr. OLIVER].

The Clerk read as follows:

Amendment by Mr. OLIVER: Strike out all of section 16.

Mr. OLIVER. I will ask the Chairman to give me 10 minutes. I will probably not use it. Mr. Chairman and gentlemen of the committee——

The CHAIRMAN. The committee has decided to have two hours' debate on this amendment upon the theory that it is at least of some importance and that the Members are interested in it. The committee will preserve order while this discussion is going on.

Mr. JOHNSON of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON of Washington. Is the debate to be in five-minute periods?

The CHAIRMAN. That is true.

Mr. SMITH of Michigan. How is that to be controlled—that time?

The CHAIRMAN. The Chair will recognize gentlemen. The gentleman from Alabama [Mr. OLIVER] is recognized.

Mr. OLIVER. Mr. Chairman, in recent years there has been a compelling demand that this Government establish a modern system of rural credits. The three great parties in the campaign of 1912, responding to this widespread demand, solemnly promised it in their respective platforms.

The farmers are asking no gifts, no charity, but simply just legislation whereby the collective credit of the farmers of the Nation can be brought together in a sound, business way, so that it will command money on long terms at a low rate of interest, with repayment on the amortization plan. All agree that the security which the farmer has to offer entitles him to such credit. The Sixty-third Congress struggled with the question throughout its sessions without reaching an agreement on the legislation best suited to accomplish the results desired. The chief cause was the failure of the Senate to concur in the strong, persistent—and, in my opinion, wise—insistence of the lower House that Government aid should be extended in the inauguration of the system, and which came to be denominated as the "House" or "Bulkley" plan.

It is very gratifying to now find a general agreement between Senate and House on the real necessity of substantial Government aid, this being evidenced in the bill recently passed by the Senate, and also in the one now being considered by this House, but neither provides the amount of aid which should be and could be safely extended. The present bill, in many respects, does not meet with my approval, and I have tried and will continue to try to amend it, if possible, but am frank to say that even if all amendments fail I will still vote for it, since it is unquestionably a good start in the right direction. If it has defects which the House may now fail to recognize and remedy, such defects will be clearly shown in the actual try-out test and can be provided for by subsequent legislation.

Section 16, now under consideration, deserves careful thought and study, and my examination of it forces me to conclude that this section is not only unnecessary but that it is a serious, yea, actual menace, to the successful operation of the larger, the more comprehensive plan herein proposed, and the real plan emphasized, stressed, and urged by the committee.

It will be noted that two entirely different, distinct, and independent plans are here proposed for assembling the credit of farmers and offering it to investors on term loans ranging from 6 to 36 years, at a rate of interest not to exceed 6 per cent, including administrative charges, and repayable by amortization.

In the short time I have, these plans can only be referred to in a general way for the purpose of contrasting the two.

One plan provides that the whole territory of the United States shall be divided into 12 districts and a Federal land bank established in each, having a minimum capital of $750,000, which shall be subscribed for by the Government, unless taken by others within 60 days from date of authorization. These 12 land banks are brought in touch with the farmer borrowers through local national farm-loan associations, the membership of which is limited to farmers desiring loans on their farm lands, each borrower being required to take stock to the amount of 5 per cent of his loan and to assume an additional responsibility equal to the par value of such stock. These borrowers, in the course of time, will be the sole stockholders of the 12 Federal land banks, and will control, own, and direct the same. Every bond issued by any one of these banks will have as a pledge for its repayment first mortgages on lands properly appraised and held by the 12 Federal land banks, the said mortgages securing notes equal to the face value of all bonds issued by the Federal land banks; and, in addition to this, the assets and capital stock of all Federal land banks and their subordinate organizations will stand as further security for the redemption of said bonds. This, then, becomes a system nationwide, both in the scope of its operation and in the benefits promised. If the plan is practical and workable—and the committee assures us it is—then the securities thus offered for sale represent the safest, best, and highest ever offered to investors in any country. Behind these securities there stands as a mobilized pledge the collective credit of the farmer borrowers of the Nation, secured by first mortgages on lands carefully appraised, examined, and approved under Government supervision.

To insure ultimately the lowest rate of interest that such gilt-edged securities should command, the Federal farm board provided for in the bill is given control and supervision over these banks, with implied direction to regulate and reduce the

administrative charges and the rates of interest to borrowers, and to establish uniformity in such rates just as soon as the market price of the securities sold from time to time will justify. To protect the system against land speculators, loans can only be made to borrowers who are or immediately expect to become farmers, and no one can borrow more than $10,000, and this only for four specified productive purposes. Fraud in securing loans, or the using of any part of the loan for purposes other than those authorized, is made a criminal offense, subjecting the borrower to severe civil and criminal penalties.

This, then, can be truly denominated the "farmers' system," organized, owned, controlled, and managed by farmers, solely for their benefit, and designed to secure a credit market for farmer borrowers on long time at the lowest possible rate of interest that gilt-edged securities will command. To show the importance and emphasis placed on this system by the framers of the bill, it may be remarked that 30 out of 31 sections of the bill are devoted to providing primarily for the organization and operation of this cooperative farmers' system, whereas only one section, to wit, section 16, is devoted to what is denominated "joint-stock banks" privately owned and profit sharing.

Let it be clearly understood now that this system of banks proposed by section 16 controverts and is directly opposed to every sound, well-recognized principle underlying rural credits, and on which the other system proposed in this bill is founded.

Joint-stock banks organized under this section will primarily be for the benefit of the investors and not the borrowers. They are only State-wide in scope of operation and in the benefits promised. The stock of such banks can be owned by anyone, with no limit on individual holdings—a certain limited tax exemption is given by section 23. No restrictions are placed either on the purposes for which loans may be made nor on the amounts that can be loaned. No penalties or restraints of any kind are imposed on borrowers so as to prevent land speculation. The maximum interest rate is the only limitation placed on interest rates, and the Federal farm board is expressly denied the right to regulate, fix, and make uniform the rates of interest and administrative charges of joint-stock banks.

No reasons are assigned by the committee for making these discriminations and exemptions in favor of joint-stock banks. Thus favored and unhampered, in every State where they may be organized, they will be brought in direct competition, as a Government agency, with the local national farm-loan associations, which constitute the initial source and basic strength of the Federal land-bank system.

One is stimulated by the sense of gain and profit to its stockholders, who are investors desiring the maximum rates of interest; the other is stimulated to action alone by the patriotic and altruistic motives of its members to secure the lowest possible rate of interest for farmer borrowers, as admitted by a member of the committee in reply to questions propounded a few days since.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HEFLIN. Mr. Chairman, I ask unanimous consent that my colleague may proceed for five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that his colleague may proceed for five minutes. Is there objection?

Mr. JOHNSON of Washington. Mr. Chairman, reserving the right to object, I want to ask if the gentleman voted against the amendment giving two hours' debate?

Mr. MANN. He did.

Mr. JOHNSON of Washington. I object.

Mr. MANN. I hope the gentleman will not do that.

Mr. JOHNSON of Washington. Well, reserving the right to object, I want to say that I dislike to see the time used up by gentlemen who voted against two hours' debate. I withdraw my objection.

Mr. FOSTER. That is hardly fair; the gentleman from Alabama had a right to vote as he saw fit.

A MEMBER. And the gentleman from Washington has a right to object if he sees fit.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. OLIVER. In those States where interest rates are now low, and where, in some instances, joint-stock banks are already organized and doing business, probably in anticipation of this legislation, sections 16 and 23 of this bill will offer great advantages to joint-stock banks, and they will quickly incorporate and qualify under the provisions of this bill. It is my fear that local national loan associations, with certain safeguards and handicaps imposed on them, which are not imposed, as I have heretofore pointed out, on joint-stock land banks, will be unable to compete with these private institutions. Just to the extent that desirable loans of farmer borrowers are taken from the Federal land banks, to that extent you weaken the Federal land-bank system.

Mr. MOSS of Indiana. Will it bother the gentleman if I interrupt him?

Mr. OLIVER. Oh, no.

Mr. MOSS of Indiana. Does the gentleman believe that under present conditions it will be possible for a joint-stock land bank to start out at a lower rate than 6 per cent?

Mr. OLIVER. In some States, yes; and I understand there are joint-stock banks, some of which are located in the gentleman's own State, which are already organized and prepared to take advantage of and qualify under section 16 of this bill. They have manifested no opposition to the bill for the very good reason that, as I have pointed out above, it extends many favors and advantages to them and places them in a position where they can greatly discourage, if not prevent, the organization of local farm-loan associations, as proposed in the other system set forth in this bill.

The committee, of which the gentleman is a member, in its report emphasizes the importance of farm-loan associations being organized in every State in the Union, and forcibly points out how the Federal land-bank system, thus organized in every State, will be the means of reducing the interest on farm loans to a low average rate in all States and eventually enable the Federal farm board to establish a stable and uniform rate. You have expressly denied this power to the Federal farm board over joint-stock land banks. To answer the gentleman further let us take a supposed case. The joint-stock bank is organized under this bill, we will say, in Indiana; it is thereby granted valuable tax exemptions; it can lend money in any sum, limited only to an amount equal to fifteen times its capital stock, the minimum capital stock being $250,000. No restrictions are placed by the bill on the purposes for which the loan is obtained nor the uses to be made of it by the borrower. The borrower is not required to take stock in the joint-stock bank in order to secure a loan nor to assume any liability other than the promise to pay the amount borrowed. Now let us assume that this joint-stock bank learns that a borrower is considering filing his application for a loan with the Federal land bank through one of its local national-loan associations. The joint-stock banks at once say to the borrower, "File your application with us; you are not required to take any stock in order to get your loan nor to assume any stockholder's liability. Furthermore, we will not ask you for what purposes you are borrowing the money, and no limitation will be imposed on your use of the money. You can never be subjected to the possibility of a criminal prosecution because you have diverted or may be reported to have diverted a part of the fund borrowed from the purposes which the national farm-loan association can alone lend it to you for. The administrative charges and expense will be the same, and we will only charge you the maximum rate of interest fixed in the bill."

To whom do you think this borrower would apply for his loan? Certainly not at first to the national farm-loan association. The danger is that the Federal land-bank system is untried and unestablished, and they can not offer at first to the borrowers any lower rate of interest than the maximum rate of 5 per cent fixed by this bill. This rate is on its face a reasonable rate, and the farmer will perhaps be willing to continue borrowing at this rate, especially where he is not subjected to the restrictions and conditions imposed on him by the Federal land-bank system. It is probably true that joint-stock banks will not at first be organized in States where a 6 per cent rate, including administrative charges, does not now prevail; but, as I have before pointed out, even if at first they are limited to a few States, they weaken the other system provided for in this bill, and under which, in States where a high rate of interest now prevails, borrowers may organize.

The essential difference between the joint-stock banks and the Federal land banks, as proposed in the bill, is this: That while both will probably charge the maximum rate of interest and administrative charges fixed by this bill to borrowers at first, yet the Federal land-bank system will, if it can have the active support of the farmer borrowers of the Nation, such as is contemplated in the bill, eventually establish a rate of interest for farmer borrowers much lower than the maximum rate fixed in this bill, and some members of the committee have even prophesied that it will eventually approximate the low rate of interest now enjoyed by our National Government. I am opposed to granting favors under this bill to private, profit-sharing institutions, who, when they once become intrenched under the favors extended hereby, will oppose all efforts that may hereafter be made to so amend the bill as to remedy any defects or shortcomings that its trial may demonstrate. If all effort and in-

terest can at first be centered on the Federal land-bank system, which you emphasize and stress as most important, I entertain strong hope that it will, in the course of time, prove a great benefaction to the farmers of our Nation and meet the very urgent need of a banking system whereby loans can be quickly and readily obtained on good farm mortgages on long terms, at a low rate of interest, repayable on the amortization plan.

In conclusion, I desire to say that I know that the motives which have prompted the committee have at all times been high and patriotic, and they have given unrelentingly of their time and labor to the preparation of this bill. If the bill has defects—and I feel it has—these defects are merely mistakes of judgment and probably superinduced by an overeagerness to reconcile the many divers and conflicting views submitted for their consideration, so as to best insure the passage of this important legislation without further delay. Whatever the shortcomings of the bill may prove to be, I hope the great farming interests, whose immediate needs it is designed to serve, will cherish the belief that these shortcomings will be speedily corrected by legislation hereafter. If the Federal land-bank system herein proposed is to be successful, then this is its message to rural communities:

Whatever you need, get together; organize yourselves; help to work out this plan, if feasible, and start it going.

The foundations of this plan are as broad as the country itself. It offers a cooperative plan of combining the forces of the farmers of the entire Nation and of the investment funds of the world for the common purpose of improving our agricultural conditions. It proposes to assemble the collective credit of the borrowing farmers of every section behind the obligation of the individual farmer so as to make his obligation pass current as a "courier without luggage" in the investment markets of the world. If it proves a success there will be a mere minimum of risk, and the farmer will be protected and provided for in one of his now most pressing needs and the investor will be as certain of the payment of his principal and interest as human foresight can make it. [Applause.]

Mr. JOHNSON of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON of Washington. In order to secure five minutes under this limitation for debate, how does a Member proceed?

The CHAIRMAN. The Chair has been taking cognizance of what was going on and he has seen the gentleman from Washington rise twice, manifesting a disposition to talk, and so he has put him down on the list. [Laughter.]

Mr. JOHNSON of Washington. I thank the Chair. I have been trying to be recognized for four days.

Mr. McFADDEN. Mr. Chairman, I desire to call the attention of the committee to a few facts that are particularly pertinent just at this point in this discussion of the rural-credits bill. The gentlemen who went abroad, known as the American commission, to study the rural-credits plans in operation over there know very well from the results of their investigations of the various systems—and in this connection a very exhaustive and complete investigation was made, and their report has been filed and has guided the members of the joint commission, the committee which originally prepared the bill now under discussion—that where the association plan and the joint-stock plan were in operation side by side, the joint-stock plan is becoming the more popular of the two, and because of this fact is gradually driving the association plan out of existence, simply being a case of the survival of the fittest.

Now, the gentleman from Indiana [Mr. Moss], who is probably the best posted man on rural credits in the United States to-day because of his exhaustive study of this subject, having been a member of the joint commission appointed by the President in 1913 and later a member of the joint conference of the Senate and House, which held many hearings on this subject, and who is now and has been continuously during this rural-credits discussion a member of the Banking and Currency Committee, because of all of this he became an accepted authority, and is partial to the joint-stock plan of rural credits, and I believe would concur with me when I say that this joint-stock section creating joint-stock land banks, known as section 16 of this bill, is the most important part of the bill, and the gentleman's investigations, as well as the reports of the commission on file, of these European systems confirm this.

In the method of operation the joint-stock land bank is so much more simple that the prospective borrower invariably will choose these banks in preference to an association plan, and if these two systems should be started side by side in this country there is no question but that the joint-stock land banks would become so popular that the association plan would not develop, and in view of the many uncertainties of the workableness of this association plan in this bill, as has been evidenced by the many criticisms and the exhaustive debate of the many features contained therein, I want to ask this committee if it would not be better, in view of all this, if this bill were not recommitted to the Banking and Currency Committee for the purpose of perfecting a bill which we could all unitedly support, and thus fulfill the pledges which have been made by all the leading parties in their party platforms, which was referred to by the Speaker of this House [Mr. CLARK] in his very able address on this subject on Saturday last?

While I am opposed to and am criticizing many features of this bill I have done so with just and nonpartisan motives, because I appreciate fully the need in this country of proper rural-credits legislation. I sincerely believe that certain portions of the bill if enacted into law will be unworkable and obsolete. I believe we have the opportunity to correct and enact a proper rural-credits bill. A bill to fulfill the purposes should be so drawn that any farmer in good standing who wants to borrow 50 or 60 cents on a dollar of the value of his farm, may have an opportunity to do so, and that any worthy man who has by initiative and industry saved out of his earnings 40 or 50 per cent of the value of a farm he purposes to buy should be able to do so without embarrassment. I reiterate that I can not see in this bill much hope for the poor tenant farmer except the incentive held out to him to save and create the thrift habit with the full knowledge that when he has by diligent care and saving accumulated 40 or 50 per cent of the price of a farm he can go to one of these land banks and get the ballance of the money to complete his purchase. There is a serious question in my mind that if you go further than this with the tenant farmers you are not creating a condition of philanthropy, pure and simple, and whether this would be a proper function of government, I have some doubt. I believe the bill should be recommitted with instructions to the committee to strike out all of those clauses in the bill pertaining to the organization of Federal land associations and change the bill, taking out all inconsistencies, enlarging somewhat the function of the joint-stock land-bank section so that these joint-stock land banks can be started in any State of the Union where there is a demand for loans of the kind contemplated in this act, and thus to enact a bill that will be workable.

I believe it is quite possible to perfect this plan to enable it to do for the country the very thing which we all have been aiming for, namely, a simple and adequate rural-credits system for the American farmer worthy of the greatest lawmaking body in the world, the Congress of the United States.

Why not live up to our splendid traditions and in doing so bury all partisan feeling and work out a proper system now rather than a makeshift or create superfluous machinery which will not run. There are many ideas in the minds of the farmer as to what rural-credits legislation means to him, and if this bill does not come somewhere near meeting at least some of the requirements and expectations of the farmer the Members who are responsible for the enactment of this bill in this form will have a good deal of explaining to do. Would it not, therefore, be better to so change this bill that we will know beyond all question that it will do for the farmer what has been promised? [Applause.]

I desire to point out further the danger of referring this measure in its present status to a joint conference of the Senate and House for agreement, taking into consideration the fact that in the consideration which this House has been giving to this bill they have substituted the House bill, which is known as the Moss bill, for the Senate bill, known as the Hollis bill, and that in the Senate bill are many very objectionable features, and some of them may prevail and be made a part of this bill, to further encumber the working of the measure.

While I have great confidence in the men who will probably compose the committee that the Speaker will appoint, if he follows the usual custom, I am just a little fearful, under the guise of political expediency, as to the final draft of this bill when it emerges from the joint committee. I therefore urge that this bill may be recommitted to the committee for the purpose of eliminating the loan-association plan of the bill, and thus do away with the 12 district land banks with their Government-subscribed capital of $750,000 each, or a total of $9,000,000. If this were to be done, I could see my way clear to support this bill, because I am in favor of a proper bill on rural credits.

Mr. COX. Mr. Chairman, in my judgment the Banking and Currency Committee of the Sixty-third and Sixty-fourth Congresses will go down in history as reporting more wise, con-

structive financial legislation than any other committee in this House for the last quarter of a century. In the Sixty-third Congress it reported the Federal reserve act, so important, so good, and so strong that it commanded practically the solid Republican vote on that side. When I speak of the Banking and Currency Committee I do not reserve to my party all the credit that flows from it. It has upon it many able, honest, patriotic gentlemen on the other side of the Chamber who have worked for the interest of and the welfare of the country. For many years there has been a demand for rural-credits legislation.

This committee, beginning practically three years ago, worked in season and out of season, and it has brought a great, constructive bill before the Congress of the United States for its adoption. The bill may not be perfect; indeed, it would be strange if it were perfect; but it at least contains the skeleton of structural work for a great bill upon which Congress in the future can legislate to the end that eventually we will get a rural-credits system peculiarly fitting American conditions. This bill has been divided into two sections—not sections, either, for that is an unhappy turn—but two divisions have been made, one which aims to work and operate in a cooperative way through national farm-loan associations and the other which aims to operate and aid people through a joint stock bank plan. Judging from what various Members have said, it seems to me there are diverse conditions existing in various sections of the United States. I do not believe the cooperative plan outlined by the bill will do the farmers in the State of Indiana any good. That is my candid judgment about it. I have heard astounding statements made here that men are charged all the way from 10 to 20 per cent interest on mortgages in the South. I undertake to say that there are but few, if any, sections in the whole State of Indiana where the farmers can not get all the money they desire upon first mortgages at rates from 5 to 6 per cent, without any commission. That being true, I do not believe the cooperative plan will appeal to the farmer of the State of Indiana, because under that plan there is considerable machinery through which he must travel before he finally gets his loan from the Federal loan board. If there is any provision, therefore, which will benefit the farmer of the State of Indiana—and I take it that that is substantially true throughout the Northeast and the North—it is in this section 16, and I sincerely hope the section will not be stricken from the bill. [Applause.]

Mr. CANNON. Mr. Chairman, I am clearly in favor of the joint-stock land-bank scheme contained in section 16. The other part of the bill is not going to help the man whom gentlemen here claim. If the landless man has 40 per cent of enough to buy a farm, whether it be small or large, he can buy it under the provisions in section 16 to a much better advantage than he can under the cooperative section of the bill. I said the other day, and I repeat it, that I have had no petition, no letter from my district asking me to support this bill. Section 16, which provides for the joint-stock land bank, does not provide that the Government shall finance the bank, it does not provide that the Government shall relieve its stock from taxation, and in my judgment if you would amend it in one respect so that the banks under section 16 might operate anywhere in the United States, then you gentlemen in the Southland, where you say your interest rates are too large, would get your money at not exceeding 6 per cent, and under the regulations of the farm-loan board you will have it at less than that. I would be glad to vote to amend section 16 as indicated. The gentleman from Alabama [Mr. STEAGALL] said a little while ago that for 10 miles in his country you could go along and not get enough people together to organize a cooperative land bank, and therefore he desired to have the money paid direct upon the visé of the country postmaster.

I say again I hope I shall have an opportunity to vote to amend section 16 or to amend the bill so that joint-stock land banks may loan anywhere in the United States. Why restrict their operations to one State? Take our insurance companies, with forty millions of policies covering $20,000,000,000 of risk. Take the Northwestern Life Insurance Co. and all of our insurance companies and our trust companies. They would be very glad to have these bonds at 5 per cent, and under section 16 one bank is not responsible for another, and the stock under section 16 is not exempt from taxation, as under the other portions of the bill, where you organize under the cooperative system.

Mr. HAUGEN. The bondholder is exempt from taxation.

Mr. CANNON. The bond is exempt from taxation.

Mr. HAUGEN. In that way it discriminates against State institutions. The purchaser of a bond in a State institution pays taxes, and under this he is exempt.

Mr. CANNON. Yes. But the bond, under section 16, is exempt from taxation, and the stock of the bank is not exempt from taxation.

Mr. MOSS of Indiana. And the income is not exempt from taxation under section 16.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FINLEY. Mr. Chairman, it strikes me that section 16 of this bill is wrongly named. It should be the national building and loan association. The gentleman from Illinois [Mr. CANNON], I think, is mistaken when he says that mortgages, and so forth, of joint-stock land banks will be subject to taxation. Section 23 provides, among other things:

EXEMPTION FROM TAXATION.

SEC. 23. That every Federal land bank and every national farm-loan association, including the capital stock and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of section 11 and section 13 of this act. First mortgages executed to Federal land banks, or to joint-stock land banks, under the provisions of this act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation.

Farm-loan bonds issued under the provisions of this act and the income derived therefrom shall be exempt from Federal, State, and local taxation.

If that does not exempt mortgages——

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. FINLEY. I have only five minutes. The gentlemen can have ample time.

The CHAIRMAN. The gentleman declines to yield.

Mr. FINLEY. Mr. Chairman, if that does not exempt joint-stock land-bank mortgages from taxation, then the language I have read should be changed. So, in its last analysis, with section 16 in the bill there will be a contest between those who wish a higher rate of interest than will be received under the Federal land-bank provisions. I have no doubt in my own mind that after the system is in operation and at work 5 per cent interest will be ample, and more than that will not be charged. Under the joint-stock land-bank provision they are limited in one respect. They can only charge 1 per cent interest on farm loans in excess of the interest rate on the last issue of the bonds. The interest is limited in the bill elsewhere, I believe, at 6 per cent.

Very well, that simply means this, that they can raise that interest when they make a subsequent issue. They are entirely exempt from the limitations imposed by this bill on the Federal farm-loan banks in many respects.

Often there is criticism here and elsewhere that sufficient time is not allowed for debate on a bill of such far-reaching importance as is the rural-credits bill now under consideration. The time allowed for general debate on this bill is six hours. If this time should be equally divided amongst the 435 Members of the House, the time given to each Member would be less than one minute. This country, with its 100,000,000 population, its vast area of territory, and possessing nearly one-half of the wealth of the world, means that the measures to be dealt with by Congress are numerous and of the greatest importance. There will probably be from thirty-five to forty thousand separate bills introduced during the present term of Congress.

The bills making appropriations for the support of the Government during the next fiscal year will probably carry more than $1,250,000,000. In addition to this, there is a vast amount of new legislation carrying out the policies of the present Democratic administration; amongst these may be mentioned the Philippine Island bill, the Porto Rican bill, the Army and Navy bills (reorganizing, to a large extent, the Army and Navy), the good-roads bill, the water-power bill, the shipping bill, and the rural-credits bill now under consideration, and many other important measures I might mention. The result of all this is that legislation is prepared in committee rooms by the various committees of the House.

The important points to be considered in any rural-credits legislation is, first, the necessity for it; second, the security; and third, the rate of interest and payment of the principal.

I do not believe that there are six men in the House or Senate who are entirely satisfied with each and every provision in either the House or the Senate bill. When the legislation is finally enacted, it will be found that in many particulars the law should be amended.

Two systems or plans are provided for in both the House and Senate bills for the purpose of enabling the farmer to borrow money at a low rate of interest; first, Federal land banks and joint-stock land banks. I would be better satisfied if the Federal land-banks scheme were less complicated and the joint-

stock land-banks scheme were eliminated from the bills. The joint-stock land-banks scheme amounts to very little more than a national building and loan association with large powers and to a large extent exemption from all taxation. The Federal land banks have exemption in the matter of taxes. This will enable the bonds, carrying a low rate of interest, to be sold profitably. But the fact remains that the Federal land banks, although giving better terms in the matter of interests and payments of principals, will, on account of the national farm-loan association being able to offer inducements in loaning money for purposes not permitted under the Federal land-banks scheme, will make the latter a competitor of the former. However, time and experience will show the weak points, if any, in both systems.

Rural-credits legislation should be free from the taint of party politics.

Debt is one ill that is shared by a majority of men. Particularly is it true of the farmer. He has to save money first to buy his farm, and then to make his crop; and if he has not got the money, what must he do if he is not to borrow it? So many things enter into the possibility that he will be able to meet his obligations—wind, rain, too much or too little sun, a backward season, any number of things over which man has no control, but which have great control over man. The farmer gets behind in his interest; he must have renewals, and he ends very often by paying exorbitant interest charges. So far, nothing has been done by the Government for his relief along lines most needed, and rural-credits legislation is the only relief.

The United States is the last of the great nations to take up the all-important question of rural credits. The most important matter confronting any people is the maintenance of an adequate food supply, and this can be done only by a prosperous and contented rural population. The most startling development of the last 25 years has been the phenomenal growth of our cities. This has been somewhat at the expense of the farms, though not to such an extent as to give cause for great concern as yet. The countries of Europe have recognized the necessity for improving conditions for the farmers, who in turn are responsible for the food production of the country. The United States, through the Department of Agriculture, has been doing something of late years in the way of dispensing information, conducting experiments, and so forth, for the farmer along agricultural lines and better roads.

But there remains the question of credit for the farmer, and about this as yet nothing has been done. There are in this country about 12,000,000 farmers; the value of their farm property, including animals, amounts to $40,000,000,000. The value per annum of all farm products is about $10,000,000,000, and it has been estimated that the average gross income of a farmer in this country is $791. A large part of this is consumed on the farm; the remainder is sold, and out of the proceeds the farmer must pay all expenses incurred, including his debts or interest on same, if any. It has also been estimated that the farmers owe about $6,000,000,000, over two billions of which are secured by mortgages on their homes and farms. They pay interest at rates ranging from 6 per cent to 25 per cent per annum in the form of interest, commissions, lawyers' fees, and renewal charges making an estimated annual interest charge of $510,000,000, which is equivalent to a rate of about 8½ per cent. These figures are taken from reports of legislative committees and public officials, and I have no doubt of their accuracy. The rates vary in the different sections of the country—low rates in the northern section east of the Mississippi River, high in the section west of this river and in the Southern States.

This high rate of interest shows at once the heavy burden of debt carried by the farmers. This burden could be greatly lightened by securing money at more reasonable rates of interest. Only in the United States, of all the great countries of the world, must the farmers go into the money markets in competition with business men, whose profits are made in a shorter time, and, not being so largely dependent on the seasons, are made with greater certainty. Other countries provide a means for the farmer to borrow money for strictly agricultural purposes at rates of interest that make probable to the farmer some profit on the year's work. There is no reason why farmers should not borrow money without difficulty on first mortgages at 4 and 5 per cent, and, at most, 6 per cent. And this is what rural-credits legislation proposes to accomplish. It would save to the farmers at least $250,000,000 a year in interest charges alone. The plan is to issue bonds to the amount of the mortgages, sell the bonds to obtain money, loan this 20 times in all.

The Democratic Party, the Republican Party, and the Bull Moose Party have declared in their party platforms in favor of this legislation. It was attempted in the closing days of the last Congress, and it is confidently expected that at this session we will see a rural-credits bill enacted into law. What will be its exact form no one can say, as the Senate has passed a bill and the House is substituting its bill for that; but, to be a success, it will undoubtedly be with Government aid, money, or credit, and governmental supervision and control; with this the rate of interest should not exceed 5 per cent.

It is the object of rural-credits legislation to make money available on good farm loans at a low rate of interest anywhere in the country. Money will be loaned only on first mortgage, where the title is good, and it will be loaned only to the extent of 50 or 60 per cent of the carefully appraised value of the land. The Government will prevent speculation by allowing only a given amount—not more than $10,000—to be loaned to any one person, and only for certain specified agricultural purposes. With these first mortgages as security, and under strict Government supervision, farm-loan bonds will be issued which will find a ready market on a 4 per cent basis. Thus the loans may be made to the farmers mostly at 5 per cent at the outside. Rural credits will make possible the loaning of money to the farmer on long-time credit. All loans under such a system will be on the amortization plan; that is, a small sum to be paid on the principal with every payment of interest, so that at the end of 5, 10, 20, 30, or 36 years the last payment of interest will also be the last payment of the principal. In other words, the principal must be decreased gradually. That will be one of the greatest benefits of rural credits; it will make the repayment of debt no hardship, because only a small part must be paid at any one time. No bank or private money lender would want his money repaid to him in such small sums over a long term of years; but that is what rural-credits legislation will make possible. With the Government behind the rural-credits system, and the Torrens land-title law in operation, it will prove an entirely safe proposition and will be a success, as it has already proved to be in other countries, notably Germany.

The proposed rural-credits legislation is intended to supplement the Federal reserve act, and to do for the farmers what that act has done for the benefit of banks and commercial men. The Government owes it to the farmers to provide facilities for credit on proper security. This the farmers can not always get at this time; or if they can, the rate of interest charged is so high that it is extremely difficult, and often impossible, to make a profit on the investment. What rural-credits legislation will do will be to mobilize the resources of the great farming class and make them serve their possessors as a basis in securing credit—one of the most necessary factors in any enterprise. The majority of the farming class of the country want legislation of this sort passed, and until proper relief is had the rural-credits issue will not down, but the political party or parties refusing this relief will go down to defeat.

The principle underlying rural-credits legislation as passed in the House and Senate bills is that farmers may borrow, with their land as security, money at a low rate of interest for such period of time, not less than 5 years nor more than 36 years, as the farmer may wish. In addition to the interest, he is required to make a payment on the principal, and the payments, principal and interest, are so arranged that he makes some payment each year on the principal during the time the loan runs. As to how much the payment on the principal shall be annually rests with the farmer at the time he secures the loan. If the loan is for a long period of time, the annual payment will be comparatively small; if the loan is to run only for 5, 10, or 15 years, the annual payment will be correspondingly higher. In other words, at the end of the loan period, the last payment of principal and interest will be made and the debt satisfied. This is called the amortization plan. Included in each annual payment is the interest charge and allowance for the expense account and the amount paid on the principal of the debt. The result is reached that each year during the life of the loan the interest and the expense account continue to decrease and the amount paid on the principal continues to increase. To illustrate: $1,000 loan at 5 per cent, with $100 payment each year, the interest for the first year will be $50 and for the sixteenth year will be $3.47, and the expense account for the first year would be $10 and for the sixteenth year would be 67 cents. The amount paid on the principal for the first year would be $40 and for the fifteenth year would be $90.44, and for the sixteenth year $68.96, all the time the annual payment remaining the same, with the exception of the sixteenth year.

The following table will illustrate the payment or amortization of the loan where the interest and expense are 5 per cent, and, of course the rural-credits bond selling on the market at

4 per cent, the loan to run for 20 years and the last payment liquidating the debt:

| Annual periods | Total annual payment. | Interest at 5 per cent. | Paid on principal. | Amount of principal still unpaid. |
|---|---|---|---|---|
| 1 | $80.24 | $50.00 | $30.24 | $969.76 |
| 2 | 80.24 | 48.48 | 31.75 | 938.00 |
| 3 | 80.24 | 46.90 | 33.34 | 904.67 |
| 4 | 80.24 | 45.23 | 35.01 | 869.66 |
| 5 | 80.24 | 43.48 | 36.76 | 832.90 |
| 6 | 80.24 | 41.64 | 38.59 | 794.31 |
| 7 | 80.24 | 39.71 | 40.52 | 753.79 |
| 8 | 80.24 | 37.68 | 42.55 | 711.23 |
| 9 | 80.24 | 35.56 | 44.68 | 666.56 |
| 10 | 80.24 | 33.32 | 46.91 | 619.64 |
| 11 | 80.24 | 30.98 | 49.26 | 570.39 |
| 12 | 80.24 | 28.51 | 51.72 | 518.67 |
| 13 | 80.24 | 25.93 | 54.31 | 464.36 |
| 14 | 80.24 | 23.21 | 57.02 | 407.34 |
| 15 | 80.24 | 20.36 | 59.87 | 347.46 |
| 16 | 80.24 | 17.37 | 62.87 | 284.60 |
| 17 | 80.24 | 14.23 | 66.01 | 218.59 |
| 18 | 80.24 | 10.93 | 69.31 | 149.28 |
| 19 | 80.24 | 7.46 | 72.78 | 76.50 |
| 20 | 80.32 | 3.82 | 76.50 | ..... |
| Total | 1,604.80 | 604.80 | 1,000.00 | ..... |

The amount paid annually so as to liquidate the debt in this time is only a fraction over $80. Eight per cent is usually the rate of interest charged in my State on real estate mortgages. The result to the farmer borrowing $1,000, as outlined in the above table will be that in 20 years, with the payment amounting to 8 per cent, he settles or amortizes the entire debt, whereas when 8 per cent is charged on real estate mortgages and the interest paid each year at the end of the 20 years, the farmer would still owe the original amount of the debt, $1,000. A loan of $1,000, interest at 6 per cent, with an annual payment of $100, paid in less than 16 years, as shown in the following table:

*Principal, $1,000; interest, 6 per cent, to include 1 per cent for expenses; annual installment, $100; to show status of loan each year.*

| Year. | Installment. | Interest. | Expenses. | Paid on principal. | Unpaid principal. |
|---|---|---|---|---|---|
| 1 | $100.00 | $50.00 | $10.00 | $40.00 | $960.00 |
| 2 | 100.00 | 48.00 | 9.60 | 42.40 | 917.00 |
| 3 | 100.00 | 45.89 | 9.17 | 44.94 | 872.66 |
| 4 | 100.00 | 43.63 | 8.73 | 47.64 | 825.02 |
| 5 | 100.00 | 41.25 | 8.25 | 50.50 | 774.52 |
| 6 | 100.00 | 38.72 | 7.75 | 53.53 | 720.99 |
| 7 | 100.00 | 36.05 | 7.21 | 56.74 | 664.25 |
| 8 | 100.00 | 33.21 | 6.64 | 60.15 | 604.10 |
| 9 | 100.00 | 30.21 | 6.04 | 63.75 | 540.35 |
| 10 | 100.00 | 27.02 | 5.40 | 67.58 | 472.77 |
| 11 | 100.00 | 23.64 | 4.73 | 71.63 | 401.13 |
| 12 | 100.00 | 20.06 | 4.01 | 75.93 | 325.20 |
| 13 | 100.00 | 16.25 | 3.25 | 80.49 | 244.71 |
| 14 | 100.00 | 12.23 | 2.45 | 85.32 | 159.40 |
| 15 | 100.00 | 7.97 | 1.59 | 90.44 | 68.96 |
| 16 | 73.10 | 3.47 | .67 | 68.96 | 0 |

A loan of $1,000 bearing 5 per cent interest will be discharged by a payment of 36 annual installments of $60.44 each.

The business question that has disturbed many minds is whether or not rural-credits bonds will sell on the market; if they do, rural credits will be a success; if they do not sell, then it will be a failure.

The friends of rural credits have no doubt that the bonds will sell, and the business proposition that most concerns the farmer is at what rate of interest. If the 4 per cent bonds can be easily disposed of, anyone can see that this will be a much better proposition for the farmer than if the bonds bear 5 per cent or 6 per cent. The rate per cent rural-credit bonds bear will measure the benefit to the farmer. The friends of rural credits have been active in their efforts to frame the law so that there will be the largest possible number of purchasers for the bonds.

There is a bill which recently passed Congress, has been signed by the President, and is now law that will aid in a large measure to increase the number of purchasers. With this bill I had something to do. It is public act No. 81, Sixty-fourth Congress, entitled "An act to amend the act approved June 25, 1910, authorizing the Postal Savings System, and for other purposes." This bill was introduced in the House at the beginning of this session and referred to the Post Office Committee of the House, where it was considered. We reported the bill to the House with a favorable recommendation. The bill recently passed the Senate and is now on the statute books.

Amongst other things provided for in section 2 of this act, the following is of interest to the friends of rural credits:

That postal savings funds received under the provisions of this act shall be deposited in solvent banks, whether organized under national or State laws, and whether member banks or not of the Federal Reserve System established by the act approved December 23, 1913, being subject to national or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than 2½ per cent per annum, which rate shall be uniform throughout the United States and Territories thereof; but 5 per cent of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the board of trustees, in lawful money as a reserve. The board of trustees shall take from such banks such security in public bonds or other securities, authorized by act of Congress or supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand.

The postal-savings funds now amount to about $80,000,000. The Government pays 2 per cent interest on this sum to the depositors. Under the law the Government, when any part of this fund is deposited in banks throughout the country, is required to charge an interest rate of not less than 2½ per cent per annum; 5 per cent of the postal funds are required to be kept deposited with the Treasurer of the United States. The remainder of this fund may be deposited in banks. Deducting this 5 per cent leaves seventy-odd million dollars as available funds for deposit. The board of trustees may, under this act, take rural credits bonds for security for the reason that these bonds are authorized by act of Congress.

I am decidedly of the opinion that the provision mentioned will greatly aid in the selling of rural-credits bonds and at a low rate of interest.

Mr. PLATT. Mr. Chairman, it seems to me it would be a great misfortune if the amendment proposed should be agreed to and this section 16 should be stricken out of the bill. It is in large measure the original of the United States commission bill; that is, this section incorporates a considerable part of the bill which the gentleman from Indiana [Mr. Moss] originally introduced into this House, and which had the indorsement of a good many farmers' associations and of the most careful students of rural-credits legislation. In my opinion, as I have said several times before, if that original United States commission bill had been passed, if that could have been taken up and passed in the last Congress, it would have settled the whole rural-credits situation. Instead of trying to start a great big system all at once, which this bill does, that would have started in a natural way establishing individual institutions, which would have a chance to grow and spread in accordance with demand. Some of them, in fact, have already been organized under State laws, and ultimately, if we had passed that bill, the separate institutions could be federated together, just as we federated together the national banks under the Federal Reserve System. It would seem to me that that would be a more natural and economic way of getting at the problem than the effort made in this bill, which I am not against, of trying to establish a great big system all at once and force its establishment practically by Government aid, by the subscription of Government capital.

Now these joint-stock land banks are simple, easily organized institutions which will deal a little more directly with the people than the others, although there is no reason to believe that the others will not be organized. Certainly where the Government comes to a section and says, "Here is $750,000 in money on which no dividends are asked," somebody is going to organize farm-loan associations to get that money. It is absurd to suppose otherwise, and the joint-stock land banks can not possibly interfere with the organization of the cooperative associations and Federal land banks. The joint-stock banks can deal more directly with the people and can make loans without some of the restrictions which are rightly applicable to the cooperative institutions. They will therefore be exceedingly useful.

Mr. McFADDEN. Will the gentleman yield?

Mr. PLATT. I will.

Mr. McFADDEN. Does the gentleman think this is a consistent proposition, to have money sent into a district where it is not really required, but simply for the purpose of getting money from the Government——

Mr. PLATT. The gentleman understands that the bill provides that the money will not be subscribed by the Government unless there are 10 farmers' loan associations organized, and what I am saying is that with the money offered certainly the farmers in almost all communities, believing they can get a lower rate of interest, will organize these cooperative associations, and that the joint-stock banks can not interfere with them, but will accommodate a large class of borrowers who may need money for other purposes than those for which the cooperative banks are allowed to loan.

Mr. STEPHENS of Mississippi. Mr. Chairman, I desire to offer an amendment to the text of the bill.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 110, beginning in line 19, strike out the following language: "(b) Of section 4 of this act as to interest rates on mortgage bonds or farm-loan bonds, nor to the provisions."

[Mr. STEPHENS of Mississippi addressed the committee. See Appendix.]

Mr. JOHNSON of Washington. Mr. Chairman, I favor the retention of section 16 in the bill for the reasons stated by the gentleman from Pennsylvania [Mr. McFADDEN] and for the further reasons, first, that it contains the one provision in the whole revamped rural-credits proposition which is likely to be quickly workable and usable, and, second, because if the first system of loans under a cooperative obligation scheme is taken advantage of by the farmers it will be able to continue in operation only because the plan outlined in section 16 will help to lift the load from the other plan. In other words, this plan, instead of killing the other, will help it, in my opinion. Of course there are objections, substantial ones, against both. No one seems to speak with great certainty about any section of this bill. No one seems to stand for it in its entirety. Even the distinguished chairman of the committee has stated during this debate that some doubtful things were being left in the bill in the hope they would be ironed out in conference between this and the other body. So there is no certainty what we are going to get. The vote is going to be, apparently, for a pig in a poke. In this connection I want to call the attention of the House to certain pledges made by members of the grange with regard to rural-credits legislation; also to warnings of the grange to two bills which were the immediate predecessors of this one, and to the grange indorsements of the Morgan bill. Here is a pledge, which reads:

FARMERS' RURAL-CREDITS AND NATIONAL MARKETING PLEDGE.

I hereby pledge myself not to vote for the reelection to Congress of the Member from my district unless his record shows active support of the farmers' demand for a real, efficient rural-credits law and a national marketing law that will be workable and that will give the farmer a chance to gain a fair return for his labor in raising farm produce; and also not to vote for any candidate for Congress who does not publicly define his position in these matters and state positively what the farmers may expect from him along these lines if elected.

Dated at Mount Pleasant, Wash., February 26, 1916, third congressional district.

These individual pledges are signed by farmers and by members of the grange and sent to Washington in considerable numbers.

Now, who knows what bill the signers want or what form of rural credits? Some of the pledges have a line written on them indorsing the Morgan bill and protesting against the Moss bill. Who knows how much of the bill soon to be voted on is the Moss bill? Who knows how many of the dozens of amendments and amendments to amendments have been adopted or how many amendments which were made to the Hollis bill in the other body have been dropped for good with the collapse of that measure and the substitution of this one?

I will read from a letter from the Washington State Grange, from the commissioner of its department of rural credits and national marketing, C. R. Cottrell, and addressed to members generally. He says, in part, under recent date:

The joint committee rural-credit bills (S. 2986 and H. R. 6838) will in no way bring that much hoped for justice to the farmers of the Nation. The fundamental principle is entirely wrong, and no amount of amending can change the principle involved.

Also he says:

Gentlemen, you also have before you for consideration another rural-credit bill, whose author has made an exhaustive study of this subject, and whose bill will meet the approval of farmers throughout the Nation, because its provisions will relieve present exploitation.

On behalf of the farmers of the Northwest, I urge you to vote *against* the joint committee bill, either in its original form (S. 2986 and H. R. 6838) or as amended and reintroduced by Mr. HOLLIS on February 15, and if you are desirous of giving the farmer equal opportunities with commerce vote *for* and *support* Representative DICK T. MORGAN'S bill (H. R. 10310).

Mr. Chairman, I have had some correspondence in which I undertook to keep the granges of my State informed as to the bills, both reintroduced and amended, and a short time ago I received this letter from the chairman of the department of rural credits and national marketing of the Washington State Grange, in which he says, after criticizing the last bill printed:

It seems a terrible injustice, when there is so much adverse criticism appearing from all quarters of the Nation to this bill, to have our Congressman vote for it when there is a good bill before them, does it not?

If there is no chance for the Morgan bill, we ask you to work tooth and nail for the right kind of amendments to the committee bill.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JOHNSON of Washington. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JOHNSON of Washington. Now, then, the granges of the State of Washington asked, when they found that Congress would not in all probability pass the Morgan bill, that the present committee bill be amended, and they sent the amendments on. A number of those amendments were passed in the Senate, but they are dead as Hector now. The committee prefers to stick to its bill. I have tried earnestly to get opportunity to offer these amendments along with the grand smother of amendments that have been offered, and have failed to get recognition until now, when, after numerous protests on my part, it became apparent to the chairman, as he has said, that I had a speech brewing in my system.

Nearly all the granges in my part of the State of Washington have protested by resolution against the predecessors of this bill. I will read in part one of the protests, of which I have received several dozen:

Resolution.

Whereas the joint committee appointed by our president at the 1915 session to investigate rural credit having made its report to Congress and having caused to be introduced bills in both Houses, known as Senate bill 2986 and House resolution 6829, creating what shall be known as "the Federal farm-loan act"; and

Whereas these bills will in no sense improve the present financial condition of our farmers, but on the contrary will retard the growth of agriculture by providing another system of private, profit-sharing, dividend-paying, surplus-creating banks: Therefore be it

*Resolved*, That we, being the representatives of organized farmers in our community, do hereby DEMAND of our Senators and Representatives in Congress assembled that when these bills come up for consideration your vote shall be registered as "NO"; and be it further

*Resolved*, That we DEMAND that you use your influence and vote to secure for us adequate credit facilities at the actual cost of administration.

[SEAL.] MOUNT PLEASANT GRANGE, No. 73,
*Washougal, Wash., Rural Route 1, Mount Pleasant.*

Number of members, 58.

It is apparent that the granges of Washington do not want any part of the bill that our joint commission prepared.

Mr. PLATT. Mr. Chairman, will the gentleman yield there?

Mr. JOHNSON of Washington. Yes.

Mr. PLATT. Does the gentleman know whether the grange in the State of Washington indorsed the Bathrick bill in the last Congress?

Mr. JOHNSON of Washington. I do not know that as an organization they took action on it. I will say, however, that the members of the grange know at this moment very little more than the Members of Congress as to just what is in this particular bill. How could they? It has been radically changed every six days, and a lot of it is being left to be fixed up when the conferees of the two branches of Congress get together.

Mr. MOORE of Pennsylvania. Will the gentleman tell Congress which set of resolutions they ought to follow?

Mr. JOHNSON of Washington. I would like to, if I can get the time.

Mr. MOORE of Pennsylvania. Go ahead.

Mr. JOHNSON of Washington. It does not make much difference, because this bill is likely to be so amended in another legislative body of this Congress that its joint set of daddies will not know it.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HOWARD rose.

The CHAIRMAN. The gentleman from Georgia [Mr. HOWARD] is recognized.

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, I want to refer briefly, within the five minutes allotted to me, to this section. This bill reminds me very much of the old farmer who wanted to wean a calf, and he thought that the most economical way to wean the calf was to milk the cow and feed all the milk to the calf out of the bucket. [Laughter.]

Now, you have created the Federal land banks—a very good system, as far as it goes. Then you come along and create these private corporations that will do everything on the face of this earth to discourage the smooth and effectual operation of the Federal land banks that you create.

Now, what do you do? There is too much exemption here. I have had to switch backward and forward here and turn to page 5 of the old Moss bill, and then go to section 3 and section 4 and section 6 and section 7 and section 10 to see what you are doing for these private land banks that you do not do for the Federal land banks; and I find that you have exempted them from every restriction on the face of the earth. They are abso-

lutely exempted from taxation, although you have denied it here, but nevertheless you have done it. Lines 14 and 16 say, "Farm-loan bonds issued under the provisions of this act and the income derived therefrom shall be exempt from Federal, State, and local taxation." Now, then, on line 8 of section 23, page 124, you exempt them all from taxation except the capital stock.

Now, what do these banks make on the capital stock? They are allowed to incorporate with $250,000 capital. They are allowed to charge 1 per cent on fifteen times their capital stock in farm mortgages, to wit, $3,750,000 when they get out the full amount of bonds that they are allowed to guarantee under this system. They will net per annum over 12 per cent on their original capital stock. All of that you exempt from taxation.

Now, then, you are encumbering this bill with a very serious proposition, in my judgment, and I have looked into this question with some degree of care. You have no more right to exempt these joint-stock institutions from taxation in the State of Georgia or in the State of Ohio or Iowa than I have to go out here and say to any citizen of the District of Columbia, "Because I am a Member of Congress I exempt you from personal taxes or real taxes in the District of Columbia." You have no right to do it.

Another thing: These corporations do not perform the functions of a rural-credits bank. Gentlemen, let me warn you again, as I did the other day, that when you get away from the proposition of confining these loans strictly to the benefit of the farm upon which the loan is made, then you are going beyond the proper and beneficial limits of rural-credits legislation.

This system of private banks, private-capital banks, if it is organized, will do everything on the face of this earth—and if they do not do it they are fools—to discourage the smooth working of this system. Some gentlemen will say, "What do you care? It creates competition." It does create competition; but you have thrown such restrictions and limitations around your Federal bank that these fellows who are in these private banks have all the underhold of the Government's institution, and the result is that when we come back here to try to amend this bill, as we inevitably will, you will find that you have got all these corporate parasites that are sucking the lifeblood out of the Federal system to contend with here, and they will fight up to the last ditch, and you will never get the remedial legislation that the farmers are expecting. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. Without objection, the amendment will be offered and considered pending, there being already an amendment pending. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Pennsylvania: Amend, page 110, line 10, after the word "least," by striking out the figures "$250,000" and inserting "$100,000."

Mr. MOORE of Pennsylvania. Mr. Chairman, the purpose of this amendment is to give those who desire to organize these joint-stock land banks a better opportunity to do so. If this joint-stock land proposition is in the interest of the farmer, it certainly is in his interest to have the amount of capital reduced from $250,000 to $100,000.

I presume whatever is said in connection with this section 16 should also be considered in section 23 relating to exemptions. As to the latter there are certain joint-stock land banks under certain State jurisdictions at the present time, and they pay taxes on their bonds and securities. Section 23 would exempt those State organizations from payment of taxes, because section 23 exempts all securities of joint-stock land banks. Hence if any gentleman is in favor of these two sections, he is in favor of releasing his State organizations now existent and not under Federal control from the payment of taxes.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. GOOD. Does the gentleman think Congress has the authority to do that?

Mr. MOORE of Pennsylvania. I assume that Congress would have the power to exempt certain bonds from taxation, but I question whether it has jurisdiction as to some of these.

Mr. GOOD. State bonds that are executed by a State bank?

Mr. MOORE of Pennsylvania. If the gentleman will look at page 124, section 23, he will find that every Federal land bank and every national farm-loan association, including the capital stock and reserve and surplus therein, and so forth, all of which is contemplated in section 16 in the formation of joint land banks, shall be exempt from Federal, State, and local taxation, except taxes upon real estate, and so forth.

Mr. GOOD. The gentleman does not mean to say that any court in the State would hold that that was constitutional?

Mr. MOORE of Pennsylvania. I do not claim to be a constitutional lawyer as is the gentleman from Iowa.

Mr. GOOD. I do not claim to be a constitutional lawyer, but it does not take a constitutional lawyer to see that that could not be done.

Mr. MOORE of Pennsylvania. Then, in section 23, they have a provision exempting from taxation these mortgages——

Mr. GOOD. They do that by saying that the bonds shall be held to be instrumentalities of the Government. They may be black, but if the Congress declares that they are white, why white they are.

Mr. MOORE of Pennsylvania. These bonds are to be exempt from Federal, State, and local taxation. It says:

Farm-loan bonds issued under the provisions of this act and the income derived therefrom shall be exempt from Federal, State, and local taxation.

The gentleman may be right, and if he is he has raised an important constitutional question which may affect the validity of the bill.

Mr. WINGO. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. WINGO. The gentleman from Iowa is proceeding on the assumption that these are State banks. They are not; they will have a Federal charter. Congress would not undertake for a moment to exempt from taxation State bonds.

Mr. GOOD. The gentleman knows that that would not alter the situation.

Mr. MOORE of Pennsylvania. If the amendment that I offered is adopted, it will be possible for 10 men to organize in the great metropolis of Philadelphia, or in that other great metropolis—New York—as easily as it would be for them to do so in remote country districts; and as most farmers come to town some time or other, when they are in need of money it will be possible under this section for city men to organize joint-stock land banks to accommodate them. We can do this in the cities as readily as it can be done in the country, and it can be done anywhere on a capital of $100,000 instead of $250,000, required by this section, if the amendment I have offered be adopted. If we are going to facilitate this matter so that farmers can obtain money from the city and elsewhere, let us pass this amendment. I favor section 16 because it approaches nearer to the building-association plan, free from Government aid, than any other proposition in the bill. [Applause.]

Mr. CARAWAY. Mr. Chairman and gentlemen of the committee, I hope you will indulge me while I reiterate some arguments that have been made in opposition to the retention of section 16 in this bill. The object sought by this legislation is to promote the ownership of land by those people who are engaged in agriculture. It is sought to discourage the accumulation of large holdings by speculators. It is admitted by everyone, I think, who has given the question any consideration that that country is best where people who till the soil are the owners of it. I know that the ownership of land in small farms promotes justice, law enforcement, the building of schools and churches, and all of those things for which our civilization stands.

Now, gentlemen, this bill, so far as Federal land banks are concerned, is an attempt to make the cultivator of the land the owner of it.

We by amendments wrote in the bill Saturday that if land should be purchased by a man not engaged in agriculture, not authorized to borrow under the system, the Federal land bank could declare the amount of the mortgage on the land due and payable; that if a man authorized to borrow should acquire other land upon which the aggregate of the loan was in excess of $10,000, the excess should become due and payable. The object sought, of course, was to limit the amount of benefits carried under the bill so that instead of raising the price of the land by cheap interest and encouraging the land speculators to buy it, we wanted to make it serve the man who is going to increase the production of the farm by tilling his own soil. [Applause.] Section 16 gives the tax exemption to the joint-stock land bank. It also exempts it from every one of the restrictions imposed on the Federal land bank except interest. All the restrictions under which the money should be borrowed, the restriction as to amount, and what shall be done with the money after you borrow it are waived as to the joint-stock land bank. In section 16 we negative much we do for home owning by other provisions of the bill.

Now, if you cheapen the interest rates you raise the price of land. That is illustrated in the State of Indiana, where, I understand, good farm lands sell for $200 an acre, while in my

State as good land as God ever made can be bought for $35 to $50 an acre. The interest rate will fix the price of land, and when you give cheap interest without restriction you encourage the speculators to acquire the land for speculation and thereby deprive the man of small means of an opportunity to become the owner of the roof which shelters him and his. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, there is not one here who does not know what he has to do at the present time when he goes to borrow money upon a farm. You simply take your wife with you, make arrangements for the loan, get your abstract brought up to date, get your money, and go back home. It does not very frequently occur——

Mr. RUBEY (interrupting). Mr. Chairman, will the gentleman yield?

Mr. SMITH of Michigan. Not just now, to my friend. In order to make a loan under the system provided for in this bill, you establish a new system of banks, and I want to ask any gentleman in this House whether or not it is necessary to establish a new system of banks all over the United States in order to loan money to the farmers at the rate you propose in the bill, when he has his farm half paid for. There are now some 8,000 member banks of Federal Reserve System existing in the United States.

If a proposition like the following were to obtain, it might of course accomplish something for the farmer, but it seems to me he ought to get his money with less red tape. If you would loan the Government money that you provide for in this bill to these member banks of the Federal Reserve System, 8,000 of them, situated one in almost every dooryard of every farm, at least readily accessible and already established, at, say, 3 per cent interest, and require those banks to give Government bonds or municipal bonds or acceptable farm-mortgage bonds as security, then you would not be loaning for nothing the funds of the people, that we are told so often when revenue bills are under consideration is raised by taxation from the backs of the poor people—if you would let these banks have that money at a 3 per cent rate, and then require them to give bonds, the best the sun shines on, Government bonds, upon the proviso and with the condition attached to the deposit that they shall loan this Government money out to the farmer who has his farm half paid for at 5 per cent, you would be accomplishing something.

Mr. PHELAN. Mr. Chairman, will the gentleman kindly repeat that?

Mr. SMITH of Michigan. I say loan this money to the Federal reserve member banks for 3 per cent, already established upon security of Government bonds or other acceptable security, and then the Government money would not be deposited at no rate of interest, as it is in these land banks, and make this loan of Government money to those member banks upon the express condition that the banks shall loan the money to the farmer who has his farm half paid for at a rate not exceeding 5 per cent—just as in the case of the requirement in respect to the cotton money down south, $50,000,000, which was deposited by the Government to be loaned at a rate not to exceed 6 per cent to the farmers, and when the southern banker undertook to loan it for 12 per cent he got called down by the comptroller. You could loan this money to these Federal reserve member banks that are already established, or you can establish this system of banks provided for in this bill if you desire to. Loan the money to these banks upon these mortgage bonds if you desire at 3 per cent, upon the provision and condition that they shall loan it to the farmers that have their farms half paid for as you have provided in this bill at a rate not to exceed 5 per cent.

Mr. PHELAN. Will the gentleman tell me how a national bank chartered for 12 years can loan money for 36 years?

Mr. SMITH of Michigan. If that is all there is to it, we could fix up the charter a little and provide that it should be loaned for 36 years. But, my friends, the 36-year proposition will not obtain. No farmer wants money for 36 years. He is not going to mortgage himself to his grave; no man is going to put a mortgage upon his soul when he goes to heaven and leave the payment of it for his children. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. LEVER. Mr. Chairman, I did not expect to have anything to say as to section 16, but the more I have thought what I fear may be its effect upon the system we are organizing, the more I feel it to be my duty to present my views about it briefly.

We are setting up in this bill two kinds of banks, with the power to issue and sell bonds. One is the farm-land bank and the other is the joint-stock bank, each of them purporting to have the same general purposes in view, namely, the reduction of the rate of interest to the farmer upon his loans and the opportunity of the farmer to amortize his debt. The land banks are cooperative while the joint-stock banks are noncooperative and profit sharing. In both banks the important instrumentality is the bond. The bond taps the money chest and brings back credit to the farmers. If the bond is made so secure that the public will have no doubt of its safety, there will be no question about it selling readily at a low rate of interest. If, on the other hand, the public should for any reason come to have any suspicion of the integrity of the bond, the bond will either not sell at all or sell at a rate of interest which would make the interest to farm borrower prohibitive. What we desire to do is to have this instrumentality—the bond—control the situation. Let us see if we are doing this under this system, with section 16 allowed to stand.

The provision is made that any joint-stock bank may be organized with $250,000 capital, with power to issue its bonds, place them in the market, and in competition, as it were, with the bonds issued under the cooperative land banks provided for in the bill. Here you have two kinds of bonds competing for the same capital. What is the result? The man with capital, the man who is going to furnish the money, is thereby given the power to fix the terms upon which he will buy the bonds, instead of the bond, the farmer's credit instrument, retaining that power to itself. Why? Because the multiplicity of the bonds puts it in the power of the investor to fix the rate of interest at which he will take the bonds. The supply of bonds is so great that choice of kind of bonds and the terms must rest with the capitalist. Section 16, setting up the joint-stock banks, destroys absolutely the competition upon the part of capital for these bonds, which we have hoped to be the one thing that would make them sell on the most favorable terms. Let us see what that brings us to. Eliminate section 16, eliminate this other class of bonds, and then we only have one bond floating in the market, one bond that is making its appeal to capital, and one bond to which capital may look for investment. Capital can not go to any other source for such a bond, and therefore it must take the bond that we offer through the land bank, and what is the result of that? Capital will find itself competing to get this bond and capital will pay for it the most reasonable rate of interest, from the standpoint of the borrower, because, after all, the best terms under which the bonds sell will mean the most that the farmer can get out of this act in the way of lower interest. What we are trying to do by the elimination of the joint-stock banks is to put the bonds of the land banks in such a condition that capital will have to compete for them and bid for them on the most favorable basis.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of Pennsylvania. Mr. Chairman, I asked for time in order to ask the gentleman from Massachusetts [Mr. PHELAN] for categorical answers to five questions. The gentleman seems to have a clear conception of this bill, and I think his answers would settle some doubt in a good many Members' minds, at least in my mind. Question 1: Can the joint-stock banks organized under section 16 charge more than 6 per cent interest?

Mr. PHELAN. They can not.

Mr. MILLER of Pennsylvania. Second. Can they loan on other than farm mortgages?

Mr. PHELAN. They can not.

Mr. MILLER of Pennsylvania. Third. Have the bonds issued by such banks other security than the guaranty of the joint-stock land bank and all mortgages taken by such bank? Have they other guaranty than that?

Mr. PHELAN. I suppose the gentleman means, does any other bank guarantee these bonds? There is no other guaranty except the guaranty of the bank itself with all its assets. Does that answer the question?

Mr. MILLER of Pennsylvania. That answers my question. Fourth. Is the stock or profits of the banks organized under section 16 exempt from local, State, and United States taxation?

Mr. PHELAN. There is no exemption under the statute in the bill at all for the stock or the profits of the joint-stock banks.

Mr. MILLER of Pennsylvania. Fifth. Are they prohibited from receiving deposits?

Mr. PHELAN. The joint-stock banks?

Mr. MILLER of Pennsylvania. Yes.

Mr. PHELAN. They are.

Mr. MILLER of Pennsylvania. Now, Mr. Chairman, I think that section 16 should not be eliminated from this bill. I can readily see how a bank of this kind can be organized in my section of the State of Pennsylvania, or in other sections of the East or Northeast where a land bank such as provided by the other provisions of this bill could not be organized at all, and a bank of this kind can find a place to do business profitably in

my section of the State, and I believe in other States of the North and East, and I hope that this section will be kept in the bill. I want to say at this time that I shall vote for this bill because I believe it will help the farmers of the South and the Southwest and the West, and that with this section 16 in it will help the people of the East and Northeast. I hope the bill will pass. [Applause.]

Mr. FINLEY. Will the gentleman permit an interruption?

Mr. MILLER of Pennsylvania. I will.

Mr. FINLEY. I want to ask the gentleman, Does the gentleman understand that anything is taxable except the stock of these banks?

Mr. MILLER of Pennsylvania. Well, I will let the gentleman from Massachusetts answer that. I asked that question of him.

Mr. FINLEY. Nothing is taxable except the stock.

Mr. HOWARD. Will the gentleman yield to me for just one minute? In section 23 of this bill, as I interpret it, the bonds and income from the bonds of joint-stock companies are exempt from taxation.

Mr. MOSS of Indiana. That is true; that is admitted by the committee.

Mr. HOWARD. The only taxable asset of a bank is the stock. Now, you say the income from the bonds themselves——

Mr. MOSS of Indiana. The income from the bonds goes to the man who owns the bonds—not the bank that issues them.

Mr. HOWARD. What about the 1 per cent above the 5 per cent?

Mr. SHOUSE. That is taxable.

Mr. MILLER of Pennsylvania. With all deference to the gentleman from Georgia, I think it is still a good bill. [Applause.]

Mr. BARKLEY. Mr. Chairman, the question of land credits which is involved in the bill now under consideration is one which has engaged the serious attention of America for more than a quarter of a century and of Europe for more than a century and a half. This movement in behalf of devising methods for enabling farmers to obtain capital to conduct their enterprises at reasonable rates of interest and for longer periods of time, like all other movements of similar character, was born of necessity. It has had longer existence in Europe and has become more firmly grounded in the agricultural systems there than here because the need for it has hitherto been greater there than here. But all men who have thoughtfully considered the inevitable tendencies in the United States, tendencies some of which are perfectly natural and therefore to be expected, now admit that the time has come when we must make a start here toward setting up a sound, practicable, and economical system of rural credits which shall afford facilities for financing the gigantic agricultural enterprises of this Nation upon terms of equal advantage with enterprises of a commercial or industrial nature.

For many generations after the settlement of this country the problem of the farmer was that of clearing up and preparing the land for cultivation. It was a question of subduing the forest, the prairie, and the valley, and making them immediately responsive to the demands of a generation of pioneers. It was a virgin soil, fertile beyond imagination, and as there was in the beginning and for a long time thereafter more land than there were men to cultivate it, it was but natural that instead of attemping to enhance or even to maintain the fertility and productivity of the soil first cleared and cultivated, the early settlers in many instances abandoned the exhausted or partially exhausted lands and moved to newer and fresher fields.

By reason of this process of exhaustion there are in the United States to-day millions of acres of wasted and abandoned lands which ought to be under cultivation for the feeding and clothing of the nations of the world. Not only is this true, but we have learned the *folly of* permitting our lands to go to waste or become less productive, so that to-day we in this country are not only turning our attention to the reclamation of wasted and unproductive lands but we are appropriating every scientific method known or that can be discovered for retaining and increasing the fertility and productivity of the soil, not alone for the benefit of those who now live upon it but for the inheritance of those who shall come after us in the generations of the future. In this work the Government of the United States has blazed the way, and now all the States of the Nation are cooperating with the National Government in extending to our farmers every possible aid in the more economical, intelligent, and scientific cultivation and distribution of the products of the soil.

These things are not being done merely as a matter of "enlightened selfishness," but because we realize that we are trustees to some extent in use and occupation of the natural resources of this Nation for the benefit of those who shall in the generations yet to come look to and depend upon them for life and the enjoyment of prosperity.

We are beginning more and more to recognize, as the nations of Europe long ago recognized, that as population increases and becomes more dense, each acre of land in any given year must support and feed more people than it did the year before, which makes it self-evident that we must husband our resources and increase not only the ability of the soil to yield larger products, but that we must also increase the facilities and instrumentalities by which the farmer may more easily, scientifically, and economically distribute to the world's markets these products which have come forth at the touch of his hand.

Admitting the obvious truthfulness of these observations, it is easy now to understand the need in this country for a workable system of rural credits; and in this connection let it be known that there is no system of rural credits in Europe that can be bodily superimposed upon the farmers of America, because conditions in Europe and America with respect to agriculture are widely different. The system of rural credits which has been developed in Europe came about largely by reason of the abandonment of the feudal system of land tenure, a system which happily could never flourish on American soil.

But while it is true that no European system can be wholly adapted to American needs, there is much that we have learned from the European farmer which may guide us in attempting to frame a system which will be suitable to the needs of the United States. The committee which has after years of labor and exhaustive investigation and study framed the measure now before Congress, upon which we are soon to vote, has attempted to weave into it so much of the experience of other nations as will be of practical use in guiding the farmers of the United States in the establishment of a system of cooperative rural credits which will, we hope, be as great a blessing to the struggling farmers of America as the European systems have been to the struggling farmers of Europe.

It is now acknowledged by all classes of men that the commercial bank is not prepared nor equipped to meet the demands of agricultural credit. Commercial banks are compelled in the very nature of things to turn their money over and over many times in a year in order to make the dividends which will satisfy their stockholders. Consequently the short-term loan is more attractive to the commercial bank than the long-term loan. But the thing which is needed by the farmers of the United States is some place where they can go and obtain for productive agricultural purposes money at a reasonable rate of interest and for long periods of time. If a farmer is able to obtain the loan of money at a commercial bank for a period of six months or one year he is constantly haunted with the fear that failure of crop, sickness in his family, or other misfortune may make it impossible for him to pay the debt when due. In the new banking and currency system we made it possible for national banks to loan money upon unencumbered farm lands for periods as long as five years, a thing which they could not previously do; but it is recognized that even this extension of agricultural credit is not sufficient to meet the needs of the American farmer for the very reasons which I suggested before, to wit, that banks organized for purely commercial purposes will not embark upon the long-term loans needed by so many farmers in our country for the completion and development of their agricultural enterprises.

The bill now before Congress, which, in my opinion, will soon pass, lays the groundwork for the establishment of a cooperative system of farm credits in this country which will eventually place agricultural credit upon the same firm basis now enjoyed by commercial credit. Under the provisions of the bill the United States will be subdivided into 12 districts, in each of which is to be organized a Federal land bank with a capital stock of not less than $750,000. In order to insure the establishment of these Federal land banks, it is provided that if the stock necessary to make up this amount of capital shall not have been subscribed for at the end of 90 days from the opening of the books, the Government of the United States is authorized to subscribe for whatever portion remains unsubscribed at the end of that time. If the Government should be compelled to subscribe for the total minimum capital stock in each and all of these Federal land banks, it would mean that the Government would invest the sum of $9,000,000 in the establishment of these land banks for the purpose of inaugurating a system of rural credits in this country in accordance with the provisions and the intentions of the measure now under consideration.

In each of these Federal land-bank districts it is contemplated that farm-loan associations and joint-stock land banks will be organized, through which money will be loaned to farmers upon their land. The farm-loan associations are to be composed of those who are engaged in, or are about to become engaged in, agriculture and who desire to borrow money upon

their land for agricultural purposes, for improving or equipping their land, or for paying off a debt already in existence, or for such other purposes as the bill itself defines and indicates. Those who compose the farm-loan associations are required to take stock in the association to the extent of 5 per cent of the loan requested. In other words, the farm-loan associations will be composed of borrowers who through their local associations obtain the loans from the Federal land banks in the several districts. When loans are applied for each association will be expected to cause an appraisal to be made of the property to be mortgaged through its loan committee, which appraisal is to be forwarded to the Federal land bank, and in turn the land bank may cause the property to be appraised by one of the official appraisers provided in the bill. Of course, the necessary formalities of appraising, abstracting, and other matters necessary to insure the legality of the transaction would have to be attended to; and if these necessary preliminary steps were found to be favorable the loan would be made to the extent of 60 per cent of the value of the land and 20 per cent of the value of the improvements. The loan may run for periods of from 5 to 36 years, according to the desires of the borrower, and the bill provides that the rate of interest can not exceed 6 per cent per annum, and it is hoped that it may be much less. It is provided that, in addition to the interest, the borrower shall pay a certain stipulated annual or semiannual payment for the purpose of amortization; or, in other words, for the wiping out of the entire debt by the end of the loan period.

The joint-stock land banks which are provided for in the bill are somewhat different from the farm-loan associations heretofore referred to in that the borrower does not have to take stock in them and they are exempted from some of the regulations with respect to the farm-loan associations. The capital stock of the joint-stock land banks can not be less than $250,000, and they are not permitted to do any other banking business except that of loaning money upon farm lands, but there is a wider scope allowed them in the purposes for which loans may be made. Both the farm-loan associations and the joint-stock land banks are to be under the control and supervision of a Federal farm-loan board to be appointed by the President, which board shall have power to administer the law generally and to fix rates of interest that may be charged, not, however, to exceed 6 per cent, and shall have general supervision over the whole system.

When a loan is made upon farm land by any of these land banks they are authorized to issue upon the mortgages so obtained what will be known as farm-loan bonds. These farm-loan bonds will be placed upon the market in the same manner as other bonds, sold to those who have money to invest in safe interest-bearing securities—and there is no bond that could be safer than bonds issued upon and secured by real estate—and the money obtained by the sale of these farm-loan bonds will be, in turn, loaned to other farmers in the same way that the original loans were made, other mortgages will be taken, and other farm-loan bonds issued upon them, and so on in an endless chain from year to year. In order that the rate of interest may be kept as low as possible for the farmer who is compelled to borrow money on his land, it is provided that these farm-loan bonds shall be exempt from taxation, either Federal, State, or municipal.

In order to demonstrate how the amortization plan of paying interest and principal under the system proposed in this rural-credits law operates, I desire to incorporate at this point what is known as an amortization table showing the process by which the loan and interest are paid. The first table is for a loan of $1,000 for 20 years at 5 per cent interest, and the annual payment is $80.24.

| Annual periods. | Total annual payment. | Interest at 5 per cent. | Paid on principal. | Amount of principal still unpaid. |
|---|---|---|---|---|
| 1 | $80.24 | $50.00 | $30.24 | $969.76 |
| 2 | 80.24 | 48.48 | 31.75 | 938.00 |
| 3 | 80.24 | 46.90 | 33.34 | 904.67 |
| 4 | 80.24 | 45.23 | 35.01 | 869.66 |
| 5 | 80.24 | 43.48 | 36.76 | 832.90 |
| 6 | 80.24 | 41.64 | 38.59 | 794.31 |
| 7 | 80.24 | 39.71 | 40.52 | 753.79 |
| 8 | 80.24 | 37.68 | 42.55 | 711.23 |
| 9 | 80.24 | 35.56 | 44.68 | 666.56 |
| 10 | 80.24 | 33.32 | 46.91 | 619.64 |
| 11 | 80.24 | 30.98 | 49.26 | 570.39 |
| 12 | 80.24 | 28.51 | 51.72 | 518.67 |
| 13 | 80.24 | 25.93 | 54.31 | 464.36 |
| 14 | 80.24 | 23.21 | 57.02 | 407.34 |
| 15 | 80.24 | 20.36 | 59.87 | 347.46 |
| 16 | 80.24 | 17.37 | 62.87 | 284.60 |
| 17 | 80.24 | 14.23 | 66.01 | 218.59 |
| 18 | 80.24 | 10.93 | 69.31 | 149.28 |
| 19 | 80.24 | 7.46 | 72.78 | 76.50 |
| 20 | 80.24 | 3.82 | 76.50 | ..... |
| Total | 1,604.80 | 604.80 | 1,000.00 | ..... |

An examination of the above table will show that if a farmer borrows $1,000 on the amortization plan for a period of 20 years at 5 per cent interest, by the payment of $80.24 annually for 20 years all the interest and the entire debt is wiped out at the end of that period. Under the methods heretofore followed the borrower at the end of 20 years would have paid $1,000 in interest and the original loan of $1,000 would still be due in a lump sum. The same proportions would hold true as to any other amount for any other given period of years at any other rate of interest.

The following table shows the process for the loan of $1,000 for 16 years at 6 per cent interest, the annual payment being $100 except the last year, which is $73.10:

| Annual periods. | Total annual payment. | Interest at 6 per cent. | Paid on principal. | Amount of principal still unpaid. |
|---|---|---|---|---|
| 1 | $100.00 | $60.00 | $40.00 | $960.00 |
| 2 | 100.00 | 57.60 | 42.40 | 917.60 |
| 3 | 100.00 | 55.06 | 44.94 | 872.66 |
| 4 | 100.00 | 52.36 | 47.64 | 825.02 |
| 5 | 100.00 | 49.50 | 50.50 | 774.52 |
| 6 | 100.00 | 46.47 | 53.53 | 720.99 |
| 7 | 100.00 | 43.26 | 56.74 | 664.25 |
| 8 | 100.00 | 39.85 | 60.15 | 604.10 |
| 9 | 100.00 | 36.25 | 63.75 | 540.35 |
| 10 | 100.00 | 32.42 | 67.58 | 472.77 |
| 11 | 100.00 | 28.37 | 71.63 | 401.13 |
| 12 | 100.00 | 24.07 | 75.93 | 325.20 |
| 13 | 100.00 | 19.61 | 80.49 | 244.71 |
| 14 | 100.00 | 14.68 | 85.32 | 159.40 |
| 15 | 100.00 | 9.56 | 90.44 | 68.96 |
| 16 | 73.10 | 4.14 | 68.96 | ..... |
| Total | 1,573.10 | 573.10 | 1,000.00 | ..... |

From the latter table it will be seen that if a farmer borrowed $1,000 for 16 years at 6 per cent, under the amortization plan he would pay a total of $1,573.10 during the whole period, which would wipe out interest, debt, and all at the end of the loan period. But under present methods, even if he could get a loan for that length of time, he would have paid $960 in interest during the 16 years, and at the end of that time the original loan of $1,000 would still be due in a lump sum. Other tables might be given, all to the same end, showing the undoubted advantage of the amortization plan contained in this measure over the old expensive, and in many cases exorbitant system of obtaining money upon farm lands.

This is a new system of credit, so far as the United States is concerned. For many years, it is true, efforts in the direction of cooperation among farmers have been made from time to time, many of which have in a local and more or less temporary way proved to be successful; but this is the first time an organized national effort has been made to coordinate and combine the potential credit of the farmers of this Nation for their own exclusive benefit. The bill which we are considering is not all that I would like to see it. Mistakes will undoubtedly be discovered. It would be a miracle if the establishment of an entirely new system such as this in any nation did not reveal mistakes which experience will be relied on to correct. But even if the new system authorized by this bill should not result in a material reduction in interest charges to the farmer, although it is my hope and belief that such reduction will be accomplished, I would still feel justified in supporting it, because of the fact that it affords a sort of clearing house for farm credit where loans may be obtained for a long term of years, a thing which can not be done now except in rare cases by the farmers of the United States. I would like to see every man a home owner who wants to be one. I want to see every man enjoy the fruits of his labor, and I am glad the Government of this Nation recognizes its obligation to cooperate, in so far as it can, for the establishment of a system which we all hope

will prove of great advantage to those who till the soil, and thus enhance the prosperity, the happiness, and the pleasure of those who live upon the farm and produce the wealth that makes our Nation great. [Applause.]

There has been some objection to this legislation in certain quarters because of the fact that a measure of Government aid is afforded under the bill for the purpose of getting the system started and offering encouragement to farmers in the formation of the land banks and the farm-loan associations. This same cry has always been heard when any effort has been made to aid the farmer. There are those among us who can swallow the doctrine of levying taxes against the workingman and the consumer to protect the wealthy. There are those who advocate taking money out of the Treasury in the form of a ship subsidy to be donated to private owners of steamships without any return to the Government for the outlay. But when a measure designed to aid the farmers of this Nation in establishing the stability and availability of their credit for the purposes for which a farmer needs money, carries in it a provision for Government aid in putting the system on its feet, these same gentlemen revolt with sanctimonious hypocrisy at what they are pleased to call the paternalism upon which we are embarking this great Nation of ours! In their opinion, if the Government aid is for the benefit of a special class of favored and usually wealthy interests, it is patriotism; but if the proposed aid is for the benefit of the farmer or laboring man who produces the real wealth of this and every other Nation, it is to them the grossest sort of paternalism. [Applause.]

One of the great objects kept in view by the founders of this Nation was to promote the general welfare of all the people, without regard to class or creed. Following up that object from the beginning until now, we have seen the Government of the United States embark upon the expenditure of money for multiplied thousands of enterprises that were deemed to be in the interest of the general welfare and prosperity of all the people.

It was for this purpose that in the early days of the Republic the Government donated millions of dollars worth of public lands to railroad companies as an inducement for the construction of lines of railway into the desert and the wilderness in order to develop the country and furnish homes for the constantly increasing population. It was for the same reason that money has been and is being expended in the improvement of our inland rivers and the harbors along the coast for the development and enlargement of our commerce with one another and with foreign nations. It was a proper recognition of the fact that the Government was the agent of all the people for the benefit of all the people in the development of their educational, commercial, political, and social relations; and thus we have seen our Government cooperating with every branch of human endeavor that may characterize the life of a great people gathered on these shores from the ends of the earth into a melting pot of true Americanism which challenges the admiration of less free and less enlightened people. So whether it be for the advancement of agriculture, commerce, banking, invention, reclamation, education, law, sanitation, health, morality, or any of the other varied and diversified interests of the people, we have always welcomed the efforts of the Government as the servant of us all to cooperate in any legitimate and lawful manner within the scope of its authority where such cooperation might result in the common good.

If the people have extended the arm of their Government in every other direction for their own welfare and prosperity, why withhold it in the establishment of a system of rural credits which is designed to aid the farmer by affording him what we hope will be a cheaper and easier method of cultivating and marketing those crops concerning which the Government is seeking to impart to him so much scientific knowledge?

In practically every rural-credit system of the Old World there has been some form of government aid and supervision in the establishment and administration of the systems. In Germany the landschaft, or German land-mortgage system, which was founded more than 150 years ago through the instrumentality of that great German soldier and statesman, Frederick the Great, is operated under the control and supervision of the German Government. Under this system the German farmers are able to borrow money on their land for 3½ per cent interest, plus 1½ to 2½ per cent as an amortization fund for extinguishing the debt at the end of the loan period.

In 1913 the Government of Great Britain appropriated the sum of $500,000,000 to be used in assisting the Irish farmers to buy and pay for land, and this money was loaned or advanced to Irish tenants at the small rate of 3½ per cent per year, divided as follows, 2¾ per cent as interest, and three-fourths of 1 per cent to be applied on the principal until the debt is extinguished.

In France what is known as the Credit Foncier, which is an institution or land bank for the loaning of money on real estate, is aided and controlled by the French Government, and the rate of interest is 4.2 per cent. Another institution known in France as the Credit Agricole Mutual obtains advancements of money from the Bank of France without interest, and in turn loans this money to local associations upon securities that are deemed safe and suitable.

Russia has established a more advanced principal of Government aid than any of these nations above mentioned for the purpose of aiding her farmers and peasants to purchase small farms. Through the means of the land-purchasing acts adopted by that Government more than 20,000,000 people have been able to become small landowners, and their total value is now estimated at more than $1,000,000,000. These funds were advanced by the Government upon long-term loans and at low rates of interest. More than three years ago in Russia the Peasant's Land Bank was organized, through which loans are made upon land at the rate of 4 per cent, payable in from 13 to 55 years from the date of the loan.

Switzerland has now 28 land-credit banks which are owned or operated by the State, and the bonds or debentures based upon land mortgages are guaranteed by the State.

The little Kingdom of Denmark advanced without interest nearly $6,000,000 for the founding of the Mortgage Bank of the Kingdom of Denmark, and in addition it buys this bank's bonds or debentures and appropriates annually more than $1,500,000 to be loaned to small landowners.

Sweden has likewise aided in the establishment of institutions for loaning money to farmers and endowed the Swedish General Mortgage Bank when it was founded to the extent of more than $2,000,000, and in 1890 this bank was given a subsidy in the form of Government bonds.

In Japan the Government gives aid and encouragement to the land-bank system by guaranteeing a 5 per cent dividend for a period of 10 years on the stock of the Central Land Credit Bank of Japan, and gave nearly $5,000,000 in the form of a subsidy to the 48 local or district land banks scattered throughout the empire.

In Austria-Hungary, in Egypt, in Australia, in Queensland, in New Zealand, and in other countries some form of Government aid is afforded, either in establishing or the maintenance of land banks for loaning money to farmers.

The farmers of the United States do not expect that the Government will loan them all the money they need directly out of the Treasury, because they know that under our system of government money can not be raised by the Government except by taxation, and that taxes are levied to raise revenue to carry on the expenses of the Government. The farmers of the United States are not mendicants, begging for a "hand-out" at the back door of their Government, which they love, respect, and would fight for if it were necessary. But the farmers of the United States are willing that their Government shall aid in putting on its feet a system by which the farmers will ultimately be able to obtain that credit which is so necessary at times for the proper development of their energies along agricultural lines.

If after the system is established the aid of the Government is no longer needed in a financial way, that aid can be withdrawn; but even if the financial aid of the Government should in the future become unnecessary there will always be need for governmental supervision and control in order that the system may be properly managed and the interests of the farmers and investors in farm loans may be properly safeguarded. But even if the Government should never have returned to it the amount necessary to insure the successful establishment of a workable rural-credit system it would be doubly repaid for its outlay in the increased fertility, development, and success of the farms and farmers for whose benefit this measure is intended. Surely if all the other great nations of the world cooperate in establishing and carrying on their systems of farm-loan banks for their farmers this great, prosperous, and growing Nation can afford to give its financial indorsement to the institution which it proposes to create as an instrumentality by which farmers all over the country may be aided and encouraged in the hard and exacting duties upon which they each year embark in order that the world may be clothed and fed, and that they themselves may enjoy not only the necessaries of life, but some of the luxuries as well. [Applause.]

It is not intended that this bill shall be a substitute for thrift and industry. No system of credit was ever devised that could relieve men who are forced to earn their bread in the sweat of their brow from the necessity of labor. No Government would desire to discourage labor in order to replace it with indolence.

And the man who expects to prosper upon a farm without the exercise of industry, frugality, and painstaking economy, is doomed to disappointment. If prosperity could be brought about on the farm, in business, in the professions, in the workshop, or elsewhere, by the mere stroke of a pen or by the mere enactment of a law, we would not now be in need of a rural-credit system, because we would all have been enacted into prosperity and affluence long ago. But if the Government can by its cooperation and supervision give encouragement and impetus to industry, economy, and initiative effort, then the Government is doing a good work and one which will be appreciated by people of every class and in every part of this great and wonderful country. That is what is intended by the measure now under consideration, and it is my sincere hope that it will prove to be one of the greatest movements ever inaugurated in the history of this country for the benefit of those who hew the wood and draw the water and endure alike the discomforts of the blistering sun and the shivering winds. [Applause.]

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer two amendments, to have them pending.

The CHAIRMAN. The gentleman from Oklahoma offers two amendments, which the Clerk will report.

The Clerk read as follows:

Page 110, line 6, after the word "deposits," strike out the following: "of current funds payable upon demand."

Page 111, line 5, after the word "than," insert "one-half of."

Mr. MORGAN of Oklahoma. Mr. Chairman, the first amendment which I offer is simply to make it clear that these joint-stock land banks can not accept the deposits. The second amendment is to limit their profit to one-half of 1 per cent per annum. Now, I will not discuss those amendments further at this time, but devote the time I have to a discussion of the main proposition to strike out section 16.

Now, gentlemen of the committee, this same proposition was before the Sixty-third Congress. You remember that the Banking and Currency Committee of both Houses appointed subcommittees on rural credits, and those subcommittees held hearings extending over many months. Representative Bulkley, of Ohio, was chairman of the subcommittee of the Banking and Currency Committee of the House that conducted these hearings. That subcommittee prepared a bill and a report, and that subcommittee, so to speak, was the author of this plan of 12 Federal land banks that the joint committees of the two Houses adopted and that the present Banking and Currency Committee has adopted and presented to us.

I think you who know Mr. Bulkley know that he is a man of sound judgment and an able man. He gave this question very great consideration. When the bill was before the House on the 1st of March, 1915, Mr. Bulkley made a motion to strike from the Senate bill, which was then before the House, section 17. In that bill the joint-stock provision was section 17. That will be found in the CONGRESSIONAL RECORD of March 1, 1915, on page 5049.

Now, that amendment presented by Mr. Bulkley carried by a vote of 130 to 81; so that this House by a decisive vote struck out of the bill before the House in the last session of the Sixty-third Congress the provision which created joint-stock banks.

Now, then, I will just read to you a part of a speech made by Representative Bulkley before this House, and which seemed to carry conviction. He said:

Mr. BULKLEY. Mr. Chairman, this amendment proposes to strike out a section which is not a part of the original bill. Section 17 provides for the incorporation of private institutions, each with a capital of not less than $250,000, to do business in competition with the local farm-loan associations which are created by the bill.

The farm-loan associations would be cooperative associations, owned and controlled by the farmers who are borrowers from the system. These banks which are proposed by section 17 would be money-making institutions.

There are two principal objections to having such institutions brought in competition with local farm-loan associations. The first is that if they did any business at all they would be taking it away from the local institutions; they would then be dividing the field, and therefore relatively increasing the overhead expenses of the local institutions which are owned and controlled by the farmers themselves.

But a more fundamental objection than that may be urged against these $250,000 private banks. It is this: The original Hollis-Bulkley bill contemplated a complete system without anybody interested in raising interest rates. Everybody connected with the system would be interested in reducing the rates of interest to the farmers, who are the borrowers. But if this section 17 is written into the bill, you at once have great and powerful institutions, with heavy financial backing, who are interested in a direction opposite to the interests of the farmers. They are interested in keeping the interest rates high as against the interest of the farmers.

The new Hollis bill proposes too many of these institutions competing with each other in the bond market. In the original bill the bonds would have a national market and all farm-loan bonds would be the same throughout the United States. All would sell at the lowest possible interest rate. Under this amendment as proposed in the new Hollis bill 48 institutions would be competing with each other for the market. There would be 48 different classes of bonds, and the investor would be confused, and there would be room for commissions and rake-offs for brokers.

I hope the Democratic majority in this House will follow Representative Bulkley, of Ohio, who, as many of you know, was one of the most distinguished Democratic Representatives in the Sixty-third Congress.

Mr. Chairman, in the general debate on this bill I was granted 30 minutes of time in which to discuss it. I devoted practically all of that speech to discussing section 16 of this bill, which authorizes the organization of joint-stock land banks. There is a motion pending now to strike out section 16. I am in favor of the amendment. I am opposed to creating joint-stock land banks as a part of our land-credits institutions.

In discussing this question we should bear in mind that this bill provides for two kinds of land-credits institutions. The bill authorizes the organization of 12 banks, called Federal land banks. The entire United States is to be divided into 12 districts. One of these Federal land banks is to be organized in each of these 12 districts. Each of these 12 Federal land banks has subsidiary corporations known as national farm-loan associations. Ten or more persons, prospective borrowers, may organize one of these associations. No one can secure a loan from one of these 12 Federal land banks, except by becoming a member of a local farm-loan association, except in certain cases. He must subscribe to the capital stock of the national farm-loan association an amount equal to 5 per cent of his loan. In turn the national farm-loan association subscribes for an equal amount of stock in the Federal land bank. The borrower is also liable for an additional amount equal to the stock which he owns in the farm-loan association. In other words, the borrower actually puts up an amount equal to 5 per cent of his loan in stock and becomes liable for an additional 5 per cent of his loan. The Federal Government, to start Federal land banks, is expected to subscribe $750,000 in stock to each one of them, but in time the Government stock is all to be retired, so that the farmers who are borrowers will in the end be required to furnish all the capital upon which these 12 Federal land banks operate. The fact that the farmers furnish all the capital with which to operate these Federal land banks is not so great a hardship after all, because, if the banks make any profit whatever, it will be returned to the farmers in a form of dividends upon the stock which they hold. These 12 Federal land banks are bound together and are made responsible for each other's bonds and liabilities. A national system of land banks is thus created. As these banks are responsible for each other's bonds and other liabilities, I believe they will have practically equal credit and that the bonds of one bank will sell at as low a rate of interest as will the bonds of the other banks. These 12 land banks will, I think, provide practically equal credit facilities to the farmers in the various sections of the United States. They will be farmers' institutions conducted in their interests. There will be no private stockholders and absolutely no inducement to the managers to charge high rates of interest. Three of the directors will be appointed by Federal authority and six of the directors will be elected by the farmers or borrowers through the farm-loan associations. To me, one of the splendid features of this system of Federal land banks is that it binds the farmers of the entire United States into what is in reality one great national land-credit system.

I have made a somewhat careful study of the land-credit institutions of the other countries. I believe that the system of 12 Federal land banks will present to investors securities as safe, sound, and desirable as the bonds or debentures issued by any land-credit system of the world. Now, there is one system. It will be a great land-credit system, owned and dominated by the farmers of the United States and directed solely in their interests. This is not all. The National Government not only supervises this system of land credit, but by the appointment of a part of the directors aids and assists the farmers in the management and control of these Federal land banks.

But section 16 of the bill presents to our minds another picture. This section authorizes the organization and incorporation of what are called joint-stock land banks. These banks are to be purely private, profit-sharing, surplus-creating, dividend-paying banks, organized, managed, controlled, and directed in the interest of stockholders, directors, officers, and employees of these institutions. The men who put their money in these joint-stock land banks will do so solely for the purpose of making money. Men will not organize these banks or invest their money in the capital stock thereof for any other purpose. Men will organize and operate these joint-stock land banks just for the same purpose that men engage in any other private business. The owners of the joint-stock land banks can not and will not have any inducement or desire to reduce the rates of interest. It will not be their duty especially to promote the development

of agriculture or to increase the profits or prosperity of the farmers. This bill proposes, therefore, to require the farmers to furnish the capital to operate one system of land banks, and then it proposes to authorize private capital to organize another system of land banks. The joint-stock land banks owned by the private capital will be in direct competition with the system of land banks owned by the farmers. This will not mean competition in interest rates. It will be competition in the sense that the joint-stock land banks will run in opposition to the banks owned by the farmers. In other words, the joint-stock land banks will be stumbling blocks standing in the way of the success of the other system. The creation of two kinds of land-credits banks means that the farmers of the United States who are borrowers will be divided. The competition between these two kinds of land banks will not be banks competing against each other, but it will be farmers competing against each other. This is the great difficulty with agriculture to-day. Every farmer is competing against every other farmer. Our farmers do not cooperate with each other in business. Men in other businesses cooperate. Our farmers must always be at a great disadvantage until they learn to cooperate more extensively in business matters. I had hoped that when we came to organize a new system of land credits that we would provide the farmers of the United States with the necessary machinery whereby in purchasing credit they could act as one man. With section 16 in the bill, they will not do this. But that is not all. Every joint-stock land bank will be a separate independent institution. Under section 16 there may be many joint-stock land banks organized. As to how many there will be in existence we can not tell. It will be a purely voluntary matter. However, it is safe to assume that many of them will be organized. Each one of them will be competing against the others, and that will mean that the farmers will be competing with farmers. This may appear to be a contradictory statement. It is not. You must remember that the joint-stock banks, as well as the 12 Federal land banks, will secure their money to loan to the farmers by the sale of farm-mortgage bonds. Farm-mortgage bonds, then, is the credit instrument that must be sold to investors. All these joint-stock land banks, as well as the 12 Federal land banks, in a large measure, will be offering their bonds for sale to the same investors. Investors will buy these securities from banks which are bidding against each other.

Now, when banks bid against each other to sell their bonds, the tendency will be to facilitate sales by increasing the rates of interest on the bonds. Other things being equal, people with money to invest will purchase securities bearing the highest rates of interest. However, when the interest rate on the farm-mortgage bond is increased, there must be a corresponding increase in the interest charged the farmer who borrows. Thus it will be seen that the whole tendency of this dual system of land banks is to put farmers in competition with each other in selling their bonds. The inevitable consequence must be to increase the rates of interest which the farmers pay on their mortgages. We must also bear in mind that we are taking a step here that in all human probability can never be recalled. If the joint-stock banks are to be created by this bill, they will be organized in various parts of the United States. Bonds extending for a period of 36 years will be sold. Once established, we can not abolish them. They will be a part of our land-credit system probably for all time to come. Now, I honestly believe that this will mean on the average a higher rate of interest to the millions of farmers who for the next century are to be borrowers.

There is another proposition I wish to present to the Members of this House. A farmer, as I have already pointed out, must subscribe to the capital stock of the farm-loan associations an amount equal to 5 per cent of his loan, and in addition to that he becomes liable for the obligations of the farm-loan associations for an additional 5 per cent. This in itself will be objectionable to many farmers. They can secure loans through the joint-stock land banks without subscribing to their capital stock or in any way becoming liable for their financial obligations. Undoubtedly many farmers will prefer to borrow from the joint-stock land banks even if they pay a higher rate of interest. I have made a summary of what I call the restrictions and limitations which are placed upon borrowers who make loans through the farm-loan associations. I do not know that I have collected all of them, but I present the following list:

1. Ten or more persons necessary to form associations.
2. Twenty thousand dollars in loans must be subscribed for.
3. An amount of cash equal to 5 per cent of loan must accompany application for charter—to be invested in capital stocks.
4. Appraiser must investigate solvency and character of the applicants.
5. Organization subject to approval of the director of district bank.
6. Federal farm-loan board may for good cause shown refuse charter.
7. Members of association must pay their share of salary of secretary-treasurer, his reasonable expenses, and also the reasonable expenses of the other officers and agents and assessments without limit may be levied on members to meet expenses of associations.
8. Dividends of district banks are paid to associations, not to borrowers who have put up 5 per cent of their loan in capital stock.
9. Borrower must pay cash in advance for 5 per cent of face value of his loan or borrow the amount from the district bank.
10. Members are liable for debts of associations "to the extent of the amount of the stock owed by them at the par value thereof in addition to the amount paid in and represented by their shares." (Sec. 9, lines 8 to 13, p. 24.)
11. After association has been once organized, a prospective borrower "may become a member only by two-thirds vote of the directors."
12. He must also pay in cash 5 per cent of his loan in stock.
13. His application must first be approved by appraisement committee, by an appraiser or appraisers sent by the district bank, and finally by the directors of the bank.

Loans can be made only for the following purpose, and for no other:

14. For the purchase of land for agricultural uses.
15. For the purchase of equipment and live stock necessary for the proper and reasonable operation of the farm.
16. For the improvement of farm lands.
17. For the purpose of liquidating indebtedness existing at the time of the organization of the first national farm-loan association established in or for the county in which the land mortgaged is situate or indebtedness subsequently incurred for one of the purposes above mentioned.
18. Loans can only be made to persons engaged, or shortly to become engaged, in the cultivation of the land mortgaged.
19. Use of loan or any portion thereof for any other purpose "than specified in his original application" makes loan due and payable forthwith.
20. Inasmuch as the 12 Federal land banks are liable for each others' debts and obligations, every borrower from these banks assumes this financial responsibility to the extent of the par value of his stock plus the amount invested in said stock, which makes a total liability of 10 per cent of the amount of his loan.

The most of these limitations and restrictions are entirely unnecessary. Farm-loan associations should be organized solely to aid the Federal land banks in conducting business and to aid borrowers and not to place burdens and restrictions upon them. I believe that the farmers, in order to provide capital for a great land-credit system, conducted solely for the benefit of the farmers, may justly be asked to subscribe 5 per cent of their loans to the capital stock of this great land-credit system. This is not any great hardship, because in the end the entire amount of stock held by the farmer would be credited upon his loan and in the meantime he, as I believe, would receive more than enough dividends on his stock to offset the interest he had paid on the amount invested in stock. But I am opposed to adding the additional 5 per cent liability upon the borrower. I am opposed to permitting farm-loan associations to go to any expense whatever or to have power to levy assessments or fines upon its members. I feel sure that the average farmer will not want to go in an association where the liabilities are indefinite and uncertain. A borrower has a right to know just what his loan will cost him, and he can not know this if the farm-loan associations have financial responsibilities and may levy fines and assessments upon its members to meet its obligations. Whatever may be the object of all these restrictions and limitations, the effect thereof must be to drive the farmers away from the Federal land banks, which are to be owned by the farmers, and to drive them into the joint-stock land banks, owned, controlled, and dominated by private capital. I have not the time to further discuss this subject, but for one I will vote to strike out section 16, which authorizes the organization of private joint-stock land banks, and in so doing I believe I am acting for the best interest of the farmers in the United States as well as for the best interest of the Nation at large.

Mr. MOSS of Indiana. Mr. Chairman, I would like to ask unanimous consent, before I begin speaking, to speak for 15 minutes on this amendment.

The CHAIRMAN (Mr. FERRIS). The gentleman from Indiana asks unanimous consent to proceed for 15 minutes. Is there objection?

Mr. RUBEY. Reserving the right to object, I would like to have it included in that request that everybody be quiet and cease conversation, in order that we may hear clearly what the

gentleman has to say on this proposition. I will not make any objection, however.

Mr. MOSS of Indiana. Mr. Chairman and gentlemen of the committee, I feel that the members of the Committee of the Whole have arrived at the point where they must make an important decision regarding the proposed system of rural-credit legislation. I have listened attentively to the debate on this bill running through the past week, and I desire to say that it will go down in literature as a discussion of a very high order.

It has been assumed that the members of the committee framed section 16 because they wished to extend favors to private joint-stock banks. This criticism is on a par with that indulged in by those who favored striking out 6 per cent as the maximum rate of interest and then assumed, from the fact that other gentlemen voted against the motion, that such were in favor of charging the farmers of this country a high rate of interest.

Every member of the Banking Committee, I feel sure, I may say, is absolutely in favor of the cooperative system and has given weeks and months of work in order to make that cooperative system strong and effective. We believe we have done this. But if we have not succeeded, this House ought to amend the bill in a way that will make it successful. This House ought not to strike out one system in order to make the other system successful.

There are two elements that are fundamental in this discussion: First, we have two systems of banks. Gentlemen of the House have the right to know why there are two systems of banks proposed. The first, or the cooperative one, is a special system designed by the committee for the service only of the more necessitous classes among farm borrowers. You will recall that when that section was under discussion some gentlemen felt that we ought to make these restrictions more severe, while others thought that we ought to make them more liberal. This shows the presence of an honest difference of opinion on this subject which only confirms the decision of the committee to organize two distinct systems of banks to serve separate classes of farm borrowers.

Now, it is the opinion of the committee that among the great class of farm borrowers some have better business capacity and better credit facilities than others, thereby resulting in a multiplicity of interest rates. In order to make such rates more uniform and to give loans to those persons who are most necessitous we have organized a special system and given it favors from the Government Treasury. I know we have given large favors under this bill to the cooperative banks, and that we have excluded a large number of American farmers from the opportunity of coming under the system. We may have made the mistake of permitting too many men to come into the system. It might have been better to say that none should borrow over $5,000. It may be that that would have been better. But the point that I make is that we have designedly made it a special system, and have given it a large degree of favors in the way of Government aid.

But if we are to create a special system and by legislation exclude some farmers from its operations, then we ought to permit such farmers to come into another system in a way to get the benefit of organized land credit.

If this section is stricken from the bill the remaining sections will constitute a special and not a general system of rural credits. It will be a bill under which thousands of farm owners can not borrow a dollar. I do not present this statement as a criticism upon the special or cooperative system of banks. These limitations were written in the bill designedly and for a good purpose. The committee, however, had in mind the creation of a general credit system, as proposed in this section. The two taken together make a system under which any American farmer can secure organized credit on favorable terms and at a reasonable rate of interest. I am in favor of a limited system of land credit under which the more necessitous classes of farmers may secure credit on more favorable terms than they can otherwise do. Such a system is very common in all countries where land credit has been organized under statute, and it is to such limited systems that Government aid is wisely granted. Some very strong men have pointed out in this debate that we have included too many men in this special system of ours. That argument has a strong base and is not easily answered. It may be correct. Other able men have argued that we have excluded many worthy men by setting the entrance limit too high.

I have listened with the most profound interest to the views of these men, and I am willing now to go on record in predicting that some of these suggestions will be written into law before another decade goes by. It is inevitable that the arbitrary limits which we have set up in this bill will be modified by experience. The principle we have adopted is sound, namely, that the favors of the Government shall be extended to certain classes among farm borrowers for certain worthy purposes. We here meet the common difficulty of framing any special legislation where the favors of the Government are extended to its citizens. It is impossible to include all, so a struggle ensues as to who shall enjoy the special benefits. France loans money to any French citizen who has a family and who desires to purchase a farm home not exceeding 2½ acres. The rate of interest is fixed by the number of children. Five children in the family will secure a loan at 2½ per cent interest; four children, 2½ per cent; three children, 2¾ per cent; and two children, 3 per cent. This is an extreme example of special systems, but in every European country there will be found one or more special systems where State aid is given for special purposes.

I have no apology either for the Government aid granted in this bill or for the fact that these favors are confined to certain classes of our farm borrowers. It may be that we have not adjusted our limits right, but we propose to grant the more necessitous preferential rates of interest for certain purposes. In that declaration of purpose I am in hearty accord, and will vote to amend the bill in a future Congress if I shall continue to enjoy the confidence of my district and experience shall demonstrate that we have failed to accomplish our full purpose in this draft.

I am confident that the bill in its present form will not fail, but I am willing to extend this assurance to any who are fearful. But while I am thus willing to help organize this special system and to grant it large favors from the Public Treasury to make certain of the results we desire to secure, I am also well aware that there are large numbers—hundreds of thousands—of patriotic, industrious American farmers who have been designedly excluded from the benefits of this special system, intending that they might come in and secure favorable credit under this section. These men need a larger volume of credit on more favorable terms. The results of such credit on American agriculture will be beneficent. And that is the great, big purpose of land credit. It is not primarily to benefit the individual farmer. It is to benefit the people of the entire Nation. It is for the purpose of better organizing agriculture and of increasing the national wealth and of increasing and making more certain our future food supply.

Now comes the second fundamental question, and that is the question of capital stock for the land banks. One of the chief difficulties in organizing land credit is to secure the guaranty capital. One of the commonest forms of State aid is subscription to the capital stock of land banks by the Government. I know of no country where loans are advanced in cash to the borrowers that extreme difficulty has not been encountered in acquiring capital to organize land banks. The distinguished Speaker of this House on Saturday referred to the landschafts of Germany; but I beg to remind him and this House that these associations have no capital stock and do not grant loans in cash.

Mr. SMITH of Michigan. And the present bill provides capital, does it not?

Mr. MOSS of Indiana. Yes; certainly; but I will come to that in a moment. An association without capital stock does not make loans in cash. Of necessity they make loans in bonds. The farmer takes his mortgage to the association and the association hands him a bond and he sells it for whatever he can get.

Mr. MADDEN. Will the gentleman yield?

Mr. MOSS of Indiana. Yes.

Mr. MADDEN. The landschaft is a cooperative association like a drainage district.

Mr. MOSS of Indiana. Most assuredly; but no borrower ever received a loan in cash money from a landschaft. These forms of land credit have been organized where it has been difficult or impossible to secure cash capital for land banks and only illustrates one of the difficulties your committee labored under in framing this bill. It has been taken for granted that American farmers would demand loans in cash, and this necessitated the organization of banks which would sell their own securities and deal in actual money and not simply exchange credit instruments with their patrons. The ratio between capital of a land bank and the volume of its loans has never been wider than $1 in capital to $20 in loans. This means, in the aggregate, an enormous bank capital in a nation the size of ours. If we assume that we desire only to refund the present volume of farm-mortgage indebtedness, it will require a gross capitalization of $200,000,000. But if this bill accomplishes the hopes of its authors—if it meets the imperative needs of the American people—it must largely augment credit facilities and encourage a like increase in mortgage indebtedness. We can not secure additional farm owners through the operation of any rural-credit

law without increasing the volume of debt. Speaking for myself, I register the conviction and the hope that through the operations of this law the total volume of mortgage debt in the United States will rise to at least $10,000,000,000. If so, under the terms of this bill the capital of all land banks in the Nation must aggregate at least $500,000,000.

No committee of House or Senate has ever proposed to impose a burden of raising this vast capital exclusively upon the necessitous classes of farm borrowers of the Nation. Gentlemen in this debate have apparently assumed that they were conferring a peculiar privilege on farm borrowers by seeking to limit the right to subscribe capital to land banks to mortgagees. I am glad to observe that some of the clearest thinkers have reckoned rightly, that this requirement is a burden and not a privilege. No nation in the world has ever enacted a rural-credit law imposing such a burden upon borrowers and prohibiting private capital from engaging in the work of organizing land credit and thereby improving and encouraging the higher development of agriculture in that nation. It was a common claim—and always one of pride—advanced before the United States commission that such work in Europe was often engaged in from altruistic motives. The Bulkley-Hollis bill was dependent upon private capital for its successful operation. The land bank under the provisions of that bill secured $9 in capital from the general public to $1 from the farm borrower. If the public failed or refused to subscribe this ratio of capital, the growth and operation of the system was suspended. It was this fatal defect that caused the joint committee to reject that plan as being impracticable and unworkable. If you strike this section from this bill, you will impose the whole burden of organizing land credit upon those who are in debt, and by so doing will take an action which has never been recommended by any committee of either branch of Congress and which has never been imposed upon borrowers by any legislature in any country in the world. If you take this action and it impedes or impairs this legislation, then the responsibility will be upon those who are willing to go upon record in support of this radical action.

Mr. FESS. Will the gentleman yield?

Mr. MOSS of Indiana. Yes; with pleasure.

Mr. FESS. What has the gentleman to say about the charge that this section 16 will nullify the balance of the bill?

Mr. MOSS of Indiana. I do not share the fears of those who honestly believe that this section is inimicable to the cooperative system; I am absolutely confident that we have so favored that system that it will prosper and give its patrons rates below that possible in any general credit system. If this were not true, the remedy is to strengthen the cooperative system and not deny to all farmers better credit on more favorable terms than they now enjoy. My ambition has been to make this the best rural-credit system of any nation in the wide world. I am aware that many Members of this House have much greater ability than I possess, but none have had greater opportunities to study at first hand the rural-credit systems of European countries, and none are more intimately acquainted with the environments and necessities of our farm population.

I believe confidently that we have organized a cooperative system in this bill that all the adverse powers in this country can not prevent working successfully. I believe that we have given by it so many great advantages that it will be signally successful.

Mr. SMITH of Michigan. The gentleman thinks he has organized a system that is workable and one that will be popular.

Mr. MOSS of Indiana. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has two minutes.

Mr. MOSS of Indiana. Then, I can not yield to the gentleman from Michigan. We have created systems which will be successful for the classes that are to be served by them.

Without section 16, you have only a partial credit system; you will have created a system, granted large favors from the Public Treasury designedly for a part of our farm population, and by your vote to strike out this section you go on record as being opposed to better credit facilities for all farmers. Such a law is not fair or equitable; it is not a redemption of the promises made to the people; it is not defensible on any grounds of public policy.

I may not be willing to vote Government aid to a land bank to make loans to farmers to send their children to school, and thus fit them for life's struggle, but I will not vote to forbid them access to organized credit for such purposes. My father borrowed money to send me to Purdue University that I might have the benefit of a better education, and I have occasion to bless his memory for this kindness every day of my life. Such help was far more beneficial to me in later life than would the purchase of an additional 40 acres of land to be willed to me at his death; and I do not propose to cast a vote which will exclude all farmers in the United States from borrowing money under favorable terms to educate their children and to give them the civilizing influences which at present more abundantly surround the lives of children in the city as compared with those on a farm. This section is the only one in this bill which will permit credit to be freely extended to all farmers for any good purpose; but if you strike it out, you deny absolutely to many farmers all opportunity to mobilize their credit and use it for their business interests, their family, their country, and their God. [Applause.]

Such action on the part of this committee, in my opinion, will place the enactment of this legislation in jeopardy, and will go far to justify any Member who may feel compelled to cast his vote against the enactment of a statute which taxes all the people and whose benefits are designedly limited to only a part of the farm population of our Nation.

Mr. MANN. Mr. Chairman, you can not loan money unless you have it. In order to loan money you must be able to get it. The prime object of this bill is to give to the farmer an opportunity to borrow money on the best terms possible.

Now, there are two ways in which that money can be furnished; either have the Government put its printing presses at work and loan the farmers money printed in that way or to loan money which you can get from those who have it. This bill proposes to adopt the policy of giving credit to farmers so they can obtain money from those who wish to loan it. People who have money want to loan it. Farmers want to borrow it. This bill undertakes to say to those who have it to loan, We will give you good security if you will loan your money. It undertakes to pass that money on to the farmer. There are two essential methods provided in the bill. It is proposed by some to strike out this section which includes one of the essential methods. The argument has been made that if this section remains in the bill it will interfere with the other method. I do not know whether it will or not; it is not essential. The essential thing is to find some method by which the people who have the money will advance it in order that those who want it may get it.

The farmers are not interested in the method, they are interested in the results; the investors are not interested in the methods, they are interested in the results. If both methods are successful, so much the better. If only one method is successful, that is a great thing; but when you say that you will strike out one method in order to force people to adopt the other method you are throwing away your case. We can not determine here which method will appeal most to the investor.

The prime thing that we want is to establish the credit of the farmers so that they can obtain the money from those who have it to loan. No one here can tell whether either method will obtain the credit, but anyone ought to have knowledge enough to know that if you propose two methods, both safe, one of them is more likely to prove successful out of two than merely one by itself. I think this section is one of the most important, if not the most important, section in the bill. I am inclined to believe both methods will obtain credit from those who have money to invest, and if we can establish a plan by which the widow who has money left by her husband, which she wishes to invest, can safely invest it, which money can be loaned to the farmer, then we have done a great thing. If we can establish the credit of the farm as the country has established the credit of the railroad, in order that bonds may be sold at from 4 to 5 per cent and the benefit of that go to those who need it, we have done a great thing.

The history of banking itself is one of the wonderful histories of the world. It is possible—I believe it is probable—that through this legislation we will enable combined farmers to establish combined credit, and that those who have money to loan will be willing to advance it, feeling secure with the low rate of interest, and that the farmers may get the benefit of it. I think we ought to try both ways. [Applause.]

Mr. CANDLER of Mississippi. Mr. Chairman and gentlemen, up to the present time I have not participated in the debate, but have been here listening with intense interest to all the discussion which has preceded me and voting for what I believed to be the best interest of my people. I agree with the gentleman from Indiana [Mr. Moss] and the gentleman from Illinois [Mr. MANN] with reference to the situation presented to us under the two provisions of the bill now under discussion. They both oppose striking out section 16, providing for joint-stock land banks.

This bill provides for a system of Federal farm-loan land banks, and in section 16 it provides for joint-stock land banks. The gentleman from Alabama [Mr. OLIVER] moves to strike out

section 16, providing for joint-stock land banks, and I am also opposed to this being done.

I believe it will be best to try both, rather than to eliminate one and try only one by itself, because if one interferes in the least with the other then we will by competition between the two, if it result in competition, arrive at the best method, and it will be the survival of the fittest which will secure the best and most beneficial result for the people. Whenever you eliminate one to accept the other then you limit the people to one source, whereas if you give them the benefit of both systems provided in this bill you have two sources to which to go, and when you have two it is better than one, and the people can have their choice as between one or the other and have the benefit of both. What I am anxious to do is to help the people in this country that we have been promising to help during all of these years passed and gone. Both political parties, all political parties, have promised the people this legislation for many years, and what we want to do now is to secure this legislation and to secure it quickly.

I received a letter from a constituent of mine only a day or so ago in which he described the conditions confronting him and appealing to me for help, and I always respond to my constituents. [Applause.] He owns 160 acres of land and he purchased 40 acres more. He had to borrow the money with which to buy the 40 acres. He has five children, and he says that his great desire is to leave those children each 40 acres of land as a heritage when he should pass from this old earth. He also says that by reason of conditions existing at the present time he has been unable to meet his debt for the 40 acres of land, and he sees ahead possible failure and the possible loss of the 40 acres, which will prevent him from carrying out his cherished plan with respect to his children. He writes me and appeals through me to the Congress of the United States to furnish the relief which we have been promising in order that he may secure the land that he desires, and I am here pleading his cause.

I am in favor of the long-time loan. I am in favor of the lowest rate of interest it is possible to obtain, in order that we may reduce the expense as much as possible. Hence, a few days ago I voted for 4 per cent, and when that failed I voted for 5 per cent. In this bill it is provided that the rate shall not exceed 6 per cent, and that the actual loan shall not exceed 1 per cent above the rate of interest on the bond. I at least see a prospect that the bond may be sold for 3 per cent, and that the loan, therefore, will be had for 4 per cent. If the bond is sold for 4 per cent, the loan may be had for 5 per cent, but it can not go above 6 per cent. If we can get even that relief, we will confer some of the blessings to those who are entitled to them and for which they have been looking so long. Do not take away from the people the hope which may be secured either by the other part of this bill or by section 16. Give them the benefit of both resources and open up the avenues as broadly as you can, giving them money at the cheapest rates of interest at the longest time possible, in order that they may have the benefits to which they are entitled. [Applause.]

The letter of my constituent, to which I referred, is as follows:

AMORY, MISS., *May 8, 1916.*

Hon. E. S. CANDLER,
*Washington, D. C.*

MY DEAR SIR: Having noticed that the rural-credits bill is before your honorable body, I am constrained to write you.

Our people, so many homeless as they are and others who claim homes really needn't hope to own them under present conditions, sorely need such aid as is indicated in this legislation.

Personally, in 1901 I bought 40 acres to add to my 160 which was and is half woodland bottom, hoping to leave my five children 40 acres each. I owe more on this 40 acres than the purchase price. I have been "diligent in business," economical, and have some fertile land to aid me. But I see that I am bound to lose this land unless I get lower interest rate and longer time. I am sure you will agree that 40 acres each for the children, with nearly half wet bottom woodland, 5 miles from small town (Nettleton), will be small holdings.

* * * * * * *

We believe 5 per cent interest, plus other expenses, on long-time loans and on only 50 per cent of the value is high, though we prefer this to no aid.

Please do your best for us.

Sincerely and truly, yours, ——— ———.

Now, Mr. Chairman, I am here doing my best for him and others situated like him, and it is just the class of our citizenship as is described in this letter I am most anxious to help. I want to help those who have bought homes to pay for them and those who do not own homes to secure them. In order to do this for the good of the country and the happiness of our people let us pass a rural-credits bill which will secure for the people, by Government aid, plenty of money to meet their wants, and at least their necessities, on the longest time possible and at the lowest available rates of interest. Let us help these farmers' banks at least as much as we have helped commercial banks, and even more, for to help agriculture is to help every man, woman, and child in this country. When we build up agriculture we will establish homes, and the home, at last, is the foundation and security of the Republic. [Great applause.]

The CHAIRMAN. The question is first on the amendment offered by the gentleman from Mississippi [Mr. STEPHENS].

Mr. SMITH of Michigan. Mr. Chairman, may we have the amendment reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. STEPHENS of Mississippi. Mr. Chairman, I desire to offer another amendment.

The CHAIRMAN. Will the gentleman wait until we dispose of those that are now pending?

Mr. STEPHENS of Mississippi. Yes.

The CHAIRMAN. The next vote will be taken on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

Mr. MOORE of Pennsylvania. Mr. Chairman, is there any objection to having that amendment reported? I know it is too late, but I ask unanimous consent to have the matter reconsidered.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to return to the amendment which has just been voted upon, have it again reported, and again vote upon it. Is there objection?

There was no objection.

The amendment of Mr. MOORE of Pennsylvania was again reported by the Clerk.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The next vote is on the amendment offered by the gentleman from Oklahoma.

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask unanimous consent that it be again reported.

The amendment was again reported.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The next vote is on another amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The gentleman from Mississippi [Mr. STEPHENS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 111, at the end of line 7, add the following: "But the rate of interest on such bonds shall not exceed 4 per cent."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Alabama [Mr. OLIVER]. Without objection, the Clerk will again report the amendment.

The amendment was again reported.

The question was taken, and the Chair announced the noes appeared to have it.

Upon a division (demanded by Mr. MORGAN of Oklahoma), there were—ayes 22, noes 112.

So the amendment was rejected.

The Clerk read as follows:

FORM OF FARM-LOAN BONDS.

SEC. 19. That bonds provided for in this act shall be issued in denominations of $20, $50, $100, $500, and $1,000. They shall run for specified minimum and maximum periods, subject to payment and retirement at the option of the land bank at any time after five years from the date of their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than $50,000, the amount and term to be fixed by the Federal farm-loan board. They shall bear a rate of interest not to exceed 5 per cent per annum.

The Federal farm-loan board shall prescribe rules and regulations concerning the circumstances and manner in which farm-loan bonds shall be paid and retired under the provisions of this act.

In order to furnish suitably engraved bonds for delivery to Federal land banks and joint-stock land banks, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such bonds of the denominations of $20, $50, $100, $500, and $1,000 as may be required to supply such land banks. Such bonds shall be in form and tenor as directed by the Federal farm-loan board under the provisions of this act and shall bear the distinctive numbers and names of the several land banks by which they are issued. They may be exchanged into registered bonds of any amount, and reexchanged into coupon bonds, at the option of the holder, under rules and regulations to be prescribed by the Federal farm-loan board.

When such bonds have been prepared they shall be deposited in the Treasury or in the subtreasury or mint of the United States nearest

the place of business of the land bank for which such bonds have been prepared, and shall be held for the use of such bank, subject to the order of the farm-loan registrar of the district.

The plates and dies to be procured by the Comptroller of the Currency for the printing of such bonds shall remain under his control and direction, and the expenses necessarily incurred in executing the laws relating to the preparation of such bonds and all other expenses incidental to their issue and retirement shall be paid by the land banks. The Federal farm-loan board shall levy semiannually against the respective Federal land banks and joint-stock land banks, in proportion to the issue of bonds by each, a sufficient amount to cover such expenses.

The examination of plates, dies, bed pieces, etc., and regulations relating to such examination of plates, dies, etc., of national-bank notes provided for in section 5174, Revised Statutes, are hereby extended to include bonds herein provided for.

Any appropriation heretofore made out of the general fund of the Treasury for engraving plates and dies, for the purchase of distinctive paper, or to cover any other expense in connection with the printing of paper currency, and any distinctive paper that may be on hand at the time of the passage of this act may be used in the discretion of the Secretary of the Treasury for the purposes of this act, and should the appropriations heretofore made be insufficient to meet the requirements of this act, the Secretary is hereby authorized to use so much of any funds in the Treasury not otherwise appropriated as may be required for the purpose of furnishing the bonds aforesaid, adequate reimbursement being duly made therefor under the provisions of this section.

Mr. GLASS. Mr. Chairman, I offer an amendment which is a substitute for section 19, proposed by the Treasury Department as a better form for these bonds, and I offer it as a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Substitute for section 19:

"SEC. 19. That bonds provided for in this act shall be issued in denominations of $20, $50, $100, $500, and $1,000; they shall run for specified minimum and maximum periods subject to payment and retirement at the option of the land bank at any time after five years from the date of their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than $50,000, the amount and term to be fixed by the Federal farm-loan board. They shall bear a rate of interest not to exceed 5 per cent per annum.

"The Federal farm-loan board shall prescribe rules and regulations concerning the circumstances and manner in which farm-loan boards shall be paid and retired under the provisions of this act.

"In order to furnish farm-loan bonds for delivery to Federal land banks and joint-stock banks, the Secretary of the Treasury is hereby authorized to prepare suitable bonds in such form, subject to the provisions of this act, as the Federal farm-loan board may approve, such bonds when prepared to be held in the Treasury subject to delivery upon order of the Federal farm-loan board. The engraved plates, dies, bed pieces, etc., executed in connection therewith shall remain in the custody of the Secretary of the Treasury. Any expenses incurred in the preparation, custody, and delivery of such farm-loan bonds shall be paid by the Secretary of the Treasury from any funds in the Treasury not otherwise appropriated: *Provided, however*, That the Secretary shall be reimbursed for such expenditures by the Federal farm-loan board through assessment upon the farm-land banks in proportion to the work executed."

Mr. HAWLEY. Mr. Chairman, I desire to offer an amendment to the committee amendment. In that part of the amendment, in the second sentence of it, which reads, "they shall run for specified minimum and maximum periods subject to payment and retirement at the option of the land bank at any time after five years from the date of their issue," I wish to strike out the word "five" and insert the word "ten."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the amendment by striking out, in line 5, the word "five" and inserting "ten."

Mr. HAWLEY. Mr. Chairman, the bill reported by the joint committee on rural-credit legislation provided that the bonds should not be called until after a period of 10 years. The bill as passed by the Senate provided also that the bonds should not be called until after a period of 10 years. The bill as reported by the Banking and Currency Committee of the House put in a limitation of 5 years. I understand the reason moving the committee to make that change to be this: That with the deduction of the semiannual amortization payments and the advance payments from the face of the mortgages taken by the bank they feared that if the period during which the bonds could not be called exceeded five years there might be such a reduction as to make it difficult to earn enough money from the mortgages to pay the interest on bonds and the bonds as they mature. Now, if that is not a fair statement I will yield to any Member of the committee who wishes to correct it, as I desire to make an accurate statement so that the Committee of the Whole may judge upon this proposition.

Mr. SMITH of Michigan. Will the gentleman explain how the holder of the bond can follow it through to the land, or could they realize the difference in bonds upon the particular land that they represent? How could you follow it to the land?

Mr. HAWLEY. I can not take up that question, as it has no reference to this particular matter now before the committee. In answer to the difficulty above alleged I have taken the compound-interest tables published by Baker & Vawter, and I find the following facts: That in a period of five years, on a $1,000 mortgage, there will be paid on the face of the mortgage $58.02, and on a $1,000 mortgage taken for a period of 10 years there will be paid $132.07 of the principal sum. Let me restate that. On a mortgage of $1,000, paying an amortization of 1 per cent, or $10 a year, there will be paid at the end of five years, including compound interest on these five annual payments, $58.02. On a $1,000 mortgage, with 10 payments of $10 in a period of 10 years, with compound interest on each of those payments for the period they have to run, there will be paid $132.07. On a million dollars worth of mortgages there would be paid in 10 years $132,070, which is about one-eighth of their face value. Now, the money that comes into the bank from the amortization payments and advance payments can be reinvested at once in other mortgages and can be put to work immediately to earn for the bank returns to meet the payments of interest on the bonds and in the same amount, or practically the same amount, that was being earned previously thereon.

Now, the purpose of my amendment is this: Time is an essential factor in the value of a bond and materially affects its salability. The amendment by the distinguished gentleman from Virginia [Mr. GLASS], the chairman of the committee, contains the provision that the bonds shall run for minimum and maximum periods.

But it also says that they can be called at the end of five years. That means that none of these bonds will ever be sold above par for a longer period than five years. The real strength and value of a bond is evidenced in the premium it commands. I would like the committee to take particular notice of that. If the banks should offer bonds, the market would absorb them at a lower rate of interest than is provided in the face of the bonds; that is, the market would absorb them at a premium. You can not sell them at a premium for any period beyond five years, because when any investor buys the bonds he will have the notice that at the end of five years the bonds may be called, and if time sufficient is not allowed to amortize that premium in the interest paid he will lose it, and no investor will buy bonds at a premium and run the risk of losing a part of that premium.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWLEY. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to proceed for five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. HAWLEY. Now, I have some figures on that.

Mr. LEVER. Before the gentleman reads that let me ask the gentleman—and the gentleman has had a great experience in handling of bonds—what effect the period will have on the bonds in the open market?

Mr. HAWLEY. I will answer that immediately, and I thank the gentleman for his question. A 5 per cent bond running for five years before it is to be called, selling at a price of 102.22, would earn 4½ per cent during that period; but that same bond running for 10 years, earning the same rate of interest during the period, would sell for 103.99, or $17.70 more for each $1,000 bond. A 5-year bond bearing interest on the face of it at 4½ per cent, earning 4 per cent during that period, would sell for 102.25. That same bond running for 10 years, with the same rate of 4½ per cent, to earn 4 per cent would sell for 104.90, or, a $1,000 bond would bring in that same market, selling for 10 years, as against the same bond if it sold for 5 years, $26.50 more. And I could multiply the illustrations without number. Time added to the life of a bond before it can be called materially increases its value.

Mr. KINCHELOE. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. KINCHELOE. If your amendment were to carry, what effect would that have upon the system if an individual borrower wanted to pay his obligation in five years?

Mr. HAWLEY. That would only add whatever he paid to the money in the hands of the Federal land bank, which would take the money and invest in other mortgages. The bank would take new mortgages with the money so paid in.

Mr. MOSS of Indiana. I know the gentleman has given this a great deal of consideration, but is it his opinion that you can in this bill give the farmers the option of paying off their mortgage any time after five years and at the same time deny the bank the privilege of bringing in their bonds within the same period?

Mr. HAWLEY. I would say it was impossible if the bank did not have the opportunity to loan that money out again at once. And undoubtedly the bank will have the opportunity to loan out the amortization and advance payments at once on a satisfactory earning basis. If you make the bonds callable after five years' time, the life of the bond is five years—that is

the term that can be absolutely counted upon—and you make them sell in a market at a disadvantage, and, no matter how good the bond is, you can not take advantage of a favorable market, get a premium, and reduce the rate of interest to the borrower.

Mr. RAGSDALE. In other words, the idea is that the longer the life of the bond——

Mr. HAWLEY. The higher its price and the greater its value.

Mr. RAGSDALE. The lower will be the rate of interest.

Mr. HAWLEY. Yes. The purchaser will pay a premium for it, depending upon the time it is to run, which means that he buys it upon a lower interest-earning basis than that provided on the face of the bond, and this lower rate is the rate of interest he would have bought the bond for on a par basis. It sells for a higher rate, which means that a 10-year bond which sold for 4.50 and earned 4 per cent in that same market could have been sold at par on a 4 per cent basis with a resultant reduction of one-half of 1 per cent in the rate at which the money received could be loaned to borrowers.

Mr. RAGSDALE. Does not the gentleman think that this market would be created that would not be created under the five-year loan? For instance, if the gentleman was trying to make an investment for a State, or a fiduciary investment, for a long period of time, whereas he might not be willing to invest it in a 5-year bond, he would be willing to invest it in a 20-year bond?

Mr. HAWLEY. Certainly the long life of a bond makes it more attractive. I will say to the gentleman frankly if this limit stays at five years it will seriously reduce the opportunity of selling these bonds and deprive them of a large part of their natural market.

Mr. PLATT. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. PLATT. I wanted to ask the gentleman whether it is his experience in buying bonds that the minimum period in which the bonds may be called determines the rate, or is it usual in a bank when the bond may be called in five years to consider it will be called in five years?

Mr. HAWLEY. The period after which a bond may be called and before it becomes due is the optional period. The time at which the issuer of the bond may call it in for payment determines the period after which it will not sell for a premium. In 15 years, in handling millions of bonds, I do not recall an instance where the bondmen of the United States—and we have them from all parts of the country—have ever offered us bonds and expected a premium on them after the beginning of the optional period. So, answering the gentleman's question, it can be said that the minimum period the bonds have to run is a very important factor in determining their value. When a bond is called, or the optional period is reached, it goes to par.

Mr. PHELAN. If what the gentleman says is so, why limit the bonds to 10 years? Why not make them 20 years?

Mr. HAWLEY. For the reason that I stated in the beginning, that I wish to make them as attractive as is consistent with safety. The period can be safely fixed at a 10-year minimum. The gentleman will remember that we had a long, earnest but pleasant discussion in the joint committee on that subject, and I have the highest esteem for the gentleman from Massachusetts. But——

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. HAWLEY. I ask unanimous consent, Mr. Chairman, that I may have five minutes more.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. HAWLEY. I do not think I will use the five minutes unless questions are asked.

Mr. LEVER. I would like the gentleman to draw out, for the benefit of the committee, what effect the situation he has described will have on the farm borrower. The gentleman has not made that entirely clear to me, although I think I know what he has in his mind upon it.

Mr. HAWLEY. It will reduce the rate to the borrowers, I will say to the gentleman from South Carolina. Now, if we provide that they are to run for a minimum period of 10 years, they are a better and more desirable bond, will have a wider market, and they will bring a better price than if offered for a minimum period of five years. A 5-year bond in a given market sells for $26.50 lower on each $1,000 than the 10-year bond. A 5-year bond on another basis will sell for $27.10 lower than a 10-year bond for each $1,000. If we make these bonds 10-year bonds, we will take advantage of this condition in the market, we will get our money cheaper, and therefore we can lend it to the farmer cheaper, without endangering the system.

Mr. HELVERING. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. HELVERING. I would like to have the gentleman explain a little more clearly how you can predicate upon a 5-year bond a 10-year redemption on a 5-year mortgage. That is to say, if the mortgage can be paid in 5 years, how can you make it run for 10 years? I would heartily favor the proposition if the gentleman can explain it satisfactorily.

Mr. HAWLEY. The answer to the gentleman's question is that the money received can be immediately reinvested. The whole difficulty of the matter which led the committee of the House to make the minimum 5 years, as against 10 years, as provided in the Senate bill and in the joint committee's bill, is this: The Committee on Banking and Currency think that with the amortization payments coming in and with the advance payments the farmers are authorized to make, and with the face value of the mortgages upon which any bonds are based being correspondingly reduced, the earning power would be similarly reduced. We depend upon the interest earnings of the mortgages to pay the interest on the bonds. If the mortgage earnings are reduced and less interest is collected we do not have money to pay the interest on the bonds. But this difficulty is eliminated for all practical purposes, since the land banks will immediately invest the money so received in new mortgages and receive interest from them to replace the interest lost on amortization and advance payments. One hand will wash the other. As the payments of the principal sums of the mortgages are reduced by these amortization payments, the Federal land banks will call for additional mortgages to be placed behind the bonds.

The whole proposition is this: If the Committee of the Whole House now can see its way clear to the conclusion that the interest on the unpaid principal sum of the mortgages behind any bonds, with the interest on the mortgages they can buy, with the amortization payments and the advance payments will pay the interest on the bonds outstanding—and I think undoubtedly that they will, and I can not conceive of any condition that could arise where it would not be so—then by adding five years to the life of these bonds we can reduce the rate of interest to the borrowers a very appreciable amount. The whole purpose of the bill is to do three things: To get money to loan to the farmers, to make it repayable in amortization payments, and to loan it at the lowest rate of interest consistent with safety.

I would not support any other proposition. My experience in the buying of bonds shows that the bonds must be safe. With a 10-year period they will have a wider market and will sell more readily than five-year bonds under the conditions under which we propose to issue them and collect the money to pay them; and it is perfectly safe to sell them on a 10-year basis.

Moreover, if any land bank desires to reduce the amount of its outstanding bonds at any time it can do so by purchases in the open market. When tens of millions of them are issued, before any can possibly become due many will be returned to the market. In this regard they will have the same history as other bonds. To sum up, we can safely make the minimum period 10 years. That will give the bonds a wider market, make them more attractive, enable us to sell them at a lower rate of interest, and make the rate of interest the farmer borrowers will be asked to pay lower. The bill proposes to get money to loan through the sale of bonds. The system will fail if the bonds do not sell in large quantities. We can not afford to circumscribe the market in which they can be sold. [Applause.]

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. PHELAN. Mr. Chairman, I hope that this amendment will not prevail. I dislike very much to disagree with the gentleman from Oregon.

Mr. GLASS. Mr. Chairman, how much time does the gentleman desire?

Mr. PHELAN. I may get through in five minutes; perhaps not.

Mr. GLASS. I ask unanimous consent, Mr. Chairman, that the debate on this section and amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

Mr. MORGAN of Oklahoma. Reserving the right to object, Mr. Chairman, can I have five minutes?

Mr. GLASS. You have just had on that side 10 minutes on that proposition.

Mr. MORGAN of Oklahoma. I shall object unless I have five minutes.

Mr. GLASS. Then I move, Mr. Chairman, that the debate close in 10 minutes.

The CHAIRMAN. The gentleman from Virginia moves that the debate on this section and amendments thereto close in 10 minutes. The question is on agreeing to that motion.

The motion was agreed to.

Mr. PHELAN. Mr. Chairman, I have great respect for the opinion of the gentleman from Oregon [Mr. HAWLEY], but I wish to call to the attention of the committee a thing we have had to combat with all through this bill, and I say it with the greatest deference and respect to the gentleman: That when a man specializes in a particular thing he is likely to exaggerate the importance of that thing. The gentleman has given attention to bonds. I yield to him in his knowledge of bonds and in what he says about the desirability of getting a long-time bond. I will not dispute that with him. But the important thing to remember is this: That we must have in these banks the money to meet these bonds when they are due, and we must invest the money that the bank has to advantage. The gentleman, I think, has not given important enough consideration to those two things.

Let us see. We issue a bond which can not be called inside of 10 years, and yet right in the same bill we provide that there shall be payment upon the principal every time the installment is due, cutting down the principal. And, perhaps more important that that, we have a provision in the bill whereby the farmer can, after 5 years, pay his entire principal.

Now, what is the bank going to do when it gets its payment of the principal through amortization or gets the principal in full, as the case may be, at the end of five years? What will it do with the money? It can invest it in mortgages, but when it does that it must be sure that those mortgages shall not run for a longer period than the period in which those bonds become due.

In other words, if the bonds are due in 1920, then the bank is absolutely obliged to loan a certain amount of money which it will be certain to get back in 1920. What does that mean? When the farmer comes up and wants to borrow for 35 years, although the bank may have the funds in the possession of the bank, it will say, "We are sorry we can not give you a loan for 35 years, because we have obligations coming due in 10 years, and we have to loan our funds so that we can get the money back and meet those obligations.

Mr. MANN. Will the gentleman yield?

Mr. PHELAN. I will.

Mr. MANN. Is it expected that there will be some market for the bonds where they will be bought and sold?

Mr. PHELAN. Yes; we expect it will have a very wide market.

Mr. MANN. If I have a bond that I want to dispose of, will there be a chance to sell it?

Mr. PHELAN. Yes, indeed.

Mr. MANN. Then what is to prevent the bank from buying its own bond?

Mr. PHELAN. Nothing at all, but here is the disadvantage. If the bank is borrowing money at 4 per cent and invests money at 4 per cent, then the bank is not making any profit. The whole theory of the cooperative plan is that the funds of the bank shall be used to the best advantage so that the farmer will be getting a profit out of the system and not be absolutely obliged to suffer in lack of profits to the bank because the bank is handicapped and tied hand and foot by explicit provisions of the law from investing its money.

Mr. MANN. The gentleman says the farmer may pay in money when no bond comes due, but if the bank can go out and buy on the market, what is the difference?

Mr. PHELAN. I do not quite follow the gentleman.

Mr. MANN. Suppose the farmer pays in some money which the gentleman says ought to be applied to the payment of the bonds, what is to prevent the banks buying the bonds?

Mr. PHELAN. And canceling the bonds? The danger is that they would have to pay a premium, and if we put into effect a provision that will oblige them to pay a premium——

Mr. MANN. If we make a premium on the bonds by lengthening their term, is not that an advantage to the farmer, if you make the bonds so that they sell higher?

Mr. PHELAN. I think it may at times be more of a disadvantage than an advantage.

Mr. MANN. If the bonds sold at a premium when the bank wanted to buy, they would be at a premium when they wanted to sell. They would be engaged in buying and selling bonds all the time.

Mr. PHELAN. It might just happen——

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman have five minutes more.

The CHAIRMAN. The gentleman from Illinois asks that the time of the gentleman from Massachusetts be extended five minutes. Is there objection?

There was no objection.

Mr. PHELAN. The trouble is, it is the bank's demand that may make the premium, and maybe the bank is the only one that will be obliged to pay it. The principle is that if you are going to have the money paid in at a certain time you ought to enable the bank when it gets the principal to call the bonds so as to reduce their indebtedness at the same time. That is the way it is done in the foreign system. They write a bond so that they are enabled when they get the payment of the mortgage principal into the bank to reduce the debt of the bank by paying off bonds of the bank. I do not want to see the hands of the directors of the land banks so tied that they are absolutely obliged to issue bonds and not be able to cancel any of those bonds inside of 10 years. I want to see it so arranged that they can pay off some of the bank's indebtedness, namely, the indebtedness which is brought about by the issuing of the bonds by calling in some of these bonds if that shall be advantageous.

Mr. LEVER. Will the gentleman yield?

Mr. PHELAN. Yes.

Mr. LEVER. I wish the gentleman would address himself to the proposition of the gentleman from Oregon [Mr. HAWLEY], that these bonds may be invested in new mortgages for the time being.

Mr. PHELAN. I have already said that if you get any amortization payments, or if you get any large payments of principal, as you are likely to do when the farmer is prosperous, you can, of course, under the amendment offered by the gentleman from Oregon, reinvest the funds, but here is a danger. You are likely to be in a position where, in the reinvestment, you are obliged to reinvest for a limited period in order to have the mortgages come due when the bonds issued come due. In other words, you are likely to find the bank in a position so that it will be obliged to say to the farmer when he comes to borrow for 35 years, "We are sorry we can not give you the funds for that length of time; all we can do is to give you them for 15 years, because we have so many bonds coming due in 15 years."

Mr. MADDEN. Will the gentleman yield?

Mr. PHELAN. Yes.

Mr. MADDEN. Why not have the bill provide for the bonds to run 35 years without the right to call them in?

Mr. PHELAN. That would be more dangerous than the proposition of the gentleman from Oregon. If you issue bonds in 1916 making them due in 35 years, that would make them due in 1951. If in 6 years from now large sums of the mortgage principal are paid in, the banks may not be in a position to invest these funds except for such a period as shall return these funds to the banks to meet the bonds when they shall fall due.

Mr. MADDEN. There will be a certain percentage that you can loan, and you can arrange the loans you make to meet the situation.

Mr. PHELAN. Maybe you can and maybe you can not. That is the trouble. Nobody can foresee how the loans are going to be made, what the demands are going to be; nobody can tell in what year there will be a great demand, in what year there will be a moderate demand, in what year there will be a small demand, so that if you tie the hands of the directors of these banks in a way that they are absolutely prohibited, as the amendment would provide, from calling their bonds, you are likely to put the bank in a position where it is going to be limited as to how it is going to loan its money, and that is what I do not want to see done.

Mr. HAWLEY. There will in time be an immense amount of these bonds offered for sale.

Mr. PHELAN. Yes.

Mr. HAWLEY. And the gentleman will agree with me that there will be millions on the market at any time?

Mr. PHELAN. Yes.

Mr. HAWLEY. And from these millions the banks can select such bonds as may suit their purposes.

Mr. PHELAN. Yes.

Mr. HAWLEY. As they approach the period of maturity, the bonds will be running up to the 10-year period all the time, and there will be always on the market available for purchase millions and millions of bonds at par. How could that be otherwise?

Mr. PHELAN. I hope so, but I do not know.

Mr. HAWLEY. They will all go to par after 10 years.

Mr. PHELAN. That is just the trouble. You have to wait that long before this thing gets working, and it is during those 10 years when you are in danger, before the bank can go out and buy them.

Mr. HAWLEY. But only the first 10 years of the history of the institution. Would there possibly be any danger of what the gentleman suggests after that? There will be millions of these bonds at par, because every bond that has reached the age of 10 years goes to par and stays there.

Mr. PHELAN. After 10 years it may be there will not be so much danger; it may be there will not be any danger, but the dangerous period for this whole system is during the first 5 and 10 years of the system.

Mr. HAWLEY. There will be no bonds to buy, coming due within the 10 years.

Mr. PHELAN. That is the time I want to see those banks able to reduce their indebtedness.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PHELAN. Yes.

Mr. SMITH of Michigan. As I understand it, member banks or national banks that belong to the regional reserve association can purchase these bonds?

Mr. PHELAN. Under the provisions of this bill member banks can; yes.

Mr. SMITH of Michigan. I will ask the gentleman whether or not it would not make them more popular to furnish a short-term bond to those national banks, in order that their funds may be more mobile? They would prefer a five-year bond to a bond of longer period.

Mr. PHELAN. It may work that way. I will state that I yielded to the opinion of the gentleman from Oregon on the question of the advantage of long-time bonds over short-time bonds; but we had some testimony, as perhaps the gentleman will recollect, from people who dealt in bonds, who did not believe that. Personally, I will be frank in stating that I think the gentleman is correct.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment to the amendment of the gentleman from Oregon.

The question was taken; and on a division (demanded by Mr. HAWLEY) there were—ayes 43, noes 69.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The Clerk read as follows:

SPECIAL PROVISIONS OF FARM-LOAN BONDS.

SEC. 20. That the form of farm-loan bonds issued under this act shall be prepared by the Federal farm-loan board. The form of farm-loan bonds issued by a Federal land bank shall include, among other provisions, a copy of this section of this act, and a statement that the assets of all the Federal land banks are jointly and severally liable for the payment of each bond, and shall further state the physical basis of such bonds in farm lands, and such other information as may be prescribed by the Federal farm-loan board.

Each bond shall also contain a certificate in the face thereof, signed by the farm-loan commissioner, to the effect that this bond has the approval in form and issue of the Federal farm-loan board and is legal and regular in all respects. It shall be signed by the president of the bank issuing the same and attested by its secretary.

Each land bank shall be held to be bound in all respects by the acts of its president in signing farm-loan bonds, and by the acts of the Federal farm-loan board in authorizing their issue.

There shall appear in the face of each farm-loan bond provided for in this act the statement that such bond is not taxable by National, State, or municipal authority.

Every Federal land bank issuing farm-loan bonds shall be primarily liable therefor, and shall also be liable, upon presentation of farm-loan bond coupons, for interest payments due upon any farm-loan bonds issued by other Federal land banks and remaining unpaid in consequence of the default of such other land banks; and every such bank shall likewise be liable for such portion of the principal of farm-loan bonds so issued as shall not be paid after the assets of any such other land banks shall have been liquidated and distributed: *Provided*, That such losses, if any, either of interest or of principal, shall be assessed by the Federal farm-loan board against solvent land banks liable therefor in proportion to the amount of farm-loan bonds which each may have outstanding at the time of such assessment.

Every Federal land bank shall by appropriate action of its board of directors, duly recorded in its minutes, obligate itself to become liable on farm-loan bonds as provided in this section.

Mr. HUGHES. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

At the end of section 20, amend by adding:

"All farm-loan bonds issued by the Federal land banks shall be deemed the obligation of the United States Government."

Mr. HUGHES. Mr. Chairman, I represent an agricultural district, in which cotton is the money crop, and wherever cotton is the money crop that section is a credit section. The farmers who are cotton growers feel that they are absolutely given a special privilege when they can obtain money at 8 per cent interest for a time no longer than for six months. There are land banking companies loaning money on farm mortgages in my section, in my district, and in my State. They loan this money for from three to five years. In the majority of instances this money is loaned at a straight rate of interest of 8 per cent plus the overhead charges, which means the lawyer's fees, and so forth, and that makes the farmer pay an interest of at least 8½ per cent per annum. Hence, you can readily see the great interest felt by those in the cotton-growing belt of the South who are to-day forced to borrow money. They are anxious that a bill suited to their conditions and their wants, a banking bill of this nature, may pass this House. I wish to give the history of an incident in my own knowledge. I wish to call the attention of my distinguished friend from Michigan [Mr. SMITH], whom I consider one of the best business men in this House, always fair, to this fact. I know a gentleman who owns 1,000 acres of land upon which he has borrowed $5,000. He pays 8 per cent interest on that loan and renews it every three years. I know that that 1,000 acres of land would bring $25,000. I do not know of a single bank in the great State of Georgia which would make a loan of $5,000 on that property at less than 8 per cent and for more than 12 months.

Mr. SMITH of Michigan. Will the gentleman yield for a question?

Mr. HUGHES. I will, sir.

Mr. SMITH of Michigan. Would a farmer under such circumstances want to give a mortgage which would compel him to keep the money five years before there was any opportunity to pay?

Mr. HUGHES. I think he would. I think he would be very glad to get a mortgage for five years.

Mr. SMITH of Michigan. Is it not true that a person owning $25,000 worth of real estate, free and clear, could go to New York, Baltimore, Savannah, or any place and get money for less than 8 per cent?

Mr. HUGHES. He can not do it in Georgia from banks on land for five years.

The ultimate successful accomplishment of this bill depends on the validity and market attraction for the land bonds, for these bonds must be sold to obtain the cash to loan on land mortgages.

Every political party has indorsed rural credits. Therefore it is not a partisan but a national question, and if this House fails to pass a bill to meet agriculture banking needs and demands this House will have committed a national injustice and wrong, if not a crime.

This Government stood sponsor for the Federal reserve act, thereby making it the best commercial banking system ever written. It has stood the test and met every emergency, though the very world was on fire. Follow the precedent and have this Government stand sponsor for this rural-credit bill, making it the best rural-credit bill every written.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUGHES. I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GLASS. Mr. Chairman, reserving the right to object, I would like to get a unanimous agreement to conclude debate on this section and all amendments thereto.

Mr. HAWLEY. I want five minutes.

Mr. GLASS. In 10 minutes—I will say 15 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close in 15 minutes. Is there objection?

Mr. HAWLEY. Reserving the right to object, does that give gentlemen the opportunity to get five minutes each who want to speak?

Mr. MANN. We want 10 minutes over here.

The CHAIRMAN. The Chair will say he will recognize the gentleman from Georgia and one gentleman on this side and one gentleman on that side.

Mr. MANN. That would shut out the gentleman from Georgia. He has not got the other five minutes yet.

Mr. GLASS. I think gentlemen readily understand the proposition, and I think if we can not reach an agreement on 15 minutes, I shall move to close debate in 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close in 15 minutes. Is there objection?

Mr. MADDEN. Mr. Chairman, reserving the right to object, do we get 10 minutes over here?

Mr. GLASS. Mr. Chairman, I move that we close debate in 15 minutes on this section and all amendments thereto.

Mr. MANN. Will not the gentleman make that 20 minutes? Mr. Chairman, I move to amend by making it 20 minutes. That lets the gentleman from Georgia have 5 minutes.

The CHAIRMAN. The gentleman from Illinois moves to amend by making it 20 minutes.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. MANN. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 52, noes 68.

Mr. MANN. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided; and the tellers (Mr. GLASS and Mr. MANN) reported that there were—ayes 67, noes 83.

So the amendment to the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to amend by making it 15 minutes.

Mr. GLASS. That is exactly what my motion was.

Mr. MANN. No; the gentleman's motion was for 10 minutes.

The CHAIRMAN. The Chair was under the impression that the motion of the gentleman was for 10 minutes.

Mr. MANN. It was stated at 10 minutes.

Mr. GLASS. I do not know how the Chair stated it, but I know how I offered it.

Mr. MANN. It was made at 10 minutes, and stated at that.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The gentleman from Georgia.

Mr. MANN. The gentleman from Georgia has had five minutes and his time has not been extended.

Mr. HUGHES. I asked for an extension of time.

Mr. MANN. I know the gentleman asked for it, but he has not obtained it yet.

The CHAIRMAN. The point of order is well taken if the gentleman makes the point of order that the gentleman from Georgia has already spoken on this amendment.

Mr. HUGHES. I have only taken five minutes, and I would be very glad to get an extension of five minutes. I have occupied very little time of this House.

Mr. MANN. If the gentleman has a request to make——

The CHAIRMAN. Does the gentleman from Georgia make any request?

Mr. HUGHES. I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that he may proceed for five minutes. Is there objection?

Mr. MANN. Reserving the right to object, I desired to have five minutes on this section myself. I shall not object, although courtesy is entirely lacking on the other side of the House. I shall not object to the gentleman from Georgia having five minutes, although he would not vote to give me five minutes.

Mr. GLASS. Mr. Chairman, when I moved to terminate the discussion in 15 minutes, it was distinctly with the view of giving the gentleman from Illinois [Mr. MANN] and the gentleman of the committee from New York [Mr. PLATT] five minutes each, and the gentleman who had requested the extension of his time five minutes. I have not been guilty of discourtesy to the gentleman from Illinois or any other Member of this House. [Applause.]

Mr. MANN. The gentleman from Texas [Mr. HENRY] was asking for five minutes and the Chair stated he was recognizing alternately on the two sides.

Mr. GLASS. I am not saying what the Chair said but what I had in view when I made my motion.

Mr. MANN. The gentleman should carry it out.

Mr. GLASS. The gentleman was accusing me of discourtesy.

Mr. MANN. I did not. I accused that side of the House of discourtesy.

The CHAIRMAN. The gentleman from Georgia [Mr. HUGHES] asks unanimous consent that he may proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HUGHES. Mr. Chairman, in Germany 86 per cent of the farms are worked by the owners. Germany's agricultural policy has brought about this condition. Germany has a rural-credit system made great by Government aid. Had it not been for Germany's agricultural perfection and condition she could not have withstood the allies, for she could not have sustained her army.

Germany can not be starved. Though England's rock wall surrounds her she is defiant, for her agricultural products are abundant. In Great Britain only 50 per cent of the farms are worked by owners. Hence that great nation, with all its money, like a miser locked in a vault with gold which he can not digest, is a dependent nation. She does not rely on her agricultural resources but upon her mighty navy to keep the markets of the sustaining world open to her. Had she to depend on her own agriculture she would starve in 90 days.

In the United States only 64 per cent of the farms are worked by owners of land.

In my own State, Georgia, there are 80,000 white tenants. This is not a healthy agricultural condition. A rural-credit bill should be enacted not alone for the landowner but also for the industrial, economic tenant. In any section where the farms are occupied by owners who work them, you find a prosperous, happy, progressive section, and vice versa. This does not apply alone to Ireland, but to our great Nation, and the same is true everywhere on this earth. I hope this amendment will be adopted. [Applause.]

Mr. PLATT. Mr. Chairman, when the Agricultural appropriation bill was under discussion several weeks ago one of my colleagues from New York [Mr. BENNET] spoke of the fact that New York is first in the production of apples and some other agricultural products. Now, as a matter of fact, New York is one of the greatest agricultural States of this Union, and its Representatives in this House are just as vitally interested in the enactment of rural-credits legislation along right lines as the Representatives of any Western or Southern State, although it is true that our New York State farmers can, as a rule, borrow such money as they need at rates not exceeding and often lower than 6 per cent by mortgaging their farms.

By way of proving my assertion as to the greatness of the great agricultural State of New York let me state to you a few of the agricultural products in which it leads all the States, and let me point out that several of them are vital necessities.

The first is milk and dairy products, perhaps the most vital of all agricultural products—

We can live without corn, wheat, cotton, or silk;
But civilized youngsters can't live without milk.

Next come potatoes, and then apples, in which New York has a long lead over the next State, and then cabbages and sweet corn. Now, with milk, potatoes, apples, cabbages, and sweet corn, we up-State New Yorkers could get along very well; but those prime necessities are not the only agricultural products in which New York leads. Let me enumerate some of the others. New York is not only first in dairy products, potatoes, apples, cabbages, and sweet corn, but also in bush fruits, celery, green peas, in vegetable acreage, in timothy and clover mixed, in miscellaneous tame grasses.

New York is second in the production of onions, in fruits and nuts combined, in grapevines—California first—in cheese factories, in buckwheat, and in total hay and forage crops.

It is third in the number of creameries and in dry, edible beans.

It is fourth in acreage of coarse forage. In alfalfa it does not make a very large showing alongside of Kansas, but New York has a larger acreage of alfalfa than any one of the great agricultural States of Iowa, Ohio, Illinois, Wisconsin, Indiana, or Arkansas.

New York is not often thought of to-day as an important grain-growing State, but it grows more grain than some States that have a reputation for grain. It is fifth in rye, eleventh in wheat, eleventh in oats, and above the average in corn.

I could go on and show that New York is sixth in receipts from poultry and eggs, sixth in value of live-stock products slaughtered on the farm, sixth in colonies of bees, sixth in plums and prunes, but I think I have gone far enough to show that New York stands up with any other State in the Union as an agricultural State. The figures I have quoted are all to be found in the last Agricultural Yearbook recently published.

I may add that of the 43 Representatives of the great State of New York in this House 14 represent districts that are chiefly agricultural. How many agricultural States have more than 14 Representatives here?

New York is vitally interested in this bill, and those who represent that great State are naturally doing all they can to make this a sound, sensible, workable bill.

Mr. HENRY. Mr. Chairman, we are now approaching the conclusion of this bill, and I want to congratulate the committee on the many admirable features it contains. A year ago, when we suggested a separate and independent system for the benefit of agriculture, some gentleman said the enactment of such a law was not possible. But we have a separate and distinct system in this bill, with a Federal farm-loan board to control it. And when we pressed direct Government aid it was answered that such a thing was not to be considered; and yet we have written into this bill a provision that the Government shall place $9,000,000 at the disposal of the farmers for the purpose of taking the capital stock of 12 Federal land banks.

And we go further. On the second day of the proceedings, while considering this bill, the gentleman from South Carolina [Mr. LEVER] offered an amendment, which was adopted. In effect it provides that the Government shall guarantee the payment of the interest on farm-loan bonds. It goes almost far enough, but not quite enough. The gentleman from Georgia has offered an amendment providing that the Government should guarantee the bonds. His amendment is correct. You voted for a provision in the Federal reserve act that guaranteed every Federal reserve note. Why not extend the Government credit in the fullest measure and go a little further than the Lever amendment?

On Saturday I read to this House a report recently issued by the Department of Commerce, to the effect that Canada had passed a rural-credit bill and provided for the issuance of farm-loan bonds. It provided that the Crown should get behind their bonds and guarantee the payment of principal and interest.

Mr. Chairman, I hope gentlemen will be able to see their way clear to go as far as Canada and other countries when they established rural-credit systems. You have done well. You have reduced interest rates to 6 per cent in many sections of this country, and I predict that under the provisions of your act millions of homeless men will be able to come in under its terms and acquire broad acres on which they may establish their homes.

The amendment offered by the gentleman from Oklahoma [Mr. MURRAY] should have been adopted. And yet there are still abundant provisions for taking care of numbers of landless and homeless men. If the interest rate is reduced, if the man without a home is given time to pay for it in a long period of years, extending from 5 to 36 years, as this bill provides, then it is possible for the man without land to go to the Government and get 60 per cent of its valuation and turn it over to the original owner who has the land for sale, and let the seller take a second mortgage on the land. Then every year the second mortgage becomes more valuable, because under the amortization plan the first 60 per cent is being gradually paid off.

So the three things for which we have struggled during our three-year fight are in the measure, to wit, *interest not exceeding 6 per cent, a distinct and separate system for the farmer, and direct Government aid.*

The CHAIRMAN. The time of the gentleman from Texas has expired. There are three minutes remaining.

Mr. MANN rose.

Mr. GLASS. Mr. Chairman, I was going to ask unanimous consent that the gentleman from Illinois should have five minutes if he wants it.

The CHAIRMAN. The gentleman from New York [Mr. PLATT] did not use all of his time, and, without objection, that will be added to the three minutes if the gentleman from Illinois desires it.

There was no objection.

Mr. MANN. I may not want three minutes. I want to ask what this means on page 117 with reference to farm-loan bonds?—

And shall further state the physical basis of such bonds in farm lands.

What do you mean by stating "the physical basis of such bonds in farm lands" on the face of the bond? I yield to any member of the committee to explain it.

Mr. STEPHENS of Texas. What page and line?

Mr. MANN. Page 117, line 18. Everybody understands.

Mr. GOOD. They are holding a caucus on the subject. [Laughter.]

Mr. MANN. I do not want some mere opinion that some man imagines here. I want the opinion of the man who wrote it or of the men who have considered it.

Mr. MOSS of Indiana. I am not the man, then, to answer the question, but I can tell you what I think it is.

Mr. MANN. Nobody in the House knows what it is. I will not occupy any longer time. [Laughter.]

Mr. HELVERING rose.

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. HELVERING. Mr. Chairman, it is unnecessary to argue along the line that a system of agricultural credits is absolutely necessary if the rural sections of our Nation are to be built up, interest encouraged in farm work, and opportunity given to the tillers of the soil to produce at the minimum cost. Intelligent men everywhere are agreed on the proposition that the interest charged on farm loans is too great a handicap to the borrower, but, while agreed as to the disease, differences of opinion exist as to the particular remedy needed and the one best adapted to meet conditions existing here in America. That legislation is imperatively needed may be taken for granted.

Now, granting the need of rural-credits legislation, which all political parties recognized in the last campaign and indorsed, it behooves us as Representatives of the people, regardless of party allegiance, to carry out our promises by enacting general legislation on this important subject.

The bill now under consideration as a whole is not such a measure as I would propose, nor is it a bill that any individual of this House would recommend in its entirety, but it represents the conclusions reached by the very able committee having in charge this particular legislation and represents their judgment after months of deliberation. I therefore believe that we can accept the bill with such amendments as may seem advisable to incorporate into it during its course of consideration. Of one thing we can rest assured, and that is we will have on our statute books a law which will aid farmers very materially in many sections of our country and which will become operative immediately upon its enactment.

In my particular district the resulting advantages will not be so pronounced as in those sections of the country where interest rates range from 10 to 16 per cent; but, viewing the matter as I do, I plainly predict that there will be a decrease of the interest rate from 40 to 60 per cent in many sections of the United States, and in the very prosperous parts of our country, where land values are high and loan rates average from 5 to 7 per cent, there will be a reduction which will not be so marked, but a reduction with other advantages, such as the long-term loan extending from 5 to 36 years, with the privilege under the amortization plan of paying part of the principal each year; a standardization of farm loans; encouragement of cooperation and self-reliance among the farmers by giving them a uniform rate of interest and the control of their own borrowing facilities.

It was a step in the right direction and very gratifying to me when we adopted the amendment offered by the gentleman from South Carolina [Mr. LEVER] and made it possible for this Government, in times of stress or great financial depression, to come to the assistance of the regional land banks to the amount of $6,000,000. I supported that amendment because, in my opinion, it greatly strengthens the stability of the bonds issued by the different land banks. As has been ably stated on a previous occasion, the bonds issued by this system "serve as the bridge connecting the borrowing farmer on one side of the stream with the investing public on the other side." If these bonds are guaranteed to be absolutely secure, then they will sell more readily and the rate of interest to the farmers will thereby be reduced.

As this bill provides, the rate charged the farmer on his loans is to be gauged by the rate, plus 1 per cent, at which the bonds sold at the last issue. If, however, there is a speculation in the minds of the investing public that during some future years there might occur a drought in some sections of the United States, or other calamity, such as floods, cyclones, hailstorms, or insect pests, then the bond is not looked upon with such favor and would not sell as readily as it should, and, naturally, would not be disposed of at as low a rate of interest; but if back of the bond itself the investor has the assurance that the strong arm of the National Government will come to the rescue of any section so afflicted, then there is no such speculation and indecision. This amendment is a valuable provision to place in this bill, and I hope that the conferees on the part of the House will insist upon retaining it in the bill, because I deem it an essential feature to the success of a rural-credits measure. It can not be doubted that the investor, whether he be one of a large insurance company or a wage earner who desires safe investment, and one that will not fail in an emergency, will look favorably upon farm-loan bonds when he is assured that this bond is safeguarded not only by a mortgage on real estate, the reserves of the farm-land banks, and the joint responsibility of the 11 other land banks of the country, but, above all, and in addition to these securities, he is assured that in event of any dire catastrophe, one not probable but possible, the Federal Government will come to the rescue by depositing in the particular bank so affected $500,000 to take care of the situation.

This is Government aid of the right sort, under Government control, given for the benefit of the agriculturist.

The amendment offered by the gentleman from Indiana [Mr. CULLOP] relative to the interest rate should have been accepted. I realize that on account of the overhead charges the bonds which will be issued during the first few months of the operation of this law will not be as readily salable as they will be when the system is finally running smoothly, but at the same time I believe that the 4 per cent interest rate on the bonds is such as would take care of the situation.

As I called to the attention of the House on January 13 in a speech which I delivered at that time, the average farm profits in the United States are but 5 per cent, and therefore if we are to charge 5 per cent on these bonds, then the farmer's entire profit is consumed in interest without paying any part of the prin-

cipal. Of course, this statement does not apply where the farmers pay from 8 to 16 per cent of their money, but it does apply in sections of the country such as the district I represent.

I trust that you will weigh that statement and fully appreciate its significance. To those who pay from 8 to 16 per cent in interest the passage of the bill proposed by the committee would certainly bring relief. As long as the farms of the country earn only 5 per cent, on the average, the payment of 6 per cent for mortgage loans means ultimate disaster. A higher interest rate would only accelerate the coming of ruin, and any rate in excess of 5 per cent would mean industrial death, either from lingering illness at a rate of 6 per cent or a quick demise brought about by an interest rate in excess of 6 per cent.

I do not wish to convey the impression that it is my intention to oppose a measure such as this when I know it will bring relief to such a large portion of our farming population, but I offer these suggestions and criticisms for the purpose of showing in some particulars wherein I believe the farm-loan bill now under consideration might be improved.

Some of the older Members of the House will remember from experiences, and many of us know, from reading the history of the legislation enacted by this body, the timidity and dubiousness with which they approached legislation providing for Rural Mail Delivery Service in the United States, and the many safeguards they used to surround that measure, which only hampered the service they desired to establish. I have observed efforts to-day which show that same feeling existing in the House, and I freely predict that this timidity and conservatism which is manifest in some quarters will vanish as the dew before the midday sun when the rural-credits measure is finally put into full operation. Amendments will be offered to the law from time to time, after its enactment, which will make it nation-wide in its scope and universal in its advantages and proportionate growth, and proportionate benefits will be enjoyed as in the Rural Mail Service.

Now, gentlemen, the fact of the matter is the legislation of this House for years has been replete with measures and laws designed and enacted for the benefit of the banker, the merchant, the manufacturer, and the wage earner of our country, but this is the first instance, outside of certain homestead acts and amendment of the Sherman law, where the farmers have had first consideration, and the provisions contained in those measures were to a large extent local in their application, and in all fairness we might state that this is the first instance where general legislation is to be enacted solely for the benefit of the agricultural classes.

Therefore I for one believe that we should to a certain extent eliminate ultraconservatism in this connection even to the point of being somewhat lenient in the consideration of rural-credits legislation, especially when our leniency is coupled with and supported by the best security on earth.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia [Mr. HUGHES].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

APPLICATION OF AMORTIZATION AND INTEREST PAYMENTS.

SEC. 21. That whenever any Federal land bank, or joint-stock land bank, shall receive any interest, amortization, or other payments upon any first mortgage pledged as collateral security for the issue of farm-loan bonds, it shall forthwith notify the farm-loan registrar of the items so received. Said registrar shall forthwith cause such payment to be duly credited upon the mortgage entitled to such credit. Whenever any such mortgage is paid in full, said registrar shall cause the same to be canceled and delivered to the proper land bank, which shall promptly satisfy and discharge the lien of record and transmit such canceled mortgage to the original maker thereof, or his heirs, administrators, executors, or assigns.

Whenever any farm-loan bonds, or coupons or interest payments of such bonds, are due under their terms, they shall be payable at the land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the Federal farm-loan board, payment of any farm-loan bond or coupon or interest payment may, however, be authorized to be made at any Federal land bank, any joint-stock land bank, or any other bank, under rules and regulations to be prescribed by the Federal farm-loan board.

When any land bank shall surrender to the proper farm-loan registrar any farm-loan bonds of any series, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds pledged as collateral security for any of said series of farm-loan bonds to an amount equal to the farm-loan bonds so surrendered, and it shall be the duty of said registrar to permit and direct the delivery of such mortgages and bonds to such land bank.

Interest payments on hypothecated first mortgages shall be at the disposal of the land bank pledging the same, and shall be available for the payment of coupons and the interest of farm-loan bonds as they become due.

Whenever any bond matures, or the interest on any registered bond is due, or the coupon on any coupon bond matures, and the same shall be presented for payment as provided in this act, the full face value thereof shall be paid to the holder.

Amortization and other payments on the principal of first mortgages held by a farm-loan registrar as collateral security for the issue of farm-loan bonds shall be applied by the Federal land bank or joint-stock land bank receiving the same, as follows:

In the case of a Federal land bank—

(a) To pay off farm-loan bonds issued by said bank as they mature.

(b) To purchase at or below par farm-loan bonds issued by said bank or by any Federal land bank.

(c) To loan on first mortgages on farm lands within the land-bank district, qualified under this act as collateral security for an issue of farm-loan bonds.

(d) To purchase United States Government bonds.

In the case of a joint-stock land bank—

(a) To pay off farm-loan bonds issued by said bank as they mature.

(b) To purchase at or below par farm-loan bonds.

(c) To loan on first mortgages on farm lands within the State in which it has its principal office.

(d) To purchase United States Government bonds.

The farm-loan bonds, first mortgages, Government bonds, or gold, or lawful money shall be forthwith deposited with the farm-loan registrar as substituted collateral security in place of the sums paid on the principal of indorsed mortgages held by him in trust.

[Mr. SAUNDERS addressed the committee. See Appendix.]

Mr. BURNETT. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Alabama moves to strike out the last two words.

Mr. BURNETT. Mr. Chairman, I rise to speak for a few minutes in regard to the merits of this bill.

Two years ago Congress passed legislation, the Federal reserve act, which originated in this same Committee on Banking and Currency, under the leadership of the gentlemen who have reported this bill, and that act saved the crops of the southern cotton farmers last fall.

Nearly two years ago those of us who were from the South remember the awful conditions that existed among our people when cotton went down to 7 and 6 and 5 cents a pound, and there was no market for it even at that. That condition was charged in my district, and in other districts throughout the South, to the Democratic Party, although every thinking and intelligent man knows that it was the result of war conditions.

Last fall the cotton manufacturers of the United States and of England attempted to beat down the price of the cotton of the South and to get it for a song, but under the authority of the Federal reserve act the President and the Secretary of the Treasury were given a power, which they used at that time, that saved our southern cotton planters without a doubt.

When the cotton manufacturers made the effort to beat down the price of cotton and get it for nothing our President and Secretary of the Treasury said, "No, gentlemen; there will be no distress cotton this year; here is $15,000,000 Government money, and more to follow, if necessary, that will be placed in the national banks of the South with the positive orders that every dollar of it shall be loaned to the southern cotton farmer on his cotton warehouse receipt at a rate of interest not exceeding 6 per cent."

Fifteen million dollars would not have been a drop in the bucket, but the moral effect of it was that the law of supply and demand, which in normal times will control, at once became effective, and those who expected to get 11,000,000 bales of cotton for the price that they got 15,000,000 bales for were disappointed.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BURNETT. Mr. Chairman, I ask for 10 minutes more.

The CHAIRMAN. The gentleman from Alabama requests that his time be extended 10 minutes. Is there objection?

Mr. GLASS. Reserving the right to object, I would like to develop whether there are any amendments to be offered?

Mr. MADDEN. The gentleman from Iowa [Mr. GOOD] wants to discuss a question right after the gentleman from Alabama concludes, for about 10 minutes, and I hope he may be permitted to do that, and that the gentleman from Alabama's request may be granted.

Mr. GLASS. Has the gentleman from Iowa an amendment to offer?

Mr. MADDEN. No; he wants to speak on the general situation.

Mr. GLASS. Would it be agreeable for the gentleman to talk a little later after we get past this section?

Mr. MADDEN. No; he wants to discuss a question following the gentleman from Alabama.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto be closed in 20 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and amendments thereto close in 20 minutes. Is there objection?

There was no objection.

Mr. BURNETT. Mr. Chairman, as I was about to say, when it was ascertained that the man with two or three bales of

cotton was not to be forced to put it on the market at a sacrifice, those interested in the manufacture of cotton at once began to bid up, and cotton went from 9 to 10, 11, 12, and even 13 cents a pound, and for the first time in the history of this country the man who raised a bale of cotton received $80 or $90 for it and the seed that came out of it.

Mr. HENRY. Will the gentleman yield?

Mr. BURNETT. Yes.

Mr. HENRY. Does not the gentleman think if we had passed a bill in 1914 we would have saved the price of that crop on that year?

Mr. BURNETT. I think so, and I voted for the Henry bill on that idea. The Federal reserve bill accomplished in part what the Henry bill was intended to do. I believe that my friends from the West are too pessimistic when they say that the farmers in this part of the country will get no benefit from the pending bill. The fact that they have low rates of interest already is good, but when you take into consideration the long time that the loans under this bill are to run I believe it will be beneficial to every section of the country where a farmer wants to borrow money.

The fact that he can get money at a low rate of interest for a long time for the purpose of buying or improving his farm will, in my judgment, bring about a new era among the farmers, especially in my part of the country. It is a redemption of the pledge which the Democratic Party made in its platform at Baltimore three years ago for rural credits. When this is consummated, as I hope it may be, although it does not go as far as I would like to have it, it is going to give great relief to the farmers of the South, and, I believe, of the West also. It will place farmers on an economic basis and an equality with the manufacturing interests of the country that can borrow cheap money.

The Federal reserve act that I have referred to took a considerable time to be made effective and for the organization of the great system for which it provided, and hence could not be made available to save the cotton crop of 1914. When it did become effective, it became the salvation of the southern farmer and proved the Democratic Party to be his friend as no other party had ever been. In fact the Republican Party, especially those Members from New England who wanted their constituents to get cheap cotton, opposed every measure looking to the payment of a fair price for our great southern staple. I heard one of the Republican leaders on this floor two years ago denounce the Farmers' Union of the South as a great trust and oppose a bill, the Henry bill, I believe, which looked to their relief. The difference between the Republican and the Democratic Parties is that the former is sectional and lives for the upbuilding of the special interests of the country, while the hand of the Democratic Party is always held out for the relief of the man that toils.

When we gained the House of Representatives four years ago we passed a parcel-post bill that has proven a benediction not only to the farmers but to the working people of the whole country. Although the Republican Party had the Senate and President at that time, does anyone believe the express companies would have permitted them to give us a parcel-post law if the Democratic House had not forced them to do so?

We also passed the Underwood tariff bill, with the income-tax provision, which compelled those whose great fortunes had been built up by an oppressive tariff system to contribute to the expense of maintaining a Government which had thus enriched them. Would this law have ever been passed over the protest of the captains of industry if the Democratic Party had not gained control of the Government? Our party gave the country the Federal Reserve Banking System, the greatest piece of constructive legislation of the twentieth century.

We are now about to enact this rural-credits bill, another masterpiece of statesmanship which never would have seen the light of day under the party of Taft and Roosevelt and CANNON. Many other wise laws could be mentioned that have gone on the statute books within the three brief years of Democratic control. True, some Republicans have joined the procession and have shouted, "See what we have done"; but who is so credulous as to believe that one of these laws would now be on the books if the party of special interests had continued in control?

The platforms of that party had often made paper pledges of relief to those who by the sweat of their face earned their daily bread, but when the people trusted them again and again they were too busy paying their party obligations to those who furnished the campaign boodle to even give a thought to the "folks back home."

They now clamor for a return to power, but can the silent voter ever trust them again? If so, what assurance have we that they will not obey the behest of their money masters, and repeal all these wise laws that a Democratic Congress has placed on the statute books of our country?

What guaranty have we that the usurer will not force them to destroy the Federal Reserve System? How can we know that they will not repeal the parcel-post law, the rural-credits law, and the scores of other good laws that we have passed for the laborer? Their record of 16 years of oppression is an assurance that they would again load the backs of the laborer with burdens grievous to be borne. The American people can not again intrust power to those whose history is one of the application of the whip to the backs of the weak and the oppressed. They are willing to promise anything to those who so long bowed their necks beneath the yoke of wrong and of tyranny. They again howl for the fleshpots of loot and plunder, but their promises have too often been broken. They can not and will not again be trusted. Their hand is that of Esau, though they may try to disguise it with the voice of a Jacob. They have been weighed in the balance and found wanting. By their fruits we know them.

I come fresh from the homes of the farmers, who have prayed long for some measure of relief like that furnished by this rural-credits bill, and know that they do not want to change an administration and a Congress that for three years have kept the country at peace, and the bow of prosperity hanging in our skies, for one which may plunge the Nation into war with all that war means and brings, and may again restore the rule of the tyrant and the scepter of the man on horseback. [Applause.]

The CHAIRMAN. The gentleman from Iowa [Mr. GOOD] asks to proceed for 10 minutes. Is there objection?

There was no objection.

THE UNREDEEMED DEMOCRATIC PLEDGE.

Mr. GOOD. Mr. Chairman, if this measure has the virtue of being on a good subject, it has the vice of a great many Democratic measures of providing a lot of useless positions for deserving Democrats. [Laughter and applause on the Republican side.] I realize how futile it is to remind a Democratic Congress of its promises for economy. During the past few months, if anyone on this side of the House ventured to admonish Democrats to redeem their platform pledges for an economical administration, such person was either ridiculed by the Democratic side of the House or pointed out as a humorist. To-day apparently no one on either side of this Chamber regards the Democratic platform as containing a single pledge redeemed or made with any intention of its being redeemed.

FAILURE GENERALLY RECOGNIZED.

The failure of the Democratic Party to live up to its platform declarations is so universally recognized that it is with some hesitation that I venture to remind you again of your broken promises, your unredeemed pledges, and your disregarded party declarations, for you must remember that many of you hold your seats in this House through your advocacy of your party's platform. But now when your attention is called to your utter failure to redeem these pledges you assume an attitude and expression akin to that of a person arraigned before a court of justice charged with being the recipient of stolen goods.

A COSTLY JOKE.

Having just appropriated $40,000,000 of the people's money as "pork" in the rivers and harbors bill, being on the verge of appropriating forty-five millions more to reclaim and make valuable 16,000,000 acres of worthless overflown lands in the lower Mississippi Valley, largely owned by a few private land speculators, and now considering a bill designed chiefly to create fat jobs for "deserving" Democrats at large public expense, I venture to remind you Democrats that the people of the United States took you seriously when they voted for you for Congress. You seem now to regard it as a joke.

THE PLEDGE ITSELF.

One of the planks of the last Democratic platform is as follows:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

"USELESS OFFICES" INCREASED, NOT DECREASED.

Mr. Chairman, I desire especially to call attention to that part in which a demand is made for "a reduction in the number of useless offices, the salaries of which drain the substance of the people." In the campaign of 1912, those of you who were elected on that platform, and many others, waxed eloquent in denouncing the Republican administration, because it had made taxes high through wholesale increases in the number of use-

less offices. You promised to abolish these "useless offices, the salaries of which drain the substance of the people." Have you done it? No. Do you intend to do it? No. On the contrary, you have increased the number of "useless offices," and you are still doing it. [Applause on the Republican side.]

WHAT DEMOCRATS CALLED REPUBLICAN EXTRAVAGANCE.

Let us see what the Republican Party did for which you so roundly denounced it and what you have done to correct the evils of which you then complained. In all of the appropriation bills for 1911, the last year the Republican Party was in full control of the executive and legislative branches of the Government, there were 4,050 net increases in the number of specific positions in every branch of the Government, with salaries aggregating $4,958,236.72. In the appropriation bills for that year there were additional lump-sum appropriations for new positions aggregating $4,383,755.98. This was the crime that the Republican Party had committed, which was so vehemently denounced in the Democratic platform. Let us now examine the remedy you have applied.

A DEMOCRATIC EXAMPLE OF REAL EXTRAVAGANCE.

Since March 4, 1913, you have been in complete control of the legislative and executive branches of the Government. You have been given a free hand to correct every abuse of which you complained. It has been within your power, and your power alone, to abolish the useless offices against which you railed in 1912, the salaries of which you said "drain the substance of the people." I find that in the appropriation bills for 1913, 1914, and 1915, instead of a reduction in the specific positions, as promised in your platform, you have increased the number by 17,428, carrying additional appropriations aggregating $20,442,979.16. But this is not all. In the same appropriation bills you made lump-sum appropriations for the salaries of persons other than those specified amounting to $15,830,401.53. In other words, while your platform stated there were too many persons employed in the Government service, and you promised to reduce the number and decrease the appropriations, during the first three years you added more than 30,000 to the number of Government employees, and you are now appropriating for the salaries of these new additional positions $36,273,380.69 more every year than was ever appropriated by the Republican administration which you so boldly denounced. These figures in every case are the net increases, and are arrived at by deducting from the grand total of increases all positions that were abolished.

NEW JOBS FOR DEMOCRATS.

But the end is not yet. Every appropriation bill considered at this session provides for numerous new jobs. Take the legislative, executive, and judicial bill recently enacted. In that bill we appropriated $941,494.44 for new positions. So, too, in practically every bill that Congress has considered numerous new jobs are provided for Democrats. I say they are for Democrats, because in practically all of this new legislation these positions are to be filled outside of the civil service. Once Democrats are appointed to these positions they will then be covered into the civil service by an Executive order, as was the army of income-tax clerks and collectors.

If it was a crime amounting almost to grand larceny for a Republican administration to expend in 1911, $976,742,000 for all purposes, how will Democrats characterize their own extravagant expenditures of $1,116,000,000 in 1915?

PERFORMANCE V. PROMISE.

I offer these observations that we may contrast Democratic performance with Democratic promise. Yes, we added 4,050 new specific positions in 1911. Your platform denounced them as useless, yet you have retained them all and added 17,428 more, making 21,478 specific "useless" positions. Yes, we paid, all told, for salaries for new positions, specific and otherwise, in 1911, $9,431,992.70. You paid the same sum, and $36,273,380.69 more, or $45,615,373.39, in salaries for alleged "useless offices, the salaries of which drain the substance of the people."

Oh, denunciation was so easy then, but to economize is equally difficult now, with so many thousand Democrats demanding jobs. Saving the people's money and relieving them from the heavy burdens of taxation were promises easily exacted and freely made before you got in, but how different now! Now you seem to be working overtime to accomplish two things: First, to create new offices for hungry Democrats; and second, to find new objects on which to lay the heavy hand of taxation to pay the salaries of the offices you so freely create.

WHAT A RECORD!

Elevated to power on a platform of retrenchment in appropriations and economy in Government expenditure, this Democratic Congress will go down in history as the most profligate in its waste, the most extravagant in its expenditure of public funds, the most inefficient in administration, and the most oppressive in the taxes it collects from all our people.

I quote the following from the Washington Bulletin of May 13, which may throw some light on the need of this increased force:

Secretary of State Lansing is fishing down at Bryans Point, Md. Secretary of Commerce Redfield is with Lansing. Secretary of the Navy Daniels is with Redfield.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GOOD. I ask for one minute more.

Mr. GLASS. I object. I give notice now that I am not going to give consent for any more partisan remarks. Members must confine themselves to the merits of this bill.

Mr. CULLOP. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 121, at the end of line 22, insert:

"*Provided*, That in all legal proceedings instituted under the provisions of this act the courts of the various States shall have concurrent jurisdiction with the Federal courts."

Mr. CULLOP. Mr. Chairman, at the end of four minutes I desire to be notified, so that I can yield to the gentleman from South Carolina [Mr. BYRNES].

Mr. Chairman, I think this amendment ought to be adopted in the interest of an economical administration of this law. I believe it to be a good law, a law that is workable, and that good results will follow from its enactment; but unless some provision of this kind is placed in the bill, whenever legal proceedings are instituted the Federal official having charge of the same will most surely go to the Federal court, and that will become very expensive on the citizen. We all know litigation in the Federal courts is far more expensive to litigants than it is in the State courts. For instance, if a mortgage has to be foreclosed, as doubtless under the operation of this act mortgages will be foreclosed, the litigation should be conducted in the county where the land is situated; but if the suit is brought in the Federal court, it may be 200 miles distant from where the land is situated. That will add costs, which will exhaust much of the equity of redemption, or a large portion of it, and become a burden to the debtor. The suit could just as well be conducted in the State court, where the expenses would not be so large, and of better convenience to the parties, and where the debtor would get the advantages which would result from the suit being conducted in the State court near where the property is situated. It may be claimed that the State courts do have jurisdiction, but unless there is some provision in the bill it will become the practice of the officer having charge of the suits to bring them in the Federal court as a matter of convenience to himself, when, in fact, they ought to be brought where they would be of more convenience to the defendant in the suit, and where the expenses would be less, where they would have a better opportunity to save his farm or to get as much out of the equity of redemption as possible.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CULLOP. Yes.

Mr. SMITH of Michigan. I would like to inquire whether or not the State courts have not now concurrent jurisdiction to foreclose these mortgages.

Mr. CULLOP. Oh, they may have, but if any person makes application to remove the cause on the ground of this being a Federal law, the cause will be promptly removed from the State court to the Federal court, and if there is something in the bill lodging the jurisdiction in the State court, then we will obviate that and save both time and expense to the parties. It is the policy of the law to have all questions settled in the State courts which can be done properly there, and in this character of litigation we should fix the jurisdiction in the State courts, so that there would be no dispute about this matter, and give the benefit of the saving to the debtor, the person we are attempting to assist by passing this measure. It is, in my judgment, the proper thing to do, and I hope the amendment will be adopted. I believe this a great measure which will bring relief to many who are now paying high rates of interest and toiling to relieve themselves from the burden of debt, and for that reason I want to see the measure so framed that it will be as favorable as possible to those in whose benefit it is being enacted.

I do not share in the sentiment expressed by many that it will be of no assistance to the struggling masses who are trying to secure a home where they can live and accumulate property. To all such it will prove a blessing and enable them to live happier and enjoy the fruits of their labor and the reward of their frugality.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. CULLOP) there were—ayes 32, noes 51.

So the amendment was rejected.

The Clerk read as follows:

RESERVES AND DIVIDENDS OF LAND BANKS.

SEC. 22. That every Federal land bank and every joint-stock land bank, shall semiannually carry to reserve account 25 per cent of its net earnings until said reserve account shall show an aggregate balance equal to 20 per cent of the outstanding capital stock of said land bank. Whenever said reserve shall have been impaired said balance of 20 per cent shall be fully restored before any dividends are paid. After said reserve has reached the sum of 20 per cent of the outstanding capital stock, 5 per cent of the net earnings shall be annually added thereto. For the period of two years from the date when any default occurs in the payment of the interest, amortization installments, or principal on any first mortgage by both mortgagor and indorser, the amount so defaulted shall be carried to a suspense account, and at the end of the two-year period specified, unless collected, shall be debited to reserve account.

Every Federal land bank shall maintain a special reserve fund. Such fund shall be created by deducting from the subscription which is made to the capital of the land bank on account of every amortized mortgage loan a sum equal to 5 per cent of the annual interest income on the face of such loan until the said special reserve fund shall amount to the maximum sum of $150,000.

Each Federal land bank shall supply, as far as practicable from this special reserve fund, all payments of interest and amortization installments on all mortgage loans where defaults are carried to suspense account as provided in this section.

No national farm-loan association shall be declared insolvent by the Federal farm-loan board during the period in which all the installments of interest and amortization on its indorsed mortgage loans are fully paid from this special reserve fund: *Provided*, That payments from such special reserve fund shall not be made on any one loan for a longer period than two years. The special reserve fund provided in this section shall be used for no purpose other than to make such payments as are herein specifically authorized, and when recovery is made by any land bank of any moneys paid from its special reserve fund, the total amount of said moneys so recovered shall be paid into the special reserve fund. If the full amount is not recovered and it is debited to reserve as provided in this section, full reimbursement to the special reserve fund shall be made from the fund so debited.

After deducting the 25 per cent or the 5 per cent hereinbefore directed to be deducted for credit to reserve account, any land bank shall declare a dividend to shareholders of the whole or any part of the balance of its net earnings.

Mr. MONDELL. Mr. Chairman, with much of mental reservation and with many misgivings as to the final outcome, I shall vote for this legislation.

I desire to support legislation intended or proposed to establish a system of farm loans under Federal supervision and assistance, and as this bill attempts to do that I support it. I very greatly fear, however, that the cumbersome plan of organization and administration provided will not work well anywhere, and I have grave doubts whether it will work at all where a system of rural credits is most needed.

I do not make these observations in a spirit of captious criticisms, because I realize the very great difficulty of establishing a Federal system of land banks and rural credits over as wide an area as ours with but little experience to guide us. I even more profoundly realize the difficulties the committee had to face in reconciling radical differences of opinion.

It does seem to me, however, that the committee might have worked out a system much less complicated and cumbersome and one which would not have required so much effort in the way of organization to get under way.

The farmers and ranchmen of the country in which I live and the State which I have the honor to represent on the floor certainly need relief from high interest charges. Not only are interest rates high with us, but frequently it has been difficult to secure farm loans extending over a reasonable length of time at any tolerable rate. In common with all new and growing countries, we have suffered from the lack of capital seeking investment. What little capital has been available has mostly sought short-term investment at high rates.

In this state of affairs almost anything that promises relief is welcome, even though the promise be as indefinite and uncertain as that held out by this bill. I am accepting the legislation not so much for what it contains as for what it promises. I am for it in the hope that as experience proves the faults of its provisions we may secure amendments which will remedy those faults and enable us to work out a practical and useful system of farm credits.

[Mr. DICKINSON addressed the committee. See Appendix.]

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto conclude in five minutes.

The CHAIRMAN. Is there objection?

Mr. SLOAN. Mr. Chairman, I would like to have five minutes.

Mr. GLASS. Make it 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this section and all amendments thereto close in 10 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

Amendment by Mr. MORGAN of Oklahoma: Page 122, line 1, strike out the word "twenty-five" and insert the word "fifty," and in line 3 strike out the word "twenty" and insert the word "fifty."

Mr. MORGAN of Oklahoma. Mr. Chairman, the amendment which I have offered applies to section 22 of the bill, which in part is as follows:

SEC. 22. That every Federal land bank and every joint-stock bank shall semiannually carry to reserve account 25 per cent of its net earnings until said reserve account shall show an aggregate balance equal to 20 per cent of the outstanding capital stock of said land bank.

The effect of my amendment would be to require Federal land banks and joint-stock banks to set aside 50 per cent of the net earnings until reserve account should equal 50 per cent of the capital of the bank. The amendment I have offered does not express my view of what should be the reserve of these banks, but I have presented it to indicate that the provisions in this bill relative to the reserve account are, in my judgment, not what they should be. In the first place, these banks under the foregoing provisions will have no reserves whatever unless these banks shall have net earnings or profits. This is, in the first place, no certainty as to when these banks will have any net earnings or profits. In the second place, it is only a matter of conjecture as to what these net earnings or profits will be. In other words, the amount of reserves these banks will have under the foregoing provisions is all a matter of doubt, conjecture, and uncertainty. So far as I am concerned, I believe that all profits and earnings of these land banks should be placed in the reserve until an adequate reserve for each bank has been provided. I do not believe any land bank should be permitted to do business without an ample reserve account from the start, and especially I do not think dividends should be paid at all until an adequate reserve has been accumulated. This applies, I think, where borrowers are stockholders as well as in joint-stock land banks, where nonborrowers are the stockholders. Now, I want to discuss the provisions of the committee bill relating to the accumulation of reserve accounts.

The committee bill contains three provisions relative to reserves. These are:

First. Section 22 requires that 25 per cent of the net earnings of every Federal land bank shall be carried to the reserve account until such account shall show an aggregate balance equal to 20 per cent of the outstanding capital stock of said bank.

Second. The same section requires every Federal land bank to maintain a special reserve fund which shall be created by deducting from the subscription which is made to the capital of the bank on account of amortized mortgage loan a sum equal to 5 per cent of the annual interest income on the face of such loan until the said special reserve fund shall amount to the maximum sum of $150,000.

Third. There is a provision in section 6 of the committee bill which may be regarded as providing for a reserve fund. This provision requires that "at least 20 per cent of the capital stock of any Federal farm-land bank which is paid in by national farm-loan associations shall consist of cash in the vault of said land bank or deposits in member banks of the Federal Reserve System or of investment in negotiable interest-bearing securities approved by the Federal farm-loan board: *Provided*, That not less than 5 per cent of such capital stock shall be invested in bonds of the United States."

As the $750,000 original capital to each Federal land bank is to be automatically retired, we may for the purpose of this argument regard the capital of each Federal land bank as being equal to 5 per cent of the amount of loans and also equal to 5 per cent of the amount of bonds outstanding. Under subdivision 1, above quoted, 25 per cent of the net profits are to be carried to the reserves until they equal 20 per cent of the capital. The capital will be equal to 5 per cent of the loans or bonds and the reserves are to be 20 per cent of the capital. Twenty per cent of 5 per cent is equal to 1 per cent. So under this provision the reserve would be 1 per cent of the loans. This reserve, however, is entirely uncertain and indefinite as to any particular time. There is no way of telling just when there will be any net profit. It is still more difficult to make any safe prediction as to just when 25 per cent of the net profits will equal 20 per

cent of the capital. It must be borne in mind that losses must be paid out of the reserves and that defaults in interest and other annual payments of borrowers must be met from the reserves. With the uncertainty as to when there may be profits and how large the profits may be there is also the uncertainty as to what may be the annual demand upon the reserve fund to meet defaults of borrowers in annual interest payments or other losses which the bank may sustain. But, assuming that within a reasonable time the Federal land banks through this provision will secure the maximum reserve required by this provision, there would be only a reserve of 1 per cent of the outstanding bonds.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. WINGO. I am sure the gentleman wants to be correct. He has overlooked the provision that after the 20 per cent reserve is attained then they shall take 5 per cent of their earnings each year. There is no limitation at all as to what the reserves shall be under that.

Mr. MORGAN of Oklahoma. It is true that there is a provision that thereafter 5 per cent of the net profits shall be carried to the general reserve; but this amount will be so small that it will not materially add to the amount of the reserve.

Under the second provision, above quoted, there would be a special reserve of $150,000. This would be taken from the capital subscribed to each Federal land bank by the farm-loan associations on account of loans made to members of this association. This is to be "a sum equal to 5 per cent of the annual interest income on the face" of each loan. Assuming that the loan would bear 5 per cent annual interest, the amount set aside on each loan for this special reserve would be 5 per cent of 5 per cent, which would equal one-fourth of 1 per cent of the face of the loan. In case of a $1,000 loan the annual interest charge would be $50. There would be set aside as a special reserve 5 per cent of this $50, or $2.50, which is one-fourth of 1 per cent of the $1,000, the face of the loan. It is a matter of great uncertainty as to how soon $150,000 special reserve would be accumulated under this provision. But even if no part of this special reserve was used to meet defaults and interest payments, the maximum special reserve of $150,000 would not be secured until loans had been made by the Federal land bank to the amount of $60,000,000. This is reached as follows: Five per cent of $60,000,000 is $3,000,000, which is the annual interest at 5 per cent on $60,000,000 in loans. Now, the reserve is to be 5 per cent of the annual interest charge on each amortized loan, and 5 per cent of $3,000,000 would make $150,000. There would, therefore, be $60,000,000 in outstanding loans and likewise in outstanding bonds at the time the special reserve would reach $150,000, assuming, of course, that up to that time no deduction would be made from the $150,000 to meet defaults in interest or losses of the bank.

Now, the third subdivision, above referred to, as found in section 6, requires that 20 per cent of the capital stock of any Federal land bank subscribed by farm-loan associations shall consist of cash in the vaults in said land bank or deposits in member banks of the Federal Reserve System, or of investments in negotiable interest-bearing securities. While this is not called a reserve, it may be regarded as such. The capital of each Federal land bank as coming from the association would be equal to 5 per cent of the face of the loan. Twenty per cent of 5 per cent equals 1 per cent; so that under this provision there would be held as reserve in cash or in negotiable interest-bearing securities an amount equal to 1 per cent of the loans or also 1 per cent of the outstanding bonds.

The general reserve at best would be but 1 per cent of the outstanding bonds. Under the provision requiring 20 per cent of the capital stock subscribed by associations to be kept as reserves, in cash or securities, there would be a reserve equal to 1 per cent of the outstanding bonds. Under the third provision, requiring a special reserve fund of $150,000, assuming that the interest rate would be 5 per cent per annum, the reserve would be equal to one-fourth of 1 per cent of the face of the total loans or of the outstanding bonds. The total reserve provided for in all three of these provisions is therefore only 2¼ per cent of the outstanding bonds. It must be borne in mind also that this calculation is made upon the assumption that in the years through which this reserve is accumulated there will be no losses or defaults in interest payments to reduce the amount of reserves. However, it is an absolute certainty that there will be defaults in interest payments, and that these defaults must be met by charges against the reserve fund. It is absolutely certain that if this bill becomes a law, with the existing reserve provision there never would be a time in the history of any Federal land bank when it would have a reserve equal to 2¼ per cent of its outstanding bonds.

RESERVES OF JOINT-STOCK BANKS.

There is only one provision in the committee bill relating to the reserves of joint-stock land banks. This is in section 22, which requires joint-stock land banks—

Semiannually to carry to reserve account 25 per cent of its net earnings until said reserve account shall show an aggregate balance equal to 20 per cent of the outstanding capital stock of said land bank.

Thereafter 5 per cent of the net earnings shall be added to the reserve account. It is wholly a matter of conjecture as to when any joint-stock bank would have any net profits, and it is further a matter of conjecture as to when 25 per cent of the net profits of any joint-stock land bank would amount to 20 per cent of the capital. It should be further borne in mind that under this reserve provision both the Federal land banks and the joint-stock land banks will have varying reserves. That is to say, no two banks will have the same reserve at any one time. One bank may have the maximum reserve required by law and another bank may be absolutely without any reserve. Thus the plan presented in the committee bill for establishing reserves is very unsatisfactory.

Assuming, however, that a joint-stock bank would sooner or later have a reserve equal to 20 per cent of its capital stock, a joint-stock bank with a minimum capital stock of $250,000 would have a reserve of $50,000. Assuming that the bank at the same time issued the maximum amount of bonds allowed, or had issued bonds equal to fifteen times its capital stock, it would have outstanding in bonds $3,750,000. With this amount of bonds and with a reserve of $50,000, the total reserve would be only 1⅓ per cent of the total amount of bonds issued. But necessarily it must be a matter of conjecture as to when any joint-stock bank will have even the reserve as provided in the bill.

I therefore assert that under the provisions of the committee bill neither the Federal land banks nor the joint-stock land banks are required to maintain a reserve adequate to meet possible losses or sufficient to give confidence to investors. In other words, the reserves required of these banks, which in the case of the Federal land banks could not be to exceed 2¼ per cent of the outstanding bonds, and in the case of the joint-stock land banks would not exceed 1⅓ of the amount of outstanding bonds, are insufficient to give these institutions that safety and security necessary, so that the farmers should have the credit to which they are entitled.

Mr. MOSS of Indiana. The gentleman understands that the bond issue for joint-stock banks is limited to 1 to 15?

Mr. MORGAN of Oklahoma. I understand that, but that is not the question. The object and purpose of the reserve is to meet default. Even though the bonds are limited to fifteen times the capital, this does not make an ample reserve unnecessary. Losses and defaults are inevitable. They can not be met out of the capital, without its impairment. Even if the bond issue were limited to ten times the capital, still a reserve would be necessary.

RESERVES REQUIRED OF EUROPEAN INSTITUTIONS.

The reserves required of Federal land banks and joint-stock banks under the provisions of the committee bill are not so large in amount as are required by European land-credits institutions. It will be helpful to refer to the reserves of some important European land-credits institutions.

The capital of the Crédit Foncier of France was originally designated as a "guaranty fund," and is still largely invested to make it such. In addition it is required to set aside from 5 to 20 per cent of its net annual earnings as an obligatory reserve until the reserve amounts to a sum equal to one-half the capital stock of the bank. The Prussian Central Land Credit Joint-Stock Co., one of the greatest mortgage-credit companies in existence, with a capital stock of $10,656,000, in 1911 had a reserve fund equal to 39.2 per cent of its capital stock. The Prussian Provincial-Aid Banks are required to place the net profits into the reserve account until it equals 5 per cent of the outstanding bonds. The capital stock of the Bavarian Mortgage and Exchange Bank of Germany, a joint-stock profit-sharing company, in 1911 amounted to $14,580,000, and its reserves amounted to $13,952,637. In other words, the reserves were almost equal to the capital stock, or 96.6 per cent thereof. The reserves of the Bavarian Union Bank at the same date amounted to 40 per cent of its capital. The capital of the Bavarian Agricultural Bank in 1911 was $1,025,970 and its reserves were $272,145, or over 26 per cent of its capital. The capital of the 46 Noko Ginko Banks of Japan in 1912 amounted to $17,166,060, their outstanding loans were $47,560,000, and their reserves were $4,551,076. Their total reserves were over 26 per cent of their aggregate capital and over 9.8 per cent of the total outstanding loans. The savings banks in Italy are

required, if they have capital stock, to set aside one-fourth of the net earnings as a reserve fund; and if they have no capital stock the reserves must accumulate until they, with the guaranty fund, equal 10 per cent of the debentures in circulation.

The 9 land-improvement annuity banks and the 11 provincial-aid banks of Germany are required to put all profits in the reserve fund until it equals 5 per cent of the outstanding debentures.

The reserves of the National Land-Credit Institute for Small Landowners of Hungary at the end of 1912 amounted to $3,756,585, with loans about $54,390,000. The reserves were over 6.1 per cent of outstanding loans.

The minister of agriculture of Austria, in a statement referring to the reserve funds required of the Provincial Mortgage Institute of Lower Austria (S. Doc. 214, 63d Cong., p. 190), says:

> The institution is required, both as regards mortgages and communal loans, to create a reserve of 5 per cent on the value of every debenture or communal bond issued to cover losses which may occur in its transactions.

In a statement issued by the Royal Hungarian Department of Agriculture, Senate Document 214, Sixty-third Congress, page 131, referring to the reserves required of mortgage-credit institutions of Austria, it is said:

> For the securing of the mortgage bonds, a special reserve fund (to be managed separately) must be created, which fund must represent at least 5 per cent of the value of the mortgage bonds issued and must in any case amount to at least 400,000 crowns ($80,000).

The Hungarian Land Credit Institution has some unusual provisions, constituting the reserve, or guaranty fund to secure the payment of its debentures. In addition to the capital and the mortgages, this institution has a "mortgage-bond insurance fund," equal to 5 per cent of the outstanding bonds, a reserve fund, and a "mutual solidarity fund" equal to 1 per cent of the face of each loan. A statement relative thereto, made by Count Hoyos, a director of the institution, as shown in Senate Document 214, Sixty-third Congress, page 156, is as follows:

> The mortgage bonds are secured (1) by the mortgaged property itself; (2) by the capital of the institution; (3) by the mortgage-bond insurance fund—5 per cent of the bonds outstanding; (4) by the reserve fund; (5) by the mutual solidarity fund of the members of the institution. For this latter purpose every one who receives a loan has 1 per cent deducted from the loan, which is deposited in the mutual solidarity fund. In case of losses this money must be called in first to replace them. After 63 years—that is to say, at the end of the loan—it is returned to the borrower.

Baron von Gutstadl, a director of the Landschaft of the Province of Saxony, Germany, referring to the amount of reserve fund of the association (S. Doc. 214, 63d Cong., p. 364), says:

> The Landschaft has no desire to earn money; it has no use for earnings except to pay running expenses. No dividends are paid, for there are no shares and no dividend profits. However, a surplus is accumulated and placed to the credit of the Landschaft until the fund reaches 5 per cent of the outstanding obligations of the association.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will.

Mr. SMITH of Michigan. If the capital of the bank is in mortgages and they can immediately change those mortgages into bonds and sell the bonds, why is that not mobile?

Mr. MORGAN of Oklahoma. There is the "if" in the way. In the time of stress, in the time of panic, in the time of danger a bank might not be able to cash its mortgages or its bonds. I believe the reserve should be largely invested in Government bonds or deposited in banks on interest, with ample security from the banks.

Mr. RAGSDALE. Is it not provided, as a matter of fact, though, that Government deposits may be security for these loans and obviate that trouble——

Mr. MORGAN of Oklahoma. If a bank could always borrow of the Government, that might tide it over danger. But there is no certainty that the Government will do this. There is a striking contrast between the amount of reserves required in European land-credit institutions and the amount of reserve that will be accumulated by the land banks under the provisions of the committee bill. The reserves of a land bank primarily are accumulated for protection of bondholders, but borrowers indirectly have almost as much interest in the reserve fund as the bondholders. The reserve fund gives bondholders and investors confidence in the security issued by the land-credit institutions. Whatever gives investors confidence in the bonds issued by our land-credit institutions, gives borrowers better credit. Whatever gives the borrowers better credit necessarily enlarges the amount of credit at their command and reduces the rate of interest. It is economy, therefore, for the farmers, who are the borrowers, to contribute freely and liberally toward the accumulation of an ample reserve fund, for through this reserve fund they have more credit and cheaper credit. A land-credit institution does not have need for any great amount of capital on which to conduct its business. The reason of this is that the capital may be turned over and over for an indefinite number of times, providing that the reserve fund increases at a proper ratio with the amount of bonds issued. For this reason the reserve fund should not be based upon a certain percentage of the capital of a land-credit bank, but should invariably be based upon a certain percentage of the outstanding bonds. I do not, of course, contend that the capital of a land-credit institution is not a source of strength to a land-credit institution and in one sense may be regarded as a reserve fund, but the capital of the bank never should be impaired.

The capital of a land bank is not, therefore, the proper fund from which to pay losses sustained through defaults in the payment of the principal or interest of a loan. On the other hand, the real purpose of a reserve fund is to meet losses.

In the land-credit bill which I introduced in this Congress, H. R. 10310, and which I offered as a substitute for the committee bill, a reserve must be accumulated equal to 10 per cent of the oustanding bonds of each bank. This is in great contrast with the reserve provisions of the committee bill, which, as I have shown, require the Federal land banks to accumulate a reserve of but 2½ per cent of their oustanding bonds and which requires joint-stock land banks to accumulate a reserve of only 1½ per cent of their outstanding bonds. Under my bill each Federal land bank has an operating capital of $1,000,000. One-half of this is contributed by the Federal Government as an endowment or gift to each of these banks. The other half may be contributed by private parties, but, if not so contributed, shall be contributed by the Federal Government. Thus each bank has $1,000,000 of capital to turn over and over in taking mortgages and in issuing and selling bonds. This is all the bank would need for that purpose. Every borrower is required to invest 5 per cent on the face of his loan in the reserve capital of the bank. Automatically, therefore, reserve capital of the bank, under this provision, would amount to 5 per cent of the outstanding bonds. When the borrower pays his loan the 5 per cent which he has invested in the reserve capital is credited upon the face of his loan. The borrower will receive dividends upon the amount which he has invested in the reserve capital of the bank. This will be an offset to the amount of interest which he was paying to the bank on this amount of his loan, which, in fact, he had never received in cash. So that, as a matter of fact, the farmer suffers no financial loss by reason of investing 5 per cent of his loan in the reserve capital of the bank. In addition to this I provide for what I call guaranty capital.

The Government subscribes $500,000 to the guaranty capital of each Federal land bank. In addition to this, from the annual interest payment of each borrower one-fourth of 1 per cent annually is set aside as a part of the guaranty capital of the bank. This is to accumulate until the operating capital, reserve capital, and the guaranty capital of each Federal land bank shall be an amount equal to 10 per cent of the outstanding bonds. The reserve capital and guaranty capital are, of course, kept invested in Government bonds or farm-mortgage bonds, and are thus made constantly productive. The reserve and guaranty funds are made trust funds for the use and benefit of the bondholders of the Federal land banks. No other creditor or creditors can secure any right or title thereto. In this respect the provisions of my bill—H. R. 10310—in my judgment, are far superior to the provisions in the committee bill, because under the committee bill the bondholders have no special lien upon the reserves of the Federal land banks or of the joint-stock land banks.

For myself I have but one interest in view. I want our land banks to be safe, sound, and secure. They will be the agents and representatives of the farmers. The mortgages of the farmers must go through banking corporations we are creating. Then mortgages will reappear in the form of bonds. These bonds will bear the name of the bank issuing them. The name and reputation of the bank will follow the bonds. I hope above all things Congress will not let the farmers' securities be vitiated by the character of the bank issuing them. I trust we shall not permit these banking corporations to issue farm-mortgage bonds except under conditions which make them an absolutely safe investment. Under this law we are about to enact many new corporations will be organized. I hope there may never come a time when a single one of these corporations shall fail. Millions and millions of farm-mortgage bonds will be issued. I hope that every bond issued by these banks will be paid promptly when due. I hope the institutions we are creating, like the landschaften, will stand the test of centuries. If they do, they will confer countless blessings upon farmers and investors and contribute bountifully to the prosperity of the whole country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLOAN. Mr. Chairman, I have been here throughout the discussion of this bill and have been interested in the debate. I have taken but little part in it.

About the talismanic name of "rural credits" there have been centered the interest and contentions of a great many people in many farming sections of the country. The demand for the legislation has been emphasized in those communities where undevelopment, partial crop failures, and especially unwholesome local legislation caused interest burdens on farmers to be unusually heavy. The demand for rural credits, which to those interested means "low rates of interest extended on long payments," is in this bill met by a system whose primary regard and consideration seem to be safeguarding the investment features and transacting the business in a new banking system not calculated to interfere materially with banking facilities now in existence.

There are two phases of the debate I desire to discuss. I had hoped to obtain more time for that purpose. The first one is an overstatement generally of the causes and reasons for the enactment of this bill. I am in favor of rural-credits legislation and shall vote for this bill. But in order to obtain this legislation it is not fair to the industries of the country, to its farmers, or to the thrifty States of the Union to let go unchallenged the exaggerated statements that have appeared in this debate.

To illustrate, I use the statements made by the gentleman from Texas [Mr. EAGLE] as a fair type. Not that they are more objectionable than those uttered by numerous other gentlemen, but because at the time they were made I challenged their accuracy and the speaker courteously referred me to his authority. Quoting from the gentleman's speech on May 12, to be found in the RECORD, page 7873, we find the following:

> The $5,000,000,000 for which the farm lands of America are mortgaged at the present time bear an average of between 8 and 9 per cent. I know from personal experience in my great State of Texas, where nearly 5,000,000 people dwell, perhaps 65 per cent of whom are engaged in agriculture, that the burden of agents' commissions, of the interest rate expressed on the face of the mortgage, of attorneys' fees, of abstract charges, of renewals which are enforced by the short loans of three years, of the 10 per cent attorneys' fees for foreclosure and the starting again of the same loan wipe out the annual increment of the average Texas farmer.

Later on the gentleman in his speech said:

> I tell you that except in great States like Iowa, Indiana, Ohio, Illinois, and Pennsylvania, which have had a century already to advance to their present condition of farm development and farm ownership and to free themselves from debt——
>
> Mr. MCFADDEN. Will the gentleman yield?
>
> Mr. EAGLE. I wish to complete this statement. Except in such States as those I have mentioned, the average total amount paid on farm loans by way of interest, bonuses, lawyers' fees, and agents' commissions, and for renewal amounts to the annual burden of at least 18 or 20 per cent just to carry the loans along, without any amortization or payment of the principal whatsoever.

I was directed by the gentleman from Texas to investigate and read the hearings held before the Hollis committee. This I had done long before, but I verified my then impression. I had challenged the accuracy of the statement of a member of the committee, the standing committee having charge of this bill, earlier in the debate on a similar but not such an extreme statement. I find the committee has relied upon the testimony of one C. W. Thompson, a representative of the Department of Agriculture. The committee comes to the conclusion that the average rate of interest on farm mortgages throughout the United States is 7½ per cent, considerably less than the statement of the gentleman from Texas and other gentlemen.

Mr. FESS. Will the gentleman yield?

Mr. SLOAN. For a question.

Mr. FESS. Yesterday the Speaker said that money could not be gotten at a certain rate. I asked my clerk to cut from the newspapers that came to my desk for a single day all the advertisements for money. There are 42 advertisements from banks and loan associations, containing no rate above 6 per cent.

Mr. SLOAN. I am familiar with the rates in my own State. I am convinced the rates given by the witness Thompson are a little too high. Those given by the witness as of December 3, 1913, are high for Nebraska, although interest rates at that time had risen on farm loans—that is, compared with what they had been 18 or 20 months before.

Now, I do not challenge the correctness of the statement made as to any rate in Texas. But Texas has been the imperial agricultural State of the South for now 70 years and was an independent nation for 10 years, and if the statesmanship and the financial ability of that imperial dominion have been unequal to the task of keeping up with the newer States of the Union, such as my own, not yet 50 years old, where the interest rates on farm mortgages average less than 7 per cent, it is a reflection upon the statesmanship and financial ability of Texas.

Now, then, the witness, Thompson, upon whom the committee relied, gives a table of rates for a number of States. In his testimony he says, as found on page 9 of the rural-credits hearings:

> It gives one State's rate the same weight as it gives another, even though the mortgages in that State may be many times over the amount of the mortgages in the other State. We have the return for 30 of the States to-day.

The witness, by averaging the rates of the States, concludes the average rate for the Nation to be 7 1/15, or nearly one-half per cent less than the average fixed by the standing committee in its report submitted with this bill, as will be found on page 11 of said report. On page 74 of the Hollis hearings there is submitted a table for 41 States where 18 leading insurance companies do business to a total extent of $414,000,000, taking into account the actual number of dollars loaned in each State and the rate actually paid. The average amount of interest paid annually for every dollar was 6.1 per cent, or nearly 1 per cent less than the estimate of the department expert, nearly 1½ per cent less than the adopted estimate of the standing committee; nearly 2½ per cent less than the estimate of the gentleman from Texas [Mr. EAGLE], where he states the average rate to be from 8 to 9 per cent. Of course, if we were to adopt his maximum average of 18 to 20 per cent the difference would be astounding.

It might be interesting to know the expanding spiral beginning with the basic rate of fact 6.1, second 7 1/15 given by the expert, where a few mortgages and a high rate in Arkansas were measured up against and given the same weight in reaching an average as Iowa, with thirteen times as great an amount and a rate less than two-thirds as great. And that becomes when stated by the conservative committee 7.5 per cent to be expanded by the gentleman from Texas, a member of that committee, to an average of 8½ per cent for the Union, to be further widened for his own and some of the younger States to from 18 to 20 per cent, leaves just one further step to be taken by the orator on the hustings, who, in harmony with the general expansion, would certainly have a right to make it a 100 per cent per annum.

From a comparison of the short-rate farm loans, as stated by the witness Thompson, which statement was made in December, 1913, and rates for similar loans early in 1912, there appears to have been a rather substantial increase. For instance, the increase on such loans for Maine was 44/100 per cent; Massachusetts, 95/100 per cent; Indiana, 64/100 per cent; Illinois, 55/100 per cent; Minnesota, 45/100 per cent; Missouri, 122/100 per cent; Nebraska, 71/100 per cent; Kansas, 76/100 per cent; Arkansas, 74/100 per cent; Oklahoma, 1 30/100 per cent; Texas, 57/100 per cent; Colorado, 2 18/100 per cent; and California, 1 87/100 per cent. There being shown an increase in every State, except New York, Pennsylvania, Iowa, Mississippi, and Louisiana.

From a limited handling of Texas securities some five or six years ago I should have been led to believe that the rates fixed by the gentleman from Texas were rather high, but I have had no recent opportunity for personal knowledge from which to speak and it probably is true that as a result of conditions during the last three years, and the legislation affecting adversely the industries of Texas, interest rates have undoubtedly risen. But answering the statement that the interest rates and accompanying charges "wipe out the annual increment" of the average Texas farmer, I desire to say that however that may apply now it did not apply to 1912. In the interest of political and economic history and the good name of Texas I call attention to the fact that in 1890 the average per capita wealth of Texas was $942; in 1912 it was $1,679, an increase of 78 per cent. That the decline of conditions in Texas during the last few years is due to other causes appears from a recent statement attributed to ex-Gov. Colquitt of that State, wherein he says:

> By putting raw materials on the free list and keeping the protective tariff on manufactured goods it has condemned American farmers to peonage.

In the category of States, according to the classification of the gentleman from Texas, that have not been in existence for a hundred years and in which these dreadful interest conditions are charged to prevail is included the State of Nebraska. Its per capita wealth in 1890 was $1,205, in 1912 it was $3,110, or an increase of 158 per cent, just double the rate of increase of our Texas neighbors. We join with our Texas neighbors in regret that the American people saw fit to somewhat change this onward march of rural wealth for these two States.

The farmers of the country do not highly appreciate the lachrymose statement made in their behalf and the allegations of poverty which do not generally exist. The farmers of this country know that the best opportunities of the young people of the

land are on the farm and rewards for industry on the farms are better, speaking by and large, than in any other industry in the country.

I submit seven leading agricultural States not having any dominating city within their borders, showing the highest per capita wealth in their border, as follows:

| | |
|---|---|
| Iowa | $3,539 |
| North Dakota | 3,374 |
| Nebraska | 3,110 |
| Oregon | 2,661 |
| Kansas | 2,652 |
| Minnesota | 2,582 |
| Washington | 2,511 |

I now submit seven of the typical industrial States:

| | |
|---|---|
| New Jersey | $2,140 |
| Connecticut | 1,969 |
| Pennsylvania | 1,939 |
| Massachusetts | 1,805 |
| Rhode Island | 1,709 |
| Maryland | 1,651 |
| Delaware | 1,493 |

In practically all of the agricultural States the increase of wealth per capita has been much greater than it has been in the industrial States.

The average per capita wealth of these seven typical agricultural States is $1,103, or 60 per cent more than the average per capita wealth in the seven industrial States. So the relief asked for here is not on a basis of poverty, but as a matter of right and good business.

The bill as drafted is of value largely in this, that it furnishes a basis for future rural-credits legislation. It commits the country to that class of financial activity, and can as time goes on and circumstances and conditions arise, by Congress, be amended to become workable and beneficial.

The following criticism by the Omaha Bee, while severe, can not be proven undeserved:

> The measure just driven through the Senate by the Wilson administration, under pretense of providing a land-loan bill for the benefit of the farmers, will not relieve the pressure on the agricultural industry by making its financial operations any the more facile. In effect, the bill will provide a safe and attractive investment for money by authorizing the issuance of debenture bonds, secured by first mortgage on improved farm lands. These bonds will be more attractive than any now known, for they will carry a higher rate of interest than the Government pays, will be readily convertible, and almost totally guaranteed by the Government. Devices and provisions for the safety of the investor are superperfect.
>
> But the farmer will not get his money any cheaper. * * * He takes his credits to the land bank and secures a loan on them. He must go with clear land, under use and productive, with an unencumbered title, and then will be allowed but 50 per cent of its appraised valuation on a long-time mortgage. Nothing in the bill will operate to aid the little fellow, the farmer struggling to clear his title, to improve his farm, or to finance his operations until he can market his produce at a profit.
>
> No measure proposed by the present administration in its program falls farther short of its purpose than does this makeshift. Its worst effect will be to discourage the farmers of the country in their budding efforts toward financing their own affairs. Instead of a law that would permit the establishment of cooperative banks that would aid the farmer, the Hollis bill simply shifts the farm-mortgage business from private agencies to banks that will still operate for private profit, but with the advantage of Government guaranty.

At the outset I stated that a great deal more was expected of this bill than probably might result from it. Seventeen different gentlemen assured the House that the farmers were to have as good treatment as have the commercial interests. The present Federal Reserve Banking System is pointed to as ideal.

I think I can speak in all fairness on this subject, because, after having voted against the Glass-Owen bill in the House and it was returned from the Senate, apparently greatly improved, I voted for it, expecting some little good to come from it. The bill, however, never seemed to me to be well adapted for its work. But if the bill we are now enacting in the interest of the farmer shall be of no more use to the farmers than the reserve system is to the commercial and industrial interests of the country, then our work will practically be in vain.

The main purpose of that legislation was to facilitate banking transactions and to provide currency to the banks upon their indorsement and delivery of commercial paper.

Now, if that is the measure—and that is the main proposition upon which the legislation was based—it has been up to this time practically a failure. Because of the $525,000,000 of resources, mostly liquid resources taken from the business of the country and segregated in what we call our reserve banking system, only $20,300,000 is now (May 5) invested in that way, less than 4 per cent——

Mr. DOOLITTLE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Nebraska yield to the gentleman from Kansas?

Mr. SLOAN. For just a question; yes, sir.

Mr. DOOLITTLE. I did not clearly understand the gentleman, but I understood him to say that the Federal reserve act had not proven a success.

Mr. SLOAN. I say so, and I challenge any gentleman to refute the statement, because of the $525,000,000 of resources in that system only $20,300,000 is engaged in the primary function for which it was organized. More than that, of the $525,000,000 now involved in that machinery, only $161,000,000 is earning a cent. Of the 12 banks only 3 or 4 are making expenses, and only 2 or 3 of them are paying small dividends, while the rest of them, from the last figures obtained, are not even paying expenses.

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield there?

Mr. SLOAN. Yes.

Mr. TAYLOR of Colorado. Will the gentleman vote to repeal that law?

Mr. SLOAN. If the gentleman had the genius to present something that would be an improvement, he would not have much difficulty in convincing me that it ought to be repealed and improved.

Mr. TAYLOR of Colorado. That does not answer the question. Would you vote to repeal it now?

Mr. SLOAN. The gentleman has submitted his question as he saw fit. I claim the right to be the architect of my own answer, as the gentleman has been of his question. [Laughter.]

Mr. TAYLOR of Colorado. Then you do not answer at all.

Mr. SLOAN. I have given my answer; but I shall answer the gentleman from Kansas [Mr. DOOLITTLE] further.

Mr. HAMILTON of Michigan. Mr. Chairman, these are very interesting figures. Will the gentleman kindly give us the authority upon which he makes that statement?

Mr. SLOAN. The regular report from the system, which I obtained from the Congressional Library. The figures are taken from their regular reports. I have them here.

Much to the regret of the public, especially the business and financial part, the Glass-Owen reserve banking system has not thus far proven a success. So the statement of a Member on this floor that the rural-credits bill before us will do for the farmer what the reserve banking system has done for the business world is in reality more of a threat than a promise.

First. Within itself it has thus far not succeeded. Covering a period of months selected by the authorities of the system itself, the following is the statement of the earnings and expenses of the several regional banks:

| | Earned. | Expended. |
|---|---|---|
| | *Per cent.* | *Per cent.* |
| Boston | 1.9 | 3.2 |
| New York | 4.3 | 3.2 |
| Philadelphia | 2.2 | 2.7 |
| Cleveland | 1.9 | 3.1 |
| Richmond | 11.6 | 4.1 |
| Atlanta | 11.6 | 5.5 |
| Chicago | 4.8 | 4.2 |
| St. Louis | 3.0 | 8.4 |
| Minneapolis | 3.4 | 5.3 |
| Kansas City | 2.2 | 6.5 |
| Dallas | 8.8 | 6.4 |
| San Francisco | 3.5 | 4.7 |

It will be noted that in seven the expenses greatly exceeded the earnings. That in only two were the earnings sufficient to warrant the declaration of a dividend. These are in Richmond and Atlanta.

Second. Investments in primary channels designed by the bill itself have only in a limited way been made.

(a) In the primary function of the system "rediscounting through member banks" less than 4 per cent of the resources of the system is now (May 5, 1916) engaged. Of the $525,000,000 mostly of liquid wealth taken from the channels of finance and commerce and placed in cold storage in those banks, only $20,300,000 is invested in the primary purpose for which the system was created. I speak of this as the primary purpose of the system, because in the act itself it is given that place in section 13, where there is an enumeration of the active business functions of these regional banks. Further, the report which was filed by the Banking and Currency Committee of the House in support of the Glass bill section 13 was discussed and rank given it, as I have stated. On page 48 of that report will be found the following discussion:

> In section 14 is set forth the fundamental business purpose of the bill in providing for rediscount operations. The Federal reserve banks are at the outset authorized to receive current deposits from their stockholders or from the Government or from other Federal reserve banks,

in so far as the latter may need to keep funds with them for exchange purposes.

The fundamental requirement throughout all of the discount section of the proposed bill is that antecedent to the performance of a service by a Federal reserve bank for a member bank which applies therefor the member bank shall indorse or guarantee the obligations which it offers for rediscount. Subject to this requirement the proposed bill, first of all, provides that notes and bills having a maturity of not over 90 days and drawn for agricultural, industrial, or commercial purposes or the proceeds of which have been used for such purposes shall be admitted to rediscount.

It will be noted that the foregoing discussion refers to section 14, but in the rearrangement of sections section 14 of the Glass bill became section 13 of the completed act.

(b) Of the secondary or permissive investments authorized in section 14 of the act (15 of the Glass bill) there is 26 per cent of the total resources now engaged. In other words, the secondary or permissive investments are six and one-half times as great as the fundamental investment for which the system was organized. A discussion of these secondary investments might be interesting and is found on page 52 of that report, as follows:

It will have been observed that the transactions authorized in section 14 (14 of the bill, 13 of the act) were entirely of a nature originating with member banks and involving a rediscount operation. It is clearly necessary to extend the permitted transactions of the Federal reserve banks beyond this very narrow scope for two reasons:

1. The desirability of enabling Federal reserve banks to make their rate of discount effective in the general market at those times and under those conditions when rediscounts were slack and when, therefore, there might have been accumulation of funds in the reserve banks without any motive on the part of member banks to apply for rediscounts or perhaps with a strong motive on their part not to do so.

2. The desirability of opening an outlet through which the funds of Federal reserve banks might be profitably used at times when it was sought to facilitate transactions in foreign exchange or to regulate gold movements.

This leaves out of $525,000,000 resources only $161,078,000 as earning assets.

(c) Of these secondary or permissive investments there are: United States bonds, $50,137,000; United States Treasury notes, $3,840,000; and municipal warrants, $39,154,000. This leaves unengaged and unearning 70 per cent of the total resources, or $364,616,000.

Of the $20,300,000 of members' bills over $15,000,000 was taken from member banks by the Richmond, Atlanta, Dallas, and Kansas City reserve banks (the last named does little business in the northern half of the tenth district). Less than $5,000,000 taken from member banks by the Boston, New York, Philadelphia, Cleveland, Chicago, St. Louis, Minneapolis, and San Francisco banks. Of the bills bought in open market, being purely investment and not to facilitate banking movement, only $2,500,000 were taken by the said southern group, while $45,000,000 were invested by the northern group. Of the investment in Government paper the southern group took only $2,000,000, while the other group took $52,000,000. Of the municipal warrants, the southern group took $1,000,000, while the northern group took $38,000,000.

These facts demonstrate clearly that the reserve bank up to the present is not performing its function as designed by its supporters, except in a very limited area, and in that limited area to a very limited degree, as the total amount of the members' notes would not exceed the bills payable in an ordinarily strong bank in one of the good-sized cities of the United States.

Third. Of the total investments, out of the total $525,000,000 resources only one-half of 1 per cent or $2,600,000 is agricultural or cattle paper.

Fourth. So far as benefiting the farmer is concerned, and there are a great many provisions in the Glass-Owen law proposing to benefit him, the working of a system is manifested in the increase of the rates of interest on short-time farm paper, as I have heretofore shown. This is further evidenced by the incessant complaints in this debate of the high rate of interest being paid by farmers, especially on short-time loans.

Fifth. A large, general purpose of the act so far as the public is concerned was to enable business men and institutions to realize on their credits and prevent failures. The law has been in effect something less than three years and has been in operation somewhat less than two years. Its effect in prospect and in operation is evidenced by the failure record of the country for the last three years as compared with the failure record of former years which were regarded as record breaking. They are as follows:

*Number of failures in the United States.*

| | |
|---|---|
| 1873 | 5,183 |
| 1893 | 15,242 |
| 1896 | 15,088 |
| 1907 | 11,725 |
| 1908 | 15,690 |
| 1913 | 14,553 |
| 1914 | 16,759 |
| 1915 | 19,032 |

The last showing more than 20 per cent—more than 3,000—in excess of any year in the history of the Republic before the reserve bank act went into effect.

I had no desire to discuss the reserve banking system until I listened to the debate for several days and heard so many ardent advocates of the rural-credits bill say in substance that we propose now to do for the farmers what had been done for the business and financial concerns of the country. I thought it but proper to examine the subject carefully to find out whether it was proposed to do something for the farmers or something to the farmers. The farmers have a right to receive wholesome legislation on matters involving their credits. They are receiving this legislation as a matter of right, not as a matter of gift, and we should advise them as near as possible of the value of that which they are to receive. I desire to be frank with the House and country that if I thought the legislation which is being considered now will prove no more of a success and benefit to the farmers than the reserve system has for the business interests of the country, then I would not vote for it.

It was said of old, "or what man is there of you whom if his son asked bread would he give him a stone?" Modernly, what father, being asked for bread by one of his sons, who is a tiller of the soil, would hand him a cube of concrete and say, "This is just as masticable, quite as palatable, fully as digestible, and equally as nutritious as the cobblestone I have handed your brother, the money changer and the barterer of goods?"

In voting for this legislation I hope that it may be the basis for future legislation out of which the credits of the farmer may be conserved and mobilized in the interest of that great basic industry upon which the Nation so much depends.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

EXEMPTION FROM TAXATION.

SEC. 23. That every Federal land bank and every national farm-loan association, including the capital stock and reserve or surplus therein and the income derived therefrom, shall be exempted from Federal, State, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of section 11 and section 13 of this act. First mortgages executed to Federal land banks, or to joint-stock land banks, under the provisions of this act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation.

Farm-loan bonds issued under the provisions of this act and the income derived therefrom shall be exempt from Federal, State, and local taxation.

Mr. WINGO. Mr. Chairman, I desire to offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend section 23 by inserting after line 16, page 124, the following: "Nothing herein shall prevent all the shares in any joint-stock bank from being included in the valuation of the personal property of the owner or holder of such shares in assessing taxes imposed by authority of the State within which the land is located, but such assessment and taxation shall be in manner and subject to the conditions and limitations contained in section 5219 of the Revised Statutes with reference to the shares of national banking associations. Nothing herein shall be construed to excuse the real property of joint-stock banks from either State, community, or municipal taxes, to the same extent, according to its value, as other real property is taxed."

Mr. WINGO. This committee amendment is intended for this purpose. The language of section 23 as reported apparently does not exempt the stock of the joint-stock banks from taxation—that is, this stock is not named in the exemption provision, and on its face it would look like that would be sufficient to make the stock taxable. But in order to be sure of it this amendment is offered, and is in the language of section 5219 of the Revised Statutes, which covers taxation of stock of national banks, and the intention of this amendment is to put the stock of these joint-stock banks on the same basis with stocks of national banks under the present existing law, which is done under section 5219, referred to in the amendment. By the adoption of my amendment the stock of joint-stock banks and their real estate will be made subject to taxation beyond question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. WINGO].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INVESTMENT IN FARM-LOAN BONDS.

SEC. 24. That farm-loan bonds issued under the provisions of this act by Federal land banks or joint-stock land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

Any member bank of the Federal Reserve System may buy or sell farm-land bonds issued under the authority of this act.

Mr. WINGO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Arkansas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amend section 24, page 124, by inserting as a new paragraph at the end thereof the following:

"Any Federal reserve bank may buy and sell farm-loan bonds issued under this act to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under subsection (b) of section 14 of the Federal reserve act approved December 23, 1913."

Mr. WINGO. Mr. Chairman, just briefly, the object of this amendment is to authorize the Federal reserve banks, under the "open-market" operations of the Federal reserve act, to buy and sell these farm-loan bonds to the same extent and with the same limitation as they can buy the State, county, municipal, and district bonds under that act. That is the sole object of my amendment.

Mr. MANN. In connection with the amendment offered by the gentleman from Arkansas, I would like to make an inquiry about a paragraph in the section making these farm-loan bonds a lawful investment for all fiduciary and trust funds. I take it we can not make a lawful investment for State institution trust funds. We can not provide what the State court shall take for a lawful investment or what the State shall provide shall be a lawful investment for savings banks. We can not control State corporations or State courts.

Mr. WINGO. Will the gentleman permit a suggestion? That is true, of course, but there are frequently a good many fiduciary and trust funds that are in the hands of Federal agencies, in Federal courts.

Mr. MANN. That is all right.

Mr. WINGO. Now, does the gentleman think it necessary to say funds that are in the custody of Federal agents or Federal courts? Does not the law within itself fix the limitations?

Mr. MANN. I think it does fix it, but still where you state that it shall be a lawful investment for all fiduciary and trust funds the language of the bill would indicate that we are endeavoring to intrench upon the prerogatives of the State, and so we put in some provision making a limitation. I simply call it to the attention of the committee. I do not ask for an amendment here. Make it plain that we are not trying to control what the States have the power to control.

Mr. GLASS. I assure the gentleman that that will be done.

Mr. PHELAN. May I make a suggestion? I would like to see that thing done, but I am afraid we can not do it in conference unless some amendment is offered, because the Senate provision is the same as ours.

Mr. MANN. I make the suggestion to the gentleman as to the conference. We propose to strike out all after the enacting clause and insert a substitute, and while the same language may be in the Senate bill and in the House bill, technically there is a disagreement as to the whole subject matter. On matters that have been tested out the conferees might not feel authorized to make changes, but technically they have the power to rewrite the bill from A to Z.

Mr. PHELAN. That is satisfactory to me.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas [Mr. WINGO].

The amendment was agreed to.

Mr. MORGAN of Oklahoma. Mr. Chairman, I have an amendment which I wish to offer.

Mr. LEVER. Mr. Chairman, I desire to offer an amendment as a new section. If the gentleman from Oklahoma wishes to offer a substitute, I will wait.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORGAN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MORGAN of Oklahoma: Page 124, line 25, after the word "act," strike out period and insert semicolon and also the following:

"Any member bank of said system may accept time drafts against a deposit of such bonds as security; acceptances of a member bank thus made, on the direct obligations of such bank maturing within 60 days, when accompanied by such farm-loan bonds as collateral security not less in face value than the amount of such direct obligation, shall be eligible for discount by the Federal reserve bank of its district.

"Section 9 of the act of June 25, 1910, entitled 'An act to establish postal savings depositaries for depositing savings at interest, with the security of the Government for repayment thereof, and for other purposes' (vol. 36, U. S. Stat. L., p. 814), shall be, and the same is hereby, amended by adding a new paragraph at the close of said section, to read as follows: 'Federal farm-loan bonds authorized by the Federal farm-loan board and issued by any Federal land bank may be purchased by the trustees, in lieu of United States bonds or other securities, for the purpose of investing postal savings deposits under the provisions of this section. Whenever funds shall be withdrawn from postal savings depositaries for investment, the trustees are hereby authorized to purchase Federal farm-loan bonds in the open market or from any Federal land bank authorized to issue the same: *Provided*, That in no case shall such farm-loan bonds be purchased at more than par nor shall more than 30 per cent of the postal savings deposits be invested at any one time in farm-loan bonds as herein provided.'"

Mr. MORGAN of Oklahoma. The amendment which I have offered adds to the provisions of section 24 of this bill. Section 24 as it now stands provides that farm-loan bonds issued by the Federal land banks or joint stock land banks shall be a lawful investment for all fiduciary and trust funds and may be accepted as a security for all public deposits.

It further provides that any member bank of the Federal Reserve System may borrow and sell farm-loan bonds issued under the authority of this act. The amendment which I offer corresponds to the provisions of the bill which has been passed by the Senate, S. 2986, and is now pending before the House. As the section now stands in the committee bill, member banks of the Federal Reserve System may buy and sell farm-loan bonds. This, I believe, is a wise provision, but it does not go far enough. Under the amendment which I have offered any member bank of the Federal Reserve System may accept time drafts against deposits of farm-loan bonds as security. And "acceptances of a member bank thus made, on the direct obligations of such bank maturing within 60 days, when accompanied by such farm-loan bonds as collateral security not less in face value than the amount of such direct obligation, shall be eligible for discount by the Federal reserve bank of its district." In my judgment this is a very wise provision. The Federal reserve banks are the great storehouses of credit for this country. Under the existing law the farmers of the country have little access to the Federal reserve banks. The benefits which agriculture receives from these banks is remote and indirect. Nothing will do so much to extend and enlarge the credit of the farmers as provisions which will make the securities of the farmers eligible for discount by the Federal reserve banks of the country. Now, the farm-loan bonds issued by the Federal land bank will be as secure and safe as any security on the money markets.

They will be liquid securities upon which any bank may realize at any time. It is perfectly safe, therefore, for Federal land banks to discount time drafts maturing within 60 days secured by an equal amount of farm-loan bonds. More than this, it would seem to be rank discrimination against the farmers to refuse to recognize their securities as a basis for discount privileges by the Federal reserve bank. Ever since rural credits became a subject for discussion in Congress one point in controversy has been the question of "Government aid." Whatever valid objections there may be to using the funds or the credit of the Government directly in providing credit facilities for agriculture, there can be no good reason given why the farmers should not be given access to the Federal reserve banks in the way that is proposed by the amendment which I have offered.

The second paragraph of my amendment authorizes the trustees of the postal savings depositaries to invest 30 per cent of the postal savings deposits in farm-loan bonds. Under the present law these trustees are authorized to invest these deposits in United States bonds and other securities. There is no reason why farm-loan bonds should not be placed upon an absolute equality with any or all other securities except United States bonds. During the last three years a number of bills have been introduced proposing to loan postal savings deposits directly to the farmer. This is an attractive proposition and many arguments can be made in favor of it, but a great majority of the Members of Congress seem to be opposed to the Government making loans direct to any class of our citizens. But there can be no valid objection, it seems to me, to investing a reasonable proportion of these deposits in farm-loan bonds, because the funds thus invested would be as safe and secure as funds invested in other classes of securities under existing law.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

The question was taken, and the amendment was rejected.

Mr. LEVER. Mr. Chairman, I offer an amendment as a new section.

The CHAIRMAN. The gentleman from South Carolina [Mr. LEVER] offers an amendment as a new section. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. LEVER: On page 124 insert as a new section the following:

"That section 9 of the act of June 25, 1910, entitled 'An act to establish postal savings depositaries for depositing savings at interest, with the security of the Government for repayment thereof, and for other purposes' (vol. 36, U. S. Stat. L., p. 814), shall be, and the same is hereby, amended by adding a new paragraph at the close of said section, to read as follows: 'Federal farm-loan bonds authorized by the Federal farm-loan board and issued by any Federal land bank may be purchased by the trustees, in lieu of United States bonds or other securities, for the purpose of investing postal savings deposits under the provisions of this section. Whenever funds shall be withdrawn from postal savings depositaries for investment, the trustees are hereby authorized to purchase Federal farm-loan bonds in the open market or from any Federal land bank authorized to issue the same: *Provided*,

That in no case shall such farm-loan bonds be purchased at more than par nor shall more than 50 per cent of the postal savings deposits be invested at any one time in farm-loan bonds as herein provided.'"

Mr. GLASS. To that, Mr. Chairman, I reserve a point of order.

Mr. MANN. I make the point of order, although I do not think it is subject to a point of order.

Mr. LEVER. I do not care to argue the point of order. I do not know what the gentleman's point of order is.

Mr. GLASS. The point of order that I would suggest is that it is the same amendment substantially that was offered this morning and voted down.

The CHAIRMAN. The Chair overrules the point of order.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Virginia asks that all debate on the section and amendments thereto close in five minutes. Is there objection?

Mr. HAUGEN. Reserving the right to object, I suggest that we hear from the gentleman from South Carolina first.

Mr. GLASS. Mr. Chairman, I move that all debate close in five minutes.

Mr. MANN. I make the point of order that that motion is not in order until debate is begun.

The CHAIRMAN. The point of order is sustained.

Mr. LEVER. Mr. Chairman, the amendment which I have just offered proposes to give authority to the trustees of the postal-savings funds to invest not exceeding 50 per cent of such deposits in farm-loan bonds. The authority given by this amendment is entirely discretionary and permits the trustees of the postal-savings funds to invest in these farm-loan bonds if they so desire, but does not direct them to do so. We have in the postal-savings funds in this country something like $80,000,000. These funds belong to various and sundry individuals. They are deposited in our banks under certain conditions, and draw a rate of interest of 2½ per cent.

Now it is entirely possible that the trustees of the postal-savings funds would desire authority, if they do not already have it under the recently amended postal-savings law, to invest a reasonable amount of deposits in first-class 4 or 5 per cent farm-loan bonds. It might be in the interest of depositors of these funds to make that kind of investment.

The only reasonable and unselfish objection that can be urged against this proposition, and this was urged before the joint committee on rural credits, is that the postal-savings funds constitute a demand-deposit fund, and there might come a time when depositors would demand their money and this money would be tied up in long-time farm-loan bonds and thus embarrass the whole fund.

I have attempted to obviate that difficulty by making the amount that may be invested, in the discretion of the trustees of the fund, in such bonds not to exceed 50 per cent of the total. It is entirely possible for some man with perfervid imagination to fancy that the time will come when this Capitol will grow legs and walk through the eye of a cambric needle. Nobody imagines that such a time will ever come, and it is likewise within the range of imagination of some individual that some day, under some circumstances, all the postal-savings deposits will be demanded at one time. I do not believe that any sane man will think that such a time will ever come. But to be entirely conservative I have given full latitude in this amendment in which to meet the demands that may reasonably come at any one time. It gives to the trustees of the fund under present conditions a fund of $40,000,000 to meet the demands of their depositors as they come from time to time and would permit them to invest the remaining $40,000,000, if they thought it wise, in farm-loan bonds.

In section 24 it is provided that the farm-loan bonds shall be a lawful investment for all fiduciary and trust funds. The postal-savings funds are nothing but trust funds in the hands of the United States, and it is entirely possible under that language that they might be invested in these bonds, but I desire to make it absolutely sure that there is no doubt about it. If there is doubt, I desire to ask the members of the committee in charge of the bill why it is not just as feasible to permit this class of trust funds to be invested in these high-class securities as it is to permit fiduciary and trust funds of all other descriptions to be invested in them? That is the whole amendment. I take the position that to make this authorization will add very materially to the strength of these bonds in the eye of the investing public, because every time the Government puts its seal of approval upon these bonds, every time the Government by any provision in the bill says that they are good, it is certain to have a salutary, psychological effect on those who furnish the capital, through investments in these bonds, to finance the system we are providing in this bill.

Mr. GLASS. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I simply rise to point out the inconsistency of the amendment offered by the gentleman from South Carolina as compared with the Federal reserve act. Under it national banks are permitted to loan 25 per cent of time deposits; not a dollar of call money may be loaned on long-time real estate security. Now, it is proposed to take 50 per cent of call deposits in postal savings banks—the money deposited by poor people—and convert it into these bonds, bonds based on mortgages in amount equal to 60 per cent of the land value and 20 per cent of the permanent improvement, which makes it about 70 per cent of the land value. As stated by the gentleman from Georgia, not a banker to-day could be found in his State who would loan $5,000 on 1,000 acres, or $25,000 worth of property, which is 20 per cent only of the value of the land. Now, it is proposed that Uncle Sam's bank shall loan to the extent of 60 per cent of its value, or $15,000, on that same 1,000 acres, and the bank in turn issue its bonds for $15,000, drawing 5 per cent, and to pledge that $15,000 mortgage taken, drawing 6 per cent and running 36 years, as security for $15,000 hard-earned cash deposited on call in postal savings banks, generally by poor people likely to need the money any day. Mr. Chairman, no argument is necessary. I simply arose to point out the inconsistency and absurdity of the proposition.

Mr. RAGSDALE. Mr. Chairman, the differences pointed out by the gentleman from Iowa [Mr. HAUGEN] do not apply to this amendment. In the first place, when they put their money with the Government, the Government itself guarantees the payment of it, and there can be no possibility of loss falling upon those who leave their money in the postal savings banks, because the entire credit of the Government is behind it.

Mr. HAUGEN. Mr. Chairman, will the gentleman yield?

Mr. RAGSDALE. Mr. Chairman, I have not the time.

Mr. HAUGEN. The gentleman should state the fact. He has no right to question my statement. I know what my statement is.

The CHAIRMAN. The gentleman declines to yield.

Mr. RAGSDALE. Mr. Chairman, in the next place, it is a perfectly safe proposition, as the gentleman from South Carolina [Mr. LEVER] has just stated, because of this fact. The Government itself, at any period of time, can utilize these bonds by way of security in the postal savings banks of this country. It can make deposits in the savings banks, and the trustees of the postal savings bank, at any period of time, in an arrangement between them and the Federal reserve banks, could thereby take care of the credit of the country by securing deposits in national banks with these bonds they hold, and there would be absolutely no danger of the credit of the system being impaired to any degree. If these bonds are as safe as we believe them to be, if this money is there looking for investment, as we know it to be, there can be absolutely no objection, for any reason, why these postal-savings funds should not be invested in these bonds, and I hope the amendment will be agreed to. This right is already given in the postal laws, and should be clearly given in this law, for the power would create a market immediately for about $70,000,000 of these bonds and make the assurance of sufficient competition to immediately create a demand and insure the chances of this bill relieving the condition it was intended, by providing for long-time loans at lower interest rates to the farmers of the country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. LEVER) there were—ayes 54, noes 88.

So the amendment was rejected.

The Clerk read as follows:

EXAMINATIONS.

SEC. 25. That the Federal farm-loan board shall appoint as many examiners as in its judgment may be required to make careful examinations of the banks and associations permitted to do business under this act.

Said examiners shall be subject to the same requirements, responsibilities, and penalties as are applicable to national-bank examiners under the national-bank act, the Federal reserve act, and other provisions of law. Whenever directed by the Federal farm-loan board, said examiners shall examine the condition of any national farm-loan association and report the same to the farm-loan commissioner, and shall examine and report the condition of every Federal land bank and joint-stock land bank at least twice each year.

Said examiners shall receive salaries to be fixed by the Federal farm-loan board, which shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated.

Mr. MANN. Mr. Chairman, I move to amend by striking out, in lines 17, 18, and 19, the words "which shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 125, line 17, after the word "board," strike out the remainder of the paragraph.

Mr. MANN. Mr. Chairman, we have already provided on page 76 that the salaries of these examiners shall be paid by the United States, and we amended that provision so as not to make a permanent appropriation. This amendment is in conformity with the amendment already agreed to.

Mr. GLASS. Mr. Chairman, I think what the gentleman says is correct. Those words are superfluous.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

[Mr. RUBEY addressed the committee. See Appendix.]

The Clerk read as follows:

STATE LEGISLATION.

SEC. 27. That it shall be the duty of the farm-loan commissioner to make examination of the laws of every State of the United States and to inform the Federal farm-loan board as rapidly as may be whether, in his judgment, the laws of each State relating to the conveying and recording of land titles, and the foreclosure of mortgages or other instruments securing loans, as well as providing homestead and other exemptions and granting the power to waive such exemptions as respects first mortgages, are such as to assure the holder thereof adequate safeguards against loss in the event of default on loans secured by any such mortgages.

Pending the making of such examination in the case of any State, the Federal farm-loan board may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm-loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this act, the said Federal farm-loan board may declare said first mortgages on land situated in such State ineligible during the continuance of the laws in question. In making his examination of the laws of the several States and forming his conclusions thereon said farm-loan commissioner may call upon the office of the Attorney General of the United States for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary.

At the request of the executive of any State the Federal farm-loan board shall prepare a statement setting forth in what respects the requirements of said board can not be complied with under the existing laws of such State.

Mr. SHALLENBERGER. Mr. Chairman, I move to strike out the last word. I rise to say that the people of Nebraska are intensely interested in this rural-credits legislation. I have followed with a great deal of interest the work of the committee upon the bill. It has two basic propositions that appeal to agricultural borrowers, that of properly organizing and combining the credit of the farmers to enable them to secure the lowest possible rate of interest and providing long-time payment or amortization of the principal of the loan. I believe the bill is workable and is bound to be of great benefit to the agricultural interests of Nebraska.

The point has been made several times in debate on the bill that the farmers are prosperous and are among the best depositors that the commercial banks now have. The gentlemen have stated that fewer farmers fail than do those engaged in almost any other line of business. This is indeed true, and yet notwithstanding the above facts interest rates charged in agricultural communities are, as a general rule, the highest in the country. The amount of the individual's deposit, together with his known ability to pay his obligations, should always determine the extent of credit and the rate of interest to the borrower. The rule is universally applied to manufacturing and commercial interests. A proper mobilization of agricultural credit and organization of intelligent farmers such as is contemplated by the provisions of this bill will lead to more equitable application of the principle to those engaged in producing the products that feed the Nation. The bill carries out a pledge made to the country by the party in power upon its advent into control in governmental affairs and completes the cycle of legislation needed to give the Nation a well-rounded and complete program of organic financial law. Honest and industrious men will be able to secure upon very reasonable terms and for a long period the money needed to enable them to acquire homes. I would have been very glad to have seen adopted the provision providing for investment of postal-savings funds in the farm-loan bonds to be issued under this act, as proposed in the amendment offered by the gentleman from South Carolina [Mr. LEVER]. I voted for it when offered in committee, and although it failed that provision can be supplied at a later date. The amount of money in the postal-savings fund will rapidly increase because of the larger amount now allowed to be deposited in postal savings banks under the Post Office bill just passed. The farm-loan bonds will afford a safe investment for these funds, which are now idle in the commercial banks of the country in the shape of surplus reserves. However, Mr. Chairman, the bill before the House is so sound and broad in its provisions, so grounded upon the safest principles of proven banking experience, that I am very glad indeed to be able to compliment the committee upon the splendid service they have rendered to the country in framing and securing the safe passage of the bill, and I am very glad indeed to support it with my vote.

Mr. SLOAN rose.

Mr. GLASS. Mr. Chairman, I move to close debate on this section and all amendments thereto.

The motion was agreed to.

Mr. NORTON. May I inquire of the gentleman in charge of the bill if he intends to vote on the bill before adjournment this evening?

Mr. GLASS. Yes.

The Clerk read as follows:

PENALTIES.

SEC. 28. That any applicant for a loan under this act who shall knowingly make any false statement in his application for such loan, and any member of a loan committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act, shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding one year or both. Any examiner appointed under this act who shall accept a loan or gratuity from any land bank or national farm-loan association examined by him, or from any person connected with any such bank or association in any capacity, shall be punished by a fine of not exceeding $5,000, or by imprisonment not exceeding one year, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this act. No examiner while holding such office shall perform for compensation any other service for any bank or banking or loan association or for any person connected therewith in any capacity.

Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any bond, coupon, or paper in imitation of, or purporting to be in imitation of, the bonds or coupons issued by any land bank or national farm-loan association, now or hereafter authorized and acting under the laws of the United States; or any person who shall pass, utter, or publish, or attempt to pass, utter, or publish, any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by any such bank or association, knowing the same to be falsely made, forged, or counterfeited; or whoever shall falsely alter, or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such bond, coupon, or paper, or shall pass, utter, or publish as true any falsely altered or spurious bond, coupon, or paper issued, or purporting to have been issued, by any such bank or association, knowing the same to be falsely altered or spurious, shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding five years, or both.

Other than the usual salary or director's fee paid to any officer, director, or employee of a national farm-loan association, a Federal land bank, or a joint-stock land bank, and other than a reasonable fee paid by such association or bank to any officer, director, attorney, or employee for services rendered, no officer, director, attorney, or employee of an association or bank organized under this act shall be a beneficiary of or receive, directly or indirectly, any fee, commission, gift, or other consideration for or in connection with any transaction or business of such association or bank. No land bank or national farm-loan association organized under this act shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized. No examiner, public or private, shall disclose the names of borrowers to other than the proper officers of a national farm-loan association or land bank without first having obtained express permission in writing from the farm-loan commissioner or from the board of directors of such association or bank, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress of either House duly authorized. Any person violating any provision of this paragraph shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding one year, or both.

Any person connected in any capacity with any national farm-loan association, Federal land bank, or joint-stock land bank, who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits, or who without authority from the directors draws any order, assigns any note, bond, draft, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such association or land bank with intent in either case to defraud such institution or any other company, body politic or corporate, or any individual person, or to deceive any officer of a national farm-loan association or land bank or any agent appointed to examine into the affairs of any such association or bank, and every person who with like intent aids or abets any officer, clerk, or agent in any violation of this section shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding five years, or both.

Mr. WALKER. Mr. Chairman, we are engaged to-day upon an undertaking to advance the interests of agriculture. The pending bill is designed to redeem the promise made to the Nation's farmers by all three political parties in the national platforms. It is intended to give the tillers of the soil throughout this broad land the opportunity to become home owners; to see their sons and their grandchildren spring up around them in serene, contented, progressive farming communities.

This legislation, if it results as we hope it may, will bless our land for centuries. The best we can do with the lights before us is to try the new experiment to which we are committed by every consideration of public policy and of our plighted word, correcting any defects in the law as they are shown to exist, and give to the Nation's farmers the fullest measure of coopera-

tion and Federal aid which a wise, sound, economic policy will sanction.

Agriculture is the basic industry of the world. In a sense, Mr. Speaker, it is the only absolutely essential industry. Whatever advances agriculture strengthens the Nation for war as well as for peace and promotes the interests of all mankind. We could not long exist without the fruits of the earth. The farmer is therefore the mainstay of civilization. It is our duty and should be our delight so to legislate as to insure to the tillers of the soil the maximum of comfort, prosperity, and contentment in their labors. Taxation measures should be framed to bear upon them most lightly. Government aid to increase the fertility of the soil, to diversify the crops, and increase the rewards of farm labor should go out to them continuously.

Develop agriculture, make it a profitable industry, and you have gone far to insure the preservation of the Nation, should our national life ever be threatened. A contented, patriotic, home-loving people will arise in their might to meet the Nation's need. Germany organized agriculture as perfectly as any other industry, and to-day she is feeding her people at home and her armies in the field, though hedged in by a ring of steel.

When I read statistics on the increase of farm tenancy and the decrease in rural population in the United States, I am alarmed as to the future of our country if this evil is not corrected. Yet I realize that people will not remain on the farm, if farm life is not made more profitable, more inviting, more productive of the comforts and social opportunities which towns and cities afford. I want to see the boys and girls return to the country, taking with them from the laboratory and the classroom of our best colleges the secrets of scientific agriculture and home economics to enrich and brighten their lives.

The people of the South, through an unwise economic policy, have too long depended upon a single crop. When that crop fails; when its price in the markets of the world drops below the cost of production, as it has in recent years, the cotton farmers are forced to do without even some of the essential things of life. When the purchasing power of a bale of cotton is cut from $30 to $5, hunger invades many homes. Even under normal conditions many farmers have a hard time in making buckle and tongue meet.

What is the remedy? Let the Government, as a matter of self-preservation, aid the tenant farmer to acquire a home, the farm owner to improve his farm and buy new and improved machinery for more scientific and profitable cultivation; continue the farm demonstration work; find profitable markets for diversified crops, and a vigorous, stalwart people will build up the waste places, increase national prosperity, and be ready to answer the Government's call in time of need.

A continuance of the evil of farm tenancy, of large landed estates in a few hands, with no ability on the part of the small farmer ever to acquire his own home, will accelerate the movement away from the farm, and the country as a whole will suffer. Our farmers will lose hope and courage and ambition. We will become a nation of boarders, with no local pride, no zeal for improvement, no spirit of patriotism. It is an amazing and an alarming situation that we face to-day and which this bill aims to remedy.

I direct the especial attention of this House to the farm-tenancy evil, because to my mind it is one of the vitally important elements in this situation. The man who now owns a successful, well-stocked, well-equipped farm, operated according to scientific principles, can now get credit anywhere in this country. It is the man who is struggling for a bare existence that I want to help get a start, and I see in this measure the possibility of extending that relief.

Most of the big ante bellum estates of the South have been broken up into small farms, but the tenantry system is still conspicuous in my section. Since 1880 the number of farms in the entire country operated by tenants have increased faster than the number operated by owners. During the 30 years from 1880 to 1910 the number of tenant farms increased 1,330,075, equal to 130 per cent, while the number of farms operated by owners increased 1,022,520, or 34 per cent.

This does not mean a return to the former system of large estates under one owner, but it does mean a decrease in ownership by men who live on and operate the farm. The names of owners of nearly 2,000,000 tenant farms were ascertained at the last Federal census, and developed the fact that more than a million owners of rented farms owned only one such farm, and 142,886 owners held two rented farms. In the South many tenants are negroes; but there are by far more white tenants than I would like to see, and it is the worthy white tenant of character I am anxious to help. Even the negro should be encouraged, for until conditions readjust we are dependent upon the negro for our labor to a great extent. The white tenant farmer will feel an excess of pride and patriotism when he becomes the owner of his own place, where he can raise his family under his own vine and fig tree, for "where a man's treasure is there is his heart also."

One-half of the total number of farms in the South in 1910, or 49.6 per cent, were operated by tenants. The size of these farms was small, constituting only 28 per cent of the total farm land. In the four States of Georgia, Alabama, Mississippi, and South Carolina more than three-fifths of the farm operators were tenants.

In my own State there were in 1910, 190,980 tenant farms, valued at $268,924,191, while the total value of all farm property in the State was $580,546,381.

I do not hope to see in any short time these valuable farms now operated by tenants taken over and operated by farm-home owners, but I believe the bill we are now considering will encourage that desirable movement.

The State of Georgia ranks fifth in the value of its farm products, being exceeded only by Illinois, Iowa, Texas, and Ohio. She ranks Missouri, Kansas, New York, and Indiana. Thus it will be admitted that Georgia is not a backward State in the development of agriculture. The evil of farm tenancy is no greater there than in other States of the South, but I am especially interested in Georgia, and I want to see a rural-credits bill passed that will help us to wipe out this evil. In 1880 only one farm in every four, or 25 per cent, were tenant farms in this country. In 1890 the tenants numbered 30 per cent, and in 1900 they had increased to 35 per cent. At the time of the last census (1910) 37 per cent of the Nation's farmers were tenants. The thoughtful man must recognize the menace in that situation. It does not make for permanent residence. Enable good white people to buy farm homes and cultivate them and we have settled many of our most perplexing social problems. Overcrowding in the slums of our great cities means deterioration of man's mental and physical as well as moral nature. The free, open country pays the best premiums in health and vitality. It is to our interest to enable the farmer to keep his children around him and raise them in the pure, undefiled air of the country, away from the temptations and contaminations of city life, its pleasures, its demoralizing influences, its tendencies to idleness and dissipation. It will do much to build a better citizenship and a stronger Republic.

If we can enable formers to secure money at low interest rates for the purpose of acquiring a farmhouse and stocking it, we have encouraged not only the country boy to stay at home but the city man as well to move to the farm. Loans at a rate of not over 5 or 6 per cent on the principal, which not only covers the annual interest payments but satisfies the principal of the debt as well, should arouse the ambition of many persons who now see no hope of becoming home owners, to aspire to the dignity and honor and prestige that attaches to such ownership. It is admittedly a very important part of the National Government's work to encourage the building up of the open country, and promote the interests of agriculture.

Heretofore the farmer, with the only security which the world absolutely needs and can not possibly do without, has had to pay the highest interest rates for short-time loans. Credit under such circumstances, instead of being a blessing has been a curse; and it has pressed down the borrower; put him in debt to the money lenders; forced many farmers to pledge next year's crop to pay for last year's supplies; and generally worked in an unsatisfactory and demoralizing way.

The official figures gathered by the Bureau of the Census in 1910 show that we had a larger number of persons engaged in agriculture in the United States than any country in the world, except Russia, having 10,582,039 persons so engaged, while Russia had 14,000,000. There were 6,361,502 farms in the United States, comprising 1,903,289,600 acres. Of the total farm area, 478,451,750 were in improved lands and 400,346,575 in unimproved lands. The valuation placed upon this farm property was $40,991,449,090, of which the land represented a value of $28,475,674,169; the farm buildings, $6,325,451,528; implements and machinery, $1,265,149,783; and domestic animals, poultry, and so forth, $4,925,173,610. The average value per acre of farm land was $32.40 for the entire country.

In value of annual production agriculture takes the lead in the Nation's industries. Last year our farm crops were valued at over $10,000,000,000, while the entire value of our manufactured products was $20,000,000,000, for which $12,000,000,000 of raw material was used, leaving only $8,000,000,000 for the value added by manufacture.

A rural-credits measure is a desirable adjunct of the Federal Reserve System, which we have provided under a Democratic Congress and under the administration of President Wilson to

relieve the country from the dangers and burdens which had resulted from an outworn currency system. That act has been, to my mind, the outstanding accomplishment of this administration, and takes our finances out of the control of the money sharks and Wall Street.

The measure we are now considering is intended to mobilize the credit of the Nation's farmers to permit them to obtain money on long time for farm needs at low rates of interest. The average rate paid to-day is 7½ per cent. That means many farmers are paying much higher rates, often 10 or 12 per cent, to which can be added commissions and attorneys' fees.

Under the Federal reserve act we authorized national banks to make loans on farm mortgages for not exceeding five years, but the banks have shown an unwillingness to tie up their funds for so long a term. They fear being embarrassed at a time when it is imperative that they should be able quickly to convert their assets into cash to meet the demands of depositors. The farmers were helped under that act to the extent that agricultural paper having not longer than six months to run might be available for rediscount and encouraging its acceptance by the banks. This provision has been of great value and helped the farmer's personal credit.

The pending bill will not satisfy all interests. The Federal reserve act itself while on its passage was the target for unmeasured abuse. This measure has also been criticized. Those who expect direct loans from the Federal Treasury through the local postmaster will not be satisfied. On the other hand, those now engaged in the business of making loans on farm property will resent the Government going into the land-mortgage business. Bankers who now profit from loans at high rates of interest to farmers will not be enthusiastic over this legislation, which is aimed to help the farmer.

Despite all these opposing ideas and conflicting opinions we are now engaged in an effort to redeem our platform pledges and give to the Nation's farmers, under proper safeguards, the fullest measure of relief we can afford, through an organization chartered by the Government and supervised by national agencies.

I am strongly in favor of such a purpose. While no man can tell with certainty how the plan we adopt will work out, we can only base our action upon the vast fund of information gathered on the subject by our official commissions which studied the subject in its operation in every country of Europe, and by the joint committee of Congress which conducted exhaustive hearings and inquiries. Acting on the report of this committee and all the data we have been able to get, and inspired with a burning desire to do something of benefit for the farmers of the whole country, and particularly for the farmers of the South, we must frame and pass the best law we can. Rural-credits legislation will be of proportionately greater benefit to the South than to any other great section of this country. The men we hope to benefit have not enjoyed any excessive amount of Government favors. I do not want them to be disappointed now. I want to give them something helpful. While this bill may not be all that the farmers of the country expect in such legislation, yet it is a decided step in the right direction and can be improved from time to time.

While the tenant farmer and the small farmer who now lack credit facilities challenge our special attention, the successful farmer constantly needs new capital to expand, buy more stock, new machinery, install waterworks, erect barns and farm buildings. This credit he can obtain under this bill at low rates of interest not now obtainable, although I would like to see the interest rate made still lower.

It is urged against this bill that a borrower is required to become a stockholder in the local farm-loan association to the extent of 5 per cent of his loan. Taken in connection with this, it must be recalled that the annual rate of interest, which is lower than he can now get, will entirely satisfy both principal and interest, and in a series of years wipe out the debt. He is not in danger of foreclosure, or subjected to excessive charges for renewals every three or five years.

The system to be established must be economically sound or it will be unworkable; it must be as sound as the Federal Reserve Bank System; yet we must build from the bottom. In the former case we had a strong group of national banks in every State for a foundation. We required them to take stock in the Federal Reserve Bank System or forfeit their charters. If the land-bank system is not sound, the bonds will have no standing in the market and there will be no capital to make loans. I do not believe the farmers of my section would ask so foolish a thing as that the Federal Treasury should give every farmer money on an appraisal to be made by postmasters in every town of the United States. He simply asks the same credit facilities that are enjoyed by men engaged in other lines of industry.

We propose here to bring together the credit resources of farmers in every part of the country in local associations, to be consolidated in 12 Federal farm-loan banks. The same plan is provided for securing capital to loan that railroads and manufacturers now resort to. The small savings of the clerk and school-teacher, trust funds, life-insurance funds, endowment funds, may all be safely invested in these long-term bonds if the Government provides for making them absolutely safe.

Unless the bonds to be issued are of a character to attract these investors, our whole system will break down. The first requisite is security. This implies the application of sound business principles to the multitude of details involved in examining the titles to property offered by borrowers, looking after legal and financial incidents, effective examination and supervision of the various banks and associations. With these details looked after by trained Government employees, the bonds should be safer than savings-bank deposits and yield a higher return.

It is provided that the Government shall make up in the beginning any deficiency in the stock subscriptions to the 12 Federal land banks, each of which is to have a capital of not less than $500,000, and will also deposit $500,000 in each bank.

Each member will be interested in the success of the local farm-loan association, since he has at stake double his original stock subscription of 5 per cent in a limited-liability corporation, or may be liable for all the debts of the association if the charter so provides. He will be an active participant in the affairs of the association to see that only good loans are made.

It is provided that no loan shall exceed 50 per cent of the appraised value of the land mortgaged, and shall not be for an amount exceeding $10,000. The borrower must cultivate the land he mortgages, and must use the money for productive purposes, purchasing new land or equipment, or paying off existing indebtedness.

Farmers in many parts of the country are now paying exorbitant rates of interest and not reducing the principal of the loan thereby. Under this plan it is expected that an interest rate of 5½ or 6 per cent will satisfy both principal and interest. This provision means as much to the farmer as a low interest rate. It has been estimated that the total farm-mortgage indebtedness of this Nation is $4,000,000,000. If that is correct, the annual interest rate of 7½ per cent, which is for the use of the money, and serves no purpose in extinguishing the debt, taxes the farmers $300,000,000.

It is estimated that if this enormous indebtedness could be refunded under the provisions of this bill, the total debt would be extinguished at a 5 per cent annual interest rate, under the amortization plan, in 22 years and 6 months.

No man can truly know the needs of the farmer unless he has lived on a farm. With many other Members of Congress, I speak from actual experience, for it was my good fortune to have been reared on a farm, and to that work I devoted much of my earlier life. It is but natural that I should be in thorough accord and hearty sympathy with any and all legislation that will tend to aid the toiling masses, who by the "sweat of their brow" are enriching the country, and to whom all the world must look for food and clothing. It is the farmers who produce the wealth of the world, and yet they receive but little more than a scant living. The product of their honest toil is taken in charge by the manufacturer, who, under a protective system, fostered and built up by Republican administrations, makes enormous profits out of the manufactured article. This evil, we hope, has been corrected through the amendments we have enacted to the tariff laws, and it is to be hoped that through the laws which we have already enacted, and are now enacting, the farmer will come into his own and realize larger returns for his labor, both in prosperity and general happiness.

This is not class legislation, as some of our city friends have charged, but it is legislation for the benefit of the whole country, and I hope it will pass without a dissenting voice, that the farmers may receive as soon as possible the benefits coming to them as a result of this legislation. [Applause.]

Mr. OLDFIELD. Mr. Chairman, the people of my district are vitally interested in rural-credits legislation. I shall gladly support this bill. While this is a splendid bill, yet it is not perfect. However, it is a long stride in the right direction and will be of great help to the American farmer. After the law is put in operation we can and will correct any defects that may become apparent. It has been charged by some on this floor that this legislation is for the benefit of a class of our citizens, to wit, the farmers. Mr. Chairman, this is true, and it will be of incalculable benefit to the farmers; yet this legislation does not injure any other class of our citizens, but, on the contrary, will help all our citizens, for when our farmers are prosperous our country is prosperous.

Mr. Chairman, I want to congratulate the Banking and Currency Committee of this House on presenting this bill, and also want to congratulate our party for carrying out another pledge made in the Baltimore platform. On the question of rural-credits legislation our platform says:

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore we recommend that an investigation of agricultural-credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real estate security.

We recognize the value of vocational education and urge Federal appropriations for such training and extension teaching in agriculture in cooperation with the several States.

The latter part of this plank in our platform was complied with when we placed on the statute books the Federal reserve act and the Smith-Lever Act.

The committee has kept faith with the people, and we will pass this bill and it will become a law within the next few days, substantially as it passes this House.

Under this bill there will be 12 regional banks, with a capital of $750,000 each, or $9,000,000 in all, and the Government, if necessary, will subscribe for the entire issue of stock. Also the farm-loan bonds are exempt from Federal, State, and local taxation, which will be an attractive feature of these bonds and a great help to the farmers of the country.

After this system is started, and after it shall become well established, it will not need the funds of the National Treasury, because there can be no better security than improved farm land in this country. However, the system should have enough Federal aid to firmly establish it. Farm-loan bonds in Germany sell just as readily and for just as good a price as do Imperial German bonds, and I predict that within a few years farm-loan bonds under this system will be just as attractive as United States Government bonds. Think what this will mean to the American farmer. The United States Government can borrow all the money she wants at rates of from 2 to 3 per cent, while the farmers of this country have been paying and are now paying all the way from 7 to 10 and even 12 per cent.

No business can succeed and pay from 8 to 12 per cent for the money invested necessary to run the business. The bankers, merchants, and manufacturers could not succeed if they had to pay such a rate of interest. The bankers, merchants, and manufacturers do not have to pay such exorbitant rates of interest. They are able to get what money they need at all the way from 3 to 6 per cent. The farmer is just as much a business man as those other classes of our citizens, and he is coming into his own.

The people of my district and State are more vitally interested in this legislation than any now pending in Congress. It is indeed important to them. Farmers of the South and Southwest need cheap money to develop our great country, and they will be able to get it under this bill if it works as we hope and believe it will.

What the farmers of my part of the country need is money on long time at low rates of interest, in order to pay for and improve their farms. I believe this bill will give them that relief.

Under this bill a farmer can borrow 60 per cent of the value of his land and 20 per cent of the appraised value of his permanent insured improvements at a rate of not more than 6 per cent and for a length of time not less than 5 years nor more than 36 years. I am satisfied that after the system has been in operation for a few years our farmers can get money for a good deal less than 6 per cent.

Mr. Chairman, what we need in this country is more home owners and fewer tenants, and I believe this bill will reduce the number of tenant farmers and increase the number of farm owners.

Hence I repeat that I take great pleasure in supporting this bill.

Mr. Chairman, the Shackleford good-roads bill has passed the House and the Bankhead good-roads bill has passed the Senate. We from the South are hoping that the conference committee will work out a splendid good-roads bill. Give the South a good rural-credits law and a good good-roads law, and we will prosper as never before.

Mr. Chairman, since the present administration came into power we have been busy carrying out our platform pledges. Under the leadership of Woodrow Wilson, we have sought to lighten the burdens of the toiling masses, and this legislation in behalf of the farmers, whose interests have been neglected so long by the Congress of the United States, will make our country blossom as the rose. [Applause.]

Mr. MANN. Mr. Chairman, I move to amend, on page 130, line 24, by striking out the word "five" and inserting the word "fifteen."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 130, line 24, strike out the word "five" and insert the word "fifteen."

Mr. GLASS. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. GLASS. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The Clerk read as follows:

LIMITATION OF COURT DECISIONS.

SEC. 30. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Mr. SIMS. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Tennessee desire to be recognized?

Mr. SIMS. Not until the last section is read.

The CHAIRMAN. Section 31 has not been read.

The Clerk read as follows:

REPEALING CLAUSE.

SEC. 31. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved.

Mr. SIMS. Mr. Chairman, I move to amend section 31, line 8, by striking out all of that line after the word "repealed" and the four words beginning with line 9. The words to be stricken out are "and this act shall take effect upon its passage."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 133, line 8, after the word "repealed," strike out the words "and this act shall take effect upon its passage."

The question was taken, and the amendment was rejected.

Mr. GLASS. Mr. Chairman, I move that the committee do now rise.

Mr. MANN. I understand the gentleman wants to recommend an amendment to the title.

Mr. SHOUSE. Mr. Chairman, I was informed the amendment to the title could not come until after the passage of the bill.

Mr. MANN. It can be amended in the committee.

Mr. SHOUSE. Mr. Chairman, I move, in line 5 of the title, that the words "Government depositories and" be inserted before the word "financial."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the title in line 5, after the word "create," by inserting the words "Government depositories and."

The question was taken, and the amendment was agreed to.

Mr. GLASS. Mr. Chairman, I move that the committee do now rise and report the bill with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2986, and had directed him to report it back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass, and also that the title be amended.

Mr. GLASS. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. This is an amendment to a Senate bill. Is it in order to ask for a reading of the engrossed copy of the amendment before we vote upon it?

The SPEAKER. The Chair never heard of any such thing as that being done, although he does not pass on it. If the gentleman desires to be heard, the Chair will hear him.

Mr. MANN. Well, it ought to be in order as to this bill, anyhow. There have been a good many amendments adopted. The Committee of the Whole House on the state of the Union has recommended a substitute bill entirely. A good many amendments were adopted in the Committee of the Whole House on the state of the Union. They may be correct at the Clerk's desk, and probably are; still errors frequently occur. The same reason that applies in having a bill actually engrossed and reading the engrossed copy would apply in reading the engrossed copy of this bill, or, in other words, to have it engrossed before it

is finally acted upon. I care nothing about having the bill actually engrossed, as far as that is concerned, but I think we ought, if possible, to avoid any chances of errors in the engrossment.

The SPEAKER. The Chair thinks it would be setting a bad precedent without taking the time to investigate. It might be that on investigation the Chair would be of different opinion.

The question is on agreeing to the amendment.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. NORTON. Mr. Speaker, I ask for the yeas and nays. I make the point of order there is no quorum present.

The SPEAKER. The gentleman from North Dakota makes the point of order there is no quorum present. The Chair will count.

Mr. NORTON. Mr. Speaker, I withdraw the point.

The SPEAKER. The gentleman withdraws the point of order.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read the third time, and was read the third time.

Mr. MADDEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MADDEN. Does this bill provide for the investment of postal savings bank deposits? I do not believe it does, so I should think the title would not be correct.

The SPEAKER. We are going to amend the title in a minute, although the Chair does not know in what respect——

Mr. MADDEN. I do not believe the amendment suggested——

The SPEAKER. That is not for the Chair to pass on, anyhow. The question is on the passage of the bill.

Mr. GLASS. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Virginia demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 295, nays 10, answered "present" 3, not voting 125, as follows:

YEAS—295.

| | | | |
|---|---|---|---|
| Abercrombie | Davis, Minn. | Henry | Moon |
| Adair | Davis, Tex. | Hensley | Morgan, La. |
| Adamson | Decker | Hernandez | Morgan, Okla. |
| Aiken | Dempsey | Hicks | Morrison |
| Alexander | Denison | Hilliard | Moss, Ind. |
| Allen | Dent | Holland | Mudd |
| Almon | Dickinson | Hood | Murray |
| Anderson | Dies | Houston | Nicholls, S. C. |
| Ashbrook | Dill | Howard | Nichols, Mich. |
| Aswell | Dillon | Howell | Norton |
| Austin | Dixon | Hughes | Oldfield |
| Ayres | Doolittle | Hull, Iowa | Oliver |
| Bacharach | Doughton | Hull, Tenn. | O'Shaunessy |
| Barkley | Dowell | Humphreys, Miss. | Overmyer |
| Barnhart | Drukker | Husted | Padgett |
| Beakes | Dupré | Igoe | Page, N. C. |
| Bell | Eagle | Jacoway | Paige, Mass. |
| Black | Edwards | James | Park |
| Blackmon | Ellsworth | Johnson, Ky. | Phelan |
| Booher | Elston | Johnson, Wash. | Platt |
| Borland | Esch | Kearns | Pou |
| Britt | Estopinal | Keating | Powers |
| Britten | Evans | Kelley | Price |
| Browne | Farley | Kennedy, Iowa | Quin |
| Bruckner | Ferris | Kettner | Ragsdale |
| Brumbaugh | Fess | Key, Ohio | Raker |
| Buchanan, Ill. | Fields | Kincheloe | Ramseyer |
| Buchanan, Tex. | Finley | King | Randall |
| Burgess | Flood | Kinkaid | Rauch |
| Burke | Fordney | Kitchin | Rayburn |
| Burnett | Foss | Konop | Reavis |
| Byrnes, S. C. | Foster | Kreider | Reilly |
| Byrns, Tenn. | Gallagher | La Follette | Ricketts |
| Caldwell | Gallivan | Lazaro | Roberts, Nev. |
| Callaway | Gandy | Lee | Rodenberg |
| Campbell | Gard | Lenroot | Rogers |
| Candler, Miss. | Garner | Lever | Rouse |
| Cannon | Garrett | Lewis | Rubey |
| Cantrill | Glass | Lieb | Rucker |
| Capstick | Glynn | Littlepage | Russell, Mo. |
| Caraway | Godwin, N. C. | Lloyd | Russell, Ohio |
| Carlin | Good | Lobeck | Sabath |
| Carter, Okla. | Goodwin, Ark. | London | Saunders |
| Cary | Gordon | Longworth | Schall |
| Charles | Gray, Ala. | Loud | Scott, Mich. |
| Church | Gray, Ind. | McAndrews | Sells |
| Cline | Green, Iowa | McArthur | Shackleford |
| Coady | Gregg | McClintic | Shallenberger |
| Collier | Guernsey | McCracken | Sherley |
| Connelly | Hadley | McDermott | Sherwood |
| Cooper, W. Va. | Hamilton, Mich. | McFadden | Shouse |
| Cooper, Ohio | Hamlin | McGillicuddy | Sims |
| Cooper, Wis. | Hardy | McKenzie | Sinnott |
| Cox | Harrison | McKinley | Sisson |
| Cramton | Hastings | McLemore | Slayden |
| Crisp | Haugen | Mann | Slemp |
| Crosser | Hawley | Mapes | Sloan |
| Cullop | Hayden | Matthews | Smith, Idaho |
| Curry | Heflin | Mays | Smith, Mich. |
| Dallinger | Helgesen | Meeker | Smith, Minn. |
| Danforth | Helm | Miller, Pa. | Smith, Tex. |
| Davenport | Helvering | Montague | Snell |
| Snyder | Sulloway | Timberlake | Wheeler |
| Stafford | Sumners | Towner | Williams, T. S. |
| Steagall | Sutherland | Tribble | Williams, W. E. |
| Stedman | Sweet | Van Dyke | Williams, Ohio |
| Steele, Iowa | Switzer | Venable | Wilson, Ill. |
| Stephens, Cal. | Taggart | Vinson | Wilson, La. |
| Stephens, Miss. | Tague | Volstead | Wingo |
| Stephens, Nebr. | Tavenner | Walker | Wise |
| Stephens, Tex. | Taylor, Ark. | Wason | Wood, Ind. |
| Sterling | Taylor, Colo. | Watson, Va. | Woods, Iowa |
| Stone | Thomas | Webb | Young, Tex. |
| Stout | Thompson | Whaley | |

NAYS—10.

| | | | |
|---|---|---|---|
| Browning | Freeman | Kennedy, R. I. | Walsh |
| Dale, Vt. | Gardner | Madden | |
| Dunn | Gillett | Oakey | |

ANSWERED "PRESENT"—3.

| | | |
|---|---|---|
| Greene, Vt. | Siegel | Talbott |

NOT VOTING—125.

| | | | |
|---|---|---|---|
| Anthony | Frear | Lehlbach | Pratt |
| Bailey | Fuller | Lesher | Rainey |
| Barchfeld | Garland | Liebel | Riordan |
| Beales | Gould | Lindbergh | Roberts, Mass. |
| Bennet | Graham | Linthicum | Rowe |
| Butler | Gray, N. J. | Loft | Rowland |
| Carew | Greene, Mass. | McCulloch | Sanford |
| Carter, Mass. | Griest | McKellar | Scott, Pa. |
| Casey | Griffin | McLaughlin | Scully |
| Chandler, N. Y. | Hamill | Magee | Sears |
| Chiperfield | Hamilton, N. Y. | Maher | Small |
| Clark, Fla. | Hart | Martin | Smith, N. Y. |
| Coleman | Haskell | Miller, Del. | Sparkman |
| Conry | Hay | Miller, Minn. | Steele, Pa. |
| Copley | Hayes | Mondell | Steenerson |
| Costello | Heaton | Mooney | Stiness |
| Crago | Hill | Moore, Pa. | Swift |
| Dale, N. Y. | Hinds | Moores, Ind. | Temple |
| Darrow | Hollingsworth | Morin | Tillman |
| Dewalt | Hopwood | Moss, W. Va. | Tilson |
| Dooling | Huddleston | Mott | Tinkham |
| Doremus | Hulbert | Neely | Treadway |
| Driscoll | Humphrey, Wash. | Nelson | Vare |
| Dyer | Hutchinson | Nolan | Ward |
| Eagan | Johnson, S. Dak. | North | Watkins |
| Edmonds | Jones | Oglesby | Watson, Pa. |
| Emerson | Kahn | Olney | Wilson, Fla. |
| Fairchild | Keister | Parker, N. J. | Winslow |
| Farr | Kent | Parker, N. Y. | Young, N. Dak. |
| Fitzgerald | Kiess, Pa. | Patten | |
| Flynn | Lafean | Peters | |
| Focht | Langley | Porter | |

So the bill was passed.

The Clerk announced the following pairs:

For the vote:

Mr. NEELY (for rural-credits bill) with Mr. ROWLAND (against).

Mr. HUDDLESTON (in favor) with Mr. WATSON of Pennsylvania (against).

Mr. FLYNN (in favor) with Mr. MAGEE (against).

Mr. MCKELLAR (in favor) with Mr. GREENE of Vermont (against).

Mr. FAIRCHILD (in favor) with Mr. MOORE of Pennsylvania (against).

Mr. PETERS (in favor) with Mr. SIEGEL (against).

Mr. HAYES (in favor) with Mr. ROWE (against).

Mr. TREADWAY (in favor) with Mr. CRAGO (against).

Mr. MCCULLOCH (in favor) with Mr. HEATON (against).

Mr. SEARS (in favor) with Mr. PARKER of New Jersey (against).

Mr. WILSON of Florida (in favor) with Mr. GREENE of Massachusetts (against).

Mr. WARD (in favor) with Mr. CHIPERFIELD (against).

Mr. JOHNSON of South Dakota (in favor) with Mr. GRAHAM (against).

Mr. LINTHICUM with Mr. BENNET.

Mr. JONES (in favor) with Mr. SWIFT (against).

Mr. LESHER with Mr. HUTCHINSON.

Until Wednesday:

Mr. BAILEY with Mr. GARLAND.

Mr. TALBOTT with Mr. BUTLER.

Until May 15:

Mr. MORRISON with Mr. HUMPHREY of Washington.

Until May 22:

Mr. TILLMAN with Mr. MILLER of Pennsylvania.

From May 8 until further notice:

Mr. CLARK of Florida with Mr. FULLER.

Until further notice:

Mr. SCULLY with Mr. HUSTED.

Mr. RAINEY with Mr. HILL.

Mr. SPARKMAN with Mr. BARCHFELD.

Mr. WATKINS with Mr. HAMILTON of New York.

Mr. FITZGERALD with Mr. WINSLOW.

Mr. CAREW with Mr. DARROW.

Mr. HART with Mr. GRIEST.

Mr. DOREMUS with Mr. COLEMAN.

Mr. STEELE of Pennsylvania with Mr. ROBERTS of Massachusetts.

Mr. OLNEY with Mr. MCLAUGHLIN.
Mr. MAHER with Mr. HOPWOOD.
Mr. CASEY with Mr. EDMONDS.
Mr. HAY with Mr. GOULD.
Mr. GRIFFIN with Mr. FOCHT.
Mr. OGLESBY with Mr. HINDS.
Mr. HULBERT with Mr. MILLER of Minnesota.
Mr. SMALL with Mr. KAHN.
Mr. EAGAN with Mr. CARTER of Massachusetts.
Mr. HAMILL with Mr. EMERSON.
Mr. DRISCOLL with Mr. COPLEY.
Mr. SMITH of New York with Mr. HOLLINGSWORTH.
Mr. DALE of New York with Mr. HASKELL.
Mr. DOOLING with Mr. MOTT.
Mr. RIORDAN with Mr. SANFORD.
Mr. LOFT with Mr. STINESS.
Mr. PATTEN with Mr. TILSON.
Mr. DEWALT with Mr. TINKHAM.
Mr. CONRY with Mr. MILLER of Delaware.
Mr. LIEBEL with Mr. PARKER of New York.
Mr. STEELE of Pennsylvania with Mr. ROBERTS of Massachusetts.

Mr. MORRISON. Mr. Speaker, I have a general pair with the gentleman from Washington [Mr. HUMPHREY], and on that account I answered "Present." Mr. HUMPHREY has been called away on account of illness, but he has just informed me if present that he would vote "yea." I therefore desire to have my name called.

The name of Mr. MORRISON was called, and he voted "Yea."

Mr. MILLER of Pennsylvania. Mr. Speaker, I am paired with the gentleman from Arkansas [Mr. TILLMAN]. He informed me that if he were present he would vote "yea." He is not present, and therefore I wish to vote "yea."

The name of Mr. MILLER of Pennsylvania was called, and he voted "Yea."

The result of the vote was announced as above recorded.

On motion of Mr. GLASS, a motion to reconsider the vote by which the bill was passed was laid on the table.

The title to the bill was amended to read as follows: "An act to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositories and financial agents for the United States, and for other purposes."

CONTESTED ELECTION—BROWN V. HICKS.

The SPEAKER. The Chair lays before the House the following letter from the Clerk of the House of Representatives, which the Clerk will report.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
*Washington, D. C., May 8, 1916.*

SIR: I have the honor to lay before the House of Representatives the contest for a seat in the House of Representatives for the Sixty-fourth Congress of the United States for the first district, State of New York, Lathrop Brown *v.* Frederick C. Hicks, notice of which has been filed in the office of the Clerk of the House, and also transmit herewith original testimony, papers, and documents relating thereto.

The Clerk has opened and printed the testimony in the above case. In compliance with the act approved March 2, 1897, entitled "An act relating to contested-election cases," such portions of the testimony in the above case as the parties in interest agreed upon or as seemed proper to the Clerk, after giving the requisite notices, have been printed and indexed, together with the notices of contest, and the answer thereto, and such portions of the testimony as were not printed with the original papers have been sealed up and are ready to be laid before the Committee on Elections.

Two copies of the printed testimony in the aforesaid case have been mailed the contestant and the same number to the contestee. The law in reference to the briefs of both the contestant and the contestee has been complied with as far as possible upon receipt by the Clerk of said briefs.

So far as the briefs have been furnished to the Clerk, they are ready to be laid before the Committee on Elections upon the order of the House, together with a tabulated statement, which has been prepared by the Clerk, showing the number of pages of testimony and the present status of said contested-election case, and all the papers in connection therewith.

Yours, respectfully, SOUTH TRIMBLE,
*Clerk of the House.*

Hon. CHAMP CLARK, *Speaker.*

The SPEAKER. The case is referred to the Committee on Elections No. 3.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 10385. An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917.

LEAVE OF ABSENCE.

Mr. TILLMAN, by unanimous consent, was granted leave of absence for one week, on account of important business.

HOUR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 16, 1916, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination for a canal from Silver Springs to Ocala, Fla. (H. Doc. No. 1130); to the Committee on Rivers and Harbors, and ordered to be printed.

2. A letter from the Secretary of War, transmitting with a letter from the Chief of Engineers, reports on reexamination of James River, Va. (H. Doc. No. 1131); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

3. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Commerce, submitting an additional estimate of appropriation for extraordinary repairs and alterations to the Coast and Geodetic Survey vessels *Bache, Hydrographer*, and *Isis*, to be immediately available and remain available until expended (H. Doc. No. 1132); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Commerce, submitting an additional estimate of appropriation, under the head of "General expenses, Coast and Geodetic Survey" (H. Doc. No. 1133); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. MILLER of Delaware, from the Committee on Claims, to which was referred the bill (H. R. 6518) for the relief of Charles Akerlund, reported the same with amendment, accompanied by a report (No. 693), which said bill and report were referred to the Private Calendar.

Mr. HAYDEN, from the Committee on Indian Affairs, to which was referred the bill (H. R. 13072) for the relief of William E. Johnson, reported the same without amendment, accompanied by a report (No. 694), which said bill and report were referred to the Private Calendar.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 15680) to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, trust companies, savings banks, building and loan associations, licensed pawnbrokers, and real estate brokers in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KAHN: A bill (H. R. 15681) to amend an act entitled "An act to parole United States prisoners, and for other purposes," approved June 10, 1910, as amended by an act approved January 23, 1913; to the Committee on the Judiciary.

By Mr. HARRISON: A bill (H. R. 15682) granting the consent of Congress to Jackson County, Miss., to construct a bridge across West Pascagoula River at or near Pascagoula, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYDEN: A bill (H. R. 15683) for the purchase of a site for a public building at Kingman, Mohave County, Ariz.; to the Committee on Public Buildings and Grounds.

By Mr. WILSON of Louisiana: A bill (H. R. 15684) making appropriation for the enlargement and improvement of the post-office building at Monroe, La.; to the Committee on Public Buildings and Grounds.

By Mr. SHACKLEFORD: Resolution (H. Res. 237) providing for the consideration of H. R. 7617; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 15685) granting an increase of pension to Mary A. Nichols; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 15686) granting a pension to Mrs. James Purcell; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 15687) granting an increase of pension to Thomas Hingson; to the Committee on Invalid Pensions.

By Mr. CHURCH: A bill (H. R. 15688) granting an increase of pension to Elijah J. Freeman; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 15689) granting an increase of pension to Robert R. C. Grantham; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 15690) granting a pension to Xaver Zachringer, alias John Ruh; to the Committee on Invalid Pensions.

By Mr. EAGAN: A bill (H. R. 15691) granting an increase of pension to Mary E. Austin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15692) granting an increase of pension to Sarah A. Hull; to the Committee on Invalid Pensions.

By Mr. GOOD: A bill (H. R. 15693) granting an increase of pension to Thomas Larkin; to the Committee on Invalid Pensions.

By Mr. HUSTED: A bill (H. R. 15694) granting an increase of pension to Mary Ann Dorfner; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 15695) granting an increase of pension to Robert W. Glasgow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15696) for the relief of John P. Purdon; to the Committee on Military Affairs.

By Mr. LEE: A bill (H. R. 15697) granting a pension to Mariah Lowesa Cobb; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 15698) granting a pension to Walter Sewell; to the Committee on Pensions.

By Mr. MATTHEWS: A bill (H. R. 15699) granting a pension to Sarah A. Christy; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 15700) granting an increase of pension to Mary V. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15701) for the relief of Dr. Charles Lee Baker; to the Committee on Military Affairs.

By Mr. PADGETT: A bill (H. R. 15702) granting an increase of pension to David Gilbert; to the Committee on Invalid Pensions.

By Mr. PRICE: A bill (H. R. 15703) for the relief of Charles Chaille-Long; to the Committee on Claims.

By Mr. SIEGEL: A bill (H. R. 15704) granting a pension to Ida Cohen; to the Committee on Pensions.

By Mr. SMITH of Minnesota: A bill (H. R. 15705) granting a pension to Elizabeth S. Bourne; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15706) granting an increase of pension to Anna M. Harley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15707) granting an increase of pension to William G. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15708) for the relief of Sim Milttlie; to the Committee on Claims.

By Mr. SUMNERS: A bill (H. R. 15709) for the relief of the estate of Henry Merseburger, deceased; to the Committee on Claims.

By Mr. WINGO: A bill (H. R. 15710) granting a pension to Della V. Kelcy; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of City Hospital Alumni Society, opposing the Works resolution; to the Committee on the Judiciary.

By Mr. ASHBROOK: Evidence to accompany House bill 13490, for the relief of Henry Stover; to the Committee on Invalid Pensions.

By Mr. BRUCKNER: Memorial of U. A. Plumbers' Local No. 498, of New York City, in re labor conditions in the Canal Zone; to the Committee on Labor.

Also, memorial of Republican county committee of New York, favoring House bill 6915; to the Committee on the Post Office and Post Roads.

By Mr. BRUMBAUGH: Petition of sundry citizens of Columbus, Ohio, relative to House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. CALDWELL: Petition of sundry citizens of Elmhurst, Long Island, N. Y., against United States in war with Germany; to the Committee on Foreign Affairs.

By Mr. CANNON: Petition of sundry citizens of Vermilion Grove, Ill., against increase in the Army; to the Committee on Military Affairs.

Also (by request), petition of sundry citizens of Kankakee, Ill., against the Taylor system in Government shops; to the Committee on Labor.

Also, petition of Young People's Society of Christian Endeavor of Presbyterian Church of Rossville, Ill., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of citizens of Onarga, Ill., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. CAREW: Petition of the Merchants' Association of New York, in opposition to a Government hydroelectric plant for the production of nitrates and fertilizers; to the Committee on Military Affairs.

By Mr. DALE of New York: Petitions of sundry citizens and organizations in the United States, favoring the reporting out of the Susan B. Anthony amendment from the Judiciary Committee; to the Committee on the Judiciary.

By Mr. DANFORTH: Petition of E. D. McKay and 55 others, of Lincoln Park and Rochester, N. Y., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. DOOLING: Petition of Southern Hardware Jobbers' Associations, in re flood control; to the Committee on Flood Control.

By Mr. DYER: Petition of Southern Hardware Jobbers' Association, favoring legislation for flood control; to the Committee on Rivers and Harbors.

Also, petition of Medical Society of City Hospital Alumni, St. Louis, Mo., relative to officers and employees of the Public Health Service of the Government; to the Committee on Interstate and Foreign Commerce.

By Mr. EAGAN: Petition of Southern Hardware Jobbers' Association, favoring legislation for flood control; to the Committee on Rivers and Harbors.

By Mr. FARR: Petitions of 200 residents of Carbondale, residents of Olyphant (Blakely), residents of Scranton, 100 people of Carbondale, and citizens of Scranton, all in the State of Pennsylvania, favoring the passage of the Webb-Smith national prohibition resolution; to the Committee on the Judiciary.

By Mr. FULLER: Petition of St. Paul's Lutheran Church, of Streator, Ill., against the United States in war with Germany; to the Committee on Foreign Affairs.

Also, petition of legislative committee of Hardscrabble Lodge, No. 650, International Association of Machinists, of Streator, Ill., against the Taylor system in Government shops; to the Committee on Labor.

Also, petition of board of education of the city of Chicago, Ill., favoring passage of the Smith-Hughes vocational education bill; to the Committee on Education.

By Mr. GALLIVAN: Petition of Southern Hardware Jobbers' Association, favoring legislation for the prevention of floods; to the Committee on Rivers and Harbors.

Also, memorial of Northeast Washington Citizens' Association, against location of the municipal hospital on reservation No. 13; to the Committee on the District of Columbia.

By Mr. HADLEY: Petition of sundry citizens of Port Angeles, Wash., against United States in war with Germany; to the Committee on Foreign Affairs.

By Mr. HUMPHREY of Washington: Petition of citizens of Seattle, Wash., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Port Blakeley, Colby, and Southworth, Wash., against the Sunday observance bill for the District of Columbia; to the Committee on the District of Columbia.

By Mr. IGOE: Petition of St. Francois County (Mo.) Farm Bureau, urging the passage of the proposed bill in Document 494, report of the joint committee on rural credits; to the Committee on Banking and Currency.

Also, petition by Senator Michael Kinney, of St. Louis, Mo., filed by him on behalf of the Missouri Association for the Relief and Control of Tuberculosis, against the passage of the bill introduced by Senator WORKS making it unlawful for any officer or employee of the Government Public Health Service to become a member or officer of, or in any way connected with, any medical or private health association or organization of any kind; to the Committee on the Judiciary.

Also, petition by J. E. W. Wallin, board of education, city of St. Louis, Mo., favoring the passage of a bill introduced by Senator Robinson for the establishment of a bureau for the study of the criminal, pauper, and defective classes; to the Committee on the Judiciary.

Also, petition of the Business Men's League of St. Louis, Mo., favoring the passage of a law providing for a permanent nonpartisan tariff commission; to the Committee on Ways and Means.

Also, petition by Edward Mallinckrodt, of St. Louis, Mo., protesting against the enactment of Senate joint resolution 120 introduced by Senator WORKS; to the Committee on the Judiciary.

Also, petition of the Engineers' Club of St. Louis, Mo., on behalf of the Associated Engineering Societies of that city comprising 800 members, favoring the passage of Senate bill 4874, which provides for an appropriation of $15,000 for each State for establishing and operating engineering experiment stations in connection with the land-grant colleges of the United States; to the Committee on Agriculture.

By Mr. JAMES: Petition of sundry citizens of Marquette, Mich., against the Taylor system in Government shops; to the Committee on Labor.

By Mr. JOHNSON of Washington: Petition of 23 citizens of Tacoma, Wash., favoring House bill 8665, against the Taylor system; to the Committee on Labor.

Also, petition of 21 citizens of Clarke County, Wash., against Sunday observance bill for the District of Columbia; to the Committee on the District of Columbia.

Also, petition of 56 citizens of Clarke County, Wash., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. McCRACKEN: Memorial of Challis Commercial Club, favoring bill to establish the Sawtooth national park; to the Committee on the Public Lands.

By Mr. McGILLICUDDY: Petitions of Sunday School and Christian Endeavor Society of the Baptist Church, Livermore, Me., and of certain citizens of said town, favoring national prohibition; to the Committee on Alcoholic Liquor Traffic.

By Mr. MAGEE: Petition of sundry citizens of Cortland, N. Y., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. OVERMYER: Petitions of 148 business men of the thirteenth Ohio district, favoring tax on mail-order houses; to the Committee on Ways and Means.

By Mr. RANDALL: Memorial of Chamber of Commerce of Los Angeles, Cal., favoring House bill 13767, for creation of a tariff commission; to the Committee on Ways and Means.

Also, petition of Charlotte Peake and 12 citizens of Monrovia and 155 citizens of Long Beach, Cal., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Michigan: Additional papers to accompany House bill 14897, for relief of Eliza Spears; to the Committee on Invalid Pensions.

By Mr. SMITH of Minnesota: Petition of L. J. Rutherford, secretary of the official board, Trinity Methodist Episcopal Church, Minneapolis, Minn., for Federal censorship of interstate motion pictures, prohibition of liquor shipments to Africa, etc.; to the Committee on the Judiciary.

By Mr. SNELL: Petition of A. Martin, Allie Mistaffa, E. T. Martin, Horton Rutherford, E. J. Brown, William M. Barr, J. R. Smith, G. M. Brown, John R. Brown, Robert Jalone, L. P. Wiggins, L. F. Rutherford, Jay Martin, C. C. Chambers, Will White, S. Smith, Rev. C. E. Hill, and Jery Putnam and others, of Lisbon, N. Y., protesting against the passage of the Fitzgerald and Siegel postal bills; to the Committee on the Post Office and Post Roads.

By Mr. STEPHENS of California: Petitions of C. C. Dickinson and 14 others and Roy P. Byron and 24 others, all of Los Angeles, Cal., favoring House bill 9162; to the Committee on Interstate and Foreign Commerce.

Also, petition of W. G. Paschall and 37 others, all of Los Angeles, Cal., favoring fixed-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Charles C. Watkins and 8 others, of Los Angeles, Cal., favoring Warren bill; to the Committee on Military Affairs.

Also, petition of Church of the People and Alice P. Ward and 17 others, all of Los Angeles, Cal, protesting against Chamberlain bill; to the Committee on Military Affairs.

Also, petition of Rosecrans Camp, Sons of Veterans, Los Angeles, Cal., favoring issuing arms to Sons of Veterans; to the Committee on Military Affairs.

Also, petitions of 44 citizens of Ontario, Cal., and 33 citizens of Chino, Cal., favoring free speech; to the Committee on the Post Office and Post Roads.

Also, resolutions of Los Angeles Chamber of Commerce, favoring a permanent tariff commission; to the Committee on Ways and Means.

Also, communication from San Joaquin Light & Power Co., Fresno, Cal., protesting stamp tax on checks; to the Committee on Ways and Means.

Also, petition of Mrs. Myrtle Hoffmeister and 30 others, protesting against war with Germany; to the Committee on Foreign Affairs.

Also, petition of Phil Lindner, John Herr, and St. Anthony's Benevolent Society, all of Los Angeles, Cal., favoring embargo on munitions of war; to the Committee on Foreign Affairs.

By Mr. STINESS: Papers to accompany House bill 15428, for relief of Angie O. Allen; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 15381, granting an increase of pension to Mary A. Dixon; to the Committee on Invalid Pensions.

Also, petition of 20 citizens of Rhode Island to discontinue and prevent the Taylor system and similar systems in Government workshops; to the Committee on Labor.

Also, petition of Elisha H. Rodes Camp, No. 11, Division of Rhode Island, Sons of Veterans, of Providence, R. I., approving the provisions of the Chamberlain military bill; to the Committee on Military Affairs.

Also, petition of Gilbert Johnson, jr., and Benjamin A. Armstrong, of Providence, R. I., favoring House bill 8828; to the Committee on Appropriations.

Also, petition of Rhode Island Branch of the Woman's Auxiliary to the Board of Missions, protesting against the passage of House bill 108; to the Committee on Indian Affairs.

Also, memorial of Bristol (R. I.) Improvement Association, urging the establishment of a naval base in Narragansett Bay, R. I.; to the Committee on Naval Affairs.

Also, petition of E. Elizabeth Trowbridge, of Peace Dale, R. I., favoring the bill for national aid to vocational education; to the Committee on Education.

By Mr. TAYLOR of Arkansas: Petition of W. H. Nichol and others, of McGehee, Ark., favoring Tavenner antistop-watch bill; to the Committee on Labor.

By Mr. TIMBERLAKE: Petition of citizens of Wray, Colo., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petitions of sundry citizens of the second congressional district of Colorado, against drawing this country into the European war; to the Committee on Foreign Affairs.

Also, memorial of citizens of Wellington, Colo., favoring London peace resolution; to the Committee on Foreign Affairs.

## SENATE.

### TUESDAY, *May 16, 1916.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we bless Thee that Thou hast broken the silence of the centuries and spoken unto us with infallible word. And Thou hast not only spoken once, but Thou dost continue to speak through the years with the ever-coming kingdom and the ever-unfolding revelation of the divine will. It is not left to us to assume a policy with reference to Thy laws. Thy kingdom ruleth over all. Thy law is inevitable, is eternal, is changeless. Enlighten us through Thy truth. Send us out into the solemn responsibilities of life under Thy guidance and inspiration. May we know God's will, and may we have it in our hearts to do Thy will. We ask for Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. SMITH of Michigan and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 759. An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof; and

H. R. 10385. An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT. The Chair lays before the Senate a telegram addressed to the President of the Senate which will be printed in the RECORD.

The telegram is as follows:

NEW YORK, N. Y., *May 16, 1916.*

PRESIDENT OF THE SENATE,
*Washington, D. C.:*

At a mass meeting held under the auspices of the International Brotherhood Welfare Association I am instructed to demand of Senate, House, and President an economic and peace commission to work for economic preparedness, not militarism, and for international solidarity and peace with Mexico and the world. Kindly place this before Senate.

G. H. STORK, *Chairman.*

Mr. SMITH of Michigan. Mr. President, the river and harbor bill now under consideration in the Senate has an item regarding the improvement of the Illinois River, which, in the opinion of many people in the State of Michigan and adjoining States, is seriously inimical to the navigation on the Lakes and the harbors thereof. I have a communication from Mr. Austin Farrell, the manager of the Cleveland-Cliffs Iron Co., of Marquette; a communication from the mayor of the city of Gladstone; and other memorials bearing upon this question, which, in my opinion, are of great interest to the people of the Lake States and should be thoroughly understood by the Senate. These memorials are not long, and I ask that they may be read for the information of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

MARQUETTE, MICH., *May 12, 1916.*

Hon. WILLIAM ALDEN SMITH,
*Senate Chamber, Washington, D. C.*

DEAR SIR: I am taking the liberty of inclosing herewith copy of brief which I have submitted to the Chief of Engineers relative to the furtner lowering of the levels of Lake Michigan.

I expect to appear before this gentleman at a hearing on May 15 and elaborate on same. From it you will gather how serious the proposed diversion of additional water through the drainage canal, if allowed, will affect our and kindred industries in the Northern Peninsula.

I respectfully urge that you use every effort to prevent any additional water being allowed to pass through the Chicago Drainage Canal.

Yours, truly,

AUSTIN FARRELL, *Manager.*

—

MAY 12, 1916.

CHIEF OF ENGINEERS,
*War Department, Washington, D. C.*

SIR: The undersigned is the general manager of the blast furnaces and chemical departments of the Cleveland-Cliffs Iron Co., said company having a large blast furnace and chemical plants located on the shores of Little Bay De Noquet, about 3 miles north of the city of Gladstone.

At the request of Mr. G. R. Huntington, general manager, I am representing the interests of the Minneapolis, St. Paul & Sault Ste. Marie Railway, who have large coal, merchandise, docks, and grain elevator in the city of Gladstone. I have also been requested to represent the interests of the Northwestern Cooperage & Lumber Co., who have large saw, veneer, and planing mills and hardwood-floor factories, also located in the city of Gladstone.

Attached hereto please note letters giving me authority to act for the companies mentioned, and also setting forth briefly their position relative to the still further lowering of the water in Lake Michigan through the possibility of additional water being allowed to pass through the drainage canal at Chicago into the Illinois River.

Each and all of us emphatically protest against any additional water being given to said canal and respectfully urge that the amount be cut down to not to exceed 250,000 cubic feet per minute during a day of 24 hours.

In defense of the stand taken by the Cleveland-Cliffs Iron Co., through me as their representative, beg to state that we operate, as already mentioned, a large blast furnace and chemical plants, producing about 40,000 tons of pig iron, 6,927,947 pounds of acetate of lime, 331,173 gallons of alcohol, and 298,840 gallons of tar flotation oils yearly.

While it is true that not all of this product goes out by water, yet the outgoing and incoming freight for the plant will amount to about 20,000 to 25,000 tons per year. To handle this material we have at great expense constructed a dock at our plant. When this dock was constructed there was ample water for large boats to get to and from it without trouble. During the past five or six years, according to our observations, the lake level has lowered about 2 feet. This large recession of water can not be entirely due to fluctuation or changes in climatic conditions. On the other hand, we claim that it is largely the result of the vast amount of water being passed through the drainage canal. Between December 15, 1914, and December 28, 1915, our measurements show that the levels were 8½ inches lower in 1915 than in 1914.

This lowering of the lake levels has seriously interfered with our boat shipments, and we are now compelled to use boats of smaller capacity and lighter draft which at the present time are very hard to obtain. We estimate that the lowering of 8 inches referred to during the past year has cut down the carrying capacity of the boats at our dock between 10 and 15 per cent.

I am informed that if the drainage-canal authorities are allowed the amount of water they ask for that the lake levels will be lowered an additional 8 or 10 inches. You can readily see the effect this will have on our operations. The bottom of the lake from the face of our dock toward deep water has been dredged until we are practically upon a ledge of limestone rock, and if we are compelled to build our dock still farther into the lake the expense will be so large as to be practically prohibitive.

If you will refer to the data furnished by the Minneapolis, St. Paul & Sault Ste. Marie Railway, under the head of Exhibit A, you will note the size and capacity of their docks, freight sheds, elevators, etc. You will also note how the lowering of the water has seriously affected their piling and the expense they had been put to to take care of same, and the further additional expense they will be put to through dredging and the danger said dredging will entail should they be compelled to undertake it.

Under the head of Exhibit B, I am submitting a statement from the Northwestern Cooperage & Lumber Co., setting forth in detail just how seriously they have been and will be affected by the further lowering of the present lake levels.

I would also like to call your attention to the fact that on Little Bay De Noquet there are other large industries engaged in the manufacture of pig iron, lumber, and the handling of iron ore. While it is possible that these interests will have their own representatives, it may not be amiss for me to state that they comprise the large ore docks of the Chicago & North Western Railway and the Chicago, Milwaukee & St. Paul Railway, at Escanaba; the I. Stephenson Lumber Co., the Stephenson Charcoal Iron Co., the Delta Chemical Co., and the Michigan Tanning & Extract Co., at Wells; the Stack Lumber Co., at Masonville, just north of Gladstone; and the Madden & Scheible Lumber Co. and other manufacturers at Rapid River. All of these industries, representing a vast amount of capital, will be seriously affected by the further lowering of the lake levels; but I speak particularly for the companies which I am representing.

As previously stated, we protest against any further lowering of lake levels and urgently request that you use every effort to prevent additional water being taken through the drainage canal.

Since writing the above I have a letter from the mayor of the city of Gladstone requesting me to represent them at this hearing, and refer you to "Exhibit C" attached hereto.

I therefore wish to protest as the representative of the city of Gladstone against any additional amount of water being allowed to pass through the so-called Chicago Drainage Canal.

Respectfully submitting this statement, we beg to remain,

THE CLEVELAND-CLIFFS IRON CO.,
By ——— ———, *Manager.*
MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RY. CO.,
By ——— ———, *Representative.*
THE NORTHWESTERN COOPERAGE & LUMBER CO.,
By ——— ———, *Representative.*
CITY OF GLADSTONE, MICH.,
By ——— ———, *Representative.*

—

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY CO.,
OFFICE OF GENERAL AGENT,
*Gladstone, Mich., May 10, 1916.*

PROPERTY.

| | | |
|---|---|---|
| Minneapolis, St. Paul & Sault Ste. Marie Railway Co., Gladstone, Mich.: | | |
| Investment | | $1,000,000 |
| Length of freight sheds | feet | 1,500 |
| Capacity of freight sheds | tons flour | 9,000 |
| Length open dock | feet | 200 |
| Length of coal dock | do | 800 |
| Capacity of coal dock | tons | 200,000 |
| Capacity of elevator | bushels | 500,000 |
| Handles over docks and through elevator past 15 years: | | |
| Flour and merchandise | tons | 2,703,623 |
| Coal | do | 2,992,731 |
| Grain to boats through elevator | bushels | 38,842,512 |
| Miscellaneous, cement, salt, etc | tons | 100,000 |

Our business demands that we have sufficient depth of water along our dock to permit the largest boats on the Lakes getting in with full loads. In the beginning we had to dredge to this depth and have at various times in past few years had to do further dredging to maintain it. The last time we dredged we cut to 23 feet, and at this writing we have a scant 20 feet, a portion of this filling in is natural, but at least a foot and one-half of it is caused by lowering of the water in the lake.

Any further decrease in the depth must be met by an equal amount of dredging along our entire dock front (2,500 feet) and a cut made not less than 100 feet wide.

The lowering of the lake level means also that boats set that much lower than the dock and it is more difficult to get in and out of them, this and the fact that it also make an uphill haul will increase the cost per ton of handling.

If the lake level is further lowered and we are obliged to dredge deeper than ever to get sufficient water, it means the taking away of just that much more earth from the bottom of the lake around the outer row of piling and a general weakening of the whole structure.

Our piling under docks which were cut level with the water are now a foot and one-half above the lake level, a further lowering of the water will make them project that much more. Soon as they get out of the water they commence to rot and have to be replaced with blocking, the blocking can not be as strong as the piling and the foundation is thus made weaker, and puts us to the expense of purchasing timbers and the labor of putting them in. This damage has already been done to a certain extent and will be increased by further lowering of the water. This one item alone will amount to thousands of dollars.

To summarize, we have already suffered by the lowering of the water which has already taken place, to the extent of having to place caps on several thousand piling and by having the water lowered all along our dock and stand to pay out thousands more if the water is further

lowered, as we will have to do more dredging, put additional caps on piling, and pay more per ton for handling freight.

EXHIBIT B.

THE NORTHWESTERN COOPERAGE & LUMBER CO.,
*Gladstone, Mich., May 9, 1916.*

Mr. AUSTIN FARRELL,
*Manager Cleveland-Cliffs Iron Co.,*
*Marquette, Mich.*

DEAR SIR: Regarding the rehearing of the Illinois waterway matter at Washington on the 15th, which involves the lowering of the waters of Lake Michigan through its drainage into the sanitary drainage canal at Chicago. This is a very serious matter to us, on account of the large tonnage each year that we are obliged to get in to and from our plants here.

We have been operating here some 15 or 20 years, and these plants were originally located and built on the strength of the water facilities for shipping in and out by vessel, and we should say, roughly, each year there is a tonnage in to and from our plants of 15,000 to 20,000 tons that must be handled in order for us to operate, and this would be true of the 10 to 15 years to come.

According to our records of the stages of water around our plants, it has lowered permanently all the way from 2 to 2½ feet in the last five or six years, which has caused a very great inconvenience and a large expenditure of money by this company in dredging, not only around our plants and docks but other places in connection with our mill operations, which had to be dredged in order to have water enough to carry on our operations, and this lowering, as far as we have been able to ascertain from those supposed to be posted on the subject, has been caused in no small degree already by the amount taken out through the canal at Chicago, and if this is to be further lowered, it will be almost impossible at a good many of the upper lake ports, and especially in the upper Bay de Boc, to do any commercial business by boats; and it would seem this is not only a matter of interest to us as manufacturers, but that the interests of the destination territories served by these boats should be considered rather than the fact of supplying the Chicago Canal with water.

We assume that we are not far wrong in saying that any further lowering of the water would mean at least 1 to 2 feet, and if that is done the lightest-draft boats could not get into our plants and docks, which would mean a vast amount of dredging at such a large expense as would be prohibitory and which we could not stand. In addition to dredging that would have to be done along our trams and docks, we would also have to dredge practically the entire area of our large pond, which area of water is absolutely necessary in running our plants of a mile long, and, as the bottom is quite soft, we doubt if the docks and trams would stand up under any load without falling away, and might necessitate, in addition to dredging, the rebuilding of these docks and the use of much longer piling than was used when they were built in order to get the required strength and also get the top of the dock the proper distance from the water for convenient loading of boats with material off the dock.

In addition to this there is from one-half to three-quarters of a mile of approach to our dock from the bay that now has barely enough depth of water for boats to get through to the docks, and this distance would certainly also have to be dredged in addition to the other dredging in order to allow boats to get to our plants and docks if the water is lowered any further, all of which would mean many thousands of dollars' expense; and we hope upon consideration no further impairment of condition will be allowed than now exist.

Yours, truly,

THE NORTHWESTERN COOPERAGE & LUMBER CO.,
By STAPLES.

—

EXHIBIT C.

GLADSTONE, MICH., *May 11, 1916.*

Mr. AUSTIN FARRELL,
*Marquette, Mich.*

DEAR SIR: At a meeting of the city council held Monday, May 1, the mayor was authorized to select some one to represent the city of Gladstone at the meeting to be held in Washington on May 15. The object of said meeting is to reconsider the matter of lowering the lake levels by permitting more water to pass through the Chicago Drainage Canal.

This matter is of vital importance to the city of Gladstone, as its commercial life depends upon the lake shipping facilities. Without the industries that depend upon the local harbor our city would dwindle to a hamlet. By destroying our harbors they would also destroy our industries and leave us without employment for the workmen of our city and vicinity and devastate a city of 5,000 population.

Besides the property of our industries which would be destroyed, it would make it impossible, without dredging, for boats to land at the dock owned by the city. It would no doubt be necessary to extend our city dock several hundred feet farther into the lake, and this our city is not in a position to do.

Inasmuch as the lake levels have already been lowered so much, a further lowering would put things in a critical condition and disaster to our city would quickly follow.

In view of the above I appoint you as representative of the city of Gladstone at the above-mentioned meeting and trust that you will protest most vigorously against such action.

Trusting that the proper officials will recognize our claims and that the outcome will prove satisfactory to us, we remain,

Very truly, yours,

CITY OF GLADSTONE, MICH.,
JAMES T. JONES, *Mayor.*

Mr. SUTHERLAND. Mr. President, at a mass meeting of citizens of Salt Lake City, held in the Salt Lake Theater on the 11th day of the present month, the resolutions I send to the desk were passed. I ask that the resolutions may be read.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Secretary read the resolutions, as follows:

Whereas the present interstate discrimination against the political rights of women can be ended only by the passage through Congress of the Federal suffrage amendment; and

Whereas the women of Utah do not receive the protection of the United States Constitution as regards their voting rights: Be it

*Resolved*, That we, citizens of Salt Lake City, assembled in mass meeting at the Salt Lake Theater, May 11, 1916, protest against the unfair action of the Judiciary Committee of the House of Representatives in blocking the passage of the Susan B. Anthony Federal suffrage amendment by refusing to consider it upon its merits, and demand that it be given an immediate and favorable report; be it further

*Resolved*, That if the suffrage amendment be not passed at the present session of Congress, we shall feel bound to the extent of our political power to hold the Democratic Party to full responsibility; be it finally

*Resolved*, That a copy of these resolutions be forwarded to the administration leaders, to the chairman and members of the House Judiciary Committee, and to the Utah congressional delegation, with the request that they be read into the CONGRESSIONAL RECORD by Senator SUTHERLAND and Congressman MAYS.

Mrs. W. N. WILLIAMS, *Chairman.*

Unanimously passed May 11, 1916.

Mr. BORAH. Does not the resolution come under the inhibition of one of our rules with reference to reflecting upon the conduct and action of another body?

Mr. SUTHERLAND. There is no rule that prevents citizens from reflecting upon the action of another body.

The VICE PRESIDENT. The Chair would inquire Where is the rule?

Mr. BORAH. If the Chair does not know the rule, I would not undertake to point it out, but I assumed when the Senator from Utah fathered the resolution he was really the author.

The VICE PRESIDENT. There is no rule. There is a statement in Jefferson's Manual to the effect that it is improper conduct on the part of either body to refer in censorious, flippant, or other terms with reference to the conduct of the other body, but there is no rule of the Senate which prevents the introduction of a resolution of this kind.

Mr. BORAH. Very well, then——

The VICE PRESIDENT. The Chair sees no objection to the resolution and no objection to the party assuming the responsibility.

Mr. SUTHERLAND. There is no rule, as I understand it, which prevents a citizen from telling the truth about either House of Congress.

Mr. SMITH of Michigan. We did not quite hear the resolution in this part of the Chamber. Can we have it read again?

Mr. BORAH. I can see some things in the resolution which compensate for the other things.

Mr. CHAMBERLAIN. I desire to present a similar resolution from my constituents in Portland, Oreg., and ask to have it inserted in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution unanimously passed at a mass meeting in the Portland Library, Portland, Oreg., April 30, 1916.

Whereas our Representatives in Congress have been denied the opportunity of voting upon the Federal suffrage amendment: Be it

*Resolved*, That we demand that the Judiciary Committee of the House of Representatives take a vote on the Susan B. Anthony Federal suffrage amendment on its own merits and give it an immediate favorable report; be it further

*Resolved*, That we call upon our Senators CHAMBERLAIN and LANE to work for this measure, so that the administration, which we hold responsible for its passage, will put its party strength behind the amendment, that it may be passed during this session of Congress; be it finally

*Resolved*, That a copy of this resolution be sent to each of the administration leaders, the chairman and members of the House Judiciary Committee, and to the Oregon congressional delegation, with the request that it be read into the CONGRESSIONAL RECORD by Senator CHAMBERLAIN in the Senate and Congressman MCARTHUR in the House.

EMMA WOLD, *Chairman.*

Mr. KENYON presented a memorial of sundry citizens of Gravity, Iowa, remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Ministerial Association of Dubuque, Iowa, praying for the enactment of legislation to grant pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a memorial of sundry citizens of Jewell, Iowa, remonstrating against certain provisions of the so-called migratory-bird law, which was referred to the Committee on Forest Reservations and the Protection of Game.

He also presented a memorial of sundry citizens of Russell, Iowa, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Iowa, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Iowa, praying for the restoration of peace in Europe, which were referred to the Committee on Foreign Relations.

Mr. HARDING. I present a very brief petition, and I should like to have the contents thereof printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

MILAN, OHIO, *May 9, 1916.*

Hon. W. G. HARDING,
*United States Senate, Washington, D. C.*

MY DEAR SIR: The Erie County Sunday School Association, representing a membership of 7,000, in convention assembled, herewith petition their United States Senators to give all possible aid to temperance legislation now under committee consideration, to the end that such legislation may be reported on favorably and passed by this session of Congress.

The submission of a constitutional amendment to the State legislatures, the bill to prohibit the sale of intoxicating liquor in the District of Columbia, the bill to prohibit the export of liquor to our island possessions and to Africa, prohibition of the liquor traffic in Alaska—these measures should receive the support of our representatives, and we pray that this petition be recorded in the CONGRESSIONAL RECORD.

THE ERIE COUNTY SUNDAY SCHOOL ASSOCIATION,
W. S. LIPPUS, *President.*
W. H. OSWALT, *Secretary.*

Mr. PHELAN presented petitions of sundry citizens of California, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Lodi, Lackeford, Sacramento, and San Francisco, all in the State of California, remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

He also presented a petition of the Chamber of Commerce of Los Angeles, Cal., praying for Federal aid in the construction of good roads, which was ordered to lie on the table.

He also presented a petition of the Chamber of Commerce of El Centro, Cal., praying for the enactment of legislation to establish a land office in the Imperial Valley, Cal., which was referred to the Committee on Public Lands.

Mr. SHERMAN presented petitions of sundry citizens of Quincy and Oquawka, in the State of Illinois, praying for the adoption of certain amendments to the migratory-bird law, which were referred to the Committee on Forest Reservations and the Protection of Game.

He also presented memorials of sundry citizens of Chicago, Ill., remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the American Society of Patriots, of Chicago, Ill., praying for an increase in armaments, which was ordered to lie on the table.

He also presented a petition of the City Council of Cairo, Ill., praying for the enactment of legislation providing for the construction of the Lockport and Utica waterway, which was ordered to lie on the table.

Mr. LANE presented petitions of sundry citizens of Oregon, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Roseburg, Oreg., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

Mr. GRONNA. I present sundry petitions from citizens of my State and from various church organizations in my State, asking for national constitutional prohibition. They are from Williston, Fargo, Oberon, Bowesmont, and Pembina. I ask that one of the petitions may be printed in the RECORD and that all of them may be referred to the Committee on the Judiciary.

There being no objection, the petitions were referred to the Committee on the Judiciary and one was ordered to be printed in the RECORD, as follows:

Resolution suggested for adoption by churches, young people's societies, clubs, and other organizations, and by public meetings generally. Woman's Christian Temperance Union speakers are urgently requested to secure from all meetings which they address the adoption of this resolution.

*Resolved*, That we are in hearty favor of national constitutional prohibition and will do all within our power to secure the adoption of an amendment to the Constitution forever prohibiting the sale, manufacture for sale, transportation for sale, importation for sale, and exportation for sale of intoxicating liquors for beverage purposes in the United States, in accordance with the joint resolution introduced in the United States Senate by Senators MORRIS SHEPPARD and JACOB H. GALLINGER, and in the House by Representatives EDWIN Y. WEBB and ADDISON SMITH.

Adopted by Fargo Woman's Christian Temperance Union, representing 250 people, February 28, 1916.

Mrs. D. FISHER.

County, Cass; city, Fargo; State, North Dakota.

Mr. KERN presented a memorial of the Central Labor Union of Indianapolis, Ind., remonstrating against the execution of the leaders of the so-called Irish rebellion, which was referred to the Committee on Foreign Relations.

Mr. JONES presented a memorial of sundry citizens of Snohomish, Wash., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. WORKS presented a memorial of sundry citizens of Long Beach, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. WADSWORTH presented memorials of sundry citizens of Jamestown, N. Y., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which were ordered to lie on the table.

## REPORTS OF COMMITTEES.

Mr. SWANSON, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 5724) authorizing the construction of a public building in the city of Durango, Colo., reported it with amendment and submitted a report (No. 444) thereon.

Mr. SWANSON (for Mr. TILLMAN), from the Committee on Naval Affairs, to which was referred the bill (H. R. 12835) to authorize and empower officers and enlisted men of the Navy and Marine Corps to serve under the Government of the Republic of Haiti, and for other purposes, reported it without amendment and submitted a report (No. 445) thereon.

Mr. SMITH of Michigan, from the Committee on Naval Affairs, to which was referred the bill (S. 5675) for the relief of John Henry Gibbons, captain on the retired list of the United States Navy, reported it without amendment and submitted a report (No. 446) thereon.

Mr. MARTINE of New Jersey, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 5398) to increase the limit of cost of post-office site and building at Millville, N. J., reported it without amendment.

Mr. SMITH of Georgia. I desire to report, from the Committee on Rules, a substitute resolution for Senate resolution 131 and Senate resolution 149, and I submit a report (No. 447) thereon. I do not care to have the two resolutions read for which this substitute resolution is reported, but I ask that the substitute may be read. It is very short.

The VICE PRESIDENT. The substitute will be read.

The Secretary read the proposed substitute (S. Res. 195), as follows:

[Reported favorably by the Committee on Rules, as substitute for S. Res. 131 and S. Res. 149.]

*Resolved*, That the standing rules of the Senate be, and they hereby are, amended as follows:

At the close of Rule XXII, add:

"*Provided, however*, That if 16 Senators present to the Senate at any time a signed motion to bring to a close the debate upon any pending measure, the Presiding Officer shall at once state the motion to the Senate and at the close of the morning hour on the following calendar day lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Chair shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by a two-thirds vote of those voting, then said measure shall be in order to the exclusion of all other business except a motion to recess or adjourn.

"Thereafter no Senator shall be entitled to speak more than one hour on the bill, the amendments thereto, and motions affecting the same, and it shall be the duty of the Chair to keep the time of each Senator who speaks. No dilatory motions shall be in order, and all points of order and appeals from the decision of the Chair shall be decided without debate."

Mr. SMITH of Georgia. I think the report should go to the calendar, as do other reports from committees, in order that Senators who are not on the Committee on Rules may have an opportunity to examine it.

The VICE PRESIDENT. The report will be placed on the calendar.

## BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHAFROTH:

A bill (S. 6013) to confirm the entry of John Dowd; to the Committee on Public Lands.

By Mr. LANE:

A bill (S. 6014) authorizing the Secretary of the Interior to withdraw from the Treasury a certain sum of the permanent fund of the Chippewas of Minnesota, now on deposit therein, to their credit; to the Committee on Indian Affairs.

By Mr. CLAPP:

A bill (S. 6015) for the tuition, board, books, paper, and traveling expenses to and from their respective homes of six Chippewa boys to either academies or colleges for the school year ending June, 1916; and

A bill (S. 6016) for the relief of the Pillager Bands of Chippewa Indians of Minnesota, and for other purposes; to the Committee on Indian Affairs.

By Mr. DILLINGHAM:
A bill (S. 6017) granting an increase of pension to Angus C. Burns; to the Committee on Pensions.
By Mr. JONES:
A bill (S. 6018) granting an increase of pension to Insley Cook (with accompanying papers); to the Committee on Pensions.
By Mr. SHERMAN:
A bill (S. 6019) granting a pension to Mary A. Gillogly; and
A bill (S. 6020) granting an increase of pension to Julius C. Wright; to the Committee on Pensions.
By Mr. KERN:
A bill (S. 6021) granting a pension to Eli T. Jefferson Jordan (with accompanying papers); and
A bill (S. 6022) granting a pension to William H. Ingle (with accompanying papers); to the Committee on Pensions.
By Mr. POMERENE (by request):
A bill (S. 6025) to grant the right of appeal to employees in the Federal classified civil service; to the Committee on Civil Service and Retrenchment.
By Mr. CHILTON:
A bill (S. 6026) granting an honorable discharge to William C. Copeland (with accompanying papers); to the Committee on Military Affairs.
A bill (S. 6027) granting a pension to Wade H. Spencer (with accompanying papers);
A bill (S. 6028) granting a pension to Violetta Dillon (with accompanying papers);
A bill (S. 6029) granting an increase of pension to Samuel White (with accompanying papers);
A bill (S. 6030) granting an increase of pension to Edgar C. Martin (with accompanying papers);
A bill (S. 6031) granting an increase of pension to Alice E. Ward (with accompanying papers);
A bill (S. 6032) granting an increase of pension to William I. Gore (with accompanying papers);
A bill (S. 6033) granting a pension to William S. Wilmoth (with accompanying papers);
A bill (S. 6034) granting an increase of pension to John M. Jones (with accompanying papers);
A bill (S. 6035) granting a pension to Nancy E. Stone (with accompanying papers);
A bill (S. 6036) granting an increase of pension to Millard Terry (with accompanying papers);
A bill (S. 6037) granting an increase of pension to Simon C. Staton, jr. (with accompanying papers);
A bill (S. 6038) granting a pension to Charles L. Hunter (with accompanying papers); and
A bill (S. 6039) granting a pension to Rosabella Pierce (with accompanying papers); to the Committee on Pensions.
By Mr. OVERMAN:
A bill (S. 6040) providing for the adjudication of certain claims by the Court of Claims; to the Committee on Claims.
By Mr. VARDAMAN:
A bill (S. 6041) granting the consent of Congress to Jackson County, Miss., to construct a bridge across West Pascagoula River, at or near Pascagoula, Miss.; to the Committee on Commerce.

MONUMENT TO COL. ALEXANDER WILLIAM DONIPHAN.

Mr. STONE. I introduce a bill which I ask may lie on the table for the present.
The VICE PRESIDENT. The bill which has been introduced by the Senator from Missouri will be read by title.
The bill (S. 6023) for the erection of a monument to the memory of Col. Alexander William Doniphan was read twice by its title.
Mr. STONE. Before the bill is referred, I desire to submit to the Senate some very brief remarks, as the Senator from New Mexico [Mr. CATRON] also desires to do. I therefore ask that the bill may lie on the table for the present because of the pressure of important matters in the Senate at this morning's session.
The VICE PRESIDENT. That action will be taken.

MINERAL RESOURCES.

Mr. SIMMONS. I introduce a bill which I ask may be appropriately referred.
The bill (S. 6024) to authorize the Secretary of Agriculture to permit the prospecting, development, and utilization of the mineral resources of certain national forests was read twice by its title.
The VICE PRESIDENT. To what committee does the Senator from North Carolina desire to have the bill which he has just introduced referred?
Mr. SIMMONS. I desire that it shall be referred to the Committee on Agriculture and Forestry.
Mr. SMOOT. Mr. President, I should like to have the title of the bill again read.
The VICE PRESIDENT. The title will again be stated.
The Secretary again read the bill by title.
Mr. SMOOT. I think the bill should be referred to the Committee on Mines and Mining.
Mr. SIMMONS. Mr. President, I think the bill might with propriety be referred to either one of the two committees. It authorizes certain work to be done by the Secretary of Agriculture, and I should therefore prefer to have the bill referred to the Committee on Agriculture and Forestry.
Mr. SMOOT. The Committee on Public Lands has always until lately had jurisdiction of the mining laws of the United States. It seems to me that the bill should be referred——
Mr. SIMMONS. This is a mere prospecting proposition, authorizing the prospecting, development, and utilization of the mineral resources in certain national forests. I do not, however, desire to have any controversy about the matter, and if it is insisted that the bill shall be referred to a committee other than the Committee on Agriculture and Forestry I shall not object.
Mr. SMOOT. I think it ought to go to the Committee on Mines and Mining.
Mr. SIMMONS. The bill really applies to only one forest reserve.
The VICE PRESIDENT. Unless a motion is made to refer the bill otherwise, the Chair will send it to whatever committee the Senator from North Carolina suggests.
Mr. SIMMONS. I shall not make any controversy with the Senator from Utah [Mr. SMOOT] about the reference of the bill. The Senator from Georgia [Mr. SMITH] tells me that the Committee on Agriculture and Forestry have the subject matter of the park and the reservation to which this bill is intended to apply before it for consideration.
Mr. SMITH of Georgia. I would be glad to hear the proposition of the bill again stated.
Mr. SMOOT. It is a proposition to change the mining laws of the United States in regard to forest reserves.
Mr. SIMMONS. I repeat, I shall make no controversy about the bill being referred to the Committee on Mines and Mining.
Mr. SMITH of Georgia. We have the Appalachian Reservation now under consideration in the Committee on Agriculture and Forestry, and that was the only reason I desired the bill referred to that committee.
The VICE PRESIDENT. The bill will be referred to the Committee on Mines and Mining.

PRIVILEGES OF THE FLOOR.

Mr. ASHURST. Mr. President, the Senator from Kansas [Mr. CURTIS] on May 8 introduced a resolution which went to the Committee on Rules. I do not believe that that committee has made any report. I should like to have a copy of the resolution printed in the RECORD, and in the same line have printed in the RECORD also a statement which I have caused to be prepared showing to whom and for what purposes and under what circumstances the privileges of the floor of the Senate have been extended to various citizens of the United States in private life from the foundation of the Government.
I wish to state that I am very much in favor of the resolution of the Senator from Kansas, and I hope the Committee on Rules may report it out to-day, so that it may be adopted by the Senate.
Mr. MYERS. Mr. President, I wish to rejoin to what the Senator from Arizona says, that I am very earnestly in favor of the resolution, and I hope that it will be reported out between now and 1 o'clock, that the Senate may have an opportunity to act on it by 1 o'clock.
There being no objection, the matter indicated by Mr. ASHURST was ordered to be printed in the RECORD, as follows:

Whereas there is now before the Senate of the United States a resolution, No. 1, favorably reported from the Senate Committee on Woman Suffrage, proposing to amend the Constitution of the United States by removing the qualification of sex as a bar to the exercise of the right of franchise; and
Whereas a large number of women voters have delegated to certain envoys the duty of conveying to this Congress an expression of the desire of said women voters that this Congress shall submit to the States for ratification the pending constitutional amendment generally known as the Susan B. Anthony amendment; and
Whereas the question of woman suffrage is one of the foremost issues before the people of the United States: Therefore be it

*Resolved*, That on the calendar day of May 16, 1916, this body shall stand adjourned at 5 o'clock and 15 minutes postmeridian, and immediately thereafter the envoys from the said women's convention shall be permitted to enter the Senate Chamber and present upon the floor the message which they are to bring from the western women voters.

[From: Furber, George P. Precedents relating to the privileges of the Senate. Mis. Doc. 68, 52d Cong., 2d sess.]

CONTESTANTS FOR SEATS.

WILLIAM BLOUNT AND WILLIAM COCKE.

[2 J. of S., 269, May 23, 1796.]

A letter, signed William Blount and William Cocke, was read, stating that they have been duly and legally elected Senators to represent the State of Tennessee in the Senate.

On motion,

"That Mr. Blount and Mr. Cocke, who claim to be Senators of the United States, be received as spectators, and that chairs be provided for that purpose until the final decision of the Senate shall be given on the bill proposing to admit the Southwestern Territory into the Union."

A motion was made to refer the consideration thereof to a committee, and it passed in the negative.

On motion to agree to the original motion, it passed in the affirmative—yeas 12, nays 11, as follows: [The names are omitted.]

DAVID L. YULEE.

[1st sess. 32d Cong., J. of S., 649, Aug. 27, 1852.]

*Resolved*, That the Hon. D. L. Yulee, who contests the seat of the Hon. L. R. Mallory, have leave to be heard in person at the bar of the Senate for two hours

[Mr. Yulee addressed the Senate on the same day.]

[Congressional Globe, 1st sess. 32d Cong., 2390, and Appendix, 1174.]

HENRY S. LANE AND WILLIAM M. M'CARTY.

[2d sess. 35th Cong., J. of S., 178, Jan. 24, 1859.]

Mr. Seward submitted the following motion for consideration:

"*Resolved*, That the Hon. Henry S. Lane and the Hon. William M. McCarty, who claim to have been elected Senators from Indiana, be entitled to the privileges of admission on the floor of the Senate until their claims shall have been decided."

[Ib., 188, Jan. 26, 1859.]

On motion by Mr. Seward, the Senate proceeded to consider the resolution, submitted by him the 24th instant, to admit the Hon. Henry S. Lane and the Hon. W. M. McCarty, claiming to have been elected Senators by the Legislature of Indiana, on the floor of the Senate; and

After debate,

On motion by Mr. Iverson, that the resolution lie on the table, it was determined in the affirmative—yeas 31, nays 22. [The names are omitted.]

So it was

*Ordered*, That the resolution lie on the table.

[Ib., 254, Feb. 3, 1859.]

Mr. Seward submitted the following resolution for consideration:

"*Resolved*, That Henry S. Lane and William M. McCarty have leave to occupy seats on the floor of the Senate pending the discussion of the report of the Committee on the Judiciary on the memorial of the Legislature of Indiana declaring them her duly elected Senators, and that they have leave to speak to the merits of their right to seats and the report of the committee."

[Ib., 315, Feb. 14, 1859.]

On motion by Mr. Collamer, the Senate proceeded to consider the report of the Committee on the Judiciary on the memorial of the State of Indiana in relation to the Senators from Indiana, with the reported resolution, that the Committee on the Judiciary be discharged from the further consideration of the memorial of the Legislature of Indiana.

An amendment having been proposed by Mr. Seward, to amend the resolution to discharge the Committee on the Judiciary by striking out all after "*Resolved*," and inserting "That Henry S. Lane and William M. McCarty have leave to occupy seats on the floor of the Senate pending the discussion of the report of the Committee on the Judiciary on the memorial of the Legislature of Indiana declaring them her duly elected Senators, and that they have leave to speak to the merits of their rights to seats, and on the report of the committee."

[On motion by Mr. Pugh, Mr. Seward's motion was amended by striking out all after the word "that," and inserting a declaration that the former decision of the Senate declaring Messrs. Fitch and Bright the duly elected Senators was final and conclusive.]

[Congressional Globe, 1014, 1019. Debate in Appendix (Congressional Globe, 128–148, Appendix).]

FREDERIC P. STANTON.

[2d sess. 37th Cong., J. of S., 106, Jan. 13, 1862.]

On motion by Mr. Collamer, that Frederic P. Stanton, who contests the seat of the Hon. James H. Lane, have leave to be heard in person at the bar of the Senate,

It was determined in the affirmative, {Yeas—32 / Nays—4}

So it was

*Ordered*, That Frederic P. Stanton, who contests the seat of Hon. James H. Lane, have leave to be heard in person at the bar of the Senate.

On motion by Mr. Fessenden, that the Senate reconsider the vote agreeing to the motion of Mr. Collamer,

It was determined in the negative.

[Congressional Globe, 2d sess. 37th Cong., 291.]

SENATORS ELECT FROM ARKANSAS.

[1st sess. 39th Cong., J. of S., 186, Feb. 26, 1866.]

A motion was made by Mr. Lane of Kansas to admit the Senators elect from the State of Arkansas to seats on the floor of the Senate.

On motion by Mr. Wade that the motion of Mr. Lane of Kansas lie on the table, it was determined in the affirmative—yeas 27, nays 18. [The names are omitted.]

So it was

*Ordered*, That the motion lie on the table.

[The debate is found in Congressional Globe, 1st sess. 39th Cong., 1025–1027.]

CLAIMANTS FROM COLORADO.

[1st sess. 39th Cong., J. of S., 143, Feb. 8, 1866.]

On motion by Mr. Lane of Kansas,

*Ordered*, That the Senators elect from the State of Colorado be admitted to the floor of the Senate.

[Congressional Globe, 1st sess. 39th Cong., 734. There was no discussion.]

WILLIAM H. CLAGETT.

[1st sess. 52d Cong., J. of S., 122, Feb. 24, 1892.]

Mr. Stewart submitted the following resolution for consideration, which was ordered to be printed:

*Resolved*, That William H. Clagett, the contestant for the seat in the United States Senate now occupied by Hon. Fred. T. Dubois, have leave to occupy a seat on the floor of the Senate pending the discussion of the report of the Committee on Privileges and Elections, and that he have leave to speak to the merits of his right to have the seat, and on the report of the committee.

[Ib., 125. Feb. 25, 1892.]

The President pro tempore laid before the Senate the resolution yesterday submitted by Mr. Stewart, granting William H. Clagett, contestant for a seat in the Senate from the State of Idaho, leave to speak on his right to the seat; and having been amended, on motion of Mr. Mitchell, by inserting after the word "speak" the words "not exceeding two hours."

On the question to agree to the resolution as amended as follows:

*Resolved*, That William H. Clagett, the contestant for the seat in the Senate now occupied by Hon. Fred. T. Dubois, have leave to occupy a seat on the floor of the Senate pending the discussion of the report of the Committee on Privileges and Elections, and that he have leave to speak, not exceeding two hours, to the merits of his rights to the seat, and on the report of the committee.

It was determined in the affirmative—yeas 48, nays 1. [The names are omitted.]

So the resolution was agreed to.

[For the debate on this resolution, see CONGRESSIONAL RECORD, 1st sess. 52d Cong., 1430–1432.]

PETITIONERS.

[2 J. of S., 481, Apr. 27, 1798.]

On motion by Mr. Marshall,

*Resolved*, That no motion shall be deemed in order to admit any person or persons whatever within the doors of the Senate Chamber to present any petition, memorial, or address, or to hear any such read.

[There was no discussion.]

[2d sess. 45th Cong., J. of S., 76, Jan. 10, 1878.]

Mr. Sargent submitted the following resolution for consideration:

Whereas thousands of the women of the United States have petitioned Congress for an amendment to the Constitution allowing women the right of suffrage; and

Whereas many of the representative women of the country favoring such amendment are present in the city and have requested to be heard before the Senate in the advocacy of said amendment:

*Resolved*, That at a session of the Senate to be held on ——— said representative women, or such of them as may be designated for that purpose, may be heard before the Senate, but for two hours only.

The Senate proceeded, by unanimous consent, to consider the said resolution; and

On the question, Will the Senate agree thereto?

It was determined in the negative, {Yeas—13 / Nays—31}

On motion by Mr. Sargent,

The yeas and nays being desired by one-fifth of the Senators present.

So the resolution was not agreed to.

[CONGRESSIONAL RECORD, 2d sess. 45th Cong., 255–267.]

[2d sess. 45th Cong., J. of S., 83, Jan. 14, 1878.]

Mr. Edmunds submitted the following resolution; it was referred to the Committee on Rules and ordered to be printed:

*Resolved*, That the following be one of the standing rules of the Senate:

No motion shall be deemed in order to admit any person whatsoever within the doors of the Senate Chamber to present any petition, memorial, or address, or to hear any such read, or to address the Senate, except as parties or counsel in cases of contempt or impeachment.

DISTINGUISHED VISITORS AND OTHERS.

GEN. LAFAYETTE.

[2d sess. 18th Cong., J. of S., 7, Dec. 7, 1824.]

A message from the House of Representatives, by Mr. Clarke, their clerk:

Mr. PRESIDENT: The House of Representatives have passed a resolution for the appointment of chaplains; and a resolution for a joint committee to consider and report what respectful mode it may be proper for Congress to adopt to receive Gen. Lafayette, and have appointed a committee on their part; in which resolutions they request the concurrence of the Senate, and he withdrew.

On motion by Mr. Barbour,

The Senate proceeded to consider the last-named resolution; and

*Resolved*, That the Senate concur therein.

[2d sess. 18th Cong., J. of S., 28, Dec. 8, 1824.]

The committee on the part of the Senate recommend that the President of the Senate invite Gen. Lafayette to take a seat, such as he shall designate, in the Senate Chamber; that the committee deliver the invitation to the general, and introduce him into the Senate, and that the Members receive the general standing.

The said report was read and considered.

Whereupon,

*Resolved unanimously*, That the Senate do agree therein.

[Ib., 29, Dec. 9, 1824.]

At 1 o'clock Gen. Lafayette was conducted into the Chamber of the Senate by the committee appointed for the purpose;

Whereupon,

Mr. Barbour, as the chairman of the said committee, introduced the general to the Senate, when the Senators arose from their seats and remained standing until the general was seated on the right of the chair of the President, to which he was invited by the President.

On motion by Mr. Barbour,

That the Senate do now adjourn, in order that the Members may present their respects to Gen. Lafayette individually, it was unanimously determined in the affirmative;

Whereupon,

The President adjourned the Senate to Monday next.

LIEUT. WILKES.

[2d sess. 27th Cong., J. of S., 447, July 5, 1842.]

Mr. Tappan submitted the following resolution:

*Resolved*, That the forty-seventh rule of the Senate be amended by adding to the persons who may be admitted on the floor of the Senate, Lieut. Wilkes and the officers who served with him during the exploring expedition.

The Senate proceeded to consider the resolution by unanimous consent, and

On the question to agree thereto,

It was determined in the negative.

[Congressional Globe, 2d sess. 27th Cong., 718.]

EX-PRESIDENT OF TEXAS.

[2d sess. 28th Cong., J. of S., 178, Feb. 17, 1842.]

By unanimous consent it was

*Resolved*, That the ex-President of the Republic of Texas be admitted on the floor of the Senate.

REV. THEOBALD MATTHEW.

[1st sess. 31st Cong., J. of S., 9, Dec. 19, 1849.]

Mr. Walker submitted the following resolution for consideration:

*Resolved*, To admit Rev. Theobald Matthew within the bar of the Senate during his sojourn in Washington.

It was agreed to.

[Congressional Globe, 1st sess. 31st Cong., 51–59.]

[The resolution was objected to by Senators Calhoun, Dawson, and Foote as establishing a bad precedent. Mr. Clay argued in its favor: "I understand that according to the usage of the Senate, any Member may introduce into the lobby any distinguished person whom he thinks proper to introduce. I had understood that to be the rule; perhaps I am mistaken; but be that as it may, I think, sir, that that resolution is an homage to humanity, to philanthropy, to virtue; that it is a merited tribute to a man who has achieved a great social revolution—a revolution in which there has been no bloodshed, no desolation inflicted, no tears of widows and orphans extracted, and one of the greatest which has been achieved by any of the benefactors of mankind. Sir, it is a compliment due from the Senate, small as it may be. * * *]

LOUIS KOSSUTH.

[1st sess. 32d Cong., J. of S., 88, Dec. 29, 1852.]

The committee reported that in relation to Louis Kossuth the same proceeding be taken as in the case of Gen. Lafayette, to wit: "That the chairman of the committee introduce him with these words: 'We present Louis Kossuth to the Senate of the United States,' upon which the Senators are recommended to rise and the President will invite him to be seated."

And the report was agreed to.

[Congressional Globe, 1st sess. 32d Cong., 157.]

[Ib., 95, Jan. 5, 1852.]

At 1 o'clock Louis Kossuth was conducted into the Chamber of the Senate by the committee appointed for that purpose; and

Mr. Shields, as chairman of the committee, introduced him to the Senate.

The Senate having risen, the President pro tempore addressed him as follows:

"Louis Kossuth, I welcome you to the Senate of the United States. The committee will conduct you to the seat which I have caused to be prepared for you."

The Senators having resumed their seats,

On motion by Mr. Mangum,

That the Senate adjourn in order that the Members may present their respects to Louis Kossuth individually.

It was determined in the affirmative; and

The Senate adjourned

[Congressional Globe, 1st sess. 32d Cong., 199.]

OFFICERS AND SOLDIERS OF THE WAR OF 1812.

[2d sess. 33d Cong., J. of S., 99, Jan. 9, 1855.]

*Resolved*, That the officers and soldiers of the War of 1812, now holding a convention in this city, be invited to occupy seats upon the floor of the Senate, without the bar, during the sitting of the convention.

*Resolved*, That the Secretary of the Senate communicate a copy of this resolution to the president of the convention for the information of the members.

Considered by unanimous consent and agreed to.

[Congressional Globe, 2d sess. 33d Cong., 208.]

EX-PRESIDENT OF BOLIVIA.

[1st sess. 36th Cong., J. of S., 127, Feb. 6, 1860.]

On motion by Mr. Davis, and by unanimous consent,

*Ordered*, That the ex-President of the Republic of Bolivia be admitted on the floor of the Senate.

[Congressional Globe, 1st sess. 36th Cong., 669.]

VICE-ADMIRAL FARRAGUT.

[2d sess. 38th Cong., J. of S., 67, Jan. 13, 1865.]

Mr. Grimes announced the presence in the Senate Chamber of Vice Admiral Farragut, of the United States Navy, distinguished for his many services, and the first officer in the naval service upon whom the title has been conferred; and moved that the Senate take a recess of 10 minutes to enable the Members of the Senate to exchange courtesies with him, and

The Senate, by unanimous consent, took a recess of 10 minutes.

LEGISLATURE OF OHIO.

[2d sess. 41st Cong., J. of S., 523, Apr. 20, 1870.]

On motion by Mr. Davis,

*Ordered*, That the privilege of the floor of the Senate Chamber for this day be extended to the officers and members of the Legislature of the State of Ohio, now on a visit to the National Capital.

[Congressional Globe, 2d sess. 41st Cong., 2830.]

KING OF THE HAWAIIAN ISLANDS.

[2d sess. 43d Cong., J. of S., 42, Dec. 14, 1874.]

Mr. Cameron submitted the following resolution, which was considered by unanimous consent and agreed to:

"*Resolved by the Senate (the House of Representatives concurring)*, That a joint committee of two from the Senate and three from the House of Representatives be appointed by the Presiding Officers of the respective Houses to take measures for the proper notice of the presence at the Capital of His Majesty, Kalakaua, King of the Hawaiian Islands;

And

The Vice President appointed Mr. Cameron and Mr. McCreery members of the committee on the part of the Senate.

[CONGRESSIONAL RECORD, 2d sess. 43d Cong., 6–8.]

[Ib., 43.]

A message from the House of Representatives, by Mr. McPherson, its Clerk.

* * * * * * *

The House of Representatives has concurred in the resolution of the Senate to appoint a joint committee to take measures for the proper notice of the presence at the Capital of His Majesty, Kalakaua, King of the Hawaiian Islands, and has appointed Mr. Orth, Mr. E. Rockwood Hoar, and Mr. Cox members of the committee on its part.

[CONGRESSIONAL RECORD, ib., 69.]

[Ib., 54, Dec. 17, 1874.]

Mr. Cameron, from the joint committee appointed to consider what notice should be taken of the presence at the Capital of the King of the Hawaiian Islands, reported that they had called upon His Majesty and invited him to visit the Capitol to-morrow; that he would be present; and that they had made arrangements for his reception by the Senate and House, in the Hall of the House of Representatives, at quarter past 12 o'clock on that day.

[Ib., 55, Dec. 18, 1874.]

On motion by Mr. Cameron,

The Senate took a recess until 1 o'clock p. m.

[CONGRESSIONAL RECORD, ib., 117.]

GEORGE BANCROFT.

[3d sess. 45th Cong., J. of S., 95, Jan. 8, 1879.]

Mr. Thurman submitted the following resolution, which was considered, by unanimous consent, and agreed to:

*Resolved*, That the Committee on Rules are hereby instructed to inquire whether the rules shall not be so amended as to admit to the privileges of the floor the ex-cabinet minister whose appointment was earliest in the date of those now living.

[CONGRESSIONAL RECORD, 3d sess. 45th Cong., 370. There was no discussion.]

[Ib., 123, Jan. 16, 1879.]

Mr. Blaine, from the Committee on Rules, to whom was referred the resolution submitted by Mr. Thurman, January 8, 1879, to amend the rules so as to admit to the privileges of the floor the ex-cabinet minister whose appointment was earliest in date of those now living, reported the following resolution, which was considered, by unanimous consent, and agreed to:

*Resolved*, That the Hon. George Bancroft be admitted to the privileges of the floor of the Senate.

[CONGRESSIONAL RECORD, 3d sess. 45th Cong., 482. There was no discussion.]

WINFIELD S. HANCOCK.

[3d sess. 46th Cong., J. of S., 412, Mar. 5, 1881.]

Mr. Hoar submitted the following resolution, which was considered, by unanimous consent, and agreed to:

*Resolved*, That Winfield Scott Hancock be entitled to the privileges of the floor of the Senate during his stay in Washington.

EMINENT CITIZENS.

[1st sess. 48th Cong., J. of S., 297, Feb. 12, 1884.]

[A resolution was referred to the Committee on Rules.]

That the President of the Senate shall have authority to admit to the floor of the Senate, on request of Senators, eminent citizens from the several States and Territories when it can be done without inconvenience to the Senate in the transaction of business. (No discussion.)

[Mar. 25, 1884, the committee were discharged from further consideration of the resolution (Ib., 462).]

[Indefinitely postponed. CONGRESSIONAL RECORD, 1st sess. 48th Cong., 2236.]

SUPPLEMENT TO THE LIST OF FURBER, UNITED STATES SENATE PRECEDENTS, PAGES 29–44.

Members elect of the House of Representatives; February 28, 1885; CONGRESSIONAL RECORD, Forty-eighth Congress, second session, volume 16, part 3, page 2290.

G. C. Moody, of Dakota; January 18–19, 1886; CONGRESSIONAL RECORD, Forty-ninth Congress, first session, volume 17, part 1, pages 701, 741.

Members elect of the House of Representatives; February 22, 1889; CONGRESSIONAL RECORD, Fiftieth Congress, second session, volume 20, part 3, page 2201.

Rev. Phillips Brooks; February 4, 1891; CONGRESSIONAL RECORD, Fifty-second Congress, first session, volume 22, part 3, page 2171.

William Wirt Henry, of Virginia; September 15, 1893; CONGRESSIONAL RECORD, Fifty-third Congress, first session, volume 25, part 2, page 1501.

New Hampshire Council and members of the staff of the governor; December 17, 1894; CONGRESSIONAL RECORD, Fifty-third Congress, third session, volume 27, part 1, page 343.

Members of the Massachusetts Legislature; December 19, 1894; CONGRESSIONAL RECORD, Fifty-third Congress, third session, volume 27, part 1, page 430.

Electoral messengers; January 20, 1897; CONGRESSIONAL RECORD, Fifty-fourth Congress, second session, volume 29, part 1, page 962.

Governors elect of Colorado and New Hampshire; December 13, 1898; CONGRESSIONAL RECORD, Fifty-fifth Congress, third session, volume 32, part 1, page 138.

Committee of the Grand Army of the Republic; CONGRESSIONAL RECORD, Fifty-sixth Congress, first session, volume 33, part 6, page 5537.

Martin Maginnis, of Montana; May 29, 1900; CONGRESSIONAL RECORD, Fifty-sixth Congress, first session, volume 33, part 7, page 6190.

Hon. Raoul Dandurand and Hon. Sir Mackinzie Bowell, of the Canadian Parliament; March 3, 1905; CONGRESSIONAL RECORD, Fifty-eighth Congress, third session, volume 39, part 4, page 3969.

Benito Legarda and Pablo Ocambo, Resident Commissioners of the Philippines; January 28, 1908; CONGRESSIONAL RECORD, Sixtieth Congress, first session, volume 42, part 2, page 1171.

MOUNT VERNON.

Mr. PHELAN. I submit a resolution, which I ask to have read and referred to the appropriate committee.

The resolution (S. Res. 194) was read, as follows:

Whereas although privately controlled the home of George Washington, "the Father of his Country," at Mount Vernon, is the most precious and revered of national monuments and has been preserved and maintained by the Mount Vernon Ladies' Association of the Union, which is entitled to the highest public commendation for its patriotic purpose and labors, and is a sacred shrine and a source of patriotic inspiration, and should be accessible to the largest number of our people, now barred by existing regulations: Therefore be it

*Resolved*, That the board of regents of the Mount Vernon Ladies' Association of the Union be respectfully requested to consider the propriety of opening the home of Washington to visitors on Sundays.

The VICE PRESIDENT. To what committee shall the resolution go?

Mr. PHELAN. I suggest the Committee on the Library. I know of no more appropriate committee.

The VICE PRESIDENT. The resolution will be referred to the Committee on the Library.

PROCEEDINGS OF EXECUTIVE SESSION.

Mr. LA FOLLETTE. I submit the following resolution, which I ask to have read.

The resolution (S. Res. 193) was read, as follows:

*Resolved*, That it is the judgment of the Senate that all sessions for the consideration of executive business shall hereafter be open to the public, except when treaties are considered, or when the Senate, by a vote of two-thirds of the Members present and voting therefor, shall order otherwise. And the proceedings of executive sessions open to the public shall be recorded as are the proceedings of legislative sessions.

The Committee on Rules is directed to prepare such amendments to existing rules and to prepare such additional rules as may be necessary to give effect to this resolution and present the same to the Senate for action thereon.

Mr. LA FOLLETTE. Mr. President, I request that the resolution lie on the table for the present, and at such time as the business of the Senate will make it possible I shall address myself to it.

The VICE PRESIDENT. The resolution will lie on the table, subject to the call of the Senator from Wisconsin.

REGULATION OF IMMIGRATION.

Mr. SMITH of South Carolina. I ask unanimous consent for a reprint of the immigration bill, which has been reported and is now on the calendar, so as to include certain subsequent amendments which have been agreed upon by the Committee on Immigration. The committee desire that the amendments which have been agreed upon since the bill was reported may be now printed for the convenience of the Senate.

The VICE PRESIDENT. May the Chair suggest to the Senator from South Carolina that the proper procedure would seem to be to withdraw the reported bill, to insert the amendments, and to then rereport the bill?

Mr. SMITH of South Carolina. I understand that that can not be done. Therefore I will withdraw the request and have the amendments printed for the convenience of Senators as separate amendments.

ADDRESS OF HON. R. L. METCALFE.

Mr. HITCHCOCK. Mr. President, I ask unanimous consent to have printed in the RECORD a short article by Hon. R. L. Metcalfe, former governor of the Panama Canal Zone, entitled "The kingdom, the power, and the glory," being a statement in favor of active effort on the part of the United States to procure peace.

The VICE PRESIDENT. It will be so ordered in the absence of objection. The Chair hears none.

The article referred to is as follows:

"THE KINGDOM, THE POWER, AND THE GLORY."

[R. L. Metcalfe in Omaha Nebraskan.]

Suppose the President of the United States were to throw away all thought of "propriety" and "international custom" and official "dignity" and issue an appeal to all the warring nations of Europe, an appeal made in humanity's name, to bring this terrible war to an end?

Suppose this appeal were made not in the privacy of diplomatic circles but made within the hearing of all the world? Wouldn't it be great?

If written as only Woodrow Wilson could write it, wouldn't it go ringing 'round the wide, wide world? Wouldn't it go ringing through the chambers of human hearts in every land beneath the sun? Wouldn't it be sweet music in the ears of the good God Himself?

Suppose, then, that every Englishman and every German and Austrian and Frenchman, and every plain ordinary American, within the borders of our own land should give the prayer he has given to partisan cause to the support of our President's appeal for universal peace? Wouldn't it be great?

Suppose all the energy and ingenuity that have been put forth by partisans in our own land in helping European favorites through money and speech and writings and conspiracies should be exerted in support of our President's appeal made in humanity's name? Wouldn't it be great?

Suppose that our prayers, our hopes, our faith, our tears, should touch the hearts of the rank and file in England, in Germany, and in other of the warring countries until they, too, took up the cry for peace? Wouldn't it be great?

Suppose all the world, outside of the kings and their marching armies, should follow the leadership of an American President brave enough to do the simplest of things in the hope of accomplishing the biggest of results? Wouldn't it be great?

Of course it would be a simple thing to do. But let us not forget that "simple things" were responsible for this war. And let us remember that all the big things of life have been accomplished through simple things.

The biggest conquests that have ever been won in civilization came as the result of original efforts so simple that they were sneered at in their pioneer days.

The biggest books that have ever been written were rejected at one time by those who could not recognize the bigness of simplicity.

The biggest fortunes that have ever been amassed have been due to the recognition of the value of simple things by one man who could see treasures at his very feet while his neighbor was seeking wealth in the clouds.

The biggest thoughts that have ever been held in the minds of men are the thoughts that deal with the so-called "simple" things of life.

The biggest forces in the American battle against human slavery were put forth by one man who was dragged through the streets of Boston with a rope around his neck, and by another who was hunted and slain and persecuted even as the poor creatures whom he sought to serve were hunted and slain. But Garrison fulfilled his promise "I will be heard," and the soul of John Brown goes marching on through the ages.

The biggest Person that ever trod the earth was crucified for the simple truth He taught, and to-day all civilization gives answer to His judge's question, "What is truth?" by pointing to the things He taught, and for the teaching of which He died, and "writing upon the eternal dome, glittering with stars," the words, "This is the truth!" So it has been written in the simplest of verse and the sublimest of truth:

I know a world that is rent and torn,
Of hearts that faint and tire;
But I know of a Name, a Name, a Name,
That can set that world on fire.

Wouldn't it be worth the effort for the President of our great country to break all restraint and make this trial? What if all the world seems on fire! What if millions are in arms bent on war! What if the cars of kings are stopped to human cries and their hearts untouched by human suffering! "One on God's side is a majority," and no one may surely say what would be the result of a simple, heartfelt, God-directed appeal coming from the White House of America. No one may surely predict a failure to a call made upon all civilization to go marching to "the still, sad music of humanity."

Is it not worth the effort? Even if it did not bring immediate results, it would not be lost. It might bring peace. Wouldn't it be great?

Even this editorial, printed as it is in a weekly newspaper, can not be lost. It is conceived in truth and written in the deepest solemnity. Humble in origin, inconspicuous, so far as concerns the great world—it is all that. But it speaks what is in the hearts of countless millions of men and women and children. More than that, it must speak what is in the very heart of God Himself. And so I send it on its way, knowing it can not be lost, feeling that for its very truth it will touch the hearts of those who read, and giving it—in the deepest reverence—the blessing of the world-wide prayer: "Our Father which art in heaven, hallowed be Thy name. Thy kingdom come, Thy will be done on earth as it is in heaven. Give us this day our daily bread, and forgive us our debts as we forgive our debtors. Lead us not into temptation, but deliver us from evil. For Thine is the kingdom, the power, and the glory forever. Amen."

WOMAN SUFFRAGE.

Mr. GALLINGER. Mr. President, I have been requested to announce that the Members of the Senate are cordially invited to be present in the Rotunda of the Capitol to-day at 5 o'clock to meet the envoys from the suffrage States elected by the woman voters' conference in Salt Lake City on May 12, who will present resolutions from the woman voters to Congress at the hour I have named.

AMENDMENT OF THE RULES.

Mr. LA FOLLETTE. I desire to give notice of a proposed amendment to paragraph 2 of Rule XXXVI of the standing rules of the Senate by adding at the end of that paragraph the following:

Consideration of and action upon nominations which must be confirmed by the Senate shall be in open executive session unless the Senate by a vote of two-thirds of the Members present and voting therefor shall order otherwise.

The purpose of the suggested amendment is to have the proceedings of the Senate while acting upon nominations open to the public and recorded as are the proceedings of legislative sessions.

NATIONAL DEFENSE (S. DOC. NO. 442).

Mr. CHAMBERLAIN. I desire to submit the report of the conferees of the Senate and the House upon the Army reorganization bill. I wish to state in this connection that some time to-day I shall endeavor to have the report taken up for consideration.

The conference report submitted by Mr. CHAMBERLAIN was ordered to be printed in the RECORD, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12766) to increase the efficiency of the Military Establishment of the United States, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment to the title of the bill, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment

as follows: In lieu of the matter proposed by the amendment of the Senate insert the following:

"That the Army of the United States shall consist of the Regular Army, the Volunteer Army, the Officers' Reserve Corps, the Enlisted Reserve Corps, the National Guard while in the service of the United States, and such other land forces as are now or may hereafter be authorized by law.

"SEC. 2. Composition of the Regular Army: The Regular Army of the United States, including the existing organizations, shall consist of 64 regiments of Infantry, 25 regiments of Cavalry, 21 regiments of Field Artillery, a Coast Artillery Corps, the brigade, division, army corps, and army headquarters, with their detachments and troops, a General Staff Corps, an Adjutant General's Department, an Inspector General's Department, a Judge Advocate General's Department, a Quartermaster Corps, a Medical Department, a Corps of Engineers, an Ordnance Department, a Signal Corps, the officers of the Bureau of Insular Affairs, the Militia Bureau, the detached officers, the detached noncommissioned officers, the chaplains, the Regular Army Reserve, all organized as hereinafter provided, and the following as now authorized by law: The officers and enlisted men on the retired list; the additional officers; the professors, the Corps of Cadets, the general Army service detachment, and detachments of Cavalry, Field Artillery, and Engineers, and the band of the United States Military Academy; the post noncommissioned staff officers; the recruiting parties, the recruit depot detachments, and unassigned recruits; the service school detachments; the disciplinary guards; the disciplinary organizations; the Indian Scouts; and such other officers and enlisted men as are now or may be hereafter provided for: *Provided*, That hereafter the enlisted personnel of all organizations of the Regular Army shall at all times be maintained at a strength not below the minimum strength fixed by law: *Provided further*, That the total enlisted force of the line of the Regular Army, excluding the Philippine Scouts and the enlisted men of the Quartermaster Corps, of the Medical Department, and of the Signal Corps, and the unassigned recruits, shall not at any one time, except in the event of actual or threatened war or similar emergency in which the public safety demands it, exceed 175,000 men: *Provided further*, That the unassigned recruits at depots or elsewhere shall at no time, except in time of war, exceed by more than 7 per cent the total authorized enlisted strength.

"SEC. 3. Composition of brigades, divisions, etc.: The mobile troops of the Regular Army of the United States shall be organized, as far as practicable, into brigades and divisions. The President is authorized, in time of actual or threatened hostilities, or when in his opinion the interests of the public service demand it, to organize the brigades and divisions into such army corps or armies as may be necessary. The typical Infantry brigade shall consist of a headquarters and three regiments of Infantry. The typical Cavalry brigade shall consist of a headquarters and three regiments of Cavalry. The typical Field Artillery brigade shall consist of a headquarters and three regiments of Field Artillery. The typical Infantry division shall consist of a headquarters, three Infantry brigades, one regiment of Cavalry, one Field Artillery brigade, one regiment of Engineers, one field signal battalion, one aero squadron, one ammunition train, one supply train, one engineer train, and one sanitary train. The typical Cavalry division shall consist of a headquarters, three Cavalry brigades, one regiment of Field Artillery (horse), one battalion of mounted Engineers, one field signal battalion (mounted), one aero squadron, one ammunition train, one supply train, one engineer train, and one sanitary train. The typical army corps shall consist of a headquarters, two or more Infantry divisions, one or more Cavalry brigades or a Cavalry division, one Field Artillery brigade, one telegraph battalion, and one field signal battalion, and such ammunition, supply, engineer, and sanitary trains as the President may deem necessary. A brigade, a division, an army corps, and an army headquarters shall consist of such officers, enlisted men, and civilians as the President may prescribe. Each supply train, ammunition train, sanitary train, and engineer train shall consist of such officers and enlisted men and shall be organized as the President may prescribe, the line officers necessary therewith to be detailed under the provisions of sections 26 and 27, act of Congress approved February 2, 1901. Nothing herein contained, however, shall prevent the President from increasing or decreasing the number of organizations prescribed for the typical brigades, divisions, and army corps, or from prescribing new and different organizations and personnel as the efficiency of the service may require.

"SEC. 4. General officers of the line: Officers commissioned to and holding in the Army the office of a general officer shall hereafter be known as general officers of the line; officers commissioned to and holding in the Army an office other than that of a general officer, but to which the rank of a general officer is attached, shall be known as general officers of the staff. The number of general officers of the line now authorized by law is hereby increased by 4 major generals and 10 brigadier generals: *Provided*, That hereafter in time of peace major generals of the line shall be appointed from officers of the grade of brigadier general of the line, and brigadier generals of the line shall be appointed from officers of the grade of colonel of the line of the Regular Army.

"SEC. 5. The General Staff Corps: The General Staff Corps shall consist of one Chief of Staff, detailed in time of peace from major generals of the line; two assistants to the Chief of Staff, who shall be general officers of the line, one of whom, not above the grade of brigadier general, shall be the president of the Army War College; 10 colonels; 10 lieutenant colonels; 15 majors; and 17 captains, to be detailed from corresponding grades in the Army, as in this section hereinafter provided. All officers detailed in the General Staff Corps shall be detailed therein for periods of four years, unless sooner relieved. While serving in the General Staff Corps officers may be temporarily assigned to duty with any branch of the Army. Upon being relieved from duty in the General Staff Corps officers shall return to the branch of the Army in which they hold permanent commissions, and no officer shall be eligible to a further detail in the General Staff Corps until he shall have served two years with the branch of the Army in which commissioned, except in time of actual or threatened hostilities. Section 27 of the act of Congress approved February 2, 1901, shall apply to each position vacated by officers below the grade of general officer detailed in the General Staff Corps.

"Not more than one-half of all of the officers detailed in said corps shall at any time be stationed, or assigned to or employed upon any duty, in or near the District of Columbia. All officers detailed in said corps shall be exclusively employed in the study of military problems, the preparation of plans for the national defense and the utilization of the military forces in time of war, in investigating and reporting upon the efficiency and state of preparedness of such forces for service in peace or war, or on appropriate general staff duties in connection with troops, including the National Guard, or as military attachés in foreign countries, or on other duties, not of an administrative nature, on which they can be lawfully and properly employed: *Provided*, That no officer shall be detailed as a member of the General Staff Corps, other than the Chief of Staff and the general officers herein provided for as assistants to the Chief of Staff, except upon the recommendation of a board of five officers not below the rank of colonel, who shall be selected by the President or the Secretary of War, and neither the Chief of Staff nor more than two other members of the General Staff Corps, nor any officer not a member of said corps, who shall have been stationed or employed on any duty in or near the District of Columbia within one year prior to the date of convening of any such board, shall be detailed as a member thereof. No recommendation made by any such board shall, for more than one year after the making of such recommendation or at any time after the convening of another such board, unless again recommended by the new board, be valid as a basis for the detail of any officer as a member of the General Staff Corps; and no alteration whatever shall be made in any report or recommendation of any such board, either with or without the consent of members thereof, after the board shall have submitted such report or recommendation and shall have adjourned sine die: *Provided further*, That the War College shall remain fully subject to the supervising, coordinating, and informing powers conferred by law upon members of the General Staff Corps, and officers for duty as instructors or students in or as attachés of said college may be selected and detailed freely from among members of said corps, but any officer so selected and detailed other than one director shall thereupon cease to be a member of said corps and shall not be eligible for redetail therein so long as he shall remain on said duty; and no officer on the active list of the Army shall, for more than 30 days in any calendar year, be attached to or assigned to duty in the War College in any capacity other than that of president, director, instructor, or student, or, unless a member of the General Staff Corps, be attached to or employed in the office of the Chief of Staff: *Provided further*, That the organizations heretofore existing in or in connection with the office of the Chief of Staff under the designations of the mobile army division and the Coast Artillery division be, and they are hereby, abolished and shall not be reestablished. The business heretofore transacted in said divisions, except such as comes clearly within the general powers specified in and conferred upon members of the General Staff Corps by the organic act of Congress approved February 14, 1903, is hereby transferred as follows, to wit, to the office of

the Chief of Coast Artillery, all business apportioned to that office by law or Army regulations at the time of the creation of the Coast Artillery division of the office of the Chief of Staff; to the office of The Adjutant General or other bureau or bureaus concerned, all other business; and, subject to the exercise of the supervising, coordinating, and informing powers conferred upon members of the General Staff Corps by the act of Congress last hereinbefore cited, the business transferred by this provision to certain bureaus or offices shall hereafter be transacted exclusively by or under the direction of the respective heads thereof; and the Chief of Coast Artillery shall be an additional member of the General Staff Corps and shall also be adviser to and informant of the Chief of Staff in respect to the business under his charge: *Provided further*, That hereafter members of the General Staff Corps shall be confined strictly to the discharge of the duties of the general nature of those specified for them in this section and in the organic act of Congress last hereinbefore cited, and they shall not be permitted to assume or engage in work of an administrative nature that pertains to established bureaus or offices of the War Department, or that, being assumed or engaged in by members of the General Staff Corps, would involve impairment of the responsibility or initiative of such bureaus or offices, or would cause injurious or unnecessary duplication of or delay in the work thereof: *Provided further*, That all pay and allowances shall be forfeited by any superior for any period during which, by his order or his permission, or by reason of his neglect, any subordinate shall violate any of the foregoing provisions of this section: *Provided further*, That if any officer detailed in the General Staff Corps, or as an officer of any staff corps or department of the Army, shall be promoted to the next higher grade while so serving he may be permitted to serve out the period of his detail, and the number of officers in the organization in which he shall be serving and in the grade to which he shall have been promoted shall be increased by one for such time as he shall be an additional number in said organization and grade; but the whole number of officers detailed to said organization shall at no time exceed the aggregate of the numbers allowed to the several grades thereof by law other than this proviso.

"SEC. 6. The Adjutant General's Department: The Adjutant General's Department shall consist of The Adjutant General with the rank of brigadier general; 7 adjutants general with the rank of colonel; 13 adjutants general with the rank of lieutenant colonel; and 30 adjutants general with the rank of major.

"SEC. 7. The Inspector General's Department: The Inspector General's Department shall consist of 1 Inspector General with the rank of brigadier general; 4 inspectors general with the rank of colonel; 8 inspectors general with the rank of lieutenant colonel; and 16 inspectors general with the rank of major.

"SEC. 8. The Judge Advocate General's Department: The Judge Advocate General's Department shall consist of 1 Judge Advocate General with the rank of brigadier general; 4 judge advocates with the rank of colonel; 7 judge advocates with the rank of lieutenant colonel; and 20 judge advocates with the rank of major: *Provided*, That acting judge advocates may be detailed under the provisions of existing law for separate brigades and for separate general court-martial jurisdictions, and when not immediately required for service with a geographical department, tactical division, separate brigade, or other separate general court-martial jurisdiction, acting judge advocates may be assigned to such other legal duty as the exigencies of the service may require: *Provided further*, That of the vacancies created in the Judge Advocate General's Department by this act, one such vacancy, not below the grade of major, shall be filled by the appointment of a person from civil life, not less than 45 nor more than 50 years of age, who shall have been for 10 years a judge of the Supreme Court of the Philippine Islands, shall have served for 2 years as a captain in the Regular or Volunteer Army, and shall be proficient in the Spanish language and laws: *Provided further*, That so much of the act of Congress approved August 24, 1912, as relates to the detachment or detail of officers for duty in the Judge Advocate General's Department shall hereafter be held to apply only to the acting judge advocates authorized by law; and hereafter no officer shall be or remain detached from any command or assigned to any duty or station with intent to enable or aid him to pursue the study of law: *And provided further*, That no officer of the Judge Advocate General's Department below the rank of colonel shall be promoted therein until he shall have successfully passed a written examination before a board consisting of not less than two officers of the Judge Advocate General's Department, to be designated by the Secretary of War, such examination to be prescribed by the Secretary of War and to be held at such time anterior to the accruing of the right to promotion as may be for the best interests of the service: *Provided*, That should any officer in the grade of major of the Judge Advocate General's Department fail in his physical examination and be found incapacitated for service by reason of physical disability contracted in the line of duty, he shall be retired with the rank to which his seniority entitled him to be promoted; but if he should be found disqualified for promotion for any other reason, a second examination shall not be allowed, but the Secretary of War shall appoint a board of review to consist of two officers of the Judge Advocate General's Department superior in rank to the officer examined, none of whom shall have served as a member of the board which examined him. If the unfavorable finding of the examining board is concurred in by the board of review, the officer reported disqualified for promotion shall be honorably discharged from the service with one year's pay. If the action of the examining board is disapproved by the board of review, the officer shall be considered qualified and shall be promoted: *Provided further*, That any lieutenant colonel of the Judge Advocate General's Department who, at his first examination for promotion to the grade of colonel, has been found disqualified for such promotion for any reason other than physical disability incurred in the line of duty shall be suspended from promotion and his right thereto shall pass successively to such officers next below him in rank as are or may become eligible to promotion under existing law during the period of his suspension; and any such officer suspended from promotion shall be reexamined as soon as practicable after the expiration of one year from the date of the completion of the examination that resulted in his suspension; and if on such reexamination he is found qualified for promotion, he shall again become eligible thereto; but if he is found disqualified by reason of physical disability incurred in line of duty in either examination, he shall be retired, with the rank to which his seniority entitled him to be promoted; and if he is not found disqualified by reason of such physical disability, but is found disqualified for promotion for any other reason in the second examination, he shall be retired without promotion.

"SEC. 9. The Quartermaster Corps: The Quartermaster Corps shall consist of 1 Quartermaster General with the rank of major general; 2 assistants to the Quartermaster General with the rank of brigadier general; 21 colonels; 24 lieutenant colonels; 68 majors; 180 captains; and the pay clerks now in active service, who shall hereafter have the rank, pay, and allowances of a second lieutenant, and the President is hereby authorized to appoint and commission them, by and with the advice and consent of the Senate, second lieutenants in the Quartermaster Corps, United States Army. The total enlisted strength of the Quartermaster Corps and the number in each grade shall be limited and fixed from time to time by the President in accordance with the needs of the Army, and shall consist of quartermaster sergeants, senior grade; quartermaster sergeants; sergeants, first class; sergeants; corporals; cooks; privates, first class; and privates. The number in the various grades shall not exceed the following percentages of the total authorized enlisted strength of the Quartermaster Corps, namely: Quartermaster sergeants, senior grade, five-tenths of 1 per cent; quartermaster sergeants, 6 per cent; sergeants, first class, 2.5 per cent; sergeants, 25 per cent; corporals, 10 per cent; privates, first class, 45 per cent; privates, 9 per cent; cooks, 2 per cent: *Provided*, That the master electricians now authorized by law for the Quartermaster Corps shall hereafter be known as quartermaster sergeants, senior grade, and shall be included in the number of quartermaster sergeants, senior grade, herein authorized: *And provided further*, That all work pertaining to construction and repair that has heretofore been done by or under the direction of officers of the Quartermaster Corps shall, except as otherwise now provided by laws or regulations, hereafter be done by or under the direction of officers of said corps.

"SEC. 10. The Medical Department: The Medical Department shall consist of one Surgeon General, with the rank of major general during the active service of the present incumbent of that office, and thereafter with the rank of brigadier general, who shall be chief of said department, a Medical Corps, a Medical Reserve Corps within the limit of time fixed by this act, a Dental Corps, a Veterinary Corps, an enlisted force, the Nurse Corps, and contract surgeons as now authorized by law, the commissioned officers of which shall be citizens of the United States.

"The Medical Corps shall consist of commissioned officers below the grade of brigadier general, proportionally distributed among the several grades as in the Medical Corps now established by law. The total number of such officers shall approximately be equal to, but not exceed, except as hereinafter provided, 7 for every 1,000 of the total enlisted strength of the Regular Army authorized from time to time by law: *Provided*,

That if by reason of a reduction by law in the authorized enlisted strength of the Army aforesaid the total number of officers in the Medical Corps commissioned previously to such reduction shall for the time being exceed the equivalent of 7 to 1,000 of such reduced enlisted strength no original appointment to commissioned rank in said corps shall be made until the total number of commissioned officers thereof shall have been reduced below the equivalent of 7 to the 1,000 of the said reduced enlisted strength, nor thereafter so as to make the total number of commissioned officers thereof in excess of the equivalent of 7 to the 1,000 of said reduced enlisted strength; and no promotion shall be made above the grade of captain in said corps until the number of officers in the grade above that of captain to which the promotion is due shall have been reduced below the proportional number authorized for such grade on the basis of the reduced enlisted strength, nor thereafter so as to make the number of officers in such grade in excess of the proportional number authorized on the basis of said reduced enlisted strength: *Provided further*, That when in time of war the Regular Army shall have been increased by virtue of the provisions of this or any other act, the medical officers appointed to meet such increase shall be honorably discharged from the service of the United States when the reduction of the enlisted strength of the Army shall take place: *Provided further*, That persons hereafter commissioned in the Medical Corps shall be citizens of the United States between the ages of 22 and 30 years and shall be promoted to the grade of captain upon the completion of five years' service in the Medical Corps and upon passing the examinations prescribed by the President for promotion to the grade of captain in the Medical Corps: *Provided further*, That relative rank among captains in the Medical Corps, who have or shall have attained that rank by operation of law after a period of service fixed thereby, shall be determined by counting all the service rendered by them as officers in said corps and as assistant surgeons in the Regular Army, subject, however, to loss of files by reason of sentence of court-martial or by reason of failure to pass examination for promotion: *Provided further*, That hereafter the President shall be authorized to detail not to exceed five officers of the Medical Department of the Army for duty with the military relief division of the American National Red Cross.

"The enlisted force of the Medical Department shall consist of the following personnel, who shall not be included in the effective strength of the Army nor counted as a part of the enlisted force provided by law: Master hospital sergeants, hospital sergeants, sergeants (first class), sergeants, corporals, cooks, horseshoers, saddlers, farriers, mechanics, privates (first class), and privates: *Provided*, That master hospital sergeants shall be appointed by the Secretary of War, but no person shall be appointed master hospital sergeant until he shall have passed a satisfactory examination under such regulations as the Secretary of War may prescribe before a board of one or more medical officers as to his qualifications for the position, including knowledge of pharmacy, and demonstrated his fitness therefor by service of not less than 12 months as hospital sergeant or sergeant, first class, Medical Department, or as sergeant, first class, in the Hospital Corps now established by law; and no person shall be designated for such examination except by written authority of the Surgeon General: *Provided further*, That original enlistments for the Medical Department shall be made in the grade of private, and reenlistments and promotions of enlisted men therein, except as hereinbefore prescribed, and transfer thereto from the enlisted force of the line or other staff departments and corps of the Army shall be governed by such regulations as the Secretary of War may prescribe: *Provided further*, That the enlisted men of the Hospital Corps who are in active service at the time of the approval of this act are hereby transferred to the corresponding grades of the Medical Department established by this act: *Provided further*, That the total number of enlisted men in the Medical Department shall be approximately equal to, but not exceed, except as hereinafter provided, the equivalent of 5 per cent of the total enlisted strength of the Army authorized from time to time by law: *Provided further*, That in time of actual or threatened hostilities, the Secretary of War is hereby authorized to enlist or cause to be enlisted in the Medical Department such additional number of men as the service may require: *Provided further*, That the number of enlisted men in each of the several grades designated below shall not exceed, except as hereinafter provided, the following percentages of the total authorized enlisted strength of the Medical Department, to wit: Master hospital sergeants, one-half of 1 per cent; hospital sergeants, one-half of 1 per cent; sergeants, first class, 7 per cent; sergeants, 11 per cent; corporals, 5 per cent; and cooks, 6 per cent: *Provided further*, That the number of horseshoers, saddlers, farriers, and mechanics in the Medical Department shall not exceed one each to each authorized ambulance company or like organization: *Provided further*, That in said department the number of privates, first class, shall not exceed 25 per cent of the number of privates: *Provided further*, That if by reason of a reduction by operation of law in the authorized enlisted strength of the Army aforesaid the number of noncommissioned officers of any grade in the Medical Department whose warrants were issued previously to such reduction shall for the time being exceed the percentage hereinabove specified for such grade, no promotion to such grade shall be made until the percentage of noncommissioned officers therein shall have been reduced below that authorized for such grade on the basis of the said reduced enlisted strength, nor thereafter so as to make the percentage of noncommissioned officers therein in excess of the percentage authorized on the basis of the said reduced enlisted strength; but noncommissioned officers may be reenlisted in the grades held by them previously to such reduction regardless of the percentages aforesaid; and when under this provision the number of noncommissioned officers of any grade exceeds the percentage specified, any noncommissioned officer thereof, not under charges, may be discharged on his own application: *Provided further*, That privates, first class, of the Medical Department shall be eligible for ratings for additional pay as follows: As dispensary assistant, $2 a month; as nurse, $3 a month; as surgical assistant, $5 a month: *Provided further*, That no enlisted man shall receive more than one rating for additional pay under the provisions of this section, nor shall any enlisted man receive any additional pay under such rating unless he shall have actually performed the duties for which he shall be rated.

"The President is hereby authorized to appoint and commission, by and with the advice and consent of the Senate, dental surgeons, who are citizens of the United States between the ages of 21 and 27 years, at the rate of one for each 1,000 enlisted men of the line of the Army. Dental surgeons shall have the rank, pay, and allowances of first lieutenants until they have completed 8 years' service. Dental surgeons of more than 8 but less than 24 years' service shall, subject to such examination as the President may prescribe, have the rank, pay, and allowances of captains. Dental surgeons of more than 24 years' service shall, subject to such examination as the President may prescribe, have the rank, pay, and allowances of major: *Provided*, That the total number of dental surgeons with rank, pay, and allowances of major shall not at any time exceed 15: *And provided further*, That all laws relating to the examination of officers of the Medical Corps for promotion shall be applicable to dental surgeons.

"Authority is hereby given to the Secretary of War to grant permission, by revocable license, to the American National Red Cross to erect and maintain on any military reservations within the jurisdiction of the United States buildings suitable for the storage of supplies, or to occupy for that purpose buildings erected by the United States, under such regulations as the Secretary of War may prescribe, such supplies to be available for the aid of the civilian population in case of serious national disaster.

"SEC. 11. Corps of Engineers: The Corps of Engineers shall consist of 1 Chief of Engineers, with the rank of brigadier general; 23 colonels; 30 lieutenant colonels; 72 majors; 152 captains; 148 first lieutenants; 79 second lieutenants; and the enlisted men hereinafter enumerated. The Engineer troops of the Corps of Engineers shall consist of one band, seven regiments, and two mounted battalions.

"Each regiment of Engineers shall consist of 1 colonel; 1 lieutenant colonel; 2 majors; 11 captains; 12 first lieutenants; 6 second lieutenants; 2 master engineers, senior grade; 1 regimental sergeant major; 2 regimental supply sergeants; 2 color sergeants; 1 sergeant bugler; 1 cook; 1 wagoner for each authorized wagon of the field and combat train, and 2 battalions.

"Each battalion of a regiment of Engineers shall consist of 1 major, 1 captain, 1 battalion sergeant major; 3 master engineers, junior grade; and 3 companies. Each Engineer company (regimental) shall consist of 1 captain; 2 first lieutenants; 1 second lieutenant; 1 first sergeant; 3 sergeants, first class; 1 mess sergeant; 1 supply sergeant; 1 stable sergeant; 6 sergeants; 12 corporals; 1 horseshoer; 2 buglers; 1 saddler; 2 cooks; 19 privates, first class; and 59 privates: *Provided*, That the President may, in his discretion, increase a regiment of Engineers by 2 master engineers, senior grade, and 2 sergeants; each battalion of a regiment of Engineers by 3 master engineers, junior grade; and each Engineer company (regimental) by 2 sergeants, 6 corporals, 1 cook, 12 privates, first class, and 34 privates.

"The Engineer band shall consist of 1 band leader; 1 assistant band leader; 1 first sergeant; 2 band sergeants; 4 band cor-

porals; 2 musicians, first class; 4 musicians, second class; 13 musicians, third class; and 2 cooks.

"Each battalion of mounted Engineers shall consist of 1 major; 5 captains; 7 first lieutenants; 3 second lieutenants; 1 master engineer, senior grade; 1 battalion sergeant major; 1 battalion supply sergeant; 3 master engineers, junior grade; 1 corporal; 1 wagoner for each authorized wagon of the field and combat train; and three mounted companies. Each mounted Engineer company shall consist of 1 captain; 2 first lieutenants; 1 second lieutenant; 1 first sergeant; 2 sergeants, first class; 1 mess sergeant; 1 supply sergeant; 1 stable sergeant; 4 sergeants; 8 corporals; 2 horseshoers; 1 saddler; 2 cooks; 2 buglers; 12 privates, first class; and 37 privates: *Provided*, That the President may, in his discretion, increase the battalions of mounted Engineers by 1 master engineer, senior grade; 2 sergeants; and 3 master engineers, junior grade; and a mounted Engineer company by 2 sergeants; 3 corporals; 8 privates, first class; and 24 privates: *Provided further*, That appropriate officers to command the regiments, battalions, and companies herein authorized and for duty with and as staff officers of such organizations shall be detailed from the Corps of Engineers, and shall not be in excess of the numbers in each grade enumerated in this section. The enlisted force of the Corps of Engineers and the officers serving therewith shall constitute a part of the line of the Army.

"SEC. 12. The Ordnance Department: The Ordnance Department shall consist of 1 Chief of Ordnance, with the rank of brigadier general; 10 colonels; 15 lieutenant colonels; 32 majors, 42 captains; 42 first lieutenants; the ordnance sergeants, as now authorized by law, and such other enlisted men of grades now authorized by law as the President may direct: *Provided*, That ordnance sergeants shall be selected by the Secretary of War from the sergeants of the line or Ordnance Department who shall have served faithfully for eight years, including four years in the grade of noncommissioned officer: *Provided further*, That vacancies which may occur in the commissioned personnel of the Ordnance Department shall be subject to the provisions of sections 26 and 27 of the act approved February 2, 1901, the acts approved June 25, 1906, and February 24, 1915, and acts amendatory thereof relating to the Ordnance Department: *Provided further*, That hereafter the Secretary of War is authorized to detail not to exceed 30 lieutenants from the Army at large for duty as student officers in the establishments of the Ordnance Department for a period of two years; and the completion of the prescribed course of instruction shall constitute the examination for detail in the Ordnance Department.

"SEC. 13. The Signal Corps: The Signal Corps shall consist of 1 Chief Signal Officer, with the rank of brigadier general; 3 colonels; 8 lieutenant colonels; 10 majors; 30 captains; 75 first lieutenants; and the aviation section, which shall consist of 1 colonel; 1 lieutenant colonel; 8 majors; 24 captains; and 114 first lieutenants, who shall be selected from among officers of the Army at large of corresponding grades or from among officers of the grade below, exclusive of those serving by detail in staff corps or departments, who are qualified as military aviators, and shall be detailed to serve as aviation officers for periods of four years unless sooner relieved; and the provisions of section 27 of the act of Congress approved February 2, 1901, are hereby extended to apply to said aviation officers and to vacancies created in any arm, corps, or department of the Army by the detail of said officers therefrom; but nothing in said act or in any other law now in force shall be held to prevent the detail or redetail at any time, to fill a vacancy among the aviation officers authorized by this act, of any officer who, during prior service as an aviation officer of the aviation section, shall have become proficient in military aviation.

"Aviation officers may, when qualified therefor, be rated as junior military aviators or as military aviators, but no person shall be so rated until there shall have been issued to him a certificate to the effect that he is qualified for the rating, and no certificate shall be issued to any person until an aviation examining board, which shall be composed of three officers of experience in the Aviation Service and two medical officers, shall have examined him, under general regulations to be prescribed by the Secretary of War and published to the Army by the War Department, and shall have reported him to be qualified for the rating. No person shall receive the rating of military aviator until he shall have served creditably for three years as an aviation officer with the rating of a junior military aviator.

"Each aviation officer authorized by this act shall, while on duty that requires him to participate regularly and frequently in aerial flights, receive an increase of 25 per cent in the pay of his grade and length of service under his commission. Each duly qualified junior military aviator shall, while so serving, have the rank, pay, and allowances of one grade higher than that held by him under his commission if his rank under said commission be not higher than that of captain, and while on duty requiring him to participate regularly and frequently in aerial flights he shall receive in addition an increase of 50 per cent in the pay of his grade and length of service under his commission. Each military aviator shall, while so serving, have the rank, pay, and allowances of one grade higher than that held by him under his commission if his rank under said commission be not higher than that of captain, and while on duty requiring him to participate regularly and frequently in aerial flights he shall receive in addition an increase of 75 per cent of the pay of his grade and length of service under his commission: *Provided*, That the provisions of the act of March 2, 1913, allowing increase of pay and allowances to officers detailed by the Secretary of War on aviation duty, are hereby repealed: *Provided further*, That hereafter married officers of the line of the Army shall be eligible equally with unmarried officers, and subject to the same conditions, for detail to aviation duty; and the Secretary of War shall have authority to cause as many enlisted men of the aviation section to be instructed in the art of flying as he may deem necessary: *Provided further*, That hereafter the age of officers shall not be a bar to their first detail in the aviation section of the Signal Corps, and neither their age nor their rank shall be a bar to their subsequent details in said section: *Provided further*, That when it shall be impracticable to obtain from the Army officers suitable for the aviation section of the Signal Corps in the number allowed by law the difference between that number and the number of suitable officers actually available for duty in said section may be made up by appointments in the grade of aviator, Signal Corps, and that grade is hereby created. The personnel for said grade shall be obtained from especially qualified civilians who shall be appointed and commissioned in said grade: *Provided further*, That whenever any aviator shall have become unsatisfactory he shall be discharged from the Army as such aviator. The base pay of an aviator, Signal Corps, shall be $150 per month, and he shall have the allowances of a master signal electrician and the same percentage of increase in pay for length of service as is allowed to a master signal electrician.

"The total enlisted strength of the Signal Corps shall be limited and fixed from time to time by the President in accordance with the needs of the Army, and shall consist of master signal electricians; sergeants, first class; sergeants; corporals; cooks; horseshoers; privates, first class; and privates; the number in each grade being fixed from time to time by the President. The numbers in the various grades shall not exceed the following percentages of the total authorized enlisted strength of the Signal Corps, namely: Master signal electricians, 2 per cent; sergeants, first class, 7 per cent; sergeants, 10 per cent; corporals, 20 per cent. The number of privates, first class, shall not exceed 25 per cent of the number of privates. Authority is hereby given the President to organize, in his discretion, such part of the commissioned and enlisted personnel of the Signal Corps into such number of companies, battalions, and aero squadrons as the necessities of the service may demand.

"SEC. 14. Bureau of Insular Affairs of the War Department: Nothing in this act shall be construed to repeal existing laws relating to the organization of the Bureau of Insular Affairs of the War Department.

"SEC. 15. Chaplains: The President is authorized to appoint, by and with the advice and consent of the Senate, chaplains in the Army at the rate of not to exceed, including chaplains now in service, one for each regiment of Cavalry, Infantry, Field Artillery, and Engineers, and one for each 1,200 officers and men of the Coast Artillery Corps, with rank, pay, and allowances as now authorized by law: *Provided*, That in the appointment of chaplains in the Regular Army, preference and priority shall be given to applicant veterans, if otherwise duly qualified and who shall not have passed the age of 41 years at the time of application, who have rendered honorable war service in the Army of the United States or who have been honorably discharged from such Army.

"SEC. 16. Veterinarians: The President is hereby authorized, by and with the advice and consent of the Senate, to appoint veterinarians and assistant veterinarians in the Army, not to exceed, including veterinarians now in service, 2 such officers for each regiment of Cavalry, 1 for every three batteries of Field Artillery, 1 for each mounted battalion of Engineers, 17 as inspectors of horses and mules and as veterinarians in the Quartermaster Corps, and 7 as inspectors of meats for the Quartermaster Corps; and said veterinarians and assistant veterinarians shall be citizens of the United States and shall constitute the Veterinary Corps and shall be a part of the Medical Department of the Army.

"Hereafter a candidate for appointment as assistant veterinarian must be a citizen of the United States, between the ages of 21 and 27 years, a graduate of a recognized veterinary college or university, and shall not be appointed until he shall have passed a satisfactory examination as to character, physical condition, general education, and professional qualifications.

"An assistant veterinarian appointed under this act shall, for the first 5 years of service as such, have the rank, pay, and allowances of second lieutenant; that after 5 years of service he shall have the rank, pay, and allowances of first lieutenant; that after 15 years of service he shall be promoted to be a veterinarian with the rank, pay, and allowances of captain, and that after 20 years' service he shall have the rank, pay, and allowances of a major: *Provided*, That any assistant veterinarian, in order to be promoted as hereinbefore provided, must first pass a satisfactory examination, under such rules as the President may prescribe, as to professional qualifications and adaptability for the military service; and if such assistant veterinarian shall be found deficient at such examination he shall be discharged from the Army with one year's pay.

"The veterinarians of Cavalry and Field Artillery now in the Army, together with such veterinarians of the Quartermaster Corps as are now employed in said corps, who at the date of the approval of this act shall have had less than five years' governmental service, may be appointed in the Veterinary Corps as assistant veterinarians with the rank, pay, and allowances of second lieutenant; those who shall have had over five years of such service may be appointed in said corps as assistant veterinarians with the rank, pay, and allowances of first lieutenant; and those who shall have had over 15 years of such service may be appointed in said corps as veterinarians with the rank, pay, and allowances of captain: *Provided*, That no such appointment of any veterinarian shall be made unless he shall first pass satisfactorily a practical professional and physical examination as to his fitness for the military service: *Provided further*, That veterinarians now in the Army or in the employ of the Quartermaster Corps who shall fail to pass the prescribed physical examination because of disability incident to the service and sufficient to prevent them from the performance of duty valuable to the Government shall be placed upon the retired list of the Army with 75 per cent of the pay to which they would have been entitled if appointed in the Veterinary Corps as hereinbefore prescribed.

"The Secretary of War, upon recommendation of the Surgeon General of the Army, may appoint in the Veterinary Corps, for such time as their services may be required, such number of reserve veterinarians as may be necessary to attend public animals pertaining to the Quartermaster Corps. Reserve veterinarians so employed shall have the pay and allowances of second lieutenant during such employment and no longer: *Provided*, That such reserve veterinarians shall be graduates of a recognized veterinary college or university and shall pass a satisfactory examination as to character, physical condition, general education, and professional qualifications in like manner as hereinbefore required of assistant veterinarians; such reserve veterinarians shall constitute a list of eligibles for appointment as assistant veterinarians, subject to all the conditions hereinbefore prescribed for the appointment of assistant veterinarians.

"Within a limit of time to be fixed by the Secretary of War, candidates for appointment as assistant veterinarians who shall have passed satisfactorily the examinations prescribed for that grade by this act shall be appointed, in the order of merit in which they shall have passed such examination, to vacancies as they occur, such appointments to be for a probationary period of two years, after which time, if the services of the probationers shall have been satisfactory, they shall be permanently appointed with rank to date from the dates of rank of their probationary appointments. Probationary veterinarians whose services are found unsatisfactory shall be discharged at any time during the probationary period, or at the end thereof, and shall have no further claims against the Government on account of their probationary service.

"The Secretary of War shall from time to time appoint boards of examiners to conduct the veterinary examinations hereinbefore prescribed, each of said boards to consist of three medical officers and two veterinarians.

"SEC. 17. Composition of Infantry units: Each regiment of Infantry shall consist of 1 colonel, 1 lieutenant colonel, 3 majors, 15 captains, 16 first lieutenants, 15 second lieutenants, 1 headquarters company, 1 machine-gun company, 1 supply company, and 12 Infantry companies organized into 3 battalions of 4 companies each.

"Each battalion shall consist of 1 major, 1 first lieutenant, mounted (battalion adjutant), and 4 companies. Each Infantry company in battalion shall consist of 1 captain, 1 first lieutenant, 1 second lieutenant, 1 first sergeant, 1 mess sergeant, 1 supply sergeant, 6 sergeants, 11 corporals, 2 cooks, 2 buglers, 1 mechanic, 19 privates (first class), and 56 privates.

"Each Infantry headquarters company shall consist of 1 captain, mounted (regimental adjutant); 1 regimental sergeant major, mounted; 3 battalion sergeants major, mounted; 1 first sergeant (drum major); 2 color sergeants; 1 mess sergeant; 1 supply sergeant; 1 stable sergeant; 1 sergeant; 2 cooks; 1 horseshoer; 1 band leader; 1 assistant band leader; 1 sergeant bugler; 2 band sergeants; 4 band corporals; 2 musicians, first class; 4 musicians, second class; 13 musicians, third class; 4 privates, first class, mounted; and 12 privates, mounted.

"Each Infantry machine-gun company shall consist of 1 captain, mounted; 1 first lieutenant, mounted; 2 second lieutenants, mounted; 1 first sergeant, mounted; 1 mess sergeant; 1 supply sergeant, mounted; 1 stable sergeant, mounted; 1 horseshoer; 5 sergeants; 6 corporals; 2 cooks, 2 buglers; 1 mechanic; 8 privates, first class; and 24 privates.

"Each Infantry supply company shall consist of 1 captain, mounted; 1 second lieutenant, mounted; 3 regimental supply sergeants, mounted; 1 first sergeant, mounted; 1 mess sergeant; 1 stable sergeant; 1 corporal, mounted; 1 cook; 1 saddler; 1 horseshoer; and 1 wagoner for each authorized wagon of the field and combat train: *Provided*, That the President may in his discretion increase a company of Infantry by 2 sergeants, 6 corporals, 1 cook, 1 mechanic, 9 privates (first class), and 31 privates; an Infantry machine-gun company by 2 sergeants, 2 corporals, 1 mechanic, 4 privates (first class), and 12 privates.

"The commissioned officers required for the Infantry headquarters, supply, and machine-gun companies and for the companies organized into battalions shall be assigned from those hereinbefore authorized.

"SEC. 18. Composition of Cavalry units: Each regiment of Cavalry shall consist of 1 colonel, 1 lieutenant colonel, 3 majors, 15 captains, 16 first lieutenants, 16 second lieutenants, 1 headquarters troop, 1 machine-gun troop, 1 supply troop, and 12 troops organized into three squadrons of 4 troops each.

"Each squadron shall consist of 1 major, 1 first lieutenant (squadron adjutant), and 4 troops. Each troop in squadron shall consist of 1 captain, 1 first lieutenant, 1 second lieutenant, 1 first sergeant, 1 mess sergeant, 1 supply sergeant, 1 stable sergeant, 5 sergeants, 8 corporals, 2 cooks, 2 horseshoers, 1 saddler, 2 buglers, 10 privates (first class), and 36 privates.

"Each headquarters troop shall consist of 1 captain (regimental adjutant), 1 regimental sergeant major, 3 squadron sergeants major, 1 first sergeant (drum major), 2 color sergeants, 1 mess sergeant, 1 supply sergeant, 1 stable sergeant, 1 sergeant, 2 cooks, 1 horseshoer, 1 saddler, 2 privates (first class), and 9 privates, 1 band leader, 1 assistant band leader, 1 sergeant bugler, 2 band sergeants, 4 band corporals, 2 musicians (first class), 4 musicians (second class), and 13 musicians (third class).

"Each machine-gun troop shall consist of 1 captain, 1 first lieutenant, 2 second lieutenants, 1 first sergeant, 1 mess sergeant, 1 supply sergeant, 1 stable sergeant, 2 horseshoers, 5 sergeants, 6 corporals, 2 cooks, 1 mechanic, 1 saddler, 2 buglers, 12 privates (first class), and 35 privates.

"Each supply troop shall consist of 1 captain (regimental supply officer), 2 second lieutenants, 3 regimental supply sergeants, 1 first sergeant, 1 mess sergeant, 1 stable sergeant, 1 corporal, 1 cook, 1 horseshoer, 1 saddler, and 1 wagoner for each authorized wagon of the field and combat train: *Provided*, That the President may, in his discretion, increase each troop of Cavalry by 10 privates (first class) and 25 privates; the headquarters troop by 2 sergeants, 5 corporals, 1 horseshoer, 5 privates (first class), and 18 privates; each machine-gun troop by 3 sergeants, 2 corporals, 1 mechanic, 1 private (first class), and 14 privates; each supply troop by 1 corporal, 1 cook, 1 saddler, and 1 horseshoer.

"The commissioned officers required for the Cavalry headquarters, supply, and machine-gun troops, and for the troops organized into squadrons, shall be assigned from those hereinbefore authorized.

"SEC. 19. Composition of Field Artillery units: The Field Artillery, including mountain artillery, light artillery, horse artillery, heavy artillery (field and siege types), shall consist of 126 guns or howitzer batteries organized into 21 regiments.

"In time of actual or threatened hostilities the President is authorized to organize such number of ammunition batteries and battalions, depot batteries and battalions, and such artillery parks with such numbers and grades of personnel and such organizations as he may deem necessary. The officers necessary for such organization shall be supplied from the officers' reserve corps provided by this act and by temporary appointment as authorized by section 8 of the act of Congress approved April

25, 1914. The enlisted men necessary for such organizations shall be supplied from the Regular Army Reserve provided by this act or from the Regular Army.

"Each regiment of Field Artillery shall consist of 1 colonel, 1 lieutenant colonel, 1 captain, 1 headquarters company, 1 supply company, and such number of gun and howitzer battalions as the President may direct. Nothing shall prevent the assembling, in the same regiment, of gun and howitzer battalions of different calibers and classes.

"Each gun or howitzer battery shall consist of 1 captain, 2 first lieutenants, 2 second lieutenants, 1 first sergeant, 1 supply sergeant, 1 stable sergeant, 1 mess sergeant, 6 sergeants, 13 corporals, 1 chief mechanic, 1 saddler, 2 horseshoers, 1 mechanic, 2 buglers, 3 cooks, 22 privates (first class), and 71 privates. When no enlisted men of the Quartermaster Corps are attached for such positions there shall be added to each battery of mountain artillery 1 packmaster (sergeant, first class), 1 assistant packmaster (sergeant), and 1 cargador (corporal).

"Each headquarters company of a regiment of two battalions shall consist of 1 captain, 1 first lieutenant, 1 regimental sergeant major, 2 battalion sergeants major, 1 first sergeant, 2 color sergeants, 1 mess sergeant, 1 supply sergeant, 1 stable sergeant, 2 sergeants, 9 corporals, 1 horseshoer, 1 saddler, 1 mechanic, 3 buglers, 2 cooks, 5 privates (first class), 15 privates, 1 band leader, 1 assistant band leader, 1 sergeant bugler, 2 band sergeants, 4 band corporals, 2 musicians (first class), 4 musicians (second class), and 13 musicians (third class). That when a regiment consists of three battalions there shall be added to the headquarters company 1 battalion sergeant major, 1 sergeant, 3 corporals, 1 bugler, 1 private (first class), and 5 privates. When no enlisted men of the Quartermaster Corps is attached for such positions, there shall be added to each mountain artillery headquarters company 1 packmaster (sergeant, first class), 1 assistant packmaster (sergeant), and 1 cargador (corporal).

"Each supply company of a regiment of two battalions shall consist of 1 captain, 1 first lieutenant, 2 regimental supply sergeants, 1 first sergeant, 1 mess sergeant, 1 corporal, 1 cook, 1 horseshoer, 1 saddler, 2 privates, and 1 wagoner for each authorized wagon of the field train. When a regiment consists of three battalions there shall be added to the supply company 1 second lieutenant, 1 regimental supply sergeant, 1 private, and 1 wagoner for each additional authorized wagon of the field train.

"Each gun or howitzer battalion shall consist of 1 major, 1 captain, and batteries as follows: Mountain artillery battalions and light artillery gun or howitzer battalions serving with the field artillery of Infantry divisions shall contain three batteries; horse artillery battalions and heavy field artillery gun or howitzer battalions shall contain two batteries: *Provided*, That the President may, in his discretion, increase the headquarters company of a regiment of two battalions by 2 sergeants, 5 corporals, 1 horseshoer, 1 mechanic, 1 private (first class), and 6 privates; the headquarters company of a regiment of three battalions by 1 sergeant, 7 corporals, 1 horseshoer, 1 mechanic, 2 cooks, 2 privates (first class), and 7 privates; the supply company of a regiment of two battalions by 1 corporal, 1 cook, 1 horseshoer, and 1 saddler; the supply company for a regiment of three battalions by 1 corporal, 1 cook, 1 horseshoer, and 1 saddler; a gun or howitzer battery by 3 sergeants, 7 corporals, 1 horseshoer, 2 mechanics, 1 bugler, 13 privates (first class), and 37 privates.

"SEC. 20. Coast Artillery Corps: The Coast Artillery Corps shall consist of one Chief of Coast Artillery, with the rank of brigadier general; 24 colonels; 24 lieutenant colonels; 72 majors; 360 captains; 360 first lieutenants; 360 second lieutenants; 31 sergeants major, senior grade; 64 sergeants major, junior grade; 41 master electricians; 72 engineers; 99 electrician sergeants, first class; 275 assistant engineers; 99 electrician sergeants, second class; 106 firemen; 93 radio sergeants; 62 master gunners; 263 first sergeants; 263 supply sergeants; 263 mess sergeants; 2,104 sergeants; 3,156 corporals; 526 cooks; 526 mechanics; 526 buglers; 5,225 privates, first class; 15,675 privates; and 18 bands, organized as hereinbefore provided for the Engineer band. The rated men of the Coast Artillery Corps shall consist of casemate electricians; observers, first class; plotters; chief planters; coxswains; chief loaders; observers, second class; gun commanders and gun pointers. The total number of rated men shall not exceed 1,784. Coxswains shall receive $9 per month in addition to the pay of their grade.

"SEC. 21. Porto Rico Regiment of Infantry: The Porto Rico Regiment of Infantry of the United States Army shall hereafter have the same organization, and the same grades and numbers of commissioned officers and enlisted men, as are by this act or shall hereafter be prescribed by law for other regiments of Infantry of the Army. All vacancies created by this act or occurring hereafter in commissioned offices of said regiment above the grade of second lieutenant and below the grade of colonel shall, except as hereinafter provided to the contrary, be filled by promotion according to seniority in the several grades and within the regiment, subject to the examination prescribed by section 3 of the act of Congress approved October 1, 1890, and said section is hereby extended so as to apply in the cases of all officers below the grade of lieutenant colonel, who shall hereafter be examined for promotion in the Porto Rico Regiment of Infantry, except that the President may prescribe such a system of examination for the promotion of officers of said regiment as he may deem advisable.

"The colonel of said regiment shall be detailed by the President from among officers of Infantry of the Army not below the grade of lieutenant colonel for a period of four years, unless sooner relieved. Vacancies created by this act in the grades of lieutenant colonel and major in said regiment shall be filled by appointments from the senior captains in regimental rank of the Porto Rico regiment mentioned in the act of March 4, 1915; and captains and lieutenants of said regiment shall also be eligible for such detached service, transfer, or assignment to duty with other organizations as may be approved by the Secretary of War; but vacancies created by such detachment of officers shall not be filled by promotions or appointments.

"All men hereafter enlisting in said regiment shall be natives of Porto Rico. All enlistments in the regiment shall hereafter be the same as is provided herein for the Regular Army, and the regiment, or any part thereof, may be ordered for service outside the island of Porto Rico. The pay and allowances of members of said regiment shall be the same as provided by law for officers and enlisted men of like grades in the Regular Army.

"Vacancies created by this act or occurring hereafter in the grade of second lieutenant in said regiment shall be filled during any calendar year by the appointment by the President, by and with the advice and consent of the Senate, of any native of Porto Rico graduated from the United States Military Academy, and, after such appointment shall have been made or provided for, by like appointment of native citizens of Porto Rico between 21 and 27 years of age.

"*Provided*, That officers of the Porto Rico Regiment of Infantry, United States Army, who held commissions in the Porto Rico Provisional Regiment of Infantry on June 30, 1908, shall now and hereafter take rank in their grades in the same relative order held by them in said Porto Rico Provisional Regiment of Infantry on June 30, 1908, subject to any loss in rank due to failure to pass examinations for promotion or to sentence of court-martial.

"SEC. 22. All existing laws pertaining to or affecting the United States Military Academy and civilian or military personnel on duty thereat in any capacity whatever, the officers and enlisted men on the retired list, the detached and additional officers under the act of Congress approved March 3, 1911, recruiting parties, recruit depots and unassigned recruits, service-school detachments, United States disciplinary barracks guards, disciplinary organizations, the Philippine Scouts, and Indian scouts shall continue and remain in force except as herein specifically provided otherwise.

"SEC. 23. Original appointments to be provisional: Hereafter all appointments of persons other than graduates of the United States Military Academy to the grade of second lieutenant in the Regular Army shall be provisional for a period of two years, at the close of which period such appointments shall be made permanent if the appointees shall have demonstrated, under such regulations as the President may prescribe, their suitability and moral, professional, and physical fitness for such permanent appointment; but should any appointee fail so to demonstrate his suitability and fitness, his appointment shall terminate; and should any officer become eligible for promotion to a vacancy in a higher grade and qualify therefor before the expiration of two years from the date of his original appointment, he shall receive a provisional appointment in such higher grade, which appointment shall be made permanent when he shall have qualified for permanent appointment upon the expiration of two years from the date of his original appointment, or shall terminate if he shall fail so to qualify.

"SEC. 24. Increase to be made in five increments: Except as otherwise specifically provided by this act, the increases in the commissioned and enlisted personnel of the Regular Army provided by this act shall be made in five annual increments, each of which shall be, in each grade of each arm, corps, and department, as nearly as practicable, one-fifth of the total increase authorized for each arm, corps, and department. Officers promoted to vacancies created or caused by the addition of the first increment shall be promoted to rank from July 1, 1916,

and those promoted to vacancies created or caused by the second increment shall be promoted to rank from July 1, 1917; those promoted to vacancies created or caused by the addition of the third increment shall be promoted to rank from July 1, 1918; those promoted to vacancies created or caused by the addition of the fourth increment shall be promoted to rank from July 1, 1919; and those promoted to vacancies created or caused by the addition of the fifth increment shall be promoted to rank from July 1, 1920: *Provided*, That in the event of actual or threatened war or similar emergency in which the public safety demands it, the President is authorized to immediately organize the entire increase authorized by this act, or so much thereof as he may deem necessary; and when, in the judgment of the President, war becomes imminent, all of said organizations that shall then be below the maximum enlisted strength authorized by law shall be raised forthwith to that strength, and shall be maintained as nearly as possible thereat so long as war, or the imminence of war, shall continue.

"Vacancies in the grade of second lieutenant, created or caused by the increases due to this act, in any fiscal year shall be filled by appointment in the following order: (1) Of cadets graduated from the United States Military Academy during the preceding fiscal year for whom vacancies did not become available during the fiscal year in which they were graduated; (2) under the provisions of existing law, of enlisted men, including officers of the Philippine Scouts, whose fitness for promotion shall have been determined by competitive examination; (3) of members of the Officers' Reserve Corps between the ages of 21 and 27 years; (4) of commissioned officers of the National Guard between the ages of 21 and 27 years; (5) of such honor graduates, between the ages of 21 and 27 years, of distinguished colleges as are now or may hereafter be entitled to preference by general orders of the War Department; and (6) of candidates from civil life between the ages of 21 and 27 years; and the President is authorized to make the necessary rules and regulations to carry these provisions into effect: *Provided*, That any such original vacancies not so filled, and remaining at the time of graduation of any class at the United States Military Academy, may be filled by the appointment of members of that class; and all vacancies in the grade of second lieutenant not created or caused by the increases due to this act shall be filled as provided in the act making appropriation for the support of the Army, approved March 3, 1911: *Provided further*, That enlisted men of the Regular Army who have completed one year's service with an organization may become candidates for vacancies in the grade of second lieutenant created or caused by the increases due to the operation of this act: *Provided further*, That appointments to the grade of second lieutenant in the Corps of Engineers, including those created by this act, shall continue to be made as now provided by law, but that officers of the Army or Navy of the United States may become candidates for said appointments under the provisions of section 5 of the act of Congress approved February 27, 1911, without previously vacating their commissions as officers and that the Secretary of War may, in his discretion, allow persons to become candidates without previously establishing eligibility for appointment as junior engineer under the Engineer Bureau of the War Department: *Provided further*, That officers appointed to original vacancies in the grade of second lieutenant created or caused by this act shall take lineal and relative rank according to dates of appointment, and the lineal and relative rank of second lieutenants appointed on the same date shall be determined under such regulations as the Secretary of War may prescribe: *Provided further*, That the President may recommission persons who have heretofore held commissions in the Regular Army and have left the service honorably, after ascertaining that they are qualified for service physically, morally, and as to age and military fitness; such recommissioned officers shall take rank at the foot of the respective grades which they held at the time of their separation from the Army: *Provided further*, That the provisions of existing law requiring examinations to determine fitness for promotion of officers of the Army are hereby extended to include promotions to all grades below that of brigadier general: *Provided further*, That examinations of officers in the grades of major and lieutenant colonel shall be confined to problems involving the higher functions of staff duties and command: *Provided further*, That in time of war retired officers of the Army may be employed on active duty, in the discretion of the President, and when so employed they shall receive the full pay and allowances of their grade: *And provided further*, That hereafter any retired officer, who has been or shall be detailed on active duty, shall receive the rank, pay, and allowances of the grade, not above that of major, that he would have attained in due course of promotion if he had remained on the active list for a period beyond the date of his retirement equal to the total amount of time during which he has been detailed on active duty since his retirement.

"SEC. 25. The detached officers: On July 1, 1916, the line of the Army shall be increased by 822 extra officers of the Cavalry, Field Artillery, Coast Artillery Corps, and Infantry arms of the service, of grades from first lieutenant to colonel, inclusive, lawfully available for detachment from their proper arms for duty with the National Guard, or other duty, the usual period of which exceeds one year. Said extra officers, together with the 200 detached officers provided for by the act of Congress approved March 3, 1911, shall, on and after July 1, 1916, constitute the detached officers' list, and all positions vacated by officers assigned to said list, and the officers so assigned, shall be subject to the provisions of section 27 of the act of Congress approved February 2, 1901, with reference to details to the staff corps. The total number of officers hereby authorized for each grade on said list entire shall be in proportion to the total number of officers of the corresponding grade now authorized by law other than this act for all of the said four arms combined, exclusive of second lieutenants and of the 200 extra officers authorized by the act of Congress approved March 3, 1911, and exclusive also of the additional officers authorized by the act to restore lineal rank lost through the system of regimental promotion formerly in force; and the total number of officers hereby authorized for each grade in each of said arms on said list shall be in the proportion borne by the number of officers now authorized by law other than this act for such grade and arm to the total number of officers now authorized by law other than this act for the corresponding grade in all of the said four arms combined, exclusive of the extra and additional officers last hereinbefore specified and excluded: *Provided*, That all vacancies created or caused by the foregoing provisions of this section in grades above that of second lieutenant shall be filled by promotion according to law existing on and before the date of approval of this act, and subject to the examinations prescribed by existing law. As soon as practicable after such promotions shall have been made, there shall be detached from each arm and assigned to the detached officers' list a number of officers of each grade equal to the number of officers of said grade by which said arm shall have been increased by the foregoing provisions of this section; and thereafter any vacancy created or caused in any of the said arms of the service by the assignment of an officer of any grade to said detached officers' list shall be filled, subject to such examination as is now or may hereafter be prescribed by law, by the promotion of the officer who shall be the senior in length of commissioned service of those eligible to promotion in the next lower grade in the arm in which such vacancy shall occur: *Provided further*, That no officer of any of said arms of the service shall be permitted to remain on said detached officers' list for more than 45 days unless he shall have been actually present for duty for at least two years out of the last preceding six years with an organization composed of one or more statutory units, or the equivalent thereof, of the arm to which he shall belong. Any vacancy created in said list by the removal of any officer therefrom because he shall not have been present for duty as before prescribed in this proviso shall be filled by the transfer to said list of an officer having the same grade and belonging to the same arm as the officer whose removal from said list shall have created said vacancy; but, except as before prescribed in this proviso, all officers who shall have been assigned to said list shall remain thereon for not less than four years from the respective dates of their assignment thereto, unless in the meantime they shall have been separated entirely from the Army, or shall have been promoted or appointed to higher offices, or shall have been retired from active service: *Provided further*, That after the apportionment of officers to said detached officers' list shall have been made as authorized by this act, whenever any vacancy shall have been caused in said list by the separation of an officer of any grade therefrom, such vacancy shall, except as prescribed in the last preceding proviso, be filled by the detail and assignment to said list of an officer of the corresponding grade in that arm in which there shall be found the officer of the next lower grade who at that time shall be the senior in length of commissioned service of all the officers of the said lower grade in all of the four arms hereinbefore specified; if two or more officers of different arms shall be found to have equal seniority in length of commissioned service in said lower grade, the question of seniority shall be decided by their relative standing on the list of the commissioned officers of the Army: *Provided further*, That, with a view further to equalize inequalities in past promotions of officers of the line of the Army, on July 1, 1916, the Cavalry shall be increased by 17

colonels, and the Infantry by 4 colonels, all of whom shall be additional officers in that grade, and shall not bar nor retard the promotion to which any officer would be entitled if the appointment of the said additional officers had never been authorized; and after July 1, 1919, no vacancies occurring among the said additional officers shall be filled and the offices so vacated shall cease and determine: *And provided further*, That for the purpose of lessening as much as possible inequalities of promotion due to the increase in the number of officers of the line of the Army under the provisions of this act, any vacancies created or caused by this act in commissioned grades below that of lieutenant colonel in any arm of said line may, in the discretion of the President and under such regulations as he may prescribe in furtherance of the purpose stated in this proviso, be filled by the promotion or transfer without promotion of officers of other branches of the line of the Army; but no such promotion or transfer shall be made in the case of any officer unless it shall have been recommended by an examining board composed of five officers, senior in rank to such officer, and of the arm to which the promotion or transfer of such officer shall have been proposed, who, after having made a personal examination of such officer and of his official record, shall have reported him qualified for service in said arm in the grade to which his promotion or transfer shall have been proposed.

"SEC. 26. Retirement of officers of Philippine Scouts: Captains and lieutenants of Philippine Scouts who are citizens of the United States shall hereafter be entitled to retirement under the laws governing the retirement of enlisted men of the Regular Army, except that they shall be retired in the grade held by them at the date of retirement, shall be entitled to retirement for disability under the same conditions as officers of the Regular Army, and that they shall receive, as retired pay, the amounts allowed by law as retired pay and allowances of master signal electricians of the United States Army, and no more: *Provided*, That double time for service beyond the continental limits of the United States shall not be counted for the purposes of this section so as to reduce the actual period of service below 20 years: *Provided further*, That former officers of the Philippine Scouts who, because of disability occasioned by wounds received in action, have resigned or been discharged from the service, or who have heretofore served as such for a period of more than five years and have been retired as enlisted men, shall be placed upon the retired list as officers of Philippine Scouts and thereafter receive the retired pay and allowances provided by this section for other officers of Philippine Scouts: *And provided further*, That any former officer of Philippine Scouts who vacated his office in the Philippine Scouts by discharge or resignation on account of disability contracted in the line of duty and who was subsequently retired as an enlisted man, except any former officer of Philippine Scouts who has been retired as an enlisted man by special act of Congress, shall be transferred to the retired list created by this section and shall thereafter receive the retired pay and allowances authorized by this section, and no more. Officers of Philippine Scouts retired under the provisions of this section shall not form part of the limited retired list now authorized by law.

"SEC. 27. Enlistments in the Regular Army: On and after the 1st day of November, 1916, all enlistments in the Regular Army shall be for a term of seven years, the first three years to be in the active service with the organizations of which those enlisted form a part and, except as otherwise provided herein, the last four years in the Regular Army Reserve hereinafter provided for: *Provided*, That at the expiration of three years' continuous service with such organizations, either under a first or any subsequent enlistment, any soldier may be reenlisted for another period of seven years, as above provided for, in which event he shall receive his final discharge from his prior enlistment: *Provided further*, That after the expiration of one year's honorable service any enlisted man serving within the continental limits of the United States whose company, troop, battery, or detachment commander shall report him as proficient and sufficiently trained may, in the discretion of the Secretary of War, be furloughed to the Regular Army Reserve under such regulations as the Secretary of War may prescribe, but no man furloughed to the reserve shall be eligible to reenlist in the service until the expiration of his term of seven years: *Provided further*, That in all enlistments hereafter accomplished under the provisions of this act three years shall be counted as an enlistment period in computing continuous-service pay: *Provided further*, That any noncommissioned officer discharged with an excellent character shall be permitted, at the expiration of three years in the active service, to reenlist in the organization from which discharged with the rank and grade held by him at the time of his discharge if he reenlists within 20 days after the date of such discharge: *Provided further*, That no person under the age of 18 years shall be enlisted or mustered into the military service of the United States without the written consent of his parents or guardians, provided that such minor has such parents or guardians entitled to his custody and control: *And provided further*, That the President is authorized in his discretion to utilize the services of postmasters of the second, third, and fourth classes in procuring the enlistment of recruits for the Army, and for each recruit accepted for enlistment in the Army the postmaster procuring his enlistment shall receive the sum of $5.

"In addition to military training, soldiers while in the active service shall hereafter be given the opportunity to study and receive instruction upon educational lines of such character as to increase their military efficiency and enable them to return to civil life better equipped for industrial, commercial, and general business occupations. Civilian teachers may be employed to aid the Army officers in giving such instruction, and part of this instruction may consist of vocational education either in agriculture or the mechanic arts. The Secretary of War, with the approval of the President, shall prescribe rules and regulations for conducting the instruction herein provided for, and the Secretary of War shall have the power at all times to suspend, increase, or decrease the amount of such instruction offered as may in his judgment be consistent with the requirements of military instruction and service of the soldiers.

"SEC. 28. Pay of certain enlisted men: Hereafter the monthly pay of enlisted men of certain grades of the Army created in this act shall be as follows, namely: Quartermaster sergeant, senior grade, Quartermaster Corps; master hospital sergeant, Medical Department; master engineers, senior grade, Corps of Engineers; and band leader, Infantry, Cavalry, Artillery, and Corps of Engineers, $75; hospital sergeant, Medical Department; and master engineer, junior grade, Corps of Engineers, $65; sergeant, first class, Medical Department, $50; sergeant, first class, Corps of Engineers; regimental supply sergeant, Infantry, Cavalry, Field Artillery, and Corps of Engineers; battalion supply sergeant, Corps of Engineers; and assistant engineer, Coast Artillery Corps, $45; assistant band leader, Infantry, Cavalry, Artillery, and Corps of Engineers; and sergeant bugler, Infantry, Cavalry, Artillery, and Corps of Engineers, $40; musician, first class, Infantry, Cavalry, Artillery, and Corps of Engineers; supply sergeant, mess sergeant, and stable sergeant, Corps of Engineers; sergeant Medical Department, $36; supply sergeant, Infantry, Cavalry, and Artillery; mess sergeant, Infantry, Cavalry, and Artillery; cook, Medical Department; horseshoer, Infantry, Cavalry, Artillery, Corps of Engineers, Signal Corps, and Medical Department; stable sergeant, Infantry and Cavalry; radio sergeant, Coast Artillery Corps; and musicians, second class, Infantry, Cavalry, Artillery, and Corps of Engineers, $30; musician, third class, Infantry, Cavalry, Artillery, and Corps of Engineers; corporal, Medical Department, $24; saddler, Infantry, Cavalry, Field Artillery, Corps of Engineers, and Medical Department; mechanic, Infantry, Cavalry, and Field Artillery, and Medical Department; farrier, Medical Department; and wagoner, Infantry, Field Artillery, and Corps of Engineers, $21; private, first class, Infantry, Cavalry, Artillery, and Medical Department, $18; private, Medical Department, and bugler, $15. Nothing herein contained shall operate to reduce the pay or allowances now authorized by law for any grade of enlisted men of the Army.

"SEC. 29. Final discharge of enlisted men: No enlisted man in the Regular Army shall receive his final discharge until the termination of his seven-year term of enlistment except upon reenlistment as provided for in this act or as provided by law for discharge prior to expiration of term of enlistment, but when an enlisted man is furloughed to the Regular Army Reserve his account shall be closed and he shall be paid in full to the date such furlough becomes effective, including allowances provided by law for discharged soldiers: *Provided*, That when by reason of death or disability of a member of the family of an enlisted man occurring after his enlistment members of his family become dependent upon him for support, he may, in the discretion of the Secretary of War, be discharged from the service of the United States or be furloughed to the Regular Army Reserve, upon due proof being made of such condition: *Provided further*, That when an enlisted man is discharged by purchase while in active service he shall be furloughed to the Regular Army Reserve, unless, in the discretion of the Secretary of War, he is given a final discharge from the Army.

"SEC. 30. Composition of the Regular Army Reserve: The Regular Army Reserve shall consist of, first, all enlisted men now in the Army Reserve or who shall hereafter become members of the Army Reserve under the provisions of existing law; second, all enlisted men furloughed to or enlisted in the Regular Army Reserve under the provisions of this act; and, third, any person holding an honorable discharge from the Regular Army

with character reported at least good who is physically qualified for the duties of a soldier and not over 45 years of age who enlists in the Regular Army Reserve for a period of four years.

"SEC. 31. The President is authorized to assign members of the Regular Army Reserve as reserves to particular organizations of the Regular Army, or to organize the Regular Army Reserve, or any part thereof, into units or detachments of any arm, corps, or department in such manner as he may prescribe, and to assign to such units and detachments officers of the Regular Army or of the Officers' Reserve Corps herein provided for; and he may summon the Regular Army Reserve, or any part thereof, for field training for a period not exceeding 15 days in each year, the reservists to receive travel expenses and pay at the rate of their respective grades in the Regular Army during such periods of training; and in the event of actual or threatened hostilities he may mobilize the Regular Army Reserve in such manner as he may determine, and thereafter retain it, or any part thereof, in active service for such period as he may determine the conditions demand: *Provided*, That all enlistments in the Regular Army, including those in the Regular Army Reserve, which are in force on the date of the outbreak of war shall continue in force for one year, unless sooner terminated by order of the Secretary of War, but nothing herein shall be construed to shorten the time of enlistment prescribed: *Provided further*, That, subject to such regulations as the President may prescribe for their proper identification and location and physical condition, the members of the Regular Army Reserve shall be paid semiannually at the rate of $24 a year while in the reserve.

"SEC. 32. Regular Army Reserve in time of war: When mobilized by order of the President, the members of the Regular Army Reserve shall, so long as they may remain in active service, receive the pay and allowances of enlisted men of the Regular Army of like grades: *Provided*, That any enlisted man who shall have reenlisted in the Regular Army Reserve shall receive during such active service the additional pay now provided by law for enlisted men in his arm of the service in the second enlistment period: *Provided further*, That upon reporting for duty, and being found physically fit for service, members of the Regular Army Reserve shall receive a sum equal to $3 per month for each month during which they shall have belonged to the reserve, as well as the actual necessary cost of transportation and subsistence from their homes to the places at which they may be ordered to report for duty under such summons: *And provided further*, That service in the Regular Army Reserve shall confer no right to retirement or retired pay, and members of the Regular Army Reserve shall become entitled to pension only through disability incurred while on active duty in the service of the United States.

"SEC. 33. Use of other departments of the Government: The President may, subject to such rules and regulations as in his judgment may be necessary, utilize the services of members and employees of all departments of the Government of the United States, without expense to the individual reservist, for keeping in touch with, paying, and mobilizing the Regular Army Reserve, the Enlisted Reserve Corps, and other reserve organizations.

"SEC. 34. Reenlistment in time of war: For the purpose of utilizing as an auxiliary to the Regular Army Reserve the services of men who have had experience and training in the Regular Army or in the United States Volunteers outside of the continental limits of the United States, in time of actual or threatened hostilities, and after the President shall, by proclamation, have called upon honorably discharged soldiers of the Regular Army to present themselves for reenlistment therein within a specified period, subject to such conditions as may be prescribed, any person who shall have been discharged honorably from said Army, with character reported as at least good, and who, having been found physically qualified for the duties of a soldier, if not over 50 years of age, shall reenlist in the line of said Army, or in the Signal, Quartermaster, or Medical Department thereof, within the period that shall be specified in said proclamation, shall receive on so reenlisting a bounty which shall be computed at the rate of $8 for each month for the first year of the period that shall have elapsed since his last discharge from the Regular Army and the date of his reenlistment therein under the terms of said proclamation; at the rate of $6 per month for the second year of such period; at the rate of $4 per month for the third year of such period; and at the rate of $2 per month for any subsequent year of such period; but no bounty in excess of $300 shall be paid to any person under the terms of this section.

"SEC. 35. Enlisted men prohibited from civil employment: Hereafter no enlisted man in the active service of the United States in the Army, Navy, and Marine Corps, respectively, whether a noncommissioned officer, musician, or private, shall be detailed, ordered, or permitted to leave his post to engage in any pursuit, business, or performance in civil life, for emolument, hire, or otherwise, when the same shall interfere with the customary employment and regular engagement of local civilians in the respective arts, trades, or professions.

"SEC. 36. Sergeants for duty with the National Guard: For the purpose of assisting in the instruction of the personnel and care of property in the hands of the National Guard the Secretary of War is authorized to detail from the Infantry, Cavalry, Field Artillery, Corps of Engineers, Coast Artillery Corps, Medical Department, and Signal Corps of the Regular Army not to exceed 1,000 sergeants for duty with corresponding organizations of the National Guard and not to exceed 100 sergeants for duty with the disciplinary organizations at the United States Disciplinary Barracks, who shall be additional to the sergeants authorized by this act for the corps, companies, troops, batteries, and detachments from which they may be detailed.

"SEC. 37. The officers' reserve corps: For the purpose of securing a reserve of officers available for service as temporary officers in the Regular Army, as provided for in this act and in section 8 of the act approved April 25, 1914, as officers of the Quartermaster Corps and other staff corps and departments, as officers for recruit rendezvous and depots, and as officers of volunteers, there shall be organized, under such rules and regulations as the President may prescribe not inconsistent with the provisions of this act, an officers' reserve corps of the Regular Army. Said corps shall consist of sections corresponding to the various arms, staff corps, and departments of the Regular Army. Except as otherwise herein provided, a member of the officers' reserve corps shall not be subject to call for service in time of peace, and whenever called upon for service shall not, without his consent, be so called in a lower grade than that held by him in said reserve corps.

"The President alone shall be authorized to appoint and commission as reserve officers in the various sections of the officers' reserve corps, in all grades up to and including that of major, such citizens as, upon examination prescribed by the President, shall be found physically, mentally, and morally qualified to hold such commissions: *Provided*, That the proportion of officers in any section of the officers' reserve corps shall not exceed the proportion for the same grade in the corresponding arm, corps, or department of the Regular Army, except that the number commissioned in the lowest authorized grade in any section of the officers' reserve corps shall not be limited.

"All persons now carried as duly qualified and registered pursuant to section 23 of the act of Congress approved January 21, 1903, shall, for a period of three years after the passage of this act, be eligible for appointment in the officers' reserve corps in the section corresponding to the arm, corps, or department for which they have been found qualified, without further examination, except a physical examination, and subject to the limitations as to age and rank herein prescribed: *Provided*, That any person carried as qualified and registered in the grade of colonel or lieutenant colonel pursuant to the provisions of said act on the date when this act becomes effective may be commissioned and recommissioned in the officers' reserve corps with the rank for which he has been found qualified and registered, but when such person thereafter shall become separated from the officers' reserve corps for any reason the vacancy so caused shall not be filled, and such office shall cease and determine.

"No person shall, except as hereinafter provided, be appointed or reappointed a second lieutenant in the Officers' Reserve Corps after he shall have reached the age of 32 years, a first lieutenant after he shall have reached the age of 36 years, a captain after he shall have reached the age of 40 years, or a major after he shall have reached the age of 45 years. When an officer of the Reserve Corps shall reach the age limit fixed for appointment or reappointment in the grade in which commissioned he shall be honorably discharged from the service of the United States, and be entitled to retain his official title and, on occasions of ceremony, to wear the uniform of the highest grade he shall have held in the Officers' Reserve Corps: *Provided*, That nothing in the foregoing provisions as to the ages of officers shall apply to the appointment or reappointment of officers of the Quartermaster, Engineer, Ordnance, Signal, Judge Advocate, and Medical sections of said Reserve Corps.

"One year after the passage of this act the Medical Reserve Corps, as now constituted by law, shall cease to exist. Members thereof may be commissioned in the Officers' Reserve Corps, subject to the provisions of this act, or may be honorably discharged from the service. The Secretary of War may, in time of peace, order first lieutenants of the medical section of the Officers' Reserve Corps, with their consent, to active duty in

the service of the United States in such numbers as the public interests may require and the funds appropriated may permit, and may relieve them from such duty when their services are no longer necessary. While on such duty they shall receive the pay and allowances, including pay for periods of sickness and leaves of absence, of officers of corresponding rank and length of active service in the Regular Army.

"The commissions of all officers of the Officers' Reserve Corps shall be in force for a period of five years unless sooner terminated in the discretion of the President. Such officers may be recommissioned, either in the same or higher grades, for successive periods of five years, subject to such examinations and qualifications as the President may prescribe and to the age limits prescribed herein: *Provided*, That officers of the Officers' Reserve Corps shall have rank therein in the various sections of said Reserve Corps according to grades and to length of service in their grades.

"SEC. 38. The Officers' Reserve Corps in war: In time of actual or threatened hostilities the President may order officers of the Officers' Reserve Corps, subject to such subsequent physical examinations as he may prescribe, to temporary duty with the Regular Army in grades thereof which can not, for the time being, be filled by promotion, or as officers in volunteer or other organizations that may be authorized by law, or as officers at recruit rendezvous and depots, or on such other duty as the President may prescribe. While such reserve officers are on such service they shall, by virtue of their commissions as reserve officers, exercise command appropriate to their grade and rank in the organizations to which they may be assigned, and shall be entitled to the pay and allowances of the corresponding grades in the Regular Army, with increase of pay for length of active service, as allowed by law for officers of the Regular Army, from the date upon which they shall be required by the terms of their orders to obey the same: *Provided*, That officers so ordered to active service shall take temporary rank among themselves, and in their grades in the organizations to which assigned, according to the dates of orders placing them on active service; and they may be promoted, in accordance with such rank, to vacancies in volunteer organizations or to temporary vacancies in the Regular Army thereafter occurring in the organizations in which they shall be serving: *Provided further*, That officers of the Officers' Reserve Corps shall not be entitled to retirement or retired pay, and shall be entitled to pension only for disability incurred in the line of duty and while in active service.

"Any officer who, while holding a commission in the Officers' Reserve Corps, shall be ordered to active service by the Secretary of War shall, from the time he shall be required by the terms of his order to obey the same, be subject to the laws and regulations for the government of the Army of the United States, in so far as they are applicable to officers whose permanent retention in the military service is not contemplated.

"SEC. 39. Instruction of officers of the Officers' Reserve Corps: To the extent provided for from time to time by appropriations for this specific purpose, the Secretary of War is authorized to order reserve officers to duty with troops or at field exercises, or for instruction, for periods not to exceed 15 days in any one calendar year, and while so serving such officers shall receive the pay and allowances of their respective grades in the Regular Army: *Provided*, That, with the consent of the reserve officers concerned, and within the limit of funds available for the purpose, such periods of duty may be extended for reserve officers as the Secretary of War may direct: *Provided further*, That in time of actual or threatened hostilities, after all available officers of any section of the Officers' Reserve Corps corresponding to any arm, corps, or department of the Regular Army shall have been ordered into active service, officers of Volunteers may be appointed in such arm, corps, or department as may be authorized by law: *Provided further*, That nothing herein shall operate to prevent the appointment of any officer of the Regular Army as an officer of Volunteers before all the officers of the Officers' Reserve Corps or any section thereof shall have been ordered into active service: *And provided further*, That in determining the relative rank and the right to retirement of an officer of the Regular Army, active duty performed by him while serving in the Officers' Reserve Corps shall not be reckoned.

"SEC. 40. The Reserve Officers' Training Corps: The President is hereby authorized to establish and maintain in civil educational institutions a Reserve Officers' Training Corps, which shall consist of a senior division organized at universities and colleges requiring four years of collegiate study for a degree, including State universities and those State institutions that are required to provide instruction in military tactics under the provisions of the act of Congress of July 2, 1862, donating lands for the establishment of colleges where the leading object shall be practical instruction in agriculture and the mechanic arts, including military tactics, and a junior division organized at all other public or private educational institutions, except that units of the senior division may be organized at those essentially military schools which do not confer an academic degree but which, as a result of the annual inspection of such institutions by the War Department, are specially designated by the Secretary of War as qualified for units of the senior division, and each division shall consist of units of the several arms or corps in such number and of such strength as the President may prescribe.

"SEC. 41. The President may, upon the application of any State institution described in section 40 of this act, establish and maintain at such institution one or more units of the Reserve Officers' Training Corps: *Provided*, That no such unit shall be established or maintained at any such institution until an officer of the Army shall have been detailed as professor of military science and tactics, nor until such institution shall maintain under military instruction at least 100 physically fit male students.

"SEC. 42. The President may, upon the application of any established educational institution in the United States other than a State institution described in section 40 of this act, the authorities of which agree to establish and maintain a two-years' elective or compulsory course of military training as a minimum for its physically fit male students, which course when entered upon by any student shall, as regards such student, be a prerequisite for graduation, establish and maintain at such institution one or more units of the Reserve Officers' Training Corps: *Provided*, That no such unit shall be established or maintained at any such institution until an officer of the Army shall have been detailed as professor of military science and tactics, nor until such institution shall maintain under military instruction at least 100 physically fit male students.

"SEC. 43. The Secretary of War is hereby authorized to prescribe standard courses of theoretical and practical military training for units of the Reserve Officers' Training Corps, and no unit of the senior division shall be organized or maintained at any educational institution the authorities of which fail or neglect to adopt into their curriculum the prescribed courses of military training for the senior division or to devote at least an average of three hours per week per academic year to such military training; and no unit of the junior division shall be organized or maintained at any educational institution the authorities of which fail or neglect to adopt into their curriculum the prescribed courses of military training for the junior division, or to devote at least an average of three hours per week per academic year to such military training.

"SEC. 44. Eligibility to membership in the Reserve Officers' Training Corps shall be limited to students of institutions in which units of such corps may be established who are citizens of the United States, who are not less than 14 years of age, and whose bodily condition indicates that they are physically fit to perform military duty, or will be so upon arrival at military age.

"SEC. 45. The President is hereby authorized to detail such numbers of officers of the Army, either active or retired, not above the grade of colonel, as may be necessary, for duty as professors and assistant professors of military science and tactics at institutions where one or more units of the Reserve Officers' Training Corps are maintained; but the total number of active officers so detailed at educational institutions shall not exceed 300, and no active officer shall be so detailed who has not had five years' commissioned service in the Army. In time of peace retired officers shall not be detailed under the provisions of this section without their consent. Retired officers below the grade of lieutenant colonel so detailed shall receive the full pay and allowances of their grade, and retired officers above the grade of major so detailed shall receive the same pay and allowances as a retired major would receive under a like detail. No detail of officers on the active list of the Regular Army under the provisions of this section shall extend for more than four years.

"SEC. 46. The President is hereby authorized to detail for duty at institutions where one or more units of the Reserve Officers' Training Corps are maintained such number of enlisted men, either active or retired or of the Regular Army reserve, as he may deem necessary, but the number of active noncommissioned officers so detailed shall not exceed 500, and all active noncommissioned officers so detailed shall be additional in their respective grades to those otherwise authorized for the Army. Retired enlisted men or members of the Regular Army reserve

shall not be detailed under the provisions of this section without their consent. While so detailed they shall receive active pay and allowances.

"SEC. 47. The Secretary of War, under such regulations as he may prescribe, is hereby authorized to issue to institutions at which one or more units of the Reserve Officers' Training Corps are maintained such public animals, arms, uniforms, equipment, and means of transportation as he may deem necessary, and to forage at the expense of the United States public animals so issued. He shall require from each institution to which property of the United States is issued a bond in the value of the property issued for the care and safe-keeping thereof, and for its return when required.

"SEC. 48. The Secretary of War is hereby authorized to maintain camps for the further practical instruction of the members of the Reserve Officers' Training Corps, no such camps to be maintained for a period longer than six weeks in any one year, except in time of actual or threatened hostilities; to transport members of such corps to and from such camps at the expense of the United States so far as appropriations will permit; to subsist them at the expense of the United States while traveling to and from such camps and while remaining therein so far as appropriations will permit; to use the Regular Army, such other military forces as Congress from time to time authorizes, and such Government property as he may deem necessary for the military training of the members of such corps while in attendance at such camps; to prescribe regulations for the government of such corps; and to authorize, in his discretion, the formation of company units thereof into battalion and regimental units.

"SEC. 49. The President alone, under such regulations as he may prescribe, is hereby authorized to appoint in the Officers' Reserve Corps any graduate of the senior division of the Reserve Officers' Training Corps who shall have satisfactorily completed the further training provided for in section 50 of this act, or any graduate of the junior division who shall have satisfactorily completed the courses of military training prescribed for the senior division and the further training provided for in sectior 50 of this act, and shall have participated in such practical instruction subsequent to graduation as the Secretary of War shall prescribe, who shall have arrived at the age of 21 years and who shall agree, under oath in writing, to serve the United States in the capacity of a reserve officer of the Army during a period of at least 10 years from the date of his appointment as such reserve officer, unless sooner discharged by proper authority; but the total number of reserve officers so appointed shall not exceed 50,000: *Provided*, That any graduate qualified under the provisions of this section undergoing a postgraduate course at any institution shall not be eligible for appointment as a reserve officer while undergoing such postgraduate course, but his ultimate eligibility upon completion of such postgraduate course for such appointment shall not be affected because of his having undergone such postgraduate course.

"SEC. 50. When any member of the senior division of the Reserve Officers' Training Corps has completed two academic years of service in that division, and has been selected for further training by the president of the institution and by its professor of military science and tactics, and has agreed in writing to continue in the Reserve Officers' Training Corps for the remainder of his course in the institution, devoting five hours per week to the military training prescribed by the Secretary of War, and has agreed in writing to pursue the courses in camp training prescribed by the Secretary of War, he may be furnished, at the expense of the United States, with commutation of subsistence at such rate, not exceeding the cost of the garrison ration prescribed for the Army, as may be fixed by the Secretary of War, during the remainder of his service in the Reserve Officers' Training Corps.

"SEC. 51. Any physically fit male citizen of the United States, between the ages of 21 and 27 years, who shall have graduated prior to the date of this act from any educational institution at which an officer of the Army was detailed as professor of military science and tactics, and who, while a student at such institution, completed courses of military training under the direction of such professor of military science and tactics substantially equivalent to those prescribed pursuant to this act for the senior division, shall, after satisfactorily completing such additional practical military training as the Secretary of War shall prescribe, be eligible for appointment to the Officers' Reserve Corps and as a temporary additional second lieutenant in accordance with the terms of this act.

"SEC. 52. The President alone is hereby authorized to appoint and commission as a temporary second lieutenant of the Regular Army in time of peace for purposes of instruction, for a period not exceeding six months, with the allowances now provided by law for that grade, but with pay at the rate of $100 per month, any reserve officer appointed pursuant to sections 49 and 51 of this act and to attach him to a unit of the Regular Army for duty and training during the period covered by his appointment as such temporary second lieutenant, and upon the expiration of such service with the Regular Army such officer shall revert to his status as a reserve officer.

"SEC. 53. No reserve officer or temporary second lieutenant appointed pursuant to this act shall be entitled to retirement or to retired pay and shall be eligible for pension only for disability incurred in line of duty in active service or while serving with the Regular Army pursuant to the provisions of this act: *Provided*, That in time of war the President may order reserve officers appointed under the provisions of this act to active duty with any of the military forces of the United States in any grades not below that of second lieutenant, and while on such active duty they shall be subject to the Rules and Articles of War: *And provided further*, That The Adjutant General of the Army shall, under the direction and supervision of the Secretary of War, obtain, compile, and keep continually up to date all obtainable information as to the names, ages, addresses, occupations, and qualifications for appointment as commissioned officers of the Army, in time of war or other emergency, of men of suitable ages who, by reason of having received military training in civilian educational institutions or elsewhere, may be regarded as qualified and available for appointment as such commissioned officers.

"SEC. 54. Training camps: The Secretary of War is hereby authorized to maintain, upon military reservations or elsewhere, camps for the military instruction and training of such citizens as may be selected for such instruction and training, upon their application and under such terms of enlistment and regulations as may be prescribed by the Secretary of War; to use, for the purpose of maintaining said camps and imparting military instruction and training thereat, such arms, ammunition, accouterments, equipment, tentage, field equipage, and transportation belonging to the United States as he may deem necessary; to furnish, at the expense of the United States, uniforms, subsistence, transportation by the most usual and direct route within such limits as to territory as the Secretary of War may prescribe, and medical supplies to persons receiving instruction at said camps during the period of their attendance thereat, to authorize such expenditures, from proper Army appropriations, as he may deem necessary for water, fuel, light, temporary structures, not including quarters for officers nor barracks for men, screening, and damages resulting from field exercises, and other expenses incidental to the maintenance of said camps, and the theoretical winter instruction in connection therewith; and to sell to persons receiving instruction at said camps, for cash and at cost price plus 10 per cent, quartermaster and ordnance property, the amount of such property sold to any one person to be limited to that which is required for his proper equipment. All moneys arising from such sales shall remain available throughout the fiscal year following that in which the sales are made, for the purpose of that appropriation from which the property sold was authorized to be supplied at the time of the sale. The Secretary of War is authorized further to prescribe the courses of theoretical and practical instruction to be pursued by persons attending the camps authorized by this section; to fix the period during which such camps shall be maintained; to prescribe rules and regulations for the government thereof; and to employ thereat officers and enlisted men of the Regular Army in such numbers and upon such duties as he may designate.

"SEC. 55. The Enlisted Reserve Corps: For the purpose of securing an additional reserve of enlisted men for military service with the Engineer, Signal, and Quartermaster Corps and the Ordnance and Medical Departments of the Regular Army, an Enlisted Reserve Corps, to consist of such number of enlisted men of such grade or grades as may be designated by the President from time to time, is hereby authorized, such authorization to be effective on and after the 1st day of July, 1916.

"There may be enlisted in the grade or grades hereinbefore specified, for a period of four years, under such rules as may be prescribed by the President, citizens of the United States, or persons who have declared their intentions to become citizens of the United States, subject to such physical, educational, and practical examination as may be prescribed in said rules. For men enlisting in said grade or grades certificates of enlistment in the Enlisted Reserve Corps shall be issued by The Adjutant General of the Army, but no such man shall be enlisted in said corps unless he shall be found physically, mentally, and morally qualified to hold such certificate and unless he shall be between the ages of 18 and 45 years. The certificates so given shall confer upon the holders when called into active service or for purposes of instruction and training, and during the period of such

active service, instruction, or training, all the authority, rights, and privileges of like grades of the Regular Army. Enlisted men of the Enlisted Reserve Corps shall take precedence in said corps according to the dates of their certificates of enlistment therein and when called into active service or when called out for purposes of instruction or training shall take precedence next below all other enlisted men of like grades in the Regular Army. And the Secretary of War is hereby authorized to issue to members of the Enlisted Reserve Corps and to persons who have participated in at least one encampment for the military instruction of citizens, conducted under the auspices of the War Department, distinctive rosettes or knots designed for wear with civilian clothing, and whenever a rosette or knot issued under the provisions of this section shall have been lost, destroyed, or rendered unfit for use without fault or neglect upon the part of the person to whom it is issued, the Secretary of War shall cause a new rosette or knot to be issued to such person without charge therefor. Any person who is not an enlisted man of the Enlisted Reserve Corps and shall not have participated in at least one encampment for the military instruction of citizens, conducted under the auspices of the War Department, and who shall wear such rosette or knot shall be guilty of misdemeanor punishable by a fine of not exceeding $300, or imprisonment not exceeding six months, or both.

"The President is authorized to assign members of the Enlisted Reserve Corps as reserves to particular organizations of the Regular Army, or to organize the Enlisted Reserve Corps, or any part thereof, into units or detachments of any arm, corps, or department in such manner as he may prescribe, and to assign to such units and detachments officers of the Regular Army or of the Officers' Reserve Corps, herein provided for.

"To the extent provided from time to time by appropriations the Secretary of War may order enlisted men of the Enlisted Reserve Corps to active service for purposes of instruction or training for periods not to exceed 15 days in any one calendar year: *Provided*, That, with the consent of such enlisted men and within the limits of funds available for such purposes, such periods of active service may be extended for such number of enlisted men as may be deemed necessary.

"Enlisted men of the Enlisted Reserve Corps shall receive the pay and allowances of their respective grades, but only when ordered into active service, including the time required for actual travel from their homes to the places to which ordered and return to their homes: *Provided*, That said enlisted men shall not be entitled to retirement or retirement pay, nor shall they be entitled to pensions except for physical disability incurred in line of duty while in active service or while traveling under orders of competent authority to or from designated places of duty.

"The uniform to be worn by enlisted men of the Enlisted Reserve Corps, except corps insignia, shall be the same as prescribed for enlisted men of the Regular Army Reserve, and that in lieu of any money allowance for clothing there shall be issued to each enlisted man of the Enlisted Reserve Corps in time of peace such articles of clothing and equipment as the President may direct: *Provided*, That any clothing or other equipment issued to any enlisted man of the said corps shall remain the property of the United States, and in case of loss or destruction of any article the article so lost or destroyed shall be replaced by issue to the enlisted man and the value thereof deducted from any pay due or to become due him, unless it shall be made to appear that such loss or destruction was not due to neglect or other fault on his part: *Provided further*, That any clothing or other equipment issued to enlisted men of the Enlisted Reserve Corps which shall have become unserviceable through ordinary wear and tear in the service of the United States shall be received back by the United States and serviceable like articles issued in lieu thereof: *Provided further*, That when enlisted men of the Enlisted Reserve Corps shall be discharged or otherwise separated from the service, all arms, equipage, clothing, and other property issued to them shall be accounted for under such regulations as may be prescribed by the Secretary of War.

"Any enlisted man of the Enlisted Reserve Corps ordered to active service or for purposes of instruction or training shall, from the time he is required by the terms of the order to obey the same, be subject to the laws and regulations for the government of the Army of the United States.

"The Secretary of War is hereby authorized to discharge any enlisted member of the Enlisted Reserve Corps when his services shall be no longer required or when he shall have by misconduct unfitted himself for further service in the said corps: *Provided*, That any enlisted man of said corps who shall be ordered upon active duty as herein provided and who shall willfully fail to comply with the terms of the order so given him shall, in addition to any other penalty to which he may be subject, forfeit his certificate of enlistment.

"In time of actual or threatened hostilities the President may order the Enlisted Reserve Corps, in such numbers and at such times as may be considered necessary, to active service with the Regular Army, and while on such service members of said corps shall exercise command appropriate to their several grades and rank in the organizations to which they shall be assigned and shall be entitled to the pay and allowances of the corresponding grades in the Regular Army, with increase of pay for length of service as now allowed by law for the Regular Army: *Provided*, That upon a call by the President for a volunteer force the members of the Enlisted Reserve Corps may be mustered into the service of the United States as volunteers for duty with the Army in the grades held by them in the said corps, and shall be entitled to the pay and allowances of the corresponding grades in the Regular Army, with increase of pay for length of service, as now provided by law for the Regular Army: *And provided further*, That enlisted men of the Enlisted Reserve Corps shall not acquire by virtue of issuance of certificates of enlistment to them a vested right to be mustered into the volunteer service of the United States.

"SEC. 56. Military equipment and instructors at other schools and colleges: Such arms, tentage, and equipment as the Secretary of War shall deem necessary for proper military training shall be supplied by the Government to schools and colleges, other than those provided for in section 47 of this act, having a course of military training prescribed by the Secretary of War and having not less than 100 physically fit male students above the age of 14 years, under such rules and regulations as he may prescribe; and the Secretary of War is hereby authorized to detail such commissioned and noncommissioned officers of the Army to said schools and colleges, other than those provided for in sections 45 and 46 of this act, detailing not less than one such officer or noncommissioned officer to each 500 students under military instruction.

"SEC. 57. Composition of the militia: The militia of the United States shall consist of all able-bodied male citizens of the United States and all other able-bodied males who have or shall have declared their intention to become citizens of the United States, who shall be more than 18 years of age and, except as hereinafter provided, not more than 45 years of age, and said militia shall be divided into three classes, the National Guard, the Naval Militia, and the Unorganized Militia.

"SEC. 58. Composition of the National Guard: The National Guard shall consist of the regularly enlisted militia between the ages of 18 and 45 years organized, armed, and equipped as hereinafter provided, and of commissioned officers between the ages of 21 and 64 years.

"SEC. 59. Exemptions from militia duty: The Vice President of the United States; the officers, judicial and executive, of the Government of the United States and of the several States and Territories; persons in the military or naval service of the United States; customhouse clerks; persons employed by the United States in the transmission of the mail; artificers and workmen employed in the armories, arsenals, and navy yards of the United States; pilots; mariners actually employed in the sea service of any citizen or merchant within the United States shall be exempt from militia duty without regard to age, and all persons who because of religious belief shall claim exemption from military service, if the conscientious holding of such belief by such persons shall be established under such regulations as the President shall prescribe, shall be exempted from militia service in a combatant capacity; but no person so exempted shall be exempt from militia service in any capacity that the President shall declare to be noncombatant.

"SEC. 60. Organization of National Guard units: Except as otherwise specifically provided herein, the organization of the National Guard, including the composition of all units thereof, shall be the same as that which is or may hereafter be prescribed for the Regular Army, subject in time of peace to such general exceptions as may be authorized by the Secretary of War. And the President may prescribe the particular unit or units, as to branch or arm of service, to be maintained in each State, Territory, or the District of Columbia in order to secure a force which, when combined, shall form complete higher tactical units.

"SEC. 61. Maintenance of other troops by the States: No State shall maintain troops in time of peace other than as authorized in accordance with the organization prescribed under this act: *Provided*, That nothing contained in this act shall be construed as limiting the rights of the States and Territories in the use of the National Guard within their respective borders in time of peace: *Provided further*, That nothing contained in this act shall prevent the organization and maintenance of State police or constabulary.

"SEC. 62. Number of the National Guard: The number of enlisted men of the National Guard to be organized under this act within one year from its passage shall be for each State in the proportion of 200 such men for each Senator and Representative in Congress from such State, and a number to be determined by the President for each Territory and the District of Columbia, and shall be increased each year thereafter in the proportion of not less than 50 per cent until a total peace strength of not less than 800 enlisted men for each Senator and Representative in Congress shall have been reached: *Provided*, That in States which have but one Representative in Congress such increase shall be at the discretion of the President: *Provided further*, That this shall not be construed to prevent any State, Territory, or the District of Columbia from organizing the full number of troops required under this section in less time than is specified in this section, or from maintaining existing organizations if they shall conform to such rules and regulations regarding organization, strength, and armament as the President may prescribe: *And provided further*, That nothing in this act shall be construed to prevent any State with but one Representative in Congress from organizing one or more regiments of troops, with such auxiliary troops as the President may prescribe; such organizations and members of such organizations to receive all the benefits accruing under this act under the conditions set forth herein: *Provided further*, That the word Territory as used in this act and in all laws relating to the land militia and National Guard shall include and apply to Hawaii, Alaska, Porto Rico, and the Canal Zone, and the militia of the Canal Zone shall be organized under such rules and regulations, not in conflict with the provisions of this act, as the President may prescribe.

"SEC. 63. Any corps of Artillery, Cavalry, or Infantry existing in any of the States on the passage of the act of May 8, 1792, which by the laws, customs, or usages of said States has been in continuous existence since the passage of said act, under its provisions and under the provisions of section 232 and sections 1625 to 1660, both inclusive, of title 16 of the Revised Statutes of 1873, and the act of January 21, 1903, relating to the militia, shall be allowed to retain its ancient privileges, subject, nevertheless, to all duties required by law of militia: *Provided*, That said organizations may be a part of the National Guard and entitled to all the privileges of this act, and shall conform in all respects to the organization, discipline, and training of the National Guard in time of war: *Provided further*, That for purposes of training and when on active duty in the service of the United States they may be assigned to higher units, as the President may direct, and shall be subject to the orders of officers under whom they shall be serving.

"SEC. 64. Assignment of National Guard to brigades and divisions: For the purpose of maintaining appropriate organization and to assist in instruction and training, the President may assign the National Guard of the several States and Territories and the District of Columbia to divisions, brigades, and other tactical units, and may detail officers, either from the National Guard or the Regular Army, to command such units: *Provided*, That where complete units are organized within a State, Territory, or the District of Columbia the commanding officers thereof shall not be displaced under the provisions of this section.

"SEC. 65. Chiefs of staff of National Guard divisions: The President may detail one officer of the Regular Army as chief of staff and one officer of the Regular Army or the National Guard as assistant to the chief of staff of any division of the National Guard in the service of the United States as a National Guard organization: *Provided*, That in order to insure the prompt mobilization of the National Guard in time of war or other emergency, the President may, in time of peace, detail an officer of the Regular Army to perform the duties of chief of staff for each fully organized tactical division of the National Guard.

"SEC. 66. Adjutants general of States, etc.: The adjutants general of the States, Territories, and the District of Columbia and the officers of the National Guard shall make such returns and reports to the Secretary of War, or to such officers as he may designate, at such times and in such form as the Secretary of War may from time to time prescribe: *Provided*, That the adjutants general of the Territories and of the District of Columbia shall be appointed by the President with such rank and qualifications as he may prescribe, and each adjutant general for a Territory shall be a citizen of the Territory for which he is appointed.

"SEC. 67. Appropriation, apportionment, and disbursement of funds for the National Guard: A sum of money shall hereafter be appropriated annually, to be paid out of any money in the Treasury not otherwise appropriated, for the support of the National Guard, including the expense of providing arms, ordnance stores, quartermaster stores, and camp equipage, and all other military supplies for issue to the National Guard, and such other expenses pertaining to said guard as are now or may hereafter be authorized by law.

"The appropriation provided for in this section shall be apportioned among the several States and Territories under just and equitable procedure to be prescribed by the Secretary of War and in direct ratio to the number of enlisted men in active service in the National Guard existing in such States and Territories at the date of apportionment of said appropriation, and to the District of Columbia, under such regulations as the President may prescribe: *Provided*, That the sum so apportioned among the several States, Territories, and the District of Columbia shall be available under such rules as may be prescribed by the Secretary of War for the actual and necessary expenses incurred by officers and enlisted men of the Regular Army when traveling on duty in connection with the National Guard; for the transportation of supplies furnished to the National Guard for the permanent equipment thereof; for office rent and necessary office expenses of officers of the Regular Army on duty with the National Guard; for the expenses of the Militia Bureau, including clerical services, now authorized for the Division of Militia Affairs; for expenses of enlisted men of the Regular Army on duty with the National Guard, including quarters, fuel, light, medicines, and medical attendance; and such expenses shall constitute a charge against the whole sum annually appropriated for the support of the National Guard, and shall be paid therefrom and not from the allotment duly apportioned to any particular State, Territory, or the District of Columbia; for the promotion of rifle practice, including the acquisition, construction, maintenance, and equipment of shooting galleries and suitable target ranges; for the hiring of horses and draft animals for the use of mounted troops, batteries, and wagons; for forage for the same; and for such other incidental expenses in connection with lawfully authorized encampments, maneuvers, and field instruction as the Secretary of War may deem necessary, and for such other expenses pertaining to the National Guard as are now or may hereafter be authorized by law.

"The governor of each State and Territory and the commanding general of the National Guard of the District of Columbia shall appoint, designate, or detail, subject to the approval of the Secretary of War, an officer of the National Guard of the State, Territory, or District of Columbia who shall be regarded as property and disbursing officer for the United States. He shall receipt and account for all funds and property belonging to the United States in possession of the National Guard of his State, Territory, or District, and shall make such returns and reports concerning the same as may be required by the Secretary of War. The Secretary of War is authorized, on the requisition of the governor of a State or Territory or the commanding general of the National Guard of the District of Columbia, to pay to the property and disbursing officer thereof so much of its allotment out of the annual appropriation for the support of the National Guard as shall, in the judgment of the Secretary of War, be necessary for the purposes enumerated therein. He shall render, through the War Department, such accounts of Federal funds intrusted to him for disbursement as may be required by the Treasury Department. Before entering upon the performance of his duties as property and disbursing officer he shall be required to give good and sufficient bond to the United States, the amount thereof to be determined by the Secretary of War, for the faithful performance of his duties and for the safekeeping and proper disposition of the Federal property and funds intrusted to his care. He shall, after having qualified as property and disbursing officer, receive pay for his services at a rate to be fixed by the Secretary of War, and such compensation shall be a charge against the whole sum annually appropriated for the support of the National Guard: *Provided*, That when traveling in the performance of his official duties under orders issued by the proper authorities he shall be reimbursed for his actual necessary traveling expenses, the sum to be made a charge against the allotment of the State, Territory, or District of Columbia: *Provided further*, That the Secretary of War shall cause an inspection of the accounts and records of the property and disbursing officer to be made by an inspector general of the Army at least once each year: *And provided further*, That the Secretary of War is empowered to make all rules and regulations necesssary to carry into effect the provisions of this section.

"SEC. 68. Location of units: The States and Territories shall have the right to determine and fix the location of the units and headquarters of the National Guard within their respective borders: *Provided*, That no organization of the National Guard,

members of which shall be entitled to and shall have received compensation under the provisions of this act, shall be disbanded without the consent of the President, nor, without such consent, shall the commissioned or enlisted strength of any such organization be reduced below the minimum that shall be prescribed therefor by the President.

"SEC. 69. Enlistments in the National Guard: Hereafter the period of enlistment in the National Guard shall be for six years, the first three years of which shall be in an active organization and the remaining three years in the National Guard reserve, hereinafter provided for, and the qualifications for enlistment shall be the same as those prescribed for admission to the Regular Army: *Provided*, That in the National Guard the privilege of continuing in active service during the whole of an enlistment period and of reenlisting in said service shall not be denied by reason of anything contained in this act.

"SEC. 70. Federal enlistment contract: Enlisted men in the National Guard of the several States, Territories, and the District of Columbia now serving under enlistment contracts which contain an obligation to defend the Constitution of the United States and to obey the orders of the President of the United States shall be recognized as members of the National Guard under the provisions of this act for the unexpired portion of their present enlistment contracts. When any such enlistment contract does not contain such obligation, the enlisted man shall not be recognized as a member of the National Guard until he shall have signed an enlistment contract and taken and subscribed to the following oath of enlistment, upon signing which credit shall be given for the period already served under the old enlistment contract: 'I do hereby acknowledge to have voluntarily enlisted this — day of ———, 19—, as a soldier in the National Guard of the United States and of the State of ———, for the period of three years in service and three years in the reserve, under the conditions prescribed by law, unless sooner discharged by proper authority. And I do solemnly swear that I will bear true faith and allegiance to the United States of America and to the State of ———, and that I will serve them honestly and faithfully against all their enemies whomsoever, and that I will obey the orders of the President of the United States and of the governor of the State of ———, and of the officers appointed over me according to law and the Rules and Articles of War.'

"SEC. 71. Hereafter all men enlisting for service in the National Guard shall sign an enlistment contract and take and subscribe to the oath prescribed in the preceding section of this act.

"SEC. 72. Discharge of enlisted men from the National Guard: An enlisted man discharged from service in the National Guard shall receive a discharge in writing in such form and with such classification as is or shall be prescribed for the Regular Army, and in time of peace discharges may be given prior to the expiration of terms of enlistment under such regulations as the President may prescribe.

"SEC. 73. Federal oath for National Guard officers: Commissioned officers of the National Guard of the several States, Territories, and the District of Columbia now serving under commissions regularly issued shall continue in office, as officers of the National Guard, without the issuance of new commissions: *Provided*, That said officers have taken, or shall take and subscribe to the following oath of office: 'I, ———, do solemnly swear that I will support and defend the Constitution of the United States and the constitution of the State of ———, against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will obey the orders of the President of the United States and of the governor of the State of ———; that I make this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office of ——— in the National Guard of the United States and of the State of ——— upon which I am about to enter, so help me God.'

"SEC. 74. Qualifications for National Guard officers: Persons hereafter commissioned as officers of the National Guard shall not be recognized as such under any of the provisions of this act unless they shall have been selected from the following classes and shall have taken and subscribed to the oath of office prescribed in the preceding section of this act: Officers or enlisted men of the National Guard; officers on the reserve or unassigned list of the National Guard; officers, active or retired, and former officers of the United States Army, Navy, and Marine Corps; graduates of the United States Military and Naval Academies and graduates of schools, colleges, and universities where military science is taught under the supervision of an officer of the Regular Army, and, for the technical branches and staff corps or departments, such other civilians as may be specially qualified for duty therein.

"SEC. 75. The provisions of this act shall not apply to any person hereafter appointed an officer of the National Guard unless he first shall have successfully passed such tests as to his physical, moral, and professional fitness as the President shall prescribe. The examination to determine such qualifications for commission shall be conducted by a board of three commissioned officers appointed by the Secretary of War from the Regular Army or the National Guard, or both.

"SEC. 76. Filling of vacancies when drafted into Federal service: All vacancies occurring in any grade of commissioned officers in any organization in the military service of the United States and composed of persons drafted from the National Guard under the provisions of this act shall be filled by the President, as far as practicable, by the appointment of persons similarly taken from said guard, and in the manner prescribed by law for filling similar vacancies occurring in the volunteer forces.

"SEC. 77. Elimination and disposition of officers: At any time the moral character, capacity, and general fitness for the service of any National Guard officer may be determined by an efficiency board of three commissioned officers, senior in rank to the officer whose fitness for service shall be under investigation, and if the findings of such board be unfavorable to such officer and be approved by the official authorized to appoint such an officer, he shall be discharged. Commissions of officers of the National Guard may be vacated upon resignation, absence without leave for three months, upon the recommendation of an efficiency board, or pursuant to sentence of a court-martial. Officers of said guard rendered surplus by the disbandment of their organizations shall be placed in the National Guard Reserve. Officers may, upon their own application, be placed in the said reserve.

"SEC. 78. The National Guard Reserve: Subject to such rules and regulations as the President may prescribe, a National Guard Reserve shall be organized in each State, Territory, and the District of Columbia, and shall consist of such organizations, officers, and enlisted men as the President may prescribe, or members thereof may be assigned as reserves to an active organization of the National Guard: *Provided*, That members of said reserve, when engaged in field or coast-defense training with the active National Guard, shall receive the same Federal pay and allowances as enlisted men of like grade on the active list of said guard when likewise engaged: *Provided further*, That, except as otherwise specifically provided in this act, no commissioned or enlisted reservist shall receive any pay or allowances out of any appropriation made by Congress for National Guard purposes.

"SEC. 79. Reserve battalions for recruit training: When members of the National Guard and the enlisted reserve thereof of any State, Territory, or the District of Columbia shall have been brought into the service of the United States in time of war, there shall be immediately organized, either from such enlisted reserve or from the unorganized militia, in such State, Territory, or District, one reserve battalion for each regiment of Infantry or Cavalry, or each 9 batteries of Field Artillery, or each 12 companies of Coast Artillery, brought into the service of the United States, and such reserve battalion shall constitute the fourth battalion of any such regiment or 12 companies of Coast Artillery. Reserve battalions shall consist of four companies of such strength as may be prescribed by the President of the United States. When the members of three or more regiments of the National Guard of any State, Territory, or District shall have been brought into the service of the United States, the reserve battalions of such regiments may be organized into provisional regiments and higher units. If for any reason there shall not be enough voluntary enlistments to keep the reserve battalions at the prescribed strength, a sufficient number of the unorganized militia shall be drafted into the service of the United States to maintain each of such battalions at the proper strength. As vacancies occur from death or other causes in any organization in the service of the United States and composed of men taken from the National Guard, men shall be transferred from the reserve battalions to the organizations in the field so that such organizations may be maintained at war strength. Officers for the reserve battalions provided for herein shall be drafted from the National Guard Reserve or Coast Artillery companies of the National Guard or the Officers' Reserve Corps, such officers to be taken, if practicable, from the States, respectively, in which the battalions shall be organized. Officers and noncommissioned officers returned to their home stations because of their inability to perform active field service may be assigned to reserve battalions for duty, and all soldiers invalided home shall be assigned to and carried on the rolls of reserve battalions until returned to duty or until discharged.

"SEC. 80. Leaves of absence for certain Government employees: All officers and employees of the United States and of the District of Columbia who shall be members of the National Guard shall be entitled to leave of absence from their respective duties, without loss of pay, time, or efficiency rating, on all days during which they shall be engaged in field or coast-defense training ordered or authorized under the provisions of this act.

"SEC. 81. Militia Bureau of the War Department: The National Militia Board created by section 11 of the act of May 27, 1908, amending section 20 of the act of January 21, 1903, shall, from the date of the approval of this act, be abolished. The Militia Division now existing in the War Department shall hereafter be known as the Militia Bureau of said department, shall, like other bureaus of said department, be under the immediate supervision of the Secretary of War, and shall not form a part of any other bureau, office, or other organization, but the Chief of the Militia Bureau shall be ex officio a member of the General Staff Corps: *Provided*, That the President may, in his discretion, assign to duty in the Militia Bureau as assistants to the chief thereof not to exceed one colonel and one lieutenant colonel of the National Guard, for terms of four years, and any such officer while so assigned shall, subject to such regulations as the President may prescribe, receive out of the whole fund appropriated for the support of the militia the pay and allowances of a Regular Army officer having the same rank and length of service as said National Guard officer, whose prior service in the Organized Militia shall be counted in ascertaining his rights under this proviso.

"SEC. 82. Armament, equipment, and uniform of the National Guard: The National Guard of the United States shall, as far as practicable, be uniformed, armed, and equipped with the same type of uniforms, arms, and equipments as are or shall be provided for the Regular Army.

"SEC. 83. The Secretary of War is hereby authorized to procure, under such regulations as the President may prescribe, by purchase or manufacture, within the limits of available appropriations made by Congress, and to issue from time to time to the National Guard, upon requisition of the governors of the several States and Territories or the commanding general of the National Guard of the District of Columbia, such number of United States service arms, with all accessories, field-artillery matériel, engineer, coast artillery, signal, and sanitary matériel, accouterments, field uniforms, clothing, equipage, publications, and military stores of all kinds, including public animals, as are necessary to arm, uniform, and equip for field service the National Guard in the several States, Territories, and the District of Columbia: *Provided*, That as a condition precedent to the issue of any property as provided for by this act, the State, Territory, or the District of Columbia desiring such issue shall make adequate provision, to the satisfaction of the Secretary of War, for the protection and care of such property: *Provided further*, That, whenever it shall be shown to the satisfaction of the Secretary of War that the National Guard of any State, Territory, or the District of Columbia is properly organized, armed, and equipped for field service, funds allotted to that State, Territory, or District for the support of its National Guard may be used for the purchase, from the War Department, of any article issued by any of the supply departments of the Army.

"SEC. 84. Under such regulations as the President may prescribe, whenever a new type of equipment, small arm, or field gun shall have been issued to the National Guard of the several States, Territories, and the District of Columbia, such equipment, small arms, and field guns, including all accessories, shall be furnished without charging the cost or value thereof or any expense connected therewith against the appropriations provided for the support of the National Guard.

"SEC. 85. Each State, Territory, and the District of Columbia shall, on the receipt of new property issued to replace obsolete or condemned prior issues, turn in to the War Department or otherwise dispose of, in accordance with the directions of the Secretary of War, all property so replaced or condemned, and shall not receive any money credit therefor.

"SEC. 86. Any State, Territory, or the District of Columbia may, with the approval of the Secretary of War, purchase for cash from the War Department for the use of the National Guard, including the officers thereof, any stores, supplies, material of war, and military publications furnished to the Army, in addition to those issued under the provisions of this act, at the price at which they shall be listed to the Army, with cost of transportation added. The funds received from such sale shall be credited to the appropriation to which they shall belong, shall not be covered into the Treasury, and shall be available until expended to replace therewith the supplies sold to the States in the manner herein authorized: *Provided*, That stores, supplies, and matériel of war so purchased by a State, Territory, or the District of Columbia may, in time of actual or threatened war, be requisitioned by the United States for use in the military service thereof, and when so requisitioned by the United States and delivered credit for the ultimate return of such property in kind shall be allowed to such State, Territory, or the District of Columbia.

"SEC. 87. Disposition and replacement of damaged property, etc.: All military property issued to the National Guard as herein provided shall remain the property of the United States. Whenever any such property issued to the National Guard in any State or Territory or the District of Columbia shall have been lost, damaged, or destroyed, or become unserviceable or unsuitable by use in service or from any other cause, it shall be examined by a disinterested surveying officer of the Regular Army or the National Guard, detailed by the Secretary of War, and the report of such surveying officer shall be forwarded to the Secretary of War, or to such officer as he shall designate to receive such reports; and if it shall appear to the Secretary of War from the record of survey that the property was lost, damaged, or destroyed through unavoidable causes, he is hereby authorized to relieve the State or Territory or the District of Columbia from further accountability therefor. If it shall appear that the loss, damage, or destruction of property was due to carelessness or neglect, or that its loss, damage, or destruction could have been avoided by the exercise of reasonable care, the money value of such property shall be charged to the accountable State, Territory, or District of Columbia, to be paid from State, Territory, or District funds, or any funds other than Federal. If the articles so surveyed are found to be unserviceable or unsuitable, the Secretary of War shall direct what disposition, by sale or otherwise, shall be made of them; and if sold, the proceeds of such sale, as well as stoppages against officers and enlisted men, and the net proceeds of collections made from any person or from any State, Territory, or District to reimburse the Government for the loss, damage, or destruction of any property, shall be deposited in the Treasury of the United States as a credit to said State, Territory, or the District of Columbia, accountable for said property, and as a part of and in addition to that portion of its allotment set aside for the purchase of similar supplies, stores, or material of war: *Provided further*, That if any State, Territory, or the District of Columbia shall neglect or refuse to pay, or to cause to be paid, the money equivalent of any loss, damage, or destruction of property charged against such State, Territory, or the District of Columbia by the Secretary of War after survey by a disinterested officer appointed as hereinbefore provided, the Secretary of War is hereby authorized to debar such State, Territory, or the District of Columbia from further participation in any and all appropriations for the National Guard until such payment shall have been made.

"SEC. 88. The net proceeds of the sale of condemned stores issued to the National Guard and not charged to State allotments shall be covered into the Treasury of the United States, as shall also stoppages against officers and enlisted men, and the net proceeds of collections made from any person to reimburse the Government for the loss, damage, or destruction of said property not charged against the State allotment issued for the use of the National Guard.

"SEC. 89. Horses for Cavalry and Field Artillery of National Guard: Funds allotted by the Secretary of War for the support of the National Guard shall be available for the purchase, under such regulations as the Secretary of War may prescribe, of horses conforming to the Regular Army standards for the use of Field Artillery and Cavalry of the National Guard, said horses to remain the property of the United States and to be used solely for military purposes.

"Horses so purchased may be issued not to exceed 32 to any one battery or troop, under such regulations as the Secretary of War may prescribe; and the Secretary of War is further authorized to issue, in lieu of purchase, for the use of such organizations, condemned Army horses which are no longer fit for service, but which may be suitable for the purposes of instruction, such horses to be sold as now provided by law when said purposes shall have been served.

"SEC. 90. Funds allotted by the Secretary of War for the support of the National Guard shall be available for the purchase and issue of forage, bedding, shoeing, and veterinary services, and supplies for the Government horses issued to any battery or troop, and for the compensation of competent help for the care of the material, animals, and equipment thereof, under such regulations as the Secretary of War may prescribe: *Provided*, That the men to be compensated, not to exceed five

for each battery or troop, shall be duly enlisted therein and shall be detailed by the battery or troop commander, under such regulations as the Secretary of War may prescribe, and shall be paid by the United States disbursing officer in each State, Territory, and the District of Columbia.

"SEC. 91. Discipline to conform to that of Regular Army: The discipline (which includes training) of the National Guard shall conform to the system which is now or may hereafter be prescribed for the Regular Army, and the training shall be carried out by the several States, Territories, and the District of Columbia so as to conform to the provisions of this act.

"SEC. 92. Training of the National Guard: Each company, troop, battery, and detachment in the National Guard shall assemble for drill and instruction, including indoor target practice, not less than 48 times each year, and shall, in addition thereto, participate in encampments, maneuvers, or other exercises, including outdoor target practice, at least 15 days in training each year, including target practice, unless such company, troop, battery, or detachment shall have been excused from participation in any part thereof by the Secretary of War: *Provided*, That credit for an assembly for drill or for indoor target practice shall not be given unless the number of officers and enlisted men present for duty at such assembly shall equal or exceed a minimum to be prescribed by the President, nor unless the period of actual military duty and instruction participated in by each officer and enlisted man at each such assembly at which he shall be credited as having been present shall be of at least one and one-half hours' duration and the character of training such as may be prescribed by the Secretary of War.

"SEC. 93. Inspections of the National Guard: The Secretary of War shall cause an inspection to be made at least once each year by inspectors general, and if necessary by other officers, of the Regular Army, detailed by him for that purpose, to determine whether the amount and condition of the property in the hands of the National Guard is satisfactory; whether the National Guard is organized as hereinbefore prescribed; whether the officers and enlisted men possess the physical and other qualifications prescribed; whether the organization and the officers and enlisted men thereof are sufficiently armed, uniformed, equipped, and being trained and instructed for active duty in the field or coast defense, and whether the records are being kept in accordance with the requirements of this act. The reports of such inspections shall serve as the basis for deciding as to the issue to and retention by the National Guard of the military property provided for by this act, and for determining what organizations and individuals shall be considered as constituting parts of the National Guard within the meaning of this act.

"SEC. 94. Encampments and maneuvers: Under such regulations as the President may prescribe the Secretary of War is authorized to provide for the participation of the whole or any part of the National Guard in encampments, maneuvers, or other exercises, including outdoor target practice, for field or coast-defense instruction, either independently or in conjunction with any part of the Regular Army; and there may be set aside from the funds appropriated for that purpose and allotted to any State, Territory, or the District of Columbia such portion of said funds as may be necessary for the payment, subsistence, transportation, and other proper expenses of such portion of the National Guard of such State, Territory, or the District of Columbia as shall participate in such encampments, maneuvers, or other exercises, including outdoor target practice, for field and coast-defense instruction; and the officers and enlisted men of such National Guard while so engaged shall be entitled to the same pay, subsistence, and transportation as officers and enlisted men of corresponding grades of the Regular Army are or hereafter may be entitled by law.

"SEC. 95. When any part of the National Guard participates in encampments, maneuvers, or other exercises, including outdoor target practice, for field or coast-defense instruction at a United States military post, or reservation, or elsewhere, if in conjunction with troops of the United States, the command of such military post or reservation and of the officers and troops of the United States on duty there or elsewhere shall remain with the commander of the United States troops without regard to the rank of the commanding or other officer of the National Guard temporarily engaged in the encampments, maneuvers, or other exercises.

"SEC. 96. Use of Regular Army personnel: The Secretary of War may detail one or more officers and enlisted men of the Regular Army to attend any encampment, maneuver, or other exercise for field or coast-defense instruction of the National Guard, who shall give such instruction and information to the officers and men assembled for such encampment, maneuver, or other exercise as may be directed by the Secretary of War or requested by the governor or by the commanding officer of the National Guard there on duty.

"SEC. 97. Under such regulations as the President may prescribe the Secretary of War may provide camps for the instruction of officers and enlisted men of the National Guard. Such camps shall be conducted by officers of the Regular Army detailed by the Secretary of War for that purpose, and may be located either within or without the State, Territory, or District of Columbia to which the members of the National Guard designated to attend said camps shall belong. Officers and enlisted men attending such camps shall be entitled to pay and transportation, and enlisted men to subsistence in addition, at the same rates as for encampments or maneuvers for field or coast-defense instruction.

"SEC. 98. When any portion of the National Guard shall participate in encampments, maneuvers, or other exercises, including outdoor target practice, for field or coast-defense instruction, under the provisions of this act, it may, after being duly mustered, be paid at any time after such muster for the period from the date of leaving the home rendezvous to date of return thereto as determined in advance, both dates inclusive; and such payment, if otherwise correct, shall pass to the credit of the disbursing officer making the same.

"SEC. 99. National Guard officers and men at service schools, etc.: Under such regulations as the President may prescribe, the Secretary of War may, upon the recommendation of the governor of any State or Territory or the commanding general of the National Guard of the District of Columbia, authorize a limited number of selected officers or enlisted men of the National Guard to attend and pursue a regular course of study at any military service school of the United States, except the United States Military Academy; or to be attached to an organization of the same arm, corps, or department to which such officer or enlisted man shall belong, for routine practical instruction at or near an Army post during a period of field training or other outdoor exercises; and such officer or enlisted man shall receive, out of any National Guard allotment of funds available for the purpose, the same travel allowances and quarters, or commutation of quarters, and the same pay, allowances, and subsistence to which an officer or enlisted man of the Regular Army would be entitled for attending such school, college, or practical course of instruction under orders from proper military authority, while in actual attendance at such school, college, or practical course of instruction: *Provided*, That in no case shall the pay and allowances authorized by this section exceed those of a captain.

"SEC. 100. Detail of officers of Regular Army to duty with the National Guard: The Secretary of War shall detail officers of the active list of the Army to duty with the National Guard in each State, Territory, or District of Columbia, and officers so detailed may accept commissions in the National Guard, with the permission of the President and terminable in his discretion, without vacating their commissions in the Regular Army or being prejudiced in their relative or lineal standing therein. The Secretary of War may, upon like application, detail one or more enlisted men of the Regular Army with each State, Territory, or District of Columbia for duty in connection with the National Guard. But nothing in this section shall be so construed as to prevent the detail of retired officers as now provided by law.

"SEC. 101. National Guard, when subject to laws governing Regular Army: The National Guard when called as such into the service of the United States shall, from the time they are required by the terms of the call to respond thereto, be subject to the laws and regulations governing the Regular Army, so far as such laws and regulations are applicable to officers and enlisted men whose permanent retention in the military service, either on the active list or on the retired list, is not contemplated by existing law.

"SEC. 102. System of courts-martial for National Guard: Except in organizations in the service of the United States, court-martial in the National Guard shall be of three kinds, namely, general courts-martial, special courts-martial, and summary courts-martial. They shall be constituted like, and have cognizance of the same subjects, and possess like powers, except as to punishments, as similar courts provided for by the laws and regulations governing the Army of the United States, and the proceedings of courts-martial of the National Guard shall follow the forms and modes of procedure prescribed for said similar courts.

"SEC. 103. General courts-martial of the National Guard not in the service of the United States may be convened by orders of the President, or of the governors of the respective States and Territories, or by the commanding general of the National Guard of the District of Columbia, and such courts shall have

the power to impose fines not exceeding $200; to sentence to forfeiture of pay and allowances; to a reprimand; to dismissal or dishonorable discharge from the service; to reduction of noncommissioned officers to the ranks; or any two or more of such punishments may be combined in the sentences imposed by such courts.

"SEC. 104. In the National Guard not in the service of the United States the commanding officer of each garrison, fort, post, camp, or other place, brigade, regiment, detached battalion, or other detached command, may appoint special courts-martial for his command; but such special courts-martial may in any case be appointed by superior authority when by the latter deemed desirable. Special courts-martial shall have power to try any person subject to military law, except a commissioned officer, for any crime or offense made punishable by the military laws of the United States, and such special courts-martial shall have the same powers of punishment as do general courts-martial, except that fines imposed by such courts shall not exceed $100.

"SEC. 105. In the National Guard not in the service of the United States the commanding officer of each garrison, fort, post, or other place, regiment or corps, detached battalion, company, or other detachment of the National Guard may appoint for such place or command a summary court to consist of one officer, who shall have power to administer oaths and to try the enlisted men of such place or command for breaches of discipline and violations of laws governing such organizations; and said court, when satisfied of the guilt of such soldier, may impose fines not exceeding $25 for any single offense; may sentence noncommissioned officers to reduction to the ranks; may sentence to forfeiture of pay and allowances. The proceedings of such court shall be informal, and the minutes thereof shall be the same as prescribed for summary courts of the Army of the United States.

"SEC. 106. All courts-martial of the National Guard, not in the service of the United States, including summary courts, shall have power to sentence to confinement in lieu of fines authorized to be imposed: *Provided*, That such sentences of confinement shall not exceed one day for each dollar of fine authorized.

"SEC. 107. No sentence of dismissal from the service or dishonorable discharge, imposed by a National Guard court-martial, not in the service of the United States, shall be executed until approved by the governor of the State or Territory concerned, or by the commanding general of the National Guard of the District of Columbia.

"SEC. 108. In the National Guard, not in the service of the United States, presidents of courts-martial and summary court officers shall have power to issue warrants to arrest accused persons and to bring them before the court for trial whenever such persons shall have disobeyed an order in writing from the convening authority to appear before such court, a copy of the charge or charges having been delivered to the accused with such order, and to issue subpœnas and subpœnas duces tecum and to enforce by attachment attendance of witnesses and the production of books and papers, and to sentence for a refusal to be sworn or to answer as provided in actions before civil courts.

"All processes and sentences of said courts shall be executed by such civil officers as may be prescribed by the laws of the several States and Territories, and in any State where no provision shall have been made for such action, and in the Territories and the District of Columbia, such processes and sentences shall be executed by a United States marshal or his duly appointed deputy, and it shall be the duty of any United States marshal to execute all such processes and sentences and make return thereof to the officer issuing or imposing the same.

"SEC. 109. Pay for National Guard officers: Certain commissiond officers on the active list belonging to organizations of the National Guard of each State, Territory, and the District of Columbia participating in the apportionment of the annual appropriation for the support of the National Guard shall receive compensation for their services, except during the periods of service for which they may become lawfully entitled to the same pay as officers of corresponding grades of the Regular Army, as follows, not to include longevity pay: A captain $500 per year and the same pay shall be paid to every officer of higher rank than that of captain, a first lieutenant $240 per year, and a second lieutenant $200 per year. Regulations to be prescribed by the Secretary of War shall determine the amount and character of service that must be rendered by officers to entitle them to the whole or specific parts of the maximum pay hereinbefore authorized: *Provided*, That all staff officers, aids-de-camp, and chaplains shall receive not to exceed one-half of the pay of a captain, except that regimental adjutants, and majors and captains in command of machine-gun companies, ambulance companies, field-hospital companies, or sanitary troops shall receive the pay hereinbefore authorized for a captain.

"SEC. 110. Pay for National Guard enlisted men: Each enlisted man on the active list belonging to an organization of the National Guard of a State, Territory, or the District of Columbia, participating in the apportionment of the annual appropriation for the support of the National Guard, shall receive compensation for his services, except during periods of service for which he may become lawfully entitled to the same pay as an enlisted man of corresponding grade in the Regular Army, at a rate equal to 25 per cent of the initial pay now provided by law for enlisted men of corresponding grades of the Regular Army: *Provided*, That such enlisted man shall receive the compensation herein provided if he shall have attended not less than 48 regular drills during any one year, and a proportionate amount for attendance upon a lesser number of such drills, not less than 24; and no such enlisted man shall receive any part of said compensation except as authorized by this proviso and the three provisos next following: *Provided further*, That the compensation provided herein shall be computed for semiannual periods, beginning the 1st day of January and the 1st day of July of each year, in proportion to the number of drills attended; and no compensation shall be paid to any enlisted man for the first semiannual period of any year unless he shall have attended during said period at least 24 drills, but any lesser number of drills attended during said period shall be reckoned with the drills attended during the second semiannual period in computing the compensation, if any, due him for that year: *Provided further*, That when any man enters into an enlistment other than an immediate reenlistment he shall be entitled to proportional compensation for that year if during the remainder of the year he shall attend a number of drills whose ratio to 24 is not less than the ratio of the part of the year so served to the whole year; and when any man's enlistment shall expire the compensation, if any, to which he may be entitled shall be determined in like manner: *Provided further*, That periods of any actual military duty equivalent to the drills herein prescribed (except those periods of service for which members of the National Guard may become lawfully entitled to the same pay as officers and enlisted men of the corresponding grades in the Regular Army) may be accepted as service in lieu of such drills when so provided by the Secretary of War.

"All amounts appropriated for the purpose of this and the last preceding section shall be disbursed and accounted for by the officers and agents of the Quartermaster Corps of the Army, and all disbursements under the foregoing provisions of this section shall be made as soon as practicable after the 31st day of December and the 30th day of June of each year upon pay rolls prepared and authenticated in the manner to be prescribed by the Secretary of War: *Provided*, That stoppages may be made against the compensation payable to any officer or enlisted man hereunder to cover the cost of public property lost or destroyed by and chargeable to such officer or enlisted man.

"Except as otherwise specifically provided herein, no money appropriated under the provisions of this or the last preceding section shall be paid to any person not on the active list, nor to any person over 64 years of age, nor to any person who shall fail to qualify as to fitness for military service under such regulations as the Secretary of War shall prescribe, nor to any State, Territory, or District, or officer or enlisted man in the National Guard thereof, unless and until such State, Territory, or District provides by law that staff officers, including officers of the Pay, Inspection, Subsistence, and Medical Departments hereafter appointed shall have had previous military experience and shall hold their positions until they shall have reached the age of 64 years, unless retired prior to that time by reason of resignation, disability, or for cause to be determined by a court-martial legally convened for that purpose, and that vacancies among said officers shall be filled by appointment from the officers of the militia of such State, Territory, or District: *Provided further*, That the preceding proviso shall not apply to any State, Territory, or District until 60 days next after the adjournment of the next session of its legislature held after the approval of this act.

"SEC. 111. National Guard when drafted into Federal service: When Congress shall have authorized the use of the armed land forces of the United States, for any purpose requiring the use of troops in excess of those of the Regular Army, the President may, under such regulations, including such physical examination, as he may prescribe, draft into the military service of the United States, to serve therein for the period of the war unless sooner discharged, any or all members of the National Guard and of the National Guard Reserve. All persons so drafted shall, from the date of their draft, stand discharged from the militia, and shall from said date be subject to such

laws and regulations for the government of the Army of the United States as may be applicable to members of the Volunteer Army, and shall be embodied in organizations corresponding as far as practicable to those of the Regular Army or shall be otherwise assigned as the President may direct. The commissioned officers of said organizations shall be appointed from among the members thereof, officers with rank not above that of colonel to be appointed by the President alone, and all other officers to be appointed by the President by and with the advice and consent of the Senate. Officers and enlisted men in the service of the United States under the terms of this section shall have the same pay and allowances as officers and enlisted men of the Regular Army of the same grades and the same prior service.

"SEC. 112. Rights to pensions: When any officer or enlisted man of the National Guard drafted into the service of the United States in time of war is disabled by reason of wounds or disability received or incurred while in the active service of the United States in time of war, he shall be entitled to all the benefits of the pension laws existing at the time of his service, and in case such officer or enlisted man dies in the active service of the United States in time of war or in returning to his place of residence after being mustered out of such service, or at any other time in consequence of wounds or disabilities received in such active service, his widow and children, if any, shall be entitled to all the benefits of such pension laws.

"SEC. 113. Encouragement of rifle practice: The Secretary of War shall annually submit to Congress recommendations and estimates for the establishment and maintenance of indoor and outdoor rifle ranges, under such a comprehensive plan as will ultimately result in providing adequate facilities for rifle practice in all sections of the country. And that all ranges so established and all ranges which may have already been constructed, in whole or in part, with funds provided by Congress shall be open for use by those in any branch of the military or naval service of the United States and by all able-bodied males capable of bearing arms, under reasonable regulations to be prescribed by the controlling authorities and approved by the Secretary of War. That the President may detail capable officers and noncommissioned officers of the Regular Army and National Guard to duty at such ranges as instructors for the purpose of training the citizenry in the use of the military arm. Where rifle ranges shall have been so established and instructors assigned to duty thereat, the Secretary of War shall be authorized to provide for the issue of a reasonable number of standard military rifles and such quantities of ammunition as may be available for use in conducting such rifle practice.

"SEC. 114. Temporary vacancies in Regular Army due to details to the National Guard: In time of war the temporary vacancies created in any grade not above that of colonel among the commissioned personnel of any arm, staff corps, or department of the Regular Army, through appointments of officers thereof to higher rank in organizations composed of members taken from the National Guard, shall be filled by temporary promotions according to seniority in rank from officers holding commissions in the next lower grade in said arm, staff corps, or department, and all vacancies created in any grade by such temporary promotions shall be in like manner filled from, and thus create temporary vacancies in, the next lower grade, and the vacancies that shall remain thereafter in said arm, staff corps, or department and that can not be filled by temporary promotions, as prescribed in this section, may be filled by the temporary appointment of officers of such number and grade or grades as shall maintain said arm, corps, or department at the full commissioned strength authorized by law: *Provided*, That in the staff corps and departments subject to the provisions of sections 26 and 27 of the act of February 2, 1901, and acts amendatory thereof, temporary vacancies that can not be filled by temporary promotions as hereinbefore prescribed shall be filled by temporary details in the manner prescribed in said sections 26 and 27, and acts amendatory thereof, and the resulting temporary vacancies in the branches of the Army from which the details shall be so made shall be filled as hereinbefore in this section prescribed: *Provided further*, That officers temporarily promoted or appointed under the terms of this section shall be promoted or appointed by the President, by and with the advice and consent of the Senate, for terms that shall not extend beyond the war or the passing of the emergency for which additional forces were brought into the military service of the United States, and at the termination of the war or the passing of the emergency said officers shall be discharged from the positions held by them under their temporary commissions or appointments, and officers detailed as herein authorized shall be relieved from their temporary details: *And provided further*, That officers temporarily promoted under the provisions of this section shall not vacate their permanent commissions nor be prejudiced in their relative or lineal standing in the Regular Army.

"SEC. 115. Physical examination: Every officer and enlisted man of the National Guard who shall be called into the service of the United States as such shall be examined as to his physical fitness under such regulations as the President may prescribe without further commission or enlistment: *Provided*, That immediately preceding the muster out of an officer or enlisted man called into the active service of the United States he shall be physically examined under rules prescribed by the President of the United States, and the record thereof shall be filed and kept in the War Department.

"SEC. 116. Noncompliance with Federal act: Whenever any State shall, within a limit of time to be fixed by the President, have failed or refused to comply with or enforce any requirement of this act, or any regulation promulgated thereunder and in aid thereof by the President or the Secretary of War, the National Guard of such State shall be debarred, wholly or in part, as the President may direct, from receiving from the United States any pecuniary or other aid, benefit, or privilege authorized or provided by this act or any other law.

"SEC. 117. Applicable to land forces only: The provisions of this act in respect to the militia shall be applicable only to militia organized as a land force and not to the Naval Militia, which shall consist of such part of the militia as may be prescribed by the President for each State, Territory, or District: *Provided*, That each State, Territory, or District maintaining a Naval Militia as herein prescribed may be credited to the extent of the number thereof in the quota that would otherwise be required by section 62 of this act.

"SEC. 118. Necessary rules and regulations: The President shall make all necessary rules and regulations and issue such orders as may be necessary for the thorough organization, discipline, and government of the militia provided for in this act.

"SEC. 119. Annual estimates required: The Secretary of War shall cause to be estimated annually the amount necessary for carrying out the provisions of so much of this act as relates to the militia, and no money shall be expended under said provisions except as shall from time to time be appropriated for carrying them out.

"SEC. 120. Purchase or procurement of military supplies in time of actual or imminent war: The President, in time of war or when war is imminent, is empowered, through the head of any department of the Government, in addition to the present authorized methods of purchase or procurement, to place an order with any individual, firm, association, company, corporation, or organized manufacturing industry for such product or material as may be required, and which is of the nature and kind usually produced or capable of being produced by such individual, firm, company, association, corporation, or organized manufacturing industry.

"Compliance with all such orders for products or material shall be obligatory on any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof and shall take precedence over all other orders and contracts theretofore placed with such individual, firm, company, association, corporation, or organized manufacturing industry, and any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof owning or operating any plant equipped for the manufacture of arms or ammunition, or parts of ammunition, or any necessary supplies or equipment for the Army, and any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof owning or operating any manufacturing plant, which, in the opinion of the Secretary of War shall be capable of being readily transformed into a plant for the manufacture of arms or ammunition, or parts thereof, or other necessary supplies or equipment, who shall refuse to give to the United States such preference in the matter of the execution of orders, or who shall refuse to manufacture the kind, quantity, or quality of arms or ammunition, or the parts thereof, or any necessary supplies or equipment, as ordered by the Secretary of War, or who shall refuse to furnish such arms, ammunitions, or parts of ammunition, or other supplies or equipment, at a reasonable price as determined by the Secretary of War, then, and in either such case, the President, through the head of any department of the Government, in addition to the present authorized methods of purchase or procurement herein provided for, is hereby authorized to take immediate possession of any such plant or plants, and through the Ordnance Department of the United States Army, to manufacture therein in time of war, or when war shall be imminent, such product or material as may be required, and any individual, firm, company,

association, or corporation, or organized manufacturing industry or the responsible head or heads thereof failing to comply with the provisions of this section shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and by a fine not exceeding $50,000.

"The compensation to be paid to any individual, firm, company, association, corporation, or organized manufacturing industry for its products or material, or as rental for use of any manufacturing plant while used by the United States, shall be fair and just.

"The Secretary of War shall also make, or cause to be made, a complete list of all privately owned plants in the United States equipped to manufacture arms or ammunition, or the component parts thereof. He shall obtain full and complete information regarding the kind of arms or ammunition, or the component parts thereof, manufactured or that can be manufactured by each such plant, the equipment in each plant, and the maximum capacity thereof. He shall also prepare, or cause to be prepared, a list of privately owned manufacturing plants in the United States capable of being readily transformed into ammunition factories, where the capacity of the plant is sufficient to warrant transforming such plant or plants into ammunition factories in time of war or when war shall be imminent; and as to all such plants the Secretary of War shall obtain full and complete information as to the equipment of each such plant, and he shall prepare comprehensive plans for transforming each such plant into an ammunition factory, or a factory in which to manufacture such parts of ammunition as in the opinion of the Secretary of War such plant is best adapted.

"The President is hereby authorized, in his discretion, to appoint a board on mobilization of industries essential for military preparedness, nonpartisan in character, and to take all necessary steps to provide for such clerical assistance as he may deem necessary to organize and coordinate the work hereinbefore described.

"SEC. 121. Investigation as to Government manufacture of arms, etc.: The Secretary of War is hereby authorized to appoint a board of five citizens, two of whom shall be civilians and three of whom shall be officers of the Army, to investigate and report to him the feasibility, desirability, and practicability of the Government manufacturing arms, munitions, and equipment, showing in said report the comparative prices of the arms, munitions, and equipment manufactured in Government plants and those manufactured in private plants, the amount of money necessary to build and operate Government plants for the manufacture of arms, munitions, and equipment; showing also what the Government plants and arsenals are now doing in the way of manufacturing arms, munitions, and equipment, and what saving has accrued to the Government by reason of its having manufactured a large part of its own arms, munitions, and equipment for the last four years. And the Secretary of War is hereby directed to transmit said report to Congress on or before January 1, 1917.

"SEC. 122. Investigation concerning medals of honor: A board to consist of five general officers on the retired list of the Army shall be convened by the Secretary of War, within 60 days after the approval of this act, for the purpose of investigating and reporting upon past awards or issues of the so-called congressional medal of honor by or through the War Department; this with a view to ascertain what medals of honor, if any, have been awarded or issued for any cause other than distinguished conduct by an officer or enlisted man in action involving actual conflict with an enemy by such officer or enlisted man or by troops with which he was serving at the time of such action. And in any case in which said board shall find and report that said medal was issued for any cause other than that hereinbefore specified the name of the recipient of the medal so issued shall be stricken permanently from the official medal of honor list. It shall be a misdemeanor for him to wear or publicly display said medal, and, if he shall still be in the Army, he shall be required to return said medal to the War Department for cancellation. Said board shall have full and free access to and use of all records pertaining to the award or issue of medals of honor by or through the War Department. The actual and necessary expenses of said board and its members shall be paid out of any appropriations available for contingent expenses of the Army of the War Department.

"SEC. 123. Procurement of gauges, dies, jigs, etc., necessay for manufacture of arms, etc.: The Secretary of War be, and he is hereby, authorized to prepare or cause to be prepared, to purchase or otherwise procure, such gauges, dies, jigs, tools, fixtures, and other special aids and appliances, including specifications and detailed drawings, as may be necessary for the immediate manufacture, by the Government and by private manufacturers, of arms, ammunition, and special equipment necessary to arm and equip the land forces likely to be required by the United States in time of war: *Provided*, That in the expenditure of any sums appropriated to carry out the purposes of this section the existing laws prescribing competition in the procurement of supplies by purchase shall not govern, whenever in the opinion of the Secretary of War such action will be for the best interest of the public service.

"SEC. 124. Nitrate supply: The President of the United States is hereby authorized and empowered to make, or cause to be made, such investigation as in his judgment is necessary to determine the best, cheapest, and most available means for the production of nitrates and other products for munitions of war and useful in the manufacture of fertilizers and other useful products by water power or any other power as in his judgment is the best and cheapest to use; and is also hereby authorized and empowered to designate for the exclusive use of the United States, if in his judgment such means is best and cheapest, such site or sites, upon any navigable or nonnavigable river or rivers or upon the public lands, as in his opinion will be necessary for carrying out the purposes of this act; and is further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power as in his judgment is the best and cheapest, necessary, or convenient for the generation of electrical or other power and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products.

"The President is authorized to lease, purchase, or acquire, by condemnation, gift, grant, or devise, such lands and rights of way as may be necessary for the construction and operation of such plants, and to take from any lands of the United States, or to purchase or acquire by condemnation materials, minerals, and processes, patented or otherwise, necessary for the construction and operation of such plants and for the manufacture of such products.

"The products of such plants shall be used by the President for military and naval purposes to the extent that he may deem necessary, and any surplus which he shall determine is not required shall be sold and disposed of by him under such regulations as he may prescribe.

"The President is hereby authorized and empowered to employ such officers, agents, or agencies as may in his discretion be necessary to enable him to carry out the purposes herein specified, and to authorize and require such officers, agents, or agencies to perform any and all of the duties imposed upon him by the provisions hereof.

"The sum of $20,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, to enable the President of the United States to carry out the purposes herein provided for.

"The plant or plants provided for under this act shall be constructed and operated solely by the Government and not in conjunction with any other industry or enterprise carried on by private capital.

"In order to raise the money appropriated by this act and necessary to carry its provisions into effect, the Secretary of the Treasury, upon the request of the President of the United States, may issue and sell, or use for such purpose or construction hereinabove authorized, any of the bonds of the United States now available in the Treasury of the United States under the act of August 5, 1909, the act of February 4, 1910, and the act of March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $20,000,000: *Provided*, That any Panama Canal bonds issued and sold or used under the provisions of this section may be made payable at such time after issue as the Secretary of the Treasury, in his discretion, may deem advisable, and fix, instead of 50 years after date of issue, as in said act of August 5, 1909, not exceeding 50 years.

"SEC. 125. Protection of the uniform: It shall be unlawful for any person not an officer or enlisted man of the United States Army, Navy, or Marine Corps, to wear the duly prescribed uniform of the United States Army, Navy, or Marine Corps, or any distinctive part of such uniform, or a uniform any part of which is similar to a distinctive part of the duly prescribed uniform of the United States Army, Navy, or Marine Corps: *Provided*, That the foregoing provision shall not be construed so as to prevent officers or enlisted men of the National Guard from wearing, in pursuance of law and regulations, the uniform lawfully prescribed to be worn by such officers or enlisted men of the National Guard; nor to prevent members of the organization known as the Boy Scouts of America, or the

Naval Militia, or such other organizations as the Secretary of War may designate, from wearing their prescribed uniforms; nor to prevent persons who in time of war have served honorably as officers of the United States Army, Navy, or Marine Corps, Regular or Volunteer, and whose most recent service was terminated by an honorable discharge, muster out, or resignation, from wearing, upon occasions of ceremony, the uniform of the highest grade they have held by brevet or other commission in such Regular or Volunteer service; nor to prevent any person who has been honorably discharged from the United States Army, Navy, or Marine Corps, Regular or Volunteer, from wearing his uniform from the place of his discharge to his home, within three months after the date of such discharge; nor to prevent the members of military societies composed entirely of honorably discharged officers or enlisted men, or both, of the United States Army, Navy, or Marine Corps, Regular or Volunteer, from wearing, upon occasions of ceremony, the uniform duly prescribed by such societies to be worn by the members thereof; nor to prevent the instructors and members of the duly organized cadet corps of a State university, State college, or public high school offering a regular course in military instruction from wearing the uniform duly prescribed by the authorities of such university, college, or public high school for wear by the instructors and members of such cadet corps; nor to prevent the instructors and members of the duly organized cadet corps of any other institution of learning offering a regular course in military instruction, and at which an officer or enlisted man of the United States Army, Navy, or Marine Corps is lawfully detailed for duty as instructor in military science and tactics, from wearing the uniform duly prescribed by the authorities of such institution of learning for wear by the instructors and members of such cadet corps; nor to prevent civilians attendant upon a course of military or naval instruction authorized and conducted by the military or naval authorities of the United States from wearing, while in attendance upon such course of instruction, the uniform authorized and prescribed by such military or naval authorities for wear during such course of instruction; nor to prevent any person from wearing the uniform of the United States Army, Navy, or Marine Corps in any playhouse or theater or in moving-picture films while actually engaged in representing therein a military or naval character not tending to bring discredit or reproach upon the United States Army, Navy, or Marine Corps: *Provided further*, That the uniforms worn by officers or enlisted men of the National Guard, or by the members of the military societies or the instructors and members of the cadet corps referred to in the preceding proviso shall include some distinctive mark or insignia to be prescribed by the Secretary of War to distinguish such uniforms from the uniforms of the United States Army, Navy, or Marine Corps: *And provided further*, That the members of the military societies and the instructors and members of the cadet corps hereinbefore mentioned shall not wear the insignia of rank prescribed to be worn by officers of the United States Army, Navy, or Marine Corps, or any insignia of rank similar thereto.

"Any person who offends against the provisions of this section shall, on conviction, be punished by a fine not exceeding $300, or by imprisonment not exceeding six months, or by both such fine and imprisonment.

"SEC. 126. On and after July 1, 1916, an enlisted man when discharged from the service, except by way of punishment for an offense, shall receive 3½ cents per mile from the place of his discharge to the place of his acceptance for enlistment, enrollment, or original muster into the service, at his option: *Provided*, That for sea travel on discharge transportation and subsistence only shall be furnished to enlisted men.

"SEC. 127. Nothing in this act shall be held or construed so as to discharge any officer from the Regular Army or to deprive him of the commission which he now holds therein.

"SEC. 128. All laws and parts of laws in so far as they are inconsistent with this act are hereby repealed."

And the Senate agree to the same.

GEORGE E. CHAMBERLAIN,
J. C. W. BECKHAM,
ROBERT F. BROUSSARD,
H. A. DU PONT,
F. E. WARREN,
*Managers on the part of the Senate.*

JAMES HAY,
S. H. DENT, Jr.,
JULIUS KAHN.
*Managers on the part of the House.*

PROCEEDINGS OF EXECUTIVE SESSIONS.

Mr. KENYON. Mr. President, I desire to make a parliamentary inquiry. A few days ago, during the period when the Senate was taking recesses from day to day, I submitted a resolution somewhat similar to the resolution submitted this morning by the Senator from Wisconsin [Mr. LA FOLLETTE]. That resolution was ordered to lie on the table. My impression is that at this time that resolution will come before the Senate. That is the inquiry I desire to make.

The VICE PRESIDENT. When a resolution is submitted and goes over under the rule the present occupant of the chair has decided that it is the duty of any Senator who wants to call it up to do so before the conclusion of morning business.

Mr. KENYON. I ask, then, that there be taken up at this time the resolution submitted by me with reference to open executive sessions of the Senate.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day, which the Secretary will state.

The Secretary read the resolution (S. Res. 191) submitted by Mr. KENYON on May 9 (calendar day, May 12), 1916, as follows:

*Resolved*, That it is the judgment of the Senate that all executive sessions shall hereafter be open to the public, except when treaties are considered, or when the Senate by unanimous consent orders otherwise.

And the Committee on Rules is directed to prepare such amendments to the present rules, or to prepare new rules, or both, as may be necessary to carry out the terms of this resolution, and present the same to the Senate for action thereon.

Mr. WALSH. Mr. President, I have an impression that the Senator from Missouri [Mr. STONE] desired to be heard upon the motion to consider the resolution. However, I see the Senator is now present.

Mr. SMITH of Georgia. Mr. President, under the rules that resolution must go over until to-morrow.

The VICE PRESIDENT. It did go over on a previous day.

Mr. KENYON. I will say to the Senator it went over some days ago.

Mr. SMITH of Georgia. Under what circumstances is it now being called up?

The VICE PRESIDENT. It is called up under the right of a Senator to call up a resolution which he has submitted when it has gone over under the rule.

Mr. SMITH of Georgia. I thought it had already gone over.

Mr. KENYON. It was submitted and went over some days ago.

The VICE PRESIDENT. The resolution was not submitted to-day; it was submitted on a former day.

Mr. LA FOLLETTE. I will say to the Senator that it is not the resolution submitted by me, but the one submitted by the Senator from Iowa.

Mr. KENYON. Yes. It is the resolution submitted by me.

Mr. SMITH of Georgia. I beg pardon. I heard read a similar resolution submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] a few moments ago, and I thought that was the resolution now being called up.

Mr. KENYON. Mr. President, I submitted a resolution similar to this two years ago, at which time there was a motion to table it, and I assume that that motion will probably follow to-day. I am simply anxious to get a record vote. It seems to me that, after the experience of the past, we may as well have executive sessions, except as to treaties, in the open. Nominations are coming along for the consideration of the Senate, which ought to be considered in the open, and I do not know why we should longer continue to consider nominations in secret sessions of the Senate.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Montana?

Mr. KENYON. I yield the floor.

Mr. WALSH. I rose to inquire when the resolution to which the Senator from Iowa has addressed his remarks was introduced.

Mr. KENYON. I submitted a resolution during the period when we were recessing from day to day—on the legislative day of May 9, calendar day of May 12—and asked that it lie over.

Mr. STONE. Mr. President, I was called out of the Chamber for a moment by a visitor, and I desire now to inquire how this resolution, which was submitted on the legislative day of May 9, with a request that it lie on the table, gets before the Senate, if the Chair please?

The VICE PRESIDENT. It gets before the Senate because the Senator from Iowa has called it up. Prior to the time when the present occupant of the chair assumed the duties of presiding officer it had been held—perhaps not held, but it had grown into a custom—that when a resolution was introduced on one day it should lie over until the succeeding day, and then it was

automatically laid before the Senate. Upon an examination of the rules at the last session of the Congress, the present occupant of the chair decided that there was not any rule which required the Chair automatically to lay before the Senate resolutions which were introduced and which went over under the rule, but that it was the duty of the Senator submitting the resolution, when he wanted to call it up, to call it up of his own motion. That has been the ruling of the Chair since that time.

Mr. GALLINGER. Mr. President, a word on that point. By reference to page 9 of the Manual there is a note:

On motion by Mr. Hoar, *Ordered*, That until otherwise ordered, the Chair shall proceed with the call for resolutions to be newly offered before laying before the Senate resolutions which came over from a former day.

It has been because of that order, to which the Senate agreed, that the custom has been heretofore that resolutions would be laid before the Senate after new resolutions had been acted upon.

The VICE PRESIDENT. The Senator from New Hampshire states it accurately; but the Chair has a very distinct recollection of a period in the Senate when there were some six or seven resolutions laid down every morning with the request that they go over without prejudice, and finally the Chair announced that they would not be laid down unless they were called up.

Mr. GALLINGER. It seems to me that that is quite a fair proposition, because any Senator can make the request, and the resolution will be laid before the Senate.

The VICE PRESIDENT. Yes. The Chair thinks there is no doubt about the right of a Senator to call up such a resolution.

Mr. STONE. Mr. President, this resolution is before the Senate on the motion or call of the Senator from Iowa. Am I correct in that?

The VICE PRESIDENT. The Senator from Iowa called this resolution before the Senate, and it is now subject to parliamentary procedure. It is subject to a motion to send it to a committee or to be laid on the table, or otherwise.

Mr. STONE. I inquire of the Senator from Iowa just what his purpose is in calling it up now? Is it to debate the resolution?

Mr. KENYON. I should like to have it passed. I do not myself care to spend any time debating it. A similar resolution was before the Senate a year ago.

Mr. STONE. In view of that statement, I move that the resolution be referred to the Committee on Rules.

Mr. BORAH. Mr. President, is that motion debatable?

Mr. STONE. I presume it is.

The VICE PRESIDENT. Let us see——

Mr. SMITH of Georgia. Mr. President, will the Senator from Idaho permit me a moment?

Mr. KENYON. Mr. President, I make the point of order that a resolution directing the Committee on Rules to do certain things can not be referred to the Committee on Rules in the very nature of the situation.

The VICE PRESIDENT. The Chair will be compelled to overrule that point of order. This body can do anything it wants to do.

Mr. SMITH of Georgia. I desire to make an inquiry, with the consent of the Senator from Idaho. Is the ruling of the Chair that the Senator introducing a resolution may call it up the morning thereafter or on any morning thereafter?

The VICE PRESIDENT. Any morning thereafter.

Mr. SMITH of Georgia. Any morning he sees fit to do so?

The VICE PRESIDENT. During the morning hour just before the conclusion of morning business, provided morning business has not closed.

Mr. BORAH. Mr. President, I am not going to discuss this matter at length, but I wish we might have a vote upon the resolution direct, instead of sending it to a committee. Without challenging the good faith of the Senator from Missouri, nevertheless the sending of the resolution to a committee means that it is to be indefinitely postponed, and we are not to meet the issue squarely, as we can do if we have a direct vote here at this time.

Mr. President, I have long been an advocate of open sessions with reference to all nominations and with reference to all treaties, save a very limited class of treaties. Commercial treaties and such treaties as we have lately consummated with Nicaragua and that class of treaties ought to be considered in the open. In the first place, practically all our work with reference to executive matters is done in the open. The hearings are had in the open; the newspapers discuss the matter; and it is a mere form when we come here and ourselves proceed to hold executive sessions. The subject matter is thoroughly discussed and thoroughly before the public, and the public has the entire matter, except the debates, which might take place here in the Senate.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

Mr. BORAH. Yes.

Mr. CLAPP. Judging from what I noticed in the morning press, there is some question as to the Senator's last statement, because the reasons that were given in executive session yesterday are alleged to be given in the press this morning. So even the discussion does, in a measure at least, become public.

Mr. BORAH. I think any Senator here would agree with me that the reports that go to the newspapers upon these matters in executive session are very inaccurate and insufficient to represent any Senator in his views.

Mr. CLAPP. Will the Senator pardon another interruption?

Mr. BORAH. Yes.

Mr. CLAPP. Is not that just one of the vital reasons why we should have open sessions—in order that the public, instead of having an account of debate which may not be full or do justice to Senators, may have an exact account of what has taken place?

Mr. BORAH. I quite agree with the Senator, and that was to be my contention.

Mr. CLAPP. Then I am sorry I interrupted the Senator.

Mr. BORAH. No; I am very glad to be interrupted. But we have had the matter before us at one time and another for the last two or three years, and there is no reason why we should send it to a committee. Every Senator here, perhaps, has made up his mind on the matter. We are just as well advised as to what we want to do individually as we will be after it has gone to a committee and the Senator from Wisconsin presents his resolution in a few days. We might just as well, so far as the information and the conclusion of the Senate is concerned, vote now as a month later. I therefore hope that we will have a vote directly, and that we will open these regular sessions upon all subject matters save a very limited class of treaties.

Take the discussion which took place here yesterday. There were votes cast which were presumed to have been cast for certain reasons, but which were not, in fact, cast for those reasons at all, but for other reasons. The vote is there, and represents the final action of the Senator; but his reason for casting that vote is not there. The public is entitled to have it. The Senator is entitled to have it before the public; and there is nothing to be gained, either in the public welfare or in the interest of the man seeking the nomination, by a closed session.

I have never understood why a man seeking an appointment to an important office should not be subjected to a public debate and consideration of his qualifications, just the same as a man who is running for office; and it is fair to the man seeking the office as well as fair to the public. If I were a candidate before this body for a position, I certainly should desire to know some of the reasons or all of the reasons which were assigned for and against me, and especially those against me. It is not unfair to the candidate, as is sometimes supposed, but peculiarly fair, that he be considered in the open and that his qualifications there be discussed, and any man qualified to hold public office and fit to hold public office should be glad to have his qualifications presented in public rather than in private.

I sincerely hope the matter will be voted upon.

Mr. VARDAMAN. Mr. President, I have always felt that the secret or executive session of the Senate was not in keeping with the genius and spirit of our Government. It is based upon the theory that certain things must be kept from the people—that it is not well that the people should have information touching certain affairs pertaining to their own Government, which to my mind is an untenable position to assume.

It comes down to us from an age when the ability of the people to rule themselves was doubted by the rulers by Divine right. A theory of government so at variance with our system that any custom that even smacks or savors of it is out of joint with the spirit of the times.

Now, I have never done anything in the performance of my official duties in all my life—and I dare say the same is true of a majority of my colleagues, the Members of this body—that I desired to keep concealed from my constituents. I have infinite faith in the sense of justice and the capacity for discrimination of the people whom I have the honor to represent in this Chamber. They are just as capable of self-government as I am capable of governing them.

There is nothing in the world so purifying in politics as the sunlight of publicity. It is no reflection upon the patriotism or integrity of any man to say that he is more circumspect and careful about what he may say or do when he knows the eyes

of the world are fixed upon him than he would be when walking in the shadows. It is human nature to be that way.

As has been so well stated by the able Senator from Idaho [Mr. BORAH] the men whose characters and reputation are subjected to the acid test of criticism to which they are subjected in the consideration of nominations in executive sessions are entitled to know what is said about them. And the Senator who analyzes and criticizes the character of the nominee ought to desire that his reasons for his opposition or his excuse for criticism should be given the public.

The information which influences the action of the Senator in casting his vote is a matter of public concern and therefore the people have a right to know it. I can scarcely conceive of a measure which is likely to be considered by this body wherein public interest demands that the discussion shall be withheld from the people. The people ought to know what we are doing here, how we do it, and the reasons that we have for doing it.

If I had my way about it I would take the doors from the hinges of this Chamber, and I would let the public look in on us and hear our discussions and share with us, from the galleries, our deliberations.

Long before I came to the United States Senate I held to these views, and time and experience have only served to deepen my conviction on the subject and to vindicate the correctness of first impressions. I could not understand then why my Senator should desire to withhold from me his reasons or excuse for anything he might do in the performance of the functions of the place which I, by my vote, had commissioned him to perform.

And I agree with the able Senator from Idaho, further, that this matter ought to be settled now. There is no reason or excuse for delay. Senators have made up their minds. I should say they are ready to vote, and I am in favor of bringing the question to an issue at once rather than sending it to its death in the Committee on Rules. I think the proposed plan is a very moderate and proper treatment of the subject. All necessary safeguards will be thrown around it by the Committee on Rules to prevent the possibility of anything imprudent or radical being done, and I sincerely hope we may get a vote on it this morning.

The antiquity of the rule or custom which is to be repealed or abrogated is entitled to no special consideration because of its age. Time does not impute to it sanctity or eliminate from it in any way the inherent errors of the system.

Mr. SMITH of Georgia. Mr. President, the resolution is in bad form. You can not amend the rules in that way. The rules specifically prescribe the way in which they must be amended. You can not pass a resolution here instructing the Committee on Rules to get up a rule. You could pass a resolution expressing the sentiment of the Senate, but you can not instruct the committee to prepare a particular rule except by recommitting a pending measure——

Mr. KENYON rose.

Mr. SMITH of Georgia. Let me proceed a little further. You can not amend the rules in the way proposed. The rules specifically provide that amendments must be made first by written notice of a Senator that he intends to offer an amendment to a particular rule, designating the rule, and designating the nature of the amendment. Then, one day later, he can offer the amendment itself.

Mr. KENYON. Mr. President——

Mr. SMITH of Georgia. I yield for a question.

Mr. KENYON. I only want to say that that exact question was raised when this matter was up before, on a point of order, and decided by the Chair.

Mr. SMITH of Georgia. Mr. President, I do not yield for a statement. I decline to yield under any circumstances for a statement from anybody, because, under the ruling of the Chair, that takes the speaker off the floor.

Mr. KENYON. I ask, then, if it is not true that the resolution merely recites and expresses the judgment of the Senate, and instructs a committee of the Senate?

Mr SMITH of Georgia. Mr. President, I do not concede the right of the Senate to act in any such way. Suppose you send that to the committee, and the committee did not want to get up a notice in response to it, and did not want to introduce a rule for you—you are absolutely helpless. Why, we have a rule that there shall be no publicity as to what takes place in executive sessions, and a Senator gives it out. If a Senator can disregard a solemn rule of that sort, how can you, by resolution, instruct the Committee on Rules to prepare for you a notice, and to prepare for you an amendment to the rules?

I will go one step farther. I am not sure that I will not support a rule of this kind. I am a good deal inclined to desire that practically all of our discussions, except where necessarily private on account of foreign relations involved should be in public. I would vastly have preferred to have had my reasons for voting against the nominee yesterday published and printed in the RECORD. I should have been gratified to see them in the RECORD this morning. If I vote against the confirmation of anybody else in the Senate, I should be glad to see the CONGRESSIONAL RECORD publish my reasons for it, because, if I vote against a man, I have reasons that are satisfactory to me, and I am willing to be judged by my reasons. We have another nomination coming up soon which has attracted much attention. I should be glad to see that nomination debated in public. I so state now.

If the Senator will prepare his notice in proper form, and introduce his resolution proposing to amend the rules, it will not be buried in the Committee on Rules. The committee may report adversely on it, but we will bring you out a report and give you a chance to take it up in an orderly way on the floor of the Senate, under the rules. The Senator is simply wasting his time on this resolution. He will make no progress. I am always in the Committee on Rules when they meet. I say to the Senator that if he introduces such a rule I will call it up at the first meeting, and we will bring in a report on it, just as we brought in a report to-day on Senate procedure looking to a limited cloture.

I do not think the Senator will make any progress by this resolution. I shall vote against it, because I do not think the Senate has any authority to direct us to prepare legislation for it, or to prepare a rule for it. I do not think that that is the proper way to undertake to treat a committee—to direct them to get up a rule for you. You are proposing to do this by resolution when the rules forbid the presentation of an amendment in such a way. But if you present an amendment to the rules as the rules require I have no doubt it will be speedily acted upon by the Committee on Rules. I am sure the Committee on Rules would be glad to report it, and I am very much disposed to vote for it.

Mr. OWEN obtained the floor.

Mr. STONE. Mr. President, I am obliged to leave. Will the Senator allow me to make a request?

Mr. OWEN. Certainly.

Mr. STONE. I have an engagement at 1 o'clock that I can not neglect. I should like an opportunity to say something on this resolution, and I request this much: The debate can go on, but I request that the matter be left open and not voted upon until later.

Mr. OWEN. Until to-morrow?

Mr. STONE. Until to-morrow or any subsequent time.

Mr. OWEN. I ask unanimous consent that it may be voted on to-morrow.

Mr. KENYON. What was the request of the Senator?

Mr. SMITH of Georgia. Mr. President, I think we might very well dispose of this matter now, unless the Senator from Missouri wants to speak on it, by a motion to lay it on the table.

Mr. STONE. Mr. President, I can not vote on anything, as I am obliged to leave now to fill an engagement at 1 o'clock, and I merely ask that the motion be not voted upon.

Mr. KENYON. Until to-morrow?

Mr. OWEN. Mr. President, in yielding the floor to the Senator from Missouri I did not yield to make a motion to lay on the table.

Mr. STONE. No; and I do not want to make a motion to lay on the table.

Mr. OWEN. I know the Senator did not wish to do that.

Mr. STONE. No; I wish the matter debated, and I wish to debate it myself; but I can not stay here now. My request to the Senate is, after you have debated it here as long as you please, that it may go over until to-morrow or any later day; I do not care.

Mr. SMOOT. I will say to the Senator that if it is debated until 2 o'clock, of course it will go to the calendar.

Mr. STONE. Well, I am not particular. I simply do not want the matter closed up to-day. I would be very glad to close it to-day as well as at any other time, except that I am compelled to go.

Mr. OVERMAN. Mr. President, if the Senator from Oklahoma will yield to me for a minute, I want to suggest that there is another resolution——

Mr. OWEN. I do not wish to yield the floor or to take any step that would result in my yielding the floor.

Mr. OVERMAN. No; I simply want to make a suggestion to the Senator himself.

Mr. OWEN. I yield for that purpose, if it does not deprive me of the floor.

Mr. OVERMAN. There is a resolution here submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] of a similar charac-

ter, and I think both of them ought to be considered together. The resolution of the Senator from Wisconsin does not come up until to-morrow.

Mr. LA FOLLETTE. It does not come up to-morrow, unless I call it up, under the rule.

Mr. OVERMAN. Yes; that is what I mean.

Mr. LA FOLLETTE. And the Senator's suggestion brings it up to-morrow, whether I am ready to call it up or not.

Mr. OVERMAN. I thought the Senator would want to call it up and have it considered at the same time.

Mr. LA FOLLETTE. I want to call it up when I am ready to call it up.

Mr. OVERMAN. If the Senator wants to call it up at a different time, very well.

Mr. OWEN. Mr. President——

Mr. KENYON. Mr. President, will the Senator from Oklahoma yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Iowa?

Mr. OWEN. For a question or a suggestion that does not affect my parliamentary status.

The VICE PRESIDENT. The Senator from Oklahoma had some unfortunate trouble the other day which the Chair is sorry for. We are not now enforcing what the Chair thought was the rule.

Mr. OWEN. I yield to the Senator from Iowa.

Mr. KENYON. I was going to say, in the line of a question, that I should be glad to do anything that would accommodate the Senator from Missouri; and I wondered if we could have a unanimous-consent agreement to vote on the passage of the resolution itself to-morrow at 1.30? He desires to have it go over until to-morrow, and I would like to accommodate him. I ask unanimous consent that to-morrow at 1.30 we vote on the original resolution which I introduced.

Mr. BRANDEGEE. Mr. President, I have no objection to fixing a time to vote, but if the request is agreed to in that form it may be that the Senate will be driven to a vote without any opportunity for any debate whatever, simply because the hour of 1 o'clock arrives; that is all. I do not intend to debate the question, but some other Senator——

Mr. KENYON. Would the Senator prefer 1.45?

Mr. BRANDEGEE. If the Senator will ask unanimous consent that at 12.30 to-morrow or 12 o'clock to-morrow the Senate shall proceed to consider this resolution and that at not later than 1 it shall vote upon it, that would give opportunity for some five-minute speeches; but the Senator's request is——

Mr. LODGE. Mr. President, I suggest to the Senator that, in view of what the Senator from Missouri [Mr. STONE] has said, it is hardly right to press a request for unanimous consent in his absence.

Mr. KENYON. I am trying to accommodate the Senator from Missouri.

Mr. LODGE. I know it.

Mr. KENYON. Therefore I suggest that the resolution go over until to-morrow and that it be voted on then.

Mr. LODGE. I think it would be better to accommodate him in another way.

Mr. KENYON. If the Senator knows his way——

Mr. LODGE. I can not speak for him. I have no desire to debate this matter at any length myself. I am perfectly willing to join in a unanimous-consent agreement to vote; but the Senator from Missouri said he wished to debate the resolution, and he has just left the Chamber. I think the Senator had better reserve the request for unanimous consent until to-morrow, when the Senator from Missouri can be present.

Mr. LANE. Mr. President——

Mr. OWEN. I decline to yield the floor further.

The VICE PRESIDENT. The Senator from Oklahoma has the floor.

Mr. LANE. I should just like to ask a question.

The VICE PRESIDENT. The Senator from Oklahoma has declined to yield the floor, and he has it.

Mr. KENYON. I will withdraw my request, on the suggestion of the Senator from Massachusetts. I was only making it to accommodate the Senator from Missouri.

Mr. OWEN. I shall take only a minute or two. I do not think the debate will change many votes in the Senate. I am in favor of instructing the Committee on Rules in accordance with this resolution, because I should like to see the debates of the Senate wide open. There are some treaties in which foreign affairs are concerned which I think should be considered in executive session under the old rule, where the dealings with foreign nations might be affected by our debate. Outside of that I should like to have the American people look down into the heart of the Senate and see everything which transpires here. I believe that is in the interest of public order and public welfare.

I do not feel quite willing to let the statement made by the Senator from Georgia go as acquiesced in that the Senate has no right to instruct the Committee on Rules. The Senate has a right in my opinion to instruct the Committee on Rules. That committee might exercise the right to refuse the instruction, and the Senate might exercise its authority to abolish that committee, and be entirely within its rights; and I think it would be justified in abolishing the committee when the committee refused to exercise the duty imposed upon it by the Senate. I say that, of course, merely as my opinion of parliamentary procedure, not with any view whatever to rebuke any committee or suggest anything of the kind.

I do not think that debate would change many votes on this question, but I should like to have it acted upon to ascertain what is the view of the Senate as to whether we shall have open session or shall not; and I ask unanimous consent that on to-day a week at 1 o'clock this resolution may be voted on.

The VICE PRESIDENT. Is there objection?

Mr. JONES and Mr. WILLIAMS. I object.

The VICE PRESIDENT. There is objection.

Mr. KENYON. I wish to ask unanimous consent that at 12 o'clock and 15 minutes to-morrow we take up this matter and proceed with it and vote, if possible. That will accommodate the Senator from Missouri.

Mr. SMOOT. I suggest to the Senator from Iowa that he has a perfect right to call it up immediately at the close of the morning business.

Mr. SIMMONS. I could not hear what the Senator from Utah said.

Mr. SMOOT. I suggested to the Senator from Iowa that it is a privileged question; that he can call it up immediately after the introduction of resolutions and before morning business is closed; and I do not see any necessity of making that request. He has it in his own hands.

Mr. LODGE. Mr. President, I think the Senator is mistaken about this being a privileged question. It goes to the calendar, and then the Senator has a right to move to take it up.

Mr. SMOOT. It goes to the calendar at 2 o'clock.

Mr. LODGE. Yes.

Mr. SMOOT. If debated until 2 o'clock to-day; but it will not go to the calendar if laid aside now by unanimous consent.

Mr. LODGE. Certainly not.

Mr. KENYON. That is why I asked for unanimous consent.

Mr. LANE. Before the matter closes I wish to say that I spoke to the Senator from Missouri before he left the Chamber. He has asked for time to debate, and I think he or any other Senator ought to have ample time. I would not like to set a definite hour for a vote without giving the Senator from Missouri an opportunity to be heard. All I ask is that the Senator from Missouri and others may have an opportunity to discuss this question.

Mr. SIMMONS. Mr. President——

Mr. KENYON. The request does not pertain to time.

Mr. LANE. It limits the time to half past 1.

Mr. KENYON. It is to commence at 12.15, to take the matter up at that time.

Mr. LANE. And come to a vote.

Mr. LODGE. I suggest to the Senator from Iowa that if he will ask that the resolution may go over without prejudice he can call it up himself at any time.

Mr. KENYON. That is satisfactory to me.

Mr. LODGE. That would leave it in his own power to call it up at any time.

Mr. WILLIAMS. What is the request?

The VICE PRESIDENT. The request of the Senator from Iowa, as the Chair understands it, is that the resolution go over without prejudice, that he may call it up to-morrow or any succeeding day, if he chooses to do so, at the conclusion of the morning business.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry. Would that interfere with a motion to send the resolution to the Committee on Rules?

The VICE PRESIDENT. That will be the pending motion when it comes up.

Mr. SIMMONS. When I rose I misunderstood the request of the Senator from Iowa. I understand the Chair now to say that it is nothing more than a request that this matter shall be laid before the Senate to-morrow at half-past 12 o'clock.

The VICE PRESIDENT. No; the request is that it shall go over without prejudice. If the Senator from Iowa chooses

to call it up to-morrow he will have a right to call it up at the conclusion of the morning business.

Mr. SIMMONS. It does not give it any special privilege?

The VICE PRESIDENT. No special privilege beyond that.

Mr. GALLINGER. Mr. President, without committing myself either for or against this resolution, I submit a proposed amendment which I will ask the Secretary to read.

The VICE PRESIDENT. The proposed amendment will be read.

The SECRETARY. On line 4 strike out the words "unanimous consent orders otherwise" and insert "two-thirds vote shall otherwise order," so that if amended it will read:

*Resolved*, That it is the judgment of the Senate that all executive sessions shall hereafter be open to the public, except when treaties are considered, or when the Senate by two-thirds vote shall otherwise order.

Mr. UNDERWOOD. Mr. President, this resolution may be considered in the future or it may not. I do not know what disposition the Senate is going to make of it. Therefore I wish to occupy the time of the Senate for a few moments in stating my own views in reference to the matter.

In recent years there has been a great deal said about business transacted behind closed doors. There is some justice in what has been said and there has been a great deal of farce play for the benefit of the public on this question.

I remember a year or two ago when I had some part in making up the committees of the House it was determined that the Progressive Party in the House should have a right to name so many men on each committee of their own selection, of course, to consult with the party in power as to the individual selections. The representative of that party called on my office and presented a list of the committeemen that he was in favor of and that his party had agreed on to see if it met with the approval of my party. They were promptly agreed to. Then the day afterwards an open caucus of the party was called and the men who had already been agreed to were agreed to in open session. Some time afterwards when I heard that gentleman abusing sincerely the Democratic Party for holding its sessions behind closed doors I could not but feel that a great deal he said was for the benefit of the public and not in the interest of pure government.

But I think the question that is presented by the Senator from Iowa comes to a point where it deserves the sincere consideration of the Senate. I can understand the reasons why the men who wrote the rules of the Senate provided that nominations sent by the President of the United States shall be considered in executive or secret session. I can understand why they thought it wise to provide, as the Senate rule provides, that we might consider these questions in executive session. They may have feared that the power of the Executive was such that the Senate could not exercise an unbiased judgment in accepting or rejecting a nomination if it was considered in public. They may have felt that the consideration of treaties in secret session was necessary in order that we might protect the great interests of the United States.

If that were so, if that condition existed and possibly might continue to exist, I might be inclined to vote against a resolution of this kind and to vote in favor of continuing the secret sessions or the so-called secret sessions of the Senate for the benefit that might be derived by the American people from those sessions growing out of the independence of action of Members of the Senate.

So far as I am able to judge a secret session of the United States Senate is simply a farce. As far as I know there has never been in recent years a secret session of the United States Senate upon any matter that anybody on the outside wanted to find out about 15 minutes after. The only distinction that I see between the so-called secret session of the Senate and the open sessions of the Senate is that what is said in the executive sessions of the Senate is not taken down by the reporter at the desk and printed in the RECORD. Aside from that, there is no secrecy.

Of course, there are a great many nominations that go through here in secret session when no one is advised as to how the votes are cast, because nobody cares to inquire. It is not of such vital importance that it is of interest to anybody to know what occurred. But where there is a matter of interest it is either given out by the unanimous consent of the Senate, as it was yesterday, and properly, or it is given out without the unanimous consent of the Senate. To those men who desire to observe the rules of the Senate, to live up to the obligation of a Senator in keeping its rules, I think a secret session of the Senate is very unfair, because their mouths are closed in honor; they do not divulge what happened. The man who rejects the idea of a secret session, who believes that it is wrong, who desires in his heart to repudiate it and intends to repudiate it by immediately disclosing what has happened so that it can not be a secret session, has all the advantages of the situation, because he discloses what happened from his partisan standpoint, and the man who obeys the rule of the Senate is foreclosed from discussing the question.

Therefore, I say in common fairness to the Members of the Senate, in order that each one of us may have the same opportunity before the public, that our motives may be judged from what we do and say ourselves and not from what some other partisan who is opposed to us says we do and say, I shall vote for this resolution to no longer have a secret session for the confirmation of nominations, to no longer give anybody an opportunity to hide behind a claim that something happened in a secret session that honorable men are foreclosed from denying.

Mr. NORRIS. Mr. President, I shall favor the amendment that has been offered by the Senator from New Hampshire [Mr. GALLINGER], but I want also to offer another amendment to the resolution of the Senator from Iowa.

The VICE PRESIDENT. The Chair would like to have an understanding about the request of the Senator from Iowa as to whether there is any objection to the resolution going over without prejudice.

Mr. NORRIS. I do not want it to go over just at this minute, taking me off the floor. I have no objection to its going over, however.

Mr. KENYON. I ask the Senator if he has any objection to the resolution going over?

Mr. NORRIS. I have not any objection to its going over, but I thought as I had the floor it was hardly proper to take me off the floor.

The VICE PRESIDENT. The Chair is not trying to take the Senator from Nebraska off the floor. The Chair has been trying to meet the request of the Senator from Iowa, if it could be met within the time; that is all.

Mr. KENYON. I will state to the Senator from Nebraska that if the debate continues until 2 o'clock, the resolution will go to the calendar.

Mr. NORRIS. I will yield the floor if there is any question about it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Iowa? The Chair hears none, and the resolution goes over without prejudice.

## WOMAN SUFFRAGE.

Mr. BORAH. Mr. President, out of order I ask leave to have printed in the RECORD, in view of the precedent established by the Senator from Utah [Mr. SUTHERLAND], some resolutions which were passed at a mass meeting in my home city, Boise, Idaho, on the 9th day of May, 1916; and, as these resolutions call upon me particularly to do something that I am unable to do, I ask to have printed in the RECORD in connection with it as a reply my letter in answer to it.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LODGE. I ask that the resolutions and the communications be read before going over.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Secretary read as follows:

Resolutions unanimously passed at a mass meeting of citizens of Boise, Idaho, at the Pinney Theater, May 9, 1916.

Whereas we, citizens of Boise, Idaho, May 9, 1916, realizing that never in history has it been possible to build a contented nation half free and half disfranchised; and

Whereas the present interstate discrimination against the political rights of women can be ended only by the passage through Congress of a Federal suffrage amendment; and

Whereas our representatives in the lower House of Congress have been denied the opportunity of voting upon this amendment: Be it

*Resolved*, That we protest against the action of the House Judiciary Committee in unfairly blocking the passage of the Susan B. Anthony Federal suffrage amendment and demand of it an immediate favorable report that it may be voted upon during this session of Congress: Be it further

*Resolved*, That we call upon Senator Borah to work and vote for the passage of the amendment in the Senate: Be it finally

*Resolved*, That a copy of these resolutions be sent to the leaders of the administration, the members of the Judiciary Committee, and to the Members of the Idaho congressional delegation, with the request that it be read into the CONGRESSIONAL RECORD in the Senate by Senator BORAH and in the House by Congressman MCCRACKEN.

ALICE PITTENGER, *Chairman*.

—

MAY 15, 1916.

Mrs. ALICE PITTENGER,
*Boise, Idaho.*

MY DEAR MRS. PITTENGER: I have just received a copy of a set of resolutions passed at the Pinney Theater May 9, 1916, touching the subject of the proposed amendment to the Constitution providing for woman suffrage.

I shall be pleased to present this and other resolutions of similar import at the proper time (as the petition of the people responsible for the passage) to the Senate.

In the resolutions it is said "*Be it further resolved*, That we call upon Senator BORAH to work and vote for the passage of the amendment in the Senate," etc. Upon this subject my views are perfectly well known to those passing the resolution. I arrived at those views after as thorough consideration as I could give to the subject. I explained those views at length in the Senate and again to the women of my State when at home last summer. I need not burden you with repeating them. Suffice it to say that time and further consideration leave me in no doubt as to the correctness of my position. I beg to state, therefore, with the utmost consideration for those who hold a different view that in this matter my judgment is not subject to change. There are questions of Government so vital and controlling in this matter and upon which I have held such settled views that I could not give you such assurance as you desire and as I personally would like to do of either working or voting for this amendment. I do not think it is in the interest of the suffrage cause itself and I am sure that it is not in the interest of good government that we should rob the States of the power, vital and indispensable to their integrity, of determining who, within their respective borders, shall exercise the right of franchise. Holding the views I do you would not respect me and you would certainly come to have a certain contempt for a Senator who should slavishly surrender his convictions on so vital a matter. I feel, therefore, I at least choose as a matter of personal pride and self-respect to assume, that you do not expect me to change my views after having so often and so fully stated my convictions against this amendment. I would like the people of Idaho to feel that I want to serve their interests, but I want them to feel also that I entertain convictions of my own as to how best to serve those interests, and that I can not out of mere personal consideration exchange those convictions for other views until I am convinced that I am wrong. I am not convinced in this instance.

Following in the wake of those who lately visited our State in the interest of this amendment a great number of resolutions are coming into my office, all clothed in exactly the same language. As it is impossible for me to find the time, as I should like to do, to write them all I take the privilege of making this letter public that they may understand that my failure to answer is not by reason of any want of decision in the matter.

Very respectfully, W. E. BORAH.

RIVER AND HARBOR APPROPRIATIONS.

The VICE PRESIDENT. Morning business is closed.

Mr. JOHNSON of Maine. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 54) to pension widows and minor children of officers and enlisted men who served in the War with Spain, Philippine insurrection, or in China.

Mr. CLARKE of Arkansas. Mr. President, in connection with that motion I call attention to the unanimous-consent order that was taken last Saturday, which made the river and harbor bill the regular order to-day after the morning business had been disposed of or dispensed with. I see no reason why that order should not be executed. That bill has now been before the Senate for more than a week, and unless it is to be treated seriously, as it ought to be, it will be here for several more weeks. I insist upon the regular order.

The VICE PRESIDENT. The Chair was not in the Chamber when that order was made, but there was an order of that kind, and, in pursuance of that order, the Chair lays before the Senate the bill referred to by the Senator from Arkansas.

Mr. JOHNSON of Maine. In view of the statement of the Chair, I withdraw my motion. I will say to the Senator from Arkansas that I was not aware that any such unanimous-consent agreement had been entered into.

Mr. CLARKE of Arkansas. The Senator from Maine will find that the unanimous-consent agreement was ordered on page 7902 of the RECORD of Saturday last.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. CLARKE of Arkansas. I understand that it is the purpose of the Senator from Ohio [Mr. HARDING] to address the Senate on this particular bill, although the regular order would be the reading of the committee amendments.

Mr. JONES. Mr. President——

Mr. CLARKE of Arkansas. Is it the desire of the Senator from Washington to address the Senate?

Mr. JONES. It is.

Mr. CLARKE of Arkansas. That will be satisfactory to me.

MERCHANT MARINE.

Mr. JONES. Mr. President, I do not desire to delay the river and harbor bill at all, but I wish this morning to submit a few remarks with reference to a subject which I think is opportune at the present time. I am therefore going to occupy the time of the Senate for a little while and give Senators an opportunity to get their lunch—an opportunity of which I know they are anxious to avail themselves—and serve a good purpose in that way, if in no other.

Mr. President, I send to the desk a copy of the bill I introduced some little time ago, and which I ask may be read.

The VICE PRESIDENT. In the absence of objection, the bill referred to by the Senator from Washington will be read.

The Secretary read as follows:

A bill (S. 5067) to regulate commerce between the United States and foreign countries, to restore and maintain American ships in the foreign trade, to aid in the national defense, and promote the general welfare.

*Be it enacted, etc.*, That to regulate commerce between the United States and foreign countries, to restore and maintain American ships in the foreign trade, to aid in the national defense, and promote the general welfare, from and after 30 days from the signing of a treaty of peace closing the war now existing in Europe, all goods, wares, and merchandise imported in vessels not admitted to registration under the laws of the United States shall be subject to a duty of 10 per cent ad valorem in excess of the duties imposed by the act of October 3, 1913, and all goods, wares, and merchandise, excepting tea and coffee, so imported which are admitted free under said act shall pay a duty of 5 per cent ad valorem: *Provided*, That the foregoing provisions shall not go into effect as to goods, wares, and merchandise imported in the vessels of those nations with which we have treaties which said provisions contravene until said treaties have been duly abrogated; and the President is hereby directed to abrogate any treaties which would interfere with the taking effect of said provisions in the manner provided by said treaties and without delay.

Mr. JONES. Mr. President, a few days ago the senior Senator from Missouri [Mr. STONE] urged very earnestly the needs of this country for a merchant marine and expressed the hope that early action might be had upon the bill proposed for that purpose. The able and patriotic senior Senator from New Hampshire concurred in the suggestion as to the importance of a merchant marine and called attention to the fact that the Democrats of Congress have uniformly opposed legislation urged for that purpose by the Republicans. It was retorted that the failure to enact this legislation during a period of 16 years should be charged to the Republican Party, because we were in control of the legislative and executive branches of the Government. It is true that we were in control, as the Democrats are in control now.

The building up of our merchant marine is not a party question. It is no more a party question now than it was then, and the mere fact that one party is in control is no excuse for our not acting and does not relieve any of us as individual Senators from the responsibility of doing our duty toward the country and its interests.

There is no difference of opinion as to the importance of building up a merchant marine for this great country. Everybody recognizes that. It is no longer a subject of contention, and every effort should be turned to methods. It is very humiliating that a country of such great wealth, resources, power, and commerce as the United States should be almost wholly dependent upon foreign shipping for the transportation of its world commerce. It is a sorry reflection upon our statesmanship and political sagacity that we have not taken our proper position upon the seas in the transportation not only of our own commerce, but of the world's commerce.

There is no fundamental party difference as to any principle involved. There is no specific platform declaration of either party creating an issue over fundamentals. Our differences are over methods only. Platform declarations have been of the most general character, except the Republican platform of 1896, when we declared for a specific policy for the building up of our merchant marine.

The majority of the Republicans have urged the adoption of legislation similar to that of other countries and known as the subsidy system. The Democrats have opposed that policy, though favoring subsidies in one form or another in almost every other line of governmental activity. Some Republicans have also opposed the subsidy plan, and as a result no legislation which has been of any substantial benefit has been enacted. The Senator from New Hampshire stated, as I remember, that the Democrats, while the Republicans were in the majority, had proposed no legislation. That may be true of the Senate, but it is not correct as to the House. They have suggested and even urged the passage of legislation in accord with the Republican platform of 1896, and, in my judgment, if to-day we would lay aside the thought that this party or that party controls Congress and set aside any influence or interference from the Executive Department of the Government and its departmental heads and seriously begin the consideration of this question as statesmen rather than as partisans we would come into substantial agreement upon legislation that would result in the building up of a great American merchant marine without violating any of the established party tenets of any political organization.

In 1908 the Democratic Party declared:

We believe in the upbuilding of the American merchant marine without new or additional burdens upon the people and without bounties from the Public Treasury.

And in 1912 they declared:

We believe in furthering by continued regulation of commerce the building of a merchant marine for the development and strengthening of the commercial ties which bind us to our sister Republics of the

south, but without additional burdens upon the people and without bounties and subsidies from the Public Treasury.

While the Democrats were in the minority in Congress they urged a policy in accord with the above declarations for the upbuilding of the merchant marine in opposition to that submitted by the Republican majority. What do we hear regarding this policy now? Nothing. It seems to be forgotten. Why? Is it because their habit of violating or disregarding platform promises has become so fixed that when they find a promise they instinctively try to do something different? It would seem so.

When these promises were made they no doubt had in mind the proposition that had been submitted by their Representatives in the House. They now control Congress and the Executive, but they do not propose to follow the policies declared by them when in the minority. They now propose new methods and additional burdens and appropriations of money from the Public Treasury as a method of building up the merchant marine.

It is interesting now to see what the Democratic Party proposed and supported when in the minority, and I want to call this to their attention. In the Fifty-eighth Congress, at the second session, H. R. 7056 was reported by the Republican majority. The Democratic minority submitted a report opposing this bill and advocated their plan of relief. This is what they said:

The merchant marine of this Nation, in its early history, was built up as if by magic by the policy of discriminating duties and tonnage taxes.

There is no suggestion there of a Government-owned line or a Government-operated line or the necessity of the organization of a national corporation for the purpose of handling, purchasing, leasing, operating, and building merchant ships.

It is the only system which has proved successful. All others now proposed are at best mere experiments—guesswork.

I hope, Mr. President, that the suggestions made in this report will be very carefully considered in connection with the proposition which the Democratic majority now submits. Continuing:

We see no insuperable obstacles in the way of its present successful adoption.

The navigation interests of the United States languished before the Constitution was adopted, and one of the principal, if not the most potent factor in bringing about its adoption was the urgent demand for uniform regulations of commerce in favor of our home marine.

In 1789 we were carrying 17 per cent of our imports and 30 per cent of our exports. One of the first acts of the First Congress was to establish a tonnage tax of 6 cents on home vessels and 50 cents on foreign vessels entering our ports and a rebate of 10 per cent of tariff duties on goods imported in American vessels.

Without going into further details of measures passed, the result of this system was that our marine advanced by leaps and bounds, so that in 1794 we carried 91 per cent of our imports and 86 per cent of our exports in American bottoms. This flattering condition continued in unabated vigor, except temporarily during the War of 1812, until high-water mark was reached in 1825, when we carried over 95 per cent of our imports and 89 per cent of our exports.

On the statute books of the United States the discriminating duty system still stands in apparent force, but its vitality has been wiped out by a system of trade conventions with foreign nations by which their vessels are placed on a level with ours in the ports of the United States.

Not to burden this report with details, it may be fairly said these treaties began to take full effect about 1828, and from that time until now our carrying trade has steadily declined. We lost about 1 per cent a year for 30 years, until the Civil War. It revived steadily after the war, but again drooped and dwindled, and under this system we now carry about 9 per cent of our traffic.

Many volumes have been written about these things, torrents of debates have poured forth, and many are the theories presented for our consideration, but the "short and simple annals" of our foreign carrying trade are contained in the foregoing. Theory may be piled on theory, but the simple fact is, experience proves that a moderate discrimination duty will accomplish what we want—and no nation can justly take offense.

The policy of discrimination duties was inaugurated by the fathers of the Democratic Party, and it has recently had the sanction officially of the Republican Party, and it may therefore be justly termed nonpartisan and broadly American. Jefferson and Madison were the authors of our earliest laws along these lines. Adam Smith, the greatest apostle of free trade, declared that protective navigation laws were the one justifiable exception to his proposed system.

The Republican national platform of 1896 said:

"We favor restoring the early American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade, * * * so that American ships may regain the carrying of our foreign commerce."

Mr. McKinley, in his letter of acceptance, said:

"The policy of discriminating duties which prevailed in the early years of our history may be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas are fully attained."

In 1894 Senator Frye proposed in the Senate to abrogate the trade conventions and again inaugurate the discriminating-duty plan of building up our marine, and was supported by Senators LODGE and Higgins and other Republican Senators. In 1897 Senator Elkins delivered an able speech in the Senate advocating this policy.

No one questions the certainty and effectiveness of this discriminating-duty plan, if it should be adopted. While the Democratic Party is opposed to taxing the general industries of the country in order to give the proceeds to a private enterprise, it is not opposed to encouraging the American marine by a reduction of taxation.

The principal argument offered by its opponents is that we must first abrogate over 20 trade conventions with foreign nations, and that these nations would retaliate against our shipping in their ports, and against our exports, especially foodstuffs.

These conventions all contain provisos that they may be annulled on one year's notice (some of them six months' notice) by either party, and 14 have been so annulled at different times. There is no practical difficulty whatever in the way of annulling them if we so decide. Senator Frye's proposed bill and Senator Elkins's for discriminating duties simply fixed the 10 per cent discriminating duty in favor of American vessels, and then provided that the same should take effect in 15 months, and in the meantime notice of the act should be given to foreign nations.

With reference to retaliation, it may be said we have no foreign shipping now to speak of, hence they can not hurt us in that direction, while we would soon get back at least 50 per cent of our foreign carrying.

But the advocates of the subsidy say foreign nations will retaliate by increased duties against our products. We can not believe that their expressed fears are genuine. To bring about retaliation from a sensible people you must do some harmful, unjust act—you must grab for more than your share—but to adopt a moderate policy of encouragement of our merchant marine in order to get our just share of trade will not provoke a sane man. If we were seeking what rightfully belonged to them, we might expect revengeful measures; but to ask a part of what is ours by all moral standards may call forth their selfish efforts to prevent us from adopting the measures, but no retaliation for purposes of revenge.

The men who see danger in retaliation in discriminating duties are the men who want subsidies. If foreigners were going to retaliate against our foodstuffs, every provocation has been furnished by the Dingley bill. The nation that would stand our almost prohibitive tariffs without retaliation is not going to take offense or umbrage if we adopt conservative measures simply to get a part of our own without the remotest thought of taking anything that belongs to them.

The world needs our products, especially cotton and foodstuffs, and for the welfare of their own people the nations which import our goods can not afford to do anything to embarrass the quick and cheap importation of our products.

One plan of discriminating duties much advocated by the conservative people, and which involves no danger whatever of retaliation, allows all foreign vessels to carry freely between their own countries and the United States, but levies an extra duty when they carry between the United States and other countries. Speaking of this plan, Senator Elkins said, having reference to the South and Central American trade:

"Here is the carrying of nearly $300,000,000, 90 per cent of which is now done in foreign ships, which if this bill becomes a law, without retaliation or opposition of any kind, will come to our ships, and they can not get it in any other way."

In pursuance of the foregoing views we shall at the proper time move to recommit the bill H. R. 7056 to the committee, with instructions to bring in a bill providing for discriminating duties in favor of American shipping and for the abrogation of any trade conventions which stand in the way of this course.

THO. SPIGHT.
ROBT. W. DAVIS.
ALLAN L. MCDERMOTT.
J. A. GOULDEN.
JOHN H. SMALL.
ALFRED LUCKING.

Some of those men are still Members of the House of Representatives. It seems to me that the arguments presented in this report are absolutely unanswerable; they are just as applicable to-day as they were when they were written, and the people of this country will certainly wonder why it is that when the Democratic Party has come into power it disregards entirely the recommendations which its representatives made when they were in the minority.

In the Fifty-ninth Congress, second session, Senate bill 529 was favorably reported to the House by the Republican majority. The Democratic minority submitted a minority report and said, after referring to what they considered defects in the existing laws:

If we would accomplish real and permanent good, let us repeal some and modify existing laws, and if need be return to the policy of discriminating duties which was so eminently successful in the early life of the Republic. Above all things, let us get away from the idea of subsidies and quit encouraging men to believe that they can not do anything without Government aid and teach them lessons of self-reliance.

They now prefer to say to the individual: "You can not do this at all. The Government must do it."

This report was signed by Thomas Spight, J. A. Goulden, H. L. Maynard, SWAGAR SHERLEY, and G. B. Patterson.

During the second session of the sixty-first Congress House bill 16362, amending the American merchant-shipping act, was favorably reported by the Republican majority. A minority report was submitted in which a substitute was proposed, the first and second sections of which read as follows:

That a reduction of duty of 5 per cent of all the customs duties now and hereafter imposed by law shall be allowed on all goods, wares, and merchandise imported into the United States in vessels of the United States, owned and controlled by citizens of the United States, or corporations organized and chartered under the laws of the United States, or of any State thereof and whose stockholders are all citizens of the United States; but said reduction of duty herein provided for shall not apply to cases where goods, wares, and merchandise are transshipped or transferred from a foreign vessel or port or place to a vessel of the United States for the purpose of evading the provisions of the customs laws of the United States. And any and all clauses

in existing treaties with foreign countries in contravention hereof are hereby abrogated, and all acts of Congress in conflict herewith are hereby repealed: *Provided*, That said reduction of duties shall take effect and be in force from and after the time specified in section 2 of this act. The Secretary of the Treasury shall prescribe such rules and regulations as may be necessary for carrying out the provisions of this section.

SEC. 2. That the President shall have the power, and it shall be his duty, to give notice, within 10 days after the passage of this act, to all foreign countries with which commercial agreements have been entered into making any provision or provisions which are in conflict with section 1 of this act, of the intention of the United States to terminate such agreement at a time specified in said notice, which time shall in no case be longer than the period of time specified in such agreements, respectively, for notice of their termination: *Provided*, That until the expiration of the period when the notice of intention to terminate hereinbefore provided for shall have become effective, or until such date thereto as the high contracting parties may, by mutual consent, select, the terms of said commercial agreement shall remain in force.

The minority said:

It will be observed that by the first section of this proposed substitute we offer discriminating duties.

We will not enter into any extended discussion of the wisdom of this policy, but will say that the obvious effects of it would be to induce the foreign merchant or manufacturer who desires to ship any dutiable goods to an American importer to send them in a vessel of the United States on account of the 5 per cent rebate. The same inducement is offered to our merchants buying in foreign markets. The great advantage to the shipowner would be that it would help to assure him of a return cargo. At the same time it is a help pro tanto to the shipbuilder, because it encourages the investment of capital in American-built ships, which may engage in either foreign or coastwise trade.

UNSOUND OBJECTIONS.

Two objections have been urged to this policy, neither of which, in our judgment, is well founded. One that it would necessitate the abrogation or amendment of a number of treaties with foreign countries. That, it is provided in the treaties themselves, may be done by giving the specified notice. We have a precedent for this in the tariff law of 1909. Are we not strong enough and shall we not have courage enough to declare a policy of our own?

RETALIATION BY FOREIGN COUNTRIES.

The other objection is the danger of retaliation.

All the commercial nations of the world need what we have to sell. They can not afford to impose unnecessary burdens upon their own people in their efforts to punish us for the exercise of the very right which they claim for themselves. In one respect at least we have the advantage of any other country. We produce the cotton which keeps their factories running, gives employment to their labor, and clothes their millions. They can not get it elsewhere, and there is no substitute. It is inconceivable that England, or Germany, or any other country which manufactures cotton cloth, would put a burden upon our raw material, without which their machinery would stop and their people would suffer.

The second salient feature of this proposed substitute is the "freeship" provision. It is admitted by all that we have an insufficient merchant marine under the American flag in the foreign trade. We need more ships, and it is claimed that it costs so much more to build them in American than in foreign yards that the difference is prohibitive. While it is true that there is some difference, we are convinced that this difference is exaggerated. We call attention to the recent successful competition of American shipyards with those of the world in securing contracts for the construction of two large battleships for the Argentine Republic. Whether or not there is any ground for this contention as to the difference in the cost of construction, the fact remains that we have not the ships, and if our capitalists want to engage in the laudable business of carrying our commerce under the American flag they must be allowed to buy in the cheapest markets. This we propose to do without any tonnage limitations or as to whether the motive power is steam or sail. As a concession to our shipyards, we deny these foreign-built vessels the privilege of coastwise trade.

This was signed by Thomas Spight, J. A. Goulden, Harry L. Maynard, FRANK CLARK, J. W. ALEXANDER, RUFUS HARDY, and R. P. Hobson.

Again in the Sixty-first Congress, third session, H. R. 32127 was favorably reported, the report being submitted by Mr. Hobson. Sections 7 and 8 of this bill read as follows:

SEC. 7. That a reduction of duty of 5 per cent of all the customs duties now or hereafter imposed by law shall be allowed on all goods, wares, and merchandise imported into the United States in vessels of the United States, owned and controlled by citizens of the United States, or of any State thereof, and whose stockholders are all citizens of the United States, but said reduction of duty herein provided for shall not apply to cases when goods, wares, merchandise are transshipped or transferred from a foreign vessel or port or place to a vessel of the United States for the purpose of evading the provisions of the customs laws of the United States.

SEC. 8. That a duty of 2 per cent ad valorem is hereby imposed on all goods, wares, and merchandise now on the free list or that may hereafter be placed on the free list when imported into the United States in ships or vessels not of the United States.

The majority report referred to these and other sections of the bill, as follows:

The second six sections of the bill will produce that large tonnage of cargo carriers that will make us commercially independent. The foundation of the policy is discriminating duties in favor of American bottoms, reductions of rates on goods now dutiable, and the placing of duties on goods now on the free list. This amount of discrimination is so small in both cases—5 per cent of existing rates and its equivalent 2 per cent ad valorem for nondutiable goods—that it can not disturb business conditions. The amount of nondutiable goods affected will decrease in proportion as American bottoms supplant foreign bottoms. The effect upon our revenues will be small, the loss of revenue on dutiable goods, if any, being offset by the gain of revenues from goods now on the free list. In general effect the reduction will coax European trade and in addition will drive Pan American and Asiatic trade into American bottoms.

Mr. HUMPHREY of Washington, a Republican, submitted a report, in which he said:

The most important feature of the bill is section 8, the discriminating-duty provision. This provision would undoubtedly give us a great merchant marine of cargo carriers. Especially would this be true between this country and South America and between this country and the Orient, the places where we most need ships. This provision is entirely different from the discriminating-duty bills recently introduced in Congress, providing only for a reduction of duties in goods carried in American bottoms. Bills if this latter class are absurdities because of the large amount of our imports now upon the free list. A discriminating duty between here and South America downward of 5 per cent on all goods carried in American bottoms would not be sufficient to run a line of Indian canoes between here and that country. If all our imports from Brazil in the year of 1908, amounting to $75,577,864, had been carried in American ships, and they had received for that service 5 per cent of the duties paid upon these imports, it would have amounted to the magnificent sum of $2,877.55. During the first 16 days of November, 1909, seven ships came into the harbor of New York from South American ports. These ships carried a cargo valued at $2,991,826. These seven ships, for bringing in this amount of imports, if they had received 5 per cent of the duty paid, would have reaped the magnificent reward of $42.30 each. The period selected for this illustration was selected at random, and is a fair one of the general trade between here and South America. The same coaditions exist as to the Pacific Ocean. Take the *Minnesota*, the largest vessel on the Pacific and one that has the distinction of being the only ship beneath the American flag that is running exclusively in the foreign trade without Government assistance. If this great vessel had received 5 per cent of the duty paid upon the goods it carried in the year of 1909, it would have had the great assistance of $5,262.90. If it had received the same pay in proportion to tonnage and speed as the Japanese vessels that are running in competition with it, it would have received for that period the sum of $350,000.

But the other provision of section 8 that gives the preference to American ships of 2 per cent ad valorem on the value of goods now on the free list would be an advantage that would give us an American merchant marine To illustrate: On the 4th day of March, 1910, the *Clement*, of 2,166 tons, brought a cargo into the port of New York from South America valued at $6,000,000. On November 14, 1909, the *Afghan Prince*, of 4,794 tons, brought a cargo from South America valued at $1,195,572. All the goods carried by each vessel were on the free list. Two per cent of these cargoes would have been a great reward, sufficient to secure American ships beyond question. In these two illustrations, however, the cargoes are more valuable than the average. This shows in a most striking manner the difference between a discriminating duty of 5 per cent reduction and the discriminating duty of 2 per cent increase. The 2 per cent increase would place the American flag on the seas and would fill the ocean with our ships between here and South America and here and the Orient.

This statement made by him is very significant:

Certainly the country is to be congratulated that only two members of the committee were opposed to section 8.

Two members of the minority, Mr. J. W. ALEXANDER and Mr RUFUS HARDY, submitted a minority report, in which they said:

Our objections lie particularly in sections 1, 2, 3, 4, 5, and 6 of the bill.

They say:

Section 7 of the bill is substantially the same as section 1, H. R. 21828, Sixty-first Congress, second session, known as the Spight bill. The Spight bill was proposed by the minority members of this committee as a substitute for H. R. 16362, known as the Humphrey bill, and now on the calendar. And we incorporate the views of the minority, in which all the Democratic members of the committee concurred, as filed with that bill as Appendix A hereto, as applicable to the bill under consideration as well as to H. R. 16362 and Senate bill 6708, hereinbefore referred to, which are both now on the calendar, and we submit the Spight bill as a substitute for the bill reported by the majority.

It will be seen from that, Mr. President, that this committee was practically unanimous in its report upon this bill, so far as its provisions relating to the policy of discriminating duties were concerned.

I call the attenton of the junior Senator from Alabama to the bill which I have introduced for the upbuilding of the merchant marine, and ask his powerful aid in its behalf. I know that he is in favor of the principle of it. In another body he urged its adoption in a powerful and comprehensive speech, and after that speech the Democratic Party declared in its platform as follows:

We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the South, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

There can be no doubt but that that declaration referred to this policy. Through the efforts of the Senator from Alabama, the principle of this bill was asserted in the Underwood-Simmons Tariff Act; but under a Democratic administration the officers of the United States who are supposed to sustain the acts of Congress, and who have sworn to support the law of the land, have exerted every possible effort against the enforcement of this law, and have done all in their power to nullify it; and a case will be heard in the Supreme Court soon attacking the validity of this law, with the officers of the Government striving to destroy it.

The last public declaration of the Republican Party for the upbuilding of the American merchant marine by a specific policy was as follows:

We favor restoring the American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade, so that American ships, the product of American labor employed in American shipyards, sailing under the Stars and Stripes, and manned, officered, and owned by Americans, may regain the carrying of our foreign commerce.

In my judgment both parties are committed to this policy, which was so evidently successful in the early days of the Republic. If Congress would take up this question in a nonpartisan way and free from the dictation of the executive departments, a law could be passed under which we would secure a merchant marine, and which, in my judgment, would be based upon the principle of this bill.

The main objection heretofore urged against it has been that it will involve the abrogation of many treaties and invite retaliation. We have begun the abrogation of treaties in the interest of laws which we deem necessary and beneficial. We did not hesitate to provide for their abrogation in the La Follette seamen law, and the President has already given the necessary notice.

Right there I desire to insert in the RECORD a letter from the Secretary of State, under date of February 25, with reference to this matter, together with a list of treaties, notice of the abrogation of which has been given.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

DEPARTMENT OF STATE,
*Washington, February 25, 1916.*

Hon. WESLEY L. JONES,
*United States Senate.*

SIR: I have the honor to acknowledge the receipt of your letter of the 14th instant, in which you request to be advised "as to the nations that have been notified of the abrogation of treaties under the seamen's law, when the treaties were entered into, and the form of notification."

Complying with your request, I have the honor to inclose herewith a list showing the Governments to which notification was sent, the date of the treaties, and the articles thereof affected, and to inform you that the instructions on the subject to the diplomatic representatives of the United States directed them to say to the ministers for foreign affairs that "pursuant to the provisions of the act of March 4, 1915, the Government of the United States hereby gives notice of its intention to abrogate Articles [number of the articles] of the treaty of [date of treaty] with [name of country] in accordance with the stipulations in the treaty requiring 12 months' notice," such abrogation to take effect July 1, 1916.

While denunciation of a portion of a treaty as required by the act may not, according to international practice, be made, the President nevertheless, using the discretion which he deems was granted to him to interpret the act in the sense contemplated by Congress, instructed the diplomatic officers to propose to the ministers for foreign affairs an arrangement between the United States and their respective Governments which would effect the purpose of the act by the abrogation or mere omission of the articles referred to without affecting the remaining articles of the treaties. I have the honor to be, sir,

Your obedient servant,

ROBERT LANSING.

(Inclosure: List of treaty articles which the United States has given notice of its intention to terminate under the seamen's act.)

*List of treaty articles which the United States has given notice of its intention to terminate under the seamen's act.*

| Countries. | Treaty. | Article affected. |
|---|---|---|
| Austria-Hungary | May 8, 1848 | 4 |
| Do | July 11, 1870 | 11 |
| | | 12 |
| Belgium | Mar. 9, 1880 | 11 |
| | | 12 |
| Bolivia | May 13, 1858 | 34 |
| Brazil | Dec. 12, 1828 | 31 |
| Colombia | Dec. 12, 1846 | 33 |
| Do | May 4, 1850 | 3 |
| Kongo | Jan. 24, 1891 | 5 |
| Denmark | July 11, 1861 | 1 |
| | | 2 |
| France | June 24, 1822 | 6 |
| Do | Feb. 23, 1853 | 8 |
| | | 9 |
| Great Britain | June 3, 1892 | (1) |
| Greece | Nov. 19, 1902 | 12 |
| | | 13 |
| Italy | May 8, 1878 | 13 |
| Do | Feb. 24, 1881 | (1) |
| Netherlands | Jan. 19, 1839 | 3 |
| Do | May 23, 1878 | 11 |
| | | 12 |
| Roumania | June 17, 1881 | 11 |
| | | 12 |
| Spain | July 3, 1902 | 23 |
| | | 24 |
| Sweden and Norway | July 4, 1827 | 13 |
| | | 14 |
| Sweden | June 1, 1910 | 11 |
| | | 12 |
| Tonga | Oct. 21, 1886 | 10 |

[1] Whole treaty.

Mr. JONES. We can abrogate the treaties that shackle us in dealing with foreign trade without giving offense, because the treaties themselves provide for such abrogation.

This is the time to do it. When the European war is over we will find ourselves engaged in the fiercest commercial struggle that any nation has ever faced. These treaties will handicap us and aid our rivals. Other nations will not hesitate then to use every possible commercial device or subterfuge to keep us off the seas or from securing the world markets. It is patriotic wisdom to prepare for the contest by terminating treaties that shackle our people and work only to the advantage of their competitors. If other nations desire to enter into a contest of retaliation, we can face it with equanimity. We will then be able to strike blow for blow instead of taking supinely whatever discriminations they aim at us without any effort at self-defense, as now. This, Mr. President, is the time to act. This is the time to prepare. This is the real preparation that should now excite our people, and that we should make. Instead of inviting trouble by controversies over charges of broken treaties, let us abrogate these treaties and start into the commercial contest that must surely come at least upon a fair and equal basis.

The Democrats should welcome this legislation. They claim to want to build up the merchant marine. They say they need more revenue. The primary purpose of this bill is to build up the merchant marine. Incidentally, it will provide revenue to meet the deficit now confronting us. We ought to have a merchant marine. We must have revenue or go into bankruptcy. Until a merchant marine is built up under this bill it will produce revenue. We can not build a merchant marine immediately. We must have revenue at once. Until an American merchant marine is built up this bill will produce revenue, and as a merchant marine is developed the revenue will decrease. By the passage of this bill we will get the revenue to meet the present emergency. We will fit ourselves to enter upon equal terms the great commercial contests that are sure to come, and we will once more place the American flag upon American built and manned ships upon the seas.

Instead of making the Government particeps criminis in the hellish traffic of manufacturing shot, shells, ammunition, and guns for the slaughter of humanity by sharing in the proceeds from their manufacture, let us use this peaceful and inexpensive means of building up a much-needed merchant marine and secure the revenues necessary for a depleted Treasury.

Mr. President, the great political parties of the country will soon meet. They will issue their platforms. They will declare the principles and policies upon which they will seek the people's approval. The time for equivocation is past. Glittering generalities on this great question should cease. Each party should say something, propose some plan to do what everybody wants done, and what everybody knows needs to be done. If our plan is to be subsidies and subventions, let us say so. If something else, let us say so. The plan proposed in 1896 was rejected because of the treaties involved. Now is the time to get rid of them. A clear-cut and definite plan should be submitted by each party upon which the judgment of the people can be secured after full discussion and consideration. As the situation now is, the Democratic Party should declare for a Government owned and operated merchant marine and the Republican Party should declare for a discriminating duty plan, and I have no doubt of the verdict.

A proposition of that sort is going to be passed by another body. It may be attempted, then, to pass it through this body. It proposes a plan that never has been submitted to the people, that never has been passed upon by the people, that never has had the consideration of the people. It seems to me that the wise course and the proper course to take would be to submit that proposition to the people as a square-cut issue, to be met by a declaration in the Republican platform, and then the voters of this country will declare squarely upon it when election day comes around. The succeeding Congress will then know that the people have taken into consideration the issue raised, have considered it, deliberated upon it, and have passed upon it, and then the Congress can act in accordance with their expressed wishes.

I have some statements here bearing upon this subject. Without reading, I ask that they may be put in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Marine News of January, 1916.]

TO SECRETARY M'ADOO.

Mr. McAdoo, you assert that the only alternative offered to your proposed Government-ownership bill is that of subsidies, that otherwise criticism is destructive and not constructive. Why do you ignore the suggestion of a return to the old policy of discriminating import duties and tonnage dues? It was in more or less force for 61 years, as a result

of which American ships carried an average—mark you, an average—of 80 per cent of our imports and exports for 72 years. It has been recommended to Congress again and again in Democratic minority reports during the 8 or 10 years preceding Democratic control of Congress. It was their invariable alternative to subsidies that Republicans proposed. Men of your party who studied "the shipping question" in committees of Congress advocated a constructive policy, one that had back of it a record of achievement most remarkable and enduring, one that took not a cent from the National Treasury, one that would be sure to add millions of dollars to the National Treasury. Shall we catalogue the Democratic minority congressional reports of recent years in favor of discriminating duties? Did you ever read the speech in favor of that policy delivered on the floor of the House of Representatives by Mr. UNDERWOOD on February 26, 1910, when he was a member of the minority? It is well worthy of your most careful attention. It is sound Democratic doctrine. It has its foundation in the Constitution. It advocated the constitutional method of building up our shipping in foreign trade that the 1912 Democratic national platform advocates. Surely you know that the first bill introduced in the House of Representatives in the Sixty-third Congress by Chairman ALEXANDER, of the House Committee on the Merchant Marine and Fisheries, was a bill providing a discount of the duty on dutiable imports in American vessels, and an ad valorem duty on nondutiable imports in foreign vessels, and instructing the President to serve notice on all nations with which we had terminable trade treaties of our intention to terminate them so as to give effect, full and vigorous and virile effect, to the other provisions of his bill? Would you say that Chairman ALEXANDER introduced a bill of such importance and of such a character without believing that it would receive the support of his party associates—the majority of his committee and the majority of Congress—especially in view of the minority reports in favor of the policy he advocated which Democrats had so often in the preceding years presented to Congress, and which your party platform in 1912 advocated, if what it advocated in respect to the method by which to build up our shipping in foreign trade meant anything? Surely you know that Representative Hobson introduced a discriminating-duty bill in the Sixty-first Congress when Republicans were in control, and that the Hobson bill looked so good to the Republican (the majority) members of that committee that every one of them voted for it, as did all but two of the Democratic members of that committee, and that the Hobson bill of the Sixty-first Congress, in respect to its discriminating-duty features, was almost precisely like the discriminating-duty bill introduced in the Sixty-third Congress, on the first day of its first session, by Chairman ALEXANDER, of the House Committee on the Merchant Marine and Fisheries. Whether you know it or not, you should know it, and that is why we are recalling it to your and to public recollection now. These things are a part of your party's history; they indicate a constructive disposition toward the restoration of American ships to foreign trade, an earnest, prolonged, reiterated, persistent belief in and advocacy of a thoroughly constructive policy by Democrats informed regarding and familiar with the condition and needs of American shipping in foreign trade.

You know that Mr. UNDERWOOD, in accord with his Ways and Means Committee of the House of Representatives, provided for a 5 per cent discount of the duty on imports in American vessels in his 1913 tariff, because even before the bill had passed the House of Representatives you were trying to destroy that constructive policy of your party associates, as disclosed in your correspondence with the State Department, afterwards published as a Senate document. What caused you to do that? Was the foreign opposition so strong that it had to be heeded, and was the American advocacy so weak that it could safely be ignored? If that was not the reason, there are many who think it was. Did Mr. UNDERWOOD cringe in the face of the storm of protest raised by the representatives of foreign Governments in Washington to the 5 per cent discount section of the tariff bill? You know that he did not, however weak-kneed others proved to be. He stood up manfully, courageously, and he refused, and his associates in the House of Representatives joined him in refusing, to strike out that innocent little subsection of the tariff. You know, doubtless you thoroughly know, why the 5 per cent discount subsection went out of the tariff bill so quickly when it reached the Senate. But Mr. UNDERWOOD was able to get it reinserted in the bill when the bill went to conference, and in that form it passed and was signed by the President.

The press of the country asserted that the ink of the President's signature had scarcely dried on the bill before he summoned Mr. UNDERWOOD back from Atlantic City to repeal the 5 per cent discount of the duty subsection of the tariff act. Perhaps you know why Mr. UNDERWOOD went back to Washington so hurriedly, and what passed between him and the President. The press said at the time that President Wilson pleaded with Mr. UNDERWOOD to repeal the subsection, so that thus the representatives in Washington of foreign Governments who violently opposed the bill might be appeased. Whether that is true or not you doubtless know far better than we do. And doubtless you know whether or not, as the newspapers alleged, Mr. UNDERWOOD suggested to the President that he explain in a message to Congress why he (the President) desired to appease the representatives in Washington of foreign Governments and thus overcome their opposition to a measure framed and designed in part to restore American ships to foreign trade, in part to furnish, what you now so loudly and vehemently demand, a naval auxiliary merchant marine.

Whether Mr. UNDERWOOD was or was not asked by the President to have the 5 per cent discount of the duty subsection of the tariff on imports in American vessels repealed, we all know that it was not repealed. We know that you asked the Attorney General for an opinion as to the meaning of a subsection of the tariff that was thoroughly clear to the representatives in Washington of the great maritime nations, but that the President had misgivings about, not because of any obscurity in the subsection as the meaning of its provisions had been presented to him from the State Department, and to that department by the aroused, incensed, and truculent representatives in Washington of the great maritime nations.

We have the authority of the Washington correspondent of that most respectable and esteemed of American free-trade newspapers, the Journal of Commerce and Commercial Bulletin of the city of New York, speaking from his experiences and observations in Washington to the effect that it is the custom of Attorneys General to furnish to department heads the kind of opinions that department heads want. Whether that be true or not generally, or true in this particular case, we know that you received an opinion to which you have not as yet been known to object in any way, an opinion that declared subsection 7 of paragraph J of section 4 of the tariff was unenforceable, and, although the enforcement of it is by law lodged in your hands, we know that you have never enforced it, although twice the Federal courts created to deal with tariff cases have declared that imports in American vessels are entitled, under this 5 per cent discount section of the tariff, to a discount of 5 per cent on the dutiable imports they bring into the United States.

We know that your zeal for a naval auxiliary merchant marine never moved you to accept the judgment of the Federal courts, nor did it move you to enforce a little bit of a subsection of the tariff that Congress has enacted along with the tariff, with the constructive purpose in the minds of the majority—the Democratic majority thereof—of building up an American merchant marine in foreign trade. Why have you been so cold toward a policy favored by your party associates in Congress for the building up of American shipping in foreign trade, of providing a naval auxiliary merchant marine in the same old way that such a naval auxiliary merchant marine was built up and sustained during all of the 72 years preceding the Civil War, during the many, many years of "good old Democratic control of Congress"? Why so cold to a thoroughly tried and unquestionably successful policy that your Democratic colleagues in Congress feebly, but in part, tried to restore, but that you destroyed, and at the same time so warm for an untried policy of Government ownership and operation of merchant ships, almost unanimously condemned by your countrymen?

Surely the country has a right to know why an administration so keen as the present one seems to be for a naval auxiliary merchant marine in foreign trade, provision for which was in part made in the tariff, and relentlessly opposed by the administration, which has refused to enforce it and which has fought it with signal bitterness through all the courts, has never tried to secure such a merchant marine according to the method provided by a Democratic Congress. If you care to tell the country, the Marine News gladly offers you all the space you may desire in doing so.

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WHAT HOLDS THE UNITED STATES BACK?

Common-sense consideration of our merchant shipping problem should make plain the impossibility of its solution by methods that would accentuate rather than relieve the intensity of foreign competition. Our people have gradually drawn out of foreign carrying during a period of over half a century, a period during which our foreign rivals have increased their ocean-going tonnage enormously, largely to accommodate our foreign commerce. This gives them the vantage ground of knowledge of and experience in the intricacies of international trade which present-day Americans are unfamiliar with. Our foreign rivals also have the advantage of cheaper construction and operation of ships than our own people in the beginning could hope for. Add to this the various aids, financial and otherwise, that foreign Governments that realize the value of a merchant marine of their own are disposed to extend in every way possible to those of their nationals who are engaged in maritime pursuits, and it becomes more and more apparent that, lacking governmental encouragement, those of our people who might be disposed to invest in American-built ships for foreign trade will not make the venture.

Cheapness is not, nor should it be, the sole objective of a nation in establishing and maintaining a merchant marine of its own. That policy has never been applied to our Navy, the personnel of which is three times more expensive than that of our nearest rival. Efficiency is of far more moment to the Nation than cheapness. Depending, for example, on foreign shipbuilders for our ships, in the very moment of our greatest need may they not fail us? Depending likewise upon aliens for the officering and manning of our merchant ships, of what avail will they be to the Nation in the event of war? Manifestly our national necessities in respect to a merchant marine of our own include home-built ships navigated by dependable citizens of our own. As private capital will not supply such a marine without ungrudging governmental support and encouragement, not at all for the benefit of either shipbuilders, shipowners, or seafarers, but for the welfare and safety of the Nation, literally encouraging laws must precede the establishment of an American merchant marine in foreign trade.

When in 1883 the United States entered upon the construction of its new Navy American shipyards were unprepared for and their men were unfamiliar with such construction. The construction was entered upon from a condition that may be described as "in the raw." The demand for warships was constant, and the supply was confined to the United States. What followed? Existing shipyards supplied themselves with the men and the facilities that supplied the national demand; new shipyards were established, and the work progressed rapidly and successfully. Most of the warships were built at or below cost, the competition between builders was so keen. Thirteen years later, in his last annual message to Congress, speaking of our warships, President Cleveland said:

"It is gratifying to state that our ships and their outfits are believed to be equal to the best that can be manufactured elsewhere, and that such notable reductions have been made in their cost as to justify the statement that quite a number of vessels are now being constructed at rates as low as those that prevail in European shipyards."

Having succeeded in so brief a period in constructing warships—the most intricate, difficult, and expensive of ships—as well and as cheaply as they could be built abroad, if, by law, a demand is created for merchant ships equal to the needs of our foreign carrying, why should not our people build them as well and as cheaply as they are built abroad if the supply of merchant ships were confined to American shipyards?

Had the building of our new Navy in 1883 been thrown open to foreign competition, is there reason to believe that American shipyards in 13 years would have built warships as well and as cheaply as they were built abroad? If the building of our merchant ships is thrown open to foreign competition, what reason is there to believe that American shipbuilders will attempt to meet the competition? We believe, however, that the policy pursued in building our new Navy, that it shall be wholly home built, in 10 or 15 years would bring our cost of merchant ships down to the level of foreign cost, or below it, merely by increasing the skill and efficiency but without reducing the pay of American workmen, which constancy of employment would no doubt accomplish.

The United States will decide to build a Navy equal to the strongest possessed by any other nation. At the same time it must decide to build a merchant marine equal to all of the needs of American foreign commerce. In a score of years our Navy and our merchant marine would be unmatched in all the world, and, by reestablishing our maritime independence, we would achieve and thereafter retain our destined position upon the seas.

COST OF AMERICAN AGAINST FOREIGN SHIPS.

[By Alexander R. Smith.]

The question often is asked, "Why can't we build ships in the United States as cheaply as they are built in other countries?" If but one-half the ships required to do our foreign carrying were built here, in a few years they would be built as cheaply, if not more cheaply, than in other countries. What is required is a demand for American-built ships, reasonably constant, and soon the supply would meet all requirements.

At present the greater part of the world's ocean-going shipping is built in Great Britain; that has been true for more than half a century. Naturally, Britons have been able to specialize, and, as far as possible, standardize. It is no uncommon thing to find three generations of one family working side by side in a British shipyard. As men develop special aptitude for a certain kind of work they are employed on that in which they have developed the greatest efficiency. The maximum of economy thus is achieved at the minimum of cost.

Is it to be supposed that in American shipyards, where labor is paid about twice that in British shipyards, where it is less steadily employed, and, because of the intermittent character of the employment, it is less efficient, by any possible economic legerdemain, in the beginning ships can be built as cheaply here as in Britain? Certainly not.

Without experienced shipbuilders, lacking thoroughly equipped modern American shipyards, in 1883 the United States began the building of our "new Navy." A demand was created for American warships, the supply of which was confined to the United States. What happened? Thirteen years later, in his last annual message to Congress, President Cleveland said, speaking of our warships:

"It is gratifying to state that our ships and their outfits are believed to be equal to the best than can be manufactured elsewhere, and that such notable reductions have been made in their cost as to justify the statement that quite a number of vessels are now being constructed at rates as low as those that prevail in European shipyards."

If a similar demand were created for American merchant ships, and the supply confined to the United States, why, in 13 years, or sooner, should we not be able to build them as well and as cheaply as they are built abroad? No doubt we could.

By imposing a higher duty on imports in foreign vessels than is imposed on imports in American vessels, and by collecting a higher tonnage tax on foreign than on American ships, the demand for ships would be created, and the supply of American ships would be increased rapidly. In an amazingly short time ships would be built at least as cheaply in this country as in other countries. It would take nothing from the National Treasury; on the contrary, it would add largely to our national revenues. Importers would see to it that American shipyards supplied the needed American-built ships.

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OUR SIMPLE MERCHANT-MARINE QUESTION.

[By Alexander R. Smith.]

American shipping in foreign trade is one of the most discussed and the least understood questions of immediate national concern. It is a simple question, with endless ramifications, and collaterally it is full of the most subtle complications.

The people must first understand that American shipowners per se are no more concerned about American shipping in foreign trade than the Kansas farmer, the Colorado miner, the Georgia lumberman, the Illinois manufacturer, or the Wall Street banker.

The individual American invests in ships as a business, for a profit. He wants the cheapest ships he can get, and he wants to run them in the cheapest possible way. As foreign-built ships ars cheaper than American, and as ships are more cheaply operated under foreign flags than under the American flag, the American investor in ships buys foreign ships and runs them under foreign flags.

The United States—not its shipowners—needs an American merchant marine in foreign trade. It needs American-built ships, so that at all times we shall have shipyards in readiness to build and to repair ships. It needs American-manned ships so that when needed for auxiliary naval and military purposes the men and the ships will be available for the national defense. That is the prime reason why the United States needs an American merchant marine.

The great economic reason why this country needs such a marine is in order that the carriage of its imports and exports shall be stabilized, under our own control, and so that the Nation shall have a dependable merchant marine of its own instead of being dependent upon an unstable foreign merchant marine. To secure such a merchant marine the Government, in some effective and permanent way, should make up to Americans willing to invest in ships the difference between American cost of the ships and American cost of operating them in competition with foreign ships, not at all for the owners' benefit but for the Nation's benefit, for its defense.

The way to get such an American merchant marine is to exact a higher duty on all imports in foreign ships than is collected from imports in American ships, and to place a higher tonnage tax on foreign than on American ships. This takes nothing from the National Treasury, but adds to it instead. It is the policy that was in full or partial effect for 61 years, during which time American ships carried an average of 80 per cent of our imports and exports.

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[From the New York Evening Mail of Jan. 26, 1916.]

HOME-BUILT DOMESTIC CARRIERS.

Foreign ships were not barred from our domestic carrying by law until 1817, but up to that time it had been made so expensive for foreign ships to operate in our domestic carrying that they abandoned all thought of it. We may properly say, therefore, that from the foundation of our Government until to-day, a period of 127 years, the domestic carrying of the United States has been confined to American-built vessels, owned, commanded, and officered by American citizens.

The last census of "transportation by water" in the United States, taken in 1906, showed that we had 37,321 documented and undocumented vessels of 12,893,429 gross tons, valued at $507,973,121, with a gross income of $294,854,532, employing 140,929 persons, who were paid $71,636,521. The previous census of transportation by water was taken in 1889. If our shipping has grown as rapidly during the past 10 years as it grew during the preceding 17 years, we now have 41,341 vessels of 15,560,659 gross tons, valued at $683,844,161, with a gross income of $373,007,742, employing 156,839 persons, who would be paid $89,373,991.

All but 829,833 of that total of 12,893,429 gross tons of shipping in 1906 was in domestic carrying—more than twelve-thirteenths. Up to the Civil War our tonnage in domestic trade grew no faster than that in foreign trade—it was about ton for ton. The disparity has grown only since the Civil War, our prohibitively protected domestic shipping steadily increasing, successful and profitable, our ships in foreign trade, in free competition with foreign ships, steadily diminishing and unprofitable.

The remarkable part of this is that although this vast tonnage engaged in domestic carrying was by law built in the United States, its extra cost has been no burden. The bulk of our people were unconscious that our laws required that vessels in our domestic carrying should be home-built, owned, commanded, and officered by our own citizens. The Nation that can so readily bear whatever burden is imposed by requiring that its shipping in domestic carrying be all home built, a shipping by this time twelve times larger than our shipping in foreign trade, a shipping in domestic trade of approximately 14,000,000 gross tons, could as easily bear the extra cost of having the ships engaged in its foreign carrying all built in the United States, say, an additional 6,000,000 gross tons.

We have been persuaded, oh, so astutely, and have accustomed ourselves to measure the value of our shipping in foreign trade by its cost, and our shipping in domestic carrying by its efficiency. For nearly three-fourths of a century our shipping in foreign trade was measured by its efficiency, not by its cost, and in those days it was all home built, owned, commanded, officered, and manned by our own citizens. When most numerous and most profitable our ships in foreign trade were by law all home built, owned, commanded, officered, and manned by our own citizens. Then our shipyards were equal to all of our tonnage requirements for domestic and foreign trade, our builders skilled and experienced, the Nation truly independent. How wise we would be if, in respect to the ships engaged in our foreign trade, again we would require that they should be home built, owned, commanded, officered, and manned by American citizens. It is a matter that Congress can arrange in the easiest and simplest way imaginable whenever it possesses the courage and the statesmanship.

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[From the New York Evening Mail of Dec. 10, 1915.]

A NAVAL AUXILIARY MERCHANT MARINE.

[By Alexander R. Smith.]

Secretary of the Treasury McAdoo says the United States must have a naval auxiliary merchant marine. Conceded, unconditionally. We have but to think of Great Britain's plight had she lacked the several millions of tons of British merchant ships now engaged in auxiliary naval and military operations which are directly aiding in the national defense. This country may need some day, as badly as Great Britain has needed, a naval auxiliary merchant marine. Picture our plight lacking an adequate and effective naval auxiliary merchant marine of our own!

Note Britain's dependence upon British ships to bring to her the foods, raw materials, and munitions she needs so urgently, and note our own dependence upon British ships for our foreign carrying. Suppose British ships no longer were available for our foreign carrying; how, then, would we market abroad our over-increasing surplus products? We must have a naval auxiliary merchant marine measurably equal to the carriage of our exports and imports.

Shall we have a naval auxiliary merchant marine that shall be used as a political machine? Shall it be extravagantly managed? Shall it be operated at large financial loss; that is to say, shall it be owned and operated by the Government? Operating commercially, such ships would constantly be in acute danger of affronts which, at a moment's notice, might involve us in war with a foreign country.

We must have a naval auxiliary merchant marine of ships built in the United States, owned, commanded, officered, and manned by citizens of the United States, as ready to fight its battles in war, as alert to secure, hold, and develop the foreign markets which we must have in peace for our surplus products, the ships and the men constituting a highly efficient national naval reserve.

The easy, simple way to secure such a merchant marine is to collect higher duties from imports in foreign ships than is collected from imports in American ships, and to tax foreign ships more on their tonnage than we tax our own ships. This would force importers to secure American ships to avoid the extra duties.

Terminable trade treaties in the way? Our Government already has served notice on foreign governments with which we have such terminable trade treaties of our intention to terminate or modify them so as to give full effect to the seamen's act.

Retaliation? Retaliation gave foreign ships an average of just 20 per cent of our foreign carrying during the 61 years this policy was in operation preceding the Civil War.

Mr. KENYON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Iowa suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fletcher | Lippitt | Sheppard |
| Bankhead | Gallinger | Lodge | Sherman |
| Brady | Gronna | Martine, N. J. | Simmons |
| Brandegee | Harding | Myers | Smith, Ariz. |
| Broussard | Hardwick | Nelson | Smoot |
| Catron | Hitchcock | Norris | Sterling |
| Chamberlain | Hollis | O'Gorman | Thompson |
| Chilton | Johnson, Me. | Owen | Tillman |
| Clapp | Johnson, S. Dak. | Page | Underwood |
| Clarke, Ark. | Jones | Phelan | Vardaman |
| Culberson | Kenyon | Pittman | Wadsworth |
| Curtis | La Follette | Pomerene | Walsh |
| Dillingham | Lane | Ransdell | Warren |
| du Pont | Lea, Tenn. | Saulsbury | Williams |
| Fall | Lewis | Shafroth | Works |

Mr. CLAPP. On behalf of the junior Senator from Michigan [Mr. TOWNSEND] I desire to say that he has been called home by serious illness in his family. He has a general pair with the junior Senator from Florida [Mr. BRYAN]. I ask that this statement may stand for the day.

The PRESIDING OFFICER. Sixty Senators have answered to their names. There is a quorum present.

NATIONAL DEFENSE.

Mr. CHAMBERLAIN. Mr. President, the conference report on the Army reorganization bill was submitted by me awhile ago, and I had hoped that the Senate might be able to take it up and dispose of it this afternoon. After conference, however, with some of my colleagues and with the Senator from Arkansas, who has in charge the river and harbor bill, he thinks it might be best not to attempt to take it up this afternoon, but that it be taken up to-morrow morning at 11 o'clock. I hope I may be able to have the Senate consent to have the conference report taken up and disposed of at that time. I do not think it will take very long to dispose of it.

Mr. CLARKE of Arkansas. Mr. President, may I ask the Senator if he will not limit the time for its consideration to a couple of hours after the report has been taken up? If it opens up general debate, it may have the effect of displacing the river and harbor bill.

Mr. CHAMBERLAIN. I do not desire to do that, Mr. President.

Mr. HARDWICK. Mr. President, it will be impossible for me to consent to any agreement about the matter now. There are several Senators here who are not pleased with everything in the conference report nor with everything that has been omitted from it.

Mr. CLARKE of Arkansas. We will wait until to-morrow comes, then, in the light of events. I think it is the purpose of the Senator from Ohio [Mr. HARDING] to address the Senate at this time.

Mr. CHAMBERLAIN. I will not take any further steps about the matter at this time; but I ask that the conference report may be printed as a document for the information of the Senate.

The VICE PRESIDENT. That action will be taken.

RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. HARDING. Mr. President, the few remarks I may have to offer on the pending measure are not designed in any way to delay the action of the Senate. I rather suspect that I will not influence any votes cast on the measure. My position is the outgrowth of an incident in the proceedings of the Committee on Commerce. During the proceedings of the committee, at one of the meetings, a specific question came to a vote, when I ventured to say I was illy prepared to express my attitude on that particular question, whereupon the distinguished chairman of the committee, with that bluntness which characterizes him, and which does not in any way diminish my regard and affection for him, said, "Well, a Senator is supposed to know how to vote." That made me think, and after a very careful perusal of the bill and the reading of hundreds of pages of information and misinformation on the subject I feel very much in the attitude I expressed to the chairman that day as to the whole bill, I hardly know how to vote.

I did not sign the majority or minority report, because I wanted to have a free hand in the discussion of this measure. There is very much in this appropriation bill that I should like to vote for. I suspect that some Members of this body will think that I am prejudiced particularly in favor of the Ohio River project because it is located so as to seem to be a selfish proposition. I hope no one will accuse me of being quite that narrow.

Mr. President, I want to approach this proposition from a viewpoint a little bit broader than sectional. I should like to reach a position that is not in any way prejudiced by my partisan ideas. To be sure, the Ohio River traverses the southern border of my State, but I recall that that great waterway courses from Pittsburgh along the eastern and southern borders of my State, the northern borders or western borders of West Virginia, the northern borders of Kentucky, and the southern borders of Indiana and Illinois until it reaches the great Father of Waters. The Ohio River alone constitutes an artery of commerce extending more than 1,000 miles, which has been given the attention of the Federal Government since early in the Nation's history, perhaps as early as 1820. The Ohio River and its connection with the Mississippi makes a waterway almost equal to the entire free river transportation lengths of Germany. The Mississippi and the Ohio make a waterway, not counting the section north of St. Louis, of more than 2,000 miles, and probably has the largest river commerce of any river waterway in the world.

It is a very natural thing that the Ohio should be a useful artery of commerce. It has located, as I suggested, at the headwaters not only the wonderful city of Pittsburgh, and is bordered by the important cities of Cincinnati and Louisville and Wheeling, but throughout what we call the southeastern Ohio Valley, adjacent to the coal fields of Pennsylvania and West Virginia and Ohio, there is a perfect avenue of almost matchless industry running from Marietta all the way to the great steel city of Pittsburgh.

Naturally with these hives of industry and the coal fields the Ohio becomes a natural avenue of commerce. I believe it will be possible for the river to rival the Rhine. It does now; it excels the Rhine in heavy freight; but of course the Ohio situation, as indeed all American situations, are very much different than those of the Old World. Eventually I must address myself for a few moments to that feature of this question.

My objections to the bill in its present form are general in nature. I would not for a minute desire to take up and discuss any individual appropriation. I feel myself utterly unfit to do so. I surely would not want to take the bill up and discuss it from any geographical or sectional viewpoint. I should like to undertake to vote a large appropriation for internal improvements of this character. It would have to be a very indefensible project that I would not like cordially to support.

I do not entirely agree with the statement made by my distinguished friend the Senator from Illinois [Mr. SHERMAN] the other day. I love to dream of the possibilities of commerce. I think I know something about commerce's contribution to our present-day advancement. I am sure we all know something of the part that internal improvement has contributed to American development. But, on the other hand, there must grow upon every observing American the deterioration of inland waterway commerce. I have been reading with more or less interest the report of the United States National Waterways Commission, but before I had read that very interesting report I had come to some conclusions of my own that are rather personal in character.

My first observation relating to inland-waterway commerce came from my experience in the General Assembly of the State of Ohio. Ohio caught the spirit of canalization, or rather of canal building, in the early days of the State. We expended millions upon interior water routes from the Lakes to the river, and for a number of years these canals contributed very largely to the development of the great Commonwealth of Ohio. But after the period of railway development came the canal traffic began to deteriorate. It proved more and more expensive to keep them up, and we had in Ohio, and have now, the problem of the abandonment of our canals. Every man who recommended the abandonment of the canals was suspected of having some selfish motive. It was suspected that he wanted to make a grab of a right of way. So we had a commission appointed to investigate the question, and one thing was done after another, but no fixed policy by the general assembly was ever formulated. Finally at one session of the general assembly, while I was serving on the finance committee, a delegation representing the canals of the State—representing, I should say, the canal spirit of the State—came before our body and said the trouble with the development of canal transportation is that nobody knows how long these waterways are going to be maintained, and nobody will venture to build a canal boat nowadays for that reason. Being of rather a practical turn of mind I said, "I can fix that without the expenditure of a dollar on the part of the State." So I had caused to be written into the bill a guaranty wherein it was stated that in case of a change of policy on the part of the State and the abandonment of any part or all of these canals the citizen who had invested in the building of a canal boat after the passage of this act and prior to 25 years therefrom should be reimbursed for his investment. In other words, we provided in the appropriation that in the case of the man who built a canal boat and we did not maintain a canal for him to operate it upon, we should buy his boat and return his money, so that he stood no possible chance to lose. Thereby we spiked for all time the argument that canal transportation was kept from developing because there was no fixed policy, and under that provision, which was enacted 16 years ago, there has not been a canal boat built in the State of Ohio. I am willing to drop my observation concerning canals with that one statement.

My next observation relating to the deterioration of river transportation——

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. HARDING. Certainly.

Mr. NORRIS. Before the Senator leaves that subject, which is very interesting, I wish to state that I know just a little about it, because I lived in Ohio for a great many years. Ohio had quite a system of canals. I believe there was a canal extending all the way from Lake Erie to the Ohio River.

Mr. HARDING. The Miami & Erie.

Mr. NORRIS. Yes. That has been abandoned, has it not?

Mr. HARDING. Not in toto. The Miami & Erie Canal, except that the southern section running into Cincinnati is maintained as a waterway, mainly for supplying water to the industrial institutions located on its banks. As a transportation line it is abandoned, practically.

Mr. NORRIS. As a facility of commerce it is no longer there. As I understand it, a large portion of the canal bed itself is dry and used for other purposes.

Mr. HARDING. That is true of the Ohio Canal, running around from Columbus to the Ohio River.

Mr. NORRIS. How much money has been expended upon those canals? Can the Senator tell us approximately?

Mr. HARDING. I could not tell the Senator from Nebraska the total amount of expenditures. My recollection is that the Ohio canals are estimated to be worth about $8,000,000.

Mr. NORRIS. They were free, were they not?

Mr. HARDING. Oh, yes.

Mr. NORRIS. Anyone who complied with the regulations could build a boat and operate it?

Mr. HARDING. Yes; and it is so to-day.

Mr. NORRIS. The locks were kept up by public taxation.

Mr. HARDING. Yes; by payments out of the general revenue fund of the State.

Mr. NORRIS. So, as a matter of fact, they were practically no expense to the man who wanted to operate a canal boat except his own boat.

Mr. HARDING. None whatever.

Mr. NORRIS. And such help as he might give.

Mr. HARDING. None whatever.

Mr. NORRIS. A large part has been abandoned.

Mr. HARDING. It is all gone, so far as actual transportation is concerned.

Mr. NORRIS. That has been on account of the developments of the railroads?

Mr. HARDING. Entirely.

Mr. NORRIS. Has there been any other cause that has contributed to the abandonment?

Mr. HARDING. I think not. As a matter of fact, we have maintained canals in Ohio at no little expenditure of money, with no income except the water rentals collected from the industrial plants that have located along the line of the canal, because it afforded them a very desirable water supply largely for steam purposes.

Mr. NORRIS. That brings me to another point which I would be glad to have the Senator enlighten me upon. Those plants that were located were originally built because the canal was there, and almost invariably found themselves utilizing the railroads instead of the canals later on.

Mr. HARDING. Almost wholly so.

Mr. NORRIS. So these manufacturing plants abandoned the use of the canal because of the superior advantages of the railroads?

Mr. HARDING. Almost entirely so. Mr. President, I can best answer the Senator from Nebraska by saying that to-day the United States of America is on wheels. We have passed the old canal age.

Mr. NORRIS. Can the Senator give us from his recollection something about the cost of the maintenance of the canal system of Ohio when they were in full operation?

Mr. HARDING. That antedates my time of actual experience in the Senate of Ohio; but we were expending for canals that were not in use approximately half a million a year some 15 years ago, when there was no possible use for the canals and no actual use except for the water they furnished to the industrial plants.

Mr. NORRIS. What did the State do with the canal right of way when the canal was abandoned?

Mr. HARDING. We very recently leased the right of way of one of the abandoned canals under a satisfactory arrangement for a railway route.

Mr. NORRIS. That is what I wanted to bring out.

Mr. HARDING. That has been one of the reasons why the abandonment has not been accomplished heretofore. There was always a fixed suspicion that somebody was seeking to grab these possessions and weaken us, though they were utterly worthless to the public at large. We clung to them and expended money on them rather than to lay ourselves open to the suspicion that we favored somebody.

Mr. NORRIS. Are there abandoned canals in Ohio with railroads built in the canal bed?

Mr. HARDING. Not at this time. That is in process of development.

Mr. SHERMAN. Mr. President——

Mr. HARDING. I yield to the Senator from Illinois.

Mr. SHERMAN. In response to the inquiry of the Senator from Nebraska I will state to him that in Illinois the Illinois & Michigan Canal is paralleled by steam roads that have been developed since the canal was opened for the entire length of the canal and more. There is an actual instance of a canal being abandoned practically and the building of a steam road that has reached from Chicago to St. Louis. I refer to the Chicago & Alton.

Mr. HARDING. Mr. President, I am very glad to have these interruptions. I wanted to recite to the Senate my next observation relating to the deterioration of inland-water commerce. It was my fortune to go to Florida 25 years ago, in the days before railway development had wrought such transformation as it has in that wonderful State. My fortune took me to a section on the Indian River, about 200 miles south of Jacksonville, what is known as the Merritt Island section of Florida. At that time there was no railway south of Titusville on the east coast, and indeed none that far south along the east coast. The railroad running to Titusville came across the State. There was an East Coast Railway running as far south as Daytona or Smyrna. It was in the vicinity of the Indian River, on which I was located, to some of you better known as the section of Rockledge and Merritt Island. All transportation on the river in those days was by boat, either sailing craft or steamboats. It was a wonderfully attractive section. It was romantic in accordance with our notion of things in the earlier days. I can recall very distinctly that at evening time, when darkness dropped its curtain suddenly, it was a very common thing to step out on the banks of the river and watch the steamboats passing at night. We knew every evening at a certain time that there would be seven big river steamboats in sight. It so happened we were located where they passed one another and we saw the best presentation of the river traffic on that river in that way. These boats made all the points on the river down as far as Jupiter Inlet. There was a necessary transfer across the little peninsula south of Jupiter Inlet, and those who wanted to go farther south took another steamboat on Lake Worth. I remember at one time the distinguished President of the United States, who was then Grover Cleveland, made a trip down the river. These boats not only carried passengers but carried all the freight that had to do with the development of the country, and brought back all the fruit of which that section boasted.

Three or four years later, perhaps in 1894, Henry M. Flagler began the marvelous development of the east coast of Florida with his railway building. He was able to command the means. He had an objective point. He saw the possibilities of the southern portion of the east coast of Florida. He mapped out a great and comprehensive scheme, and then he built a railroad with that thought in mind, and those of us who have visited that section of Florida for 25 years have witnessed the complete process of supersedure whereby this railroad has put the steamboats out of business. There is no flood and little tide on the Indian River; nothing to interfere with continuous traffic; but there is not a single craft for commerce, except a little tub of a steamer that crosses from one bank to the other and gathers up the citrus fruit of that section for transportation to a central shipping point, like Titusville or some other point on the railroad. The whole business has disappeared. Romance and commerce have both become things of the past.

I was making some investigation into the reports of the engineers on the subject, and I only cite these instances of Florida, because I have seen them myself—not that I have any grievance against the State of Florida in any way. I delight to see it develop. I hope that there may be some continued maintenance of water craft for the pleasure of those who visit that State in the winter, but the commerce on the Indian River is practically nothing; and I may say that under modern conditions there is but the one little craft which dodges back and forth connecting with fruit docks on the island side with the transportation lines on the mainland. They could get along quite as well without the one craft that is in existence there. It is a beautiful body of water, and the interesting thing about it to consider in this connection is that the Indian River is a tidewater river. In fact, it is not a river; it is a lagoon; it is a long arm of the Atlantic Ocean. It does not depend on mountain streams or freshets or springs for any of its water. The waters of the Indian River are the backwaters of the ocean, and it is always supplied at all seasons of the year and little affected by tides.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. HARDING. Certainly.

Mr. OWEN. I wish to ask the Senator whether there was any arrangement made between the Indian River boats and the railways, so that the traffic upon the river could be conveniently placed on the railways for further transportation across Florida?

Mr. HARDING. You mean whether there was cooperation between them?

Mr. OWEN. Yes; that would utilize the water transportation connecting the railways.

Mr. HARDING. I am not able to answer the Senator from Oklahoma definitely. There was this condition when the railway development began on the Indian River. On the Indian River there was a line of steamboats operating in connection with what is known as the Jacksonville, Tampa & Key West Railroad, and the line of boats operated in connection with that railway from Titusville on down to the Lake Worth section of Florida. Henry M. Flagler, who later built the railroad on the east coast, was not to have anything to do with that railway, and he necessarily established his own line of boats in the beginning of his construction, because he wanted to transport certain things down the river where his railway would lead. Then there was a competing line of boats. It is my recollection that there was very little done by Mr. Flagler himself on his railway to encourage facilities that would make the railroad and steamboat lines coordinate, as the Senator from Nevada [Mr. NEWLANDS] says.

Mr. OWEN. I have had an impression that the failure of water transportation was largely due to the detached character and to the fact that there was no method provided of control for waterways and railways to operate and permit convenient intershipment from one to the other.

Mr. HARDING. I am glad to have the Senator from Oklahoma raise that question, because it is pertinent to this discussion. I have noticed some passages in the report of the Waterways Commission that have something to say about that. The Waterways Commission, in reporting on this subject—I trust every Senator has read this document that has been in existence for the last six years—says:

> A fourth advantage of the railways, in this class, is the far greater attention given to provision for warehouses, terminals, and the equipment for handling freight. On many of the waterways very little if any progress has been made during the last 50 years in furnishing modern facilities for the storage or handling of traffic. In each of a considerable number of cities located upon rivers and canals in Germany the members of the commission during their recent inspection trip saw a larger investment for terminals and for the storage of freight and handling of boats than exists on the whole of the Mississippi River above New Orleans.

Following that proposition the commission speaks of the enormous investment in handling freight in connection with the Great Lakes. Of course the commission will also discuss and does in this report the question raised by the Senator from Oklahoma.

In Europe where there has been some maintenance of the volume of inland water traffic, if I may use that term, there has been the cooperation on the part of the Government which owns its railways to maintain a rate on the railroad that will encourage the development of waterway competition.

But, Mr. President, that will not apply. We overlook the point that Europe developed its waterways in the days of necessity under conditions of a dense population. We began to develop our waterways and have made some progress in the last 50 years, but under an entirely different condition, because meanwhile there came the railroads, and this wonderful land of ours is developed by railroads beyond any other nation on the face of the earth. I think the statement is correct that in relation to population our development is five times that of Europe. Will some one correct me if I have the wrong figures? It is given in this report. My recollection is that we have in this country five times the mileage in proportion to population that Europe has with its many Government-owned railways.

Under these conditions American enterprise, American determination, American individual development have strung the steel highway between all the marts of importance, have connected up its centers; and then we Americans, with this modern spirit of development, have gone boldly along at our incomparable pace until we demand the speed of the railway delivery. Nobody would tolerate nowadays a freight shipment by a canal boat, and that is one of the reasons why there is no ordinary commerce on the great Ohio River, relatively. Of course, there is packet freight on the Ohio River, but most of our river freight, as has been pointed out by the Senator from Iowa [Mr. KENYON], consists very largely of, shall I say, gross products—natural products—logs on the smaller streams running from the timber section to the sawmill, coal as we have it on the Ohio or in other sections. We are willing to tolerate our tardy shipment of products of that kind; but when you get to the great interior and serve all citizens, the American spirit no longer will tolerate any freight delivered by river transportation.

You can take the question a little bit further. Have Senators stopped to think what a tribute you have paid to this spirit of speedy delivery in this country? I called your attention to it for a moment in discussing the good-roads bill. You give us a good-roads bill from the majority of this body under the guise of contributing to the post roads of the country. You did not mean anything of that sort. You are encouraging the building of good roads by the Federal Government just as we did in the State of Ohio by the State government to promote the means of speedier transportation—not only the transportation of the passenger or the individual, but of his products. If you choose to call them market roads, very good.

As I said a moment ago, we have reached an age where the American people, at least, are on wheels; and you can not supplant the automobile and the railway car with anything like the antiquated canal boat or anything else that you can develop on our rivers.

I do not want by this statement, Mr. President, to commit myself unalterably and entirely against interior water navigation. I believe in it very cordially; but the trouble is that Congress has allowed to grow up a system of appropriation which is absolutely intolerable and indefensible. I want to know for what I am voting. I may get over this feeling in time, but it is a little difficult for a new Senator to come here and to think in millions all the time. I have a very strong conviction that a man who enters the public service ought to perform public duties very much as he would his own. The trouble with us is that we are all the time drifting away from our own individual convictions; we are drifting away from doing things as we would do them if they were our very own, and we are yielding to the exigencies of politics.

A Senator on the other side—I use no names, because I do not wish to violate the proprieties—said to me the other day, "This system ought to be abandoned; I know it," he said. I respect his opinion very highly; but he added, "We can not do it now." Well, Mr. President, if we can not do it now we never can do it. They way to do it now is to proceed to do it; and there never was a better time in the history of the United States than to begin now. For example, in my own affairs, if I find myself without ready funds—I ought not to put it in that way, but for illustrating purposes it will do; I am always that way—but when contemplating a condition lacking ready funds, I do not invest, and if I do business in the same way for the United States Government, when I contemplate a distressed condition of the United States Treasury, I ought to refuse to appropriate money for needless expenditures.

I do not mean to talk about any one party, Mr. President; we are just as bad on one side, I think, as on the other, excepting just now you on the majority side have the responsibility. It is rather a singular characteristic of our American political life that everybody talks economy in the campaign season, and that nearly everybody proceeds to grab at the Treasury immediately the campaign is over.

The Federal Treasury is a mysterious, mythical sort of thing that is never exhausted apparently, and nobody ever stops to inquire how the money gets into the Treasury. You know, I think we Republicans are responsible for that state of mind in the country. I do not mean to drift into a partisan discussion; but we Republicans had fallen into such a fortunate management of the country that we always had means to do the things that we wanted to do and still have an abundance of money on hand. I remember we had so much money that in 1884 you, on the then minority side, grew so worried about it that you passed resolutions on the subject in your national convention. I do not know but that the Senator from Kansas [Mr. CURTIS] may have made allusion to that in his address the other day; but the chief burden of worry on the part of my friends on the other side of the Chamber in 1884 was as to how to get rid of a menacing surplus in the United States Treasury.

So, I say, we are responsible for this creation of a feeling that the Treasury is inexhaustible; but I want to tell you, Senators on the other side, at a time when you are contemplating direct and offensive taxes to meet the needs of the Government, is a good time to resolve to correct abuses in the expenditures of the Government. I do not know that I can offer a remedy. A distinguished Senator from the South, discussing this bill the other day with the zeal for which he is known, said he would be very glad to have somebody who criticized the existing plan to be constructive enough to offer a remedy. Well, that is a fair

statement; and I wish I might do it; but because I can not offer a remedy immediately to-day is no reason why I should go on with the old system.

I was saying a moment ago that a man ought to follow the same rules in public service that he would in his own private conduct of affairs, and I have learned in my own business that if I go on a wrong track, no matter if I had made large expenditures on that track, it is better to back up and get off the track and quit, even if you do not know definitely what your next track is going to be. So I should like to favor the suggestion of the minority. I do not want anybody in the Senate and I do not want anyone who reads of these discussions to get the impression that I am opposed to a liberal expenditure for the improvement of harbors and of rivers which may be of some use in the service of the public, in the modification of railway rates, and in the facilities of transportation. I have been looking it up, and I have discovered that in the last 15 or 20 years we have increased these appropriations from approximately $15,000,000 to $20,000,000 to something like $42,000,000, as this bill provides. Well, the Senator who offered the criticism and asked for a constructive substitute the other day said, "We now have the examination of the engineers and their recommendations by which to make appropriations," and he added, "I do not believe there is any more dependable system than that." Well, Mr. President, one who reads the report of the engineers will find that there are a good many reports to Congress that do not mean anything, and I have discovered already that there are a good many recommendations of the engineers which are not heeded by Congress. There are numerous instances in the existing bill where committees of the House and of the Senate have exceeded the recommendations of the engineers. There are instances of appropriations made where the engineers have suggested that the project be abandoned. Under these circumstances I am unwilling to cast my vote to spend some fifteen or twenty million dollars of this proposed sum in order to secure, if you please, the sums that I should like to favor in the completion of the project for the Ohio or the Mississippi Rivers, or the two together.

Mr. President, there are in this bill not less than 100 projects on which there have already been expended millions of dollars which will never amount to a continental snap of your finger if we expend a hundred million dollars more to bring them to completion as originally designed. There is not a member of the committee who will not admit in private that we are following programs of river development that can never be made useful under any modern or known system of water transportation. If this be so, why limit ourselves, as we did in the consideration of this bill, by a rule to take up no new project, and then under that cloak go along with these enormous appropriations, largely because there is the old system of dividing up the spoils according to the political needs of the situation.

Mr. President, I do not want any fellow Senator to misconstrue my remarks. I like the fraternity of this body; I like to know that when the waters are muddy I will be considered; I like to participate in the "booster" proposition. I could vote for hundreds of projects with a good deal of conscience, and I very much desire to have the privilege of doing so in the pending bill. I know how a Senator feels when he has his heart set on securing Government assistance for some great undertaking in his section; but can we not bring that to a consideration on its merits and not have this trading combination which requires a man to stultify himself to secure the consideration of projects for which he really has a heart?

I do not know that it is customary to relate the experiences of committees, and I shall quote no one in the conversation which I am about to relate, but it is a very discreditable proposition that one man shall say "he ought to have this; this is all he has asked for; and he ought to have that, for that is all he has asked for; and we must give him this, for that is all his State wants." That is no way to transact business involving millions of dollars.

I want to say something that will lead the Senate of the United States to adopt a businesslike system of appropriating millions of money, as such a bill as this does, and give us all an opportunity to vote our conscience into an operation that involves some great public improvement.

Mr. President, the Waterways Commission, from which I started to quote—I do not want to take the time of the Senate—confirms all that I have attempted to say in this matter. Let me quote you one or two expressions:

> The commission has had under consideration the manifest decrease in water-borne traffic on a majority of the rivers and inland waterways of the country. On many there has been an absolute decrease, while on others the falling off has been merely relative. In these latter cases, although the aggregate traffic by rail and water has been greatly multiplied, the proportional share carried by water has very noticeably diminished.

Then this commission followed with a statement that is very interesting to note. I have already said—so I can have no prejudice in making this quotation—I should like to take the great Mississippi River and the Ohio River and some other tributaries and see if we could not really develop a great and effective and abiding system of water transportation. The commission reports from figures taken up to 1906 that the upper Mississippi River system decreased in water transportation 72 per cent; the Ohio system, to which I am committed, decreased 3 per cent; and the lower Mississippi River decreased 59 per cent, so there is an average decrease on the Ohio and the Mississippi of more than 30 per cent.

Those decreases are in no way disputed. There has been the backward tendency, and in only a very few cases has there been an increase of river traffic, notably on the Monongahela up about the city of Pittsburgh.

This raises the question in another form, as suggested by the inquiry of the Senator from Oklahoma. The commission says there are inherent or fundamental advantages in railway transportation, and then continues:

> The first and most important of these is the wider area of distribution available to railways. A railroad line can be constructed in any direction to any part of the country, except the portions which are admittedly inaccessible, while the line of a river is fixed by nature in a single direction. Railroads are more readily adaptable to the newly arising and ever-shifting demands of producing areas and of markets.

And, by the way, Mr. President, that raises another question. Some of the improvements which have been under consideration, and for which appropriations are made in this bill, are supported by local interests. The commission reports that on nearly all the waterway developments of Europe the expenditure is divided. I will not assume to give the percentages, but one part is assumed by the Imperial Government, one part by the State or the Province, and another part by the municipality; and sometimes the division goes further than that.

The construction of railways, which has entered into competition with and destroyed water transportation is due to the spirit of development. Up in Alaska, until Congress ventured to appropriate money for a federally built railway, private capital was engaged in building railway lines to the rich mineral deposits of the Territory. Congress saw fit to stop individual development and build a federally owned railroad in that section. What is the result There will be pending, if there is not pending now, a first request for an additional $30,000,000 of Federal money to build a branch from the Government railway to a deposit of ore or coal, which remains undeveloped because we halted the individual development. In my State it is customary if a man locates a deposit of coal or knows of a deposit of stone which he wants to quarry into he has the individual initiative and the courage and capacity to build a line of transportation, and he does not ask any Government help.

I can cite a very interesting illustration on the other side that applies to water. I should never have known of it if it had not been for some little touch of kinship that brought me in contact with it. Congress is appropriating in this bill several hundred thousand dollars for the development of a harbor and waterway at Texas City, Tex. The men who built the original channel into Texas City did not ask a penny of anybody; and, if they did, they did not get it; but they went ahead applying private capital to the making of a channel. Why? Because they had acquired the real estate on the site of Texas City and deliberately set about to build a harbor and a city and to profit thereby—a perfectly legitimate undertaking—but, unfortunately, because of the abundance of Government funds the practice has been established of men starting to build a city and then asking the United States Government to furnish the money to build it. I know how it is. I suppose if the chamber of commerce of my home city should start out and ask the Government to spend a half million dollars on the Scioto River, and they should ask my cooperation as a private citizen, I would join them, and I would come here, and I would make the best possible case in presenting the matter to Congress; but the Government would have no more right to spend half a million dollars on the Scioto River than it would have to go out and spend it on a mountain in Virginia to make some sort of a playground.

The practice extends in many directions. There is a provision in this bill for revetment work on the upper Missouri—and I regret that the Senator from North Dakota is not present. The United States Government is under some obligation to maintain its waterways so long as it holds them under Government control, and we ought to spend and we must spend millions for embankments and revetment work and levees in order to protect the citizenship of this country and maintain our waterways as we ought;

but here, on the other hand, there are thousands of people who have acquired almost valueless areas among the lowlands along the rivers of the country. They have acquired such land for a song because of the danger of flooding and overflow and the disasters that attend such conditions; but after they acquire the title to the land it is a very common thing for the people interested to want the public to expend the money that shall give increased value to their possessions. I do not blame them for doing that, but I am opposed to the Government undertaking such work.

That situation does not apply entirely to the Federal Government. We have the same condition in Ohio along the river banks in State control. Men acquire river-bank possessions at a song, because the property is endangered by flood all the time; but, as soon as enough of them become interested in one another and they can start an organized movement they will tax the nearest city on the banks of the river to dredge that river or establish a new channel so that they will be protected from floods; and land which cost $40 an acre will be increased to the value of $250 an acre by the expenditure of public money in revetment and channel work.

I want to see Congress liberally appropriate the public money for the maintenance of channels and for the improvement of harbors. I want to see Congress liberally contribute to the development of every possible waterway that is interstate in character at least, but, Mr. President, we forget that Congress has accomplished the great feat of railway-rate legislation, and when it passed that legislation it took away forever one of the chief inspirtions for the development of inland waterways. In the States we have our State railway commissions, so that interstate commerce and intrastate commerce are officially regulated, and there is not the slightest need in the world for entering upon an expenditure of millions upon millions of dollars for waterways that will never be used in order to attempt to influence the railway rates of the country.

This takes me back, Mr. President, to an illustration which I meant to use in the opening of my remarks. I do not know at this time the amount of money that was expended on the Muskingum River in the State of Ohio. The Muskingum River flows from the central eastern section of the State to the Ohio River at Marietta. It is a beautiful stream, and some Member of Congress, a number of years ago, had the eloquence and the influence to bring about an appropriation on the part of the Federal Government for the construction of dams in the Muskingum River. I am sorry I have not the information at hand to state the expenditure made, but there were perhaps a dozen dams erected in the Muskingum, although there has not been a boat on the Muskingum River, except one little passenger and package steamer in the last 10 years, and I was told only this week that this one steamer had not made a trip over the river in the last two years. I can have no prejudice concerning that, Mr. President. The Muskingum is in my State. There has not been enough commerce to pay the interest on one-tenth of the expenditure which the Government has made on the Muskingum River; the dams are to-day falling into a state of deterioration; it will not be long until all that the Government has spent on that waterway will have been utterly wasted and there will not be even a remnant to show for the improvement which was made.

The trouble with us, Mr. President and Senators, is that we too readily drift into a tendency to tickle a constituency rather than commit ourselves to a policy that is to promote the Federal Government. It is a very easy thing for a man to represent merely his district or his State, but it is my notion that we ought to grow a little bit larger than that; that a man ought to be a Senator for the great American Union, and when he casts his vote for expenditures on matters relating to river and harbor improvements, he ought to get the viewpoint of the Nation.

This is a big proposition. I became amazed when I undertook, as one must do very briefly, to study the question before meeting with the Committee on Commerce. We are a wonderful people. Somebody has said that the trouble with the party in power is that it is not able to comprehend the extent of this country. I am not repeating that statement on this occasion as a sentiment of my own. Our tremendous breadth and extent and resources and possibilities are beyond the average man's comprehension; but when you take up the question of commerce, you must remember that this wonderful American commerce of ours, amounting to something like $50,000,000,000 a year, has been developed on railway lines in good part, while the foreign commerce, of which we boast and delight and want to see grow, is that of the waterway. I should be very glad, Mr. President to take $25,000,000 of the amount proposed to be appropriated in this bill, and spend that sum under the direction of a knowing hand, for the improvement of every harbor that needs improvement on the coast of the United States.

Mr. SMITH of Michigan. And on the Lakes.

Mr. HARDING. Yes; I will include the Lakes, as the Senator from Michigan suggests. I have not touched, Mr. President, on the commerce of the great system of northern lakes, because that seems to be a matter so well established that there is no longer any question about it; but I would just as readily vote, if need be, for $50,000,000 to maintain perfect harbors on the east and west and southern coasts of these United States, so that every possible artery of commerce abroad shall be opened and ready for the craft which shall take American products to all the marts of the earth; but I should like to do that, Mr. President, under some guiding hand that knows what should be undertaken. It may be possible for some of you to know in detail about these enormous expenditures; it may be that after five or six years in the Senate I can acquire the judgment that I must exercise, as the chairman of the Commerce Committee insists that a Senator ought to do. I hope I will; but I do not believe it practicable, Mr. President, for the 96 Members of the Senate to vote intelligently on the numerous items included in this bill.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Ohio yield to the Senator from Iowa?

Mr. HARDING. Certainly.

Mr. KENYON. The Senator referred to the Muskingum River, and said he did not know the amounts appropriated for it. The figures are set forth in volume 2 of the Engineers' Report for 1915, and show that the allotments under the various river and harbor acts for that river have been $2,368,321.84, and that the expenditures for operating and care of locks and dams for the fiscal year ending June 30, 1915, were $184,323.68, an enormous sum of money.

Mr. HARDING. Well, Mr. President, then the Muskingum has cost the United States Government something like two and a half million dollars, and I might make my remark very brief and say that it is not worth the dams on the river; it is not worth one of them. It is the most profligate and ineffectual expenditure of money that I can imagine.

You know, Mr. President, we have been growing up in this country, and I assume that out of the practices of Congress there have developed a number of systems that need changing, to effect that efficiency which every one of us must commend in the conduct of Government affairs. I have been serving, as every new Senator must, I suspect, on the "hazing" committee, known as the Committee on Claims. It is not an uninteresting experience. There is many a romance developed in the discussion of the claims which are before that committee. I believe it to be a very important committee, and I am not sorry for the experience that I have had there, brief as it is. But, Mr. President, the Senate of the United States ought not to dispose of the six or seven hundred bills that come to the Claims Committee as they do dispose of them in that committee. You know the practice. I have had on my desk no less than a dozen claims bills which I, as a subcommittee of one, must report to the general committee. Usually the recommendation that the subcommitteeman makes is adopted by the committee, and the report adopted by the committee comes to this body, and blindly you vote what the committee recommends. What is the result? One man has hurriedly listened to the testimony concerning a claim presented to this body, and one man's necessarily hasty judgment is your judgment finally, and through that process of handling claims we are passing upon the expenditure of millions of dollars. It is not efficient, and it is not businesslike, and there is not one of you who would stand for it a minute in your own business.

What is the result? Why, we must do with claims just like I suggested, without going into a detailed plan, doing with this enormous expenditure for rivers and harbors. Let us conceive some kind of an organization that can make these expenditures of twenty-five to fifty million dollars, and make them justly and efficiently, so that the public knows that fifty millions of expenditures have been rightly made, and that there is something to show for the Government expenditure in the contribution to public good which will follow.

We ought to do the same thing, and I believe it is under consideration now in the case of claims—not to add to the Court of Claims, which will pass, as it does, on the testimony submitted, but to have some sort of a creation that can take a claim properly filed against the United States Government and dispose of it and see that there is a just allowance.

Why, Mr. President, there have been in my hands great volumes of testimony relating to measures calling for $50,000 upon which I had no more right to pass individually than one of the page boys could pass on a constitutional question pending

before this body because I had not the information at hand and could not have in the time that a Senator can give to the consideration of those things. So, out of the passage upon claims and the passage of great appropriations we have allowed these practices to grow up and I for one want to start my career in the Senate with a protest against going on with this method of doing business—a protest uttered in the kindliest sense imaginable. I have not any "knock" in the world for any man's pet improvement presented to this body. I have not the slightest desire to impede internal improvements. I should very readily vote for a liberal appropriation to carry on our public works, and hope I may do so; but I do not want to be asked at the same time to vote for a lot of propositions which must impress any man who investigates for a single moment that the improvements are not worthy the serious consideration of the Senate and do not deserve the expenditure of the money of the American people.

It seems to me, Mr. President, that if there ever was a time when the Senate ought to call a halt and go into a more careful consideration through some proper agency and make a limitation on these things, it is now. It is very difficult for me to understand why the head of the administration—which shows a strong inclination now and then to intimate to this body what ought to be done contemplating the situation that now confronts you relating to the acquirement of a sufficient amount of revenue to run this country—does not step in and add his influence, and let us Republicans and Democrats and Senate and administration join in bringing about a new era in this matter, which has so much interested the country, and against which so much honest protest has been made without the inspiration of a single selfish thought on the part of anybody who has made it.

I for one want to go on, Mr. President; I want to vote liberally, but I want to vote intelligently; and I can not do it when I answer to my name on the roll call on the pending measure. It may be that I am derelict in duty; it may be that I am deficient; but I will tell you that there is not a Senator on the floor who can possibly know in three years of continuous application and study the merits of the projects that are included in that measure.

It is for that reason that I have spoken as I have, in the hope that some time I may join some of you in a more efficient, a more thoughtful, a more prudent, a more effective, and a more helpful process or plan for carrying on our American internal improvements without hindrance, so that we may go on confident of the development which is befiting a country so rich and so hopeful and so full of opportunity as is ours.

Mr. REED. Mr. President, the Senator from Ohio complains that the President ought to give us information regarding this bill. I know of no way in which the President of the United States could convey the desired information to the Senator unless the President should sit down and study this bill, and give it the three years of time that the Senator says is necessary to an understanding of its provisions, and then carry the information over to the Senator from Ohio. Even if the President were to do so I apprehend that the Senator from Ohio would refuse to follow the President's lead in that as he does in all other things.

I know of no way in which any man can obtain knowledge with reference to the river and harbor bill except by sitting down and studying it. I know of no duty that devolves upon the devoted head of Woodrow Wilson to do the studying for Members of the Senate. It occurs to me that if men can not vote intelligently upon this bill, the thing for them to do is to cultivate their intelligence, and endeavor to get into their heads the ideas that now appear to be so lamentably and confessedly absent.

I do not intend to take the time to discuss the details of the bill. I want to make one or two general observations, and with that I am content.

No fair view can be given of this or any other bill by discussions that single out one particular item or half a dozen particular items, and then, in a discussion of those items, present only one side of the case. You can not judge a bill containing many items by any single item, or by any half dozen or dozen items; and certainly you can not when you have merely a one-sided and an unfair statement of those items.

It ought to be enough to say that this bill, like all of its predecessors, has been given very careful consideration in a committee composed in part of Republicans and in part of Democrats, and made up of men who come from widely separated parts of the country, so that the committee membership is in no way a sectional membership, and that this committee and its predecessors have for many years pursued substantially the same course of conduct. It ought to be also considered that there is scarcely a single item in the present bill which is not an item relating to an approved plan, and that that approved plan was approved, recognized, accepted, and adopted by the last Republican administration or by some of its predecessors. There is scarcely an item in this bill that has not been approved by the Republican Party when it was in control; and if this bill is subject to any great or sweeping criticism, it ought to be because the bill has confined its benefits to the limits set by previous Congresses.

I do not intend at all to discuss minutiæ or details. It is easy enough for any man to stand on the floor of Congress and cry out "pork." It is easy enough to denounce everything in the way of progress or forward movement. The veriest amateur can always find some venture out of the multitude of things that have been attempted that has perhaps been an unfortunate or even a wasteful venture. That is true of private business. It is true of everything that partakes necessarily of the nature of experimentation. It is true of great enterprises and of small enterprises that a certain per cent has been improvidently made. Mistakes are bound to occur.

There was an item discussed here the other day of a dock that was built by the Government for governmental uses—built, I think, 36 or 38 years ago—and the reports attached to this bill state that that dock never was used. This bill carried a small appropriation to repair it and proposed to turn that particular dock over to general and public use, the Government having failed to use it. It was the subject of criticism by a Senator whose views I always respect. But what is there of merit in the criticism when we analyze the facts? First, the mistake, if there was a mistake, was made 36 or 38 years ago. The mistake that was made by men most of whom are dead and gone ought not to be charged to the sponsors of this bill. Because there was a mistake made in the building of this one dock 36 or 38 years ago that does not argue that the provisions of this bill which relate to other enterprises are mistakes, a bit more than the fact that one member of a church 36 or 38 years ago was false to his religion argues against all the churches of the land. But this bill, proposing to turn over this dock to a public use and to expend a very small bit of money to give utility to that which has hitherto had no utility, has heaped upon it the odium of the mistake made by somebody 36 or 38 years ago. There has been much of the same character of criticism heard in the discussions we have listened to.

When the various items of the bill were taken up in the committee they were thrashed out by honest men, who were acting under a rule peculiarly conservative, and to my mind too conservative. That rule was to the effect that for the most part no new enterprises would be appropriated for in the bill. It was proposed to simply carry on those enterprises which had already been inaugurated and duly approved. I said to the committee then, and I take this moment's opportunity to say to the Senate, that I believe a narrow, pinch-penny policy with reference to the internal improvements of this country is the greatest mistake we can possibly make.

There are two kinds of ways to spend the public money, speaking broadly. When you fasten a fixed expense of some kind upon the country; when you create a great number of offices, particularly if they are useless; when you multiply divisions of the Government in an unnecessary way; when you build monumental structures at enormous cost; when you embark in any system which fastens a fixed expenditure annually upon the Government, unless you proceed with great care, you will burden the taxpayers of the Republic without any just return.

But there is another kind of expenditure of money which is in its nature an investment, and not an expenditure at all. If a man issues his bonds or his notes and buys an adjoining farm, and pays only what it is reasonably worth, although he has expended money, and although he has gone in debt, he is not the poorer but the richer because of the transaction, for the thing he has bought returns not only the interest upon his investment but a profit in addition.

When this Government creates great armies and great navies and fastens an expense upon the Republic, it is an expenditure that brings back not a dollar in return. It may be necessary; it may be justifiable; it may be highly desirable; it may be absolutely imperative; but it is made desirable and made imperative because of unfortunate world conditions. It is an economic loss, save as you estimate the greater loss which might come from a lack of ability to defend the country. But when this country invests its money in improving the highways of the country, is it a loss? No, sir; it is a distinct gain financially, economically, if it be properly done, because every good highway that is built lessens the labor necessary and the expense incident to the carrying of goods from the producer to the con-

sumer, benefits both the producer and the consumer, and adds to the aggregate wealth of the country. Every mudhole that is left, every obstacle to travel that remains, is an economic loss to the people of the country. The money that is employed to remove such obstacle is an investment that brings back a return many times.

When the Government of the United States expends money to remove obstacles to commerce upon the great inland seas of this Nation, and thereby in fact shortens the distance between the western and eastern extremities of the Lakes and between their northern and southern boundaries, it cheapens the cost of transportation across those inland seas and it makes money on every dollar that is properly invested. Any other claim is a foolish claim. When a great city lying along the borders of this country finds itself shut off from deep-sea going vessels because of a bar or a reef of rocks, and hundreds of thousands of dollars must be wasted annually in transporting the goods by lighters or by unloading and reloading, and that waste is going on, it is paid for by the people of the United States in the increased cost of everything thus transported. When the Government takes some dynamite and some laborers and removes the obstacles, and makes it so that great ocean vessels can swing up to the dock and unload without that loss we have not expended money; we have invested money. We have not used up the people's substance; we have increased the people's wealth.

When this Government spends money to make it possible to restore river transportation in places where river transportation can be reasonably restored; when it makes it so that a cargo of wheat can be carried from Kansas City, Mo., to St. Louis, Mo., for one-half of the price charged by the railroads, it has not wasted money; it has saved money to every farmer who ships grain and to every man who uses bread.

If this country should carry out a plan that was conceived by one of the greatest engineers of our generation, and should make a 14-foot waterway from St. Louis to the Gulf, and make it possible, as it would be possible, for boats to travel from Buffalo to New Orleans without breaking freight, it would not be "pork"; it would not be wasteful; it would be investment that would return a hundredfold.

Moreover, I embrace this opportunity to offer another suggestion. This Government has, with the full acclaim of both branches of Congress and with the full accord of the country, spent many hundreds of thousands of dollars, at least by way of a loan of the credit of the Nation, to put water on the arid lands of the West. It was a splendid conception. It has resulted in incalculable benefits, not only to that section but to the entire country. And yet, while an expenditure by the Government to put water on dry land is applauded, we find opposition to the proposal that the Government shall expend some money to keep water off of the wonderful valleys of the Mississippi, the Missouri, and the Ohio Rivers, and the equally fertile valleys of many other great rivers.

I have not the figures with me to-day, but I can produce them. On some other occasion I intend to show that there is enough rich bottom land to-day subject to overflow to almost sustain the population of the United States. The increased value of that land alone would pay for the harnessing of these streams.

The nation that sees annually areas as large as some of the great kingdoms of Europe devastated by floods, cities almost swept away, farm lands destroyed, cattle drowned by the thousands, human beings carried to their death by scores and by hundreds, is guilty of gross waste. It is more than extravagant; it is almost as senseless as the man who guiltily looks on while his home is consumed by the flames.

Mr. President, there are some things individuals can not do. I am an individualist. I would like to see every right, every liberty, every responsibility that can possibly be reposed in the citizen so reposed. I am in favor of the maintenance by the separate States of all the powers, of all the prerogatives that can properly be exercised by the individual States. But there are certain tasks that individuals can not perform and there are certain tasks States can not perform. As the individual resident of a city can not supply himself, by his individual effort, with gas, electricity, or water, those necessities must either be furnished by a public corporation or by the municipality itself. As the city can not build or construct a railroad to ramify the State, that task must be performed by private corporations or by some arm of the State government. Likewise, there are certain great tasks that can not be performed by the State which, therefore, justly fall upon the Federal Government.

Among these must be included the improvement of harbors. A harbor is in no sense merely local. The benefit to a harbor is a benefit to commerce, and a benefit to commerce is a benefit to every citizen of the land. An improvement to the Ohio River, running through several States, can not be undertaken by a single State, because the burden would fall unjustly upon one State and the control would not be in the hands of that State, neither would the benefit be confined to that State.

The Mississippi, the Missouri, and the Ohio Rivers with their tributaries cover the central part of our land. They are as vital to the well-being of the great Central States as is the arterial system to the human body. They must be improved by the Federal Government for the benefit of the entire Nation, for, I repeat, you can not advantage commerce without conferring blessings upon all the people.

Instead of caviling about the small and sometimes stingy expenditures of this bill we ought to be devising a plan here for the greatest system of internal improvements ever carried on by any Government since governments existed. These great streams should be harnessed; these vast alluvial bottom lands should be protected; they ought to be raising every year vast crops of corn and cotton and wheat and hemp and tobacco. These rivers should be harnessed, no matter what the expense, so that life and property may be safe, and these rivers should be made navigable.

I challenge attention to the fact that a situation confronts us that this Congress must deal with at an early date. We built the Panama Canal. We built it at the expense of the taxpayers of the entire United States. Under recent rulings of the Interstate Commerce Commission railroads have been granted the privilege of altering their rates at eastern and western points because of the competition or alleged competition with the canal. So it is now possible to ship goods by the canal from the eastern to the western coast, then load those goods upon railroads and ship them back almost to the center of the United States cheaper than they can be shipped over a railroad directly from the East to the center of the United States.

If the injustice were confined to water transportation, I should not so much complain, but because of the water competition railroads are now being permitted to make rates so that goods may be shipped from New York City through Kansas City and 2,000 miles farther to the western coast, reshipped over the same railroad, and hauled nearly back to Kansas City for the freight that Kansas City has to pay direct for every shipment from New York to Kansas City.

I have used Kansas City in the illustration. What I have said of Kansas City will apply to Omaha, Nebr., it will apply to Sioux City, Iowa, it will probably ultimately apply to the Twin Cities. It will apply to every one of the great cities of the South that lies within that vast belt known as the Mississippi Valley.

I call the attention of Senators to this great problem and say to them to-day that something must be done to remedy the evil. We must either restore commerce to our rivers so that there may be a water competition which will result in revised rates to the Mississippi Valley, or there must be regulation by law. Unless one or the other is accomplished the great Mississippi Valley, with all that belt of wonderful States that flank the river on its eastern and western shore, the great Missouri Valley extending clear to the mountains, the upper Mississippi which stretches away through Minnesota, all that vast territory will be drained of its wealth, and will be, if not destroyed, at least greatly injured by reason of conditions growing out of the construction of the canal.

With that situation confronting us, we find Senators who live in the territory affected standing here in the Senate and caviling about a little money that has been spent upon these rivers. Instead of spending money by hundreds of thousands for internal improvements, I say without qualification we ought to be expending it by tens of millions. The expenditure ought to be made in accordance with a well thought-out plan; it ought to be made in accordance with the advice of the best engineers of the world; but this country ought to march forward. It must not stand still.

There is great enthusiasm just now about national preparedness, and I have voted for the military measures and shall continue to do so. I say to you that the best preparedness this country will ever have is when her mighty resources have been developed, when her gigantic energies and power are so harnessed and conserved that we shall constitute the great dominant and controlling industrial factor of the world. That can be accomplished, and that must be the task of the immediate future.

So the time, I think, has come to quit crying "Pork, pork," and to cry "Progress"; the time has come to teach that kind of economy which expends money to develop the resources a bountiful God has bestowed upon the land, so that they may be garnered for the service of man.

Mr. CLARKE of Arkansas. The order is the consideration of the amendments of the committee.

The PRESIDING OFFICER (Mr. CHILTON in the chair). The Secretary will state the first amendment of the committee.

The first amendment of the Committee on Commerce was, at the top of page 3, to insert:

Improving harbor at New London, Conn., in accordance with the report submitted in House Document No. 613, Sixty-third Congress, second session, and subject to the conditions set forth in said document, $170.000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KENYON. I wish we could have an explanation of that item. I am not opposing it, but I should like to have an explanation of it from the Senator from Connecticut [Mr. BRANDEGEE].

Mr. BRANDEGEE. Mr. President, I am very glad to explain the amendment. The State of Connecticut, I think in 1911, appropriated $1,000,000 for the construction of a great wharf adjoining the long wharf owned by the Central Vermont Railway Co. in the harbor of New London. The wharf was to be a thousand feet long, and it was to be built of the most modern construction—steel and concrete. A board on rivers and harbors was appointed by the general assembly of the State to take care of the construction, and the State acquired the adjoining land. The project embraces the construction of grain elevators and warehouses and also a railway terminal.

I do not need, I think, to dilate upon the advantages of the harbor of New London as one of the great harbors of the country. It is situated midway between the metropolitan cities of New York and Boston. It is a great railroad center. The entire New York & New Haven Railroad system is there, running east and west on what we call the Shore Line from New York to Boston, and intersects the Central Vermont system, which runs from tidewater at New London north to Canada, where it connects with the Grand Trunk, which runs westerly to Puget Sound.

The project in contemplation is to make this State wharf, together with its warehouses and railway terminals, a great distributing center. As is well known, there has been, and I suppose there now is, a considerable congestion in the port of New York, especially for dock room for large steamers, and it is hoped that the overflow of commerce from that city may be accommodated to such an extent as it is possible at this State wharf in New London.

I do not wish to bore the Senate nor detain it unduly in this matter, and I am speaking on it only at the suggestion of the Senator from Iowa.

The State river and harbor commission had negotiations with the War Department here. The new wharf has been constructed. The State has issued its million dollars' worth of bonds and is now paying interest on them. The wharf is entirely completed except the covering or top of it which is to be completed this autumn. Under cooperation with the engineers of the War Department this State commission dredged around the wharf to the depth of 35 feet, which is considered sufficient for large ocean-going vessels loaded with cargo.

The Government part of this proposition, as agreed to by the War Department, was that if the State of Connecticut proceeded and made this what might be called a joint railway and ocean project, the Government would dredge from the mouth of the harbor up to and connecting with the 35-foot deep dredging project that has already been completed by the State of Connecticut and paid for. As I said, our part of the cooperative plan is finished.

The engineers' report shows what it will cost for the Government to complete the project, which it agreed to so far as any department can agree to anything in the absence of a distinct congressional pledge. Our project was completed and the Government part of it was that they would dredge to 33 feet. The Government's depth is 2 feet less than ours from the mouth of the harbor up to this wharf.

It is estimated by the engineer of the War Department that to construct this channel either 600 or 1,000 feet wide—I have not the document before me at this minute—and I should say perhaps 2 miles long, would cost $330,000 and it would take two years to complete that dredging project. The Government engineers recommend that $170,000 be appropriated the first year, which item the bill carries, and the $160,000, if that is the difference, the following year.

If this is passed now, it will be seen that having our project completed and paying interest on the bonds which the State issued to pay for it we have to wait now two years if the Government starts the project at this time.

Mr. CURTIS. May I ask the Senator if the million dollars upon the project is already expended?

Mr. BRANDEGEE. To be perfectly accurate about it, as is shown by the telegram which appears in the RECORD in the proceedings of the House of Representatives, there has actually been spent $800,000 now out of the million dollars, leaving $200,000, which they are going to put on the floor of the dock and build some elevators or warehouses or something of that kind.

Mr. CURTIS. In other words, the State has carried out its part of the contract?

Mr. BRANDEGEE. Yes; and let me tell the Senator from Kansas this appropriation of $170,000 was included in the bill a year or two ago as it passed the House of Representatives, and it failed in the Senate, because we cut the rivers and harbors appropriations all to pieces and appropriated a lump sum of $20,000,000 to be expended only upon what are called existing projects.

Mr. KENYON. Was any of the amount in the act of 1914 or the act of 1915 apportioned to this appropriation?

Mr. BRANDEGEE. Not one penny on this contract, so far as it could be called a contract. I do not claim that it was legally binding or could have been enforced against the Government, because Congress in both branches had not simultaneously appropriated the same amount and the act had not been signed by the President, but this item was included in the river and harbor bill as it was passed by the House two years ago and it was included in the bill as reported by the Senate Committee on Commerce also. It is agreed on all sides that there is no objection to the project whatever on its merits. The only reason why it was not incorporated in the bill in the House and in the bill as it went to the Senate committee was that, as Senators are familiar, the committees had adopted what they called a rule by which they thought that the money appropriated should be confined to projects already heretofore authorized and on which work was being done.

I do not pretend to speak for the committee of the Senate, but I assume that in the attempt to work out the bill under that rule it was seen that injustice would result among the States. I think it would, at least so far as my State is concerned, because here was a bill carrying forty-odd million dollars and the entire water front of my State, the whole southern boundary of which abuts on Long Island Sound, which is, as Senators know, one of the chief waterways of the country, with its bays and harbors and rivers, was getting only $41,000 out of the $43,000,000. I think when the committee looked at that situation and some others they felt that a bill like this ought not to pass if it did discriminate against States and did not do substantial justice. So I was very glad to see that the committee had put it on.

As I said, this matter was up on the floor two years ago. I do not care to read the proceedings of the Senate on it, but at that time, when the proposition was to reduce the amount carried for this item by the House from $170,000 to something that they thought would begin the work and partially carry it through, I inquired of the Senators who had the bill in charge on the floor here, if I agreed that it should be reduced, if I could count upon the aid of the committee at future Congresses to put it in, and I was assured that there was no question about the merits of the project whatever, that it was one of the most commendable they had seen, because we did not ask the Government to do this whole thing; the State of Connecticut went to work and did the greater portion of it herself, and I was assured by Senators on the floor who had the bill in charge that the next bill which came up would contain this item.

I do not care to continue this subject unless there is some criticism upon the proposition. I am very glad to see the item included in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 3, after line 16, to insert:

Narrows of Lake Champlain: Improving the Narrows of Lake Champlain, N. Y. and Vt., in accordance with House Document No. 1387, Sixty-second Congress, third session, $300,000; and the Secretary of War is hereby authorized to enter into a contract for such materials and work as may be necessary to complete the said project, to be paid for as appropriations may from time to time be made by law, not to exceed in the aggregate $437,000, exclusive of the amount herein appropriated.

Mr. KENYON. Mr. President, I do not mean to oppose this project but I should like to know something about it. I think there was absolutely no consideration of it before the committee.

Mr. RANSDELL. Mr. President, I will be glad to explain the item on behalf of the committee. I have the report before me.

I will say that the State of New York, as is known to us all, is expending very large sums of money on its canal system. I understand it is expending in the neighborhood of $150,000,000 to construct a system of canals between Lake Erie and the Hudson River and between Lake Champlain and the upper Hudson. At the lower end of Lake Champlain there is a place where the lake is very narrow and the water is very shallow. Several years ago an elaborate survey was made of that lake. The engineers recommended that in view of the canal being constructed by the State with a depth of 12 feet and, I believe, a width of 200 feet, if I am correctly informed, there being a very considerable commerce between Lake Champlain and these State canals, it would be exceedingly difficult for that commerce to pass on the enlarged boats unless these narrows were both wider and deeper. So a report was made in December, 1913. It shows what the former project was and then states that the present project is to provide for a channel 12 feet deep and 200 feet wide, except at one point through rock where the width is reduced to 150 feet. The estimated cost of this plan, including the placing of new fender booms, is $737,000, and $5,000 annually for maintenance.

The project was in the usual course submitted to the local engineer, approved by him, and then submitted to the Board of Engineers for Rivers and Harbors. It was approved by them and then was approved by Gen. William H. Bixby, Chief of Engineers, who submitted a favorable report, as I have stated, February 10, 1913. The board of rivers and harbors mentions this, and as it is very brief I will quote from page 3 of the report, and that report, by the way, is House Document No. 1387, Sixty-second Congress, third session. I quote:

> The commerce of the Narrows for the calendar year 1911 is stated to have been 825,975 tons, of which 681,894 tons passed through the Champlain Canal. It seems but reasonable to anticipate a very material increase in commerce as soon as the enlargement of the canal has been completed, and vessels of adequate size, such as are expected to use the canal in the future, have been put in service.

I remember the bill that was before the Commerce Committee two years ago and one year ago, and it was stated to us at that time that in all probability the New York State Canal could be completed by the time that this project for the narrows of Lake Champlain could be completed, if adopted at that time.

It would certainly seem a calamity, Mr. President, if the Government does not improve its own waterway, Lake Champlain, so that it can connect in a reasonable and proper manner with the great canals constructed at such enormous expense by the State of New York for the benefit of the entire country.

Mr. KENYON. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. RANSDELL. I shall be very glad to yield.

Mr. KENYON. Does the Senator know why this item was not inserted in the bill in the other House?

Mr. RANSDELL. I have understood that the House did not adopt any new projects whatsoever except the one for the East River. I know that this project was included in the last two river and harbor bills which met with defeat on the floor of this body.

Mr. KENYON. Does the Senator feel that the public interest would be injured if the matter were put over for another Congress?

Mr. RANSDELL. I think if there is any project in the land which is worthy of consideration it is this. I believe that consideration should be shown to the State of New York, which has exhibited such magnificent spirit and has spent such enormous sums of money for developing waterways which are going to be of very material benefit to the entire Nation, as the Erie Canal has proved throughout all of its history, for it has been a national waterway since it was completed in 1826. It is now being enlarged to a depth of 12 feet at an enormous cost. The State of New York is not asking the Government for a dollar. The whole Nation is going to get the benefit of that waterway. When that is being done it seems to me the least the Government can do is to connect Lake Champlain, which is one of the Nation's waterways, with that canal. This will complete the project and put it in splendid order. It will cost a very small sum, something over $5,000 a year, to maintain it.

I think, too, that it would be a very unbusinesslike performance for us not to finish this waterway so as to have it ready when the canal systems themselves are completed. I have no doubt the junior Senator from New York can answer any other questions in reference to the matter.

Mr. WADSWORTH. Mr. President, the Senator from Louisiana has described the situation with entire accuracy. I might say, in further explanation, however, that the system of barge canals now being built by the State of New York, and which are fast approaching completion, touches what might be called Federal waters, or waters under Federal jurisdiction at three points, one at the Niagara River at the western terminus of the main canal, which follows, roughly speaking, the old route of the Erie Canal across the State; one at the Hudson River, where the eastern terminus of the main canal joins the Hudson River. Of course, it is understood that the Hudson River will be used as a continuation of the canal system, south 150 miles, to the harbor of New York. The third point at which the canal now being built will touch Federal waters is at this point at Lake Champlain. At each one of the three points it is absolutely essential that the Government make certain improvements in waters under its own jurisdiction, otherwise the entire canal will be useless.

About a mile and a half of dredging must be done at the Niagara River to connect with the western terminus of the Barge Canal; a little piece of dredging must be done at Lake Champlain to form the connecting link between that branch of the canal and the St. Lawrence River, which it will eventually reach by using Lake Champlain and the rivers to the north of it; the point on the Hudson River—which must be deepened to a depth of 12 feet, approximately, the distance between the city of Hudson to and beyond the city of Albany, or approaching the city to Troy—those three projects must eventually be completed by the Federal Government in order that the New York Barge Canal can be of any service whatsoever for through traffic. The Champlain branch of the Barge Canal is approaching completion a little faster than the other branches.

As I understand it, this item is now being urged by the engineers to be taken up immediately, so that this branch of the canal will be placed in full operation when the canal is finished. Without this item there will be at least two years' delay in the operation of boats on the canal; eventually the work must be done.

Mr. SMOOT. Mr. President, I desire to ask the Senator from Louisiana [Mr. RANSDELL] if the expenditure of this money will in any way benefit the traffic on the Erie Canal?

Mr. RANSDELL. I understand that it will, because it connects Lake Champlain with the Erie Canal, and, as the junior Senator from New York [Mr. WADSWORTH] has just stated, the upper end of Lake Champlain connects with the St. Lawrence River. If they do not do this work, then it will be impossible for the large-sized canal boats which intend to use the improved Erie Canal to ply between that link of the canal which goes from the city of Troy up to the lower end of Lake Champlain. Only small boats will be able to use it. I believe the depth is now about 9 feet; and the plan is to have a 12-foot canal.

Mr. SMOOT. I certainly hope that it will increase the traffic, because I notice that transportation on the Erie Canal is dropping in such proportions that if the decrease continues there will not be very much of it left. I notice that there were shipped on the Erie Canal in 1880, 4,108,581 tons of freight; in 1906 it had decreased to 2,383,481 tons; in 1912 it had decreased to 1,790,069 tons; or, in other words, in 1880 that canal carried 18 per cent of the total rail and water freight; in 1906 it carried but 3 per cent of the total freight; and in 1912 it carried but 2 per cent of the total freight. If the adoption of this amendment is going to increase the water transportation upon that canal, I have no objection to the appropriation whatever; but if it is simply the mere spending of more money in connection with the amount that has already been expended upon that canal, with the freight decreasing at a rate that if it continues many more years there will be very little freight upon it, I think it would be a waste of money.

Mr. RANSDELL. Mr. President, very briefly, I would say to the Senator from Utah that the old Erie Canal has been in existence a great many years. It was completed in 1825 or 1826. It was a canal upon which the boats were propelled by horses and mules. I went to school on the banks of that canal in the city of Schenectady, and graduated in the class of 1882. At that time it was said there were 3,000 boats on that canal; and, as I have stated, they were all propelled by horses or mules. I am not aware that there has been any improvement in the physical character of the canal since that time until the present great project was adopted several years ago. It was submitted to the people of the State; a bond issue was voted; the canal was to cost considerably over a hundred million dollars; the minimum depth was to be 12 feet; it was to be much wider than previously; and it was to be susceptible of use by boats propelled by steam, gasoline, or other motive power. Barges were to be built for it to carry at least 3,000 tons. I do not think that the old barges used there when I

was a young man—and they are the same as those that have been used up to the present—could have carried over 150 to 200 tons.

The Senator from Iowa will bear in mind that in the meantime the railroads have been improving in every imaginable way, by every conceivable device. Larger rails, larger cars, larger engines, every device has been adopted to improve transportation by rail; and I am delighted that that is so. The facilities on this canal, however, have not improved at all. Finally the people of the State of New York—and they are wise people—saw that, unless they did something, they would have to abandon their canal altogether. They determined to make a modern waterway out of it; and that is what has been done. That modern waterway will be completed, I am told, within two years. That modern waterway, or at least one branch of it, runs up to the lower end of Lake Champlain. The proposed improvement here, which is to cost $737,000, is to connect Lake Champlain in a place called The Narrows, with this magnificent modern canal of the State of New York. I am sure when it is completed, the canal will be used.

Mr. SMOOT. I hope so.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, the amendment is agreed to.

Mr. KENYON. Mr. President, we would like to have the opportunity to cast our votes on the adoption of the amendment. For my part, I want to vote against it.

The PRESIDING OFFICER. Does the Senator from Iowa refer to the amendment which has just been adopted? Does the Senator want a vote on that?

Mr. KENYON. The Chair simply said, "Without objection, the amendment is agreed to."

The PRESIDING OFFICER. That has been the practice. The Senator from Iowa could have objected had he so desired. However, the Chair will put the question. Those in favor of the amendment will say "aye." [A pause.] Those opposed will say "no." The "ayes" have it, and the amendment is agreed to. The Chair supposed that if the Senator had any objection he would have stated it before the announcement was first made.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, at the top of page 5 to insert:

Improving Black Rock Harbor, N. Y.: The unexpended balances of appropriations heretofore made and authorized for the improvement of Black Rock Harbor and Channel, N. Y., and Tonawanda Harbor and Niagara River, N. Y., are hereby consolidated and made available for completing improvement of Black Rock Harbor and Channel and Tonawanda Harbor in accordance with the report submitted in House Document No. 658, Sixty-third Congress, second session, and subject to the conditions set forth in said document.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARKE of Arkansas. I ask that the next amendment, on page 6, to strike out the item known as the East River item, may be postponed until to-morrow morning. That amendment is likely to consume more time than we shall be able to devote to it this afternoon.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 9, line 7, after the word "level," to strike out ", and" and insert ": *Provided*, That"; in line 8, after the word "have," to strike out "acquired"; and in line 11, after the word "commerce," to insert:

*Provided*, That the said Alba B. Johnson and Samuel M. Vauclain and the Baldwin Locomotive Works shall construct and maintain at their expense a bridge, satisfactory to the Secretary of Commerce, over the new course of Crum Creek, available for the passage of persons and vehicles for purposes of the United States, said bridge to take the direction of the present right of way of the United States at the place where the same is to be cut by the proposed new course of Crum Creek, and to be maintained so long as title to the property now owned by the United States at the mouth of Crum Creek remains in said United States.

So as to make the clause read:

That Alba B. Johnson and Samuel M. Vauclain and the Baldwin Locomotive Works, abutting property owners upon Crum River where the same empties into the Delaware River, be, and they are hereby, authorized to change and divert the present course and channel of Crum River and to straighten same, under the direction and supervision of the Secretary of War, from the right of way of the Philadelphia & Reading Railway Co. to the low-water line in the Delaware River, and that the said river shall be of the width of not less than 100 feet at mean low water; and that hereafter the said Crum River, as so straightened, shall be a public navigable stream, and the present course and channel of the said river from the right of way of the Philadelphia & Reading Railway Co. to the low-water line in the Delaware River shall be abandoned and vacated when the above-mentioned new channel shall have been completed to a depth of 4 feet at mean low water, with a bottom width of 62 feet and width of 100 feet at mean low-water level: *Provided*, That the Government shall have acquired such right, title, and interest in and to the bed of said new channel as will assure the public the right to the perpetual use of said channel for all the purposes of navigation and commerce: *Provided*, That the said Alba B. Johnson and Samuel M. Vauclain and the Baldwin Locomotive Works shall construct and maintain at their expense a bridge, satisfactory to the Secretary of Commerce, over the new course of Crum Creek, available for the passage of persons and vehicles for purposes of the United States, said bridge to take the direction of the present right of way of the United States at the place where the same is to be cut by the proposed new course of Crum Creek, and to be maintained so long as title to the property now owned by the United States at the mouth of Crum Creek remains in said United States.

The amendment was agreed to.

The next amendment was, on page 11, after line 3, to insert:

Maintenance and repair of the Government iron pier, harbor of Lewes, Del., hereafter, under regulations prescribed by the Secretary of War, to be opened to public use, $10,000.

Mr. SMOOT. Mr. President, I ask that that amendment go over. I did not expect it to come up this afternoon.

Mr. CLARKE of Arkansas. For how long does the Senator desire it to go over?

Mr. SMOOT. Until to-morrow.

Mr. SAULSBURY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Delaware?

Mr. SMOOT. Certainly.

Mr. SAULSBURY. I desire to ask the Senator if it will be agreeable to him to have the item taken up the first thing in the morning? I may have to be away later in the day.

Mr. SMOOT. I will not ask that it be taken up, if the Senator is absent.

Mr. CLARKE of Arkansas. Mr. President, we must not have an indefinite continuation of these postponements.

Mr. SMOOT. I am perfectly willing to take it up in the morning.

Mr. CLARKE of Arkansas. Very well; but I should not want to mislead the Senator from Delaware. The first item which we are to take up to-morrow morning is the East River item, which involves a policy that will probably provoke some discussion, and upon its settlement may depend many items in this bill.

Mr. SAULSBURY. May I ask the Senator from Utah if he will state why he asks that the amendment go over? I ask that for my personal convenience, because I can not be here all day to-morrow.

Mr. SMOOT. I will state to the Senator that the reason I make the request is that I have not the papers at hand which I desire to consult in connection with this item, as I did not expect that it would come up to-day. I thought that the East River item would take the remainder of the afternoon, and therefore I did not expect this item to be reached to-day. That is the only reason, I will say to the Senator, why I make the request.

Mr. SAULSBURY. May I ask the Senator, so far as he can, to make such objection as he desires now, so as to give me the opportunity to try to answer whatever he may say this afternoon, as it may be impossible for me to be here late to-morrow afternoon?

Mr. SMOOT. I would prefer to say what I have to say in this connection at one time rather than to say it piecemeal.

Mr. CLARKE of Arkansas. Mr. President, I think I can say that it will not be very late in the afternoon to-morrow before the item is reached in regular order, for I feel sure that the East River item will not require more than an hour.

Mr. SAULSBURY. If that is the case, very well.

The PRESIDING OFFICER. Without objection, the amendment is passed over.

The reading of the bill was resumed. The next amendment of the Committee on Commerce was, on page 18, after line 11, to insert:

Key West Harbor, Fla.: For improvement by removal of Middle Ground, $50,000.

Mr. CLARKE of Arkansas. Mr. President, that item was inserted at the instance of the junior Senator from Florida [Mr. BRYAN]. The information upon which it would be based, according to the demands that usually are made in such cases, is not at hand. It was put in the bill with the determination to make further investigation of it after the matter had gone to conference. It is founded upon the proposition that there is in Key West Harbor a deposit known as the Middle Ground, which has recently become an obstruction to navigation. The report which has reached us is that a brig foundered there some days since, and that the channel is shoal. Whether or not it can be removed without an additional appropriation is a matter that the engineers will report on later. I ask that the item be included in the bill, and we will look into it when the matter comes to be considered in conference.

Mr. KENYON. I should like to ask the chairman of the committee if there is any report of the engineer on this subject?

Mr. CLARKE of Arkansas. Not specifically. We are having an investigation made now; and, as to whether the item shall go into this bill at all permanently will depend upon what is hereafter shown to be the condition of the channel.

Mr. KENYON. When is that to be determined?

Mr. CLARKE of Arkansas. That will be determined before the matter is finally disposed of. I take it for granted that we will be compelled to justify these items when we go into conference. The preliminary showing that has been made justifies the action that has been taken, treating the matter as one of emergency. Key West is one of the well-known harbors of the country, and it is quite important that it shall be kept in a navigable condition.

Mr. KENYON. There is no doubt of that; but I understand there was nothing before the committee concerning the item except a telegram from the junior Senator from Florida [Mr. BRYAN].

Mr. CLARKE of Arkansas. That is true. There was a telegram from the Senator from Florida calling attention to the facts and asking that steps be taken to determine the necessity for the item.

The PRESIDING OFFICER. What is the suggestion of the Senator from Arkansas?

Mr. CLARKE of Arkansas. That the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 19, line 5, after the words "Dog River," to strike out "$35,000" and insert "$80,000," so as to make the clause read:

Pascagoula Harbor, Miss.: For maintenance of channels through Horn Island Pass, Mississippi Sound, Pascagoula River, and Dog River, $80,000.

Mr. KENYON. Mr. President, I should like to have some explanation of the increase of that appropriation.

Mr. CLARKE of Arkansas. The Senator from Mississippi [Mr. VARDAMAN] will look after that.

Mr. VARDAMAN. Mr. President, heretofore there was a project adopted in 1913 carrying an appropriation of $383,000, I think, for deepening this harbor. It was conditioned upon the payment by the citizens of Pascagoula and Moss Point of $100,000 in five years. The citizens of Pascagoula and Moss Point were unable to raise that amount of money, and so they came to Congress and asked that the sum of $283,000 might be used, so far as it would go, to deepening the channel. The original plan contemplated the deepening of the channel from 17 to 22 feet. The engineers recommended the modification of the original plans and suggested that $283,000 be appropriated to be used for deepening the channel so far as it would go. That, however, was upon the further condition that the city of Pascagoula should give certain property to the Government in the form of a wharf. In investigating the title to this property it was discovered that there was a defect in the chain which caused delay. That, I understand, has been perfected now. For the last two years no money has been spent by the Government for deepening the channel.

In addition to the $283,000 which was to go for deepening the channel there was to be a maintenance fund of something like $50,000 per annum. They have not done anything to the channel, and while the engineers in their report state that they do not need quite as much money as is carried in this amendment, still they say if this money is appropriated they may be able to do some work on the channel, and if this money is not used it will remain in the Treasury.

The people of Pascagoula and Moss Point are very desirous that this appropriation be made; I want it made; the committee has adopted it; and I hope the Senate will agree to it. It is needed; we are entitled to more than the amount appropriated, but this will give us enough to continue the work until the next appropriation bill, when we hope to get the original appropriation with which to deepen the channel ultimately to a 22-foot depth.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 20, after line 2, to strike out:

Southwest Pass, Mississippi River: Continuing improvements and for maintenance, $600,000.

And insert:

Passes at the mouth of the Mississippi River: Continuing improvement and for maintenance, $1,000,000.

Mr. KENYON. Mr. President, the Senator from Louisiana, I think, explained that amendment before the committee.

Mr. CLARKE of Arkansas. The Senator from Louisiana had a communication from the Chief of Engineers which justified that change, and I take it for granted that, if the item is contested, the Senator will present that communication.

Mr. RANSDELL. Mr. President, if there is any necessity for so doing, I will read from the report of the engineers in explanation of this item.

Mr. KENYON. I wish the Senator would do so.

Mr. RANSDELL. A special report was made by the Chief of Engineers to the chairman of the Committee on Commerce, and I quote this extract from it:

Owing to the long high river of 1915 and the unprecedented stage in the lower Mississippi below New Orleans this year, shoals have occurred in both passes, especially at the mouths. Some regulating works are needed at the Head of Passes to force more water into Southwest Pass and to restrain the waters going into South Pass. A conservative estimate of the work required at the Head of Passes alone is $400,000. A board has been appointed by Special Orders No. 4, Office of the Chief of Engineers, March 1, 1916, to report upon Southwest Pass; and any modifications which this board will recommend will probably include some work at Head of Passes, and any such work can not be commenced promptly unless sufficient funds are on hand.

Mr. SMOOT. May I ask the Senator from what page he is reading?

Mr. RANSDELL. I am reading from the report of the committee, on page 226, where this special report has been incorporated.

Southwest Pass: In addition, the question of jetty extension at Southwest Pass, as well as the contraction of the jetty channel, will be matters to be brought before the board. The present depth over the bar at Southwest Pass is 27 feet, and during the last month the depth over the bar at South Pass shoaled suddenly from 34 to 26 feet. Two dredges are now at South Pass and one at Southwest Pass. The battleship *Kentucky*, drawing about 26 feet 4 inches, lay off South Pass from March 1 to 4, unable to enter either pass. She finally succeeded in entering Southwest Pass. The enormous sediment of over 3,000,000 cubic yards daily going down the Mississippi at the present time is causing heavy shoals, and several ships have grounded recently. In addition to the three dredges at present in use, an additional dredge may be required. It is, therefore, impossible to state definitely what funds are needed or what the character of the work recommended will be, as the channel conditions at best are subject to sudden and severe changes. It is, however, urgently recommended that not less than the original amount of $850,000 be appropriated.

That is for the Southwest Pass. Now, as to the South Pass of the Mississippi River:

South Pass, Mississippi River: The usual $100,000 from the appropriation, "Maintenance of South Pass Channel, Mississippi River," will be available for maintenance and repair of spur dikes, shore plant, etc. This maintenance will be especially heavy the coming year. In addition, at least $100,000 will be needed to assist in regulating work at Head of Passes and $50,000 for dredging. The present flood has caused a portion of the banks at South Pass to cut away and has undermined a portion of the West Dike (headland between South and Southwest Passes) and a portion of the Upper Dam (headland between South Pass and Pass a Loutre), so that some very extensive improvement by revetment and mattress sills will be needed. It is believed at least $150,000 should be added to the pending bill for South Pass improvement, for work at Head of Passes, and for dredging at Head of Passes, especially at mouth of South Pass. The reasons for the urgency of this work are similar to those for Southwest Pass.

If the item be included as thus worded (Senate amendment), it would permit of the use of the money for either the Southwest or the South Pass in such proportion as might be required, and if so worded it will be understood by this department that the intent of the item is to simply provide that the money may be so used, but that it shall be used in accordance with the projects heretofore or hereafter specifically adopted by Congress.

If there are any further questions, I will attempt to answer them.

Mr. KENYON. I should like to ask the Senator if the amount of $1,000,000 is recommended?

Mr. RANSDELL. Yes; it has been specifically recommended, and the change in the wording of the item has also been recommended.

Mr. SMOOT. That has been recommended in a special report.

Mr. RANSDELL. In a special report by the board that was sent down there. There is a large commerce, as the Senator knows, at the mouth of that river—something over 6,000,000 tons.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Commerce was, on page 22, line 22, after the word "maintenance," to strike out "$25,000" and insert "$50,000," so as to make the clause read:

Channel to Port Bolivar, Tex.: For maintenance, $50,000.

Mr. SMOOT. I desire to ask whether that has been estimated for?

Mr. CLARKE of Arkansas. The Senator from Texas [Mr. SHEPPARD] will look after that.

Mr. SHEPPARD. Mr. President, it was shown to the committee by a letter from the examining engineer that shoaling had occurred since the bill passed the House, necessitating the increase in the item for maintenance.

Mr. SMOOT. Has the Senator the report with him?

Mr. SHEPPARD. The letter is with the Committee on Commerce. I laid it before that committee, but I will put it in the RECORD, I will say to the Senator. I do not, however, have it on my desk.

Mr. SMOOT. I will ask the chairman of the committee if the letter is printed in the report?

Mr. CLARKE of Arkansas. I think not.

Mr. President, we have now reached a time when we will probably not be able to consider any item that is contested, and I will say to the Senator that we will pass that amendment over until to-morrow, when the letter will be brought to the attention of the Senate.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. CLARKE of Arkansas. I now move that the Senate proceed to the consideration of executive business.

WOMAN SUFFRAGE.

Mr. CURTIS. Mr. President, I will ask the Senator to withhold the motion for a moment.

Mr. CLARKE of Arkansas. I withhold the motion for a moment.

Mr. CURTIS. I should like to state that at the conclusion of the executive session, or a few minutes before 5 o'clock, I shall ask the Senate to take a recess until 11 o'clock to-morrow morning in order that the Senate may have an opportunity to take advantage of the invitation which I send to the Secretary's desk and ask to have read.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

The Members of the Senate are cordially asked to be present in the Rotunda of the Capitol to-day at 5 o'clock to meet the envoys from the suffrage States elected at the woman voters' conference in Salt Lake City on May 12, who will present resolutions from the woman voters to Congress.

ELIZABETH T. KENT (California).

EXECUTIVE SESSION.

Mr. CLARKE of Arkansas. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 30 minutes spent in executive session the doors were reopened.

RECESS.

Mr. CURTIS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 4 o'clock and 58 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, May 17, 1916, at 11 o'clock a. m.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate May 16, 1916.*

POSTMASTERS.

MINNESOTA.

Thomas L. Fay, St. Charles.
Altie Hill, Dawson.
W. E. Lawson, Benson.
A. M. Loberg, Cokato.

NEW YORK.

Charles P. Monro, De Ruyter.
John C. McGreevy, Hornell.

PENNSYLVANIA.

F. G. Ackley, Wyalusing.

## HOUSE OF REPRESENTATIVES.

### TUESDAY, *May 16, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Out of the deeps of the soul we cry unto Thee, O God, heavenly Father, because of Thy boundless resources and our limitations. Thou knowest us altogether, and Thy tender mercies are ever with us. Guide us by Thy fatherly care that we may measure up in our limitations to the perfected manhood for which we all long, revealed in the incomparable life and character of Thy Son.

Alone, O Love ineffable!
Thy saving name is given;
To turn aside from Thee is hell,
To walk with Thee is heaven.

Thus may our longings, hopes, and aspirations be fulfilled. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech by the Hon. WILLIAM ELZA WILLIAMS at the Democratic State convention in Illinois on April 21.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend remarks in the RECORD by printing a speech of his colleague, WILLIAM ELZA WILLIAMS, at the Democratic State convention a few days ago. Is there objection?

There was no objection.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the discussion of the subject of industrial relations in Colorado.

The SPEAKER. The gentleman from Colorado asks unanimous consent to extend his remarks in the RECORD on the subject of industrial relations in Colorado. Is there objection?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman if it is a speech that he wants to insert or an article.

Mr. KEATING. It is based partly on the report of the Commission on Industrial Relations, pointing out the efforts to adjust the matter.

Mr. MANN. Is it a speech?

Mr. KEATING. No; not altogether. It incorporates a speech by the chairman of the commission, with introductory remarks by myself and a short editorial with reference thereto.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUPRÉ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating an editorial in the New Orleans Times-Picayune of May 13, 1916, entitled "Congress and Flood Control."

The SPEAKER. The gentleman from Louisiana [Mr. DUPRÉ] asks unanimous consent to insert in the RECORD as a part of his remarks an article from the New Orleans Times-Picayune on flood control. Is there objection?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman if we printed all the editorials written on the subject would the CONGRESSIONAL RECORD ever be finished?

Mr. DUPRÉ. I think not; but this has a bearing directly on the subject that comes up to-morrow and is very closely related to it.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUPRÉ. A parliamentary inquiry, Mr. Speaker. Is it in order to submit a further request for unanimous consent to ask all Members of the House to read this editorial before the matter comes up to-morrow?

Mr. MANN. No; I should object to that. [Laughter.]

Mr. ADAMSON. It would not be mandatory.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having printed a short article from the Manufacturers' Record containing the location of the Government armor-plate plant at Paducah, Ky.

The SPEAKER. What does the gentleman say the subject is?

Mr. BARKLEY. The location of an armor-plate factory at Paducah, Ky., and the article is from the Manufacturers' Record.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to print an article on the subject of an armor-plate plant at Paducah, Ky. Is there objection?

Mr. MANN. Reserving the right to object, does this advocate the location of the plant at any particular place?

Mr. BARKLEY. Not at any particular place, but at a particular location on the Ohio River. [Laughter.]

Mr. MANN. I think there have been about 50 bills introduced for the location of armor-plate plants.

Mr. BARKLEY. This is an article by a nonpartisan and unselfish man in the Manufacturers' Record.

Mr. MANN. Oh, they are all unselfish, but I object.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 5790. An act to confer additional authority upon the President of the United States in the construction and operation of the Alaskan railroad, and for other purposes; and

S. 5910. An act authorizing the sale of the lighthouse reservation at Scituate, Mass.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 8068. An act for the relief of E. C. Hornor.

The message also announced that in accordance with the provisions of the concurrent resolution of the two Houses (H. Con. Res. 40) the Vice President has canceled his signature to the enrolled bill (H. R. 759) entitled "An act to provide for the removal of what is now known as the Aqueduct Bridge across the Potomac River, and for the building of a bridge in place thereof.

LEAVE OF ABSENCE.

Mr. CAREW, by unanimous consent, was granted leave of absence for one week, on account of the illness of his wife.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 5830. An act to repeal paragraph 4 of section 21 of the public-buildings act, approved March 4, 1913, providing for the construction of a national archives building; to the Committee on Public Buildings and Grounds.

S. 5910. An act authorizing the sale of the lighthouse reservation at Scituate, Mass.; to the Committee on Interstate and Foreign Commerce.

S. 5790. An act to confer additional authority upon the President of the United States in the construction and operation of the Alaskan railroad, and for other purposes; to the Committee on Territories.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 759. An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bill:

H. R. 562. An act to amend the act approved June 25, 1910, authorizing the Postal Savings System, and for other purposes.

ROBERT OWEN.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement on the anniversary of the birthday of Robert Owen, the founder of the colony of Socialists at New Harmony, Ind.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD by printing an article on Robert Owen, the founder of the colony at New Harmony, Ind. Is there objection?

There was no objection.

UNITED STATES SHIPPING BOARD.

Mr. HENRY. Mr. Speaker, I submit a privileged resolution from the Committee on Rules.

The Clerk read as follows:

House resolution 236 (H. Rept. 696).

*Resolved*, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 15455; that the first reading of the bill shall be dispensed with; that there shall be not exceeding five hours of general debate, the time to be controlled one-half by the gentleman from Missouri [Mr. ALEXANDER] and one-half by the gentleman from Massachusetts [Mr. GREENE]; that all debate shall be confined to the subject matter of the bill; that while the bill is under consideration the House shall meet at 11 o'clock a. m.; and that the bill shall be the order for all legislative days except calendar Wednesdays. At the expiration of general debate the bill shall be considered under the five-minute rule and the Committee of the Whole House on the state of the Union shall perfect and report the bill to the House: *Provided*, That if at 4 o'clock p. m. on Friday, May 19, the reading of the bill under the five-minute rule shall not have been completed, the Clerk shall then complete the reading of the bill without further interruption; that immediately upon the conclusion of such reading all pending amendments shall, without further debate, be voted on in order. Any Member may offer amendments to that portion of the bill which shall have been read after 4 o'clock p. m., as above provided, and send same to the Clerk's desk at any time before said reading is completed and the same shall be considered pending.

After all pending amendments shall have been disposed of the committee shall rise and report to the House said bill and all amendments that shall have been recommended by the committee, whereupon the previous question shall be considered as ordered upon the bill and amendments to its engrossment, third reading, and final passage, without intervening motions, except one motion to recommit.

Mr. HENRY. Mr. Speaker, I will ask the gentleman if he wishes to debate the rule?

Mr. CAMPBELL. Yes. I have a number of requests for time on the rule.

Mr. HENRY. How much time does the gentleman think will be required on his side?

Mr. CAMPBELL. About 30 minutes.

Mr. HENRY. Then, Mr. Speaker, I give notice that I shall move the previous question at the end of an hour and I yield the gentleman from Kansas 30 minutes of my time.

The SPEAKER. The gentleman from Texas yields the gentleman from Kansas 30 minutes.

Mr. HENRY. Mr. Speaker, I have only a few words to say about the rule at this time. The rule seems to be plain and specific. It gives an abundance of time for the consideration of this meritorious measure and affords ample opportunity for amendment. I think it allows the utmost freedom of discussion.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question in reference to the rule?

Mr. HENRY. Yes.

Mr. MANN. The rule provides that after 4 o'clock on Friday the balance of the bill which has not been read up to that time shall be read without further interruption?

Mr. HENRY. Yes.

Mr. MANN. Then it provides that amendments to that portion of the bill may be offered by sending the same to the Clerk's desk at any time before said reading is completed. How could you send amendments up there without interruption? Does that mean to say that they are just to be handed to some employee of the House?

Mr. HENRY. I suppose that that means that the amendments shall be in the hands of the Clerk, that they shall be lodged in the hands of the Clerk and shall be considered as pending.

Mr. MANN. But the Clerk is reading the bill.

Mr. HENRY. They may be sent to the Clerk's desk.

Mr. MANN. I am not asking for the sake of confusion, but so that we will understand it.

Mr. HENRY. I understand. They shall be sent to the Clerk's desk.

Mr. MANN. While one reading clerk is reading the bill we shall shove the amendments into the hands of the other reading clerk?

Mr. HENRY. The idea is to allow a vote on every amendment which is offered.

Mr. MANN. I am trying to get at what the procedure shall be. The rule provides that there shall be no interruption of the reading after that time.

Mr. HENRY. I do not think it makes any difference which Clerk holds the amendments. They will be there and will be voted on without debate.

Mr. LENROOT. Under the gentleman's construction, when would those amendments be reported from the Clerk's desk?

Mr. HENRY. Immediately after he finishes the reading of the bill, then all amendments should be reported. I do not think there will be any difficulty about that.

Mr. MANN. There will be difficulty unless we understand in advance.

Mr. HENRY. I think that will be the proper construction.

Mr. MANN. While one reading clerk is reading the bill we shall send the amendments to the other reading clerk?

Mr. HENRY. And they will all be reported as soon as the bill is read by the Clerk.

Mr. STAFFORD. I assume they will be reported in the order in which they apply to the bill rather than in the order in which they are presented?

Mr. HENRY. Yes.

Mr. STAFFORD. So that there will be some intelligent consideration even under this confused policy?

Mr. HENRY. The idea is to have a vote on every amendment. Mr. Speaker, I do not care to discuss the merits of the ship-purchase bill, except to say that I am heartily in favor of it and hope to see its passage through this House and through the Senate. I believe it to be a most important measure, that will bring untold relief to the people of all classes throughout this country; and, being a meritorious measure, I think it should be considered by this House, and believe the rule gives ample opportunity for discussion and consideration. It will give the farmer ships and facilities to get his cotton, grain, live stock, and farm products to the markets of the world and vastly reduce ocean freight rates. It will do much to regulate the conduct of the Shipping Trust and high-seas transportation monopoly. It will aid the cotton farmer, the grain grower, and unburden the commerce of the ocean.

This act will redound to the benefit of the entire country, will further commend the Democratic Party to the country, and stand

as another lasting monument to their constructive wisdom. It has my sanction and cordial support.

Mr. CAMPBELL. Mr. Speaker, this rule provides for rushing a shipping bill through the House. The House will not be permitted to give that calm and deliberate consideration to this great measure that its importance entitles it to. The bill must pass the House on Friday, if this rule is agreed to. To give the House some idea of the uncertain sea upon which we are launching this bark, I call the attention of the House to the fact that the Committee on Merchant Marine and Fisheries has not been very certain itself as to what it wants in connection with this great subject. The Committee on Merchant Marine and Fisheries of the House has changed its mind five times since this matter has been under consideration as to the nature of the bill that should be presented and passed. How important, therefore, it is that the House should give sufficient consideration to the last conclusion reached by that committee.

The first bill is a short bill of 5 pages. The next bill is a longer bill of 6 pages, differing very much from the first one. The next bill embraces 20 pages. It will be seen that the subject is growing upon the committee. The next bill is a bill of 28 pages, and the last bill under consideration cuts off one page and gives us 27 pages. This is the bill before the House. The changes in the mind of the Committee on Merchant Marine and Fisheries upon this subject have led that committee to offer five different bills since it has taken up the consideration of this subject, and yet it proposes to rush through the House by Friday night, without proper consideration, the last conclusion at which it has arrived. I suggest to those in charge of this legislation and to the responsible majority in the House that on a subject of so great importance they should give the Committee on Merchant Marine and Fisheries another chance to change its mind and to correct erroneous conclusions at which it has already arrived.

Mr. HUMPHREY of Washington. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. Yes.

Mr. HUMPHREY of Washington. Does the gentleman think that by limiting this debate and taking a vote on Friday evening there will be any too much time left in which to get the bill through the Senate before the Democratic convention meets?

Mr. CAMPBELL. I was just going to suggest that even the importance of getting a political measure of this character through the House before the meeting of the Democratic convention on the 14th of June next should not outweigh the importance of the nature of the law that shall be saddled on the American people, that shall burden the people of the country with so great an expense, with the prospect of little, if any, good. I have wondered sometimes if the shades of Thomas Jefferson and Andrew Jackson ever look down upon this majority. If so, those old patron saints of Democracy must wonder where the child of their youth is wandering. I walked through the Hall beneath the dome the other day with a copy of this bill in my hand, and I thought I could see the statue of Alexander Hamilton wink and point over toward that of Thomas Jefferson and say, "After all, it does seem that though Thomas was popular with the people during his lifetime, my policies have weathered the storms of the years and have won the followers of Jefferson over to the policies of Hamilton." [Applause on the Republican side.]

That is what has happened. I am inclined to think that you have gone just a little too far after your abandonment of Jefferson's principles. You have gone further than Alexander Hamilton ever intended anybody in this country to go. While he believed in a central government with virile powers, he never believed that we should have a central paternal government in the United States that should do all the business of all the people, depriving local communities and the States of every semblance of the right of self-government. This rule does not give opportunity for the consideration of this important measure. This is so important a step, so important a matter of legislation that it should have the deliberation of Congress with an opportunity to work out the question and see whether or not we are ready to embark upon the new proposition provided for in this bill.

Mr. Speaker, I reserve the remainder of my time.

Mr. HENRY. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. MILLER].

Mr. MILLER of Pennsylvania. Mr. Speaker, I am not only in favor of the passage of this resolution, but I expect to vote for the adoption of the bill when it finally comes to a vote. [Applause.] This is not a political question. This is a great business proposition which every man who has any products to ship to foreign countries, every manufacturer who wishes to ship his products to foreign countries is interested in. We have practically no merchant marine, and when the people of the United States heretofore wanted to ship their products to South American they had to ship by way of London or Liverpool in English bottoms, because we had no American bottoms in which to ship them. I therefore will vote for this bill when it comes to final passage. Personally, I would prefer a subsidy; but that is impossible. This House will not vote for a subsidy. Past Republican Congresses have tried it time and again, but never could get enough Republican votes to pass a subsidy, and the result is that we have no merchant marine and all our products shipped by sea are carried by German, English, and French bottoms. I want to see the American flag float over our shipping as it did 50, 60, 70 years ago. It will never come by private enterprise, because there is not enough profit in it to encourage private enterprise. Another proposition. The gentleman from Kansas [Mr. CAMPBELL] complains that this is not giving the House time enough to consider this proposition. Time enough! What for? The country understands it; this House understands this bill. Why, sirs, it was discussed in this House in the Sixty-third Congress for hours and days, and finally passed, and the Senate discussed it for months and finally strangled it—talked the bill to death. The country understands the proposition; it wants Congress to limit debate, pass the necessary legislation, and adjourn. This rule will hasten the day of adjournment. This rule gives five hours for general debate. It gives at least nine hours for consideration under the five-minute rule. It makes provision so that 108 men on both sides of the House can talk on this bill. Is that not time enough to talk? [Laughter and applause.] Is any Member so stupid that he can not understand and comprehend the provisions of the bill in that time? How long do those opposing this rule want to talk; throughout eternity? I commend the Rules Committee, I commend the majority, and also the majority leader for bringing in this rule and compelling this House to do something besides talk. [Applause.]

Mr. HENRY. Mr. Speaker, I will ask the gentleman to use some of his time.

Mr. CAMPBELL. Mr. Speaker, I will yield eight minutes to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Speaker, I have been a great deal interested in the remarks made by the gentleman from Pennsylvania [Mr. MILLER], a Member of this side of the House; and when he asked what need there is for discussion of this bill more than is provided by this rule, he has himself by his speech demonstrated the need for that discussion, for he clearly is ignorant of what the bill contains. [Applause on the Republican side.]

The gentleman says that this subject was discussed in the last Congress for hours and for days. If the gentleman had read the bill, which I greatly doubt, he would know that 15 pages out of the 27 are upon a subject that has never been discussed in either House of Congress, a subject that is entirely new, a subject that is so broad and comprehensive that it ought to have the fullest discussion. Does the gentleman realize that the last 15 pages of this bill puts into the hands of seven men the power to drive the American flag from every ship that is upon the seas to-day?

Mr. MILLER of Pennsylvania. No; the gentleman does not realize that.

Mr. LENROOT. Well, if the gentleman would not vote for a rule that will prevent discussion of that phase of the bill when we come to it, he perhaps would get some knowledge upon the subject.

Mr. MILLER of Pennsylvania. May I ask the gentleman a question?

Mr. LENROOT. No; I can not yield now. Now, Mr. Speaker, I am not saying that under the circumstances power of that kind ought not to be reposed in this board. I am saying that it is so important that it ought to have discussion upon this floor.

Mr. MILLER of Pennsylvania. May I ask the gentleman a question?

Mr. LENROOT. Yes; I will yield for a question.

Mr. MILLER of Pennsylvania. If any Member of this House can not get information in 15 hours when would he get it? [Laughter and applause.]

Mr. LENROOT. Again the gentleman displays his ignorance. The gentleman has been a Member of this House long enough to know that under the rule that is here presented discussion may and probably will be taken up with the first 12 pages of the bill, and at 4 o'clock next Friday, when we come to the regulatory provisions, there will not be opportunity for a single word of discussion.

Does the gentleman know that? And I want to say to that side of the House that there are defects in this bill, and if

there was opportunity for discussion when we reach it, I am satisfied that the chairman of the committee himself would accept amendments that will be proposed to the bill.

Now, Mr. Speaker, what execuse is there for a "gag rule" of this kind? There is only one reason, and that is that you upon the other side of the aisle are afraid of free and open discussion. You say you are pressed for time. Mr. Speaker, the Porto Rican bill is pending before this House and general debate has been exhausted upon it. It is the Democratic program to have it follow this bill. There is a bill to which there is no opposition upon either side of the House. It has a unanimous report from the committee. If you are pressed for time, why do you not shut off discussion on such a bill instead of one upon which there is a serious division of opinion? If you must cut out discussion, why do you not do it upon some appropriation bill where days and days are wasted in speeches, not for the enlightenment of Members of this House but for home consumption only? Why, Mr. Speaker, the Agricultural appropriation bill occupied the attention of this House for three weeks; two-thirds of the discussion upon it not being upon controverted items at all, but for home consumption. Why did you not bring in a rule on that bill? When this bill shall pass, we will take up the District appropriation bill. If you are pressed for time, why do you not bring in a rule upon that bill? And the same might be said concerning the sundry civil bill.

Mr. MEEKER. Will the gentleman yield?

Mr. LENROOT. Mr. Speaker, you can not defend what you are trying to do in this rule. You are trying to throttle the House of Representatives upon one of the most important bills that has come before this House, and it is a shallow excuse, an inexcusable thing for you to do, to say that you have got to put a gag rule upon a bill of this character and then waste days and weeks upon idle discussion of matters concerning which there is no contest.

Now I yield to the gentleman from Missouri [Mr. MEEKER].

Mr. MEEKER. Has not the gentleman discovered that whenever that side brings in a package of dynamite they send it out immediately?

Mr. LENROOT. Of course, I am not speaking of the merits of this bill, but I do say that the House is entitled and the country is entitled to full and free discussion of it.

Mr. Speaker, this Committee on Rules last Saturday reported a rule that the Republican minority Members agreed to upon this bill. That rule gave five hours' debate. It permitted full discussion under the five-minute rule. That bill was reported to this House last Saturday, but, Mr. Speaker, last night at 6 o'clock the Committee on Rules was called into the room of the Committee on Ways and Means, just off the corridor, for the purpose of putting through this rule to cut off the consideration of the bill at 4 o'clock next Friday. I am not going to reveal any of the secrets of the committee, but it is fair to say it was suggested that if there was any attempt to filibuster on this bill and waste the time of the House on it, it would be just as easy to call this Committee on Rules together next Friday in this same committee room and then bring in a rule instead of doing it now. But, if no time is being wasted upon the bill, who is there who will say that we ought not to discuss every section and every amendment that may be offered to it?

Mr. Speaker, we are all anxious to get home. Of course, we are. But at the same time, Mr. Speaker, we can stay here long enough to do business in a businesslike way and consider measures as they ought to be considered. [Applause.]

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. HENRY. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. FOSTER].

Mr. FOSTER. Mr. Speaker, the rule which has been reported and is now before the House is one that is very simple and very easily understood. It is a liberal one, which provides for sufficient debate, which provides for the consideration of every amendment which may be offered. Of course, this side of the House never would bring in a rule that would exactly suit the gentleman from Wisconsin [Mr. LENROOT]. He is always complaining, and, of course, he has a right to do it. It is his nature to complain. He finds fault with this side of the House, and we never seem to please him, and can not do so in this case.

Mr. LENROOT. Will the gentleman yield for a question?

Mr. FOSTER. Yes.

Mr. LENROOT. Does the gentleman remember that "the gentleman from Wisconsin" voted for the last rule on rural credits, and voted for the rule that was reported last Saturday on this other bill?

Mr. FOSTER. But the gentleman from Wisconsin was not suited with that rule, because in his speech, as he will see if he will look at the RECORD, he was bitterly complaining of this side of the House because we brought in the rule at that time.

Mr. LENROOT. He also said that he was willing for that side of the House to take responsibility for it.

Mr. FOSTER. It did not suit him, and even with a rule that is as liberal as that one, he came before the House complaining of something. That side of the House knows that practically all the rules which this side of the House has brought in have been for the consideration of some great measure which the people want. [Applause on the Democratic side.] And not only that, but in all these rules that have been brought in for the consideration of bills, practically every one of them, a large part of that side of the House has voted for the bills. Yesterday we had an example of what good legislation this side of the House proposes by rule, when there was mustered only 10 votes out of a membership of 435 that would vote against the bill that we brought in by special rule. That is an evidence, my friends, of the fact that the Democratic majority is legislating in such a way as meets with the approval of the American people. [Applause on the Republican side.]

Why, when the Republicans brought in rules they brought in "gag rules." We bring in liberal rules [laughter on the Republican side] that permit debate, that permit the offering of any amendments.

Why, you know and I know as well as any other man in this House that you used to bring in gag rule after gag rule, and jam legislation through the House, and provide rules of such a character that if you voted "no" it counted "yes," so there was no way you could vote against the proposition. Everyone knows that, and now you complain because we bring in a rule that provides for the consideration of legislation which the people want. The only trouble with you is that you are troubled with wind on the stomach. [Laughter.]

Mr. COX. They have a bad case of colic. [Laughter.]

Mr. FOSTER. Yes; I will say you have a bad case of colic. They see, my friends, that the Democratic Party is passing bills and keeping faith with the people, and that is what hurts them on that side. It is not the passing of these rules so much, but it is their eternal protest, wanting to get back to the old stand-pat way of doing things as they did them years ago. That is all.

Now, gentlemen on that side, be honest with yourselves and with your constituents, and come out and stand for the consideration of this needed legislation. We will not gag you. You need not be afraid of that. [Laughter.] Do not let Members on that side of the House be scared by the speeches of the gentleman from Wisconsin [Mr. LENROOT]. He is an able gentleman. I like him, and I am very fond of him; but these speeches that he makes here are all buncombe. [Laughter.] And he has made them, as is suggested to me by the gentleman from Indiana [Mr. COX], so often that he has gotten them by heart, and he pours them out here on all occasions, and probably he sends them back to Wisconsin, but he does not send the RECORD containing the proceedings when the bill is finally passed and the RECORD showing that he objected to the rule and that he finally voted for the bill. He votes in most instances right. He voted for the rural-credits bill and for a great many other measures that have been proposed by this side of the House by what he calls "gag rule."

This rule, my friends, is a reasonable rule. It is a rule that every man in this House can afford to vote for to expedite the consideration of a measure that is to help the business interests of the country. I have heard that side talk about what they wanted to do for them. Now is the time to do something for the business interests of this country. Will you do it? [Applause.]

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. CAMPBELL. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. BENNET].

The SPEAKER. The gentleman from New York [Mr. BENNET] is recognized for five minutes.

Mr. BENNET. Mr. Speaker, I shall have to decline to be interrupted.

The SPEAKER. The gentleman declines to be interrupted by anybody about anything. [Laughter.]

Mr. STAFFORD. That means hot stuff.

Mr. BENNET. Except by sudden death and taxes. [Laughter.]

Mr. Speaker, the country ought to know the way we have been legislating since the 28th of April. We have been continually under special rule, with the exception of one day, outside of Calendar Wednesday; that we can not dispense with. There is nothing like it in the history of past Congresses.

Now, it is sweet to see brethren dwelling together in unity, and, so far as I can, I want to agree with the gentleman form Pennsylvania [Mr. MILLER]. He says that the people know about this bill. I think he is right. I have 52,000 voters in the congressional district that I have the honor to represent, and I have heard of only one voter among them all that was in favor of this bill, and when I went around and told him what the bill was—he is a Democrat—he said I ought to vote against it unless they amended it. [Laughter.]

Now, I have read the bill, and I am one of the few men who have read the testimony taken before the Alexander committee in the Sixty-third Congress. I was paid to read it—1,800 pages. [Laughter.] And I say to you that this bill does not put one single American ship on the ocean. I have read the 1,800 pages of testimony on the Sixty-third Congress bill and the testimony on this Congress bill, and if the gentleman from Pennsylvania had done the same thing—he is such a good, loyal Republican that he would not have made that speech, and I do not think he would have made it anyway if he was a candidate for reelection. [Laughter.]

I want to take two minutes on one subject and two on another. First, I want to call the attention of gentlemen who live on the Atlantic and Pacific seaboards to the fact that this bill affects the people who elect us. Some of us sit here in our seats and criticize the men who represent the cotton States. I do not. Whenever they want anything in behalf of cotton some one of them reports something for cotton, and they get it for cotton. In the month of April we passed two bills, and only two, and one of them was in relation to cotton, and we took two entire Wednesdays on that comparatively unimportant thing. But when anything is proposed for shipping, does it come from the Atlantic or the Pacific coasts? No; it comes from Missouri, the home of the chairman of the Committee on the Merchant Marine and Fisheries [Mr. ALEXANDER], fifteen hundred miles from the coast. He has a constitutional right to propose such bills, but I want to ask my people from the coast, who know that our people are opposed to this shipping bill, why in the world you are voting for this rule, and why in the world you will vote for the bill? Why do we not represent our constituents for a time?

Then, I want to say a word or two to my colleagues from New York City—pretty plain talk. There are only two men in New York City for this bill. One is William Gibbs McAdoo and the other is Mr. McGibboney. I do not know why Mr. McAdoo is for it. He is the Secretary of the Treasury. Mr. McGibboney is very plain and candid as to why he is for it. He is a hired advocate. He has the right to be.

Everybody else in our city is against it. Why should we go out of the way to be friendly to this Congress? What has it done for us? The Postmaster General is trying to take away all of the pneumatic tubes south of Fifty-first Street. This House, after a terrific fight, put in $750,000 for Diamond Reef. I have no right to say what happened to it in another body, but we all can read the papers. Our great city of 5,000,000 people has not had one instance of consideration from this Congress of the United States in the Sixty-fourth Congress. Now, they want you to turn around and vote for a shipping bill that our own people do not want. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I yield three minutes to the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS. Mr. Speaker, I do not think the gentleman from Kansas [Mr. CAMPBELL] contributed much in the way of an answer to the very pertinent inquiry which every Member of the House doubtless has in mind to propound, namely is this a fair, or an unfair, a reasonable, or an unreasonable rule. Nor did the gentleman from New York [Mr. BENNET], who had much to say of a purely political and irrelevant character, find time to discuss the merits of the pending proposition. It was entirely appropriate for the gentleman from New York to decline to be interrupted in the course of his remarks. He is one of the Members on the minority side of the House who voted for the rule under which we considered the Payne bill. Having in mind the drastic character of that rule the gentleman from New York would naturally prefer not to be confronted in the course of his criticism of the present rule with the record of his vote on the Payne rule. The difference between the Payne rule and this rule, is the difference between a sinner, and a saint.

When the gentleman from Illinois [Mr. FOSTER] stated that this was a liberal rule, I noticed that many of the new Members on the Republican side of the House—and there are many new faces there—smiled, as if in derision, but the old Members, like the gentleman from Kansas [Mr. CAMPBELL], and the gentleman from New York [Mr. BENNET], and others of the old guard who recollect the rule on the Payne bill, saw nothing extravagant, or amusing in the statement of the gentleman from Illinois. They knew that this is a liberal rule, because it allows the House to express itself to the fullest extent in the way of amendments to the pending bill, a privilege that was denied to the minority by the terms of the Payne rule. I wish to say with full knowledge of the rule on the Payne bill, and full knowledge of the pending rule, that there is no man who is disposed to be fair and reasonable in his attitude who will deny that this rule gives far more opportunity of amendment and real discussion, than the rule on the Payne bill. The minority may say that there was more time allowed for general discussion of the Payne bill than is afforded for the pending measure. Granted, but even the new Members of this body know how little the general discussion, under the practice of the House, serves to illuminate the Members with respect to the matter before the committee. This is done in the discussion under the five-minute rule, not in the general debate. Under the rule on the Payne bill there was no way whatever—for that rule like this rule fixed the time at which the vote should be taken—by which a Member of the House on either side could suggest, or offer amendments with respect to that portion of the bill which remained unread when the time arrived for the committee to rise. This rule makes provision for every Member on that side of the House to submit amendments to the bill while it is under consideration under the five-minute rule. The right is given not only to offer amendments but to have the same voted upon in order. Having in mind the contents of the rule on the Payne bill, and the liberal provisions of this rule, it is absurd to speak of the pending proposition as a gag rule. [Applause.]

Mr. HENRY. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. CALDWELL].

Mr. CALDWELL. Mr. Speaker, I want to have it understood that there is at least one Member of this House from the State of New York who is in favor of some kind of a shipping bill. [Applause on the Democratic side.] I have not set my patriotism for my country up against the desire for some portion of the appropriations that are called pork barrel. There is no man here more vitally interested in river and harbor improvements in New York than I am. I made my campaign upon it, and the gentleman from New York [Mr. BENNET] got on the band wagon after Congressman ROWE and myself had started the thing rolling. [Applause on the Democratic side.]

We are here to say to the people of the United States that any kind of shipping legislation is better than no shipping legislation at all. [Applause.] When Germany found that to develop her full strength and extend her influence, it was first necessary to build up a merchant marine, and when she could not induce private capital to go into the business she put Crown money into shipping, and the result is that Germany developed one of the greatest merchant marines on the waters of the world. [Applause.] So that at the outbreak of the war her ships were familiar in every seaport of importance. In the United States crown money is the people's money, and I believe the people's money should be used for this purpose, that we may carry American commerce in American ships.

For what profit will it be to us if we sell more than we buy and own the securities of our own industries if the freight upon all we sell and upon all we buy is carried abroad to be spent where we have no opportunity to get it again except at a premium.

The bill is not as good as I would like to have it, but it is the best that has been presented, and I expect to vote for it upon the theory that half a loaf is better than no bread. [Applause.]

Mr. CAMPBELL. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Speaker and gentlemen of the House: Let me say in behalf of the new Republicans, and for the old Republicans on this side of the House, that we are all alike bitter in our condemnation of this most unfair rule that is sought to be adopted here to-day. There is no more tolerance for it on the part of one class on this side than there is on the part of the other. And while I have no desire to sermonize or in any way to advise, I simply want to say that this is the kind of tactics and this is the kind of practice upon your part that will put many new Republican faces upon this side of the House at the next session. [Applause on the Republican side.]

Mr. BYRNES of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. CHIPERFIELD. Yes.

Mr. BYRNES of South Carolina. Does the gentleman not know that when the Republican Party last brought into this House the bill to build up the merchant marine in the Sixtieth Congress, you moved to suspend the rules on a majority vote, provide four and a half hours of general debate, and did not allow a man to offer a single amendment to the bill? [Applause on the Democratic side.]

Mr. CHIPERFIELD. I know that you gentlemen have been most bitter in denunciation of a rule that would limit debate upon this subject, and within the past 48 hours I have read in the RECORD the denunciations previously delivered by your associates upon the proposed rule on that measure, as you say was then pending, and upon other measures where a much fairer rule was sought to be adopted.

The fact is, that you use the same words and same expressions for cursing and for praise. You are ready to accept with praise those things that benefit you and to condemn with censure most severely precisely the same things when they are not to your advantage. The people of this country understand your lack of political sincerity. They understand your hurried purpose in attempting to railroad this bill through in order that it may be one more addition to the paternalistic program with which you hope to adorn your platform when you meet on the 14th of June next. The people are not being deceived. They understand what is going on, and if you have the idea that they approve, then, gentlemen, a great awakening awaits you. The words you use, the policies you adopt, the measures which you seek to fasten upon this country in the name of paternalism will not be approved at the polls, because it is the same old program that has been repudiated over and over again.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. CHIPERFIELD. Briefly.

Mr. HASTINGS. If this legislation is going to be so disastrous to the Democratic Party, why does the gentleman not assist in expediting it?

Mr. CHIPERFIELD. That would be hastening you just that much faster to your doom, and you are going fast enough without it. You remind me in your professions and protestations as a party, and in the ready understanding of them upon the part of the American people, of a story that appealed to me quite strongly.

An old farmer went into town and for the first time saw a telephone hanging on the wall. He said to the storekeeper, "What is that pesky thing?" The storekeeper replied, "That is a telephone." "What do you do with it?" "Why, you talk with it." "Where do you talk?" "Anywhere they have another one." "Well, my old woman is over at the furniture store. Could I talk with her?" "Yes;" and so they called up the furniture store, got the old lady on the wire, and gave him the earpiece and through it he said in a loud tone of voice, "Hello, Betsy," and just then a terrific bolt of lightning struck the wire and he was hurled clear across the floor. The storekeeper, not knowing what had happened, said, "Did you get her?" He picked himself up and replied, "Thunder, yes; and I recognized her the very first word she spoke." [Laughter.]

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. CHIPERFIELD. And so it is that the American people recognize with the first word you speak the pretenses that you are making to the American people—the same pretenses that have carried to defeat in the past and will bring it about again in November. [Applause on the Republican side.]

Mr. HENRY. Mr. Speaker, I yield three minutes to the gentleman from Missouri [Mr. ALEXANDER.] [Applause on the Democratic side.]

Mr. ALEXANDER. Mr. Speaker, if the Committee on the Merchant Marine and Fisheries had had their will in this matter, if the condition of the business of the House were in such shape that the Committee on Rules and Mr. KITCHIN, majority leader, could have done so, they would have given more time to the consideration of this bill. I am very sure that we would welcome more time, because we have given to the bill very great consideration. I introduced a bill known as the shipping bill (H. R. 10500) on the 29th day of January, and hearings were held on the bill from the 10th of February to the 9th of March. Again, in April for a term of 10 days we had additional hearings on the bill. Following the hearings the bill was considered by a subcommittee of 10 members, 6 Democrats and 4 Republicans. We met daily, oftentimes in the morning, afternoon, and at night until 12 o'clock. This bill is the product of the best thought of the committee, without reference to party affiliations. I have been chairman of the committee now for nearly three Congresses, and in all of our deliberations in times that have passed we have not considered legislation along narrow partisan lines. We were not divided along partisan lines on the ship-purchase bill reported by the committee in the last Congress. There is a difference of opinion upon two or three provisions of this bill as between the majority and the minority of the committee. The gentleman from Kansas [Mr. CAMPBELL] says that we, the majority of the committee, have changed our opinion five times. This reckless statement is a demonstration of the fact that he does not know a thing about it. There is not a principle in this bill that was not embodied in the bill when I introduced it in the House on the 29th day of January. We worked it over and made a better bill of it.

The bill H. R. 10500 as introduced by me originally contained in sections 9 and 10 provisions for the regulation of water-borne commerce and the license of vessels engaged in our ocean transportation. At the close of the hearings, and after thorough consideration of the objections urged thereto at the hearings, we regarded those provisions as possibly objectionable, as being too general and too indefinite, and as clothing the shipping board with too great power that might be abused. Hence we took up and considered House bill 450, which I reintroduced in this Congress, to carry out the recommendations of the Committee on the Merchant Marine and Fisheries following the investigation of the Shipping Trust, and I want to say right here with reference to the provisions to which the gentleman from Wisconsin [Mr. LENROOT] said we had given very little consideration and might mean the elimination of the American flag from the high seas, that the report of the committee and the recommendations of the committee had the united support of every man upon the committee in the Sixty-third Congress. We investigated the subject for two years, and I think we are quite as competent as the gentleman from Wisconsin to consider and determine any and all of those provisions of the bill regulating common carriers by water.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. HENRY. Mr. Speaker, I will ask the gentleman from Kansas to consume the remainder of his time, as there is but one speech more to be made on this side.

Mr. CAMPBELL. Mr. Speaker, I yield five minutes to the gentleman from Illinois, Mr. MANN.

Mr. MANN. Mr. Speaker, the bill under consideration has 35 sections. The last 21 of those sections relate to control over vessels engaged in interstate and foreign shipping. While the bill says that it does not conflict with the powers granted to the Interstate Commerce Commission, as a matter of fact it does in many particulars. For years the Committee on Interstate and Foreign Commerce has worked over the question of the Interstate Commerce Commission and the regulation of railroad carriers, and in some cases water carriers under the control of that commission. The Committee on Interstate and Foreign Commerce has a pretty fair knowledge of the subject, acquired through years of study, and would not dare bring to the House a bill relating to interstate commerce and the control of railroad carriers and say, "You shall pass the bill without an opportunity to consider amendments." No such proposition was ever brought before the House; but under this rule there will be no chance to give consideration to amendments to any one of these 21 sections, for before that part of the bill will be reached under the five-minute rule it will be 4 o'clock on Friday afternoon. While amendments may be read at the desk and voted upon, the rule gives no opportunity for their consideration. That is not a fair method of considering legislation.

I am not complaining that the majority, having agreed upon a bill to provide that the Government shall engage in shipping, decides to put it through under a rule with or without debate or amendment, but in these matters which ought fairly to be considered by the House, where the consensus of the judgment of all is better than the judgment of a committee which never dealt with this subject in the past, I say that there ought to be procedure under the rule by which Members may offer amendments to the bill and discuss the amendments and have them considered. When the last interstate commerce bill passed this House I had charge of it. There was no attempt to gag the House, no attempt to prevent amendments, no attempt to prevent the consideration of amendments. Many amendments were offered, many amendments were agreed to by the House and have been written into the law, some of them wise amendments, which had not been reported by the committee in the first instance, and the same procedure ought to be followed in this case. You are applying a gag on legislation, part of which is essentially nonpartisan. You propose to shut out the right to consider the portions of the bill to which I referred by any fair method. You gentlemen gained the House and the country

upon the cry that the Republicans did not give a fair opportunity for the consideration of measures in the House, and yet we never during all our control of the House attempted to pass such legislation without consideration as you are attempting now. [Applause.]

The SPEAKER. The time of the gentleman has expired. The gentleman from Kansas.

Mr. CAMPBELL. I think the Speaker has been overgenerous with me in regard to time. I used 8 minutes, the gentleman from Wisconsin 8 minutes, the gentleman from New York and the two gentlemen from Illinois used 15 minutes, which consumed 1 minute more than I was really allowed.

Mr. HENRY. Mr. Speaker, I yield eight minutes to the gentleman from North Carolina [Mr. KITCHIN]. [Applause.]

Mr. KITCHIN. Mr. Speaker, evidently there is a great difference of opinion as to this rule. The gentleman from Kansas [Mr. CAMPBELL], the gentleman from Wisconsin [Mr. LENROOT], the gentleman from New York [Mr. BENNET], and the gentleman from Illinois [Mr. MANN] say that this is a very unfair rule, that it is the worst gag rule they have ever seen attempted to be passed in this House. On the other hand, the distinguished gentleman from Illinois [Mr. FOSTER], the gentleman from Virginia [Mr. SAUNDERS], and the gentleman from Texas [Mr. HENRY] say that this is a very liberal rule; that there is no gag in it. The gentleman from Illinois, the able minority leader, says that this is an unfair way to proceed; that this bill is so important that it ought to have serious consideration; that under this rule on the last 15 pages of the bill there will not be an opportunity to offer any amendments. Why, the gentleman from Illinois evidently has not read the rule.

Mr. MANN. If the gentleman will permit, if the gentleman from North Carolina had listened to what I said—evidently he was not paying attention—I made no such statement.

Mr. KITCHIN. The gentleman made the statement that it was unfair; that under the rule, if passed, that we would not reach, under the five-minute discussion, the regulatory portion of it, constituting the last 15 pages, and there would not be opportunity of discussion or amendments.

Mr. MANN. No; I said discussion or consideration of amendments.

Mr. KITCHIN. Well, discussion and consideration.

Mr. MANN. That is true.

Mr. KITCHIN. The gentleman has not read the rule.

Mr. MANN. I have.

Mr. KITCHIN. The rule is fair and reasonable. It gives full opportunity of discussion of the bill and every amendment that may be offered in good faith to improve or perfect the bill. We have five hours of general debate. We will finish that debate to-day, if the gentleman says so. We will stay until 6 or 7 o'clock and finish that. Then on Thursday we will have all day, beginning at 11 o'clock, and we will stay here until 6 or 7 or 8 o'clock, or later if the gentleman desires, and then we will have all day Friday, until 4 o'clock, for discussion, sufficient time to offer and discuss amendments to every single section in the bill. There are 35 sections. Under the rules of the House, under the five-minute debate, if rigidly enforced, we are only entitled to 10 minutes on an amendment, 5 for and 5 against. By the adoption of this so-called "gag" rule there will be time enough to have 20 minutes to offer and discuss each amendment, even if you offer an amendment to every section of the bill. [Applause on the Democratic side.] The gentleman from Illinois says that this is one of the most unfair rules that has ever been attempted to be passed in this House, and yet the gentleman himself, with the almost solid Republican Party on that side of the Chamber, voted for a rule to pass the Payne-Aldrich Act, containing hundreds of paragraphs and sections and thousands of items, with a provision in that rule allowing this side of the House to only offer four amendments, and those four amendments were selected by them and not by this side.

The gentleman remembers the Vreeland-Aldrich Currency Act, a most important act, an act as important and perhaps more so at that time than this act. For its passage the Republicans brought into this House and passed a rule, and the gentleman from Illinois voted for the rule, which allowed no amendment and no discussion or consideration under the five-minute rule, except one amendment by the way of a substitute, but set out in that rule. They did not permit any man in this House, Democrat or Republican, to vote for or discuss or offer any amendment. They did not have any discussion under the five-minute rule, but just as soon as general debate was over the rule provided that the bill should be read and voted on at once. And yet the minority leader tells the House and tells the country that this is one of the most unfair methods of procedure that has ever been attempted in the House.

Mr. LENROOT. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. LENROOT. I wanted to ask the gentleman if that very fact was not the best issue you had in your campaign?

Mr. KITCHIN. Yes, sir; one of the best. And if we had put such a provision in this rule and had prevented you and any other man in this House from offering and discussing any amendment which you proposed in good faith, we would deserve to be condemned just like the people condemned your party for adopting such rules. [Applause on the Democratic side.]

The gentleman from New York [Mr. BENNET] says that his folks are not for this bill. Gentlemen, our folks are for this bill. He says that we ought not to pass this rule; that his people do not want us to pass it. Our people want us to pass this rule, and if these Democrats here will vote together we can pass this rule, and we can pass this bill in a reasonable time by stopping the filibustering and windjamming over on that side of the House. [Applause on the Democratic side.] As the gentleman from Pennsylvania [Mr. MILLER] says, the time has come for this House to stop talking and go to legislating. [Applause on the Democratic side.] This rule, while it gives everyone an opportunity to offer any amendment he desires to every section, and full time to discuss any amendment, prevents all the needless, delaying, demagogic, get-into-the-RECORD talk, to which we are too often compelled to listen, and enables us to legislate on the bill.

We are willing to come to a "show-down" with you on this bill. I want to say to my fellow Democrats here that we are responsible for the legislation in this House. The vote on this rule will show whether or not we have the patriotism and courage to assume that responsibility. We have a majority. We Democrats can run this House and manage its procedure, provided we want to do it; and if we want to do it, then all of you Democrats must come here and stay here and furnish a quorum at all hours in this House. [Applause on the Democratic side.] The people furnished us in the last election a majority of the House, and it is our duty to be present here on this floor at every hour of each day's session with that Democratic majority. If so, we can and will do business. We will legislate. We will carry out the entire legislative program of the House and the administration before adjournment. And if you will come here and furnish a quorum and majority, we will adjourn and get out of this Capitol by July 20. We can do it. [Applause on the Democratic side.]

Mr. HENRY. Mr. Speaker, I move the prevous question.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. CAMPBELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 192, nays 145, answered "present" 5, not voting 91, as follows:

YEAS—192.

| | | | |
|---|---|---|---|
| Abercrombie | Dies | Houston | Nicholls, S. C. |
| Adair | Dill | Howard | Oglesby |
| Adamson | Dixon | Huddleston | Oldfield |
| Alexander | Dooling | Hughes | Oliver |
| Allen | Doolittle | Hulbert | O'Shaunessy |
| Almon | Doughton | Hull, Tenn. | Overmyer |
| Ashbrook | Dupré | Humphreys, Miss. | Padgett |
| Aswell | Eagle | Igoe | Page, N. C. |
| Ayres | Edwards | Jacoway | Park |
| Barkley | Evans | James | Phelan |
| Barnhart | Farley | Johnson, Ky. | Price |
| Beakes | Ferris | Jones | Quin |
| Bell | Fields | Keating | Rainey |
| Black | Finley | Kent | Raker |
| Blackmon | Flood | Kettner | Randall |
| Booher | Foster | Key, Ohio | Rayburn |
| Borland | Gallagher | Kincheloe | Reilly |
| Bruckner | Gallivan | Kitchin | Riordan |
| Buchanan, Ill. | Gandy | Konop | Rouse |
| Burgess | Gard | Lazaro | Rubey |
| Burke | Garner | Lee | Rucker |
| Burnett | Garrett | Lever | Russell, Mo. |
| Byrnes, S. C. | Glass | Lewis | Sabath |
| Byrns, Tenn. | Goodwin, Ark. | Lieb | Saunders |
| Caldwell | Gordon | Linthicum | Shackleford |
| Callaway | Gray, Ala. | Littlepage | Shallenberger |
| Caraway | Gray, Ind. | Lloyd | Sherley |
| Carlin | Gregg | Lobeck | Sherwood |
| Carter, Okla. | Griffin | London | Shouse |
| Church | Hamill | McAndrews | Sims |
| Cline | Hamlin | McClintic | Sisson |
| Coady | Hardy | McDermott | Slayden |
| Collier | Hastings | McGillicuddy | Small |
| Connelly | Hay | McLemore | Smith, N. Y. |
| Cox | Hayden | Mays | Smith, Tex. |
| Crisp | Heflin | Miller, Pa. | Stedman |
| Crosser | Helm | Montague | Steele, Iowa |
| Cullop | Helvering | Moon | Stephens, Miss. |
| Davenport | Henry | Morgan, La. | Stephens, Nebr. |
| Davis, Tex. | Hensley | Morrison | Stephens, Tex. |
| Decker | Hilliard | Moss, Ind. | Stone |
| Dent | Holland | Murray | Stout |
| Dickinson | Hood | Neely | Sumners |

| | | | |
|---|---|---|---|
| Tague | Thompson | Walker | Wilson, Fla. |
| Tavenner | Tribble | Watson, Va. | Wilson, La. |
| Taylor, Ark. | Van Dyke | Webb | Wingo |
| Taylor, Colo. | Venable | Whaley | Wise |
| Thomas | Vinson | Williams, W. E. | Young, Tex. |

NAYS—145.

| | | | |
|---|---|---|---|
| Anderson | Fordney | Longworth | Schall |
| Anthony | Foss | Loud | Scott, Mich. |
| Austin | Frear | McArthur | Sells |
| Bacharach | Freeman | McCracken | Siegel |
| Bennet | Gillett | McKenzie | Sinnott |
| Britt | Glynn | Madden | Sloan |
| Britten | Good | Magee | Smith, Idaho |
| Browne | Gould | Mann | Smith, Minn. |
| Browning | Green, Iowa | Mapes | Snyder |
| Campbell | Greene, Mass. | Martin, | Stafford |
| Cannon | Greene, Vt. | Matthews | Steenerson |
| Capstick | Guernsey | Meeker | Stephens, Cal. |
| Carter, Mass. | Hadley | Miller, Del. | Sterling |
| Cary | Hamilton, Mich. | Miller, Minn. | Stiness |
| Chandler, N. Y. | Hamilton, N. Y. | Mondell | Sulloway |
| Charles | Haugen | Mooney | Sutherland |
| Cooper, W. Va. | Hawley | Moore, Pa. | Sweet |
| Cooper, Wis. | Helgesen | Morgan, Okla. | Swift |
| Cramton | Hernandez | Moss, W. Va. | Switzer |
| Curry | Hicks | Mott | Tilson |
| Dale, Vt. | Hill | Mudd | Timberlake |
| Dallinger | Hinds | Nelson | Towner |
| Danforth | Howell | Nichols, Mich. | Treadway |
| Davis, Minn. | Hull, Iowa | Oakey | Volstead |
| Dempsey | Humphrey, Wash. | Paige, Mass. | Walsh |
| Denison | Husted | Parker, N. Y. | Ward |
| Dillon | Hutchinson | Platt | Wason |
| Dowell | Johnson, Wash. | Powers | Wheeler |
| Drukker | Kahn | Ramseyer | Williams, T. S. |
| Dunn | Kearns | Reavis | Williams, Ohio |
| Dyer | Kelley | Ricketts | Wilson, Ill. |
| Edmonds | Kennedy, Iowa | Roberts, Mass. | Winslow |
| Ellsworth | Kennedy, R. I. | Roberts, Nev. | Wood, Ind. |
| Elston | King | Rodenberg | Woods, Iowa |
| Emerson | Kinkaid | Rogers | |
| Esch | La Follette | Rowe | |
| Fess | Lenroot | Russell, Ohio | |

ANSWERED "PRESENT"—5.

| | | | |
|---|---|---|---|
| Cantrill | Fuller | Smith, Mich. | Talbott |
| Chiperfield | | | |

NOT VOTING—91.

| | | | |
|---|---|---|---|
| Aiken | Estopinal | Lafean | Pou |
| Bailey | Fairchild | Langley | Pratt |
| Barchfeld | Farr | Lehlbach | Ragsdale |
| Beales | Fitzgerald | Lesher | Rauch |
| Brumbaugh | Flynn | Liebel | Rowland |
| Buchanan, Tex. | Focht | Lindbergh | Sanford |
| Butler | Gardner | Loft | Scott, Pa. |
| Candler, Miss. | Garland | McCulloch | Scully |
| Carew | Godwin, N. C. | McFadden | Sears |
| Casey | Graham | McKellar | Slemp |
| Clark, Fla. | Gray, N. J. | McKinley | Snell |
| Coleman | Griest | McLaughlin | Sparkman |
| Conry | Harrison | Maher | Steagall |
| Cooper, Ohio | Hart | Moores, Ind. | Steele, Pa. |
| Copley | Haskell | Morin | Taggart |
| Costello | Hayes | Nolan | Temple |
| Crago | Heaton | North | Tillman |
| Dale, N. Y. | Hollingsworth | Norton | Tinkham |
| Darrow | Hopwood | Olney | Vare |
| Dewalt | Johnson, S. Dak. | Parker, N. J. | Watkins |
| Doremus | Keister | Patten | Watson, Pa. |
| Driscoll | Kiess, Pa. | Peters | Young, N. Dak. |
| Eagan | Kreider | Porter | |

So the previous question was ordered.

The Clerk announced the following pairs:

On the vote:

Mr. McKELLAR (for) with Mr. COPLEY (against).

Mr. CANDLER of Mississippi (for) with Mr. TEMPLE (against).

Mr. ESTOPINAL (for) with Mr. SNELL (against).

Mr. SPARKMAN (for) with Mr. BARCHFELD (against).

Mr. SEARS (for) with Mr. JOHNSON of South Dakota (against).

Mr. GODWIN of North Carolina (for) with Mr. GARDNER (against).

Mr. STEELE of Pennsylvania (for) with Mr. McCULLOCH (against).

Mr. LESHER (for) with Mr. McKINLEY (against).

Mr. DOREMUS (for) with Mr. SMITH of Michigan (against).

Mr. PATTEN (for) with Mr. FAIRCHILD (against).

Mr. HARRISON (for) with Mr. CHIPERFIELD (against).

Mr. FLYNN (for) with Mr. SANFORD (against).

Mr. WATKINS (for) with Mr. PARKER of New Jersey (against).

Mr. TILLMAN (for) with Mr. HAYES (against).

For the session:

Mr. LIEBEL with Mr. ROWLAND.

Mr. DEWALT with Mr. McFADDEN.

Until further notice:

Mr. TAGGART with Mr. NORTH.

Mr. CLARK of Florida with Mr. FULLER.

Mr. FITZGERALD with Mr. HOLLINGSWORTH.

Mr. DRISCOLL with Mr. KIESS of Pennsylvania.

Mr. CASEY with Mr. PORTER.

Mr. LOFT with Mr. GRAY of New Jersey.

Mr. BRUMBAUGH with Mr. WATSON of Pennsylvania.

Mr. EAGAN with Mr. SCOTT of Pennsylvania.

Mr. CONRY with Mr. FARR.

Mr. STEAGALL with Mr. MORIN.

Mr. RAUCH with Mr. HOPWOOD.

Mr. BUCHANAN of Texas with Mr. HEATON.

Mr. AIKEN with Mr. GRIEST.

Mr. CAREW with Mr. LAFEAN.

Mr. OLNEY with Mr. LEHLBACK.

Mr. POU with Mr. MOORES of Indiana.

Mr. RAGSDALE with Mr. McLAUGHLIN.

Mr. MAHER with Mr. COLEMAN.

Mr. HART with Mr. COOPER of Ohio.

Mr. SCULLY with Mr. TINKHAM.

Mr. DALE of New York with Mr. HASKELL.

Mr. LANGLEY with Mr. CANTRILL.

Ending Wednesday night:

Mr. TALBOTT with Mr. BUTLER.

Mr. BAILEY with Mr. GARLAND.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the adoption of the rule.

The question was taken, and the Speaker announced that the "ayes" seemed to have it.

Mr. CAMPBELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Clerk will call the roll. Those in favor of adopting the resolution embodying the rule will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 194, nays 142, answered "present" 4, not voting 93, as follows:

YEAS—194.

| | | | |
|---|---|---|---|
| Abercrombie | Dupré | Jones | Reilly |
| Adair | Eagle | Keating | Riordan |
| Adamson | Edwards | Kent | Rouse |
| Aiken | Evans | Kettner | Rubey |
| Alexander | Farley | Key, Ohio | Rucker |
| Allen | Ferris | Kincheloe | Russell, Mo. |
| Almon | Fields | Kitchin | Sabath |
| Ashbrook | Finley | Konop | Saunders |
| Aswell | Fitzgerald | Lazaro | Shackleford |
| Ayres | Flood | Lee | Shallenberger |
| Barkley | Foster | Lever | Sherley |
| Barnhart | Gallagher | Lewis | Sherwood |
| Beakes | Gallivan | Lieb | Shouse |
| Bell | Gandy | Linthicum | Sims |
| Black | Gard | Lloyd | Sisson |
| Blackmon | Garner | Lobeck | Slayden |
| Booher | Garrett | London | Small |
| Borland | Glass | McAndrews | Smith, N. Y. |
| Bruckner | Goodwin, Ark. | McClintic | Smith, Tex. |
| Buchanan, Ill. | Gordon | McDermott | Stedman |
| Burgess | Gray, Ala. | McGillicuddy | Steele, Iowa |
| Burke | Gray, Ind. | McLemore | Stephens, Miss. |
| Burnett | Gregg | Mays | Stephens, Nebr. |
| Byrnes, S. C. | Griffin | Miller, Pa. | Stephens, Tex. |
| Byrns, Tenn. | Hamill | Montague | Stone |
| Caldwell | Hamlin | Moon | Stout |
| Callaway | Hardy | Morgan, La. | Sumners |
| Caraway | Hastings | Morrison | Tague |
| Carlin | Hay | Moss, Ind. | Tavenner |
| Carter, Okla. | Hayden | Murray | Taylor, Ark. |
| Church | Heflin | Neely | Taylor, Colo. |
| Cline | Helm | Nicholls, S. C. | Thomas |
| Coady | Helvering | Oglesby | Thompson |
| Collier | Henry | Oldfield | Tribble |
| Connelly | Hensley | Oliver | Van Dyke |
| Cox | Hilliard | O'Shaunessy | Venable |
| Crisp | Holland | Overmyer | Vinson |
| Crosser | Hood | Padgett | Walker |
| Cullop | Houston | Page, N. C. | Watson, Va. |
| Davenport | Howard | Park | Webb |
| Davis, Tex. | Huddleston | Phelan | Whaley |
| Decker | Hughes | Price | Williams, W. E |
| Dent | Hulbert | Quin | Wilson, Fla. |
| Dickinson | Hull, Tenn. | Ragsdale | Wilson, La. |
| Dies | Humphreys, Miss. | Rainey | Wingo |
| Dill | Igoe | Raker | Wise |
| Dixon | Jacoway | Randall | Young, Tex. |
| Doolittle | James | Rauch | |
| Doughton | Johnson, Ky. | Rayburn | |

NAYS—142.

| | | | |
|---|---|---|---|
| Anderson | Dempsey | Greene, Mass. | Kennedy, Iowa |
| Anthony | Denison | Greene, Vt. | Kennedy, R. I. |
| Austin | Dillon | Guernsey | King |
| Bacharach | Dowell | Hadley | Kinkaid |
| Bennet | Drukker | Hamilton, Mich. | La Follette |
| Britt | Dunn | Hamilton, N. Y. | Lenroot |
| Britten | Dyer | Haugen | Longworth |
| Browne | Edmonds | Hawley | Loud |
| Browning | Ellsworth | Helgesen | McArthur |
| Campbell | Elston | Hernandez | McCracken |
| Cannon | Emerson | Hicks | McKenzie |
| Carter, Mass. | Esch | Hill | McKinley |
| Cary | Fess | Hinds | Magee |
| Cooper, Ohio | Fordney | Howell | Mann |
| Cooper, W. Va. | Foss | Hull, Iowa | Mapes |
| Cooper, Wis. | Frear | Humphrey, Wash | Martin |
| Cramton | Freeman | Husted | Matthews |
| Curry | Gillett | Hutchinson | Meeker |
| Dale, Vt. | Glynn | Johnson, Wash. | Miller, Del. |
| Dallinger | Good | Kahn | Miller, Minn. |
| Danforth | Gould | Kearns | Mondell |
| Davis, Minn. | Green, Iowa | Kelley | Mooney |

| | | | |
|---|---|---|---|
| Moore, Pa. | Roberts, Nev. | Snyder | Treadway |
| Morgan, Okla. | Rogers | Stafford | Volstead |
| Moss, W. Va. | Rowe | Steenerson | Walsh |
| Mott | Russell, Ohio | Stephens, Cal. | Ward |
| Nelson | Schall | Sterling | Wason |
| Nichols, Mich. | Scott, Mich. | Stiness | Wheeler |
| Norton | Sells | Sulloway | Williams, T. S. |
| Oakey | Siegel | Sutherland | Williams, Ohio |
| Paige, Mass. | Sinnott | Sweet | Wilson, Ill. |
| Parker, N. Y. | Slemp | Swift | Winslow |
| Ramseyer | Sloan | Switzer | Wood, Ind. |
| Reavis | Smith, Idaho | Tilson | Woods, Iowa |
| Ricketts | Smith, Minn. | Timberlake | |
| Roberts, Mass. | Sneil | Towner | |

ANSWERED "PRESENT"—4.

| | | | |
|---|---|---|---|
| Chiperfield | Fuller | Smith, Mich. | Talbott |

NOT VOTING—93.

| | | | |
|---|---|---|---|
| Bailey | Driscoll | Lafean | Porter |
| Barchfeld | Fagan | Langley | Pou |
| Beales | Estopinal | Lehlbach | Powers |
| Brumbaugh | Fairchild | Lesher | Pratt |
| Buchanan, Tex. | Farr | Liebel | Rodenberg |
| Butler | Flynn | Lindbergh | Rowland |
| Candler, Miss. | Focht | Littlepage | Sanford |
| Cantrill | Gardner | Loft | Scott, Pa. |
| Capstick | Garland | McCulloch | Scully |
| Carew | Godwin, N. C. | McFadden | Sears |
| Casey | Graham | McKellar | Sparkman |
| Chandler, N. Y. | Gray, N. J. | McLaughlin | Steagall |
| Charles | Griest | Madden | Steele, Pa. |
| Clark, Fla. | Harrison | Maher | Taggart |
| Coleman | Hart | Moores, Ind. | Temple |
| Conry | Haskell | Morin | Tillman |
| Copley | Hayes | Mudd | Tinkham |
| Costello | Heaton | Nolan | Vare |
| Crago | Hollingsworth | North | Watkins |
| Dale, N. Y. | Hopwood | Olney | Watson, Pa. |
| Darrow | Johnson, S. Dak. | Parker, N. J. | Young, N. Dak. |
| Dewalt | Keister | Patten | |
| Dooling | Kiess, Pa. | Peters | |
| Doremus | Kreider | Platt | |

So the resolution was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. HART with Mr. CHARLES.

Mr. DOOLING with Mr. MUDD.

Mr. LITTLEPAGE with Mr. CAPSTICK.

Mr. SLEMP with Mr. MONTAGUE.

On this vote:

Mr. SPARKMAN (for rule on shipping bill) with Mr. BARCHFELD (against).

Mr. TILLMAN (for rule) with Mr. HAYES (against).

Mr. ESTOPINAL (for rule) with Mr. CHANDLER of New York (against).

Mr. CANDLER of Mississippi (for rule) with Mr. TEMPLE (against).

Mr. MCKELLAR (for rule) with Mr. COPLEY (against).

Mr. SEARS (for rule) with Mr. JOHNSON of South Dakota (against).

Mr. STEELE of Pennsylvania (for rule) with Mr. MCCULLOCH (against).

Mr. DOREMUS (for rule) with Mr. SMITH of Michigan (against).

Mr. GODWIN of North Carolina (for rule) with Mr. GARDNER (against).

Mr. PATTEN (for rule) with Mr. FAIRCHILD (against).

Mr. WATKINS (for rule) with Mr. PARKER of New Jersey (against).

Mr. FLYNN (for rule) with Mr. SANFORD (against).

Mr. HARRISON (for rule) with Mr. CHIPERFIELD (against).

Mr. TILLMAN with Mr. MILLER of Pennsylvania (ending 22d).

The result of the vote was then announced as above recorded.

Mr. MARTIN. Mr. Speaker, on the roll call on the ordering of the previous question I find that I am not recorded. I voted "no," and I would like to have the correction made.

The SPEAKER. Without objection, the correction will be made.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all Members who speak on the bill may have five legislative days after the consideration of this bill is closed to extend their remarks in the RECORD.

The SPEAKER. The gentleman from Missouri asks unanimous consent that all who speak on this bill shall have five legislative days after the consideration of the bill in which to print remarks in the RECORD. Is there objection?

Mr. MANN. For the present, I object.

The SPEAKER. The House automatically, under the rule, resolves itself into Committee of the Whole House on the state of the Union for the consideration of the shipping bill, with the gentleman from Tennessee [Mr. GARRETT] in the chair.

In the temporary absence of Mr. GARRETT Mr. SAUNDERS took the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the shipping bill, of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States, and for other purposes.

Mr. ALEXANDER. Mr. Chairman and gentlemen of the House, in the limited time for debate it is impossible for me to discuss this bill as I would like to. I may say here that this bill is a very different bill from what is known as the ship-purchase bill which was considered in the House in the last Congress.

I introduced the original bill (H. R. 10500) for which the bill now under consideration is a substitute on the 29th of January last. Hearings were held on H. R. 10500 from the 10th of February to the 9th of March, and again from the 13th to the 22d of April. We gave the bill as thorough and painstaking consideration as it is possible to give a piece of legislation of its importance under all the circumstances. We fully realized its importance as it might affect our ocean-borne commerce.

In the Sixty-second Congress the Committee on the Merchant Marine and Fisheries was charged by the House with the investigation of what was known as the Shipping Trust. I called to our assistance as an expert Dr. S. S. Huebner, of the University of Pennsylvania, and our investigations continued over a term of nearly two years. We made a report to the House in February, 1914, and made certain recommendations to the House with reference to legislation as we were instructed to do by the resolution under which the investigation was held. We investigated every trade area in the world. We developed all the conditions under which the regular lines of vessels in over-sea trade, as well as our coastwise trade, were operating. No fact found in that report has ever been challenged by anyone. If you will look at the maps in the corridor, you will find how close and intimate were the relations between all the regular lines in the coastwise trade and on the Great Lakes and in the over-seas trade as disclosed by our investigation. As a result of our investigation we were confronted with the question whether or not we should recognize the agreements existing between carriers by water or recommend that the Sherman antitrust law should be enforced against them and these combinations be broken up, and if that law was not ample or broad enough in its provisions to do so that the law should be amended.

After giving thorough consideration to this grave question and after taking into consideration the arguments made before our committee by the ablest representatives of the foreign lines as well as of the domestic lines, we concluded that many of the provisions of the agreements under which combinations were operating were not objectionable; and hence we recommended reasonable regulation rather than that the combinations might be broken up. That decision was influenced by the consideration that if we would break up these combinations and restore destructive competition it would ultimately lead to consolidation and monopoly. Hence, after giving the question thorough consideration, we recommended that our water-borne commerce, domestic and foreign, should either be brought under supervision of the Interstate Commerce Commission or under some other body having jurisdiction.

I introduced a bill (H. R. 17328) in the last Congress, embodying the views of the committee and carrying out our recommendations. We did not have time to consider it in that Congress, and it went over. I reintroduced the bill in this Congress. It is known as H. R. 450.

The shipping bill, H. R. 10500, in addition to the provisions for the creation of a shipping board, contained section 9, which gave the shipping board large regulatory powers, and section 10, which provided that the lines engaged in domestic and foreigns commerce should be required to operate under a license from the shipping board. As the result of our hearings we concluded that the provisions of H. R. 450 better met the views of our committee than did the provisions of sections 9 and 10 of the bill H. R. 10500 I introduced in the House. The subcommittee, of which there were 10 members—myself; Mr. HARDY, of Texas; Mr. BURKE, of Wisconsin; Mr. SAUNDERS, of Virginia; Mr. BRUCKNER, of New York; Mr. BYRNES, of South Carolina; Mr. GREENE, of Massachusetts; Mr. EDMONDS, of Pennsylvania; Mr. HADLEY, of Washington; and Mr. ROWE, of New York—addressed ourselves to the task of sifting out from H. R. 450 and transferring to this bill those provisions which

we thought would be desirable to incorporate in the bill and give to the board the reasonable power to regulate our water-borne commerce.

I want to say right here that if we ever expect to build up an American merchant marine under the American flag in the overseas trade we must exercise some control over shipping lines engaged in trade from our ports, and provisions in this bill referring to common carriers in foreign commerce have that end in view—nothing harsh, nothing drastic, but reasonable regulations, the purpose of which is to insure American commerce fair treatment.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. MADDEN. I was interested in reading the hearings before the committee in a statement made by a man named Franklin and one or two other men to the effect that two-thirds of the commerce coming into and going out of American ports is carried by what is known as tramp steamers, and that those tramp steamers make their contracts with individuals for the cargo, and, consequently, would not come under the provisions of the regulations which the bill seeks to enact. Is there any truth in that?

Mr. ALEXANDER. That is true, and we do not want to regulate the tramps if they are bailees for hire and not common carriers and are free from the control of the regular lines; they are the very best regulators we have; but our investigation disclosed that many of these cargo steamers—the greater number of them—belong to and are under the control of these regular lines.

Mr. MADDEN. Well——

Mr. ALEXANDER. The gentleman will pardon me, but I have allotted to myself only 30 minutes, and I must get along. So much for the regulatory provisions of the bill. I want to say right here that the provision creating a Federal shipping board has the support of the commercial bodies in the United States. They do not favor the extension of the power to regulate our water-borne commerce to the Interstate Commerce Commission, because the commission is already overworked. The Chamber of Commerce of the United States had the provisions of House bill 450 under consideration for some time, and recommended legislation abolishing deferred rebate and providing for supervision of rates by the Federal shipping board, and by an overwhelming majority, on a referendum creating the shipping board and vesting the board with regulatory powers over common carriers by water, so voted. So that, so far as those provisions are concerned, I may confidently state that we have behind us the united sentiment of the commercial bodies in the United States, including the Chamber of Commerce of New York, which, I understand, is not affiliated with the Chamber of Commerce of the United States.

The first section of the bill defines the term "common carrier by water in foreign commerce," the term "common carrier by water in interstate commerce," the term "common carrier by water," the term "other person subject to this act," and the term "person," as used in the bill.

Section 2 provides that within the meaning of the bill no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and the corporation itself organized under the laws of the United States or of a State, Territory, District, or possession thereof. The provisions of the bill also apply to receivers and trustees of all persons to whom the bill applies.

Section 3 provides for the creation of the United States shipping board, composed of the Secretary of the Navy and the Secretary of Commerce, as members ex officio, and five commissioners, to be appointed by the President, by and with the advice and consent of the Senate. The first commissioners appointed shall continue in office for terms of two, three, four, five, and six years, respectively, from the date of their appointment; the term of each to be designated by the President, their successors to be appointed for terms of six years, persons chosen to fill vacancies to be appointed only for the term of the commissioner whose term he succeeds; commissioners to be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them, and to a fair representation of the geographical divisions of the country. Not more than three commissioners shall be appointed from the same political party. No commissioner shall be employed by or hold any official relation to any common carrier by water or other persons subject to the act, nor actively engaged in any other business. Any commissioner can be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the board shall not impair the right of the remaining members of the board to exercise all its powers. The board shall have an official seal, which shall be judicially noticed. The board may adopt rules and regulations in regard to its procedure and the conduct of its business.

Mr. MADDEN. Mr. Chairman, will the gentleman yield there for a question?

Mr. ALEXANDER. The gentleman will pardon me, but I can not yield. Under this bill the Secretary of the Navy has certain duties to perform. The naval auxiliaries and Army transports and other vessels belonging to the Navy and War Departments may be transferred to this board. The Secretary of the Navy may list these vessels as a part of the United States naval auxiliary reserve, and, in addition, the officers and members of the crews of the listed ships may be enrolled as a part of the naval reserve force, under regulations prescribed by the Secretary of the Navy. The Secretary of Commerce is made a member of this board for the reason that the Steamboat-Inspection Service and the Bureau of Navigation are under the jurisdiction of the Secretary of Commerce.

Section 4 provides that the members of the board, except the ex officio members, shall receive a salary of $10,000 per annum. They may appoint a secretary at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, experts, examiners, clerks, and other employees as they may find necessary for the proper performance of their duties and as may be appropriated for by Congress. The President, upon request of the board, may authorize the detail of officers of the military and naval services of the United States for such duties as the board may deem necessary in connection with its business.

With the exception of the secretary, a clerk to each commissioner, attorneys, naval architects, experts, and examiners, all other employees of the board shall be a part of the classified civil service.

The expenses of the board, including necessary expenses for transportation incurred by members of the board or its employees under its orders in making any investigation or upon official business in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers approved by the chairman of the board. The board may rent suitable offices for its use.

There has been serious question raised as to whether or not the compensation named in the bill will be sufficient to secure men of the caliber necessary to properly discharge the duties of this commission. We believe there are many men in this country of experience in transportation and shipping, experts along the lines necessary, and qualified to discharge the duties imposed on them by this bill, who are willing to give their time to the public service.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. ALEXANDER. Yes.

Mr. MANN. This board is to exercise certain regulatory powers?

Mr. ALEXANDER. Yes.

Mr. MANN. Are the Secretary of the Navy and the Secretary of Commerce to be a part of the board for that purpose?

Mr. ALEXANDER. They are a part of the board for all purposes.

Mr. MANN. Does not the gentleman think it is a little dangerous to introduce political, partisan appointments into the subject of regulatory powers over interstate commerce?

Mr. ALEXANDER. Of course there is that danger; but the practical duties will devolve on this board of five members in the administration of this law, and I do not believe that any men, although they may be members of the Cabinet and partisans in the sense that they are representatives of a party, would lend themselves to any scheme that would not be fair to the great interests which will be committed to their charge under this bill.

Mr. MANN. It would not be possible, of course, for the Secretary of the Navy and the Secretary of Commerce to hear all of the arguments made before this commission, or many of them. Would it be wise to let them vote on a proposition where they did not hear the arguments and where their vote might be decisive?

Mr. ALEXANDER. I think I am of a judicial temperament, and I always like to see fair play, and if I thought that they would abuse their powers by reason of their membership on this board I would regret very much to make them members of the board.

Mr. MANN. But would they not be apt to abuse their powers?

Mr. ALEXANDER. If they would not give the cases before them full consideration, they might do so.

Mr. MANN. But here there are seven members, and it takes a majority to decide a question. Suppose five members stood three to two?

Mr. ALEXANDER. They would have to decide. I believe they would fully inform themselves—that they would not vote blindly.

Mr. MANN. But they would not hear the arguments.

Mr. OGLESBY. Will the gentleman permit an inquiry on this line?

Mr. ALEXANDER. Yes.

Mr. OGLESBY. Is it not a fact, in all judicial bodies, those who do not participate in hearing of arguments always refuse to take part in a decision?

Mr. ALEXANDER. That is the rule.

Mr. MANN. Does the gentleman know any case where a minority of the court is permitted to render the judgment of the court?

Mr. ALEXANDER. No; I do not think there would be any serious danger of it here; but, as I have said, they have been made members of this board for the reasons that I stated.

Section 5 provides that the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards and elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter, vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or militay puposes.

The policy of admitting foreign-built ships to American registry has already been recognized and established by the Congress of the United States. In the Sixty-second Congress I reported out of the Committee on Merchant Marine and Fisheries a bill providing that foreign-built ships not more than five years old might be admitted to American registry; and that all the material entering into the construction, repair, or equipment of ships built in American shipyards might be admitted free of duty. The provisions of that bill were incorporated into section 5 of the Panama Canal act in 1912. The distinguished gentleman from Georgia [Mr. ADAMSON] was then chairman of the Committee on Interstate and Foreign Commerce, and the Hon. Fred Stephens of Minnesota, the ranking minority member, and between us we wove the provisions of that bill into section 5 of that act. That bill became a law under Mr. Taft's administration. No ships were admitted under its provisions because at that time the cost of constructing ships in American shipyards was greater than in foreign countries and the cost of operation of vessels under the American flag was greater than it was under foreign flags—or at least that was the claim. The vessels belonging to the United States Steel Corporation and vessels of the Standard Oil Co. and vessels of the United Fruit Co., all of them belonging to American citizens, were then under a foreign flag. They have since been admitted to American registry.

In August, 1914, immediately following the outbreak of the war in Europe, we passed through this House, under suspension of the rules, a bill removing the limitation of five years and admitting foreign-built ships to American registry without regard to age. It became law on the 18th of August, 1914. Under its provisions more than 600,000 tons of shipping have come under the American flag, all shipping belonging to American citizens, and prior to that time under British and other foreign flags.

At this time there is no claim that vessels may not be built in American shipyards as cheaply as they can be built anywhere in the world. In fact, we are building ships now for foreign account. There is no claim that vessels may not be operated under the American flag now as cheaply as they can be operated under a foreign flag. The difference in cost of construction and operation that may have existed prior to the war——

The CHAIRMAN. The gentleman from Missouri has consumed 25 minutes.

Mr. ALEXANDER. Whatever differences that existed prior to the war have been wiped out. A minority member of my committee introduced a ship-subsidy bill early in this session at the instance of certain parties in New York. Later some of the parties appeared at the hearings on this bill and agreed that the present is not a proper time to press a ship-subsidy bill. I believe if this bill becomes a law that every ship constructed under its provisions will be constructed in American shipyards. That is my hope and that is my expectation. I believe, too, that the facilities for the construction of ships will be ample.

It is said if this bill becomes a law, where are you going to have the ships built; our yards are now crowded with construction work. Well, now, admitting they are full to their present capacity, what is to become of the scheme to enlarge our Navy by the expenditure of $500,000,000 in the next five years? We are going to build battleships, cruisers, and submarines. No one seems to doubt our facilities to do this. All our shipyards are expanding their facilities to meet the requirements of our naval program; why not our merchant-marine program as well? We have some 40 shipyards. Merchant vessels can be built on the Atlantic coast, on the Great Lakes, along the Gulf, or on the Pacific coast, and there is no question in my mind but that these vessels may be built if we only make provision for it.

Another question to which I wish to call attention is this: Rear Admiral Benson, of the Navy, at the hearings before our committee said that we need at this time between five and six hundred thousand tons of merchant ships provided for in this bill as auxiliaries for our Navy at its present strength. I think we can very well expend the $50,000,000 provided for in this bill to furnish auxiliaries for the Navy in the interest of national defense. Certainly no one would claim that we should build these ships solely as naval auxiliaries.

They must be utilized in the commerce of the United States in time of peace. In the last Congress we had what was known as the Weeks bill. The Senator from Massachusetts was the first to suggest the Government ownership and operation of the merchant marine. That bill passed the Senate. You know its subsequent history.

Now, gentlemen, the limitation for debate under this rule is such that I can not go into the consideration of the many questions involved in this bill at any length. One provision of the bill did not meet the approval of the minority members of the committee; that is, the power vested in the board to purchase foreign ships. Another provision that they did not approve was that with reference to the Government operation of ships. First, I just want to speak a moment on that. If you look at section 11 of the bill you will see that it provides that after five years the operation of ships under the corporation in which the Government may own a majority of the stock shall cease. That concession was made to those who are opposed to peramnent Government operation of ships. We further provide that these foreign-built ships and ships operated by a corporation in which the Government is the owner of stock may not be used in the coastwise trade, except in the trade with Hawaii and Porto Rico and Alaska, and then only in the event those trades are not adeqautely served by privately owned and operated lines of vessels. That proposition was put up to us by ex-Gov. Gillette, of California, representing the Pacific coast lines. As we wished to demonstrate that we have no intent to discourage private capital from investing in shipping, for fear of competition by Government-controlled lines, we wrote that provision in the bill.

Mr. COOPER of Wisconsin. I would like to ask one question.

Mr. ALEXANDER. Yes.

Mr. COOPER of Wisconsin. Who is to decide whether the service is adequate?

Mr. ALEXANDER. The board. The American-Hawaiian Steamship Co. and the Luckenbach Co. have diverted most of their ships from the coastwise to foreign trade, because the profits are greater in that trade. And there is a real demand now for shipping in our coastwise trade, and especially in the trade between the Atlantic and Pacific coasts.

Mr. BRITTEN. Is not that condition due to the war in Europe?

Mr. ALEXANDER. Of course it is due to the war in Europe.

Mr. BRITTEN. That is not always going to exist.

Mr. ALEXANDER. I hope not.

Mr. KAHN. The gentleman spoke of the Hawaiian and Luckenbach Lines. Both of those lines do business through the Panama Canal, do they not; and the continued route through that canal has a great deal to do with the running of their ships? Is not that the fact?

Mr. ALEXANDER. They operated their ships regularly before the canal was opened.

Mr. KAHN. They operated them in conjunction with the Tehuantepec Railroad, which is equivalent to a canal.

Mr. ALEXANDER. Yes; and I think they will scurry back now if this bill becomes a law.

Section 6 provides that the President may transfer to the board such vessels belonging to the War or Navy Department suitable for commercial uses and not required for military or naval use in times of peace, and also transfer to the board vessels owned by the Panama Railroad Co. not required in its business.

Section 7 provides that the board, upon terms and conditions prescribed by it and approved by the President, may charter, lease, or sell to any person, a citizen of the United States, any vessel so purchased, constructed, or transferred.

Section 8 provides that when any such vessels become unfit for the purposes of the act they may be sold under the terms prescribed by the board.

Section 9 of the bill provides that any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels heretofore and hereafter admitted to American registry, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder—except the Panama Railroad Co.—may not engage in the coastwise trade of the United States, except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels. Such vessels while employed solely as merchant vessels shall be subject to all laws, regulations, and liabilities governing merchant vessels, whether the United States be interested therein in whole or in part, or hold any mortgage, lien, or other interest therein. No such vessel, without the approval of the board, shall be transferred to a foreign registry or flag or sold, nor, except under regulations prescribed by the board, be chartered or leased.

The section further provides that when the United States is at war, or during any national emergency, the existence of which is declared by proclamation of the President, no vessel registered or enrolled or licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States or transferred to a foreign registry or flag.

This latter provision applies not only to vessels constructed or purchased under the provisions of this act but to all vessels under the American flag.

Section 10 provides that the President, upon reasonable notice, may take possession, absolutely or temporarily, for naval or military purposes, of any vessel purchased, leased, or chartered from the board; and if, in the judgment of the President, an emergency exists requiring such action, he may take possession of any such vessel without notice.

The section further provides for the payment to the person interested the fair actual value at the time of requisition of the interest of such person in the vessel taken absolutely, or, if taken for a limited period, the fair charter value for such period.

Section 11 of the bill provides that the board, if in its judgment such carrier is necessary to carry out the provisions of the act, may form, under the laws of the District of Columbia, one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States. The aggregate capital stock of the corporation or corporations thus formed shall not exceed $50,000,000. It further provides that the board may, on behalf of the United States, subscribe to, purchase, and vote not less than a majority of the capital stock of any such corporation or corporations and do all things necessary to protect the interests of the United States. The board, with the approval of the President, may sell all or any part of the stock in such corporation, but at no time shall it be a minority stockholder therein.

The section further provides that at the expiration of five years from the close of the present European war the operation of vessels on the part of any corporation organized by the board shall cease and the corporation be dissolved. The vessels and other property of such corporation shall revert to the board to be sold, leased, or chartered in the same manner and on the same terms as vessels constructed or purchased by the board, and the board shall dispose of property other than the vessels upon the best available terms and deposit the net proceeds in the Treasury to its credit.

Section 12 provides that vessels purchased, leased, or chartered from the board may be listed by the Secretary of the Navy as vessels of the naval auxiliary reserve; that officers and members of the crew of such listed vessels who volunteer for the purpose and are citizens of the United States or its insular possessions, may, under regulations prescribed by the Secretary of the Navy, be enrolled in various ranks and ratings corresponding to those of the United States Navy, not above the rank of lieutenant commander, as members of any naval reserve force established by law.

Section 13 provides that the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, and so forth, of operating vessels under American and foreign registry, also recommend such amendments to our navigation laws and regulations as necessary or desirable for the development of our merchant marine, also investigate the legal status of mortgage loans on vessel property, with a view to improving the security of such loans and encouraging investment in American shipping. The board is required to report to Congress at the beginning of each session the results of its investigations, also submit a statement of all expenditures and receipts and operations of any corporation of the United States in which it is a stockholder and the names and compensation of all persons employed by the board.

Section 14 provides for the sale or use of Panama Canal bonds for the purpose of carrying out the provisions of sections 5 and 11 of the bill. The proceeds of such bonds and the net proceeds of all sales, charters, and leases of vessels and of stock made by the board, and all other moneys received by it from any source, shall be covered into the Treasury to the credit of the board, and permanently appropriated for the purpose of carrying out the provisions of sections 5 and 11 of the bill.

REGULATION OF CARRIERS BY WATER IN FOREIGN AND INTERSTATE COMMERCE OF THE UNITED STATES.

Sections 15 to 22 provide for the regulation of carriers by water.

Section 15 provides, first, that no common carrier by water shall pay or allow deferred rebates to shippers, and defines the term "deferred rebate"; second, forbids the use of fighting ships, and defines the term "fighting ship"; third, forbids retaliation against shippers who patronize other carriers, or complain of unfair treatment by refusing, or threatening to refuse, space accommodations when available, or by other unfair practices; fourth, make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight, or unfairly treat or unjustly discriminate against any shipper in the matter of cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage, and loading and landing of freight in proper condition, or the adjustment and settlement of claims.

Section 16 requires common carriers by water, or other persons subject to the act, to file with the board a true copy, or, if oral, a true and complete memorandum, of agreements with other carriers or other persons subject to the act, or modification or cancellation thereof, to which they may be a party or conform in whole or in part, fixing or regulating transportation rates or fares, giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or cooperative working arrangement. The board is given the power to dissolve, disapprove, cancel, or modify any agreement or any modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters between the United States and foreign competitors, or to operate to the detriment of the commerce of the United States, and to approve all other agreements, modifications, or cancellations. Agreements existing at the time of the organization of the board shall be lawful until disapproved by the board. It is made unlawful to carry out any agreement or any portion thereof disapproved by the board. Agreements, modifications, or cancellations lawful under this organization of the board shall be lawful only when and as long as approved by the board. Before approval or disapproval it is made unlawful to carry out, in whole or in part, directly or indirectly, any such agreement, modification, or cancellation. Agreements, modifications, or cancellations lawful under this section are excepted from the provisions of the Sherman and other antitrust acts.

Section 17 makes it unlawful for any common carrier by water, or other person subject to the act, either alone or in conjunction with any other person, directly or indirectly, first, to make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage; second, allow any person to obtain transportation for property at less than regular rates by means of false billing, false classification, false weighing, false report of weight or by any other unjust or unfair device or means; or third, to improperly influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable an insurance rate on vessel or cargo as granted to such carrier or other person subject to the act.

Section 18 applies to carriers by water in foreign commerce and provides that no such carrier shall demand, charge, or collect

any rate, fare, or charge which is unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with foreign competitors. It further provides that whenever the board finds any such rate, fare, or charge is demanded, charged, or collected, it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge. Whenever the board finds any such regulation or practice is unjust or unreasonable it may determine, prescribe, and order enforced a just and reasonable regulation or practice. Such carriers and other persons subject to the act shall establish, observe, and enforce just and reasonable regulations and practices relating to or connected with the receiving, handling, storing, or delivering of property.

Section 19 provides that every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto, and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property. Every such carrier is required to file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route, and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on the route of any other carrier by water. It is made unlawful for any such carrier to demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with the section, except by the approval of the board and under 10 days' public notice in the form and manner prescribed by the board. The board for good cause may waive such notice. Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge or a just and reasonable classification, tariff, regulation, or practice.

Section 20 forbids common carriers by water in interstate commerce to reduce its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, and in the event it does so, forbids such carrier to increase such rates unless, after hearing, the board finds such proposed increases rest upon changed conditions other than the elimination of such competition.

Section 21 makes it unlawful for a common carrier by water, or other person subject to this act, or any officer, receiver, trustee, lessee, agent, or employee of such carrier or person, or for any other person authorized by such carrier or person to receive information, to disclose to or permit to be acquired by any person other than the shipper or consignee, without the consent of such shipper or consignee, certain information which might be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions, or might be used to the detriment or prejudice of a carrier, and so forth. This does not prohibit, however, the giving of such information in response to any legal process issued under the authority of a court of competent jurisdiction, or to any officer or agent of the Government, or of any State, and so forth, in the exercise of his powers, or any other person seeking such information for the prosecution of persons charged with or suspected of crime, or to any other carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of business of such carriers.

Section 22 provides that the board may require any common carrier by water, or other person subject to the act, or any officer, receiver, trustee, lessee, agent, or employee thereof, to file with it any periodical or special report of any account, record, rate, or charge, or any memorandum of any facts necessary for the information of the board in the administration of the act. It makes it a misdemeanor to willfully falsify, destroy, mutilate, or alter any such report, account, record, rate, charge, or memorandum, or willfully file a false report, account, record, rate, charge, or memorandum.

REMEDIAL PROVISIONS—SECTIONS 22 TO 34, INCLUSIVE.

While the part of the bill relating to the regulation of carriers by water differs necessarily and materially from the corresponding provisions of the interstate-commerce act, the difference is not so radical that the administration and enforcement provisions of the latter act and the nearly 30 years' experience of the Interstate Commerce Commission can not be adapted with slight modifications to the purposes of this bill.

Section 22, relating to the requiring of information, confers upon the board only a part of the power of the Interstate Commerce Commission under section 20 of the interstate-commerce act, by which the commission is empowered to prescribe a uniform system of accounts, as well as the form of all accounts, records, and memoranda to be kept by carriers subject to the act, and its examiners given access to such accounts for the purpose of inspection and examination. While it is well within the power of Congress to impose similar requirements upon carriers by water in interstate commerce, the committee deems it neither advisable or necessary, at least at this time, to make the provisions of this bill any more burdensome in this respect upon carriers by water in interstate commerce than those imposed upon similar carriers operating under foreign flags and engaged in the foreign commerce of the United States.

Sections 23 to 31 inclusive, modeled very closely after the interstate-commerce act, in brief and concise manner confer upon the board power to make orders necessary for the enforcement of the act, and provide the means for the enforcement of such orders.

Under section 23 any person may file with the board a sworn complaint setting forth any violation of the act. The board after due notice to the person complained of shall investigate the matter, and make such order as may be proper, including an award of reparation for any injury resulting from the violation. Similar powers are conferred upon the board to investigate and make orders upon its own initiative, except that awards of reparation may be made only upon complaint. Provision is also made in section 24 that orders relating to a violation may be made only after a full hearing. While this secures to a person alleged to have violated the act a full opportunity to be heard in his own defense, it at the same time leaves free from unnecessary restriction the action of the board in other matters.

The provisions of section 24 relating to the time during which orders of the board shall continue in effect are the same as those of the interstate-commerce act, but the provision of the latter act that orders shall not take effect for 30 days has been omitted, as the committee feels that this matter should properly be left to the discretion of the board.

The provisions of section 27 relating to the power of the board to compel the attendance of witnesses and the production of documentary and other evidence are also substantially similar to those of the interstate-commerce act, except that the board may exercise such power only "for the purpose of investigating alleged violations of this act" instead of "for the purposes of this act" as in the interstate-commerce act. Under this broad phrase in the latter act as construed by the Supreme Court (Harriman *v.* United States, 211 U. S., 407 [1908]), the power of the board is limited to investigations of violations. The provision that testimony may be taken under the direction of the board by any person authorized to administer oaths has been substituted for the lengthy but little-used provisions of the interstate-commerce act relating to depositions. Section 28 includes the essential provisions of the compulsory testimony act of February 11, 1903, and the immunity of witnesses act of June 30, 1906.

In sections 29 and 30, providing the means for the enforcement of orders of the board, the provisions as to jurisdiction of the district courts have been slightly changed because of the difference between rail and water traffic.

The somewhat lengthy provisions of the district court jurisdiction act of October 22, 1913, as to the venue and procedure in suits to enforce, suspend, or set aside orders of the Interstate Commerce Commission, are extended by section 31 to apply to orders of the board. In view of the ambiguous provision of that act as to venue, the section provides that such suits may also be maintained in any district court having jurisdiction of the parties.

Section 32 is a general penalty provision, corresponding to section 10 of the interstate-commerce act, and making any violation, except where a different penalty is specifically provided, a misdemeanor punishable by a fine of not more than $5,000.

Section 33 provides that this act shall not affect the jurisdiction of the Interstate Commerce Commission nor confer upon the board concurrent jurisdiction over any matter within the jurisdiction of the commission. Its purpose is to obviate a

conflict of jurisdiction if in some unforeseen manner any substantive provision of this bill inadvertently overlaps a corresponding provision of the interstate-commerce act. The last clause of this section—that the act shall not apply to intrastate commerce—corresponds to the similar provision of section 1 of the interstate-commerce act, both of which are rendered advisable in view of the decision of the Supreme Court in the first employers' liability cases, Two hundred and seventh United States, page 463 (1908).

Section 34 is merely a legislative declaration of the separableness of each provision of the act, so that in the very unlikely event of any provision being unconstitutional the remainder of the act would not be endangered thereby.

Mr. GREENE of Massachusetts. Mr. Chairman, this bill that we have under consideration is one of the most important bills ever presented for the consideration of the Sixty-fourth Congress. I have good authority for that statement, and I propose to quote you an extract from a speech made by a good Democrat, so that you can understand where my authority comes from. I am not supposed to be good authority on Democratic propositions, but I will give the authority of a good Democrat and that will tell the story.

On February 11, 1915, there appears in the CONGRESSIONAL RECORD a copy of an address delivered by the gentleman from Virginia [Mr. SAUNDERS] before the Chamber of Commerce of Boston, and after he delivered that address it was so satisfactory to some of the Democrats in this House that before I was able to obtain recognition from the Speaker to ask to have this address placed in the RECORD, one of the most prominent Democrats in this House asked to insert the address before referred to in the RECORD. This was not hasty action on the part of the gentleman from Virginia [Mr. SAUNDERS], but one that was very thoughtful, because he had long consideration before he decided to deliver that address at the Boston Chamber of Commerce, and he took the position in opposition to the shipping bill that was presented last year. And the gentleman who has just taken his seat [Mr. ALEXANDER], the chairman of the Committee on the Merchant Marine and Fisheries, defended the bill before the chamber of commerce. The gentleman from Virginia [Mr. SAUNDERS] also on the 22d day of February, 1915, put into the CONGRESSIONAL RECORD a speech 11½ pages long, in which he condemned the shipping bill (H. R. 18666), which was acted on in the House of Representatives last year, and I shall quote what he said, because I think when you quote good Democratic doctrine, where that doctrine condemns Democratic legislation, it is wise to let the people understand what a prominent Democratic Member of the House thought about the shipping bill last year and how he characterized it then and how he views a proposition which provides for a larger expenditure from the public Treasury under the bill reported out from the Committee on the Merchant Marine and Fisheries by the action of the Democratic members of the committee, and now being considered in the House of Representatives.

The gentleman from Virginia [Mr. SAUNDERS] used the following language in his speech placed in the CONGRESSIONAL RECORD December 22, 1915:

> Mr. Speaker, the pending Government shipping bill is the most momentous proposition that has confronted the Democratic members of this body collectively and individually, since the advent of the Democratic administration. During the past two years we have passed a number of important measures, notably the tariff and currency bills. But the Democrats were committed to these measures by the declarations of many platforms. Reforms in these directions were familiar articles of the Democratic faith, and were prominent among the issues upon which the successful campaign of 1912 was waged. But the pending bill, that is the compound Gore-Weeks bill, presents a new principle, one never contained in a Democratic platform, and in my judgment both politically and economically unsound and unwise. This bill proposes Government ownership and operation in a commercial enterprise that will bring the United States into immediate competition with its own citizens who may desire to enter the field of foreign trade on the high seas. This enterprise will require many initial millions to set it on its feet, and holds out no hope of profit from its conduct and operation.

I could not have stated the condemnation of the shipping bill more forcibly if I had tried. The following is the language of the gentleman from Virginia [Mr. SAUNDERS], who is the presiding officer of the Democratic caucus, in a further reference to said bill:

> No Democratic platform has declared in favor of Government ownership in this direction. Quite the contrary. Our last platform specifically indorses the "efficient supervision and rate regulation of railroad and express companies, and telegraph and telephone lines engaged *in interstate commerce*."
>
> Contrast this plank with the plank in the same platform relating to a merchant marine, a plank that later will be cited in full. This plank favors the development of a limited merchant marine between this country and South America, through the exercise of the Federal power of "constitutional regulation of commerce." Regulation is the word used in the two planks, and in the common acceptation, as well as legal intendment, its meaning is the same in both connections. If the exercise of our constitutional power of regulation means that the Government is to buy and operate, or lease and operate ships on the high seas, in a commercial venture, in a word, if regulation in this connection commits us to Government ownership to an unlimited extent in the field of foreign trade, then it will be an easy step in the argument to say that our platform relating to the regulation of railway and other companies, engaged in interstate traffic, commits us to the principle of Government ownership of railroads, express companies, telegraph and telephone lines, a contention that doubtless some one will make before the work of this Congress is concluded.
>
> This shipping bill has been hailed with delight by Debs, Berger, and other leading Socialists in the United States, and why not? It is a concession that their main contention is fundamentally sound. Enact this bill, and the Socialists, not the Democrats, will have occasion to rejoice. Its passage may be a victory for the forces behind this measure, but the fruits of that victory will attach to an opposing organization, since our indorsement of their main contention will give an impetus to the development of their propaganda that nothing else would afford to the same degree. The Socialist contention that Government ownership and Government operation should replace private ownership and private operation, has not found favor in the Democratic Party, at least not up to the present time. For one, I am opposed to it. I believe in individual initiative, individual enterprise, and individual property rights, that is individual ownership. Hence my opposition to the pending bill which provides for Government-owned and Government-operated ships in the field of foreign trade. The Democratic Party has always favored the development of a privately owned merchant marine. Our last platform calls for such a marine, and the legislation of August, 1914, was intended to lay the foundation on which privatae capital could build. The amount carried in this bill, great as it is, and capable of being applied to very great advantage in many directions of domestic utility, would buy a comparatively small fleet of merchant ships. Still they would be sufficient to chill the spirit of private initiative, and discourage and deter private capital from the effort to establish such a merchant marine as our platform contemplates.
>
> As a Democrat, I am further opposed to this measure, for the reason that it is in flat contravention of the following plank of the platform adopted at Baltimore:

And only think, gentlemen of the Democratic majority, you will soon be compelled to write a new Democratic platform. There have been so many planks knocked out that, gentlemen of the majority, you will be compelled to begin anew at the foundation and build up again. The platform upon which you gained your power to control the House and elected your President declares as follows:

> We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine which shall develop and strengthen the commercial ties that bind us to our sister Republics of the south, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

The gentleman from Virginia [Mr. SAUNDERS] in that speech said of this plank:

> This plank plainly restricts our legislative activities in this direction to the exercise of our constitutional power to regulate commerce. The limited marine to be developed in this fashion is to ply between this country and South America, and must be self-supporting, since we are neither to impose additional burdens upon the people nor to afford bounties or subsidies from the Public Treasury in furtherance of its development. There is no hint in the language used of a world-wide Government-owned and Government-operated marine. Subsidies and Government ownership are alike excluded from contemplation.

So that, gentlemen, you can see clearly you are traveling on very dangerous ground, according to Democratic authority.

Mr. SMITH of Michigan. Will the gentleman give the reference to that quotation?

Mr. GREENE of Massachusetts. Yes; I can. It is in the CONGRESSIONAL RECORD, volume 52, part 6, Appendix and Index, Sixty-third Congress, third session, page 469. And, furthermore——

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. Certainly.

Mr. MOORE of Pennsylvania. Has the gentleman time to incorporate the peroration of Mr. SAUNDERS in that speech, where he quotes President Wilson on the immigration bill and says he can not support the President in his policy of Government ownership?

Mr. GREENE of Massachusetts. Yes; I can.

Mr. MOORE of Pennsylvania. I will read it to you. Mr. SAUNDERS said:

> Mr. Speaker, I will never support this undemocratic policy of Government ownership until it is embodied in and made a part of our party platform. When President Wilson vetoed the immigration bill, which had passed both branches of Congress by immense majorities, he made the following explanation of his action in his veto message: Does this bill rest upon the conscious and universal assent and desire of the American people? I doubt it. It is because I doubt it that I make bold to dissent from it. I am willing to abide by the verdict, but not until it has been rendered. Let the platforms of parties speak out on this policy and the people pronounce their wish. The matter is too fundamental to be settled otherwise. I only want instructions from those whose fortunes, with ours and all men's, are involved. Mr. Speaker, I renew the query of the President in the present connection, and ask: Does this Government-ownership bill rest upon the universal assent and desire of the American people? I sincerely doubt it, but am ready to abide by their verdict. For the present the people have not spoken, and until their verdict is rendered I am constrained to stand on my party's platform

as it has been written. When I am instructed further and otherwise by the people of my district I will conform to those instructions and subordinate my personal opinion to the better judgment of the people, who constitute the fundamental authority in a free and popular government.

That statement of the President the gentleman from Virginia [Mr. SAUNDERS] cordially confirms.

Mr. GREENE of Massachusetts. Yes. Now, gentlemen, I want to call your attention to a situation which arose out of that investigation which took place some time before the advent of this Congress. I find by examining the prefatory note prefixed to the Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade, prepared under the direction of the Committee on the Merchant Marine and Fisheries in the Sixty-third Congress, that it represents a summary of the data gathered by that committee in its investigation of steamship combinations under House resolution 425, introduced by Mr. HARDY, of Texas, on February 24, 1912, and resolution 587, introduced by Mr. ALEXANDER on June 18, 1912. Then it proceeds to tell of this investigation, but states that a joint resolution was originally introduced by Mr. HUMPHREY of Washington, providing for a joint committee of the House and Senate to investigate foreign shipping rings. Mr. HARDY subsequently introduced a joint resolution extending the inquiry embraced in the resolution of Mr. HUMPHREY.

Now, gentlemen, that is the basis of some subsequent action taken in the committee. Last year, when we had the shipping bill under consideration, we started out with the bill numbered H. R. 18518. I want to show you how we have progressed on shipping bills. We started out, as I say, with the bill numbered H. R. 18518, which was a bill "to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States, or of a State thereof, or of the District of Columbia, to purchase, equip, and maintain vessels to operate in the foreign trade of the United States, and for other purposes." That bill comprises less than five pages—four pages and less than a third. That was issued on the 24th day of August, 1914, as a starter.

On the 4th day of September, 1914, a bill was introduced, which was referred to the Committee on the Merchant Marine and Fisheries, "To authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation, to be organized under the laws of the United States, or a State thereof or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes." That bill contained six pages and about one-quarter. That would seem to be a very fair kind of proposition, simple in preparation and not too extensive in language.

On the 6th of December, 1915, a bill—H. R. 450—was introduced, entitled "A bill to regulate carriers by water engaged in the foreign and interstate commerce of the United States." When that bill was introduced I received many complaints from my constituents in regard to the different propositions contained in it. After inquiries made of the chairman, he said, "That bill will be withdrawn. I do not propose to have any hearing on that bill." That bill—H. R. 450—contained 28 pages.

We then were confronted with the bill introduced on January 21, 1916—H. R. 10500—"to establish a United States shipping board for the purpose of developing and creating a naval auxiliary and a naval reserve and to promote the commerce of the United States, and for other purposes." That bill contained 16 pages.

Now, when we came to consider that bill and go through it very carefully, there were some objections made to two sections of it; and so, in order to make the bill lighter and easier, so that it would not be quite so expensive a burden upon American shipping, it was pared down and another bill was presented, which was labeled H. R. 14337, "To regulate carriers by water engaged in the foreign and interstate commerce of the United States," and that bill contained every feature that was in the bill H. R. 450 that had rested in the committee a few months and then was withdrawn because it was announced to the general public that it would not be considered at that Congress.

So that we have the bill H. R. 14337, which seems to be a scheme to punish the shipping interests of this country for taking out sections 9 and 10 of the bill H. R. 10500, and the committee consolidated with it the bill H. R. 14337. And so to-day we have the bill H. R. 15455, "to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States, and for other purposes," as the bill which contains all that has been thought out in response to our invitation to draft a bill in the interest of American shipping.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. I will yield for a question; not for a speech.

Mr. ALEXANDER. I just want to ask the gentleman if it is not a fact that the bill I introduced to carry out the recommendation of the committee was the bill H. R. 3728 in the last Congress, which was printed in full in Referendum No. 9 by the Chamber of Commerce of the United States and was submitted to the members of their constituent bodies in that referendum and that in the main the provisions of House bill 450 are identical with the provisions of that bill?

Mr. GREENE of Massachusetts. Not having had my attention called to it, I can not tell you.

Mr. ALEXANDER. I say they are.

Mr. GREENE of Massachusetts. Then I take the gentleman's word for it. Let the gentleman conclude his speech, but I will yield no further.

There is no trouble with me. I fight fairly. I have been a member of this committee nearly 18 years, and I have been a member of the committee ever since the present chairman was made chairman of the committee, and there have been but very few bills on which I came before this House in opposition to him. One of these was the shipping bill last year, and the other is the shipping bill this year. I have my reasons for not being in favor of this bill.

I challenged members of the committee when I was charged with being concerned with a trust and defending a trust on this committee—I challenge any man to bring his proof here on this floor if he can find any evidence whether in the committee or outside of it that I have been in any way connected with any shipping trust, any manufacturing trust, or any kind of a trust in any form whatever. I challenge any member of the committee to show that I have not been entirely independent in everything I have done, without regard to any inducement by anybody, either in this House or outside of it.

Mr. GORDON. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. GORDON. Is the gentleman in favor of subsidies?

Mr. GREENE of Massachusetts. Yes, sir; I am, but I am not in favor of Government ownership and paying $50,000,000 into a proposition that will not do anything but entangle the American shipping and deny them freedom of action and which provides no benefit except to the foreign ships.

Mr. BRITTEN. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. BRITTEN. Does the gentleman think that $50,000,000 is sufficient?

Mr. GREENE of Massachusetts. Fifty million dollars will be a mere flyspeck if the intention really is to provide a merchant marine to cope with the merchant marine of the nations of the world, but it means a sum of fifty millions coming out of the Treasury of the United States and absolutely nothing will be returned, and it will be proved so by the application of this bill. No other Government has ever experimented in providing such a vast sum to be expended as is provided in this bill, but it is $50,000,000 out of the hard-earned money of the people, and is $50,000,000 too much.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GREENE of Massachusetts. Certainly.

Mr. MOORE of Pennsylvania. The American shipyards are about as fully employed now as they can be?

Mr. GREENE of Massachusetts. Yes.

Mr. MOORE of Pennsylvania. And can not take any more orders, as I understand it?

Mr. GREENE of Massachusetts. No.

Mr. MOORE of Pennsylvania. And so we will have to spend the $50,000,000 in foreign countries?

Mr. GREENE of Massachusetts. Yes; there is a provision in the bill that gives them that opportunity, and the minority tried very hard to take this feature out of the bill. Every Democrat voted to retain this feature.

Mr. MOORE of Pennsylvania. If they were to enforce the law immediately where would they spend the money?

Mr. GREENE of Massachusetts. I do not know. There will be a payment to these gentlemen for their salaries and expenses and everything else that goes with the bill, but that will come out of the Treasury of the United States beyond the $50,000,000.

Mr. MOORE of Pennsylvania. Well, that gives them a start, then they can deliberate for two or three years as to whether they will buy abroad or at home.

Mr. GREENE of Massachusetts. Yes; they have the right to buy abroad. We tried to take that proposition out of the bill

but were unsuccessful. They have the opportunity to buy here or elsewhere. Section 5 says:

That the board with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, etc.

That is to say, if you can find that they can build the vessels cheaper abroad, then you will construct your vessels abroad and take the money out of the Treasury of the United States and spend it to support foreign shipbuilders to build up foreign shipyards—do everything you can to help the foreigner. You propose in this bill to tie the hands of the American shipper and shipbuilder. During the hearing I asked several gentlemen who were engaged in the construction of and in the running of vessels in the foreign trade if this bill did not put a cable around the hands and arms and bind up the feet of every American shipper and shipowner, and they invariably answered that if it was enacted into law that would be the result. Now, we can not control the foreigner, although the bill provides for control; but there never was a bigger piece of humbug in a bill than the attempt to promote the building of a merchant marine under the provisions, restrictions, and regulations of this bill.

Mr. KAHN. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. KAHN. The Secretary of the Navy is one of the members of the board ex officio. Does the gentleman know that the Secretary of the Navy has been buying canned goods put up abroad, put up in foreign countries, for use of the sailors of the United States?

Mr. GREENE of Massachusetts. Oh, yes.

Mr. KAHN. Is the gentleman familiar with the law of April 28, 1904, under the terms of which the American ship must be given the preference in carrying coal and other commodities for the use of the Army and Navy from the Atlantic to the Pacific seaboard whenever the charges of the American vessel were not unreasonable, and does the gentleman recall that President Roosevelt and President Taft decided that under that law where American shipowners, by reason of the greater expense the American ship is under, asked not more than 50 per cent over the foreign shipowner that the American ship must be given the preference to comply with the law?

Mr. GREENE of Massachusetts. Yes.

Mr. KAHN. And that the Secretary of the Navy has set that aside?

Mr. GREENE of Massachusetts. Oh, does not the gentleman from California realize that there is a great distinction between a Republican administration and a Democratic administration?

Mr. GORDON. Yes; 50 per cent. [Laughter.]

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. LA FOLLETTE. And does the gentleman remember that during this administration the Secretary of the Navy bought materials for Old Glory abroad?

Mr. GREENE of Massachusetts. Yes; anything that can be bought cheaply is very attractive to the present administration. You will soon have everything made in Japan. We will not do any American business.

Mr. DAVIS of Texas rose.

Mr. GREENE of Massachusetts. Oh, what is the matter with my friend from Texas? [Laughter.]

Mr. DAVIS of Texas. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes; for a question.

Mr. DAVIS of Texas. I want to ask if the gentleman remembers that Pierpont Morgan, whom you made general manager of the United States, bought a lot of bonds abroad last spring?

Mr. GREENE of Massachusetts. Why, yes; he spends his money where he pleases, the same as you do. [Laughter.] I do not think we have any right to control his expenditures and investments any more than we have to control yours. There is a vast difference between the gentleman from Texas and Mr. Morgan spending their own money and the expenditure of the money of the people. Now, gentlemen, I have a few other matters to which I wish to refer.

Mr. EMERSON. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. EMERSON. I would like to call the gentleman's attention to section 11, which provides for a partnership between the United States and citizens of this country. Has the gentleman discussed that at all?

Mr. GREENE of Massachusetts. I have not, because there will be no partnership between any individual and the United States. No individual will go into partnership with the Government of the United States on these terms. The gentleman need not fear that they will get in. Here is a high set of men, from the President down, who send orders to people who will take them. I thank God that I never took any orders from the White House, neither under a Republican administration or a Democratic, and I do not take the orders from any live man to-day either Democrat or Republican.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. MOORE of Pennsylvania. So long as we provide $20,000,000 for a nitrate plant and $50,000,000 for the lower Mississippi and $15,000,000 for rural credits, does not the gentleman think we had better hurry up and pass this bill while we have $50,000,000 in the Treasury?

Mr. GREENE of Massachusetts. I am going to suggest this, that this bill proposes to use Panama Canal bonds which, fortunately for the country, we did not use to build the Panama Canal because we had the money in the Treasury; and, furthermore, had we used these bonds to build the Panama Canal and had left money instead of those bonds in the Treasury there would not have been anything in the Treasury to-day, for the money would have looked so alluring to the party in power that they would have evolved some scheme to have disposed of it. They are using the canal bonds because they are available assets which are readily in sight.

Mr. MOORE of Pennsylvania. Does the gentleman not understand that the nitrate plant is to be built with Panama Canal bonds?

Mr. GREENE of Massachusetts. Oh, yes; there is nothing else now available.

Mr. MOORE of Pennsylvania. Had we not better hurry up and pass this bill on that account?

Mr. GREENE of Massachusetts. Oh, yes. I want to call attention to this fact, that in section 15 there is a penalty of $25,000 attached to a violation of a single provision of this bill. Just think of that. A penalty of $25,000, and then they put in a penalty of $5,000 for violation of another provision. They say that they are not going to hamper the American shipping at all; that they are perfectly free to go as they please; but if a man is in command of an American ship in a foreign port and he gets a chance to do any business with anybody over there, he has first to say to himself, "Well, I will have to look up this law first to see what I can do." Of course, they say that the law will be liberally administered—that is, some members of the committee say that—but they are not going to be the men on that board.

The board is going to be made up of Lord knows whom. Woodrow Wilson nominates the board and we can not tell whom he will nominate. Of course, he is going to see to it that the parties are properly divided! He made one division with a man whom he did not succeed in getting confirmed in the Senate yesterday. He was a man without a party, but the President recognized him as belonging to our party, and so we do not know what is going to happen to us; but we do know that this bill from beginning to end is an infernal bill that ties up American shipping and leaves the foreign shipping free, because you can not get at it. Of course, if they could, if this Democratic Congress could only do what they would like to do, they would endeavor to control the world. They are worse than the Kaiser, but their power is limited as well as his is. [Laughter.]

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. Oh, no; I have no time to spare, and I must decline to yield. I have used all of the time that I care to use at present. I have got any quantity of material, and if somebody else does not use the time, I will.

Mr. EMERSON. Mr. Chairman, will the gentleman yield to me for one more question?

Mr. GREENE of Massachusetts. Yes.

Mr. EMERSON. Has the gentleman overlooked on page 5 that paragraph which says that the expenses of the board, and so forth—for traveling expenses outside of the city of Washington, wherever they may go—is to be approved by the chairman of the board?

Mr. GREENE of Massachusetts. Oh, yes.

Mr. ALEXANDER. Will the gentleman yield?

Mr. GREENE of Massachusetts. No; I will not yield. I reserve the remainder of my time.

Mr. ALEXANDER. That provision applies to all boards.

Mr. GREENE of Massachusetts. I reserve the remainder of my time.

Mr. ALEXANDER. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. Mr. Chairman and gentlemen of the House, I sympathize greatly with my friend from Massachusetts [Mr. GREENE].

Mr. GREENE of Massachusetts. Do not sympathize with me; I do not need any. [Laughter.]

Mr. BYRNES of South Carolina. I think my friend does, and I understand his grouch. Nobody ever charged him with being controlled by the trusts or anything else. We know that no one could control him. He can not even control himself. But for all of his life he has had one hobby, a hobby that was indicated by the question of the gentleman from Ohio when he asked if he was in favor of a subsidy, and the gentleman from Massachusetts almost jumped over the chairs in replying, "Yes; I am." The trouble is that some Republican on this Merchant Marine Committee backed the gentleman from Massachusetts up in a corner or somewhere else and had him write a minority report upon this bill that covers 13 pages and he never says one word about a subsidy. With the best chance that he has ever had in his life to come here and advocate a subsidy, some power we do not know of forced him, the ranking member on the minority side of this commitee, to write a report over his own signature in which he fails to advocate the payment by the Government of the United States of a subsidy to the Shipping Trust of America! How did you do it?

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. MOORE of Pennsylvania. Is not this bill a subsidy under another name?

Mr. BYRNES of South Carolina. I can show that it is not, but I want now to direct my remarks to the members of the committee, and then I will try and talk to the gentleman from Pennsylvania. Think of the nerve, the absolute nerve, of the gentleman from Massachusetts [Mr. GREENE] getting up here and attempting to talk about the inconsistency of the gentleman from Virginia in advocating this bill. I will not attempt to explain the conduct of the gentleman from Virginia, because he is well able to do it for himself, but I want to talk about the inconsistency and hypocrisy of gentlemen on the Republican side. Here is my good friend from Michigan [Mr. LOUD], who signed this minority report, charging that the regulatory provisions of the bill are embarrassing both to the shipowner and to the ship operator, and are absolutely destructive to American shipping, and, lo and behold, the gentleman from Michigan, immediately after signing that report, introduces into this House on May 8, a bill, H. R. 15565, with 36 sections, and 33 out of the 36 sections are taken bodily from the Alexander bill. [Laughter and applause on the Democratic side.] There is not a change, the dotting of an "i" or the crossing of a "t," with the exception of three sections. Every restriction, every regulative section is word for word as provided in the Alexander bill. Did he mean it when he said what he did in the minority report? If so, why did he introduce this bill on May 8? Was he sincere when he said the Alexander bill was destructive of American shipping? Was he hypnotized into signing a report that condemned his own bill?

But he is not the only man. Take the gentleman from Pennsylvania [Mr. EDMONDS]. I know of no man in this House who is better informed on the subject of the American merchant marine, and therefore what he says is certainly of interest to all students of the question. He signed this report, and what does he say? He says that Government ownership, even under this modified plan for a limited period, is a most dangerous thing. Did he believe that?

My friends, during this same Congress another bill was introduced into this House by the gentleman from Pennsylvania [Mr. EDMONDS] on December 7, and what did he propose in that bill? He proposed that the President of the United States be directed to build or acquire 20 steamships of not less than 8,000 tons each. To do what with them? To put them into commerce; to have them engage in shipping, but instead of intrusting them to the control of the shipping board he provided that they should be operated through the Panama Steamship Co. The only difference was that he intrusted it to the Panama Steamship Co. instead of the shipping board.

Mr. EDMONDS. Will the gentleman yield?

Mr. BYRNES of South Carolina. Yes; I will be glad to do so.

Mr. EDMONDS. And did not the bill say where they are to be operated also?

Mr. BYRNES of South Carolina. He even provided certain definite trade routes in which they should be used to Central America—Central America and the West Indies if it be deemed advisable, preference to be given to home ports in the establishment of these lines. He went so far as to give preference to certain ports, and there is no question—the gentleman from Pennsylvania will not deny it—that his bill provides for nothing but Government ownership and Government operation of steamship lines. He went further and provided that these Government owned and operated vessels could invade the sacred preserves of coastwise shipping and stop at ports on the Atlantic and Pacific while en route to a foreign port. Then how can you explain the report in which you condemn the operation and ownership by the Government? [Applause on the Democratic side.]

The convention will meet in Chicago very soon, and my good friend from Massachusetts says the Republican Party is going to be returned to power. Does he believe it? No. He does not believe it, and I will prove it to you. They say here that even this limitation of five years upon the Government operation is not satisfactory, because at the expiration of five years the limitation may be removed. Well, they say they are not in favor of Government ownership, and if they are going to be in power five years from now they would not remove the limitation. But they say they fear the limitation will be removed, so we must presume that in their hearts they believe we will be in power. [Laughter and applause.] My good friend overlooks the fact that from his own State there is a distinguished Senator, and when the Chicago convention meets I have no doubt all of them will be found voting for that distinguished Senator from Massachusetts [Mr. WEEKS] for the Republican nomination. Is he in favor of Government ownership? Why, in August of last year much time was consumed in the Senate in the discussion and consideration of his bill that provided not only for Government ownership, but went further and provided that the Secretary of the Navy should fix the rates at which commerce should be transported by these boats under Government ownership.

If Government ownership and operation under existing circumstances is populistic and dangerous, how are you Massachusetts Republicans going to conscientiously vote to nominate WEEKS at Chicago?

And there is the distinguished Senator from New Hampshire, the Republican leader in the Senate, Senator GALLINGER, who had this to say of the Weeks bill:

> This proposition takes some of the few auxiliary ships we have and puts them into commercial work, and if they can be called back to the Navy when they are needed no substantial harm, as I see it, will be done.

That is what we propose to do, to put them in commerce, and we provide specifically that whenever war is threatened the President of the United States shall have the right to immediately draft these vessels, and thereafter a board of arbitration shall settle the price at which they shall be paid for.

The Senator from Mississippi [Mr. WILLIAMS] was opposing the policy of placing a limit upon the operation of Government ships and offered an amendment limiting the operation of ships by the Government to the period the war should continue. To this Senator WEEKS, candidate for the Republican nomination, said:

> The Senator will note from a reading of the bill that whether or not these lines are established and maintained is entirely in the hands of the Secretary of the Navy. If other means of transportation are furnished by private capital, these ships can be withdrawn at any time, but I think it would be inadvisable to enter upon this enterprise for the comparatively brief time which may ensue between now and the termination of the European war. I hope the Senator will not press the amendment which he has suggested, making the application of the bill temporary.

And again:

> But the purpose of the bill is not temporary. The purpose of the bill is to establish, until private capital undertakes to do so, a line of steamers to South America.

Now, the gentleman from Massachusetts opposes the provisions of this bill which would allow the shipping board to purchase or construct elsewhere, with the limitation that preference should be given to American shipyards. I want to commend to the gentleman another distinguished gentleman, a candidate for the Republican nomination for the Presidency; a man who certainly knows a good deal about this question. I refer to ex-Senator Burton of Ohio, and I want to read what he had to say in the Sixtieth Congress. Mr. Burton said:

> I would not disparage the importance of the shipbuilding industry. Let them have the exclusive right to build boats to ply upon the lakes. Let them have the exclusive right to build boats to ply between New York and Savannah or New York and Galveston. But if we desire to carry our goods or our mails abroad in boats which have the American flag at their mastheads we must fall in line with every other country and allow the purchase of ships anywhere where they can be obtained. * * * Right here I desire to state that while I favor restricting boats engaged in domestic or coastwise trade to those of American construction, I do not believe we can ever expect to attain to even a fraction of the prominence of former days without doing away with that regulation. This regulation dates from the very earliest history of the Republic.

He further said:

> No ship can carry the American flag and engage in either foreign or coastwise trade unless it is built in American shipyards, a law which has been abandoned by practically every other country in Europe or in the civilized world.

Mr. EMERSON. Did Senator Burton in speaking on this subject say he favored Government purchase and operation?

Mr. BYRNES of South Carolina. That is another question entirely. But the minority members of this committee, like the gentleman from Massachusetts [Mr. GREENE] a moment ago, opposed the provision in the bill which provides that ships can be built in American yards or elsewhere, preference being given to American shipyards, and the distinguished Senator from Ohio, Mr. Burton, said that the American flag would never fly from the masthead of American ships until we did what the Alexander bill seeks to do.

Mr. GREENE of Massachusetts. Did I not say that I asked to have stricken out the words "or elsewhere"?

Mr. BYRNES of South Carolina. And I tell you that when you did that you were directly in conflict with the opinion of the distinguished Senator from Ohio.

Mr. GREENE of Massachusetts. It does not make any difference whether I am in conflict with anybody else or not. You charge me with offering to take away the building of American ships from American shipyards and navy yards.

Mr. BYRNES of South Carolina. Nobody would ever charge you with that as long as you live. You will always be found trying to prevent that which Senator Burton said is the only way to have the flag at the masthead of American ships.

Mr. GREENE of Massachusetts. Senator Burton has as good a right to his opinion as I have to mine.

Mr. BYRNES of South Carolina. The real truth is that every last one of you is in favor of a subsidy and every last one of you was afraid to say so, because you know that at this time every steamship company is making such excessive profits that even if in the past years this Congress had enacted a subsidy law the ship owners to-day would be ashamed to take the money.

Mr. LOUD. Was not Senator Burton alone in that view on this side of the House?

Mr. BYRNES of South Carolina. When a man is right he is always alone on that side of the House. [Laughter.]

This bill provides a dual purpose. It serves preparedness in war and in peace. It serves preparedness in war, because, according to Admiral Benson, if we commandeered all American ships available as naval auxiliaries we would still lack 500,000 tonnage. To do what? To take care of the ships of the American Navy when at sea. A navy at sea without auxiliaries is as helpless as an army on a battlefield without guns and without ammunition. You clamor for preparedness, and yet you are willing to send a navy to sea without the necessary auxiliaries to supply the fleet.

Mr. COOPER of Ohio. Is it not a fact that in every country where they have been successful in building up a merchant marine it has been done by subsidy?

Mr. BYRNES of South Carolina. No; it is not a fact.

Mr. ALEXANDER. The greatest line in the world—the Hamburg-American Steamship Co.—was built up without subsidy in any form.

Mr. BYRNES of South Carolina. In the Committee on the Merchant Marine and Fisheries, in the consideration of this bill, that question, so far as I am concerned, was settled beyond dispute, and I care not whether the gentleman thinks so, or some of the other gentlemen who remain in their seats and say so, the facts show it is not true, and I defy any man to prove it.

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. I yield.

Mr. KAHN. The gentleman from Missouri [Mr. ALEXANDER] just stated that the Hamburg-American line was not built up by subsidy.

Mr. ALEXANDER. I did.

Mr. KAHN. Is it not a fact that Germany, owning its State railroads, gives a special rate to the goods manufactured in Germany, so that the steamship lines can get a preference in carrying the goods?

Mr. BYRNES of South Carolina. I will answer the gentleman.

Mr. KAHN. And it is equivalent to an enormous subsidy.

Mr. BYRNES of South Carolina. The gentleman has asked me a question, and I will say that that statement has been made in the committee several times, but never authoritatively, and even if it was, it is not such a subsidy as you gentlemen want but have not the nerve to ask for now.

Mr. KAHN. It is a subsidy, nevertheless.

Mr. BYRNES of South Carolina. The gentleman is one of the big-Army and big-Navy men. He contends that we should enact the largest naval bill in the history of the American Congress, and we are going to do it; but when we do it, are we going to send them to sea without sufficient auxiliaries. You want battleships, but when it comes to building auxiliaries to supply them you oppose it, because you fear the auxiliaries may be used in commerce and injure the Shipping Trust.

I wonder how the gentleman from Illinois [Mr. BRITTEN] is going to vote. Is he going to deny, by voting against this bill, the 500,000 tonnage that the Secretary of the Navy says is absolutely necessary to supply American ships?

Mr. BRITTEN. I wish to say to the gentleman that you will not get a big Navy without Republican votes.

Mr. BYRNES of South Carolina. We certainly will not get those votes if it conflicts with the Shipping Trust. [Applause on the Democratic side.]

This bill will furnish the tonnage which the experts of the Navy Department claim is essential to the effectiveness of the American Navy. The ships will be constructed with a view to their use as naval auxiliaries. Now, in time of peace what shall we do with them? Shall we allow them to remain tied up at wharves, when the farmers and manufacturers of America are clamoring for ships to transport their products to market? You gentlemen know that the absence of shipping has caused the railroads to place an embargo upon the shipment of freight to Atlantic ports for export. As early as December, 1915, the railroads reported that 45,000 cars were tied up in the vicinity of New York. The conditions to-day are even worse than those prevailing in the fall of 1915.

The minority report states that even if this bill be enacted into law we can not hope to finish the construction of any ships within two years. I believe this statement is made not with regret but with delight. Had the Republican Party not defeated the ship-purchase bill in the last Congress by filibustering in the Senate, in March, 1915, we would to-day have in operation ships purchased under the provisions of that bill. They would to-day be worth 100 per cent more than they were worth in March, 1915, and the saving to the shippers in freight rates during the past year would have been sufficient to pay for the ships. I want to know what these Republicans from the grain-growing States are going to do about this bill. Before the war you could ship a bushel of grain from New York to Liverpool for 5 cents per bushel. March 1, 1915, the rate had increased to 24 cents per bushel. On that day the Republicans of the Senate by their filibustering defeated the administration bill, and since that time the rates on grain have increased until, March 1, 1916, it cost the farmers of the West 50 cents per bushel to ship their grain from New York to Liverpool. Those who aided in the defeat of that bill may have been true to the shipping interests, but they were certainly disloyal to the agricultural interests of this country, and I believe the farmers are smart enough to realize it.

As long as the European war continues there is absolutely no chance for any improvement in shipping conditions. The shortage of vessels is due to the elimination of the merchant marine of Germany and Austria-Hungary, to the withdrawal of ships for military and naval purposes of the allies, to the loss through submarine activities, and to the fact that the shipyards of Europe are to-day engaged in constructing vessels for naval and military purposes, and, therefore, the world is not receiving the normal increase of shipping. Even after the war shall end it will be some time before the shipyards of Europe can place upon the seas the number of vessels they were turning out annually before the war. In view of this situation, when we know that the absence of shipping last year increased the freight rates to such an extent as to cost the manufacturers and farmers of America $300,000,000 a year, shall we sit idly by and declare our inability to protect the interests of America?

In addition to the increased ocean freight rates, many shippers were unable to secure ships to transport their products, and as a consequence their business has been almost ruined. Many manufacturers have reported to the Merchant and Marine Committee their inability to bid for business in South America because they were not able to lease, charter, or buy ships to transport the products of their factories to the prospective markets. Take lumber and the manufactures of wood. In 1914 our exports were, in round numbers, $99,000,000. In 1915 the exports were only $48,000,000—a decline of $51,000,000. And our coal exports declined $4,000,000 in 1915, in the face of the greatest demand in our history for coal for foreign consumption.

In 1915 we exported manufactured products, other than farm products, to the amount of $843,699,562. The rates have been increased on manufactured cotton goods as well as other manufactured products. Every sane workingman realizes that as our manufacturers are put in position to compete in the open markets of the world, labor will be more regularly employed and at higher wages.

How does the question of a merchant marine affect the farmer? I have already referred to the increase in the rate on

grain. Even a greater increase has been made in the rate on cotton. In July, 1914, the ocean freight rate on cotton from New York to Liverpool was $1 per bale; to Copenhagen, $2; to Rotterdam, $1.25; to Havre, $1.05. On March 11, 1916, the rate from New York to Liverpool was $13.35 per bale; Copenhagen, $15; Rotterdam, $15; and to Havre, France, $15. It is also true that the rate from New Orleans and other southern ports has been higher than the rate from New York. In March, 1915, when the Republicans were endeavoring to defeat the ship bill it was predicted by some persons that there would be some relief from the outrageous rates, but instead of decreasing they have continued to steadily increase until to-day they are higher than they have been since the commencement of the war. The cotton farmer can realize the effect this increased rate has upon the price he receives for his cotton. Men debate the question as to where the price of cotton is determined, here or Liverpool.

If in Liverpool, then admittedly the burden of the increased rate falls upon the producer. No sane farmer will ever believe that he is not caused to bear a part if not all of this freight-rate burden, and all men must agree that when the rate of $15 per bale is added to the price of the commodity, together with the premium for war-risk insurance and increased premiums for marine insurance, the price to the purchaser is so materially increased as to lessen the purchasing power of the consumer and thus lessen the demand for cotton, resulting in lessening the price received by the farmer. During the year ending June 30, 1915, there were exported 8,807,157 bales of cotton of 500 pounds each, valued at $376,217,972. As the increased freight rate averaged about $12 per bale, it is readily seen that the absence of a merchant marine cost the cotton farmers during a single year $100,000,000.

The importance of this question is realized by the farmers of the country. When the war started, and for a month or two, all shipping was paralyzed, our cotton was piling up in the fields and in the warehouses, and as there was no way of shipping it to our markets in Europe, the price rapidly declined to 5 or 6 cents a pound. The spindles in America can not consume much more than a third of the crop, and whenever we are unable to transport our surplus abroad the price will be so low that it will not cover the cost of picking. Often during the last 12 months there have been fluctuations due, according to the market reports, to reported increases in freight rates. But we are in the helpless position of depending upon the merchant marine of Great Britain to transport our cotton to her mills. In this connection I wish to call attention to the press report quoting Admiral Beresford as commenting upon the depletion in the tonnage of British ships for commercial purposes, and Earl Curzon stating in reply:

> The Government is now administering the whole British mercantile marine, amounting to half the gross tonnage of the world. Forty-three per cent of the British tonnage has been requisitioned for naval and military purposes, 14 per cent is occupied in carrying foodstuffs and raw material in behalf of the Government and its allies, and the remaining 43 per cent is being operated by British shipowners under State regulations.

This statement shows what has become of the vessels upon which we have in the past depended for the transportation of our products. The extent of this Government control can be ascertained from an article in the London Economist on November 1, 1915, in which it is stated:

> In future the Government may requisition for the carriage of grain and other merchandise any ship registered in the United Kingdom, and after December 1 no British ship of over 500 tons may carry cargo from one foreign port to another without first obtaining a license from a committee in London. All British shipping is liable to be requisitioned for commercial purposes. All trade in British bottoms between foreign ports is to be under direct Government control.

This means simply that if it be more imperative for the Government to have munitions of war, the ships can not be used for the transportation of grain or cotton. Are we content to have this condition continue? If two grocers are competing for trade in a town and one has a delivery service and the other has none, but depends upon the delivery service of his competitor to take his groceries to customers, how long will he be able to remain in business? If a farmer has no wagon to transport his products to market, but relies upon hiring wagons from his neighbors, does he not know that he can hire those wagons only when it is not to the best interest of the owners to use them for their own business? Do not the business men of America know that the merchant marine of Great Britain will give to British shippers every possible advantage over their American competitors? If a merchant of America and a merchant of Great Britain bid for a contract in South America requiring delivery on specified dates, is it not reasonable to expect the merchant marine of Great Britain to favor their own shippers in guaranteeing bottoms to insure delivery under the contract?

Our opponents claim that it will be impossible to secure any ships under this bill before the war ends. Well, I do not believe any man can predict when the war will end. But if their contention is true, it is still of vital importance that we now proceed to build a merchant marine so that a similar emergency in the future will not find us in a similarly helpless condition.

We had one sad experience during the War with Spain when we wished to send our fleet to sea and found we had no ships to supply the fleet. We went into the market, and as we had to have them immediately the result was that we purchased ships that have ever since been referred to as "junk." Outside of the amounts paid for Army transports, we spent $18,000,000 for naval auxiliaries. After the war seven of the vessels purchased for $1,736,922 were sold for $353,785.04—a loss to the people of $1,383,136.96. The loss on the rest of the vessels was almost as great and the whole transaction a serious reflection upon the business capacity of the American Government.

One advantage of our embarking upon the building of a merchant marine at this time is that we will be able to build modern ships with which the ships of other nations now in existence will be unable to compete. Modern vessels using the Diesel engines, burning oil instead of coal, have such increased cargo space and can be manned with such smaller crews that it has been demonstrated that the saving thus effected will more than offset the increased expense of operating under the American flag, paying higher wages and furnishing better food and better quarters to our seamen.

I do not believe it will ever be necessary for the Government to operate ships under this bill. Because of the low rate of interest the Government can secure for the capital invested, they will be able to sell or lease the ships they build at prices that will attract persons interested in the shipping business. In addition, vessels purchased or leased under this bill will be included in the naval auxiliary, and American seamen upon these boats be enlisted in the Naval Reserve. The plan agreed upon by our committee will be included in the naval appropriation bill authorizing the payment to American seamen of some small amount each month as long as they are in the Naval Reserve. This will induce the American boys to return to the sea and will insure us in case of possible foreign aggression that we will have a naval auxiliary manned by American citizens to assist our fleet in protecting our shores against any invasion.

The regulatory features of the bill are agreed to by all fair-minded men. They seek simply to enable an independent shipowner to carry on his business without having the shipping trust drive him out by discriminatory and unfair practices. Does any man object to that? The London Stock Exchange Book shows the outrageous profits of the shipowners of Great Britain during the years preceding the war, and since that time we can imagine the profits they have made. Is there any good reason why established steamship lines doing business in our ports should not be regulated?

I believe this the most vital question pending in this Congress at this time, and the Democratic members of the subcommittee that framed this bill believe that it offers an opportunity for all Democrats to get together and do what the Republicans failed to do during their sixteen years' control of the Government—provide an American merchant marine that in time of war will insure protection and in time of peace will insure prosperity.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. ROWE].

Mr. ROWE. Mr. Chairman, in order to obtain a clear view of our present situation it is necessary for us to consider briefly the history of shipping in this country. You all know of the wonderful success attained by the Colonies in this line and how, prior to 1775, they not only were able to hold their own but were competitors of the great mercantile nations of the world, and were building ships not only for themselves but for Great Britain and other maritime nations. The Revolution between Great Britain and the United States destroyed all this, and the period which followed the war, known by many as the "dark period" in American history, brought our shipping to its lowest ebb. In 1789 we carried but 23.6 per cent of the export and import trade of the Nation. The very first act of the Congress of the United States under the new Constitution, which passed July 4, 1789, allowed a discount of 10 per cent of the tariff duties on all goods imported in ships built and owned by American citizens. Under the impetus given by this act our commerce increased fourfold in seven years, and by 1796 we were carrying 92 per cent of the exports and imports of the United States, beside doing a considerable trade for other nations.

We held this position as a maritime Nation until the War of 1812; during the second year of that war we handled only 54.5 per cent of our commerce. After the war, at the suggestion of Great Britain, we entered into a reciprocity agreement,

by which our Nation agreed to drop preferential duties in direct trade with the United Kingdom on condition that England was to do the same thing. From the close of the War of 1812 until the year 1834 we held our own in the trade of the world, with slight variations. In the latter year England began the policy of subsidizing its shipping by the payment of $85,000 to one company and $150,000 to another. In 1838 she paid $425,000 to Samuel Cunard for establishment of a line between Liverpool and Boston, which was subsequently increased to $850,000, and in a few years England was paying between three and four million dollars annually for subsidies. Immediately thereafter our trade began to fall rapidly, so that in 1847 we carried but 70.9 per cent of our own commerce. The ship subsidies granted by Great Britain had enormously increased her foreign trade and had opened up for her many new lines of commerce.

In 1845, by a Democratic Congress under the impetus of a Democratic President, the first ocean mail subsidy law was enacted, and under this law an American steamship service was established between the United States and the West Indies. In 1847 a similar act established a trans-Atlantic steamship line on payment of $385,000 a year, and was thereafter increased to $856,000 per annum. The immediate effect of the establishment of this line was the reduction of cost from £7 10s. to £4 per ton between the United States and England, and our tonnage was increased more than 50 per cent in the next five years, and in the five years following increased more than 63 per cent, or from 904,476 tons in 1845 to 2,348,358 tons in 1855.

It has been erroneously stated that the United States lost its commerce because it could not build ocean steamships, and especially because we did not understand and could not construct steel vessels. As is well known, Fulton built the first practical steamboat and Ericsson built the first screw propeller seagoing vessel. In 1855 there were many yards building steamboats for *coastwise navigation*, and some of these were iron steamboats, built at plants in New York and Philadelphia. We had plenty of iron of the best quality, and our mechanics, then as now, were the equal of any in the world. The real causes of the decline of American shipping were three:

First. In 1856 the slavery question was constantly before our people and the relations between the North and the South were becoming more and more strained each day; the northern people were the owners of the great ship lines that covered the seas, and the act which had been passed by the Democratic Party in 1845 had brought wealth and power to the North. The same party which had passed this subsidy but 11 years before, now under control of its representatives from the South, reduced the mail subsidy paid the Collins Line from $858,000 to $385,000; but the British Cunard Line continued to receive $856,000 per annum, and while the Collins Line continued the struggle for a few years it was finally forced out.

Second. About the same time France and Germany subsidized lines running to this country.

Third. Civil war broke out between the States and our foreign commerce, which had been so promising in the spring of 1856, was driven from the seas and has not up to the present time been reestablished.

For a period of more than 50 years, beginning shortly after the establishment of the Federal Government and extending to 1842, we carried each year under the United States flag between 80 and 92 per cent of our commerce, while in 1914 we carried out 8.6 per cent.

There is not a man in this House, nor, indeed, a citizen within the borders of the United States, who would not like to see our merchant marine reestablished on the high seas. We are all aiming to accomplish the same thing, and we only differ in method. I had hoped, as a member of the Committee on Merchant Marine, that we might be able, forgetting partisanship, laying aside as far as possible previous prejudices, to unite and present to this Congress a measure that men of all parties might support, that would ultimately reestablish our merchant marine; but we have failed to agree, and the majority members of the committee have reported the bill now before the House.

Since the Civil War we have never recovered. We are now carrying less than ever before, or, rather, we were at the beginning of the present war in Europe. In 1914, for instance, just before the war, we carried but 8.6 per cent of foreign and domestic commerce. There is not, as I say, a man in this House to-day who would not like to live to see the day when the United States shall again be a great maritime Nation. I hope we shall all live to witness the day when again 90 or 92 per cent of the exports and imports of the United States shall be carried under the American flag. [Applause on the Republican side.]

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. ROWE. Certainly.

Mr. DENISON. The gentleman seems to have made a study of the policy of England upon this subject of a subsidy. Does it happen that the gentleman has studied the policy of the German Empire, so that he can tell us what their policy has been, whether they have subsidized the Hamburg-American Line in one form or another?

Mr. ROWE. Yes. The Hamburg-American Line and all other German lines carrying freight receive a preferential in the form of a much less rate on goods sent to the seaboard from any interior city of Germany, so that in shipping their goods through the German railroads, being owned by the German Government, they allow a very large discount on the freight.

Mr. SLOAN. Mr. Chairman, will the gentleman yield at that point?

Mr. ROWE. Certainly.

Mr. SLOAN. Can the gentleman give us approximately what that preference amounts to per year to this great line, the Hamburg-American Line, which the gentleman has just spoken of?

Mr. ROWE. I can not give you an estimate. It would make a large subsidy.

Mr. SLOAN. In fact, a larger subsidy than has ever been contemplated by America to give to any American line or proposed line?

Mr. ROWE. I am not sure about that, but I think it is as large.

Mr. SLOAN. I am not a member of the committee. Does this bill before us now contemplate a traffic between this country and southern countries, or between this country and European countries?

Mr. ROWE. The present method would permit the use of ships built under this bill in any foreign commerce.

Mr. SLOAN. I know; but is it contemplated largely for South American commerce, or for world commerce generally?

Mr. ROWE. Some members of the committee have said South American commerce. Now, some of these questions will come up in my further discussion, and I shall be glad to answer questions later.

Now, as to this particular bill I thought the chairman would outline the bill a little more fully than he did.

This bill provides for the creation of a shipping board, whose duties shall be, first, to investigate the cost of construction of ships in American and in foreign yards and also the cost of operation under United States registry and under registry of foreign nations. Second, to regulate shipping, not only that operating under the United States flag but that also under flags of other nations, in so far as it in any way affects American shipping. To put out of commission as far as possible "fighting ships" and to destroy the rebate system. Third, to spend $50,000,000 in the construction of merchant vessels suitable, as far as possible, for the use of the Navy and Army for auxiliaries and transports. Fourth, to sell, charter, or lease said ships. Fifth, to operate through a company or companies any ships under the control of the board which have not been sold, chartered, or leased, with the understanding that the company thus operating under the Government, and with the Government owning not less than 51 per cent of the stock, shall, within five years after the European war is over, discontinue its business and sell or lease the vessels.

I believe in a shipping board. I believe it should have power to investigate the cost of construction of ships here and abroad. I believe in regulation of shipping, in putting out of commission "fighting ships," and breaking up of the rebate system; but I feel that the very stringent regulation of shipping provided in this bill will drive many companies now operating under the United States flag to foreign registry. I believe an investment of $50,000,000, which would build only about 50 vessels of the type desired, is too small to aid in solving the present maritime difficulties, but is large enough to cause men and corporations now investing hundreds of millions of dollars in the shipping trade to withdraw their capital from that business, believing, as many people do, that the Government is making a beginning of what will become a policy in the future. The plan of investing this amount of money in vessels for sale or to lease is bad enough, but the proposition to operate these vessels or any portion of them by the Government or through a Government corporation is infinitely worse.

Mr. SAUNDERS. Will the gentleman yield?

Mr. ROWE. Yes.

Mr. SAUNDERS. Gentlemen who have spoken on that side have approved very highly of various portions of the bill, but for the purpose of directing debate to the defective portions I will ask the gentleman to indicate those regulations that he regards as oppressive and objectionable.

Mr. ROWE. I can not do that now, but under the five-minute rule, as we reach those portions of the bill, I probably will have something to say as to the objectionable features of the bill.

Mr. HUMPHREY of Washington. If the gentleman would read the speech of the gentleman from Virginia [Mr. SAUNDERS], which is printed in the RECORD, he will find a good many of the objectionable features of the bill.

Mr. SAUNDERS. Then the gentleman from Washington can take the bill and point out the objectionable features.

Mr. HUMPHREY of Washington. I can do it by reading the gentleman's speech.

Mr. SAUNDERS. Well, read the speech; I will stand by that speech.

Mr. ROWE. I can not allow the gentleman to do it in my time.

The United States Chamber of Commerce, which is a central organization and is composed of delegates from commercial bodies in all parts of the United States, in July, 1915, had a referendum vote taken by sending questions to the separate organizations over the country and requesting them to give their answers to the following:

1. Do you favor the Government undertaking the purchase, construction, or charter of vessels for mercantile purposes, together with the operation of such vessels?

Eighty-nine votes in favor; 690 votes opposed.

2. Do you favor ownership of merchant vessels by the Government, but with operation by private parties under lease?

Fifty-one votes in favor; 713 votes opposed.

After learning of this vote, I sent a personal letter to the enrolled voters in my congressional district, requesting them to give me their opinions in reference to a merchant marine. I did not give them my ideas or the ideas of anyone else. I received some 7,000 replies, of which more than 90 per cent were opposed to Government ownership or Government operation. A very large percentage expressed the desire for a merchant marine, and said they believed the time had come when the Government should provide a subsidy sufficient to enable individuals to operate under the United States flag.

Mr. GREENE of Massachusetts. Will the gentleman yield?

Mr. ROWE. Yes.

Mr. GREENE of Massachusetts. Did the gentleman get a vote of the New York Chamber of Commerce on that proposition?

Mr. ROWE. I have it here; the New York Chamber of Commerce, which is entirely different from the National Chamber of Commerce and not a member of it, voted 290 against the bill of last year and 4 in favor of it, and, as is well known, that organization in New York City is very largely composed of Democrats.

When this proposal came up last year there was some excuse and a strong argument might have been made for Government ships, on the ground that the people would not provide them and there was extreme need of more ships to carry the commerce of the United States; since that time conditions have changed, the price of tonnage has trebled, and there are no ships to be purchased; every shipbuilding yard has contracted for all the ships it can construct within the next two years. On July 1, 1915, there were building in American shipyards 76 vessels, and there were building April 1, 1916, just nine months later, 360 vessels, and the tonnage under construction had increased during that time from 310,089 tons to 1,067,856 tons.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. ROWE. Yes.

Mr. SLOAN. Has the gentleman any information as to whether or not these ships being built are for American use—that is, for the use of American shipping concerns largely or for foreign shipping concerns?

Mr. ROWE. They are being built, and that is all we know. In some cases they are for American companies, but there is nothing to hinder the sale of them at any time, and if this bill becomes a law many will never sail under our flag but will go under foreign registry.

Mr. TILSON. In the gentleman's opinion what will be the effect if this bill should pass—that more of them would be inclined to take foreign registry?

Mr. ROWE. Mr. Chairman, there is no other nation in the world that restricts its shipping in the manner proposed in this bill, and the restrictions will be sure to apply to our own shipping, and they will be almost certain not to apply to foreign ships. The man who builds a ship and floats it under the American flag with such an act as this will be more foolish than I believe the shipbuilders of this country are.

The United States Government can not purchase vessels at any price that we would be willing to pay for them. It can not construct vessels and have them completed in less than two and a half years. Before that time has arrived the European war will probably be over, and there will be released immediately on conclusion of peace the immense fleet of German vessels now interned in neutral harbors; a large number of vessels owned by England, France, and Italy, and now used as army transports and naval auxiliaries, and a large number of vessels now being constructed in the shipyards of neutral nations will be available, and the world will be supplied as never before with tonnage.

Another provision of this bill, which any man with red blood in his veins should protest against, is the authority given the shipping board to purchase or have built ships abroad. In other words, the money of the people may be spent not to develop our own shipyards and furnish employment to our own mechanics but for the benefit of our competitor and the labor of a foreign nation. [Applause on Republican side.]

Mr. SAUNDERS. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. BURKE].

Mr. BURKE. Mr. Chairman, the bill under consideration is generally known as the shipping bill. In the last session of the previous Congress the House had before it for consideration a measure known as the ship-purchase bill, which passed the House by 94 majority, but it was defeated in the Senate by reason of a Republican filibuster.

A large part of the public press as well as a large portion of men in public life assume that the ship-purchase bill which passed this House two years ago and the pending bill are similar. Anyone who has taken the pains to compare the two bills will easily discover that they are almost entirely different. The previous bill referred to was in a strict and proper sense a ship-purchase bill—that is, a bill the principal purpose of which was the purchase and operation of ships in the merchant-marine transportation by the Government. That object is entirely absent from the present bill, excepting as an incidental feature of it, which I will point out as I proceed with a discussion of this measure.

The present shipping bill now under discussion is a far broader and more important bill. In the shipping bill now under debate there are two primary objects. The first primary purpose is the formation of a naval auxiliary reserve, and the second principal object of the bill is to vest in a board created by the bill proper and plenary authority and power to control, regulate, and supervise the American merchant marine in its business relations with shippers and competing lines. This power of regulation, control, and supervision is to be also exercised over the foreign merchant marine when within American ports, the general purposes of these powers being intended for the protection of shippers and competing lines from the various unfair practices now and heretofore characteristic of both American and foreign water carriers, and to incidentally build up and develop American commerce and transportation with such ports and countries as present the most advantageous opportunities.

As is well known, the foreign merchant marine of the United States, since the Civil War, is and has been at all times almost a mere shadow. Reliable statistics show that during the last 12 or 15 years all of our water-carried exports have been carried in foreign vessels, with the exception of about 8 or 9 per cent. Such transportation of our exports to foreign countries has cost, in round numbers, $300,000,000 annually, which, with the exception of 8 or 9 per cent, has been paid to the owners of foreign water carriers. There is no question but what during all of these years every American who has given the subject any thought whatsoever, and especially shippers, have been and are eager and desirous to see the American merchant marine developed so as to be able to carry all of our exports. Various schemes for the upbuilding of the American merchant marine for the transportation of our exports to foreign countries have been considered, debated, and proposed both in and out of Congress.

A few years ago, in the Fifty-ninth Congress, a scheme for the development of our merchant marine by way of a subsidy was nearly enacted into law. In the consideration and vote upon that measure a great majority of the Democrats opposed its passage because of this subsidy feature, and the great majority of the Republicans in Congress favored its passage with a subsidy provision. The proposition of stimulating, promoting, and developing our merchant marine by means of a subsidy has been all of these years, and still is, obnoxious and offensive to the common sense and conscience of a very large majority of the American people. Various other schemes for the development of such a merchant marine have been proposed and considered from time to time, but upon all of the same our legislators have been unable to agree.

The question naturally arises, Why, if, as the fact is, the American people are nearly unanimously in favor of the development and upbuilding of an American merchant marine, ways and means have not been devised and enacted into law for that much-desired and patriotic purpose? The question also arises, Why is it that during all of these years, and even now, that all of our foreign exports carried by water are carried in foreign bottoms excepting 8 or 9 per cent? The explanation seems to be simple and indisputable. It is primarily because the owners of foreign vessels engaged in water transportation of our exports in foreign commerce are able to carry cargoes and passengers at cheaper rates than American-owned vessels operating under the American flag.

Students of this question ask us, "Why are the owners of foreign merchant vessels able to carry freight and passengers at cheaper rates than American-owned ships flying the American flag?" There are two principal answers to this question, each of which has been proven to be true by the experience of those engaged in such transportation. First, it is a fact that it costs more to build an American merchant-marine vessel than it does to build and construct a similar foreign vessel. There is no country in the world in which vessels for the carrying of passengers and freight are built but what can build the same cheaper than like vessels can be built in this country. That has been true ever since the Civil War, and although that difference in cost since the commencement of the present European war has gradually diminished until now it is said there is but a slight difference in the cost of constructing similar vessels in foreign countries and in this country. But the present near equality in the cost of constructing foreign and domestic vessels is admitted by all who are familiar with and who have studied the question to be due to the present extraordinary conditions in the merchant-marine service, created by the present European war.

In normal times it is estimated that the difference in cost of constructing merchant-marine vessels in America and in the country where the next highest price of construction is paid is between 20 and 30 per cent. There are, however, a few shipowners who contend that in normal times this difference in costs of construction amounts to only 10 or 12 per cent.

One naturally asks, "To what is this difference in cost of construction due? Why should the cost of shipbuilding in America be higher than in any other country when it is true that both the wood and steel material which enter into the construction of vessels are to be had, as a rule, cheaper in America than in any foreign country?" In fact, it is stated upon reliable authority that steel for the steel structural parts of a vessel can and is secured for the construction of vessels in America cheaper than in any country in the world.

According to general observation and experience the greater portion of this difference in cost is due to the higher wages paid to American workmen in American shipyards. Granting this to be true, the student of this question naturally asks, "Why do not American shipowners have their ships built and constructed in foreign countries where labor is cheaper?" This is a natural question to ask and it is easily answered. The answer is that we have, and have had ever since the Civil War, a law preventing foreign-built ships from being registered as American vessels, even when owned by American citizens. Such has been the law ever since the Civil War.

A slight exception of this law was made by a law passed by Congress on the 18th of August, 1914, whereby for a period of seven years from the passage of the law foreign-built vessels owned by American citizens and corporations may be registered as American ships to engage in the foreign trade only. This amendment to the law was made within three weeks after the present war commenced, and for the express purpose of increasing the number of vessels which might be employed by American shippers in the transportation of our exports, thereby increasing the amount of tonnage available for that purpose, and to also render such foreign-built vessels so owned and registered immune from attacks by belligerent war vessels.

But why, it may be asked, has there been and is there now a law upon our statutes which prohibits the registering of foreign-built vessels under the American flag when owned by American citizens? The existence of such a law is due to the Republican Party's application of the theory of protection for the workingman. It is estimated that about 64,000 laborers are engaged in domestic shipyards on the ocean and Gulf coasts of the United States. It is doubtful if a majority of that number of workingmen are American citizens. Here we have a forcible illustration of the absurdity to which the doctrine of protection may be and has been carried. For the sake of enabling shipbuilders to pay their workingmen 20 or 30 per cent more wages per day they are actually depriving and preventing those who are anxious to engage in the American merchant marine from saving annually for this country the $300,000,000 which it costs the shippers of this Nation for the water transportation of the exports of this Nation. This is a case of protection run not only mad but insane.

Another important element entering into the difference in cost of transportation of our exports in American bottoms and foreign bottoms is the cost of operation. The cost of operation is largely made up of the wages paid to the crew and officers. Those with actual experience tell us that the difference in wages paid on a vessel operated under the American flag and one operated under the flag of the nation paying the highest wages in Europe is from 40 to 50 per cent. This difference in wages is largely due, of course, to the difference in the living conditions of foreign and American sailors. It seems almost impossible to equalize and overcome this difference. The seamen's law passed by the last Congress contains a provision under which students of the merchant marine predict that there will be an equalizing of the cost of wage operation by virtue of its provisions between foreign and American vessels. The provision referred to is that which requires that at the first port that a vessel may stop after a five or more days' voyage that the sailor shall be entitled to have paid him one-half of his wages then earned. It is the contention of those who contend that this provision will equalize wages, that foreign sailors when their vessel arrives in America, knowing that the wages in American ports are 30 to 40 per cent higher than the wages paid in their home ports, will refuse to return to the ship on which they came, thereby forcing the master or owner to hire a crew, or members of a crew, in their place at American wages, and that this condition will be kept up until the owners of foreign vessels entering our ports will for the purpose of securing a reliable and dependable crew be forced to pay as high wages as those paid to American sailors. I am one of those who believe that there is some force and truth in this contention.

Another reason why foreign-owned vessels are able to carry American exports at cheaper rates than American vessels is due to the fact that foreign owners and investors are content with a less dividend upon their investment than is the American investor or ship owner. The opportunities for American investors to invest in our large industrial enterprises that have been undertaken, promoted, and achieved since the Civil War throughout our country on land has attracted and induced American money investors to place their money in such investments because of the high dividends received. This theory is also supported by the fact that millions upon millions of foreign capital have been invested in industrial securities of this country during all of these years. In order to secure larger dividends or returns foreign capital has been attracted to invest in American securities and enterprises. But much foreign capital, satisfied with lesser dividends, has been attracted to the building, construction, and employment of vessels in the transportation business of their own countries, and they have been content with lesser dividends than their brother investors who sought investments in high dividend-paying enterprises of America. It may be that we will never have a merchant marine until conditions in the United States reach such a condition that the average dividend paid upon industrial investments will be so low that American investors shall find investments in the merchant marine as well or better paying than those located on land.

According to students of the problem of developing the American merchant marine, there are but two ways left that offer any prospect of building up the American merchant marine. One of those methods is by way of a subsidy, and the other is as proposed in this shipping bill.

The proposition of the Government taking the people's money and paying to private parties engaged in American merchant marine in foreign commerce, the differences between the cost of operation, and in cost of American built and manned vessels, and foreign built, owned and operated vessels, is repugnant to the common sense and conscience of the American people. They will never stand for it, excepting as a last resort. Personally, if I were convinced that there were no other means for building up the American merchant marine, I, too, would feel constrained to favor the payment of a subsidy under proper supervision and methods, but I am unwilling to support a subsidy proposition until after the methods proposed in this shipping bill shall have been enacted into law and have in good faith been put into operation and found wanting.

But, say the opponents of this bill, "You are using the people's money to carry out the propositions contained in this bill." While that is true, yet it is an entirely different proposition from taking the people's money from the Government Treasury and handing it over to private parties for their ex-

clusive gain and benefit. Under the scheme proposed in this bill, we will be taking the people's money from the Government Treasury for the sole purpose of investing it in a sincere and determined effort to develop and build up a merchant marine which shall be for the benefit of the public at large. It is the difference between taking public money and paying it to a private party to carry on a private business, and the taking of the people's money and investing it in the American merchant marine owned by and operated for the benefit of all American people, and to fly Old Glory on all ocean waters, the world over.

I am aware that there is throughout this country in the minds of investors a disposition to hold in holy horror all attempts of the Government to enter upon enterprises designed for the welfare of the people because such enterprises may invade the province of private enterprise and investment. The history of our country teaches us that whenever there is any great work of a public nature which private enterprise is unable, unwilling, or apprehensive of entering upon, that investors with capital to invest are the first to denounce and condemn the Government for refusing to undertake, perform, and develop the great public enterprises in which capital is afraid to invest. Years ago, shortly after the war, when the great transcontinental railway lines were being extended to the Pacific coast, capital was fearful of investing, fearing that if it did that it would never receive any return, and it held back with great timidity and apprehension until the public demanded that Uncle Sam should aid those transcontinental railway lines by the donation of millions upon millions of acres of public land that should have been held in trust for posterity.

A great hue and cry has come up that by this bill capital may be deprived from some investments, but for four generations it was the cry that one of the greatest aids to navigation and the common welfare would be the construction of a canal across the Isthmus of Panama. For a century the world waited for private capital to invest in this gigantic enterprise, but it failed. Then came the cry of the common people that the Nation should build the Panama Canal, and the Nation has invested the people's money in the excavation of that canal, and it is now the property of the people. I have no doubt but what there are many thousands of rich investors in this country, and especially those who are desirous of investing in a merchant marine, that now are sorry that they did not combine and have private capital construct the Panama Canal. They now see that monopoly has lost a golden opportunity to fleece not only the American people, but the world at large.

Ever since the purchase of Alaska, in 1867, the people of Alaska and of the United States have been anxiously waiting for capital to build and construct railways in that territory which nature has endowed with the greatest mineral, timber, and commercial wealth of any territory in the world, and yet private capital has feared to venture in, and as soon as it became apparent that Congress intended to make the necessary appropriation for the construction and operation of a railway in Alaska, just so soon private capital, which had been quiet all of these years, commenced a combined howl and saw the spooks of Government ownership. As a general rule, private capital investors are patriotic only when they see the dividends coming into their fingers. They would sooner see the immense possibilities of developing our foreign commerce with South and Central American countries, with Africa and Australia lie undeveloped for generations to come, than to have the Government with the people's money take a hand in developing new lines of water transportation that will afford a market for the surplus of our farms, factories, mines, and hundreds of industrial products, and enable us to bring those needed articles of commerce not produced in this country to our shores at reasonable rates from foreign countries. Nearly always greedy and unpatriotic capital can be depended upon to play dog in the manger when the Government undertakes an enterprise designed for the benefit of the public at large.

GOVERNMENT OWNERSHIP BETTER THAN SERVITUDE.

Even if it could truthfully be charged that this shipping bill provides for Government ownership, it would still be justified in view of the present condition of the world's merchant marine, for those conditions are a justification for even Government ownership of the vessels engaged in our foreign commerce. No better description and illustration of those conditions can be presented than to quote from an editorial published in the Washington Post May 5, 1916, which is as follows:

Secretary McAdoo has returned from South America in good time to press the Government shipping bill. He brings back with him a fund of exact and full information which should be laid before the committees of Congress showing the necessity for immediate legislation for the development of the merchant marine.

While the conference committee is wrestling with Army legislation and the House Committee on Naval Affairs is perfecting the naval bill the Committee on Merchant Marine should push forward the shipping bill in order that Congress may discuss and pass it when the Army and Navy bills are out of the way.

The shipping bill should not be sidetracked for any other legislation. It is in itself a preparedness bill of the highest importance, both for commercial and naval purposes. In time of peace the proposed law would stimulate commerce, rescue it from the grasp of foreign shipping monopolies, and enable the United States to take advantage of the present situation to supplant Great Britain and Germany in South American markets. In time of war the law would enable the United States Navy to utilize fine modern ships for transport, scouting, hospital, supply, and other purposes, and the seamen of the new merchant marine would be available to some extent for warships also.

Last year the shipping bill was defeated, because Congress was not willing to venture so far upon the policy of Government ownership. Since that time the world's shipping has passed almost entirely into the hands of Governments, directly or indirectly. The largest merchant fleet, that of Great Britain, is wholly under control of the British Government. It is being used as a weapon of commercial and naval warfare, both against enemies and neutrals. Great Britain is using its merchant marine to develop trade right in the midst of war. It is using its ships against the commerce of the United States. It dictates ocean freight rates and discriminates in favor of British traders. The same condition prevails with respect to the merchant marine of other nations.

It ought to be clear, without argument, that Americans as individuals can not maintain a merchant marine in competition with foreign Governments. Only the United States Government can cope with the situation that has developed. It can work directly by building and operating vessels and indirectly by facilitating and protecting the operation of private lines. Government ownership is undesirable, but it is the lesser of two evils. It is better than servitude to foreign Governments. As matters stand, Americans are suffering from "Government ownership" of the world's shipping, but it is foreign Government ownership. Since the only means of relief is American Government ownership, the sooner the shipping bill is passed the better.

ELIMINATION OF ALL FEATURES OF GOVERNMENT OWNERSHIP.

Granting, for the sake of argument, that Government ownership of vessels engaged in our foreign commerce is objectionable, yet if there is in this bill any feature of Government ownership it contains in itself the means for the automatic elimination of all elements of Government ownership. With the successful operation of the law contemplated by the passage of this bill, there will be absolutely no danger or need or necessity for the shipping board to resort to the creation of a corporation, or corporations, in which the Government shall hold at least 51 per cent of the stock, for the reason that provision is made in the bill for the sale, charter, and leasing of such vessels to private parties upon terms which will probably be more favorable than those who desire to engage in the merchant marine can obtain from investors of private capital.

Notwithstanding the abnormal condition of foreign shipping which is due at the present time to the European war, yet this is the very time for the country to contribute in some measure to the relief of the present shipping exigencies and to provide for the future. Conditions in shipping are now such that there is every likelihood that any and all vessels which the shipping board may have constructed or may purchase, charter, or lease under the provisions of this bill will be readily disposed of by sale, lease, or charter to private parties, and under the provisions of the bill the proceeds derived from such charters, leases, or sales will be turned back into the shipping fund, to be reinvested in purchasing, leasing, constructing, and chartering other vessels.

For corroboration of this contention, I again assume to take the liberty of inserting another well-written editorial from the Washington Post of May 12, entitled "The need of ships":

Ask the railroads or any of the shippers if they are in favor of the immediate enactment of a bill to provide better shipping facilities, and the answer will be emphatically in the affirmative. Most of the opposition to the pending bill in Congress is political. It is based largely upon the sound theory that the Government should not enter into competition with private business. But the revised bill does not conflict with that theory. The basis on which the bill deals with future conditions is absolutely sound, but the framers of the measure realized that it would take years to build up an adequate merchant marine under any other plan than the one that has been suggested.

Those who oppose the measure on the ground of Government ownership should recognize that the question before Congress is whether there shall be ships for the immediate relief of the congestion at the ports of the United States or whether no action at all shall be taken. John H. Fahey, former president of the United States Chamber of Commerce, after a two months' tour of South America, says there is no reason why the United States should not get all the trade it wants in that quarter, "but," he adds, "we must become active pretty soon. The fundamental thing about the South American situation is, and for a long time in the future will be, ships. This situation is not temporary and does not have anything to do with the disruption of shipping as a consequence of the war, but goes back to shipping conditions before the war, and involves conditions after the war." This is perfectly true with regard to South American trade, but the need for the shipping bill is to be found also in the fact that all of the export trade of the United States is now pouring through a funnel not nearly large enough to accommodate it. There must be more ships if the congestion is to be relieved and if a real merchant marine is to be built upon the present exceptional opportunities.

The United States Chamber of Commerce, as the voice of the business men of the Nation, has gone on record in favor of a shipping board, and this feature is provided in the bill now pending. The measure furnishes immediate relief and is framed in such a way that the Government-owning provision will be eliminated altogether as soon as private investors are able to take over the created facilities.

NATIONS, NOT PRIVATE OWNERS, NOW CONTROL WORLD'S SHIPPING.

As a further answer to the imaginary objections of the opponents of Government ownership, I desire to incorporate in my remarks the following additional editorial from the Washington Post, under date of March 30, 1916, showing that the world's shipping is now under control of the belligerent nations and that plans have been formulated to continue such shipping under the control of those nations at the conclusion of the present war. If foreign Governments are to assume control of their shipping, and that in combination with each other, it is time that the Government of the United States resorted to the same means of protecting itself against a combination of foreign nations in the operation of their merchant marine. I commend this editorial as truthfully expressing the present marine situation with which our people and our Government are confronted, and I believe that its advice is worthy of being followed:

All the nations engaged in war against Germany and her allies have been in conference in Paris, considering not merely the plan of military operations, but economic conditions which are working great hardship upon all nations. Among these is the world-wide rise in freight rates, which is subjecting the fighting nations to enormous expense. Plans are on foot which have not yet been made public whereby the allied nations hope to hold down rates. Presumably the Governments concerned will follow the example of England in assuming control of all shipping under their respective flags and requisitioning such vessels wherever found, whether under charter or not.

This means that the bulk of the shipping of the world will be withdrawn from commerce except such as is related to the war. If certain vessels or lines are left in commercial traffic, they will be controlled by Governments, and their charges to neutrals will be even higher than at present. Neutral nations will be compelled to furnish the shipping facilities necessary to carry on peaceful commerce or abandon this commerce.

It is little wonder that President Wilson urges Congress to pay immediate attention to the shipping bill. No time is to be lost if the United States is to save its foreign trade. No matter how urgent South America or the Orient may be in demanding American goods, the market will be as good as closed if shipping facilities disappear. At the very moment when an opportunity is offered for American trade expansion in peaceful countries the door is about to be closed by the disappearance of shipping. Unless the United States itself provides transportation it need not expect to profit by the temporary abandonment of foreign fields by the nations engrossed in war.

Now that the world's shipping is in the hands of Governments and is being used with powerful effect as a war weapon, there need be no hesitation among Americans in dropping their old objections to "Government ownership and operation" of oceanic transportation facilities. If the United States would hold its own and gain what it is entitled to, private enterprise must be backed by the Government. Individuals can not be expected to compete with nations. They can not make laws to protect the operation of their vessels, as the Government can. Indeed, the laws already in existence prohibit combinations of private corporations of the scale and character that would be required to enable them to dominate foreign-trade fields.

The Government is not only justified in establishing a merchant marine for trade purposes, but is in duty bound to create it as an auxiliary to the Navy. There is a shortage of seamen in the Navy, which must be remedied if the present fleet is to be made effective. In case of war there would be instant need of thousands of additional men. If the entire existing merchant marine of the United States were drawn upon, it would be found that the number of men available for naval service would be very small. More than 60 per cent of the sailors on American vessels are exempt from draft.

Assistant Secretary Roosevelt estimates that 225,000 men would be needed for the Navy in case of war with a formidable enemy. It is not to be expected that Congress will provide for more than a tenth of this number, and it would do well if it should increase the force by 20,000. By providing a merchant marine the country would be building up a force available for war, without being subjected to the expense of maintaining an excessive naval force in time of peace.

In view of the unfriendly and hostile attitude of the Washington Post, at all time to the present administration, these liberal extracts from its editorials, do not warrant anyone in charging that the same are self-serving declarations. Every Member of Congress who has served during the present administration is well aware that the Post has at no time acted as spokesman or sponsor for the administration. In its general editorial policies it has almost uniformly advocated measures in conflict with the policies advocated by the administration. So that when we find it advocating the passage of this bill, we must conclude that it is doing so not out of any friendship for the administration, but out of an honest conviction that the shipping bill is worthy of a place upon our statute books, for the Post could have no other object, in view of its past history toward the administration, in advocating the passage of this bill.

Present conditions so clearly and forcibly demonstrate that a vast increase in American merchant ships is urgently needed that it is not expected that any fair-minded person will complain if the Government under the terms of this bill should place such ships as come under its control and the shipping board may be unable to dispose of by sale, charter, or lease, in operation on water routes between commercial points where there is a reasonable prospect of developing our foreign commerce. Such development of foreign commerce will directly tend to increase our export trade and to build up commerce between this country and countries connected by such routes. Besides, the Government operation of such ships will serve as a check upon the Shipping Trust and will have a marked tendency toward stabilizing freight and passenger rates, and under such circumstances there can be no possible injury resulting to any legitimate shipping enterprises.

USE OF NAVAL AUXILIARY RESERVES IN TIMES OF PEACE.

For the purpose of partially relieving the great scarcity of American commercial merchant marine tonnage and for the purpose of encouraging the development of the American merchant marine engaged in foreign commerce, it is planned by the provisions of this bill to devote such naval auxiliary reserves as the shipping board may procure under this bill by purchase, construction, lease, or charter to commercial purposes in times of peace. In those plans are included the further idea of constructing a type of vessel for the shipping board which will be an improvement both in construction and in equipment over existing types of vessels. In other words, it is proposed to construct a standardized type of vessel according to the most improved and up-to-date ideas of ship architecture, so as to cheapen not only the cost of construction, but the expense of operation.

AN OBJECT LESSON.

No better illustration of what can be accomplished by the passage of this bill can be presented than by quoting from Senate Document No. 391, first session Sixty-fourth Congress, entitled "The Farmer and the Shipping Bill," and prepared by Hon. Carl Vrooman, Assistant Secretary of Agriculture, which is as follows:

The Federal shipbuilding plan of the shipping bill will be in the nature of a demonstration of the financial feasibility of building and operating American merchant ships at a profit. This plan of making "demonstrations" for the benefit of the business world is not a new one to the Agricultural Department. We are daily demonstrating the principles of the new agriculture in every State of the Union, and in a number of counties in each State. In fact, the Agricultural Department is spending millions of dollars every year carrying on practical demonstrations of scientific methods which the farmers and business men of the country seem unwilling to adopt until they have had ocular demonstrations that the new methods are profitable.

When once the Federal Government has demonstrated to the shipping corporations that ships can be built in American shipyards, operated under American charters and the American flag, by American crews, at a profit, these shipping corporations will not be slow to expand our merchant marine to meet the demands of American industry and commerce. But a demonstration of this nature is absolutely necessary at present, as American shipping corporations have taken the position that such a thing can not be done. Nothing is clearer than that they will not attempt to create an American merchant marine until the Federal Government demonstrates to them that even without subsidies it can be done profitably.

A NEW ERA DAWNING.

The change from sail to steam and from wood to iron construction shifted the supremacy in merchantmen from America to England, because England had facilities for building iron steamships cheaply and fueling them with cheaper coal than ours. We are now on the verge of another change—that from the coal-burning steamer to the oil-burning vessel with the Diesel type of engine. If America seizes her opportunity, the shoe will be shifted to the other foot, for America produces over 60 per cent of the world's crude oil. The Diesel engine makes more effective use of fuel than does the steam engine, occupies much smaller space, and requires a much smaller crew. Furthermore, the fuel is carried in the double bottom of the ship, a space only used for water ballast in coal-burning ships, and does not take up any cargo room.

This engine has not been perfected yet for the largest vessels, but is thoroughly practical for the type of merchantman most needed by us now. It has been estimated that though our crews should be largely composed of American citizens and paid the American scale of wages, enough could be saved on the cost of fuel and the economy of space in this new type of vessel to much more than offset the extra cost of American labor and food up to the American standard.

To sum up the whole question, then, is it not clear that an auxiliary merchant marine would be of inestimable value to the farmers of the country, not only because of the wider market it would open to them and the higher prices it would enable them to get for the products, but also because it would help provide them, in common with all other citizens, with protection from possible foreign aggression?

As such a merchant marine can not conceivably be obtained by any ship-subsidy plan, unless a complete and wholly undesirable revolution takes place in the sentiment of the people of the United States, if this primary necessity of our national life is to be provided for in the near future, evidently it must be in accordance with the plan worked out in the administration's shipping bill. In a national crisis of this character partisan considerations should and must be laid aside, and the farmers and business men of the country should rise up as one man to give their unequivocal and energetic support to the President in his efforts to secure for the country this incomparable piece of constructive legislation.

COMMERCE IN WHICH SHIPS PROCURED BY BOARD ARE TO BE USED.

By section 9 it is provided that any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed as a vessel of the United States and entitled to the benefits and privileges appertaining thereto; provided, that foreign-built vessels heretofore or hereafter admitted to American registry and enrolled and licensed under the act of August 18, 1914, or under this act, and also vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, excepting the Panama Railroad Co., may not en-

gage in the coastwise trade of the United States, except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds that such trade is not adequately served by a regular line or lines of vessels. All other vessels procured by the board may engage in either coastwise or foreign trade. It will be remembered that by the provisions of the act of August 18, 1914, foreign-built ships owned by American citizens or corporations may be admitted to American registry and fly the American flag for a period of seven years only. Since that date statistics show that foreign-built vessels amounting in tonnage to over 800,000 tons have been admitted to American registry under this act and are now flying the American flag.

Under this bill, if it becomes a law, all such vessels now admitted, or that may be admitted during the life of said act, as well as such vessels as may be procured by the board under this act, except foreign-built vessels, will be entitled to the privilege of engaging in both the coatwise and foreign merchant marine trade of the United States. From this it will appear that if in the course of its administration of this act the board should, in its discretion, purchase, charter, or lease foreign-built vessels, then such foreign-built vessels must be devoted exclusively to the foreign merchant marine trade, except that they may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the trade of those possessions is not adequately served in the opinion of the board.

SUCH VESSELS MADE NONTRANSFERABLE.

It is further provided in said section 9 that the vessels so purchased, chartered, or leased from the board by private interests shall not, without permission from the board, be operated under any other registry, enrollment, or license than American. They shall also, while employed solely as merchant vessels, be subject to all the laws, penalties, and liabilities of the Government merchant vessels. No such vessel, without the approval of the board, shall be transferred to a foreign registry or fly a foreign flag, or sold, nor, except under regulations prescribed by the board, be chartered or leased.

PROVISIONS RELATING TO SALE, LEASE, OR CHARTER OF SUCH VESSELS BY THE BOARD.

Under the provisions of section 14 the net proceeds of all sales, charters, and leases of vessels and of all sales of stock made by the board and of all other receipts received by it from any source shall be covered into the Treasury to the credit of the board, and are permanently appropriated for the purpose of carrying out the provisions of sections 5 and 11 of the bill, which relate to the purchase, construction, chartering, or leasing of vessels by the board. Thus it will be seen that there is constituted by the provisions of this bill a permanent revolving fund for the continuation of the work of the shipping board in purchasing, constructing, chartering, leasing, and in selling, chartering, and leasing vessels for the merchant-marine trade and for the development of commerce along routes leading to such foreign ports as the board may in their judgment consider likely to furnish a profitable transportation business for its line or lines of vessels and extend and encourage the development of our foreign commerce.

WHEN BOARD MAY FORM CORPORATION FOR OPERATING VESSELS.

By the terms of the bill it is made the duty of the shipping board to use its utmost endeavors to sell, charter, or lease its vessels to private parties instead of forming a corporation or corporations as described in section 11 of the bill, designed for the operation of merchant vessels in the commerce of the United States. In other words, the board is not to form the corporation or corporations mentioned in section 11 for the purchase, construction, equipment, lease, charter, maintenance, or operation of merchant vessels in the commerce of the United States except as a last resort. If from experience and after using their best efforts in that direction the board is unable to sell, charter, or lease its vessels to private parties to engage in the commerce of the United States, then, and not until then, may it organize a corporation or corporations for the operation of such ships in the commerce of the United States. This is the provision so much objected to by our friends who never fail to see ghosts in any enterprise engaged in by the Government on behalf of the public.

By the provisions of section 11 it is provided that in the organization of such corporation, or corporations, that the total capital stock should not exceed $50,000,000, and that in each corporation the United States is to subscribe for not less than a majority of the capital stock, and that the United States shall at no time while a stockholder in such corporation be a minority stockholder. This is for the purpose of enabling the United States at all times to control the action of the corporation.

By a further provision in said section the privilege of so organizing and operating such corporation, or corporations, is to expire at the end of five years from the conclusion of the present European war, a date which shall be declared by the proclamation of the President. Upon the date of such proclamation the property of such corporations shall revert to the board, and the board may then charter, lease, or sell such vessels as hereinbefore described, and shall dispose of the property, other than vessels, on the best available terms, and after payment of all debts and obligations deposit the proceeds thereof into the Treasury to its credit.

In my humble judgment this five years' limitation within which and during which the shipping board may form and operate such corporations in the commerce of the United States is the only objectionable feature of the bill. It is not only objectionable, but obnoxious. In the committee I vigorously opposed the insertion of this provision. Its insertion is intended as a sop for those who fear the ghosts of Government ownership and operation.

The presence of this limitation may be a wise provision for the purpose of silencing the objections of those who see spooks every time the Government undertakes a public service on behalf of the people. Its presence in the law will be harmful in its effects. It will have a strong tendency to discourage shippers in Central America and South American countries, and in other distant countries from giving their patronage to the vessels operated by such corporation. Foreign competitors of the line or lines of vessels thus operated by such corporations will, for the purpose of advancing their own interests and limiting the amount of shipping that otherwise may be secured by such vessels, readily, from the beginning, make known to shippers in foreign countries who are desirous of developing and establishing a permanent line of business with this country the fact that it will be useless for them to attempt to build up and establish their foreign business by any such line of shipping for the reason that by the very law under which such American shipping corporations exist they must terminate in five years. Such foreign patrons as we might otherwise secure, if the impression was not made upon them that the line of transportation operated by such corporations is to continue for only five years and not permanently, will also be discouraged from patronizing the same, because they will say to themselves, it is unsafe and imprudent for us to attempt to build up a permanent strong line of trade by using such boats for transportation because we will be in danger of losing our trade established through them at the end of five years, when such vessels may go out of business. It was unnecessary to incorporate this five years' limitation in the bill. With it in, or with it out, Congress has the power at any session to repeal or to extend this limitation. Congress can be depended upon, if the purposes for which these corporations are organized can not be attained, to repeal that provision at the first opportunity, or to extend the same when once the success of the enterprise has been demonstrated.

WISDOM OF RETAINING THE WORDS "OR ELSEWHERE."

It will be noticed from the provisions of section 5 that the vessels which the shipping board is authorized to construct may be built in American ship and navy yards "or elsewhere." Strenuous objection was made by several witnesses representing the various chambers of commerce to the presence in this section of the words "or elsewhere." Upon final action by the Committee on Merchant Marine upon this bill, motion was made to strike the same out, which was defeated by a majority of the committee. Of course, the words "or elsewhere" mean that, in the discretion of the shipping board, the vessels which it is authorized to have constructed, or any part of them, may be constructed in foreign shipyards.

In common with all genuine Americans, I would regret to see the board obliged to cause any of such vessels to be constructed in foreign shipyards. I have faith, however, in the patriotism and Americanism of the gentlemen who may be appointed members of the shipping board to believe that no vessels will be ordered constructed in foreign shipyards by the board unless there may be imperative reasons for so doing.

If the bill becomes a law, of course the majority of the first board will be Democrats. I am sure that there is no Republican, no matter however partisan he may be, who honestly believes that any Democratic member who may be appointed to that board will be unpatriotic or un-American. There will always be sufficient patriotism and Americanism among the members of the shipping board to authorize the construction of all such ships in American ship and navy yards, unless there is the strongest reason for causing them to be constructed elsewhere.

The presence of the words "or elsewhere" in section 5 are of the greatest importance and wisdom. Their presence constitutes a protection of the board and the American people from the exorbitant and unjustified prices for construction of such vessels by any combination, syndicate, or conspiracy of American shipbuilders. With this authority vested in the board, American shipbuilders will be warned in advance that the board is able to protect itself against grafting and exorbitant prices. It will thus have a tendency to make the rates or prices at which the board can secure the construction of such vessels fair and moderate and assure their construction in American ship and navy yards. In the event that the bids offered by American ship constructors are unfair and exorbitant, it will justify and warrant the shipping board, in the eyes of the American public, in authorizing the construction of such vessels in foreign shipyards. The construction of a few of such vessels in foreign shipyards will impress that lesson upon American shipbuilders, and the result thereafter will be to assure the construction of such ships in American shipyards at fair and just prices. Without the words "or elsewhere" there would be a strong temptation for American shipbuilders to form combinations, agreements, and conspiracies to extort exorbitant prices for the construction of the vessels authorized by the board, thus hindering, delaying, and perhaps preventing the increasing of the American merchant marine through the efforts of the board. Without the words "or elsewhere," in my humble opinion, the efforts of the shipping board to develop the American merchant marine would be doomed in advance.

NAVAL AUXILIARY RESERVES.

One of the primary objects of the bill is to establish a naval auxiliary reserve. For that purpose the shipping board to be created by this bill is authorized and empowered, with the approval of the President, to have constructed in American ship and navy yards, or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter vessels suitable—as far as the commercial requirements of the marine trade of the United States may permit—for use as naval auxiliaries or Army transports, or for other naval or military purposes.

It is shown by the testimony of Secretaries McAdoo, Redfield, and other experienced officers of the Navy and Commerce Departments that our Navy is even now, at its present size, sadly lacking in Navy auxiliaries. Secretary McAdoo estimates that about 600,000 tons of naval auxiliaries will be required to properly supply our present Navy with auxiliaries. As is well known, the purpose of such naval auxiliaries is in times of war to keep the great battleships and other fighting ships of the Navy furnished with the necessary supplies of fuel, ammunition, food, and all temporary equipment for the efficient use of such battleships and war vessels. With those who are more or less familiar with the great size and movement of large naval vessels it is well known that in order to maintain such vessels in a proper fighting condition it is absolutely necessary that they must promptly and efficiently be supplied with the necessaries for their operation. A battleship at sea on the watch for the enemy fleet and in readiness for battle can not be expected to make the necessary trips to port to secure its supplies. Neither will it do to have such a ship overloaded and cramped with supplies necessary for the maintenance of its crew and the operation of its guns. A battleship fleet without sufficient and efficient naval auxiliaries is like an army without equipment, clothing, food, or ammunition. Without the assistance of such auxiliaries, the best battleships will in a short course of time be at the mercy of the enemy's battle-fleet ships.

A navy without scout ships, aeroplanes, and necessary auxiliaries would be a navy without eyes. A navy without colliers and other supply ships would be a navy without supplies. A navy without submarines and adequate means of defense against submarines would be a joke. In other words, if we are to have a real Navy to defend our coast and trade routes, we must have a Navy that is complete in every respect and that will add to its fighting abilities. Without auxiliaries a navy at sea would soon become a helpless aggregation of floating batteries.

Testimony is abundant and reliable that during the Spanish War the Nation squandered millions of dollars purchasing unfit and unsuitable vessels for auxiliaries in a hasty and hysterical effort to supply our deficiencies in that direction. Enormous prices, several times more than they were worth, were paid for many such vessels, and after the war the great number of them were sold at such a sacrifice that one might truthfully say that "they were sold for a song." Because our Navy was then deficient in auxiliary vessels we squandered immense sums of the people's money in our necessary haste to procure some kind of auxiliary ships to supply our battleships. It is fortunate that we were not contending in that war with a first-class naval power, instead of a nation whose navy was less powerful on the sea than our own. In that case the weakness of our auxiliaries might easily have resulted in disaster and defeat for us. With the lessons of the European war firmly implanted upon our minds, it would be criminal and suicidal for us to continue in the future as we have in the past, without a highly efficient auxiliary merchant marine for our Navy.

LISTING OF GOVERNMENT OWNED, LEASED, OR CHARTERED VESSELS.

Provision is made in section 12 of the bill for the listing by the Secretary of the Navy of any vessel purchased, leased, or chartered from the shipping board as a vessel for the United States naval auxiliary reserve. The officers and members of the crew of any such listed vessel who volunteer for the purpose, and are citizens of the United States or its insular possessions, may, under regulations prescribed by the Secretary of the Navy, be enrolled in various ranks and ratings corresponding to those in the United States Navy, not above the rank of lieutenant commander, as members of any naval reserve force established or to be established by law, and the naval appropriation bill for the ensuing fiscal year, and from year to year thereafter, is expected to contain the necessary appropriation, rules, and regulations for a monthly payment to such volunteers of the naval reserve in times of peace and for their incorporation as a part of the naval forces, with the pay of regular sailors of the Navy, in time of war.

It is estimated by Secretary McAdoo, Capt. Bertholf, Admiral Benson, Secretaries Redfield and Wilson, and other competent witnesses that the appropriation of $50,000,000, to be made as authorized by the provisions of this bill, will provide naval auxiliary vessels with a tonnage of between four and five hundred thousand tons. This will be a much needed and necessary increase in the naval auxiliaries neeessary for the proper support of our battle fleet. It will amount to a supply of about four-fifths of the needed naval auxiliary for our Navy at its present size. Undoubtedly from year to year Congress will make the necessary provisions for additional naval auxiliaries, so that after a period of a few years our Navy will at all times have a complete supply of naval auxiliaries and be ready at a moment's notice to be placed upon a war footing.

By other provisions of the bill it is intended that the board may sell, charter, or lease any and all vessels which it may purchase, construct, lease, or charter to private individuals or corporations. Provision is made, however, in section 9, that no such vessel without the approval of the board shall be transferred to a foreign registry or flag, nor, excepting under regulations prescribed by the board, be chartered or leased. Further provision is made that when the United States is at war or during national emergencies no vessel enrolled, registered, or licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States or transferred to any foreign registry or flag. This provision applies not only to such vessels as shall become the property of the board by reason of the provisions of the bill, but it includes all vessels which shall be under United States registry and carrying the American flag at the time this bill becomes a law.

METHODS OF TAKING POSSESSION OF SHIPS PROCURED BY THE BOARD AFTER BEING SOLD, LEASED, OR CHARTERED BY IT.

Section 10 of the bill provides that the President, upon giving the person interested such reasonable notice in writing as in his judgment permits may take absolutely or temporarily for any naval purposes possession of any vessel purchased, leased, or chartered from the board, and in emergencies possession may be taken of such vessels without notice. To determine the value of the vessels so taken it is further provided that the United States shall pay the person interested in such vessels the fair and actual value at the time of the taking of the interest of such person in every vessel taken, or if taken for a limited period the fair charter value of such vesssel.

In case of disagreement the value shall be determined by appraisers, one of such appraisers to be appointed by the Government, one by the person interested in the vessel, and the third by the two so appointed. The finding of the majority of such appraisers shall be final and binding upon the parties. It will thus be seen that fair, ample, and impartial provision for the determining of the fair value of such vessels taken by the United States, and also for ascertaining the real value of any vessel that may be used temporarily in the service of the Government, is made.

Provision is further made in section 6 of the bill for the transfer by the President to such board of all such vessels

as are suitable for marine or naval purposes and not required for naval purposes in time of peace, and also for the transfer to the board of vessels owned by the Panama Railway Co. and not required in its business.

CERTAIN UNFAIR PRACTICES BY CARRIERS BY WATER PROHIBITED BY THE BILL.

Section 15 of the bill contains express provisions directly forbidding and prohibiting certain unfair practices by common carriers by water. The more prominent of these practices so prohibited are first, the paying or allowing by any water common carrier of a deferred rebate to any shipper. The term deferred rebate is expressly defined in section 15 of the bill as meaning a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all, or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the period for which computed and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

The use of a fighting ship, either separately or in conjunction with any other carrier or otherwise, by common carriers, is prohibited by the same section. The term "fighting ship" is defined as meaning a vessel used in a particular trade by a carrier, or group of carriers, for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade.

Such common carriers by water are also prohibited by said section 15 from retaliating against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods because such shipper has patronized any other carrier, or has filed a complaint charging unfair treatment, or for any other reason.

Another provision in said section provides against such common carriers making any unfair or unjustly discriminatory contracts with any shipper based on the volume of freight offered, or unfairly treat, or unjustly discriminate against any shipper in the matter of cargo-space accommodations, or other facilities, due regard being had for the proper loading of the vessel and the available tonnage, the loading and landing of freight in proper condition, and the adjustment and settlement of claims. All violations of these express provisions are made a misdemeanor and are punishable by a heavy fine for each offense.

SHIP-TRUST INVESTIGATION.

Your Committee on Merchant Marine during the Sixty-second Congress was authorized by Congress to conduct an investigation of the so-called Shipping Trust. This investigation covered all the shipping lines engaged directly in the foreign and interstate commerce of the United States. Hundreds of witnesses were examined by the committee. In this important work the committee had the able assistance of Prof. Huebner, professor of transportation of the University of Pennsylvania, under whose careful guidance and advice a most complete investigation was made by your committee into the practices and business methods of the various lines engaged in transportation of American commerce. During this investigation hundreds of witnesses consumed one entire session. The result is preserved in three large volumes of testimony.

This investigation disclosed the unfair practices resorted to by water carriers for the purpose of destroying competition, and of discriminating and retaliating against persons and places who would not tamely submit to their dictation. It was found that, almost without exception, all of the merchant marine engaged in our foreign commerce resorted to the unfair practices known as deferred rebates, fighting ships, retaliation, and the making of unjust and discriminatory contracts relative to space accommodations, and with respect to loading and handling of freight in proper condition, and also with respect to the adjustment and settlement of claims. These practices were bitterly complained of by shippers and business men for year , but there was no law to be found upon the statute books providing punishment for such offenses or relief from such practices. Numerous other unfair practices in the business of transportation by water common carriers were found.

Your committee at the conclusion of such hearings and after consideration and due deliberation made its report to Congress upon the subject with many valuable recommendations. Among the recommendations made in such report to Congress were that laws should be passed prohibiting the grossest and most vicious of such unfair practices, and also recommending that laws be passed extending the jurisdiction of the Interstate Commerce Commission to regulate and control the rates for transportation by water carrier along the same lines and for the same purposes that jurisdiction has for many years been conferred upon such commission in the regulation, control, and supervision of railway rates.

In the Sixty-third Congress Hon. JOSHUA ALEXANDER, chairman of your Committee on Merchant Marine, prepared and introduced a bill to carry into effect the recommendations previously made as a result of the investigation of the Shipping Trust. This bill having been introduced rather late in said session was not given any consideration by said committee. It was reintroduced by Judge ALEXANDER in the present session, as was also H. R. 10500, for the purpose of creating a shipping board. After careful consideration it was found to be the judgment of the Committee on Merchant Marine that the best public service would be accomplished by consolidating the two bills. After some revision and elimination of both bills, such bills were combined and consolidated and reintroduced. After further deliberation and perfection of the consolidated bill the same was reintroduced as H. R. 15455, and after extensive hearings and deliberate consideration was reported favorably for passage as it now appears before the House.

The said shipping investigation disclosed conclusively that it was absolutely necessary that there should be a body of laws enacted relating to the regulation and control of the merchant marine and that a board should be created and empowered with authority to enforce laws that might be passed relating to the same, and to also investigate, regulate, and control both the domestic and foreign merchant marine service.

It was found by your committee that many of the unfair practices had become so firmly established and contained in many instances elements of usefulness that, with the exception of some of the more prominent ill practices, it was considered that a system of regulation and control of water transportation would be for the best interest of both the public and those interested in water transportation. It was found quite impracticable to cover water transportation into the jurisdiction of the Interstate Commerce Commission. Consequently the conclusion was forced upon the committee that the advisable thing to do was to create a new board or commission, to be known as the shipping board.

It may be said in all truthfulness, as pointed out in said recommendations of the committee, that it was "the consensus of opinion, as expressed in the testimony of witnesses and in the numerous communications received by the committee from shippers, that they were overwhelmingly in favor of some form of Government regulation of steamship carriers engaged in this country's foreign trade. Nearly all the steamship line representatives who appeared before the committee expressed themselves as not opposed to Government supervision which is reasonable and which is limited to requirements of full publicity and approval of all agreements or arrangements which steamship lines may have entered into with other steamship lines, with shippers, or with other carriers and transportation agencies." On the other hand, the shippers who appeared as witnesses or otherwise submitted recommendations for proposed legislation were, in the great majority of instances, favorable to a comprehensive system of Government supervision sufficiently broad to embrace the regulation of rates without actually fixing them, the approval of contracts, agreements, and the general supervision of all conditions of water transportation which vitally affect the interests of shippers.

SHIPPING BOARD WITH POWER OF REGULATION AND CONTROL APPROVED BY ALL.

The testimony of 47 witnesses, prominent in their respective lines of occupation and representing all the diversed interests interested in merchant marine, appeared before your Committee on Merchant Marine, some being for and some against the entire bill. With scarcely an exception, both friends and foes of the measure, as an entirety, approved of the plan to create a shipping board and to invest it with power of regulation and control for the purpose of preventing unfair practices in competition with other lines, and discriminating against shippers. There was, however, on the part of those hostile to the bill, a disposition to clothe the shipping board with rather weak, feeble, and inefficient power of regulation and control, but otherwise, that feature providing for a shipping board and to invest it with power of regulation and control and to prevent discrimination was approved by nearly all of the witnesses appearing before the committee on this measure.

Many of the provisions contained in the bill are quite similar to those contained in the law under which the Interstate Commerce Commission operates so efficiently and satisfactorily in the disposition of railroad questions. It is given full power to make investigations upon complaint and to make orders for-

bidding any unfair practices that it may, after full hearing, determine to be such. In fact, it is invested with full and complete power and authority to prevent abuses and discriminations, and to enforce regulations made by it for the proper protection of the interest of shippers, boat owners, and all concerned. As in the case of railways, water carriers are required to establish, observe, and enforce just and reasonable rates, charges, classifications, tariffs, and regulations and practices relating thereto, and to the issuance, form, and substance of tickets, receipts, and bills of lading; the manner and method of presenting, marking, packing, and delivering property for transportation; the carrying of personal, sample, and excess baggage; the facilities for transportation; and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

They must keep with the board and keep open to public inspection, in the form and manner as the board may prescribe, the maximum rates, fares, and charges for transportation between points on its own route. They are forbidden to charge, demand, or collect greater compensation for such transportation than the rates, fares, and charges filed in compliance with the law, except with the approval of the board and after 10 days' public notice in the form and manner prescribed by the board.

The board may upon such notice if it finds that any rate, fare, charge, classification, tariff, regulation, or practice demanded, charged, collected, or observed by such carrier is unjust or unreasonable it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice. Unlike the law governing the Interstate Commerce Commission, the shipping board has no power or authority to prescribe the different rates, fares, or charges. It is limited in its power of fixing fares and charges to fixing a reasonable and just maximum.

PREVENT ABUSES.

In section 20 is a provision whereby whenever a common carrier by water in interstate commerce reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water it shall not increase such rates unless after hearing the board finds that such proposed increase rests upon changed conditions other than the elimination of the suppressed competition.

The bill also contains ample provision for making necessary and required investigation and for the enforcement of the board's orders, such provisions being closely related to the legal provisions with which the Interstate Commerce Commission has been clothed with authority for many years.

Penalties for the violations of the provisions of the act and of the orders of the board are provided in many cases specifically and with a general penalty applying to violations of all orders for which a specific penalty is not provided.

NOT TO CONFLICT WITH INTERSTATE COMMERCE COMMISSION.

Section 33 provides that the provisions of the bill shall not be construed to affect the power or jurisdiction of the Interstate Commerce Commission nor to confer upon the board concurrent power or jurisdiction over any matter within the power or jurisdiction of such commission, and that the bill shall not be construed to apply to intrastate commerce.

INVESTIGATION OF CONDITIONS IN COST OF CONSTRUCTION AND OPERATION.

Provision is contained in section 13 directing the board to investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry. It shall examine the navigation laws of the United States and the rules and regulations thereunder and make such recommendations to Congress as it deems proper for the amendment, improvement, and revision of such laws and for the development of the American merchant marine. It shall also, on or before the 1st of December in each year, make a report to Congress, which shall include its recommendations, the result of its investigations, and a summary of its transactions, and a statement of all expenditures and receipts and of the operation of any corporation in which the United States is a stockholder, and the names and compensation of all persons employed by the board.

INDORSEMENTS.

Representatives of the national grange, farmers' unions, and various important shippers' associations appeared before the committee and approved the legislation proposed by this bill. The Federation of Labor and Seamen's Union have, by resolution in national convention, approved the same, as have prominent representatives of various business associations throughout the country. Even many representatives of steamboat lines have given it their approval, with the exception of those features of the same which they imagine, or fear, may amount to Government ownership or operation. It also has the approval of Secretaries McAdoo, Redfield, and Wilson; Admiral Benson; Capt. Berthoif; Hon. E. T. Chamberlain, Commissioner of Navigation; Hon. J. N. Gillett, ex-governor of California; Capt. William A. Wescott, president of Master Mates and Pilots' Association of the Pacific; Capt. W. S. A. Smith, of the Department of Agriculture; Western Starr, a prominent farmer of Westover, Md.; and of various other gentlemen prominent in the industrial and commercial life of the Nation.

This bill should be speedily enacted into law, as it will create a shipping board charged with the duty of supervising and fostering our merchant marine. It will provide from 500,000 to 700,000 tons of merchant vessels to serve in the development of our foreign trade; in the event of war, a naval auxiliary manned by a naval auxiliary force. It provides for the reasonable regulation of common carriers by water in foreign and interstate commerce. It has been framed with the view of encouraging, not to discourage, private enterprise in construction and operation of vessels under the American flag. While shipyards are now busy in new construction, we have good reason to believe their facilities will be increased and a new record set in speed and skill in shipbuilding in American shipyards.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. HADLEY].

Mr. HADLEY. Mr. Chairman, we are all alike solicitous for the development and expansion of our mercantile marine, but notwithstanding the purpose expressed in the title of the pending bill under existing conditions, if enacted into law, it can add nothing to the total of our tonnage.

Our domestic shipyards are already worked to the limit of their capacity. New yards are in course of equipment. Private capital is seeking investment in vessel properties beyond all precedent. If the Government seeks to buy ships, where will it find them for sale? The minority report contains the statement based upon the showing at the hearings that "Great Britain, France, Germany, Austria-Hungary, Sweden, Norway, Brazil, and other maritime nations have prohibited the transfer of any of their tonnage now afloat to a foreign flag." But if perchance any ships are for sale the diligence of the private investor, in the present state of marine activity, will seek and find them. If the Government should compete it would only be to further stimulate existing fabulous prices and to render them altogether prohibitive. The bill confers authority on the Government agency it would create to purchase vessels and then to sell or lease them. What advantage is to be gained by the Government acting as a mere intermediary or middleman? It is proposed to put it in the ship-brokerage business. It can not buy or lease on a more favorable basis than the private citizen. Why should the latter not deal in the market for himself? There can be but one consideration to induce such a transaction between a citizen and the board, and that must move toward the citizen. In other words, the board must bargain at a loss, if it bargains at all. Let the Government build vessels and the result will be the same. It is stated that it costs approximately $2,000,000 more to build a modern dreadnaught in a Government yard than in a private yard. It is manifest that in the event of construction by the Government the private investor will not take vessels over when he can buy others for less money, except on equal terms, and that would mean Government loss. The logical end of the contemplated transactions, whether they be by way of purchase, lease, or construction is necessarily a resort to the provisions of the eleventh section of the bill, the organization of holding companies and the operation of the vessels.

Irrespective of the merits of that course as a matter of governmental policy, it should be considered here in the light of probable results. The end sought is an increase of tonnage. The great weight of opinion expressed at the hearings by those best informed on the subject was unqualifiedly to the effect that the provision for Government ownership and operation of vessels would cause a greater loss of tonnage from private sources than the gain to be realized. If this was not true, the little that will be created in the event of Government construction can in no event be delivered in less than from two to two and a half years. Supplementing the 360 ships now building in American yards, the great activity of private capital, if it is not intimidated by the enactment of this bill in its present form, will meet the emergency in the meantime. If, on the contrary, the plans proposed in this bill are put into execution no one can say how much of the tonnage now under construction will fail to come under American registry and how much will seek registry

and trade beyond the jurisdiction of Government competition or Government restrictions. Government ownership and operation of an entire merchant marine is a very different thing from the ownership and operation of a small percentage only in competition with that privately owned. The latter is the case presented here.

No showing has been made to demonstrate wherein the investment contemplated will give better or earlier results than the investment of private capital will yield. We are not informed where lines will be established, what ports are to be directly favored, nor what existing lines, if any, are to be subjected to competition. If new fields of operation are to be opened, it does not appear upon what theory we are to anticipate profitable operation where the ingenuity of private enterprise has declined to venture. All we know is that we are asked to join blindly in staking $50,000,000 of public money upon an enterprise which no other great maritime nation has voluntarily undertaken, surrounded by the conditions, and facing the probabilities stated. In the domain of private enterprise such a course would meet with universal condemnation. It has no claim to support at our hands except such as business expediency may justify.

The bill contemplates the construction and equipment of the vessels in question in the cheapest market. By its express terms preference is to be given to domestic yards only in the event of "other things being equal." The advantage of spending the money at home, and the endless chain of circulation as a result, in the benefits of which our people would participate, is wholly disregarded. We would, indeed, present a remarkable spectacle before the world if we should provide for the Government to take $50,000,000 of the money of the American people and expend it in foreign lands for what they themselves produce, and at the expense of their own labor. I stand for the building of American ships in American yards of American materials and with American labor. [Applause.] I am opposed to expending public funds for that purpose beyond the jurisdiction of the United States.

The creation of a shipping board may well form the corner stone of a new constructive policy. Such a board may be an instrument of development or an instrument of obstruction. These alternatives turn mainly upon its functions and powers. These should be evolved largely from the practical observations of practical men comprising the board and be determined by Congress in the light of their experience and recommendations. The force of this principle is recognized in one section of the bill, but it is ignored in many others. Among the provisions of that section are the following:

SEC. 13. That the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry. It shall examine the navigation laws of the United States and the rules and regulations thereunder, and make such recommendations to the Congress as it deems proper for the amendment, improvement, and revision of such laws and for the development of the American merchant marine. It shall investigate the legal status of mortgage loans on vessel property, with a view to means of improving the security of such loans and of encouraging investment in American shipping.

An annual report to Congress is made mandatory upon the board, including its recommendations and the result of its investigations. Here would be a real provision on which to found the rehabilitation of the merchant marine, if the proponents of the bill had been content to abide the consummation of that policy, coupled with an investiture of general supervisory powers in the board, in the meantime, to prevent unfair or unjust practices on the part of common carriers by water. The virtue of these provisions has been minimized, if not rendered largely nugatory, by the minute regulatory powers of the board applied to both foreign and interstate commerce.

A single illustration will indicate the nature of one of many difficulties to arise in practice under the theory and terms of the bill. The Canadian Pacific Railway meets Oriental lines on the Pacific seaboard at Vancouver, British Columbia. Foreign cargoes by way of those lines en route for this country by way of Vancouver touch no American seaport; and such carriers, therefore, would be wholly without and beyond the jurisdiction of the proposed shipping board. Their cargoes make their initial appearance in American territory through ports of entry along the international boundary line. American lines touching at the ports of Puget Sound would be subject to the regulatory powers of the board, but such would not be true in the case of foreign lines out of Vancouver carrying the products of British Columbia to foreign ports. Lines out of North Pacific ports in adjacent American territory are to be so regulated that—quoting the language of the bill—

SEC. 18. That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge.

We are looking for relief on the Pacific coast from other competitive conditions which have been involuntarily imposed as the result of prior legislation, but while we look and wait in vain this new menace rises in view.

It is stated that nine-tenths of the tramp tonnage of the world coming into our ports does not operate here as a common carrier. It is conceded that this would not be subject to the provisions of the bill. Tramp steamers carry two-thirds of the world's commerce.

I repeat this pertinent inquiry of a witness at the hearings: "Now, how are you going to regulate the rates on one-third of the tonnage of the world, which makes its rates at the dock, with the shipper who brings his goods there, when the rates for two-thirds of the tonnage of the world are made in foreign ports?" [Applause on the Republican side.]

After months of earnest consideration of the provisions of this bill I am thoroughly satisfied that if given effect they will tend to undermine our present growing merchant marine. I am greatly disappointed that a bill was not reported which would insure its permanent development. In its present form the one now pending would destroy what we would conserve, and therefore should meet prompt and signal defeat.

Mr. ALEXANDER. Mr. Chairman, I yield 25 minutes to the gentleman from Texas [Mr. HARDY].

[Mr. HARDY addressed the committee. See Appendix.]

The CHAIRMAN (Mr. GRAY of Alabama). The time of the gentleman from Texas has expired.

Mr. HARDY. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BYRNES of South Carolina. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GREENE of Massachusetts. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Massachusetts has 81 minutes.

Mr. GREENE of Massachusetts. How does the other side stand?

The CHAIRMAN. Sixty-three minutes remain on the other side.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. EDMONDS] 15 minutes.

Mr. EDMONDS. Mr. Chairman, I feel it my duty before entering upon a discussion of this measure to comment upon the thorough investigation and careful consideration given to it by the committee, and also to express my appreciation of the courtesy of our chairman, the gentleman from Missouri [Mr. ALEXANDER].

We have, however, arrived at a point where differences of opinion as to the bill have arisen, and it has been found necessary for the minority to file a report calling the attention of the House to those differences, with the hope that by their decision the bill may be so amended that there will be passed a law that will aid in building up a merchant-marine service which will return our country to the proud position in the sea-carrying trade it held early in the nineteenth century.

It is useless to discuss the cause of the decline of the American marine; it is sufficient to say that it is almost universally agreed that the opportunities for investment close at hand were so great, and the expansion of the country inland so continuous and enormous, there was very little inducement for investment by our people in a business so full of hazard. Only since the war in Europe caused such disturbances have we been able to appreciate the dire calamity that would be caused were we to be suddenly cut off from the carriers which now do our work, and such appreciation has revived public interest to such an extent that every shipyard in the country is to-day busy building a tonnage larger than has ever been known in this country at any one time in the past, and as these yards are now contracted for two or three years ahead, and new shipyards are under construction, the prospects are that the revival is of a permanent character.

The differences that have arisen between the majority and minority of the committee are, to my way of thinking, vital ones of policy and principle. I believe that in order not to raise any doubt in the minds of the citizens who are now taking an interest and investing in the upbuilding of a merchant marine, that the prime purpose disclosed in this bill should be the purchasing of ships as naval and military auxiliaries, and their use for commercial purposes should be a secondary consideration. There is no doubt that this tonnage would be badly needed in case of war, and it is probable that in times of peace only a portion would be in active use, and although I am opposed to Government ownership and operation of any utilities, particularly of one like this which is subject to Government supervision, yet if it is necessary to have these ships as adjuncts to our Military Establishment it would be as well to provide for their useful occupation when not needed in the service. This can be accomplished by chartering or leasing these vessels to operating companies composed of individuals, who could by this means build up the export and import trade with a minimum outlay of capital.

The committee in the bill submitted by them has made the prime purpose of the purchase of ships the commercial use, and not the military, showing that they are favorable to Government ownership and operation, thus discouraging private enterprise and initiative, which must result eventually in either the Government providing all of the transportation, or more likely the trade remaining in the hands of the foreign carrier, as at present.

A very objectionable feature of the bill to me is the power given to the board to purchase ships from or construct ships in foreign countries, when we consider that this board will have at least $50,000,000 to spend, money raised by taxation of the people of the United States, and also that it is estimated that at least 50 per cent of the cost of a ship is paid out in labor. I am satisfied that even should there be a slightly additional cost the people of this country would almost be unanimous in agreeing that none of this money should be spent anywhere but where it would give employment to our own people.

Within the past two years Japan has more than doubled the capacity of their shipbuilding yards, and it is proposed by this bill to place our workingmen in competition with their cheap labor, which I understand in the case of mechanics is about 45 cents gold per day. The proposition is unfair and un-American. Should the board endeavor to carry out this provision of the bill it is certain to act unfavorably on the proponents of the scheme.

In this connection I would like to place in the RECORD a letter from the Harlan & Hollingsworth Corporation, shipbuilders, which I will read:

APRIL 18, 1916.

Hon. G. W. EDMONDS,
*House of Representatives, Washington, D. C.*

MY DEAR GEORGE: Replying to your favor of April 14. To give you a comprehensive comparison of materials and wages in the building of an American passenger and freight steamer, we give below a statement taken from a steamer which we built at Wilmington. Her dimensions were 328 feet long, 47 feet beam, 3,282 gross tons; she had 178 staterooms with accommodations for 380 passengers, exclusive of her crew. Her speed was 16½ knots:

| | |
|---|---|
| Item 1. Steel materials, exclusive of forgings and castings | $96,000 |
| Item 2. Lumber materials | 30,000 |
| Item 3. Paint materials | 3,200 |
| Item 4. Material for communicating systems, i. e., telegraphs between pilot house and engine room, call bells, telephones, wireless, etc | 1,400 |
| Item 5. Plumbing materials of all kinds | 3,000 |
| Item 6. Steam-heating materials | 1,200 |
| Item 7. Electric-light generators, wiring, fixtures, etc | 7,000 |
| Item 8. Auxiliary machinery, windlass, capstans, steering engines, winches, pumps | 12,000 |
| Item 9. Fire-fighting apparatus, life-saving apparatus, including lifeboats and gear | 6,500 |
| Item 10. Anchors and chains | 1,800 |
| Item 11. Nautical instruments, flags, and awnings | 1,600 |
| Item 12. Galley range, steam tables, cooking utensils, crockery | 1,500 |
| Item 13. Cushions, upholstery, beds, bedding, linen | 7,000 |
| Item 14. Engine and boiler materials, including forgings, iron castings, brass castings, steel castings, copper piping, steel piping, iron piping | 85,000 |
| Item 15. Ice machine | 5,000 |
| Total | 262,200 |

*Wages to the several trades for building said steamer.*

| | |
|---|---|
| Steel workers | $98,000 |
| Woodworkers | 90,000 |
| Plumbers | 2,250 |
| Painters | 9,000 |
| Electricians | 7,500 |
| Pipe fitters | 2,100 |
| Machinists | 55,000 |
| Boiler makers | $9,000 |
| Draftsmen | 3,000 |
| Total | 275,850 |

The above will give you some idea of the different proportions of the various items of materials and wages. You, of course, can readily understand the type of vessel, that is to say, whether she is exclusively a tramp or whether she is a passenger steamer with accommodations for running water in the rooms and other first-class appointments, making it impossible to give you an absolute percentage such as you asked for in your letter.

Yours, very truly,

HARLAN & HOLLINGSWORTH CORPORATION,
A. W. CHRISTIAN,
*Assistant to the President.*

You will note what a large percentage of labor there is in this particular ship.

One of the most serious objections to the bill seems to be in its regulatory freight provisions. As a result of the recent investigation made by our committee some method of supervision seemed necessary, and yet at the same time it was found that the business was of such a peculiar character that any attempt to apply rules and regulations such as are applied by the Interstate Commerce Commission to the railroads would only result in advantage to the shipowners of other countries and to the detriment of our own. I can readily agree with the majority that some method of supervision is necessary, but with it can not see how it can be expected to build up a merchant marine in this country unless all countries would join together in agreeing to regulate the traffic, and even then it would be impossible when the ordinary tramp cargo boat is considered.

The bill as reported by the committee contains some excellent supervisory provisions and confers power on the board to abolish evils which have been recognized as such by most of our shippers. No one can object to this, but when there is retained in the bill some indefinite regulatory provisions, together with the privilege of rate making by correction, such as will be found in section 18 of the bill, it must be realized that unless assurance can be given of our power to control our foreign competition along the same lines, which is questionable on contracts made in foreign countries, it is certain that such regulatory practices must destroy and not build up the merchant marine here.

Again, in section 15, paragraph 4, and in section 17, paragraph 1, there are two indefinite regulatory provisions which should be taken from the bill, as no man in the shipping business could possibly interpret them, and would be unable to conduct his business in the ordinary method that the business is now conducted without opening up endless delays and litigation should some person desire to complain of discrimination.

The proper and businesslike way of handling this matter is to remove from the bill any indefinite or regulatory provisions and let the board, after a few years of experience and investigation, request of Congress such legislation as will be a benefit to our shipowners and our shippers.

Now, Mr. Chairman, I would like to answer the gentleman from South Carolina [Mr. BYRNES] in regard to my stand on Government ownership a couple of years ago. If he will turn over to pages 45, 46, and 47 of the testimony taken on the bill H. R. 15518, he will see that I stated definitely when the bill was before the committee that I did not believe in Government ownership.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. BYRNES of South Carolina. Did not the gentleman's bill provide that ships purchased and controlled should engage in trade between the ports on the coast, and therefore competed with ships in the coastwise trade?

Mr. EDMONDS. Yes; but I refer the gentleman to the testimony, and he will see exactly how I stood. Now, I also call the attention of the gentleman from South Carolina to the fact that in the report of the Commissioner of Navigation for 1909 there is a complete account of the subsidies paid by the German Empire, and also an account giving the figures and freight rates on export business. I wished to answer him at this point, because I felt that he should have the information contained in that report.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. MOORE of Pennsylvania. Do I understand that the gentleman is putting in evidence the fact that the German Government pays subsidies?

Mr. EDMONDS. No; I am not putting it in the RECORD; I am simply calling the attention of the gentleman from South Carolina to the fact that that information is in the report of the Commissioner of Navigation for 1909.

In conclusion, it is my opinion that the bill as proposed is only a subterfuge to hide a subsidy such as has been proposed in this body many times. Had it not been for the plank in the platform of the Democratic Party probably some other method along the lines of a ship subsidy would have been considered by the administration. It has been many times suggested, while the committee has been considering this bill, that the board would be able to sell, lease, or charter these ships at a much lower rate than private parties by using the low interest rate of the Government as a basis, together with liberal sinking fund and other charges, it was estimated that they could save the purchaser or charterer 3 or 4 per cent. If this is not a subsidy of $30,000 to $40,000 a year on a ship costing $1,000,000, I can not find any other name to call it. [Applause.]

Mr. ALEXANDER. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. VAN DYKE].

Mr. VAN DYKE. Mr. Chairman, showing why grain producers of the United States are interested, and rightly so, in the passage of the bill under consideration, particularly sections 19 and 20, known as the shipping bill, we find, because of the existing conditions in Europe, that our export trade has increased wonderfully, and the prices paid for exports in nearly every line have gone up.

In an article of the Wall Street Journal on February 29, 1916, based on the war orders of 26 companies and the increase in the market value of the stocks of these companies, Dow-Jones & Co. report:

| | |
|---|---|
| War orders for 26 companies | $1,734,500,000 |
| Par value of stock of 26 companies | $1,737,389,000 |
| Market value of stock before war | $1,287,658,000 |
| Recent high market price of same | $2,212,986,000 |
| Appreciation in market value | $919,323,000 |
| Per cent appreciation in market value | 71 |
| Per cent appreciation on par value | 53 |
| Per cent appreciation to war orders | 53 |

If the stock market sales of stocks of these 26 leading war munition companies is a fair indication of the profits earned, the analysis of the Wall Street Journal would indicate that the profit margin on war orders approximated 53 per cent.

To show the great profits which the price of a certain class of exports at the present time have made possible, I desire to call your attention to the Du Pont De Nemours Powder Co. report, whose net earnings on common stock in 1915 were 94.3 per cent, as against 13.6 per cent in 1914.

What is true with this class of exports is also true with the majority of others. The exorbitant price paid for freight has not hurt the manufacturers of munitions nor lowered the price of their products.

Now, let us see what has happened in the case of the products of the farmers of the great Northwest. In March, 1914, the price of No. 2 hard winter wheat in New York City was $1.03; in Liverpool, $1.08; difference, or spread, in price, 5 cents. Ocean freight rate from New York City to Liverpool was 2.6 cents per bushel. This was under normal conditions of shipping. Please note that the spread was 5 cents and the cost of freight 2.6 cents.

In August of the same year, at the time of the beginning of the present European war, there was a decided increase in the price of wheat in Liverpool. The price in New York City was 98 cents and at Liverpool $1.22, which made a difference or a spread in price of 24 cents per bushel. In the meantime freight rates had gone up nearly 300 per cent, so at this time freight rates were 8 cents per bushel.

In September of the same year, because of the high price in Liverpool, the increase at New York City had naturally been proportionate. So we find the same grade of wheat selling in New York City for $1.18 and at Liverpool $1.26; difference in price, or spread, 8 cents. Freight rates had dropped back to 7.1 cents, but from that time on freight rates have steadily increased until in March, 1916, when they had attained the enormous price of 50.4 cents per bushel, or an increase of over 1,800 per cent over the price of shipment in March, 1914.

Another peculiar thing is that we find the price of this wheat in Liverpool in March, 1916, at $1.91, while the price in March, 1914, was $1.08, a difference in price of 83 cents per bushel, while the price in New York City was $1.20, or an increase of 17 cents.

Now, for a comparison between the month of March, 1916 and 1915, of this grade of wheat: The price of this wheat in March, 1916, on the first available date of that month was $1.20, while the price in March, 1915, was $1.58, a decrease in 1916 in New York City of 38 cents. The price in Liverpool in March, 1916, was $1.91, while in March, 1915, it was $1.93, a difference in price of 2 cents. So we have this peculiar condition wherein the price in Liverpool was practically the same, while the price in New York City had dropped 38 cents, and the increase in freight rates during that time was 25.7 cents.

On March 13, 1916, we find that No. 2 hard winter wheat was $1.23 per bushel in New York City, while in Liverpool it was $1.89; freight rate, 50.4 cents.

In this connection at this point I insert herewith the following tables:

*American v. European wheat prices as affected by ocean rates.*

AMERICAN PRICES, MARCH 13.

| | Per bushel. | | Amount, decrease. |
|---|---|---|---|
| | 1916 | 1915 | |
| New York, No. 2 hard winter | $1.23 | $1.75½ | $0.52½ |
| Chicago: | | | |
| No. 2 hard winter | 1.08 | 1.63 | .55 |
| No. 3 red winter | 1.07 | 1.60 | .53 |
| Minneapolis: | | | |
| No. 1 northern spring | 1.12 | 1.57½ | .45½ |
| No. 2 northern spring | 1.09 | 1.53½ | .44½ |
| Duluth, No. 1 northern | 1.11 | 1.55¼ | .44¼ |
| Kansas City, No. 2 red winter | 1.18 | 1.57 | .39 |

LIVERPOOL PRICES, MARCH 13.

| | Per bushel. | |
|---|---|---|
| | 1916 | 1915 |
| Liverpool: | | |
| No. 1 northern Duluth | $2.07 | $1.92 |
| No. 2 soft winter | 1.88 | 1.83 |
| No. 2 hard winter | 1.89 | 1.81 |
| No. 2 northern Manitoba | 2.10 | 1.92 |

OCEAN GRAIN RATE, NEW YORK TO LIVERPOOL.

Before present war, 4 cents per bushel.
March 14, 1916, 50 cents per bushel.

PRICES OF NO. 1 NORTHERN WHEAT.

January 1, 1914: Liverpool, 101.4 cents per bushel; New York, 100 cents per bushel; Minneapolis, 86.25 to 88.25 cents per bushel.
July 1, 1915: Liverpool, 175.2 cents per bushel; New York, 145 cents per bushel; Minneapolis, 128.75 to 137.75 cents per bushel.
October 1, 1915: Liverpool, 178.2 cents per bushel; New York, 110.5 cents per bushel; Minneapolis, 92.75 to 97.25 cents per bushel.
April 1, 1915: Liverpool, 189.6 cents per bushel; New York, 129.5 cents per bushel; Minneapolis, 117.8 to 120.8 cents per bushel.
NOTE.—No quotations for Liverpool prices of No. 1 northern wheat were found for the dates you mentioned, except as given above.

*Corn: Cash prices and ocean freight, as reported weekly by the International Institute of Agriculture, Rome, Italy, and estimated ocean freights.*

(Cents per bushel at Chicago and Liverpool.)

| Date. | Prices of American mixed corn. | | | Estimated ocean freight, New Yor to Liverpool.[1] |
|---|---|---|---|---|
| | No. 2 mixed, Chicago. | American mixed, at Liverpool. | Difference. | |
| 1914. | *Cents.* | *Cents.* | *Cents.* | *Cents.* |
| Jan. 2 | 62.8 | 90.6 | 27.8 | 4.9 |
| 9 | 62.5 | 91.1 | 28.6 | 4.9 |
| 16 | 63.0 | 91.1 | 28.1 | 4.4 |
| 23 | 62.0 | 91.1 | 29.1 | 3.9 |
| 30 | 63.2 | 91.1 | 27.9 | 3.9 |
| Feb. 6 | 61.8 | 91.1 | 29.3 | 3.9 |
| 13 | 62.3 | 91.1 | 28.8 | 3.6 |
| 20 | 62.8 | 91.1 | 28.3 | 3.6 |
| 27 | 63.2 | 91.1 | 27.9 | 3.0 |
| Mar. 6 | 63.7 | 91.1 | 27.4 | 3.0 |
| 13 | 64.3 | 91.1 | 26.8 | 3.0 |
| 20 | 68.2 | 91.1 | 22.9 | 2.7 |
| 27 | 68.1 | 91.1 | 23.0 | 3.0 |
| Apr. 3 | 68.7 | 91.1 | 22.4 | 3.7 |
| 10 | 69.4 | 91.1 | 21.7 | 3.7 |
| 17 | 67.4 | 91.1 | 23.7 | 3.7 |
| 24 | 66.6 | 90.3 | 23.7 | 3.7 |
| May 1 | 66.5 | 90.3 | 23.8 | 3.0 |
| 8 | 67.8 | 90.3 | 22.5 | 3.0 |
| 15 | 70.7 | 90.0 | 19.3 | 3.0 |
| 22 | 71.2 | 90.8 | 19.6 | 3.0 |
| 29 | 71.2 | 92.0 | 20.8 | 3.0 |
| June 5 | 72.1 | 90.8 | 16.7 | 3.7 |
| 12 | 72.3 | 91.4 | 19.1 | 3.0 |
| 19 | 70.7 | 92.0 | 21.3 | 3.9 |
| 26 | 68.1 | 91.4 | 23.3 | 4.9 |

[1] The rate per 60 pounds is assumed to be the same for corn as that reported by the institute for wheat; the rate for a standard bushel (56 pounds of corn) is therefore computed as 93 per cent of the freight rate for wheat.

*Corn: Cash prices and ocean freight, as reported weekly by the International Institute of Agriculture, Rome, Italy, etc.*—Continued.

| Date. | Prices of American mixed corn. | | | Estimated ocean freight, New York to Liverpool. |
|---|---|---|---|---|
| | No. 2 mixed, Chicago. | American mixed, at Liverpool. | Difference. | |
| 1914. | *Cents.* | *Cents.* | *Cents.* | *Cents.* |
| July 3 | 68.7 | 91.4 | 22.7 | 4.9 |
| 10 | 71.9 | 91.4 | 19.5 | 4.9 |
| 17 | 70.9 | 91.4 | 20.5 | 4.9 |
| 24 | 72.8 | 92.3 | 19.5 | 5.4 |
| 31 | 72.8 | 100.0 | 27.2 | 5.4 |
| Aug. 7 | 81.8 | 109.0 | 27.2 | ..... |
| 14 | 84.3 | 110.2 | 25.9 | ..... |
| 21 | 82.7 | 110.2 | 27.5 | ..... |
| 28 | 77.4 | 108.5 | 31.1 | ..... |
| Sept. 4 | 83.0 | 109.6 | 26.6 | ..... |
| 11 | 82.0 | 109.0 | 27.0 | ..... |
| 18 | 76.6 | 106.8 | 30.2 | 5.9 |
| 25 | 72.5 | 107.1 | 34.6 | ..... |
| Oct. 2 | 72.7 | 106.5 | 35.8 | 7.7 |
| 9 | 78.4 | 104.8 | 26.4 | 7.7 |
| 16 | 72.7 | 104.5 | 29.8 | 7.7 |
| 23 | 75.9 | 101.1 | 25.2 | 7.7 |
| 30 | 72.8 | 100.0 | 27.2 | 7.7 |
| Nov. 6 | 76.1 | 97.7 | 21.6 | 10.1 |
| 13 | 75.0 | 99.4 | 24.4 | 11.5 |
| 20 | 71.5 | 98.8 | 27.3 | 12.4 |
| 27 | 65.6 | 98.0 | 32.4 | 12.4 |
| Dec. 4 | 63.7 | 98.0 | 34.3 | 13.5 |
| 11 | 63.2 | 98.0 | 34.8 | 14.4 |
| 18 | 64.6 | 91.7 | 27.1 | ..... |
| 25 | 66.4 | 93.4 | 27.0 | 17.2 |
| 1915. | | | | |
| Jan. 2 | 68.7 | 98.0 | 29.3 | 17.2 |
| 8 | 70.4 | 99.1 | 28.7 | 17.2 |
| 15 | 71.1 | 107.1 | 36.0 | ..... |
| 22 | 74.4 | 105.4 | 31.0 | 19.0 |
| 29 | 76.5 | 106.5 | 30.0 | 19.0 |
| Feb. 5 | 76.2 | 112.5 | 36.3 | 20.1 |
| 12 | 77.7 | 111.9 | 34.2 | 20.9 |
| 19 | 75.2 | 110.4 | 35.2 | 22.9 |
| 26 | 69.3 | 109.0 | 39.7 | 22.9 |
| Mar. 5 | 70.7 | 107.6 | 36.9 | 22.9 |
| 12 | 72.5 | 106.2 | 33.7 | 22.9 |
| 19 | 73.7 | 105.4 | 31.7 | 22.9 |
| 26 | 70.5 | 104.8 | 34.3 | 22.9 |
| Apr. 2 | ..... | 104.8 | ..... | 22.9 |
| 9 | 72.3 | 104.2 | 31.9 | 22.9 |
| 16 | 76.0 | 111.0 | 35.0 | 21.7 |
| 23 | 78.2 | 113.9 | 35.7 | 21.7 |
| 30 | 77.6 | 116.1 | 38.5 | 21.7 |
| May 7 | 77.2 | 115.6 | 38.4 | 21.7 |
| 14 | 75.4 | 114.4 | 39.0 | 21.7 |
| 21 | 75.6 | 112.7 | 37.1 | 21.7 |
| 28 | 76.2 | 112.2 | 36.0 | 23.0 |
| June 4 | 73.4 | 110.4 | 37.0 | 23.0 |
| 11 | 73.4 | 109.3 | 35.9 | 23.0 |
| 18 | 75.9 | 109.6 | 33.7 | 23.0 |
| 25 | 74.8 | 108.2 | 33.4 | 20.1 |
| July 2 | 76.8 | 109.3 | 32.5 | 20.1 |
| 9 | 78.7 | 111.9 | 33.2 | 20.1 |
| 16 | 78.9 | 112.7 | 33.8 | 17.2 |
| 23 | 81.1 | 116.1 | 35.0 | 20.1 |
| 30 | 79.8 | 117.3 | 37.5 | 21.0 |
| Aug. 6 | 79.5 | 122.1 | 42.6 | 20.1 |
| 13 | 80.0 | 123.0 | 43.0 | 19.0 |
| 20 | ..... | 123.2 | ..... | 19.0 |
| 27 | 79.3 | 122.1 | 42.8 | 20.1 |
| Sept. 3 | 77.5 | 121.8 | 44.3 | 23.0 |
| 10 | 76.5 | 120.9 | 44.4 | 25.5 |
| 17 | 74.6 | 120.7 | 46.1 | 25.5 |
| 24 | 72.5 | 118.4 | 45.9 | 29.4 |
| Oct. 1 | 64.3 | 118.4 | 54.1 | ..... |
| 8 | 62.1 | 118.4 | 56.3 | ..... |
| 15 | 65.6 | 121.5 | 55.9 | 39.2 |
| 22 | 66.6 | ..... | ..... | 39.2 |
| 29 | 64.0 | ..... | ..... | 39.2 |
| Nov. 5 | 65.7 | ..... | ..... | 39.2 |
| 12 | 63.2 | ..... | ..... | 39.2 |
| 19 | 63.6 | ..... | ..... | 39.2 |
| 26 | 65.4 | ..... | ..... | 39.2 |
| Dec. 3 | 66.9 | 124.4 | 57.5 | 39.2 |
| 10 | 66.1 | 125.5 | 59.4 | 39.2 |
| 17 | ..... | 124.7 | ..... | 35.3 |
| 24 | ..... | 130.9 | ..... | 37.2 |
| 31 | 74.8 | 133.7 | 58.9 | 37.2 |
| Jan. 7 | 72.8 | 139.4 | 66.6 | 39.2 |
| 14 | 75.3 | 147.7 | 72.4 | 43.1 |
| 21 | ..... | 148.0 | ..... | 41.1 |
| 28 | 79.0 | 147.4 | 68.4 | 43.1 |
| Feb. 4 | 78.5 | 147.4 | 68.9 | 41.1 |
| 11 | 76.9 | 152.5 | 75.6 | 43.1 |

Beginning with Sept. 10, 1916, the ocean freight quotations (not being reported by the institute) were taken from Lambert & Barrows's circulars.

The Chicago Board of Trade reports the following yearly averages for freight rates on corn: Chicago to New York, by lake and canal, 5.26 cents per bushel in 1914, and 5.75 in 1915; by lake and rail, 5.79 in 1914, and 6.73 in 1915; by all-rail routes, 9.52 in 1914, and 9.92 in 1915. The average of through rates from Chicago to Liverpool, via all-rail routes to New York, was equivalent to 33.4 cents per 56 pounds in 1915; no average was reported for 1914.

*Wheat: Cash price and ocean freight, as reported weekly by the International Institute of Agriculture, Rome, Italy.*
(Cents per bushel at New York and Liverpool.)

| Date. | Prices of No. 2 red winter wheat. | | | Ocean freight, New York to Liverpool. | Prices of No. 2 hard winter wheat. | | | Ocean freight, New York to Genoa. |
|---|---|---|---|---|---|---|---|---|
| | At New York, N. Y. | At Liverpool, Eng. | Difference. | | At New York, N. Y. | At Genoa, Italy. | Difference. | |
| 1914. | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* |
| Jan. 2 | 101.0 | 107.7 | 6.7 | 5.2 | ..... | ..... | ..... | ..... |
| 9 | 101.5 | 106.8 | 5.3 | 5.2 | ..... | ..... | ..... | 6.8 |
| 16 | 102.0 | 107.8 | 5.8 | 4.7 | ..... | ..... | ..... | 8.4 |
| 23 | 101.5 | 108.5 | 7.0 | 4.2 | ..... | ..... | ..... | 8.4 |
| 30 | 101.5 | 108.0 | 6.5 | 4.2 | ..... | ..... | ..... | 8.4 |
| Feb. 6 | 101.5 | 108.0 | 6.5 | 4.2 | ..... | ..... | ..... | 8.2 |
| 13 | 103.0 | 108.6 | 5.6 | 3.9 | ..... | ..... | ..... | ..... |
| 20 | 104.5 | 108.6 | 4.1 | 3.9 | ..... | ..... | ..... | ..... |
| 27 | 105.5 | 109.2 | 3.7 | 3.2 | ..... | ..... | ..... | ..... |
| Mar. 6 | 105.0 | 108.6 | 3.6 | 3.2 | ..... | ..... | ..... | ..... |
| 13 | 105.5 | 107.5 | 2.0 | 3.2 | ..... | ..... | ..... | ..... |
| 20 | 106.5 | 107.4 | .9 | 2.9 | 103.2 | ..... | ..... | ..... |
| 27 | 106.5 | 107.7 | 1.2 | 3.2 | 102.3 | ..... | ..... | ..... |
| Apr. 3 | 105.0 | 107.4 | 2.4 | 4.0 | 101.0 | ..... | ..... | ..... |
| 10 | 105.0 | 107.5 | 2.5 | 4.0 | 100.3 | ..... | ..... | ..... |
| 17 | 105.5 | 106.2 | .7 | 4.0 | 101.7 | ..... | ..... | ..... |
| 24 | 106.5 | 107.4 | .9 | 4.0 | 103.0 | ..... | ..... | ..... |
| May 1 | 105.5 | 108.0 | 2.5 | 3.2 | 103.2 | ..... | ..... | ..... |
| 8 | 104.7 | 109.0 | 4.3 | 3.2 | 103.5 | ..... | ..... | ..... |
| 15 | 107.0 | ..... | ..... | 3.2 | 106.3 | ..... | ..... | ..... |
| 22 | 108.5 | 112.6 | 4.1 | 3.2 | 107.3 | ..... | ..... | ..... |
| 29 | 111.0 | 111.9 | .9 | 3.2 | 107.5 | ..... | ..... | ..... |
| June 5 | 93.8 | ..... | ..... | 4.0 | 104.3 | ..... | ..... | ..... |
| 12 | 93.8 | ..... | ..... | 3.2 | 101.3 | ..... | ..... | ..... |
| 19 | 93.8 | ..... | ..... | 4.2 | 100.0 | ..... | ..... | ..... |
| 26 | 87.2 | ..... | ..... | 5.2 | 93.0 | ..... | ..... | ..... |
| July 3 | 88.2 | ..... | ..... | 5.2 | 89.5 | ..... | ..... | ..... |
| 10 | 88.2 | ..... | ..... | 5.2 | 89.0 | 100.8 | 11.8 | 9.9 |
| 17 | 88.8 | ..... | ..... | 5.2 | 90.0 | 100.8 | 10.8 | ..... |
| 24 | 91.8 | ..... | ..... | 5.8 | 92.5 | 101.4 | 8.9 | ..... |
| 31 | 96.3 | 119.2 | 22.9 | 5.8 | 98.5 | 109.6 | 11.1 | ..... |
| Aug. 7 | 94.5 | 123.5 | 29.0 | ..... | 95.0 | ..... | ..... | ..... |
| 14 | 98.0 | 117.4 | 19.4 | ..... | 100.0 | 120.8 | 20.8 | ..... |
| 21 | 103.0 | 113.2 | 10.2 | ..... | 106.8 | 110.3 | 3.5 | ..... |
| 28 | 114.0 | 124.4 | 10.4 | ..... | 114.8 | 109.0 | [1] 5.8 | ..... |
| Sept. 4 | 131.5 | 130.5 | [2] 1.0 | ..... | 132.5 | 105.7 | [1] 26.8 | ..... |
| 11 | 123.5 | 126.0 | 2.5 | ..... | 122.5 | ..... | ..... | 6.8 |
| 18 | 120.5 | 126.0 | 5.5 | 6.3 | 120.0 | ..... | ..... | 7.6 |
| 25 | 116.5 | 125.6 | 9.1 | ..... | 116.2 | ..... | ..... | ..... |
| Oct. 2 | 112.5 | 122.0 | 9.5 | 8.2 | 111.8 | ..... | ..... | ..... |
| 9 | 117.2 | 124.4 | 7.2 | 8.2 | 116.0 | ..... | ..... | ..... |
| 16 | 120.3 | 126.9 | 6.6 | 8.2 | 119.3 | ..... | ..... | ..... |
| 23 | 125.0 | ..... | ..... | 8.2 | 124.8 | 153.6 | 28.8 | ..... |
| 30 | 122.3 | ..... | ..... | 8.2 | 123.2 | 153.6 | 30.4 | 13.5 |
| Nov. 6 | 122.8 | 141.8 | 19.0 | 10.8 | 124.0 | 160.2 | 36.2 | 13.7 |
| 13 | 123.5 | 141.5 | 18.0 | 12.3 | 123.5 | 163.5 | 40.0 | 17.5 |
| 20 | 124.8 | ..... | ..... | 13.3 | 124.8 | ..... | ..... | 18.3 |
| 27 | 124.3 | ..... | ..... | 13.3 | 124.3 | 162.1 | 37.8 | 19.8 |
| Dec. 4 | 126.7 | 141.5 | 14.8 | 14.5 | 126.7 | 166.1 | 39.4 | 22.4 |
| 11 | 126.0 | 143.9 | 17.9 | 15.4 | 126.5 | ..... | ..... | ..... |
| 18 | 130.7 | 147.5 | 16.8 | ..... | 130.7 | 162.5 | 31.8 | 25.1 |
| 25 | 136.5 | 153.6 | 17.1 | 18.4 | 136.8 | 163.5 | 26.7 | 25.1 |
| 1915. | | | | | | | | |
| Jan. 2 | 138.2 | 153.6 | 15.4 | 18.4 | 137.0 | 166.1 | 29.1 | 27.4 |
| 8 | 148.3 | 164.0 | 15.7 | 18.4 | 148.3 | 170.7 | 22.4 | 27.4 |
| 15 | 156.5 | 173.1 | 16.6 | ..... | 156.5 | 169.4 | 12.9 | 31.9 |
| 22 | 154.0 | 175.5 | 21.5 | 20.4 | 153.5 | 185.2 | 31.7 | 29.7 |
| 29 | 160.3 | 181.6 | 21.3 | 20.4 | 160.5 | 186.5 | 26.0 | 31.6 |
| Feb. 5 | 176.5 | ..... | ..... | 21.5 | 176.5 | 203.5 | 27.0 | 30.8 |
| 12 | 170.0 | ..... | ..... | 22.4 | 161.5 | 219.3 | 54.8 | 31.6 |
| 19 | 171.0 | ..... | ..... | 24.5 | 173.5 | 219.9 | 46.4 | 31.2 |
| 26 | 157.5 | 200.5 | 43.0 | 24.5 | 160.3 | 227.2 | 66.9 | 32.4 |
| Mar. 5 | 149.5 | 191.4 | 41.9 | 24.5 | 151.0 | 228.5 | 77.5 | 33.5 |
| 12 | 168.8 | ..... | ..... | 24.5 | 171.3 | 229.1 | 57.8 | 35.0 |
| 19 | 169.0 | ..... | ..... | 24.5 | 172.0 | 225.2 | 53.2 | 34.2 |
| 26 | 161.5 | 193.8 | 32.3 | 24.5 | 163.5 | 227.2 | 63.7 | 31.9 |
| Apr. 2 | 163.0 | 193.2 | 30.2 | 24.5 | 167.0 | 228.5 | 61.5 | ..... |
| 9 | 165.5 | 192.6 | 27.1 | 24.5 | 168.0 | 233.7 | 65.7 | ..... |
| 16 | 165.5 | 196.8 | 31.3 | 23.3 | 170.5 | 233.7 | 63.2 | ..... |
| 23 | 170.0 | 199.9 | 29.9 | 23.3 | 173.0 | 233.1 | 60.1 | 31.2 |
| 30 | 172.5 | 203.2 | 30.7 | 23.3 | 173.5 | 234.4 | 60.9 | 31.2 |
| May 7 | 165.7 | ..... | ..... | 23.3 | 169.5 | 231.7 | 62.2 | 30.4 |
| 14 | 163.0 | ..... | ..... | 23.3 | 164.5 | 232.4 | 67.9 | 30.4 |
| 21 | 165.2 | ..... | ..... | 23.3 | 167.2 | 229.1 | 61.9 | ..... |
| 28 | 154.7 | ..... | ..... | 24.6 | 155.3 | ..... | ..... | ..... |
| June 4 | 140.0 | ..... | ..... | 24.6 | 144.0 | ..... | ..... | ..... |
| 11 | 132.3 | ..... | ..... | 24.6 | 136.3 | ..... | ..... | ..... |
| 18 | 129.7 | ..... | ..... | 24.6 | 130.4 | ..... | ..... | ..... |
| 25 | 129.5 | ..... | ..... | 21.5 | 131.2 | ..... | ..... | ..... |
| July 2 | 141.0 | ..... | ..... | 21.5 | 143.4 | ..... | ..... | ..... |
| 9 | 140.0 | ..... | ..... | 21.5 | 144.0 | ..... | ..... | ..... |
| 16 | 144.5 | ..... | ..... | 18.4 | 151.9 | ..... | ..... | 28.9 |
| 23 | 120.8 | ..... | ..... | 21.5 | 146.8 | ..... | ..... | 30.0 |
| 30 | 119.0 | ..... | ..... | 22.5 | 147.0 | 224.6 | 77.6 | ..... |
| Aug. 6 | 123.0 | ..... | ..... | 21.5 | 127.4 | 224.6 | 97.2 | 30.4 |
| 13 | 122.0 | ..... | ..... | 20.4 | 126.6 | 225.9 | 99.3 | 29.7 |
| 20 | 116.5 | 174.9 | 58.4 | 20.4 | 116.5 | ..... | ..... | 30.4 |
| 27 | 112.0 | 152.4 | 40.4 | 21.5 | 115.0 | 220.6 | 105.6 | 31.2 |
| Sept. 3 | 115.2 | 150.0 | 34.8 | 24.6 | 115.2 | 218.6 | 103.4 | 31.6 |
| 10 | 117.5 | 143.9 | 26.4 | 27.3 | 117.5 | 214.0 | 96.5 | 32.7 |
| 17 | 126.1 | 173.1 | [3] 47.0 | [4] 27.3 | 126.1 | 211.4 | 85.3 | ..... |
| 24 | 125.0 | 173.1 | 48.1 | 31.5 | 125.0 | 211.4 | 86.4 | ..... |

[1] Excess of New York price over Genoa. [2] Excess of New York price over Liverpool.
[3] Prices not greatly different from No. 2 Red Winter.
[4] Beginning with Sept. 10, 1915, quotations in this column (not being given by the institute) were taken from Lambert & Barrows' freight circulars.

*Wheat—Cash prices and ocean freight, as reported weekly by the International Institute of Agriculture, Rome, Italy, etc.*—Continued.

| Date. | Prices of No. 2 red winter wheat. | | | Ocean freight, New York to Liverpool. | Prices of No. 2 hard winter wheat. | | | Ocean freight New York to Genoa. |
|---|---|---|---|---|---|---|---|---|
| | At New York, N. Y. | At Liverpool, Eng. | Difference. | | At New York, N. Y. | At Genoa, Italy. | Difference. | |
| 1915. | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* |
| Oct. 1 | 117.8 | 173.1 | 55.3 | ..... | 117.8 | 211.4 | 93.6 | ..... |
| 8 | 124.5 | 178.0 | 53.5 | ..... | 124.5 | 211.4 | 86.9 | ..... |
| 15 | 130.5 | 179.8 | 49.3 | 42.0 | 130.5 | 214.0 | 83.5 | ..... |
| 22 | 122.6 | 179.2 | o6.6 | 42.0 | 122.6 | 212.7 | 90.1 | ..... |
| 29 | 125.3 | 179.2 | 53.9 | 42.0 | 125.3 | 210.1 | 84.8 | ..... |
| Nov. 5 | 127.3 | 180.7 | 53.4 | 42.0 | 127.3 | ..... | ..... | ..... |
| 12 | 126.7 | 180.7 | 54.0 | 42.0 | 126.7 | ..... | ..... | ..... |
| 19 | 126.3 | 166.4 | 40.1 | 42.0 | 126.3 | 216.7 | 90.4 | ..... |
| 26 | 126.0 | 161.6 | 35.6 | 42.0 | 126.0 | 217.3 | 91.3 | ..... |
| Dec. 3 | 131.5 | 169.5 | 38.0 | 42.0 | 131.5 | 225.9 | 94.4 | ..... |
| 10 | 130.7 | 171.9 | 41.2 | 42.0 | 130.7 | 228.5 | 97.8 | ..... |
| 17 | 133.5 | 172.2 | 38.7 | 37.8 | 133.5 | 228.5 | 95.0 | ..... |
| 24 | 144.3 | 180.4 | 36.1 | 39.9 | 144.3 | 231.1 | 86.8 | ..... |
| 31 | 137.3 | 180.7 | 43.4 | 39.9 | 137.3 | 231.1 | 93.8 | ..... |
| 1916. | | | | | | | | |
| Jan. 7 | 139.2 | 182.2 | 43.0 | 42.0 | 139.2 | 244.2 | 105.0 | ..... |
| 14 | 143.5 | 186.2 | 42.7 | 46.2 | 143.5 | ..... | ..... | ..... |
| 21 | 148.3 | 193.5 | 45.2 | 44.1 | 148.3 | ..... | ..... | ..... |
| 28 | 146.8 | 195.6 | 48.8 | 46.2 | 146.8 | ..... | ..... | ..... |
| Feb. 4 | 143.0 | 196.2 | 53.2 | 44.1 | 143.0 | ..... | ..... | ..... |
| 11 | 138.1 | 196.8 | 58.7 | 46.2 | 138.1 | ..... | ..... | ..... |

*Wheat—Cash prices and ocean freight, per bushel; comparison of monthly quotations from New York and Liverpool (as compiled by the Bureau of Crop Estimates, United States Department of Agriculture).*

| Month. | No. 2 red winter. | | | No. 2 hard winter. | | | Ocean freight from New York to Liverpool. |
|---|---|---|---|---|---|---|---|
| | At New York, N. Y. | At Liverpool, England. | Difference. | At New York, N. Y. | At Liverpool, England. | Difference. | |
| 1914 | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* | *Cents.* |
| January | 100 | 105 | 5 | 99 | 105 | 6 | 4.2 |
| February | 101 | 106 | 5 | 101 | 105 | 4 | 3.8 |
| March | 106 | 108 | 2 | 103 | 108 | 5 | 2.6 |
| April | 105 | 105 | ..... | 100 | 105 | 5 | 2.6 |
| May | 104 | 107 | 3 | 102 | 109 | 7 | 3.0 |
| June | 110 | 110 | ..... | 105 | 110 | 5 | 3.4 |
| July | 98 | ..... | ..... | 93 | 102 | 9 | 4.9 |
| August | 96 | 122 | 26 | 98 | 122 | 24 | 8.0 |
| September | 121 | 124 | 3 | 118 | 126 | 8 | 7.1 |
| October | 114 | 123 | 9 | 114 | 122 | 8 | 8.4 |
| November | 122 | 137 | 15 | 122 | 135 | 13 | 11.8 |
| December | 126 | 134 | 8 | 126 | 137 | 11 | 15.0 |
| 1915. | | | | | | | |
| January | 138 | 159 | 21 | 136 | 160 | 24 | 18.9 |
| February | 166 | 188 | 22 | 168 | 188 | 20 | 23.6 |
| March | 158 | 194 | 36 | 158 | 193 | 35 | 24.7 |
| April | 163 | 193 | 30 | 164 | 190 | 26 | 24.9 |
| May | 174 | 200 | 26 | 172 | 198 | 26 | 25.2 |
| June | 146 | ..... | ..... | 145 | 192 | 47 | 24.8 |
| July | 135 | ..... | ..... | 139 | 164 | 25 | 21.8 |
| August | 120 | ..... | ..... | 120 | 167 | 47 | 21.0 |
| September | 113 | ..... | ..... | 114 | 171 | 57 | 27.7 |
| October | 118 | ..... | ..... | 116 | 173 | 57 | 42.0 |
| November | ..... | ..... | ..... | ..... | 178 | ..... | 42.0 |
| December | ..... | ..... | ..... | ..... | 182 | ..... | 40.3 |
| 1916. | | | | | | | |
| January | ..... | ..... | ..... | 134 | 177 | 43 | 44.6 |
| February | ..... | ..... | ..... | 144 | 190 | 46 | 47.8 |
| March | ..... | ..... | ..... | 120 | 191 | 71 | 50.4 |

NOTE.—The prices referred to the first available date each month and were taken from the reports of the New York Produce Exchange, the Market News (N. Y.), and Broomhall's Corn Trade News (Liverpool). The ocean freight rates are unweighted averages of weekly quotations, as reported by freight brokers or in newspapers.

Now, the peculiar fact I wish to draw to your attention is this: In March, 1916, there was a decrease from price in 1915, same date, in the price of this grade of wheat in New York City of 52¼ cents. In Chicago the decrease was 55 cents, while in Liverpool there was an increase in price of 8 cents per bushel, making a spread of approximately 60 cents per bushel between New York City and Liverpool. Under normal conditions, with the freight rate at about 3 cents or 4 cents per bushel this spread would not be over 5 cents. But here we have the producer paying the freight, because an additional spread of 8 cents per bushel, with wheat 52¼ cents lower in New York City in 1916 than it was in 1915 and the demand at Liverpool greater, as is evidenced by the fact that wheat was selling there 8 cents higher.

This shows conclusively that, no matter what the freight rates are between New York City and Liverpool, the producer pays the freight. The increase has been over 1,800 per cent in the last two years, and the farmer pays it. If it were 4,000 per cent, the farmer would have to pay it. The prosperity of our cities is dependent upon the prosperity of the farmer, and naturally we are interested in the subject of freight rates, inasmuch as the farmers in the United States last autumn harvested nearly 6,000,000,000 bushels of the various kinds of grain, of which approximately 600,000,000 bushels were available for export, it is very natural to presume that they are vitally interested in the price of transportation, and this is especially true when that price is deducted from the price of their grain.

Therefore we are particularly anxious to have this bill enacted into law, so that the Government will, in a measure, be better enabled to regulate the cost of transportation. [Applause on the Democratic side.]

Mr. ALEXANDER. Mr. Chairman, I suggest that the gentleman from Massachusetts use some of his time.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from California [Mr. KAHN] 10 minutes.

Mr. KAHN. Mr. Chairman, the title of this bill ought to be "A bill to exploit the art of raising political thunder; or, how to bunco the American farmer."

The chairman of the committee [Mr. ALEXANDER], in addressing the Committee of the Whole at the opening of the debate, stated that under the registry act, passed in 1914, I believe, 1,600,000 tons of shipping had come under the American flag. This shipping in large part was owned by Americans.

Mr. ALEXANDER. The gentleman has just missed that by 1,000,000 tons. I said 600,000 tons.

Mr. KAHN. I understand that as much as 1,600,000 have come in.

Mr. ALEXANDER. That is not correct.

Mr. KAHN. Six hundred thousand tons, then, have come in. I thank the gentleman for giving me the correct figures. What were those ships? They were vessels owned by the Standard Oil Co., by the United Fruit Co., and similar corporations. They were ships that had been in the trade of carrying the products of Central American and South American countries to the United States and vice versa. Some of them also crossed the Pacific and possibly some crossed the Atlantic. Why were they under a foreign flag? Because they could be run so much more cheaply under a foreign flag than they could possibly be run under the flag of the United States. They were put under the American flag on account of the European war. I make the prediction that when this war is over they will go back to the flags of the countries which they formerly flew from their mastheads.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr. CANNON. How much more cheaply under normal conditions were the ships flying foreign flags sailed than the ships flying the American flag?

Mr. KAHN. On the question of wages alone, in some of the lines on the Pacific Ocean, two or three hundred per cent more is paid to the American or white seaman than is paid to the Chinese, the Lascars, the Japanese, and other orientals usually found composing the crews on vessels of that kind. The gentleman from Texas [Mr. HARDY] made an elaborate and interesting speech describing the progress of American shipping. Give the American shipowner the same inducement and the same opportunities that the British Government gives to the English shipowner, and we will not need anything else to build up a powerful American merchant marine. The gentleman spoke of the subsidies that are paid by England to her large ships for carrying the mails. If we were to adopt a policy in the United States of running fast modern passenger ships for carrying the mails between the United States and certain points in Europe, in South America, in Australia, and in the Orient, I venture to say that we would have on the seas in a comparatively short time as fine a lot of vessels as you would be able to find anywhere. Give American capital a chance to make a fair rate of interest on its investment, and there will be no difficulty in getting it to invest in ships under the American flag. The tramp that the gentleman speaks of has an enormous advantage over American ships. The English tramp steamer is allowed to ship its crew wherever it wants to pick them up. There is nothing to prevent that in the English law. A man owning an English tramp steamer can go over to China and take a full Chinese crew on a vessel, he can take a full crew of Lascars on his vessel, he can take a full crew of Japanese on his vessel, or he can take on a mixed crew of cheap oriental sailors, and those

cheap crews enable him to compete successfully with the shipping of the world. That is the history of the tramp steamer.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. KAHN. I yield to the gentleman, though he refused to yield to me.

Mr. HARDY. I just wanted to ask if an American ship before the seaman's bill was enacted could not have done the same thing?

Mr. KAHN. It could not.

Mr. HARDY. Why?

Mr. KAHN. Because the home port of a ship fixes the wages of its crew. If a vessel runs from a certain point in New England it pays the crew the wages that prevail there. If it sails from San Francisco or Puget Sound, it pays the wages that prevail there. It is the home port of the ship that fixes the wages of the crew.

Mr. HARDY. Did not the Pacific Mail use Japanese and Chinese crews?

Mr. KAHN. But they shipped them in the Orient.

Mr. HARDY. They used them.

Mr. KAHN. Yes; but the Pacific Mail Steamship Co. were not permitted to allow a single Chinaman of their crew on our land. The exclusion law kept them off the territory of the United States. They could not have shipped a Chinese crew at San Francisco or at Puget Sound ports, because they could not have secured enough Chinese sailors in those ports to make up a full crew. So their vessels went to Hongkong and took on their crews there, or in Macao, or some other port on the coast of China. And even with their Chinese crews, the vessels of the Pacific Mail Steamship Co. could not successfully compete with the still cheaper crews of the Japanese steamships. The English ships plying between San Francisco and the Orient all have Chinese and Lascar crews. The cheapness of the crews on most foreign ships is a serious handicap to American vessels, and is largely responsible for the inability of the ship flying the American flag to compete with the foreign ship.

Mr. HARDY. Does the gentleman know that on our ships to-day there is not over 35 per cent of American citizens?

Mr. KAHN. I know that, absolutely; I have often spoken of it. I have always contended you can build up an American merchant marine by giving the American shipowner the same rights and privileges that the shipowners of other nations have. Millions of American dollars are invested in ships flying foreign flags. I believe the owners of those millions would prefer to invest them in ships flying the American flag if we would liberalize our shipping laws so as to enable them to make a fair profit on their investment. We have in this country to-day two or three lines that are paid subventions or subsidies by our Government. There is the American Line that the gentleman spoke of, which has been in operation for many years, and which never could have run a single day if it had not had a subvention. American capital will not invest in a losing venture. That is all there is to this shipping bill. I do not care how cheaply they can rent these ships to be purchased or built by the Government under the terms of this bill to prospective lessees; those lessees can not run them in competition with the vessels of those foreign nations that carry cheaper crews, that receive subsidies in some form or another, and that do not have other charges and burdens that fall to the lot of the American shipowner. That is why we can not hope to have Americans invest their money in these ships. That is why I say that this law is pure political thunder and pure political buncombe. [Applause on the Republican side.]

If the lessees will not be forthcoming, do you intend the Government of the United States to run these ships? They would be an enormous expense to the Government if we should try to do that. To pay subsidies and subventions would be infinitely cheaper and less burdensome to the taxpayer in the long run. I can tell you a few instances of the Government running ships. We own the steamship *Gedney*, which has been in the Coast Survey over 40 years. It is very, very old as ships go, and no ship has been built by the Government as yet to replace it. So that really the men who go into her every summer to survey the coast of Alaska feel they are taking their lives in their hands every time they step on board. The *Gedney* has been condemned by the Government itself twice, and yet the Government continues to run it. Take the transports *Meade* and *Crook*, which have been condemned as being unseaworthy. They are still a part of the transport service of the United States.

Mr. LOUD. All but one of the 14 transports are old ships.

Mr. KAHN. Yes; the transport ships are all old ships——

Mr. LOUD. Except one.

Mr. KAHN. Except one, as my friend from Michigan suggests. Take the little customhouse boat in San Francisco Bay, the *Hartley*. She has been under water twice; sunk, if you please, in the waters of the bay of San Francisco, and yet she is still being run by the Government of the United States. She has been condemned two or three times. She is so old she is considered unseaworthy by every man on the water front of San Francisco. And then we talk about the Government running ships. It is a bad venture. This bill will not amount to anything at all except to put the Government into another enterprise that private capital ought to engage in. It will not do anything toward establishing our merchant marine. It will result in the squandering of the people's money. In the end it will never accomplish the purpose that the gentlemen who father it hope for. The fact that we have not had enough ships to carry our own trade to foreign countries has been deplorable. What are the conditions along the Pacific coast to-day? We have practically no American ships sailing across the Pacific. We are dependent upon Japanese ships to bring the goods from the Orient that we require, and to carry our goods back to the Orient. What has happened since the withdrawal of American ships from the over-sea trade on the Pacific? Goods destined for the United States from our own insular possessions are frequently left on the docks, because the Japanese ships have only cargo space for the goods and products of Japan. Hence, merchandise originating in countries other than Japan is left on the docks. It is a deplorable, an intolerable situation. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. Will the gentleman from Missouri use some time?

Mr. HARDY. I yield to the gentleman from Louisiana [Mr. LAZARO].

Mr. LAZARO. Mr. Chairman, as a member of the Merchant Marine Committee, which reported this bill favorably to the House, I had occasion to listen to all the hearings and arguments made for and against it, and I believe it should be passed by Congress without further delay. I supported the last shipping bill, and I am sorry that the past Congress did not enact it into law at the time. The failure of its passage has been the cause of great money loss to the country, and I hope that this Congress will enact the present bill into law as soon as possible.

This is a measure to meet a very serious condition brought about by the war in Europe. The situation should be plain to any thinking man. We had neglected our American merchant marine—so much so that all three of the platforms of 1912 contained planks acknowledging this and promising the people relief. We did not realize how few ships we really have until the war broke out. From that day until now it has been difficult to ship the products of our farms, our mines, mills, and factories to the markets of the world.

Not only that but the Shipping Trust soon took advantage of the scarcity of ships engaged in the carrying of our products and raised their ocean rates until they are almost prohibitive. Take the rates from my State, Louisiana, for instance.

On cotton from New Orleans to Liverpool we were paying on January 1, 1914, $1.55 per bale; on October 1, 1914—right after the war broke out—$2.50 per bale; on January 1, 1915, $5 per bale; and on January 1 of this year, $15 per bale. The rate on cottonseed oil from New Orleans to Havre, France, before the war was $1.46 per barrel, and on January 1, 1916, the rate had increased to $12.60 per barrel. On cottonseed cake before the outbreak of the war the rate to Genoa, Italy, was $5.35 per ton, and on January 1 of this year it was $30.24 per ton. The rate on flour to Havre in January, 1914, was 22 cents per hundred pounds, and on January 1, 1916, it was $1.50.

One of the most unusual increases from New Orleans to France, for instance, is on soft lumber. Before the outbreak of the war the rate was $23 per 2,000 feet, and on the same shipments the rate had increased to $230 on January 1, 1916—an increase to 1,000 per cent of what the old rate was.

These are simply illustrations of what the general increase has been, and similar increases have occurred all along the line on other products.

So the question arises: Is this great Government of ours to continue to depend on foreign bottoms, or submit to this Shipping Trust, and permit the products of our people to rot at the docks when there is so much demand for them everywhere? I think not. It is evident that we can no more conduct our business profitably with the nations of the world by using foreign ships than a department store can do a profitable business with a delivery system run by its competitors.

This measure is taking no privilege or opportunity from any legitimate enterprise. Its sole aim and purpose is to provide the country with shipping facilities absolutely needed to carry on its commerce with other nations of the world at a moment when the lack of ships is causing congestion of our commerce

and causing transportation charges to go up until they are almost prohibitive.

The United States Chamber of Commerce, as the voice of the business men of the Nation, has gone on record in favor of a shipping board, and this feature is provided for in the bill now pending. Representatives of the National Grange and farmers' unions appeared before our committee and approved this proposed legislation. The Federation of Labor and Seamen's Union have, by resolutions in national conventions, approved this legislation. The farmers and manufacturers are asking for more ships to carry the products of our soil and factories to the markets of the world, and, last but not least, in the event of trouble with any foreign power an American merchant marine, as an auxiliary to the Navy and to continue our commerce with friendly nations, is absolutely necessary.

The Republicans are criticizing us for adhering to our promises to the people to enact laws to promote the growth of our American merchant marine, in order to develop and strengthen the commercial ties which bind us to other countries, but they offer no reasonable substitute for this measure. We know that their only idea of building up a merchant marine is by subsidy—taking the money out of the Treasury of the United States and giving it to a few shipowners. No member of the opposition so far has brought forward any reasonable substitute to relieve the present serious situation which this bill is brought forward to meet. It is admitted that individual enterprize can not be depended on at this time and in this emergency. No one denies the emergency nor the prohibitive rates. We have to decide now whether this Government of ours should help relieve this paralysis of our foreign commerce or whether, by refusing to help, it will permit the paralysis to continue or continue to submit to present rates of shipping until the war is over. In normal times it may be that we could solve the problem in some other way, and I am not prepared to say whether I would vote for a measure of this kind in times of world peace; but these are abnormal times and conditions, which have to be met and solved as we find them.

Mr. HARDY. Mr. Chairman, I yield 30 minutes to the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS. Mr. Chairman, we have listened to quite a flow of talk on topics entirely unrelated to the pending bill. This talk may have been interesting on other grounds, but it has hardly served to advise the committee, of the merits, or demerits of the measure under consideration. I regret that I was not in the House when the gentleman from Massachusetts cited various extracts from a speech which I made a couple of years ago relating to another and entirely different bill. However I do not consider that these citations are to my prejudice. I stand by every word of that speech, and so far have not recanted a single sentence then uttered. If the purpose on the part of my friend from Massachusetts is to convict me of inconsistency; if it is conceived that my attitude of two years ago is of the slightest interest in connection with the pending debate, I wish to say——

Mr. GREENE of Massachusetts. I will say to the gentleman I did not charge him with any inconsistency at all.

Mr. SAUNDERS. I was on the point of saying that if the present bill was the bill of two years ago, my attitude would still be one of opposition. There was nothing in the former bill, but Government ownership, on an indefinite scale. The Government-ownership feature of the present bill is limited, and negligible, objectionable perhaps if considered apart, and alone, but wedded to, and a part of too much that is meritorious and praiseworthy, to justify any Member of this body in rejecting this bill as a whole. The possibility of Government operation under the pending measure bears the same relation to the balance of the bill, that a single grain of cockle would bear to a full bushel of wheat. It is in this bill, but is a negligible element. This committee is concerned with the bill before us, not the ancient history of another measure—dead and forgotten. What is this bill, what are its purposes and terms, what does it afford, in the way of encouragement, for the establishment of an American merchant marine?

Another thing I desire to say at this time. The gentleman from California [Mr. KAHN] put his finger on the spot in referring to the causes which led to the disappearance of our merchant flag from the high seas. In that connection however he convicted himself, and his party associates of incapacity and insincerity, for the simple reason that with full knowledge of the disease, and the remedy, neither he, nor his party during their long period of supremacy did the things which he now says ought to have been done, to effect the restoration of our merchant marine. Out of his own mouth he is convicted of failure to do the things that he ought to have done. He has sinned with knowledge.

Mr. KAHN. Will the gentleman yield?

Mr. SAUNDERS. Certainly. I always yield, if I have time to do so.

Mr. KAHN. I want to say to the gentleman the fact that we were not able to work it out along the line suggested was not my fault.

Mr. SAUNDERS. I do not know what the gentleman's efforts were in that direction, but as far as I can recollect I have not heard of any earnest effort on his part to enable American shipowners to buy their ships abroad and put them under the American flag, or to empower them to use cheap labor on their vessels, such as Chinese, Japanese, or Lascars, to the exclusion of American seamen.

You have clearly pointed out that American capital has been unable in the past to meet the competition of their rivals in the carrying trade, but what have you done to enable domestic capital to overcome these handicaps? The chief handicap on the development of an American merchant marine, has been the cheaper ships of our commercial rivals. What has my friend, or his party done to overcome this obstacle, and put domestic capital on an equality in this request with its established rivals?

Mr. ALEXANDER. Will the gentleman yield?

Mr. SAUNDERS. I will.

Mr. ALEXANDER. Is not the gentleman aware that the gentleman from California [Mr. KAHN] has a bill pending before the committee to admit a foreign-built ship wrecked off the coast of Tahiti to American registry?

Mr. KAHN. I never objected to that.

Mr. SAUNDERS. I desire to call the attention of the committee to the fact correctly stated by the gentleman from California [Mr. KAHN], that the only reason American capital has not gone into the carrying business in foreign commerce is that until the last year or two, it has been absolutely impossible for American capital to make this venture a paying investment, owing to the restrictions of our shipping laws. Domestic capital seeking to enter the field of foreign commerce, with vessels flying the American flag, was confronted with two main handicaps.

First the cost of vessels constructed in American yards was greater than the cost of vessels constructed abroad. I have never heard that my friend has sought in any serious way to remove that handicap, by allowing American capital to enter this field of competition by buying its ships in the cheapest market. Two years ago, a Democratic Congress did this very thing. And yet my friend complains seriously that the shipping board, under the conditions imposed by this bill, may buy or have constructed its ships abroad. This authority is given, but the board is required to give preferential consideration to American yards, under equal conditions. My friend seems to ignore the fact that an American capitalist can buy a ship anywhere, abroad or at home, at his choice, and put that vessel under the American flag. And yet with this law upon our statute books, and presumably therefore within the knowledge of the gentleman from California, makes a violent attack upon a section of this bill, because under the restrictions imposed the board may do something which the private capital is at liberty to do at any time, without let or hindrance.

Permit me to call attention in this connection to the exact language used in the bill, for the loose references which have been made to this section are well calculated to create an erroneous impression. It has been frequently stated that the board is authorized to have ships constructed in foreign yards. That is true. But why not state all the facts of the equation? Why not state in this connection that the board is required with respect to these ships, to give preferential consideration to American yards?

Other things being equal, they are required to construct them in American yards. Perhaps I had better cite the language of the bill: "Giving preference, other things being equal, to domestic yards." Why not state all the facts, when the facts are available?

Oh, it is a terrible thing to provide that the Government may protect itself against imposition, in respect to the construction of these vessels. When we arranged to dig the Panama Canal, why did my friend's party give the right to purchase materials abroad under terms fixed by law? Why did not Congress confine the purchase of materials to the American manufacturers? The American manufacturers were not allowed to impose upon the Government in that connection, why then extend the opportunity of imposition to American shipyards, as you will inevitably do, if you limit construction to domestic yards?

The men who arranged for the construction of the Panama Canal, were not so shortsighted. They provided against imposition in the construction of that great work, by a bill to the effect that if the bids, of the American manufacturers were

unreasonable, the materials could be bought abroad. The same protection against imposition, was in contemplation, in the preparation of the section under consideration. I ask if this reference to the very language used, and the analogy of the Panama act does not put a very different appearance upon that section of our bill which has been so sweepingly attacked? The American taxpayer was entitled to the protection afforded by the language which affords the conditions under which ships may be constructed abroad.

The minority report is at pains to say that American shipyards are so choked to-day with contracts that it is not likely that we will be able to have a ship constructed in these yards for two or three years to come. Permit me to put a case to you. An urgent demand for tonnage exists. On this we are all agreed. Suppose on inquiry, the board should ascertain that no American yard could turn out the ships, or ships desired, under two, or three years, and then at a cost considerably in excess of the foreign yards, while the latter yards, or some particular foreign yard, could fill the order in 6 or 12 months. Do you think that under such circumstances, having in mind the interests of the American shippers, the board ought to be confined to the construction in American yards?

Mr. HUSTED. Will the gentleman give way for a question?

Mr. SAUNDERS. Certainly.

Mr. HUSTED. Does "other things being equal" mean anything more than cheaper cost?

Mr. SAUNDERS. "Other things being equal" may comprehend a number of things. I merely gave one illustration. The section clearly means that if American bids are unreasonable, the board may build abroad, just as the right was given to buy materials for the canal from foreign manufacturers, when domestic bids were unreasonable.

Mr. HUSTED. Under the language of this bill, would it not in your opinion be mandatory on the board to buy ships abroad if they could buy a little cheaper?

Mr. SAUNDERS. Just as mandatory in the authority of the Panama act to buy abroad, if the bids of the American manufacturers were unreasonable.

Mr. LOUD. Is it not true that the foreign yards are just as congested as our own, and, if not, why are they contracting with our yards to build at this time?

Mr. SAUNDERS. That is true. I merely gave an illustration of the circumstances under which we ought to have the right to buy abroad.

Mr. LOUD. Six months over there and two years here?

Mr. SAUNDERS. My figures were merely by way of illustration. I did not state the condition of the foreign yards. Actual conditions in these yards has nothing to do with the merits of the illustration I afforded. I will give you another illustration. Say that an American yard should advise you that at the end of three years it could furnish you a ship, at a given price, while at the termination of the same period, a foreign yard would be ready and able to furnish the same at a figure, $400,000, less than the American bid, where would you build? That is a fair question. Answer it.

Having in mind the interests of the American taxpayers, would you build at home, or abroad under the circumstances indicated? Suppose you say, though as yet you have not said it, that you would build at home, then I ask you, Why did your party provide, when you were preparing to build the Panama Canal, that if the American bids were unreasonable or the materials that entered into the construction of that great work, these materials could be bought abroad? No, Mr. Chairman; this criticism of the bill, upon the facts, is neither fair, not just. I have tried in vain to induce some of the gentlemen who have discussed the bill, to point out in detail its alleged defects. That is the only way in which you can develop the very right of the controversy pending this afternoon, and bring us to the discussion of the merits, and demerits of the bill. Every gentleman who has spoken has taken occasion to commend some particular feature of this bill. The sections that by vague reference have been condemned constitute but a small fragment of the measure, in comparison with the sections that have been approved.

I put it up to the Members present to answer me frankly, as I know they will, whether the provisions which I shall cite are reasonable, or unreasonable. The gentleman from New York [Mr. ROWE] in discussing this bill said that in section 15 there is some ambiguity that might give trouble. He did not put his finger on the spot, and I am unable to locate this ambiguity. But I wish to call to your attention the provisions of section 17, and conceding that both sides of this Chamber are equally interested in affording a meritorious, and comprehensive measure, that will at least make a start toward building up an American merchant marine, I want to ask you whether in all good faith there is a man on the minority side who will find fault with, or cavil at these provisions. I read:

SEC. 17. That it shall be unlawful for any common carrier by water, or other person subject to this act, either alone or in conjunction with any other person, directly or indirectly—

First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Does anyone wish to strike out any portion of this language? Ought these carriers to be allowed to give undue, or unreasonable preferences, or advantages? If not then you will agree with me that such preferences should be forbidden. Let me read the next paragraph:

Second. To allow any person to obtain transportation for property at less than the regular rates then established and enforced on the line of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

I ask you if there is a man on your side who thinks that such practices should be allowed; that carriers ought to be permitted to secure freights by means of false billing, or false classification? If not, that admits the wisdom, and propriety of forbidding such action. I read further. It shall be unlawful—

Third. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo, having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this act.

I read further:

SEC. 18. That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors.

You will all agree with me that these inhibitions are proper.

I will now take up the question of foreign competition, and I hope to be able to discuss it in such a way as to point out to you that all we have done in that direction is to protect our prospective marine, against unfair practices, and provide the conditions for the development of this marine along normal lines. Does anyone undertake to say that it is in the interest of the American merchant marine to our foreign competitors to throttle our possible development by the use of unfair competition? If you agree with me that these practices should not be continued, then you can not find fault with the law that forbids them. How can we break down these practices, unless we use the power of the United States to overthrow them? Tell me how else we will ever build up an American merchant marine? Permit me to cite another section of this bill, section 19, which provides—

SEC. 19. That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

In this connection I desire to call the attention of the committee to the remarkable attitude assumed by some of the witnesses who came before us. When we had under consideration the regulation of interstate traffic by water, some gentlemen came before our committee, and insisted that those carriers ought not to be made subject to any sort of regulation, or control. They insisted that it was impossible to determine what was an unreasonable rate. What do you think of such an attitude in this day and generation, when we are confronted daily with the beneficial effects of the control of the Interstate Commerce Commission over railroad rates? Do you think that it will be beyond the power of the able men who will compose the shipping board to ascertain what is a reasonable what an unreasonable rate? Yet some of the witnesses who appeared before the committee insisted with the utmost gravity, that it would be impossible to ascertain whether a rate was reasonable, or unreasonable. Yet the determination of reasonable and unreasonable rates is made every day by the Interstate Commerce Commission, and the various State commissions, and tribunals.

My friend from New York [Mr. ROWE] took up section 17, or was it some other section? No; it was section 15. He agreed that deferred rebates ought to go. That is a very material section of the bill. At last we have found something meritorious in this measure. Then the gentleman conceded that "fighting ships" ought to go. That is in the same section. If he has found in this section in the provisions against "fighting" ships,

and the provisions against deferred rebates, which have been the greatest impediments in the way of the development of our merchant marine, two items of such merit will you not agree with me that in this section at least we have made a long step in the right direction?

What is the rest of that section? Not only are deferred rebates eliminated, not only are "fighting ships" prohibited, but a carrier is forbidden to retaliate against any shipper who refuses to use that particular line in the shipment of his freight. Do you think that a carrier ought to be allowed, to put a black mark against you, or retaliate against you, when you make your choice of another line, or ship to carry your freight?

The last provision of the section is that a carrier shall not make any unfair or any unjustly discriminating contract with any shipper, based on the volume of his shipments. Do you think that a carrier ought to be allowed to do this?

I ask you whether these, are wise, or unwise provisions?

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. JOHNSON of Washington. Do these various matters that have been spoken of affect a ship sailing from Vancouver or British Columbia to New York?

Mr. SAUNDERS. We deal only with the foreign lines that come within our ports, and therefore are subject to the authority of the United States. We deal further with interstate water traffic.

Mr. JOHNSON of Washington. There is no way to reach British ships sailing through the Panama Canal handling cargoes cheaper than American ships? That is, on account of the Panama Canal?

Mr. ALEXANDER. Will the gentleman yield?

Mr. SAUNDERS. I will.

Mr. ALEXANDER. I think the gentleman overlooked the exact question of the gentleman from Washington. He said Vancouver to New York. If they come into our ports we have jurisdiction.

Mr. SAUNDERS. Oh, yes, that was answered in my statement that every ship that came into our ports, came within the jurisdiction of the United States.

Mr. SWITZER. Will the gentleman yield?

Mr. SAUNDERS. Yes, I am glad to be interrogated by any gentleman who is interested in this bill.

Mr. SWITZER. Does the gentleman think that gentlemen who do not believe in Government ownership, in order to be patriotic, in the interest of water shippers and getting good regulations, ought to vote away $50,000,000 of the people's money?

Mr. SAUNDERS. You do not vote it away, you get value received. I will answer the gentleman frankly. There is still left in this bill a small, negligible, residuum of Government ownership, but it is so small and there is so much of merit in the bill that overweighs this portion that we can not afford to reject the bill as a whole on this account.

Mr. MAPES. Will the gentleman yield?

Mr. SAUNDERS. I will yield to the gentleman.

Mr. MAPES. The bill provides for the building and purchase of ships at this time which admittedly would cost the Government more than at normal times.

Mr. SAUNDERS. Yes.

Mr. MAPES. It provides for the selling of the ships five years after the close of the European war when probably the Government would have to sell at a less figure than the vessels cost. As a separate proposition that would not be good business. Now, if it costs more to operate and conduct an American ship under American register, how is this temporary Government ownership and operation feature of the bill going to help permanently the American merchant marine?

Mr. SAUNDERS. That feature will not. I do not hold out to the House any idea or inducement that this short period of possible Government operation of a few ships, will build up a merchant marine in the United States. You have heard no contention from me to that effect. The bill will do it but not that portion of it. I rely upon the balance of the bill.

Mr. MAPES. Then would the gentleman vote to strike these sections out?

Mr. SAUNDERS. No, I do not say that I would vote to strike them out. There will be no tears shed on my part however if you strike them out. That is frank enough.

Mr. FESS. Will the gentleman yield?

Mr. SAUNDERS. Certainly.

Mr. FESS. I appreciated the gentleman's stand two years ago and followed it. The gentleman says that Government ownership is negligible in this bill.

Mr. SAUNDERS. I do.

Mr. FESS. Then why do you not omit it?

Mr. SAUNDERS. Why, I did not write that portion of the bill.

Mr. FESS. Will the gentleman vote with us to omit it?

Mr. SAUNDERS. No, I do not say that I will. I will say however that the rule of which there was so much complaint this morning, gives you an opportunity to offer an amendment to strike it out.

Mr. CAMPBELL. If we reach it.

Mr. SAUNDERS. Oh, you will reach it because it is in the first stages of the bill. I will say to my friend from Ohio, for I want to be entirely frank, that we all know, as practical legislators that in the make-up of a bill each Member does not get all that he wants to the very last jot and tittle. I am heartily for the bill on account of the substantial merit that it has, as a whole. If the committee amends the bill in the matters to which you object, I will not lose my interest in the bill, but I do not say that I will vote with you.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. HUMPHREY of Washington. We have a situation on our coast with which the gentleman from Virginia is familiar. No man on the other side of the House has given more conscientious study to this subject than the gentleman from Virginia. Now, as to the question of regulation, I agree very largely with this bill, but do not agree with the way to get ships to regulate. Here is a situation in regard to regulation upon which I would like the gentleman's views. We have a situation on the Northwest coast where a foreign vessel comes in direct competition with our vessels trading across to the Orient. There is no possible way to regulate it. Would the gentleman make restrictions on American vessels in foreign trade competing entirely with foreign vessels that the foreign vessels themselves do not have? Would you permit American vessels to use the same weapons as their competitors, or, to use as an old illustration, would the gentleman fight the devil with fire?

Mr. SAUNDERS. I would fight the devil with fire, or anything else. I do not think there is anything in our bill that would reach the situation referred to, one way, or the other.

Mr. HUMPHREY of Washington. I think the gentleman is right about it.

Mr. SAUNDERS. Therefore the inquiry is no criticism on the bill. There are some things we can reach, and some things that are beyond our power.

Mr. HUMPHREY of Washington. There is one situation about the Northwest proposition that could be reached in this bill, however. Here is a situation which has not, perhaps, occurred to the gentleman. Foreign vessels coming into Vancouver from the Orient carrying freight and passengers can be admitted into this country, and they can carry freight and passengers from this country to any foreign country. In other words, the foreign transportation lines across the Pacific can give lower rates than the American lines. They can practice any discrimination and we can not control them.

You see the discrimination that occurs. It is not possible, if we are going to permit the conditions that exist now, for the Puget Sound cities long to remain shipping points, for the business will go to Vancouver. Something should have been done in this bill to relieve this situation.

Mr. SAUNDERS. Mr. Chairman, let me say this, as expressing the attitude of the committee. Some jocose remarks were made this morning respecting the number of bills that have been introduced, and the number of times the attitude of the committee is supposed to have been changed. I do not think the committee has changed any essential attitude, hence I do not think we deserve the criticism that we have been vacillating. We have heeded many suggestions from many portions of the United States and have embodied them in this bill in our desire to make this bill a large work of constructive legislation.

Many of these suggestions have come from Republican, as well as from Democratic sources. I will say further with respect to the present situation, that if any gentleman has an amendment in mind which can reasonably reach a situation which needs correction, and which in earnest will attempt to aid the development of the American merchant marine, our committee will receive that amendment with an impartial attitude, and an open mind.

Mr. HUMPHREY of Washington. I want to ask the gentleman——

Mr. SAUNDERS. Oh, I can not yield any further. How much time have I left, Mr. Chairman?

The CHAIRMAN. The gentleman has three minutes remaining.

Mr. SAUNDERS. Mr. Chairman, I desire to call the attention of this committee to some other things. This morning the gentleman from Illinois [Mr. MANN] made an assault upon this bill upon the ground that there are some sections in it which would enable the entire American carrying trade to be destroyed. That was not a very just criticism, if it implies that such a course will be taken. It is perfectly true that we create a board which if it abuses its discretion may destroy our carrying trade, but I call the attention of the committee to the fact that there is a present tribunal in the United States, the Interstate Commerce Commission, which in the exercise of a like authority, if it abuses it, may destroy the prosperity of the railroads as interstate carriers. But are you to take it for granted, or am I to take it for granted, that the men who will compose this commission, men of character, and of patriotism, men that will be drawn from both parties, will so abuse their discretion as to willfully, and wantonly destroy the substantial prosperity of the United States? I for one refuse to believe that. Do you realize that every order of the board affecting the public, or an individual is subject to the review of the courts of the land?

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes, if the gentleman will make it brief.

Mr. SLOAN. I appreciate what the gentleman says about the Interstate Commerce Commission and the dignity and the power of that tribunal. Then why the difference between this body, being headed by two Cabinet officers, and the other body having no representative of the Government at all?

Mr. SAUNDERS. So far as that is concerned, there will be five commissioners not drawn from the Cabinet. Those commissioners will be composed, three from one party, and two from another. Presumably they will be selected from the very best available material. These will be the men who will practically do the work of the board. From time to time in the fluctuations of American politics we may have Democratic Secretaries, and Republican Secretaries. I do not suppose that my friend is afraid that Republican Secretaries operating with the other commissioners will destroy American prosperity, and as you are so entirely confident that the next administration will be Republican, you can view with perfect complacency this feature of our bill. [Laughter on the Democratic side.]

Mr. SLOAN. Mr. Chairman, will the gentleman yield further?

Mr. SAUNDERS. No; I have not any time left. There are many things that I would like to say in this connection. It is provided in section 16 that every agreement or modification thereof, every understanding, oral or otherwise, of every combination of carriers, or of individual carriers, with other carriers, interstate or foreign, so far as they affect us in the United States, shall be filed with the board. Is there any gentleman before me who objects to this provision of our bill being done under the authority of this law?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. ALEXANDER. Mr. Chairman, I yield the gentleman five minutes more.

Mr. SAUNDERS. Mr. Chairman, the above provision is designed to enable the commissioners to intelligently discharge their duties. It advises them as to the situation. It informs them as to the relationship of the carriers. It apprises them of unfair practices. It puts the board in a position to deal discreetly and wisely with these great issues that are submitted to its control and its direction. I do not think when we come to debate the bill under the five-minute rule, there will be many gentlemen on the Republican side of the House who will attack the features I have cited. Permit me to call attention to another feature of the bill, equally meritorious. This section provides that the board shall have full authority to secure information in every quarter of the globe relating to every unjust discrimination, to every unfair device employed by foreign competitors, to every provision of foreign law which works to the prejudice of American shippers and to the development of an American merchant marine. Having collected and collated this information the board will be in a position to suggest appropriate remedies in the way of legislation, to the Congress, designed to remove difficulties, and roll aside the stumbling blocks from the path of development of an American merchant marine. Will you not agree that this is a wise lodgment of authority? I might go further and take up the provisions of the bill which relate to hearings, and orders, and appeals to the courts, but I will content myself with saying that every provision has been made to give every one concerned a day in court. While the powers of the board are such that if used with vicious, and destructive purpose they might conceivably destroy the shipping industry of the United States, the same criticism of potential mischief might be made of the powers enjoyed by the Supreme Court of the United States. A vicious, unworthy, or corrupt Supreme Court would be destructive of the rights, the freedom, and the general interests of the American people. But the suggestion that the powers granted to the board will be utilized to such and end, is an idle dream.

The authority with which the board must be endowed in order that existing evils may be controlled and corrected, are not likely to be abused. The removal of discriminations, the overthrow of unfair practices, the opportunity afforded for American capital to enter the foreign-carrying trade upon terms of equal competition, these are the boons conferred by this bill. Upon this foundation we must build the future American merchant marine. Having removed the stumbling blocks of the past, we have afforded a fair field to American capital. It should be our task to keep this field open, and to strike down every let or hindrance to the development of an American marine. It is perfectly true, and I will be frank about this, that if the ships, bought or constructed by the Government, are leased or chartered to individual lessees trade at such terms, or rates as will enable these lessees, or charterers to overcome any handicaps in the foreign trade, such advantageous rates, or terms, may be substantially termed a subsidy. It is Government aid, to enable an American citizen to meet his foreign competitor on equal terms, and derive a profit from his enterprise. I am indifferent to the name of the thing. I know what it is in substance, and that the means to this end will come from the Federal Treasury. But conceding that this view is the true one, then this feature of our bill ought to find favor with the gentlemen of the minority who favor subsidies. It will do the work intended. It will put our flag on the seas. If it requires the aid of the American Treasury to this, why should the friends of subsidy cavil or find fault?

One thing more.

Mr. CAMPBELL. Will the gentleman yield?

Mr. SAUNDERS. I will.

Mr. CAMPBELL. Does not the gentleman fear that will have a bad effect upon competitive lines?

Mr. SAUNDERS. No, it will operate just as subsidy in the usual form would operate. Take the subsidies provided by the bills we have considered in the past. These subsidies applied only to a few lines, or ships. The ships that failed to receive these subsidies would necessarily operate in competition with the subsidized lines. It was an inevitable sequel of any system of limited subsidy, that the subsidized, and unsubsidized lines, would operate in competition.

Now, Mr. Chairman, looking at this bill in a large way I am constrained to believe that it will lay the foundations of an American merchant marine whose smoke will darken and whose sails will whiten the seas of every country, and every clime. [Applause.]

Mr. HUMPHREY of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HUMPHREY of Washington. I understand the delegates and envoys from the far West representing the woman-suffrage movement are now being received at the east front of the Capitol, and I would like to ask if it is in order to move that the House take a recess for 10 minutes in order that Members may go and meet them?

The CHAIRMAN. The House is not in session but is in the Committee of the Whole House on the state of the Union.

Mr. HUMPHREY of Washington. Well, the committee.

The CHAIRMAN. It would be in order to move that the committee rise and then the House can do what it chooses.

Mr. FORDNEY. Everybody is out there now.

Mr. ALEXANDER. Mr. Chairman, if the gentleman wants to go out, and it looks to me like most of the boys have gone now, he can do so.

Mr. HUMPHREY of Washington. I did not know but what my friend from Missouri would want to go.

Mr. ALEXANDER. I am a suffragist and my sympathies are with them just the same.

The CHAIRMAN. The House is not in session. That is an answer to the gentleman's inquiry.

Mr. HUMPHREY of Washington. Mr. Chairman, I ask the chairman whether he will entertain a motion that the committee do now rise?

Mr. ALEXANDER. Mr. Chairman, I think we had better not.

The CHAIRMAN. Is the gentleman speaking to the Chair?

Mr. HUMPHREY of Washington. I was addressing the Chair.

The CHAIRMAN. Why, certainly; the Chair will have to entertain a motion that the committee rise.

Mr. BURKE. Will the gentleman withhold his motion?

Mr. HUMPHREY of Washington. I will withhold the motion for a moment.

Mr. BURKE. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Wisconsin rise?

Mr. BURKE. I rise to request unanimous consent to revise and extend my remarks on this bill in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin? [After a pause.] The Chair hears none.

Mr. SIEGEL. Mr. Chairman, I make the same request.

Mr. GOODWIN of Arkansas. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection?

Mr. GREENE of Massachusetts. Mr. Chairman, I shall have to object to the gentleman's request. I think only those who have spoken should have leave.

The CHAIRMAN. The gentleman from Wisconsin addressed the committee, and he asked unanimous consent to revise and extend his remarks in the RECORD, and the Chair understood the gentleman from New York to make the same request.

Mr. GREENE of Massachusetts. He has not addressed the committee, neither has the gentleman on the other side of the aisle. I will not allow that to be done at present.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD upon this bill.

Mr. GREENE of Massachusetts. I object for the present.

Mr. HUMPHREY of Washington. Mr. Chairman, for the reason already stated, I move that the committee do now rise.

Mr. ALXEANDER. Mr. Chairman, I object to that.

The question was taken, and the motion was rejected.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 11 minutes to the gentleman from Michigan [Mr. LOUD].

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONDELL. I desire to know whether it is a parliamentary inquiry to inform the committee that the suffrage envoys are now in the Rotunda of the Capitol and would like to meet Members who are interested in the suffrage movement and the suffrage amendment.

The CHAIRMAN. That is not a parliamentary inquiry. The Chair is not conveying any information to the gentleman from Wyoming when he makes that statement.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 11 minutes to the gentleman from Michigan [Mr. LOUD].

Mr. LOUD. Mr. Chairman and gentlemen, I have always believed there were six good reasons why we should favor the upbuilding of the merchant marine.

First. About $200,000,000 are being paid each year in freight money to foreign instead of home owned ships. We are entitled to carry at least half of our commerce with nations having ships of their own and all of it with nations that do not own ships. This would retain more than one hundred millions at home instead of sending it away never to return.

Second. It would create shipbuilding in this country equal to about $100,000,000 annually and employ thousands of workers, who, as consumers, would create a demand for farm products and would be of universal benefit.

Third. It would create a seafaring class of men, from whom our Navy could draw in time of war.

Fourth. There would be available a large number of auxiliary ships for the Navy in time of war. At present we are helpless. We had an example of this condition in the Spanish-American War, when he had a most inadequate fleet to transport our little Army to Cuba. And for colliers—when our fleet made its famous trip around the world we carried practically all of our coal in foreign ships, because no American ships were available. What a helpless situation it would be in time of war!

Fifth. Trade follows the flag and we would secure $200,000,000 to $300,000,000 more of trade than we now have with South America if the carrying was done in our home ships. It would look ridiculous if one of our large department stores would do its delivering in its rival's wagons, yet that is practically our condition with regard to foreign commerce to-day.

Sixth. While the danger seemed remote, we have always been confronted with the possibility that the nations whose ships were carrying our commerce might become involved in war. In that case their ships would be withdrawn; and having none of our own, we would for the time be helpless and our commerce annihilated; and we are confronted with exactly that situation to-day.

Now, we find that there are fundamentally three radical objections to this present bill. In the first place, we on this side do not believe in Government operation of a merchant marine; and, in the second place, we believe that if you do take Government money for the purchase or construction of ships you should spend it in constructing these ships in American shipyards. And in my own bill I have struck out the words "or elsewhere," which are the "meat" of the whole paragraph, and we will take that up when it comes to amending under the five-minute rule. In the third place, if we spend money for building ships for the merchant marine it should be stipulated primarily that these ships must be suitable for auxiliaries for our Army and Navy in time of war. Those are three fundamental objections to the present bill.

I find only one good suggestion in the bill as far as the business part of it is concerned. The regulation part I have no objection to. The establishment of a shipping board I approve of, but for the business part of the bill I find only one part to approve, and that is the taking over by the board of the superfluous and old auxiliaries of the Navy and the old transports of the Army, and putting them into commercial use. Now, I have looked into that matter, and I want to give you a little information.

By looking over the list of ships in actual service of the Navy, we find that there are 53 auxiliary ships, of which 25 are given as colliers and 28 as tenders, supply ships, special types, and hospital ships. While 14 of the colliers and 9 of the other ships are of modern construction, we find that there are 30 of these auxiliaries 18 years old and over, most of them purchased during the Spanish-American War, and which are of small tonnage, expensive to operate, and ill fitted for the service for which they are used. These are 18 to 41 years old. Average age of these 30 old ships is 25.7 years.

It would seem to any business man or any person of reasonable judgment that now, while vessels are selling for three or four times their normal value, would be a golden opportunity to sell these old ships, which are nearly ready for the scrap pile, and replace them with new, up-to-date construction. As a concrete example of what this means, we find that the collier *Justin*, which was purchased during the Spanish-American War, was built in 1891 and is now 25 years old. This ship was recently sold; the price paid 18 years ago for this ship was $145,000 and when discarded it was valued at $75,000. It was recently sold under sealed bid and the Government received for this old craft $301,070.

One would presume that every naval officer who has had anything to do with these auxiliary ships is well aware that these obsolete ships should be gotten rid of, but naval officers are not business men, and no one thinks it is his particular business to suggest or urge the matter, whereas it would be greatly to the interest of the Navy to replace these old colliers with the accepted type of modern naval collier which has 19,360 tons displacement and carries 12,500 tons of coal, with 14-knot speed.

Of the 15 Army transports, only 1 of which is of modern construction, the other 14 ranging in age from 22 to 42 years; the average age over 29 years. The life of the ordinary steel ship is generally considered as 20 years, so it will be readily understood that 14 out of 15 transports are ready for the scrap pile and should be sold at once, while there is a golden opportunity to do so, thus realizing three or four times their normal value, owing to the scarcity of commercial tonnage.

Here is an instance of what it means to purchase ships at present fabulous prices. The steamer *Robert Dollar*, which cost $250,000 ten years ago, was recently sold for $1,300,000 cash.

And what is going to become of the Government owned and operated ships when the war in Europe is over and five years have elapsed? When this vessel property, bought at from two to four times its value, normally, goes back to normal times and normal valuation you must sell it at a terrific loss—not a third of what you paid for it, not for over 30 cents on the dollar. I might as well say that this bill looks to me like 30 cents, and that is about the way it will come out in the buying and selling of these ships.

Mr. ALEXANDER. Will the gentleman yield at that point a moment?

Mr. LOUD. I will.

Mr. ALEXANDER. This power is permissive. It is not mandatory that we should buy ships at the present high price.

Mr. LOUD. They are certainly to do something with the $50,000,000. One of their objects is to buy and the other is to build.

Mr. ALEXANDER. The bill says they may do it.

Mr. LOUD. It is difficult to discriminate. The only practical thing I can find in the bill is taking over those old auxiliaries that ought to be put in use. Will the Navy Department allow us to take those old ships? I want to say that if those auxiliaries that are now in use were put in business motion and

managed as bulk-cargo carriers such as we have on the Great Lakes are managed, one-third of those auxiliaries would do all the work the Navy really requires of them. I speak of that advisedly. I picked up the canal record here, and I found that one of these colliers, the *Ulysses*, went into Cristobal to unload a little while ago—April 27, 1915—and that 12 days elapsed between the time it went in and the time it came out, May 9. Another, the *Brutus*, went in January 8, and seven days elapsed from the time it went in to unload until it came out, January 15. Any boat on the Great Lakes carrying the same cargo, 10,500 tons, which is the usual cargo of the largest modern naval colliers, that would take more than 24 hours to unload and come out, would find a new captain over it, I tell you. The average time of loading and unloading boats of that cargo capacity on the Great Lakes is 25 hours at both ends, loading and unloading.

The fastest record time loading a bulk carrier on the Great Lakes is 9,788 gross tons iron ore in 25 minutes, and the fastest record time unloading was from the steamer *Widener*, in 1912, of 10,636 tons in 2 hours and 50 minutes and from the steamer *Richard Trimble*, on June 22, 1915, at Ashtabula Harbor, 11,046 gross tons of ore was unloaded in 3 hours and 43 minutes actual working time. I dislike to criticize anything pertaining to our Navy, for I love every ship and man of it, but let me, as a business man, point out a place where money can be saved and a goodly number of old and needless auxiliaries turned over to our commercial use, so much needed at this time.

At the bottom of page 201, Report of the Secretary of the Navy for 1915, we notice the entire amount of tonnage transported by our collier auxiliaries, about 453,000 tons. Presuming there were 7 in reserve, this amount of tonnage would load the 18 colliers in active service on the average less than four times in the year.

Coal in large quantity is being transported to the Philippines at a fabulous cost on present freight rates of probably $50 per ton, whereas Australian or Japanese coal could be had for one-fifth to one-tenth of the cost. They tell the nonbusiness members of the Naval Committee that our naval ships can not use any but Virginia coal.

Having seen ships of all the great oriental commercial lines coaling in Nagasaki Harbor and knowing that all the Japanese warships use nothing else and knowing that there is plenty of their highest grade coal obtainable, there is but one reply to those who demand Virginia coal and nothing else; oh, fudge and nonsense, or, in the vernacular of the salt-water sailor, "Tell that to the marines."

Mr. CANNON. Mr. Chairman, will the gentleman allow me a question?

Mr. LOUD. Certainly.

Mr. CANNON. If these ships that are proposed to be bought or built are bought or built at two or three or four times their cost under normal conditions, would it not be well to wait until normal conditions return again, and in the meantime save this possible army of Goverment employees?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. LOUD. I am sorry I have not the time in which to answer that question.

Mr. CANNON. The gentleman can get one minute.

Mr. LOUD. Mr. Chairman, I ask to proceed for one minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LOUD. I will say that in all the years gone by, when the American merchant marine needed help, the Democratic Party refused to give us help, and now when it does not need help, when no subsidy is wanted, and the profits are fabulous in the merchant-marine business to-day, you want to do something. You do not know just what, and you give us this bill, which amounts to nothing. We do not need any Government-operated ships of that kind, and it is only a detriment to the merchant marine to put Government ships into competition with a privately owned merchant marine. [Applause on the Republican side.]

SUMMARY OF FOREIGN SUBSIDIES, MAIL PAY, BOUNTIES, ETC.

[From Report of the United States Commissioner of Navigation, 1909, pp. 20–21.]

| | |
|---|---|
| Great Britain and colonies | $9,689,384 |
| France | 13,423,737 |
| Japan | 5,413,700 |
| Italy | 3,872,917 |
| Spain | 3,150,012 |
| Austria-Hungary | 2,984,530 |
| Germany | 2,301,029 |
| Russia | 1,878,328 |
| Norway | 1,102,143 |
| Netherlands | 880,011 |
| Sweden | $277,752 |
| Denmark | 145,000 |
| Belgium | 55,970 |
| Portugal | 50,000 |
| Total | 45,224,513 |

Outside of Europe and Japan subsidies and mail payments have been reported for 1908 by the Bureau of Navigation as follows: Chile, $253,195; Mexico, $75,000; Egypt, $54,512; Brazil, $1,300,000; in all, $1,682,707, making, with the above, a total of $46,907,220.

(In the fiscal year 1914 the United States paid in subsidy to American steamers under contract the sum of $1,089,361.83, and the report of the Post Office Department states that "The net cost of the service performed was $55,155.51 less than it would have been if the steamers performing it had not been under contract and had conveyed the same mails and received pay on a weight basis.")

The figures above are the latest official enumeration by the United States of foreign steamship subsidies, bounties, etc. These subsidies and bounties have been somewhat increased since 1909 in most of the countries mentioned, together with a corresponding increase in their merchant shipping tonnage.

(Germany, in addition to subsidies, grants preferential rates on her State railroads on cargoes to be carried in German ships.)

MICHIGAN LIMESTONE & CHEMICAL CO.,
*Rogers City, Mich., May 2, 1916.*

Hon. GEORGE A. LOUD,
*House of Representatives, Washington, D. C.*

MY DEAR MR. LOUD: Mr. Brewster Loud has forwarded to me your letter to him of April 27, requesting information concerning our self-unloader boat, the *W. F. White*.

I give you below the following information concerning this boat, viz:

Dimensions: Keel, length 530 feet; over all, length 550 feet; beam, 60 feet; molded depth, 31 feet; carrying capacity, 10,500 gross tons on 19 foot 6 inch draft.

Order for this steamer was placed March 20, 1915. The keel was laid April 26, 1915. Steamer was launched July 24, 1915. Steamer completed and put in commission August 30, 1915. Between September 1 and December 11, 1915, the steamer carried 17 cargoes, mostly between Buffalo and the port of Calcite, Mich.

The steamer *White* has made passage from the port of Calcite to Buffalo, 525 miles, in less than 42 hours, loaded with full cargo.

Light, the steamer will make the trip in less than 40 hours. On her last cargo the steamer averaged from port of Calcite to Buffalo 12.73 miles per hour. This included all delays in the rivers, etc., en route.

The steamer *White* is fitted with internal unloading equipment and with boom on deck for discharging cargo onto dock. She will discharge her cargo of 10,500 gross tons in less than seven hours. The steamer can deposit its cargo back on the dock a distance of 113 feet to the top of a pile 54 feet high with her unloading boom.

I inclose you herewith photostat print showing various views of this steamer, which is self-explanatory. From it you will note that the steamer is equipped with 29 loading hatches, 12-foot centers.

At our plant here we will load this steamer this year in less than four hours with full cargo.

We expect that the steamer will make during the navigation season of 1916, 55 full cargoes of stone from this port to various ports on the Great Lakes.

The record this steamer is making marks a new era in the handling of bulk freight on the Great Lakes.

I inclose you herewith photograph No. 432 showing the steamer *White* which will give you an idea of her appearance. This is taken just as she is leaving our port.

In addition to this, our plant is rapidly developing into the most rapid loading plant on the Great Lakes. When our new improvements are completed we will have a ground storage capacity of 100,000 tons, and a daily producing capacity of 25,000 tons. It will be entirely possible for us to load and ship within a period of 24 hours with our equipment 100,000 gross tons of limestone, all of which will be thoroughly washed and cleaned. This, when accomplished, will mark an important epoch in industrial enterprise.

During the season of 1915 we loaded and shipped from this port 380 cargoes, in excess of 2,300,000 gross tons of limestone.

During the season of 1916 we expect to load and ship more than 750 vessels, carrying in excess of 4,000,000 gross tons of limestone.

If there is any further information I can give you, will be glad to do so.

Yours, very truly, CARL D. BRADLEY, *General Manager.*

MICHIGAN LIMESTONE & CHEMICAL CO.,
*Rogers City, Mich., May 8, 1916.*

Hon. GEORGE A. LOUD,
*House of Representatives, Washington, D. C.*

MY DEAR MR. LOUD: Your letter May 4, at hand to-day, is noted. The cost of the steamer *White* was about $500,000 complete.

The average rate on limestone delivered on dock with the steamers' unloading rig at Buffalo is from 30 to 35 cents per goss ton of 2,240 pounds.

The cost of unloading merely necessitates the operating of the unloading rig and conveyor system, and on account of the equipment of the boat the cost of operating during unloading is not very great as you have inferred, but the cost of equipping a boat with this outfit is about $100,000.

The unloading equipment is adapted to the unloading of soft coal of all kinds.

The average time of this boat in unloading in port is about seven hours. When the steamer was first put into commission we encountered some difficulties in getting the unloading equipment to operate satisfactorily so that in some cases the steamer was from 12 to 15 hours unloading. Now that the operating crew are getting familiar with her the time is being reduced somewhat on each cargo and we expect that we will finally get down to a time of about six hours.

Our loading equipment at the plant here will permit us to load this boat, as I advised you, in about four hours.

If there is any further information I can give you, please command me.

Yours, very truly, CARL D. BRADLEY, *General Manager.*

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized for 10 minutes.

Mr. FESS. Mr. Chairman, I would like to have the attention of the chairman of the committee [Mr. ALEXANDER]. There are some things in regard to a merchant marine upon which all of us can agree. A merchant marine under the American flag is desirable. I think that all of us agree that we ought to have it. All agree that we once did have a merchant marine. The gentleman from New York [Mr. ROWE] gave the history of what we once had. All will agree that we have largely lost it, whether we agree upon the manner in which we lost it or not; and all will agree that we ought to reestablish it. I think there is no point of difference among us on those statements. As to how we lost it there may be some difference of opinion. As to why it was lost and how it might have been avoided we may differ. However, I think that most people will agree that in our effort to maintain a high standard of wage as differentiated from a low standard measured by the difference between the cost of building and operating the merchant marine in America and Europe furnishes some explanation. In order to maintain a standard of American wage, we put ourselves by legislative restrictions through these navigation acts in a position where we were not able to compete with the countries that did not have these restrictive laws. Much of the legislation touching marine service, while in the interest of American standards, placed American employers at disadvantage. That is one reason. Our laws do not extend to our foreign competitor upon the sea. Hence his ability, unrestricted on the one hand and aided by his Government on the other, gives him a vast advantage over the American whose restrictions are not only great but by this bill are to be made greater still.

I do not believe that this Congress or the country will ever come to the point where it would be willing to repeal all of the restrictive laws, because we are committed to the policy to maintain a high standard, and while we have some laws that I think ought to be modified, if not repealed, yet I doubt very much whether any Congress will ever repeal all the laws that would throw us open to the competition of Europe, putting the seamen and the laborers of our own country on the same low plane with those of competing ships of other nations. I am frank to say that such a policy will not be fostered by this Congress, and especially it will not be by a Republican Congress. The Republican Party insists in maintaining the wage standard. It well knows that the inability of open competition on the sea has driven our commerce off the sea. It is held that we can maintain the wage on the sea by a system of subventions and preferential tariffs, both of which were used by us in earlier times and both of which are used by other nations. The preferential tariff is urged by many as a solution and a certain way of control of the sea.

There are others who insist that since we can not extend our protection law to the open sea the surest way to restore our merchant marine is by a subsidy. There are many among us who believe that the choice lies between subsidy or Government ownership on the one hand and no merchant marine on the other. Personally I desire the merchant marine restored. I would prefer a subsidy as an alternative before Government ownership.

Now, I am going to give you my reasons why I can not accept the Government ownership proposition. In the first place, it is wrong in principle. The real purpose of the Government is to provide opportunity; not to destroy it. The way of accomplishment must be kept open to the individual. There is no doubt but that the paternalistic movements of this Congress will be fatal. Utterances are daily heard here that are astonishing in their significant purport. Every now and then you hear a voice that suggests that the Government must do this or that. We are constantly reminded that our woes and our aches and our pains are due to something that the Government has not done for us which it is said it should do. The enormity is not in the mere statement but the complacency in which it is received. This indicates that we are building up a public opinion here that I think is serious. To destroy individual initiative and self-reliance, as well as to dull ambition by paternalistic dependence, are the inevitable fruits of such philosophy, and I do not think that the Government ownership principle is right, because I am convinced it will end in such bad results. It will drive out of competition every private operator, because it is absolute silliness to believe that any private enterprise can exist in open competition with the Government, when the Government does not count the elements of cost that the private enterprise has to count. Government should never discourage private enterprise. It should encourage it. The world's progress depends upon the unshackled mind of the individual. Government with unlimited money should not enter into competition unless it is a natural monopoly to be controlled by the Government. The tendency of the hour is to put the Government into the place of vantage which must inevitably drive private enterprise to the wall.

And when my good friend, the gentleman from Virginia [Mr. SAUNDERS] whom I followed with so much interest two years ago in his powerful indictment of Government ownership, because I knew he was absolutely right then, or my friend the chairman of the committee, says to me that the Government ownership in this bill is so negligible that it does not mean anything, and I ask, "Why do not you omit it? The answer is apparent. If you cut out the Government ownership feature, you cut out the main thing. You do not have anything left.

Mr. ALEXANDER. Does the gentleman refer to me as the chairman?

Mr. FESS. Yes.

Mr. ALEXANDER. I never said any such thing.

Mr. FESS. Then I withdraw the statement, because I thought the gentleman from Missouri had said that to me privately when I talked with him about cutting the ownership out of it.

Mr. ALEXANDER. I did not say that to anybody, because, as a principle of permanent legislation, I never have favored Government ownership and operation of ships.

Mr. FESS. If that is true, I want the inevitable conclusion of that. If the Government ownership is negligible, then its omission can not cripple the law and should be omitted as a principle. If Government ownership is an emergency only, it must be to meet the emergency of the war. It can not in that case be intended for but a temporary expedient, as you profess. Then, if that be true, and you buy or build in war times under an obligation to stop in five years after the war, how much of the emergency now existent can you meet by Government ownership, when every shipyard in the country is full? Where will you get your ships? In what yards will you build them? At what price will you purchase them? Who that owns ships are ready to place them on the market?

Mr. ALEXANDER. I will tell the gentleman. We were building more ships in 1913 than we are now in American shipyards.

Mr. FESS. That is not in accordance with the figures, as I have them. My reports show that at the present time there are laid down in American shipyards 360 vessels, aggregating over a million tons, an increase of over 300 per cent. The cost to-day is vastly greater than it would have been two years ago. If the Government proposes to meet an emergency by building ships, it will not find the yards ready to do it.

Mr. ALEXANDER. I have the figures here.

Mr. FESS. Do you intend to buy the interned ships?

Mr. ALEXANDER. No.

Mr. FESS. If you do intend to buy the interned ships, and many of the advocates of this bill are expecting to do so, I wish to inquire whether you are taking into consideration the international complication that grew out of the seizure of the *Dacia*, which was taken into a French port?

Mr. KITCHIN. Mr. Chairman, will the gentleman permit an interruption right there?

Mr. FESS. Yes.

Mr. KITCHIN. The gentleman says that under this bill the Government could not build in our shipyards in three years. Does the gentleman think we could do it any better with a subsidy? What would the gentleman do?

Mr. FESS. I would do just as we are doing now. Every shipyard is running to its full capacity, and if you do not interfere with it it will continue until this emergency is over. You propose under the guise of an emergency to embark upon Government ownership, which you know when once entered will be difficult to leave. I propose that private enterprise be allowed to care for the situation under the stimulation of the war.

Mr. KITCHIN. Without a subsidy?

Mr. FESS. Without a subsidy, providing——

Mr. KITCHIN. Then you are not in favor of your own theory that you started out on.

Mr. FESS. Oh, yes; I am. You are now under abnormal conditions, and if under such conditions you undertake to buy ships at the prices that you must pay now and sell them five years after, when you need them no longer, what will you sell them for? The war has driven all the vessels of the central powers off the sea. It has seen many of those belonging to the allied powers commandeered. To this if we add the actual loss as results of attacks a shortage of vessels is felt. But this is temporary, as all know. All shipyards in Europe and America are full. The

emergency puts an abnormal figure on the buyer in 1916. What will be the figure to the seller when the war is over?

Mr. ALEXANDER. Will the gentleman yield?

Mr. FESS. Yes.

Mr. ALEXANDER. The gentleman talks about the Government going into a bad project. What are these men building ships in American shipyards and paying high prices going to do with their ships; are they men without sense?

Mr. FESS. If the ships are worth anything it is because the abnormal conditions demand them and the possessors hope to continue a profitable business in the future; but I ask, Why should you go into the Government business of building ships, under the claim of emergency, with the obligation of discontinuing when the emergency is passed?

Mr. ALEXANDER. Will not the Government ships be worth as much as those that are being built by private parties?

Mr. FESS. But why do you go into ships in the possession of the Government, which must dispose of them? Will it not be that of ships that are forced to sale? Why do you go into a foreign market for your ships?

Mr. ALEXANDER. If it is a good venture for private shipyards, is it not a good venture for the Government?

Mr. FESS. Another fundamental difference between us is that this proposition is to go into the markets where you can purchase the cheapest. That is Democratic. It is the basis of your Underwood Tariff Act. You propose in this bill to buy ships built with labor cheaper than the labor employed at these yards in the United States. That was the plea of my eloquent friend, Mr. SAUNDERS. In other words, you propose to invest foreign capital and employ foreign labor as against American capital and labor. This is a fundamental difference between the two parties dominant in the country.

Mr. Chairman, I had hoped the committee would present a bill I could support. I frequently talked with various Members about the prospect. I am thoroughly in favor of an American merchant marine, but this measure as proposed I can not support.

First, it involves governmental ownership and operation of an activity that should be in the hands of private enterprise. The Government should not attempt anything that individual enterprise can do.

It is self-evident that both can not coexist. The $50,000,000 is not enough to care for more than perhaps 10 per cent of the traffic. This is not sufficient to give relief, which at best would be temporary, but it is enough to drive private enterprise out of competition. The obvious danger is that temporary relief, if that is afforded, which is not at all certain, will be followed by total disorganization.

If the purpose is to withdraw in the near future, as professed by the advocates, it would be well to ask when the Government ever embarked in any enterprise for a definite time and then withdrew. Who on this floor believes that socialism and paternalism, so abortive to-day, will ever become less assertive when once it embarks.

The Panama Canal was a Government construction. The paternalist never loses his opportunity to inform the House and country what we did. We have heard it over and over again in this debate. When we provided for the Alaskan railroad it was openly stated by many that they would not be committed to Government ownership as a principle, yet how often do we hear it quoted and thrown into the faces of those of us who voted for the measure.

This bill embarks upon that sea so inviting to the dominant element of the majority of this House. I can not give it my support, because it means a policy I can not subscribe to.

The argument for the naval reserves is new and persuasive. But this is placed on the wrong basis. Let the Government do as other great maritime countries do—assist in building merchant vessels, so soundly constructed as to be utilized as naval vessels in time of need, and upon the consideration that for assistance granted the vessels shall be subject for use when called by the Government. This makes the owners responsible for profit and loss as merchant vessels and the Government when used as war vessels.

I would be in favor of that sort of subsidy upon such conditions.

This proposed bill looks to the Government entering the shipping business, not assisting individuals to do so. Here I *am unable to indorse* it.

The proposed shipping board, I think, could be of value if given powers suggested in section 13.

Mr. Chairman, while regulation of the Government is a wise function, there is always danger of going too far.

We have placed the railroads and the commerce of the country under a commission which has probably justified its creation.

We have placed the banks and the currency of the country under a separate commission and await the results to business.

We have placed the trade between the States in a commission and await the results.

These are but a few instances to indicate the trend to delegated functions of the people to commissions. Here is another proposal to put the water commerce in the hands of a commission. Why not? Just yesterday we placed the rural credits of the country in the hands of a commission. It must be kept in mind that this tendency will increase until there will be little left for the people save to ratify the findings of these extra-constitutional bodies. The people must sharply differentiate regulation from strangulation. One of the important questions to me is: Will they do it? But my chief objection to this measure is the persistency of this Congress to stifle private enterprise by placing the Government in competition with it, which can end in but one way. I refuse to give my vote for such a consummation.

Mr. ALEXANDER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15455, the ship bill, and had come to no resolution thereon.

### EXTENSION OF REMARKS.

Mr. FESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LOUD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon this bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of equal suffrage.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SIEGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McLEMORE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Irish situation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. AUSTIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a petition in regard to the Philippine bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. GARRETT. Reserving the right to object, what is the character of the petition?

Mr. AUSTIN. It is a petition signed by the southern manufacturers, and I intended to include it in my remarks the other day but overlooked it.

The SPEAKER. Is there objection?

There was no objection.

### ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title; when the Speaker signed the same:

H. R. 8068. An act for the relief of E. C. Hornor.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 5221. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

### ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 759. An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof; and

H. R. 10385. An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House adjourned until to-morrow, Wednesday, May 17, 1916, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Commerce, submitting additional estimates of appropriations required by the Department of Commerce for the service of the fiscal year ending June 30, 1917 (H. Doc. No. 1134), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6982) granting a pension to Charles H. Howell; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8374) granting a pension to Florence M. Bingman; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII,

Mr. GOULD introduced a bill (H. R. 15711) authorizing the Secretary of War to donate condemned cannon and balls; to the Committee on Military Affairs.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CHARLES: A bill (H. R. 15712) granting an increase of pension to James Hummel; to the Committee on Invalid Pensions.

By Mr. KETTNER: A bill (H. R. 15713) for the relief of Riverside County Mutual Building & Loan Association, of Riverside, Cal.; to the Committee on Claims.

By Mr. KINKAID: A bill (H. R. 15714) granting a pension to Lizzie Duffield Coons; to the Committee on Invalid Pensions.

By Mr. LIEB: A bill (H. R. 15715) for the relief of Larkin T. Robinson; to the Committee on Military Affairs.

By Mr. MURRAY: A bill (H. R. 15716) increasing the pension of Isabella Kennedy; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 15717) granting an increase of pension to Silas Garrison; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 15718) for the relief of Thomas Baker; to the Committee on Military Affairs.

By Mr. RIORDAN: A bill (H. R. 15719) to grant to Robert Flaherty compensation for services rendered to improve the payment of pensions; to the Committee on Claims.

By Mr. RUBEY: A bill (H. R. 15720) granting an increase of pension to Francis M. Kittrell; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Ohio: A bill (H. R. 15721) granting an increase of pension to Luke Arnold; to the Committee on Invalid Pensions.

By Mr. SLAYDEN: A bill (H. R. 15722) granting a pension to Ethel Maura Robards; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 15723) granting a pension to Sarah E. Simonton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15724) granting an increase of pension to James D. McBride; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15725) to confirm the entry of John Dowd; to the Committee on the Public Lands.

By Mr. STEENERSON: A bill (H. R. 15726) granting an increase of pension to Jacob Andrist; to the Committee on Invalid Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 15727) granting an increase of pension to Rowland S. True; to the Committee on Invalid Pensions.

By Mr. WILSON of Illinois: A bill (H. R. 15728) granting an increase of pension to Elizabeth Washburn; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 15729) granting an increase of pension to James J. Short; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Evidence to accompany House bill 1565, for relief of Gifford Ramey; to the Committee on Pensions.

By Mr. BEAKES: Petition of A. B. Grant and 13 citizens of Albion, Mich., protesting against the passage of House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. BUCHANAN of Illinois: Petition of 400 clerks in Chicago terminal railway post office, favoring passage of House bill 10120; to the Committee on the Post Office and Post Roads.

Also, petition of 400 postal employees of Chicago, favoring passage of Griffin bill, House bill 6915; to the Committee on the Post Office and Post Roads.

Also, petition of 164 citizens of Chicago, Ill., protesting against the enactment of House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. CAREW: Petition of Protestant Churches' Association of Greater New York, in re peace; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Petitions of sundry citizens in favor of reporting the Susan B. Anthony amendment from the Judiciary Committee; to the Committee on the Judiciary.

By Mr. DILLON: Memorial of Mennonite Bruderthaler Church, of Marion, S. Dak., opposing war with Germany; to the Committee on Foreign Affairs.

Also, memorial of Kilpatrick Post, No. 4, Grand Army of the Republic, favoring the Key bill, House bill 54; to the Committee on Invalid Pensions.

Also, memorial of Guardians of Liberty, of Mitchell, S. Dak., in re legislation; to the Committee on Indian Affairs.

By Mr. DIXON: Petition of 33 citizens of Franklin, Ind., for passage of House joint resolutions 84 and 85, for Nation-wide prohibition; to the Committee on the Judiciary.

Also, petition of Patriot Grange, No. 2207, of Patriot, Ind., for national prohibition; to the Committee on the Judiciary.

Also, petition of 4 citizens of Ripley County, Ind., against passage of compulsory Sunday observance bill, House bill 652; to the Committee on the District of Columbia.

By Mr. EVANS: Petition of sundry citizens of Butte, Mont., favoring suffrage amendment; to the Committee on the Judiciary.

By Mr. FULLER: Petition of convention of mental hygiene societies for House bill 721, to provide divisions of mental hygiene and rural sanitation in the United States Public Health Service; to the Committee on Interstate and Foreign Commerce.

Also, petition of Capt. James S. Hinchman Camp, Sons of Union Veterans, of Somerset, Pa., for the widows' pension bill; to the Committee on Invalid Pensions.

Also, petition of Southern Hardware Jobbers' Association, for flood control; to the Committee on Flood Control.

By Mr. GREENE of Vermont: Petition of business men of the first congressional district, urging the passage of a bill that will compel concerns selling goods direct to consumers entirely by mail to contribute their portion of funds in the development of the local community, the county, and State; to the Committee on Ways and Means.

By Mr. HILLIARD: Memorial of Woman's Club of Denver, Colo., urging the passage of legislation granting equal suffrage to the women of the United States; to the Committee on the Judiciary.

By Mr. LINTHICUM: Indorsements of House resolution 137; to the Committee on Rules.

By Mr. LONDON: Petition of citizens' mass meeting, Floral Garden, New York City, May 14, 1916, urging the creation of an economic and peace commission, to work for international solidarity and peace with the world at large; to the Committee on the Judiciary.

By Mr. LOUD: Petition of George Eddy and Methodist Episcopal Sunday School of Twining, Mich., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of G. A. Peacock, minister, and Thobour and Central Methodist Episcopal Churches, of Bay City, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. McDERMOTT: Petition of Messrs. Lewis James, William P. Shinnock, Thomas Gilmartin, James Carr, G. W. Jones, and others, all of Chicago, Ill., favoring the passage of the Lobeck classification bill; to the Committee on Agriculture.

By Mr. MAPES: Petitions of 80 citizens of Mendon, 30 citizens of Howard City, 47 citizens of Ottawa County, and 36 citizens of Fremont and Hesperia, all in the State of Michigan, not to pass House bill 6468, to amend the postal laws, and also House bill 491, with the same title, or any like measure; to the Committee on the Post Office and Post Roads.

Also, petitions of 29 citizens of Mendon, Mich., not to pass the compulsory Sunday observance bill, House bill 652, to provide for the closing of barber shops in the District of Columbia on Sunday, or any other like religious measure; to the Committee on the District of Columbia.

By Mr. MAYS: Memorial of sundry citizens of Salt Lake City, Utah, relative to woman suffrage; to the Committee on the Judiciary.

By Mr. OGLESBY: Petition of Otto C. Schraeder and others, on maintenance of treaties and conventions; to the Committee on Foreign Affairs.

By Mr. OVERMYER: Petition of Erie County (Ohio) Sunday School Association and Young Peoples Alliance, Flat Rock, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. RANDALL: Petition of 94 people of Pasadena, Cal., for national prohibition; to the Committee on the Judiciary.

By Mr. ROBERTS of Nevada: Memorial of Reno Women's Civic League, Elko Civic League, and Leisure Hour Club of Carson City, all of Nevada, favoring woman suffrage; to the Committee on the Judiciary.

By Mr. STINESS: Papers to accompany House bill 15149 granting an increase of pension to Waldo F. Raynsporel; to the Committee on Invalid Pensions.

Also, petition of Frank A. Sayles, of Pawtucket, R. I., against the passage of House bill 8665, relating to the so-called Taylor system; to the Committee on Labor.

By Mr. SMITH of Michigan: Petition of Truxton Talbot and 23 citizens of Kalamazoo, Mich., favoring House bill 8665, to prohibit stop-watch system in Government departments; to the Committee on Labor.

Also, resolution of James M. Billig, of Kalamazoo, Mich., favoring House bill 8828, civilian employees, Panama Canal; to the Committee on Appropriations.

By Mr. TAYLOR of Arkansas: Memorial of W. T. Gay and others, of Pine Bluff, Ark., favoring investigation of creameries and dairies; to the Committee on Agriculture.

By Mr. WARD: Petition of Monticello (N. Y.) Grange, No. 1357, favoring national prohibition; to the Committee on the Judiciary.

## SENATE.

### WEDNESDAY, *May 17, 1916.*

*(Legislative day of Tuesday, May 16, 1916.)*

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

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|---|---|---|---|
| Bankhead | Hitchcock | Norris | Smith, S. C. |
| Borah | Hollis | O'Gorman | Smoot |
| Brady | Johnson, S. Dak. | Owen | Sterling |
| Catron | Jones | Page | Stone |
| Chamberlain | Kenyon | Pittman | Swanson |
| Clapp | Kern | Pomerene | Thomas |
| Clarke, Ark. | La Follette | Ransdell | Underwood |
| Curtis | Lane | Saulsbury | Vardaman |
| Gallinger | Lee, Md. | Shafroth | Wadsworth |
| Gore | Lodge | Sheppard | Weeks |
| Gronna | Martin, Va. | Sherman | Williams |
| Harding | Martine, N. J. | Simmons | |
| Hardwick | Myers | Smith, Ga. | |

Mr. JOHNSON of South Dakota. I desire to announce that the Senator from Wisconsin [Mr. HUSTING] is unavoidably detained on account of private business.

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

#### NATIONAL DEFENSE.

Mr. CHAMBERLAIN. Mr. President, I understand that it is perfectly agreeable to the Senator who has in charge the river and harbor bill that we shall proceed with the consideration of the report of the committee of conference on the Army reorganization bill. In view of that fact I ask that the report be now read, if it is necessary to have it read.

Mr. CLARKE of Arkansas. It is not.

Mr. CHAMBERLAIN. Then I ask that the formal reading of the report may be dispensed with.

Mr. CLARKE of Arkansas. I wish to say that I trust the conference report will be considered without prejudicing the right of the river and harbor bill as the unfinished business. I do not want to have that bill laid aside unconditionally.

Mr. CHAMBERLAIN. I am in hopes that we may be able to finish the conference report in a short while. I know only one or two Senators who now intend to address themselves to it. I believe the Senator from Georgia [Mr. HARDWICK] is going to speak upon it.

The VICE PRESIDENT. If there is no objection, the river and harbor bill will be temporarily laid aside and the conference report on the Army reorganization bill taken up. The Chair hears none.

The Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12766) to increase the efficiency of the Military Establishment of the United States.

The VICE PRESIDENT. The Senator from Oregon asks that the formal reading of the conference report be dispensed with. The Chair hears no objection, and it is so ordered.

Mr. HARDWICK. Mr. President, I do not intend to oppose the adoption of this report, nor is it my intention to delay the consideration of the question for any considerable length of time. Yet there are one or two observations that I wish to make in reference to this report. I think I can do so in a very few minutes.

Section 124 of the bill as reported by the conferees contains the agreement on what is known as the nitrate proposition. It reads as follows:

SEC. 124. Nitrate supply: The President of the United States is hereby authorized and empowered to make, or cause to be made, such investigation as in his judgment is necessary to determine the best, cheapest, and most available means for the production of nitrates and other products for munitions of war and useful in the manufacture of fertilizers and other useful products by water power or any other power as in his judgment is the best and cheapest to use; and is also hereby authorized and empowered to designate for the exclusive use of the United States, if in his judgment such means is best and cheapest, such site or sites, upon any navigable or nonnavigable river or rivers or upon the public lands, as in his opinion will be necessary for carrying out the purposes of this act; and is further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power as in his judgment is the best and cheapest, necessary or convenient for the generation of electrical or other power and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products.

The President is authorized to lease, purchase, or acquire, by condemnation, gift, grant, or devise, such lands and rights of way as may be necessary for the construction and operation of such plants, and to take from any lands of the United States, or to purchase or acquire by condemnation materials, minerals, and processes, patented or otherwise, necessary for the construction and operation of such plants and for the manufacture of such products.

The products of such plants shall be used by the President for military and naval purposes to the extent that he may deem necessary, and any surplus which he shall determine is not required shall be sold and disposed of by him under such regulations as he may prescribe.

The President is hereby authorized and empowered to employ such officers, agents, or agencies as may in his discretion be necessary to enable him to carry out the purposes herein specified, and to authorize and require such officers, agents, or agencies to perform any and all of the duties imposed upon him by the provisions hereof.

Mr. President, I will not read the balance of the section. It merely provides the means, by an appropriation, for carrying out the provisions I have read.

The construction which may be given to this section is a matter of some doubt to my mind. If it be given the narrowest possible construction and if it be operative in the narrowest possible way, then no one could object to the provision as a matter of principle. The right of the Government, not only the constitutional right under the express and delegated powers of the Federal Constitution but the right inherent in every Government, to provide itself with munitions of war in whatever manner may seem best and most expedient to it, can neither be questioned nor denied by any student of the science of Government. Nor does it trench upon any idea of the strictest constructionist or as tending toward either a socialistic or a paternalistic program.

Likewise it may be said, indeed it may be conceded, that if that right and power, the war power, to provide only such things

as may be needed for the use of the Government, its Army and its Navy, is used solely and properly for that purpose, then there can be no fault to be found with this section, even if in connection with such a proposition it might be necessary to sell and dispose of any surplus product that was necessarily on hand because of the execution of the war power.

If section 124 that I have read means that, and no more, then I have no objection to its adoption, because it is undoubtedly not only within the constitutional power, but within the proper and desirable exercise of that power for this Government to provide itself with munitions of war to such an amount as may be deemed necessary, and if in carrying out that power in that way a surplus product is made that can be used for war purposes, the Government has a perfect right to sell it and dispose of it in any way on earth that it can to the advantage of the Government, getting the best price possible for it.

If, however, Mr. President, this section goes further than that, and if it means more than that—and I am afraid that it does—there are serious objections, on principles which are fundamental, to the provisions of this section. I am afraid that the only reasonable construction that can be given to it, when its provisions are taken together and construed together, is that it is in substance and in effect practically and substantially the same proposition as that submitted on this floor by the distinguished Senator from South Carolina [Mr. SMITH] and adopted by an overwhelming vote of this body. If so, I must confess my unalterable and unchanged opposition to that feature of it.

If it means that the President of the United States is authorized not only to provide the nitrates that we need for making powder for governmental purposes, but he is also authorized, while he is doing that, to produce all the nitrates that he may wish to produce which are useful in the manufacture of fertilizer and other products—because you will remember that the Senator from Connecticut [Mr. BRANDEGEE] broadened the proposition until it is not confined to the fertilizer proposition now, but it applies to anything—then it will mean that the Congress of the United States, so far as its power goes and so far as its action goes, has authorized the President of this Republic not only to exercise the governmental power, and a clear and undisputed governmental power, to produce such nitrates as we need to make munitions of war, and also to dispose of any necessary surplus that may result from the exercise of that power, but has also gone further and authorized the President of the United States, if he desires to do so, to engage generally in that manufacturing enterprise for the purpose of producing nitrates, to be used either in the manufacture of fertilizer or in the manufacture of any other product whatsoever. If that is what it means—and I think it does—I must say that it is the most radical step toward paternalism and socialism that I have seen in the 15 years that I have been in Washington, a Member of one House or the other of the Congress.

It may be that we are bound in that direction inevitably and unalterably; it may be that year after year the Government is to participate more and more in private business enterprises and is to engage more and more in the business of furnishing products of various sorts to its citizens and in competition with its citizens. I hope not. I have expressed my views at length in the Senate on that question. I believe it will be a sad day for this country when the Government of the United States deserts the policy handed down to us by our fathers and pretty well adhered to through every administration, Democratic and Republican, that this Government shall confine itself to the governing business and shall not engage in all sorts of business enterprises.

It seems, Mr. President, that the Congress of the United States is determined, on account of conditions that exist, on account of the fact that the demand is insistent that we ought to produce these nitrates in this country to make this country self-sufficient for the national defense, to use this occasion and this pretext to embark it upon a course of utterly unjustified and utterly unjustifiable paternalism. If so, I can not but submit. I can only cast one vote against it. I have cast it once, and I am willing to cast it ten thousand times against embarking in an enterprise of this sort. No matter how great the local pressure were upon me from people who imagine that they would be benefited by the Government going into these sorts of enterprises, I can not yield and maintain my intellectual integrity.

It might be said that I am standing against a proposition for the benefit of the farmers. In the first place, I deny it. So far as the cotton farmers are concerned, they can not possibly be benefited by this proposition at all. The nitrates are simply the raw materials of our fertilizer factories, and have to be mixed with other ingredients, such as soda and potash, before they can be used by the cotton farmer; so that, so far as the southern cotton farmer is concerned, you are giving him a gold brick when you do this thing; you are simply giving the fertilizer factories their raw materials from the Government. Whether or not the fertilizer factories, out of their beneficence, will give the farmer a cheaper price, I do not know and can not tell.

But, Mr. President, I am not dodging the issue. If we were giving to the farmer himself fertilizer at a cheaper price than he could otherwise buy it, I confess I could not support such a proposition. It is utterly irreconcilable with the political principles which I have always been taught and which I have always entertained. I find it impossible to make any such concession as that, and I warn my brethren in this Chamber that when they make it it will not be long before every other class of people in this country will make similar demands on them. You can not use the Government of the United States to manufacture material for farmers and furnish it to them at a cheaper price than they could otherwise obtain it without having every other class of our citizens and every other business in which they are engaged making similar and usually successful demands upon you. The result of it will be before you have finished that you will not be able to turn a deaf ear to the demands of the farmers, of the laboring men, of the business men, or of any other class of our citizens who come with a proposition like this, and the Government of the United States will be hopelessly and helplessly involved and embarked upon a series of undertakings like this, and will have become a vast state of socialism, with little left of the individuality and independence of the citizen.

So it seems to me, Mr. President, that the only safe plan, the only reasonable plan, the only sensible plan, is to stand by our principles, and not depart from them in this matter or in any other.

I do not know; I may be wrong. If so, I am willing to pay any political price to find it out; but I have always been taught to believe, and I do believe with all my heart and with all my soul, that the farmers of Georgia and the farmers of the South generally, do not ask any special privilege whatsoever at the hands of this Government. All they ask is an even showing and a fair deal. I believe that they believe in the philosophy of Thomas Jefferson unto this very day and up to this good hour of equal rights for all men and special privileges to none. If there had been any general demand from them that we should embark on a course of legislation, upon a series of legislative undertakings like this, because they believe that they will be or might be even indirectly benefited thereby, I have not heard it, although I admit, Mr. President, that if I did hear it it would be impossible for me to yield to it.

For that reason, although I have no objection on earth to providing that the Government shall manufacture such nitrates as it needs or may need for the purpose of furnishing gunpowder, and, further, that the Government may dispose in any way it can and under the best terms it can of any necessary surplus product that may result from that transaction—while I am willing to concede all that, I say it is impossible for me to look with any degree of complacency upon the inclusion of a much broader project than that in this bill.

Mr. SHAFROTH. Mr. President, will the Senator yield for a question?

Mr. HARDWICK. I yield.

Mr. SHAFROTH. Will the Senator explain to the Senate the difference between the provision with relation to this subject as passed by the House and the provision as it passed the Senate?

Mr. HARDWICK. I will say to the Senator that I have given a close study to that question, and I am unable to find any substantial difference from the standpoint from which I am discussing it. I think it is agreed—the conferees so stated to me, and I think I can state it without any violation of confidence, and the Senator from South Carolina, who was the author of this proposition, as I understood him, also stated the same thing—that this is substantially the same proposition that was offered by the Senator from South Carolina. Probably there is a difference in the provision that is made about water power.

Mr. SMITH of South Carolina. Mr. President——

Mr. HARDWICK. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. There is no difference between this provision and the amendment to the Army bill which I offered, save that there has been substituted the word "President" for the words "Secretary of War."

Mr. HARDWICK. There are some other differences, but the Senator means there are no substantial differences.

Mr. SMITH of South Carolina. No substantial differences.

Mr. HARDWICK. I take it that is about the fact. I do not believe there is very much difference.

Mr. SHAFROTH. What change has been made with regard to the provision concerning water power?

Mr. HARDWICK. My recollection is that the proposition of the Senator from South Carolina did not say anything about the President leasing out water power. Am I right about that, I will ask the Senator from South Carolina?

Mr. SMITH of South Carolina. That is correct.

Mr HARDWICK. And that this provision of the House does.

So much for that, Mr. President. I have almost finished what I wanted to say. I do not want to be misunderstood. I have not the slightest objection on earth to the production in this country, in whatever way is cheapest and best, of nitrates which we may need for governmental purposes, and I have not the slightest objection on earth to the sale of any surplus products which necessarily result from that transaction; but I warn my brethren, with all deference to their superior wisdom and longer service, that anything further than that is both doubtful and dangerous. They, however, and not I, must take that responsibility.

Mr. POMERENE. Mr. President——

Mr. HARDWICK. I yield to the Senator from Ohio.

Mr. POMERENE. Under section 124 it is perfectly clear that there is a limitation placed upon this plant in this: That there shall not be expended to exceed $20,000,000 for this particular purpose. Of course, the primary object is to provide the nitrates necessary for war and governmental purposes.

Mr. HARDWICK. Undoubtedly.

Mr. POMERENE. The second thought that the conferees had in mind evidently was to dispose of the surplus.

Mr. HARDWICK. Well, does the Senator think that that is all it means?

Mr. POMERENE. I certainly think so.

Mr. HARDWICK. I certainly hope the Senator is right. We will have no debate on that.

Mr. POMERENE. If I am not right, is the Senator able to tell the Senate what further limitation he would place upon the amount of this expenditure, if it is deemed wise to place any limitation upon it?

Mr. HARDWICK. Mr. President, the Senator from Ohio has suggested one thought that is comforting to me about this matter. I hope that $20,000,000 will not enable us to supply much more than will be necessary for governmental purposes. My own information on that subject is so inadequate, so incomplete, that I can not even venture an opinion. It may be that a plant that might be secured by the expenditure of $20,000,000 will not be larger than is necessary to supply governmental needs. The Senator from Ohio, I can tell by his question, is not in a very different frame of mind from what I am about this matter. If that be true, if this proposition means only that we are to establish a plant of that size and character and for that purpose, then there will be no serious harm done and there will be no important principles violated.

Mr. VARDAMAN and Mr. POMERENE addressed the Chair.

Mr. HARDWICK. I yield to the Senator from Mississippi.

Mr. VARDAMAN. Mr. President, I was going to suggest to the Senator that if this plant would not yield more than would be needed for the manufacture of munitions of war in time of peace it would be utterly useless in time of war. If it is adequate to yield enough nitrate to meet the demands of the Government in time of war, then it must necessarily have an enormous surplus, which could be used in time of peace.

Mr. HARDWICK. Now the Senator from Ohio is very readily able to see the other side.

Mr. VARDAMAN. I really think that that is the one mitigating virtue of the whole bill.

Mr. HARDWICK. I understand the Senator does; but he does not entertain the same views that I do on certain fundamental questions.

Mr. POMERENE. Mr. President, I realize the necessity for a nitrate plant.

Mr. HARDWICK. I have not disputed that, if the Senator will pardon me.

Mr. POMERENE. I believe that at this particular juncture it is wise on the part of the Government to provide a plant of this character. Up to date private capital has not provided anything of the kind.

Mr. HARDWICK. That is all true enough.

Mr. POMERENE. And now, that being so, is it not the part of wisdom to provide for the disposal of the surplus, if there be a surplus?

Mr. HARDWICK. Undoubtedly; and the only trouble about this proposition is this: The Senator asks me how I would limit it or what language I would employ if I were drafting this provision. I would provide for the establishment of this sort of a plant: A nitrate plate adequate and suitable to supply all the needs of this Government for governmental purposes. I would not say anything more than that in providing for it, and then I would provide in simple language for the disposal of the surplus product, if any. Then there could be no objection from any source or from any standpoint to this proposition. Going further than that simply embarks the Government on various business enterprises. The Senator knows it, I think. It has been voiced on this floor with absolute frankness and candor. I know that many Senators have supported the proposition who do not believe that that would be done under the language employed and the amount of money appropriated. I can only say that I hope they are right; but my proposition is, Mr. President, that I am sorry that the Congress of the United States, in doing this, finds it necessary or desirable to employ language which clearly, undoubtedly, and necessarily authorizes the President of the United States to do far more than supply the governmental necessities.

Mr. President, just a few words more, and I will have concluded the observations that I desire to make on this report.

In the Senate, when the Army appropriation bill was under consideration, this body adopted by an overwhelming vote—58 to 24, my recollection is—after an extended and elaborate debate, provisions establishing military training in each one of the schools and colleges of the United States where there were as many as 100 boys 14 years of age or over who wanted to take such training, with the consent of their parents and with the consent of the school authorities. It was provided in the amendment to which I refer, and which went to conference as section 57 of the bill, that under those circumstances the Government of the United States should furnish instruction, arms, equipment, tents, and so forth, for these military students; and it was provided further that they should be organized into a part of the reserve forces of the United States, not subject, however, to be called out for active military service, except in case of actual or threatened war, not to be used for any other purpose whatever, upon call of the President of the United States, and then none of them were to be subject to such call, except those who were 18 years of age or over. It was purely an optional system; it was not compulsory; it was carefully hedged about so as not to make any parent put his boy into it unless he wanted him to go into it and unless the boy wanted to go and unless the school authorities wanted him to go. Mr. President, in my honest judgment, that sort of a system would have been, indeed will be, necessarily and inevitably the backbone of the reserve military forces of this Republic. I venture to state in this presence and on this floor, without fear of successful contradiction, that it is a historic fact that no nation ever became great from a military standpoint unless its young were trained to arms in their schools and at the early periods of life.

Mr. BORAH. Mr. President——

Mr. HARDWICK. I yield to the Senator from Idaho.

Mr. BORAH. Do I understand that the amendment which the Senator from Georgia was instrumental in having inserted in this bill has been eliminated?

Mr. HARDWICK. I was going to come to that in just a moment.

In the statement made in the other body of Congress, the gentleman reporting there made the statement that this amendment had been eliminated. He is correct in a way, and yet incorrect. If he were entirely correct, my judgment about the importance of this matter is such that it would be impossible for me to agree to this conference report without submitting it to a vote of the Senate at least and transferring the responsibility from my shoulders to those of all the Members of this body. But, as a matter of fact, that statement is not entirely correct.

Senators will remember that when that amendment was before this body, the Senator from Washington [Mr. POINDEXTER] moved to amend it by striking out all provision that these boys in the schools and colleges should be a part of the reserve forces; and after a considerable debate and a considerable division in the Senate that amendment was defeated, and the original amendment, substantially in the form in which it was drafted, was adopted. What the conferees have done is to retain in section 56 the substance of this idea of military training in the schools, and to knock out the boys as a part of the reserve forces.

I am sorry they did that. I believe, as I have said in the Senate before, that it would have been far wiser, if we are going to spend all this money for arms and equipment and instruction of these boys, to put them under some sort of obligation to act as part of the reserve forces of this country in case

of actual war, and to be in a position to avail ourselves of their services. The provisions that the conferees adopted on this subject are contained in section 56 of the bill they report. Section 56 of the bill when we acted upon it before, you will remember, contained the provision for a volunteer army. That has been stricken out, and in its place there has been inserted the following:

SEC. 56. Military equipment and instructors at other schools and colleges: Such arms, tentage, and equipment as the Secretary of War shall deem necessary for proper military training shall be supplied by the Government to schools and colleges, other than those provided for in section 47 of this act.

By the way, section 47 was the provision for a reserve officers' corps in the schools—

having a course of military training prescribed by the Secretary of War and having not less than 100 physically fit male students above the age of 14 years, under such rules and regulations as he may prescribe; and the Secretary of War is hereby authorized to detail such commissioned and noncommissioned officers of the Army to said schools and colleges, other than those provided for in sections 45 and 46 of this act, detailing not less than one such officer or noncommissioned officer to each 500 students under military instruction.

This provision as reported by the conferees is not all that I had hoped it would be. I think it is imperfect in more than one particular. I think it was a mistake not to organize these boys, when we spend all this money on them for arms, equipment, and instruction, into reserve companies, battalions, regiments, and brigades. But I am not much worried about that, because if the boys of this country take advantage of this system to the extent that I hope and believe they will, we will spend so much money on them before we get through that the War Department and all of the gentlemen who now oppose having them as a part of the reserves will be eager to bring about that result.

I do not think they have provided for enough officers for these schools; but I apprehend that probably they were afraid to make more liberal provision because they did not know whether they could supply the officers or not.

As I say, while the amendment, in the form the conferees have reported it, is not entirely satisfactory to me; while it does not accomplish all I hoped and believed that the other amendment would accomplish, yet, nevertheless, it contains the germ of this idea—the essentials of this idea of military instruction in all the schools having over 100 male pupils 14 years of age and over, and furnishing not only instruction but arms and equipment to these students. It is the real beginning point, in my honest judgment, of any real military preparedness for this country. Since the germ of the idea and its essentials are contained in the bill, it is my purpose to accept the report of the conferees, and to agree to early action, as far as I am concerned, on that report.

Of course, Mr. President, I realize that in legislating on this great question none of us can get exactly what we want. The history of legislation is a history of compromises. I realize that probably nothing that any one Senator wants is completely as he wants it in this bill. It may be equally true of any Member of the other House. But, after all, we are sometimes obliged to be content with less than we would like to have. Believing as I do that the substance of this idea, the germ of it, is contained and incorporated in section 56 as it is reported, I shall support the report of the conferees.

Mr. UNDERWOOD. Mr. President, I have listened with much interest to the statement which has been made by the Senator from Georgia [Mr. HARDWICK] with reference to the nitrate plant. I do not differ with the Senator from Georgia on the broad principles he advocates with reference to the Government of the United States involving itself in private business; but I think he entirely misconceives the question involved in the bill for the establishment of a nitrate plant now before the Senate.

I do not suppose there is a Senator present who will dispute the fact that under the war power of the Federal Constitution the Government of the United States has the option of buying munitions of war from private contractors or of manufacturing munitions of war itself. That is of necessity the case, because the occasion might arise and often does arise when this Government or any other government would be unable to procure its supply of war munitions from private contractors, and of necessity, for the preservation of the life of the government itself, would be compelled to resort to the manufacture of war supplies by a government plant.

The question as to whether Government supplies should be manufactured by private contractors or by the Government does not involve a principle. It involves merely a policy—a policy that may be wise at times on one side of the question and wise at times on the other side of the question. There may be certain munitions of war that it is advisable that the Government should obtain from private contractors. There may be other munitions of war that it may be very necessary for the Government to manufacture itself. So that I see no question involved here on that subject. The only question whereon I can see that the Senator from Georgia can maintain his argument is the question as to whether the Government of the United States is going further in this bill than the manufacture of war supplies.

I see nothing in the bill that will lead to that conclusion. I admit that some of the language in this paragraph is loosely drawn, and may be subject to different constructions; but the clear intent of this bill is that the Government should itself establish a plant for the manufacture of nitric acid, in order that it may be assured of an adequate supply of powder and explosives in times of war. It is manifest that it is necessary for the Government itself to build this plant. There is no occasion for our building a nitrate plant to supply the Government with its explosives in times of peace, because in times of peace we can get all the nitrates we desire from the Chilean saltpeter beds. The purpose of building a plant, and the only purpose of building a plant, is to supply the Government's needs in time of war.

The Secretary of War has determined that it will be necessary to have a supply of 180,000 tons of concentrated nitric acid per annum to take care of the Government's needs in the event that we become involved in war with a first-class nation. The peace needs of the Government will not equal 20,000 tons of concentrated nitric acid. Therefore there is a difference of at least, if not more than, 160,000 tons of nitric acid per annum between the supposed war needs of the Government and the peace needs of the Government.

It is not possible to conceive the idea that any private contractor would invest his money in a plant that would be adequate to supply the Government with its war needs and let it lie idle perhaps for 50 years.

Mr. HARDWICK. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Georgia.

Mr. HARDWICK. I should like to ask the Senator a question. The Senator has portrayed the condition in peace and war very accurately, and he has given figures that I am glad to get. It seems that we need nine times as much nitric acid in times of war—and that is what we are providing for—as we would need in times of peace.

Mr. UNDERWOOD. Undoubtedly.

Mr. HARDWICK. And that really, in times of peace, there would be no trouble anyhow about getting nitric acid from Chile probably as cheaply—because Government production is never very cheap, as the Senator knows—as we could get it by manufacture. Why would not the correct plan be, then, to provide for such a plant, and to lease it out for commercial uses in time of peace, reserving the right to take it over and operate it whenever conditions changed?

Mr. UNDERWOOD. I am coming to that very question. I think I can answer the Senator, and I think this bill answers him.

I think we all concede, then, that if we are going to have an adequate supply of nitric acid for war conditions, the plant must be built by the United States Government; and for that reason this paragraph has been put in this preparedness bill, looking to the Government building a plant that will supply its war needs of explosives.

If this plant is built, and it is built on the line that is contemplated by the Congress of furnishing the Government with an adequate war supply of explosives—to wit, 180,000 tons of concentrated nitric acid per annum—of necessity, in times of peace, a large proportion of this plant in its entire construction must lie idle. The Senator from Georgia [Mr. HARDWICK] has suggested that the difference between our war supply and our peace supply of nitric acid would be as one is to nine. If that is the case, then the difference between our war needs for electric power and our peace needs for electric power will be as one is to nine. In the event that this plant is built on the lines contemplated by this bill and to the extent contemplated by this bill, there would probably be something like 100,000 primary hydroelectric horsepower that it would not be necessary for the Government to use in times of peace and probably a great deal more secondary power.

If that power is allowed to go to waste, it will accomplish no result for the Government; it will accomplish no result for the country or the people of the country. I can see no constitutional objection whatever to the Government disposing of that hydroelectric power or the surplus product of its plant in time of peace when it is not required for war purposes. That is all this bill does. It provides that—

The products of such plants shall be used by the President for military and naval purposes to the extent that he may deem necessary—

Necessary for what? For military and naval purposes—

and any surplus which he shall determine is not required shall be sold and disposed of by him under such regulations as he may prescribe.

Mr. HARDWICK. Mr. President——

Mr. UNDERWOOD. I will yield in just one minute. Any surplus. Surplus of what? Surplus of product. What does product mean? It means the entire output of that plant. What is the definition of a product? It is something that is produced by labor, work, generation of chemical process. That is the dictionary definition. Is not that broad enough—by labor, work, generation of chemical process—to allow him to dispose of his surplus power—hydroelectric power—of his surplus products of any kind?

What objection can there be? How can it possibly be construed that it is unconstitutional or in violation of the principles of the Democratic Party that when it is necessary to erect a plant for strictly a governmental purpose, and when the product of that plant is lying idle, the Government can dispose of it for the benefit of the Government Treasury? Now I yield to the Senator from Georgia.

Mr. HARDWICK. I want to get the Senator's construction. He contends, then, that what is authorized by this provision is that the President shall lease out eight-ninths, we will say, of the electric power? Is not that what it means?

Mr. UNDERWOOD. I suppose that it is.

Mr. HARDWICK. That is one thing he can do under this bill?

Mr. UNDERWOOD. He can.

Mr. HARDWICK. But he is not compelled to do that. He can go on with the manufacture of the product.

Mr. UNDERWOOD. I will read the Senator the language again. Here is the governing part of this proposition in the question raised by the Senator from Georgia:

The products of such plans shall be used by the President for military and naval purposes to the extent that he may deem necessary, and any surplus which he shall determine is not required—

"Not required." For what? For military and naval purposes—

shall—

Not may, but shall—

be sold and disposed of by him under such regulations as he may prescribe.

Any surplus shall be sold. The surplus is the product of that factory.

Mr. HARDWICK. I understand, but that is the power to generate this product.

Mr. UNDERWOOD. It may be the power; it may be some other product.

Mr. HARDWICK. The surplus of this plant is eight-ninths of the whole business.

Mr. UNDERWOOD. Yes; I think so. I think it must be conceded of necessity to be about eight-ninths or nine-tenths. Probably in all human probability it is nine-tenths. The difference between the peace requirements of the Government and the war requirements of the Government is about as 9 is to 1, and of necessity so. We would not be building this plant if it was not so.

Mr. HARDWICK. If the Senator will pardon me just one moment, I think when you come right down squarely to the bottom of this thing, when we are at peace, eight-ninths or nine-tenths, as the Senator concedes of all this business, of all these products, is to be sold by the President for consumption as fertilizers without any other business purpose. So it is one-ninth a Government proposition and eight-ninths a manufacturing proposition.

Mr. UNDERWOOD. No; I do not concede the proposition as the Senator from Georgia states it. The President can shut the plant down and not use it under this bill. It would be folly for him to do so. We are building a plant to provide for the war needs of the Government just exactly as we are raising an Army to provide for the war needs of the Government. Is there any Senator who will contend for a moment that we need three-fourths of a million of men in our Regular Army or our reserves to take care of our peace necessities? Not at all. In times of peace we are going to pay millions of dollars to maintain an Army to protect us against a war necessity. In times of peace we are going to build a great nitrate plant that we do not need in times of peace or we need to a very slight extent in times of peace, but we are building it to protect us against our war necessities.

Now, when we know that nine-tenths of this plant can not be used in times of peace to supply the Government because the Government will not require it, why should not the surplus product be disposed of? Why should not the surplus be disposed of in the line that is indicated in this bill; that is, for the manufacture of fertilizers? There is no better place to dispose of it. It goes into a new field where it does not interfere with other men's business. It goes into a field for the development of the great agricultural interests of this country. I can conceive no reason whatever, in my own mind, for a statement that because the President of the United States is given the right to sell the surplus products of this plant it is either unconstitutional or in violation of any position that the party I have ever belonged to has ever taken in reference to these matters.

Mr. SMITH of Arizona. Will the Senator permit a suggestion?

Mr. UNDERWOOD. Certainly.

Mr. SMITH of Arizona. I suggest to the Senator also as a pure war measure the fertilization of the land would itself be a provision that the Government might well make for the greater production of the things necessary for consumption in times of war.

Mr. UNDERWOOD. Yes; I agree with the Senator. I think one of the great difficulties the German Government is confronting to-day is a question of supplying its own people with food during the conditions of this war——

Mr. REED. Mr. President——

Mr. UNDERWOOD. And if it had not been for the fact that Germany has used more fertilizers than any other country in the world the people of Germany would probably be starving to-day, and instead of its having victorious armies in the field it would be facing a point where it would have to make terms with its enemies.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. UNDERWOOD. I yield.

Mr. REED. It is of course conceded that the Government has the constitutional right to build a plant to make war supplies, The question then resolves itself into this, viz: The Government having the right to build a plant to make war supplies, can it sell the surplus which the plant produces, or must it allow the plant to lie idle a great part of the time and the Government stand the loss?

I desire to ask the Senator whether there is in his opinion any difference between the right to dispose of that surplus and the right of the Government to sell a surplus of Cavalry horses which it may have on hand, or the right of the Government to sell a surplus of cannon or rifles or other war materials which in the progress of events it wants to get rid of in order that it may buy others? Is there any difference in principle?

Mr. UNDERWOOD. I see none whatever, as a matter of fact. It was only a year or two ago that the Government sold to the Government of Greece two battleships for something like $12,000,000 because we wanted to get rid of them and Greece wanted them, and I did not hear anywhere in the Halls of Congress the question raised that it was either unconstitutional or in violation of fundamental principles, and that we did not have the right to sell those two battleships when we did not need them. I can see no question to be raised here.

Mr. President, I might have broadened this paragraph to some extent if I had written it myself, but I recognize that the work of the conference committee in agreeing to this paragraph has accomplished a great result for the American people, both in time of war and in time of peace. If the committee had failed to bring legislation before Congress that would have guaranteed an adequate supply of nitric acid with which to make explosives in time of war the whole purpose of the passage of this bill would have failed; there would have been no good to be accomplished by enlarging the Army that would have been cut off from its supply of explosives in time of war. On the other hand, I believe that the surplus products of this plant in times of peace will be used by the President of the United States to devolop the production of fertilizers in this country.

Mr. CLAPP. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I yield.

Mr. CLAPP. My inquiry is not based upon any spirit of hostility to this section, for I think it is one of the most vital in the bill; but I want to ask the Senator, putting the proposition in the other form and admitting a nation-wide necessity for fertilizers, would there be any question under the Constitution but what the Federal Government could build a plant to create nitrates primarily for fertilizers and incidentally to be possessed of facilities in time of war to make the requisite amount to meet the demands of war? It does seem to me if we put this thing plainly it would appeal more strongly to everybody.

Mr. UNDERWOOD. I think that under the powers that are granted in this bill there could be no doubt about the constitutionality, as far as it goes. As to the position of the Senator, I am not prepared at this time to take the position he suggests. I

certainly would not do so without giving the matter far greater thought and consideration than I have the opportunity to do now. But I have no doubt whatever about the constitutional right and power of the President to dispose of the surplus products, and that is all that is needed. If he disposes of the surplus products, the peace products, of this plant when they are not needed in times of war, he will bring about the condition that we desire. He will produce in our own markets the power and the nitrate that are necessary to make an adequate supply of fertilizers for our farming interests, and thus at least, if not an adequate supply, greatly enlarge the field of production and encourage others to enter the same field. So I feel that the men who think about this question as I do can congratulate the committees of the two Houses having this bill in charge on the fact that they have brought into Congress a measure that will protect our country against danger in time of war and will lead to inestimable benefit to the American people in time of peace.

Mr. BORAH. I wish to ask the Senator a question. Without intending or desiring to controvert the argument which the Senator has made, nevertheless the present war has demonstrated that almost all articles of use in modern life are in some way necessary to a thorough preparedness upon the part of the nation that proposes to engage in war.

If the Senator be correct as to the war power in this instance there is scarcely any article that the Government could not manufacture or prepare to manufacture in order that it might have that which is necessary for war, and the surplus it could dispose of in time of peace. So, the result would be that the Government could practically enter into and upon the business of manufacturing most of the articles of manufacture.

Mr. UNDERWOOD. I will say to the Senator I do not think anyone can question the war power of the Government, the necessity to exercise the war power of the Government to preserve a nation's life, and if the necessity arose that the Government needed supplies it could not get elsewhere I do not think anybody would question the right of the Government to manufacture supplies if needed in times of war. To protect the life of the Nation is the war power of the Government. But, as I said some time ago, how far you will exercise this war power, in what field you will exercise it, is not a question of principle; it is a question of policy and necessity, as my friend the Senator from Mississippi [Mr. WILLIAMS] suggests to me.

The question that is to guide us in these matters is a question of policy and necessity. I think we would all agree on the policy that where the Government, within reasonable terms, can purchase its supplies from private contractors on a fair and reasonable basis we prefer to pursue that policy rather than the one of the Government engaging in the field itself. But where we find it is impossible for the Government to get an adequate and a fair supply at a reasonable price from private contractors, I do not think any of us doubt the power or the right or the advisability of the Government entering the field itself and supplying itself with its war needs.

Mr. BORAH. Of course, as a matter of policy, we would not be likely to enter upon the manufacture of any particular article unless it was necessary to do so. But, as a matter of power, we would have the same right to enter upon the manufacture of shoes and rifles and powder and those things as we have with reference to the manufacture of the article which we are now discussing.

Mr. UNDERWOOD. I concede that undoubtedly, if it is for war purposes.

Mr. CLAPP. Mr. President, before the Senator from Alabama takes his seat, I should like to ask him another question. The Senator contends that under this language, which is found in a measure called a major preparation for war, the Federal Government can build a plant admittedly where a very small proportion of the product will be used in war, if at all.

Mr. UNDERWOOD. No. I beg the Senator's pardon. I said a very small proportion of the product would be used in times of peace, but all would be required in time of war.

Mr. CLAPP. Well, put it the other way, in times of peace; and in those times a very large percentage of the product is to be used for fertilizers, with the certainty that fertilizers must be used, and with the uncertainty and the hope that the product will not be used in war. If I were to state the proposition, I would state it that the Government has a right to build this plant for nitrate products—the question of policy would be one for those controlling affairs to determine—and including in the end that incidentally the Government could use so much of it in time of peace as it needed and could use it all in time of war. Does the Senator from Alabama feel that the determination of whether that fell within our constitutional rights would depend upon the expression and purpose and desire of those who advocate this measure?

Mr. UNDERWOOD. I think it is clear that the constitutional right of this measure depends upon two things: Primarily, upon the war power of the Government; secondarily, the power of the Government to make a river navigable. On either proposition, at least, this plant could be built within constitutional limits. The Government having exercised a constitutional power, I think it can carry on that power to the extent that the necessities and exigencies of the Government require. One of those exigencies and necessities is that it shall dispose of its surplus product in order to protect its own Treasury against loss. I do not think it is necessary for us to go further than that—I mean in the argument—because it is clear that we have that power, and I do not care to go so far as to assume that it is necessary for the Government to go beyond the exercise of a war power for the accomplishment of this result, because, so far as we desire, it can be accomplished under the war power of the Government.

Mr. CLAPP. There is no doubt about that, except that it subjects Congress to the criticism that we invoke a war power here when the thing that we are really seeking is a benefaction in peace. It does seem to me that it is better in all legislation to boldly and plainly state a proposition than to submit ourselves to the suggestion that we have taken a roundabout way to develop this nitrate production for the benefit of the entire country.

Mr. UNDERWOOD. I am not ready to concede the suggestion of the Senator from Minnesota. One of the things at which we are driving is to make fertilizer. I think that is a most important thing, and a thing that is close to my heart and close to my people; a thing that I want to see accomplished if we can accomplish it in a right and constitutional way; but, in my judgment, the primary purpose of this bill now and in the future—the real purpose of the bill—is to supply the nitrates that are necessary to protect this Government in time of war. If it were not for plants of this kind to-day in operation in Germany, it would have been necessary to have pulled down the German flag, because the allied forces of Europe control the seas and Germany could have gotten no nitrates with which to make her explosives; she would have had to surrender because she did not have powder and the other supplies with which to carry on the war. Therefore I think it is clear that the primary object of this bill is and ought to be, first, to supply the Government of the United States with necessary explosives in time of war.

Mr. CLAPP. Mr. President, for one I shall most heartily support this proposition; but I want to put my support upon a ground that can not be questioned. While this provision is in this military bill, I feel, for one, that this is the time and the occasion under which we can secure the establishment of this nitrate plant. It is true, Germany has found strength in the fact that she is prepared to furnish her armies with the necessities of war, and yet she has found strength in this great struggle in the fact that she built up those instrumentalities that support a nation not only in time of war but in time of peace. I think the sooner we reach the plain proposition in this matter, that this Government can do those things essential to the development and welfare of all without doing them in a roundabout way, the better it will be for all concerned.

Mr. BORAH. Mr. President, do I understand the Senator from Minnesota to take the position that, regardless of the proposition that part of this product is essential and necessary for war and for the needs of war, the Government could enter upon the business of manufacturing nitrates for the sole purpose of fertilizing the lands of the country?

Mr. CLAPP. There is no more question in my mind of the right and power of the American people, under the Federal Constitution, to develop a fertilizing product, if it is wise—and that is another question, of course, to be considered—than it is to do any other of the thousand and one things which we are doing to-day under Government control, regulation, and through the Government itself.

Mr. BORAH. Under what provision of the Constitution would the Senator from Minnesota assume to do that?

Mr. CLAPP. Under the broad proposition that——

Mr. TILLMAN. The general-welfare clause of the Constitution is broad enough for me, and it is deep enough, too.

Mr. CLAPP. I will repeat that again, without interruption, I trust. Under the broad proposition that there is no warrant for the burdens of government to be assumed by a people unless those forming that association called "government" can develop their moral and material welfare under the instrumentality of that association.

Mr. BORAH. I agree with that; but that goes back to the proposition of an amendment to the Constitution. If we should find that we desire to do this, and that the people should desire to engage in that kind of enterprise, we would undoubtedly as a people have a right to amend our Constitution to provide for that power; but the question which I submit to the Senator from Minnesota, in entire sincerity, is, whether or not now, under the present provisions of the Constitution, the Government of the United States could enter upon that kind of an enterprise solely for the purpose of fertilizing the private lands of the country?

Mr. CLAPP. There is no question in my mind that we have that power, the same as we have the power to do other things; the power to develop irrigation; the power to develop conservation; the power to enact legislation calculated for the upbuilding of the morals of the people. If the Federal Constitution is a prohibition against the best service in the association called government along the lines of material and moral development of the people, then I think the time has come when we had better stop other matters and consider the necessity for an amendment to the Constitution.

Mr. BORAH. Well, I think the Senator and I would not disagree upon the proposition that, if the people wanted to make that kind of a Constitution, of course, they have the power to make it. But until the people choose to change the Constitution the only power we have is such as it now grants. All power rests at last in the people, but all power does not rest in the Congress. The power of the people and the power of Congress are two different propositions. The people have all power. We have only such as the people through the Constitution give us.

Mr. OWEN. Mr. President, I shall favor the conference report, and I should like especially to express my approval of section 124. The necessity for a great nitrate plant is perfectly obvious and confessedly constitutional because of the need of preparing this country against the contingencies of war. I would go, however, much further in recognizing the rights of the Government than some of my colleagues. The Government of the United States has some rights that belong to government under what might be called the common law of all Governments—the right of existence, the right to do the things which are essential to preserve the powers vested in the Government, to make them effective, to make them useful for purposes for which the Government itself was erected.

The United States now owns large properties—hundreds and thousands of millions of dollars' worth of property, lands, forests, mines, water powers, easements in rights of way over streams, railways, steamships, and so forth, and so forth, and so forth. It exercises the power to administer those properties, to administer forests, and to administer them in such a way as to reforest lands, the timber on which might be destroyed by fire. The Government owns water powers of vast extent and can develop and use them for the benefit of its Treasury and of its citizens. It owns minerals of all kinds. It can develop and use them for the benefit of the people of the United States quite as well as give them away to private citizens or to corporations. The United States runs steamboat lines successfully for the general welfare. It has many steamships engaged in many different enterprises connected with the affairs of government. It conducts railroads and builds railroads for the general welfare. Why not? It owns the Panama Railroad and operates it successfully. Why not? It is building a railroad in Alaska. Why not? It is building reclamation dams, irrigation works for the West, and improving rivers and harbors, fighting Texas fever, foot-and-mouth disease, and boll weevil. Why not? It is teaching every vocation to its citizens and is in charge of the public health. Why not? It carries the mails and parcel post and has extended rural delivery from Maine to California. Why not? It is manufacturing powder and cannon and its own war munitions, and also manufacturing many other things needed in peace. Why not? It made the cement for reclamation dams. Why not? It is a good beginning. Let us proceed until no man willing to work is idle in this land. Let the Government open enterprises needed to give employment to all those out of employment and willing to labor. It is exercising many functions of government which in the beginning of our Republic would have been regarded as perhaps unauthorized or even undemocratic.

Let us have cheap nitrates for our people made by Government. One boy last year raised 216 bushels of corn on 1 acre of poor sandy land in the piney woods of Mississippi by using fertilizers and labor and intelligence. We can multiply our corn supply by 10,000,000,000 bushels annually in the United States if we have enough fertilizer furnished by Government, intelligently applied under the instruction under the farm-extension act, under the Smith-Lever Act. We have been progressing. We have been progressing along the lines of modern democracy, along lines which have seized the imagination and the hearts of the people of all the world. Even Governments like Germany, which are regarded as monarchies and claiming the governing power by "Divine right," have been forced to develop in the highest degree this spirit of democracy, a spirit which has been born out of modern necessity.

In the days of our dear old beloved Thomas Jefferson, who never saw a railroad, modern steamboat, a telephone, or electric light, or Ford motor car, every man knit his own socks or had it done at home and made his own trousers, perhaps out of skins, or had them woven by the women or servants belonging to the farm, and the woman made the soap and the candles, spun thread, wove cloth, put up meat, preserved fruits and vegetables, and performed other duties necessary to the domestic life of an early and undeveloped community. In those good old days every man raised his own vegetables, his own food, built his own house, and was measurably independent of his neighbors. Since that time we have been slowly drifting, until we have reached the point where a man has every need and every necessity in food, shelter, and attire made for him in some factory, which employs men, women, and children on a large scale; and great corporate powers have sprung into existence and spread themselves over the whole world with their magnificent, admirable enterprises. We have gone through a gigantic, radical change. Every man is now utterly dependent and requires the protection of the Government to safeguard his life, liberty, property, pursuit of happiness as never before in the history of the earth.

In Germany this use of the governing power of the people for the benefit of the people has not stopped with the delivery of letters from one to another through the post-office service. It has gone further than that; it has taken over the telephones and the telegraphs, just as the people of the United States will soon do in this country, and as we have taken over the parcel post.

Mr. HARDWICK. Mr. President, does the Senator also favor taking over the railroads?

Mr. OWEN. I am now describing the conditions in Germany, and I will soon discuss the question of the railroads. The people in that country, exercising their combined powers, have taken over the express companies and they themselves conduct the express business of the German Empire. They have taken over the railways, including the freight and passenger service; and in a country like Switzerland you can ride for a week all over the land for a negligible sum. One is given a railroad pass good for a week or for a month for a very small amount, so that the activity of those people has been tremendously enlarged and they have been justified in the exercise of social democracy, which means the rule of the people for the benefit of the people.

Mr. HARDWICK. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. HARDWICK. I wish the Senator would not call "State socialism" democracy. As I view it, that is an entirely different situation.

Mr. OWEN. I do not wish to wound the feelings of the Senator from Georgia, but I am merely describing some efficient forms of modern democracy by describing his views of democracy.

Mr. HARDWICK. I will also suggest to the Senator that I will be very glad if he will give us the benefit of any investigations he may have made as to the rates charged on the Government-owned railroads in Europe generally, as compared with those charged on our own railroads.

Mr. OWEN. I will tell the Senator one thing they do, and that is they give such special rates to their own manufacturers that they may get a rate to the sea which enables them to compete with all of the world successfully.

Mr. HARDWICK. In this country I thought we had abolished that practice.

Mr. OWEN. I am describing conditions in Germany, and I am describing them because in a large measure they meet my personal approval. Germany has gone much further. They have used the powers of the people democratically in their municipalities, so that the people own the gas companies; they own the electric-light companies, city street-car lines, city buses; the people furnish water to their own cities. They have gone further than that; and, even in a town like Munich, they have municipal schools, hospitals, museums, art galleries, municipal slaughterhouses, municipal bakeries, milk depots, and municipal breweries, which will appeal to any unregenerated Democrat.

Mr. HARDWICK. Does the Senator want them over here?

Mr. OWEN. I have not made any pronouncement to that effect. I am simply describing a condition which exists in a

so-called monarchy, where the spirit of democracy has made itself felt by taking over the combined powers of the people and using them for the benefit of the individual citizen.

Mr. STONE. Mr. President, if the Senator will permit me, he did not answer the Senator from Georgia correctly. The Senator from Oklahoma said they had municipal breweries in Germany, and he was describing that part of the German economy which appealed to him and which had his approval. Moreover, he said that municipal breweries were a thing that would appeal to any Democrat.

Mr. OWEN. Which caused the Senator from Missouri to rise at once. [Laughter.]

Mr. STONE. Yes; and it causes me to rise to insist upon the accuracy of the Senator's answer. He being a Democrat, it must therefore appeal to him.

Mr. OWEN. Mr. President, I made the observation that it appealed to unregenerated Democrats.

Mr. STONE. The Senator ought not to make a statement and then rather run away from it and leave some of us embarrassed. I suggest that he stand by his guns.

Mr. OWEN. Mr. President, I would stand by my guns if the guns that the Senator wants me to stand by were really my guns. They are his guns.

Mr. SIMMONS. Does the Senator mean that it appeals to their appetites or to their political faith?

Mr. OWEN. When I speak for myself I waive my appetite and speak on this subject for prohibition as a matter of preferable National and State policy. But I was describing a condition in Germany where, in spite of monarchy, the spirit of democracy has made itself felt along these lines; and it accounts in large measure for the tremendous efficiency of the people in Germany in the present great contest, where they are self-sufficient and self-supporting on the inside of their own lines.

Mr. HARDWICK. Will the Senator insist on calling that the spirit of democracy? It seems to me that that is a profanation of the term.

Mr. OWEN. Oh, yes; I insist upon it. Democracy means the rule of the people for the people—for all of the people, for their happiness, health, and efficiency. Thomas Jefferson's heart was right. He demanded light, education—the common school to educate all the people whom he desired to govern themselves—but he had no conception of modern times; and the ideas which Thomas Jefferson entertained in the days of the tallow candle—when he approved the independence and liberty of the citizen and the means by which to protect that independence—no longer apply to modern democracy. They are only valuable historically. Now, no citizen is independent. He relies on others for his food, his clothing, his shelter, his transportation, his employment, his compensation, his health, his liberty, his happiness, and except for his Government, organized by the many for the adequate defense of every unit of our citizenship that goes to make the many, he would be made an abject slave by the natural operation of the greed of unrestrained power, organized under laws that have erected gigantic corporations that never die and whose power can only be restrained by the Government itself.

I stand for men and their happiness first; second to this I glory in the accomplishments of corporate power. Its triumphs are magnificent and in spite of criticism is helping to lead men into higher forms of intelligence and life.

Mr. President, I make these observations because I do not wish to be silent when this matter is being considered and seem to acquiesce in the idea that we would be transgressing the doctrine of fundamental democracy if we dared to establish a plant where the powers of the people were possibly to be used for the benefit of the people in time of peace. If it were true that we could not do that under the Constitution of the United States, then the Constitution would be indeed an iron band around the expanding life of the modern man. It was intended to be an iron band when it was drawn to protect property rights against human rights. I have heretofore pointed out that the great Civil War was due to the undemocratic character of the Constitution of the United States, which was made practically unamendable, and which put in the hands of certain gentlemen of the United States Supreme Court the power to hand down a Dred Scott decision, nationalizing slavery in this country, with no right to recall the judges who made the error, and no way to amend the Constitution by peaceful process, which unhappily left no available remedy except the cannon's mouth.

I believe in a liberal interpretation of the Constitution. I believe the Constitution ought to be construed in the light of being intended as a servant of the people in their organized capacity. My only regret is that we could not go further along these lines; but certainly, even for a strict constructionist, this proposal in the conference report could not meet with any sound objection.

Mr. WORKS. Mr. President, I expressed, in a brief way, my views upon the proposition that is now before the Senate when the bill was up for discussion. I am not going to take up the time of the Senate now in repeating what I then said; but I do desire to make some suggestions, in view of what has been said here this morning, respecting the constitutional question involved.

I have no doubt that the Government has the constitutional power to construct a plant and manufacture nitrate for governmental purposes. I am equally clear in my own mind that the Government has no such power to construct a plant and operate it for the purpose of manufacturing and selling to private individuals the commodity manufactured in that way.

It is suggested that if the Government has the power to manufacture nitrate, the surplus fertilizer that results from that constitutional act on the part of the Government may be sold to private individuals. I am not so sure about that. Possibly that might be justified if the plant were in good faith being operated for governmental purposes. But, Mr. President, we all know that it is not the prime object of this legislation to manufacture nitrates for governmental purposes. The Senator from Alabama [Mr. UNDERWOOD] has been quite frank about it. He says to the Senate that the principal object, the important object, is to supply fertilizers to the farmers of the country. Therefore, we are simply trying to evade the Constitution. That is what it amounts to.

If I had not known the liberal views of my good friend the Senator from Minnesota [Mr. CLAPP], I should have been amazed at the propositions of law laid down by the Senator. I think he must have been speaking as a farmer and not as a lawyer. I have had occassion to say more than once that we are rapidly moving toward paternal and centralized government, as the people of this country are represented here in Congress. That is perfectly evident to anybody who has kept account of the trend of legislation. But the Senator from Minnesota is not only tending in that direction; he has arrived; because if the Government can establish a manufacturing plant and manufacture fertilizers for the purpose of selling them to private individuals, then the Government can do anything in that direction. There is, if that be true, no limit, under the Constitution, to its exercise of power for private purposes.

Mr. President, I am opposed to that tendency, as the Senate very well knows. I have been contending against it here from time to time as these questions arose. The temptation occurs to do this thing and that thing that amount either to a violation or to an evasion of the Constitution because it seems to some Senator or some body of Senators to be a necessary thing to be done by the Government, because it can not be done by anybody else. That is an exceedingly dangerous tendency. Congress ought not to give way to temptations of that sort if it has the effect that I have stated.

Of course it is useless to discuss this question before the Senate now. We are wasting time, except that one sometimes feels like expressing his own convictions upon a question so that he may be understood. I think this legislation ought not to be enacted. I think we are not going to enact it in good faith. I am morally certain that if it is made a part of the statute that is about to be enacted, it will be not because it is thought by Senators that it is necessary for governmental purposes, but that it will be done for the benefit of the farmers, which, to my way of looking at it, is a plain violation of the Constitution.

Mr. LODGE. Mr. President, in what I am about to say I wish it to be distinctly understood that I am not criticizing our conferees for the result of this conference. I am certain that they did everything in their power to get the best bill they could. I am entirely conscious of the obstacles which they met in the action of the other House, and that in view of the action of the other House they got everything that perseverance and skill could give them. But I can not let this conference report pass—and pass it must—without at least making it known that there are some of us who are under no illusions as to its character, as to what we have received under the heading of "preparedness for national defense," and as to what we have not received.

I shall spend very little time on the nitrate factory, which has occupied, and very well occupied, some of our hours this morning. I certainly shall not discuss it on constitutional grounds, where I am in full agreement with the Senator from California [Mr. WORKS] and the Senator from Georgia [Mr. HARDWICK], I think. It would be idle to do so. The fact that it is unconstitutional, if it be a fact, would be to many minds an added attraction in passing the bill. But to my mind there

are great practical objections to it. We are proposing to spend twenty millions to build a plant nominally for the production of nitrates for use in war, theoretically to furnish nitrates cheaply for fertilizers, and actually to develop a water power.

Mr. President, before that building is roofed in chemical processes now being developed not only in Germany but in this country will have made nitrates so much cheaper that the use of expensive water powers in their production will be out of the question. Of course that makes no difference to the Government. The Government is not controlled by business considerations, and it might as well give its fertilizers to the farmers as sell them, for all the business proposition there is in it. The great German chemical company known as the Baedischer Co., which is the greatest in Germany, has sold its interest in the Norwegian water powers, which was obtained particularly for the purpose of producing nitric acid, because it can do it better with its own chemical processes. The Senator from Rhode Island [Mr. LIPPITT], whom I regret not to see in his seat, can inform the Senate about the new processes which are being developed here by some of our great chemical companies, in which, from waste products, they can secure nitrates—and are securing them at this moment and selling them commercially—for such a price as to put the Chilean nitrates out of the market and make the production by water power too expensive.

I think it is a waste of Government money to spend it in that way, when what we need can be secured so much more cheaply; but, of course, the Government has two great advantages. The Government system interferes with any possibility of private profit or private enterprise, and it can, as I have said, give the nitrates for nothing to a particular class of the population. That has been agreed to by both Houses, and it is needless to say more about it.

Now, as to the bill, of course nitrates have nothing to do really with the preparedness question. They are an excuse for other things. Now, to come to the real question to which the bill is supposed to be devoted. The House sent over to us what I regard and what I stated on the floor of the Senate was a wholly worthless bill. All it did was to provide for a further development of the National Guard, which may or may not be useful, which I think may be useful for national defense, but on which I do not think the national defense can be based. Otherwise it left things substantially as they were. It was no advance in the preparation of our defense by the Army and by military means on land. The Senate committee brought out a very much better bill. It did not go as far as many members of that committee desired. I know it did not go as far in many directions as the Senator from Oregon [Mr. CHAMBERLAIN], who spent so much time and thought and intelligent care upon it, desired. I fancy no one was more alive to its defects or so alive as he or has a juster idea of what ideally ought to be done. But it came out a wonderfully improved bill, a wonderfully better bill than the House passed.

In the first place, it provided an organization for the Army. It created new units. It made an expansible force which was of the greatest possible merit.

I am happy to say, and I think I am not mistaken in the fact, that that has been in substance retained in the conference report, and that is very valuable indeed.

The Senate committee also increased the Regular Army, and they put in the bill section 56, which converted the volunteer act now on the statute books from a dead statute to a living and effective law. Under section 56 they could include both the general volunteers of the United States and what are known as the Plattsburg camps. They did much toward developing the education of boys and young men in our schools, academies, and colleges.

Then the bill came to the Senate, and the Senate, I think, still further improved it, barring the nitrates. We raised the numbers of the Regular Army to 250,000. We voted down overwhelmingly the proposition to make the Army only 150,000; we voted down decisively the proposition to make it 230,000; and we carried it at 250,000, which, to my mind, is the very least we need, and need now. The amendment of the Senator from Connecticut [Mr. BRANDEGEE] was placed on the bill, fixing the number at 250,000.

By two close votes we sustained the committee on section 56. Now, the bill comes back to us with the Regular Army brought down to 175,000. By the fortunate retention of the Senate organization and the increase of units that Army can be enlarged to 216,000, which, I think, including the Philippine Scouts, would make a total of 221,000. It is far better than what was brought to us from the House originally.

But I have looked on, Mr. President, with amazement at the votes of the American House of Representatives on that Army bill in the present condition of the country. We are having difficulties with Mexico. A small expedition of 4,000 or 5,000 men has been sent over our border to try to punish the author of the outrages at Columbus and to prevent further outrages of the same kind. In order to support that little expedition and to protect our frontier the whole Atlantic coast, from Maine to Fortress Monroe at least, has been stripped of troops, and to-day they are taking away, I am informed, even the Coast Artillery. They have left all that great tier of States with those immense seaports through which the entire trade of the United States to the eastward pours out with no defense except the State militias; and as to the militia of New York, Pennsylvania, and Massachusetts, which happen to be, I think, the largest in numbers, and New Jersey or Connecticut, they do not dare to take those troops for service on the border in order that they may relieve the Regular troops now engaged on the border and allow them to be used for the support of the punitive expedition. That is the condition which is before us to-day. The western coast has been stripped in the same manner, if I am not misinformed, and we find the fact staring us in the face that we have not enough men to carry on those small operations in Mexico and at the same time protect our coast. We have not enough men in the National Guard and the Regular Army combined.

The American House of Representatives deliberately cut down the Regular Army from the very moderate figure suggested by the Senate. It seems to me perfectly incredible that either branch of the American Congress in such a situation as that should be willing to put $20,000,000 into this bill for developing a power plant at Muscle Shoals, or somewhere else, for the manufacture of nitrate, and not be willing to give the country the soldiers it needs for its immediate defense at this moment against troubles so trival compared to the wealth and power of the United States as those which have arisen on our Mexican border.

I do not believe, Mr. President, that under the circumstances our conferees could have gotten more. When I look at the action of the House of Representatives I confess I am thankful they got as much as they did. But I do not want anyone to suppose that there are not many Senators in this body who will allow that report to go through, if it must go through, under any illusions as to what we are getting.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from Massachusetts yield to the Senator from Nevada?

Mr. LODGE. I yield.

Mr. NEWLANDS. I ask the Senator from Massachusetts whether he thinks a favorable effect would be produced on the action of the House if we should reject this report? I should like to state that I share the Senator's views regarding the subject.

Mr. LODGE. Mr. President, the House took direct votes on the question to which I am referring and their majorities were decisive. I do not believe they will change their position. As a friend of proper national defense for my country I do not want to run the risk of destroying even this bill, poor as it is. I think the original plan of those responsible in the House was to do absolutely nothing. I think that is where they meant to leave us.

Mr. LEE of Maryland. I will ask the Senator, with his permission, if there was not a decided majority of about 100 in the House, a nonpartisan majority, made up largely——

Mr. LODGE. I have not uttered a word that is partisan. I am not discussing this question from a Democratic or Republican standpoint. I am discussing it from the American standpoint, although it may be difficult for the Senator from Maryland to comprehend it. I have not said one word about party. I am not blaming any party. I blame the men of my party who voted against it just as much as I blame the men of your party. The national defense is not a party question, to my mind.

Mr. STONE. Mr. President, I should like, for my information, to ask the distinguished Senator what he thinks the total strength of the Regular Army should be.

Mr. LODGE. I think the strength ought to be at least 250,000, I should be glad to see it more, but I think that——

Mr. STONE. That is the minimum.

Mr. LODGE. That seems to me the minimum.

Mr. STONE. Is that in a measure due to the Senator's apprehension of greater trouble than we have with Mexico?

Mr. LODGE. No, Mr. President, it is not due to that, still less to any apprehension of war with any first-class power. I believe we need a Regular Army of 250,000 men for the proper and ordinary protection of the country and to meet just such difficulties as have occurred on the Mexican border, which hardly can be dignified by the name of war. I think that the Mexican

difficulty in which the President has been obliged to employ the Regular Army has shown the utter inadequacy of the force; that if trouble occurs on one of our frontiers like that we ought not to have such a small force that we have to strip every post and fortification on both coasts in order that the President may be allowed to have a reasonably defensive line on the border. There is no saving of money in it, as the Senator from Wyoming [Mr. WARREN] suggests to me. The transportation alone would be an immense cost. In other words, I believe we should have a larger mobile army for time of peace for all time. Troubles may occur to the south of us which will need just such a force.

Mr. STONE. If my friend has, it seems, therefore, no reason for apprehending any serious trouble with Mexico or, as he said, with any great and important power, to what use would we put that Army of 250,000 or 300,000 men in actual necessary activity?

Mr. LODGE. Mr. President, the Mexican situation is what the Senator knows it to be. I think the President ought to have had enough troops at his command under the conditions which arose and the expeditions he thought ought to be sent to send a proper force of men into Mexico and at the same time have defended the border without finding it necessary to strip all the other posts in the country, which ought not to be stripped, of the Regular troops. You can not call out the National Guard to relieve them on the border, because they are needed for the protection of the States, which are exposed by the removal of the regulars.

Mr. BORAH. Mr. President——

Mr. LODGE. I yield to the Senator.

Mr. BORAH. In this connection I will state that the President said in his speech at Kansas City that he did not have a sufficient force now to protect the border between Mexico and the United States.

Mr. FALL. Mr. President, will the Senator yield to me?

Mr. LODGE. I yield to the Senator from New Mexico.

Mr. FALL. Has the Senator any knowledge as to whether the calling out of the National Guard from the States of Texas, New Mexico, and Arizona has, in the opinion of Gen. Funston, provided the additional number of troops that he needs there now or has the Senator any knowledge as to whether Gen. Funston did call for more troops?

Mr. LODGE. I have no knowledge of what Gen. Funston has demanded or asked for.

Mr. FALL. Does the Senator——

Mr. LODGE. One moment. The Organized Militia of New Mexico and the Organized Militia of Arizona are less than 1,000 men. The Organized Militia of Texas, in round numbers, is 3,300 men. I say this without having seen Gen. Funston's statement. I believe it is totally inadequate to relieve the Regular troops which he ought to have at his disposition as a mobile force.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Illinois?

Mr. LODGE. I am yielding to the Senator from New Mexico.

Mr. LEWIS. I apologize to the Senator from New Mexico. I thought he had yielded the floor.

Mr. FALL. Then, again, I notice in the papers this morning a telegram published addressed to one of the Senators from Arizona stating that there are no troops west of Nogales or east of Yuma along the national boundary line, and there are 2,500 American citizens living along this line who are subject to attack at any time by marauding bands.

I can say to the Senator, further, from my personal knowledge, that at the time of the attack on Columbus, N. Mex., there were no troops between the city of El Paso and Columbus, 73 miles, except those immediately patrolling the border within 3 miles above El Paso; that there were no troops west of Columbus for thirty-odd miles on the Mexican border, with the exception of a portion of the Columbus garrison stationed 9 miles west; and that there were no troops from Huachita for 40 or 50 miles or 60 miles west to Douglas; that there were no troops from Douglas west except five or six men at Osborne Station; that there were no troops at Hereford ranch, and marauders had crossed at that station and ranch 27 miles west; that marauding bands had come across there and had been chased back both before and subsequent to the attack upon Columbus; that there were not sufficient troops to comprise any patrol whatever along the border; that the border has not been patrolled; that there were no troops from Douglas to Fort Huachuca 50 or 60 miles; that there were no troops from Fort Huachuca to Nogales; that there were no troops west of Nogales to Yuma.

Mr. SMITH of Arizona. If the Senator from Massachusetts will pardon me, I will state that I was at the War Department this morning, as I have been on a good many mornings, and I find that there was a dispatch received there this morning from the station at Yuma. I am waiting for information from the department about the situation at Nogales.

Mr. FALL. Undoubtedly.

Mr. SMITH of Arizona. I was at the department for the purpose of attempting to get a greater force along the line between Nogales and Yuma. There are settlements along there. I have no doubt the department appreciates the condition, and they promised to do what they could.

But I will not take my seat without saying, with the Senator's further permission, that there has been from the start and is yet a condition along that border that should have been met with a sufficient force. They have not had it. The people have not been protected as they deserve to be protected. I have done whatever I could, and from the reports received by the department I have learned the disposition of the forces there under the direction of the military authorities having immediate control of the position. I am saying this not in justification of the conditions there but in the line rather of the argument the Senator from Massachusetts is making, that there has not been the protection that ought to have been accorded to the border. I had hoped to see not only those homes but every home on that border protected so that the wives of the settlers can go back to their homes.

Mr. FALL. I think the Senator and myself do not disagree at all. We are in thorough accord. I have named some of the places that he has named at which troops are stationed. I will ask the Senator from Arizona how far it is from Yuma to Nogales?

Mr. SMITH of Arizona. I should guess it is about 250 miles.

Mr. FALL. There are no troops along the border between those places?

Mr. SMITH of Arizona. No; and there are few settlers. There are none toward the extreme western end, but there are settlements in the south Pima country.

Mr. FALL. I am asking about troops. There are no troops between Yuma and Nogales?

Mr. SMITH of Arizona. There are no troops—that is, there were not this morning—between Yuma and Nogales.

Mr. FALL. My information was obtained from a recent trip of 450 miles by automobile made by myself from the points I have named to the points I have named directly along the border. I could give the number of troops who were at that time stationed in different places. There are not enough troops to patrol the border.

Mr. SMITH of Michigan. If the Senator from Massachusetts will permit me, I should like to ask the Senator from New Mexico if he has heard, either officially or otherwise, that just prior to the attack on Columbus the officers of our Government were warned of that attack; that the department had information several days before the attack?

Mr. FALL. I do not intend to enter fully into any matters of that kind now. I interrupted the Senator from Massachusetts only to draw out facts and to add the additional information. I will reply to the Senator's question at some other time—not in the time of the Senator from Massachusetts.

Mr. SMITH of Michigan. I think I will say this in the Senator's time, if he will permit me: I understand that to be the fact. I think it ought to be inquired into. I think the War Department ought to be interrogated as to whether or not they had that information in advance of the attack on Columbus.

Mr. FALL. I think that is a perfectly proper subject of investigation.

Mr. President, one more suggestion to the Senator from Massachusetts. In the southern portion of New Mexico is the Mesilla Valley, which contains an agricultural population of about 15,000 people. It is on the Rio Grande, running toward the border. One-half of the population possibly are native Mexicans, loyal citizens, but among them recently have been fugitives from Mexico, from every faction. Gen. Mercado, Gen. Castro, and Gen. Avila, of Villa's army, have recently settled there and acquired property in that valley. Each of them has followers who have been brought from old Mexico. Gen. Avila, just recently from Villa's command, has 90 men of Villa's ex-soldiers within a few miles of Las Cruces, as prosperous a town as can be found in the Southwest, and since the calling out of the National Guard four to seven companies of home guards have been organized, who, under their own officers and at their own expense and at the expense of the people of the Mesilla Valley and the immediate vicinity, night and day are protecting their own people.

Mr. LODGE. Mr. President, the statements of the Senator from New Mexico and the Senator from Arizona have vividly illustrated the point I have been trying to make. If the President had had ample troops, sufficient men, and had failed to protect the border he would have been much to blame. But he

has not had the troops. Our total mobile army is 25,000 men, in round numbers, and he had to protect that great border and send an expedition over. He has been taking away even the Coast Artillery, and that ought not to be done. It ought to be possible for us to have a mobile army of reasonable size that we can move to any point where there is trouble of any kind without taking our soldiers out of our great coast defenses, which ought never to have their garrisons diminished in that way.

The point I wish to make is that it was in the presence of facts like these which have been described here this morning that the House of Representatives, without regard to party lines, I will say, if Senators are sensitive about it, voted down the proposition to make the Army what it ought to be in time of peace. We are lucky to have gotten what we did.

Mr. President, to my mind the best feature of the bill as it left the Senate and the best feature of the bill as it came out of the committee, for we owe the clause to the committee, was section 56. Through that clause and through that clause alone, in my judgment, were we able to get a sufficient reserve of United States volunteers, allowing everything that can be done in the direction of the National Guard, and I am not disposed to underrate it at all. We still needed some source from which we could draw trained men in an emergency to call them to the colors in support of the Regular Army. It was the best thing, in my judgment, in the bill.

Mr. LEE of Maryland. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Maryland?

Mr. LODGE. I yield.

Mr. LEE of Maryland. I should like to ask the Senator what reason there can be why any patriotic American citizen desiring to qualify himself as a soldier for the defense of his country can not qualify as a member of the National Guard under the provisions and regulations that the bill provides?

Mr. LODGE. I will tell the Senator of one especial class. Now, I am not saying whether it is a just view or an unjust view that they take. Organized labor, union labor, with great bodies of men belonging to them, are not willing and do not join the National Guard. They would contribute their proportion to United States volunteers. I think that all classes ought to share in the defense of the country. That is one class which could be obtained that would not be obtained from the National Guard, in my opinion. But why can they not both go together? Because I want to make as strong a reserve as I can to put behind our Regular Army, one that can be quickly mobilized in its support, I do not find it necessary to destroy the National Guard, and why should the National Guard, or those who represent a portion of it, find it necessary to destroy other methods for providing for the defense of the country?

I am happy to say that some of the National Guard in a number of States, and in my own State, declined to have anything to do with that sort of business, and would themselves prefer to be United States Volunteers; but I do not want to attack or to injure any method of strengthening our defenses.

Of course, when section 56 went out of the bill the Plattsburg camp went, too. I am happy to say that our conferees succeeded in agreeing on a clause which enlarges, as did the amendment I proposed, the scope of section 82 of the original House bill. Under that section the United States is now to take these camps, known as the Plattsburg camps, to give them recognition, to take them into their own hands, and to give transportation, subsistence, and equipment free.

I had a clause in my amendment to pay for the month's service the rate paid to an enlisted man, but that the conferees dropped out. It is not the most important feature, but I think it is very important not to have these camps depend exclusively on men who can pay their own expenses. This enlarges it and democratizes it, and will bring in a great many more men than went in before.

I am told that there are already 200 men a day signing the agreements in New York to go to camp. It is stated that, if this bill becomes a law with that clause in it the number will rise to 400 a day, and that employers generally are making arrangements so that their young men, without loss of pay or loss of place, can go to the camps.

Mr. President, if I thought that we could get a better bill by sending this report back to conference, I should vote against the report. I believe, however, that doing so might result in the defeat of the bill. I do not think that anyone who is in favor of preparedness—I dislike the word—who is in favor of proper national defense, can afford to defeat this bill, inadequate as it is. It does make some great improvements, and, therefore, the report will pass without opposition from me.

I desired, however—and I have taken more time than I had intended—to point out as clearly as I could that as now framed the bill is insufficient and inadequate, and that if this country is to be properly defended on land we must make up our minds to take further steps to greatly enlarge our military resources.

Mr. LEWIS. Mr. President, any Senator with the influence of the Senator from Massachusetts [Mr. LODGE], whose standing is such as that of the Senator from Massachusetts, rising on this floor and giving expression to any views, is taken as speaking—and I should like the Senator from Massachusetts to remain on the floor for a moment, if he finds it agreeable——

Mr. LODGE. I have been called from the Chamber by a matter which I allowed to wait for some time, though I should regret not to hear what the Senator is going to say. Of course, I will remain, however, and let my engagement wait.

Mr. LEWIS. I was proceeding to say, Mr. President, that Senators occupying positions such as the Senator from Massachusetts occupies can utter nothing on this floor that will not be taken by the country as meaningful in all its expression, and wherever capable of a construction against the administration or against the President, such will be adopted by those agencies which legitimately have a right to assail the administration because of their different point of view.

There is before the country at this time, and uppermost, the question of national defense. The construction and size of the Army is one that engages the attention of the country, and all the accomplishments of this administration in matters of civil affairs are subordinated to the single matter of Army and Navy. All the achievements of the administration in behalf of the people on one side of the political contest are purposely lost sight of, that they may be dwarfed and hidden from their effect, and the effect upon the people lost to their consideration. The matter of national defense is brought uppermost always.

Then, in connection with this, is the attack made upon the Democratic administration alleging that it has failed, and is now failing, to provide this national defense; and our honorable opponents will be found in the convention that is soon to assemble in Chicago making an assault upon the Democracy on the ground that it has failed to provide national defense. There will be discovered from that assembly of gentlemen such astute, clear (?), and defined (?) party platforms as follows:

First. We condemn the Democracy for having failed to provide adequate national defense for the country at a time of its extremity.

Saying nothing as to what they would regard to be adequate defense or wherein the Democracy has failed.

Second. We condemn the administration of President Wilson for the confusing and uncertain and vacillating international policy, whereby it has failed to maintain the dignity of the country, yet unnecessarily insulting where it has not courage to assail, and so forth.

Something similar, in that definite (?), perfect, clear (?), and well-understandable set of doctrines, we will get from which any kind of construction by any voter can be drawn, any kind of meaning can be had by any man, particularly in those quarters where political support will be sought; any construction that may be at that particular time profitable will be urged as the meaning of the provision.

Therefore the statements of the Senator from Massachusetts that the President has not surrounded the border of Mexico with efficient defense will be taken as an indictment of the administration by the able Senator, charging it with a failure to perform the duty it owed to America in providing this defense.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. LEWIS. Does the Senator from Massachusetts rise to interrupt me?

Mr. LODGE. I do.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. LEWIS. I yield if the Senator rises for that purpose.

Mr. LODGE. Mr. President, I am sure the Senator from Illinois does not wish to misstate my position. I never blamed the President by a single word for his action in that matter. On the contrary, I said that if he had had sufficient men to give the border proper defense and had failed to do so he would have been to blame, but that he did not have sufficient men to do it, and, therefore, he was not to blame, but that Congress was.

Mr. LEWIS. Therefore I ask the Senator if he does not by that leave the impression upon the country that the failure of the President to supply those troops was due to the failure of the Democratic Congress—as it is in power—to provide him with force? I will ask the Senator if his charge in that respect is not susceptible of the accusation which is hereafter to go forth, that had the Democratic Congress supported a policy that gave adequate defense, or had there been soldiers provided by the Demo-

cratic Congress, the President of the United States could have given sufficient support to the border? I now ask the Senator if he will not say from his place that when the President of the United States came into power he found the Army in the exact deficient condition which the Senator has pointed out this morning?

Mr. LODGE. Why, Mr. President, a year ago, as everyone knows, the President was opposed to any increase in our national defenses, and he referred to all who suggested an enlargement of our national defenses as nervous and excited. Since then, I am glad to say, he has changed his mind, and he has been advocating national defense. I in no way brought any political suggestion into the remarks I made about the pending conference report; but if the Senator from Illinois thinks because I criticized the lack of sufficient forces now, that that is a criticism of the President, it is because he chooses to fit that charge on. I never had any such intention; but

Suspicion always haunts the guilty mind.

Mr. LEWIS. Yes; Mr. President, not only does "suspicion haunt this guilty mind," but this mind was guilty of suspecting the Senator of the real purpose which now he confesses, and that was that, by insinuation, he would leave the impression from which the press opposed to us could draw the inference of the accusation, and there, covering it by the artful manner of speech, could leave it open to the charge of being confessed by silence on this side. I purpose unmasking the Senator's mystery of words and revealing his real purpose—which is to aid his campaign in Massachusetts and draw upon the President a wrong judgment from the people.

Now, Mr. President, I then say that when this administration came into power it found the Army in the bedraggled and unprepared condition for national defense that the Senator from Massachusetts indicts; and this was after his party had been in power for 16 years, with the clouds of war hovering in the horizon of the world, warning our honorable opponents of just such conditions as have fallen upon this country from Europe and elsewhere; and during the administration of the party of the able Senator from Massachusetts the troubles to which the Senator from Arizona and the Senator from New Mexico have alluded from Mexico had broken out and continuously existed in Mexico and were constantly in process in Mexico. All this admonished those who were in power under preceding administrations of the necessity of increasing the national defense to meet the very conditions that have arisen in Mexico. If, sir, the failure to meet them is due to want of proper Army, it can not be justly charged by the Senator from Massachusetts, as he adroitly made the charge, to the failure of the President to send all these forces because they had not been provided by a Democratic Congress. It is perfectly apparent that the Senator intended to leave that impression, which could be used all over the country, when he must know, as know he does, that the preceding Congresses, through all the varieties of the administrations for which he spoke here on this floor, failed to make any provision such as the present Congress has made, or, indeed, made effort of any kind to remedy the conditions.

Therefore, if my able friend is sincere when he says he is not speaking from a partisan point of view, that he in no wise refers to partisanship, he then could go further and in frankness express the truth—that these conditions which he indicts were inherited by this administration, and that the President of the United States a year or more ago, when he opposed an increase of the Army until there appeared a necessity for such increase, was merely voicing the natural view of the American public: First, Mr. President, to call for armies before they were due or necessary was to unnecessarily alarm the country; second, it was to be misunderstood in Europe at a time when we were seeking by diplomatic arrangements to bring forth results through peace and quiet. To demand then an excess of armies would have been to appear to contradict the efforts which were being made by the President to establish through peace and diplomacy the results sought to be achieved.

Now, Mr. President, I want to call attention to the fact that, even if the Army had been increased to the full number which the Senator from Massachusetts would have, still I invite the Senator's attention to a more practical fact than the mere assertion of figures. I ask what method would the Senator from Massachusetts prescribe by which enlistments could be secured? As long as the present prosperity of the country produced by a Democratic administration has been so inviting to the ordinary boy on the farm, to the man in the factory, and to the citizen in the city, he will not give up from seventy to one hundred and fifty dollars a month to enter the service of his country, when she is not actually at war, for a net compensation that will not equal $35 a month. Secondly, what method will the Senator from Massachusetts suggest by which we will secure these extra enlistments to the full extent of any quota that might have been provided in actual figures in the bill? The issue, Mr. President, is not what numbers you provide, but what method shall you provide to obtain the numbers?

The able Senator from Massachusetts said that the National Guard does not serve the deficiency, but he admits that at this particular time the President was compelled to call out the guard and that the guard has been called out to perform border duty, indicating very clearly, Mr. President, that the assault made against the uses of the guard some weeks ago by Senators now falls to the ground as having been unjustified, for it is now seen that in this particular hour it is the guard that had to be resorted to as the only source of refuge and protection upon that border because of the failure of previous administrations to give us an Army to the number which the Senator from Massachusetts would have us understand is necessary, and for the absence of which he would by implication indict the Democratic administration.

Now, sir, as to section 56, creating a volunteer army, I am one of the Senators responsible for striking it out—that is, the Senator from Maryland [Mr. LEE] and I led, so far as you can use that word in this body of equality, the assault on the section—pointing out that its effect would be to destroy the guard's usefulness, creating no force in its place, and suggesting other reasons which, to our minds, appeared sufficient. Now, the Senator from Massachusetts says that had section 56 been left in the bill, his judgment is that the laboring men or the union men would have participated in it.

Mr. President, let me call to your attention a thought that it is important to consider. If union labor will not join an army in a State known as State guard, where they by their votes elect the commander in chief, the governor of the State, where they elect the mayors of the cities and sheriffs that call out the guard whenever strike duty is required in the cities, these voters practically controlling the officers of the National Guard through the election of those instrumentalities and naming the officers practically, how will you, then, ever obtain that class of men for a Federal army over which they have no control whatever by voice or by vote, and where there is not a dollar provided to pay them for the time taken from their work, and where they run the risk of losing their employment, their occupation? It is idle to make the distinction suggested by the Senator, because it must fall upon the mere suggestion of it. Therefore the Senator from Massachusetts can not successfully make his appeal to that set of young men in Massachusetts who expect, perchance, to avail themselves of these camps this summer and in the coming fall, and who would feel kindly to the Senator in his election because he appeared to espouse their particular cause. It was upon my motion in this body, coupling my efforts with those of the Senator from Massachusetts, that has given the provision now in the bill establishing training camps in the United States.

Mr. President, I indulge these observations because I could not allow the insinuating and artful suggestions of the skillful Senator from Massachusetts to go forth to the public for the uses he intended them without their being replied to by one of the many who saw the purpose, and must contest it while they deny that it was proper in its place or just in its accusation.

The PRESIDING OFFICER. The question is on agreeing to the report of the committee of conference.

Mr. BORAH. Mr. President, I will not delay the Senator in charge of the conference report a great while. I can imagine his desire to be rid of the task which has devolved upon him for so many months, and which he has taken care of with such remarkable industry and ability. But before the conference report comes to its final disposition, I want to make such observations as seem to me to be justified, if not required, by the situation.

In matters of legislation ordinarily it is a wise rule to accept a half loaf when you can not get an entire loaf. As stated by the Senator from Georgia [Mr. HARDWICK], we can not have just what we want in legislation, and where there are a number of men holding diverse views there must necessarily be some compromise in the final results. I am fully aware that the Senator from Oregon and his associates upon the conference committee have labored earnestly and patriotically for as good a bill as could be possibly obtained under the circumstances, and it might very well comport, it would seem, with our duty to simply vote for it and pass on. If it were a mere matter of commendation of the earnest efforts and labors of those who have had charge of the measure, both in the committee and in conference, I would unhesitatingly do so. But that is not all there is to it. There are some things in the report which seem to me not only undesirable but pronouncedly bad. I understand, of course, how this report was brought about, and in

criticizing the report I do not feel that I am criticizing the conferees. I would be, in my judgment, better prepared to vote for this bill if it represented the real views of the conferees of the Senate. To my mind the step we are about to take is a step in the wrong direction, and I am not willing to take it without the RECORD speaking my sincere views in regard to it. If it were a step in the right direction, but a step which seemed to me not to go far enough, I would be content to await the future and go the rest of the way later. But where the step seems to me to be in the wrong direction I feel that the challenge should come now, and in a positive way. What I say will not, I apprehend, affect the result as to the report, but it will at least leave the record in such condition that it can not be said in the future that this legislation was initiated without objection.

The first objection I have to this bill is the one to which the Senator from Illinois [Mr. LEWIS] has just referred, and which I think is more serious than the Senator from Illinois would seem to think. There is no place in this bill, in my judgment, for the large body of men in this country who are known as union-labor men. They can not join the Regular Army and remain in the field of labor, and, from their viewpoint, they can not join the militia and remain laboring men. Mr. President——

Mr. LEE of Maryland. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. In just a moment. They have it within their power, of course, in the militia to select their officers, and so forth, as said by the Senator from Illinois [Mr. LEWIS], and in that respect it would, upon its face, be an advantage. If there were no other reasons, if there were no duties connected with the militia which would overbalance that, it would undoubtedly be a controlling influence in the mind of any man who desired to become a part of a military organization; but, as I ventured to say some weeks ago in the discussion of this matter, so long as the National Guard or the State militia can be utilized and so long as it is more and more used for strike purposes, and as the police force of the State, it stands to reason that no considerable portion, in fact a very small portion of the laboring men, will ever give it their consideration or support. They will not join an organization which may the next day be called into service against either themselves or their fellow workmen. That is one of the strong objections to the National Guard being organized and federalized as it is here sought to do. It can never be made into an effective military organization.

I yield now to the Senator from Maryland. I did not intend to keep him waiting so long.

Mr. LEE of Maryland. Mr. President, I wish to ask the Senator two questions, namely, Does he feel that organized labor is irrevocably and permanently committed to the idea that all of its agitations and strikes must be conducted upon an unlawful basis? That is question 1. Question 2 is this: Even if that were the case, does not organized labor and does not every person who thinks at all realize that all military force is per se a police power in the ultimate analysis, and if the local police is overcome by any form of disorder the militia are called upon; next and inevitably the standing Army of the United States would be called upon; and that from the standpoint of order it is simply a question of detail and not a question of principle; and whether or not really the Volunteer Army, or any other form of military power, is not necessarily available for the preservation of law and order in the country; and whether labor organizations do not realize that they must recognize that law and order will prevail in this country, and that their proceedings had better be upon a lawful basis as American citizens?

Mr. BORAH. Mr. President, the first question of the Senator from Maryland assumes that the laboring men of this country are committed to the proposition of accomplishing their purposes and designs through lawless methods.

Mr. LEE of Maryland. I asked the Senator if he thought so.

Mr. BORAH. I do not think so. There are always lawless individuals in every considerable number of men, but the great body of laboring men of the country are committed to no such doctrine as that of accomplishing their designs and purposes through lawless methods. There is one thing that the laboring man contends he has a right to do, and which I presume no one in this country would deny him the right to do, and that is to strike, to quit work. The difficulty has been, and the experience which we have had in many States is, that those in power do not wait until there is such actual demonstration of lawlessness as to necessitate the calling out of the State militia; but it has come to be the practice—and it is growing more and more so each year—that immediately upon a strike being called a military force, so near at hand and so ready to be used, is called in for the assumed purpose of maintaining law and order; and time and time again the lawlessness began when the military force was called into action. Now, I would be far from defending lawlessness, but I maintain laborers have a right to quit work. And, moreover, I contend that if they be guilty of lawlessness they are to be tried and acquitted or convicted according to the established law of the land and in the common-law courts of the country, and not by improvised court-martial tribunals. It is not a question of lawlessness against which we are all arrayed, but a question of whether, if lawlessness does occur, the guilty ones shall be proceeded against according to the spirit of our institutions or the spirit of military despotism.

The second question is, Will not the Regular Army be called into service in the matter ultimately? Undoubtedly that may be true, but the Regular Army will not be called into service in such cases in such a way or with such readiness as the State militia has been called. There must be a distinct showing upon the part of the governor of the State, the State authorities, that the State authorities as such, their sheriffs and their deputy sheriffs and the forces of the State represented by the civil authorities, have failed to maintained law and order; and when that showing is made, then the President must pass upon the question of whether or not the showing is sufficient, and it is very rare indeed that the Regular Army is called into action in any instance in these cases except where there is unquestionably an absolute necessity for it. And in no instance has the Regular Army improvised court-martial and tried the civilians. The Regular Army polices the situation.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator?

Mr. BORAH. I yield to the Senator.

Mr. CHAMBERLAIN. I want to call the Senator's attention to section 54 of this bill, in view of the fact that the Senator has expressed it as his opinion that there is no place in this bill for the laboring man or for those who are opposed to the National Guard. If the Senator will analyze that section, he will find that under the powers therein conferred the President can organize the force there provided for almost as efficiently as was done under section 56 as it was originally drawn. So it will be seen there is provision for all of those to enlist in the volunteer force for instruction and training, and their transportation and uniforms are all paid for by the Government of the United States.

Mr. BORAH. The Senator is much more familiar with the details of this bill than I am. I have only had since yesterday to study the report.

Mr. LEE of Maryland. I will ask the Senator whether they get any pay?

Mr. CHAMBERLAIN. No.

Mr. BORAH. I am exceedingly glad to know that there is some provision in the bill which looks in the direction the Senator says; but, as I have understood it, section 56 and all kindred principles had been eliminated from the bill.

Mr. CHAMBERLAIN. I will say to the Senator that section 56 was eliminated in conference from the bill. That section provided for the organization of a volunteer force, under the volunteer act of 1914, which could be used only in time of war. We made it applicable under the Senate bill in time of peace. But in eliminating that section we agreed upon a plan which was submitted to the House by those who wanted to organize a volunteer force for the purpose of training, and strengthened it by not only paying their transportation but by giving them uniforms and subsistence, so that it does not differ very essentially from section 56 in many of its particulars.

Mr. BRANDEGEE. Mr. President, let me ask the Senator from Oregon a question. He does not claim that under section 54 there is any chance for anybody to enlist in any way and become a part of the Army of the United States, does he?

Mr. CHAMBERLAIN. I think so. I will call the Senator's attention to it, if the Senator from Idaho will pardon me just a moment. The Senator will notice that in the very first part of the section it provides that—

> The Secretary of War is hereby authorized to maintain, upon military reservations * * * camps for the military instruction * * * of such citizens as may be selected for such instruction and training upon their application and under such terms of enlistment and regulations as may be prescribed by the Secretary of War.

So it does seem to me that the Secretary of War could prescribe the same terms of enlistment and the same terms of discharge and practically organize that as a volunteer force.

Mr. BRANDEGEE. But, Mr. President, does the Senator claim that they are then enlisted as enlisted men in the Regular Army of the United States and subject to be ordered out of the

country, because they enlist to go to one of these training camps for military instruction?

Mr. CHAMBERLAIN. I would not like to say what construction would be placed upon it by the authorities; but I believe that with the power that is given under that section these men could be, to all intents and purposes, enlisted in the Regular Army.

Mr. BRANDEGEE. If the Senator will pardon me, of course I will agree with the Senator from Oregon that under section 54, if the Secretary of War prescribes that nobody shall attend one of these training camps unless he does regularly enlist as a soldier of the United States and become a part of the Regular Army, then the Secretary of War can increase the Regular Army indefinitely by mere regulations; but it had never occurred to me, in the casual reading I have given that section, that that was the intention of the conference committee.

Mr. CHAMBERLAIN. The Senator from Mississippi [Mr. WILLIAMS] suggests that I used the words "Regular Army." I ought not to have said "enlisted in the Regular Army," but "enlisted in the volunteer force," practically as was provided under section 56.

Mr. BRANDEGEE. Does the Senator mean that the man who goes to one of these training camps for a month or two during the summer to get some knowledge of military tactics, as they did at the Plattsburg Camps, is then enlisted in the volunteer forces of the United States and occupies the same status that he would if section 56 had passed, which provided that the act of April 25, 1914, should apply in times of peace as well as in times of war?

Mr. CHAMBERLAIN. I am not prepared to say, Mr. President, just what the effect of that would be, but I am inclined to think that by putting restrictions around this provision, as the President is authorized to do, it can be made almost as effective as section 56 under the former bill.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER (Mr. HUSTING in the chair). Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I yield.

Mr. NEWLANDS. I call the attention of the Senator from Connecticut and the Senator from Oregon to the fact that these camps are organized for instruction and training and not for service, and that the enlistment referred to seems to be for instruction and training and not for actual service.

Mr. BORAH. Mr. President, the discussion leads me to conclude that I was not greatly in error in the inferences which I had drawn from the provisions of the bill as reported by the conference committee. But my objection to this whole proposition of federalizing the National Guard is not to be confined to such objection as I have just made. I think there is a more profound and far-reaching question involved in it, and it seems to me much more extensive in its bearings than we have yet been willing to concede. I feel now that it is more far-reaching than we are permitted to concede. There is an exterior restraint about this whole matter that is repulsive to contemplate.

I called attention the other day to the tendency in this country during the last 10 or 15 years to call into service upon the slightest excuse the State militia or the National Guard in these strike matters, matters which generally have been heretofore settled without the interference of military authority. I called attention to the tendency which had developed of late years, and especially since we had undertaken in a measure to Federalize the National Guard some 8 or 10 years ago. The military force is there; the military organization is at hand; and it has seemed to me that by reason of its readiness and nearness at hand the governors of the States have developed a marked tendency toward calling them into the service, supplanting the civil authorities and taking the place of the civil courts and the civil forces, without in many instances any reasonable justification at all.

I am not again going to review those instances; but I do want to call the attention of the Senate, and especially the attention of the Senator from Maryland [Mr. LEE]—who is so thoroughly in earnest, and no doubt conscientiously of the belief that this is a proper measure—to the fact that I am familiar with one instance in which the State militia was called into action, wherein it was found, after they had been called into action, that the captains and lieutenants and colonels and officers of the guard were practically all upon the pay roll and in the employ of the companies against which the strike was proceeding. It transpired in that instance that practically the entire control of the State militia was a part of the employment and a part of the pay roll of the corporations against which the laboring men were making their contention. It resulted in one of the most disgraceful episodes that has characterized this entire matter from the beginning. It naturally followed that it would be so, because those who were interested financially, with their prejudices and their interests aroused, were the parties who, under military organization and military authority, had the right to act as otherwise they would not have had.

Since we discussed this matter a few days ago, other incidents illustrating this tendency have arisen. In one State, upon what seemed to me very slight provocation, the State militia was called into action again. It is true that they did not proceed so far as to wholly supplant the civil authorities or the civil courts; but it discloses how ready we are in these days to revert back to the use of absolute power when the instrumentalities of absolute power are so near at hand and so easily called into action.

I also called attention in the recent debate to some precedents in English history as to this struggle against the use of arbitrary power and the supplanting of the civil authorities and the civil courts by military trials and military tribunals. I referred to the historic incident far back in 1322, when the Earl of Lancaster was arrested at the head of his troops, court-martialed, and executed, and that after his execution the members of the court-martial, the officers who composed it, were tried by the English courts and executed for murder. The Parliament, upon that occasion, declared that when the civil courts were open the realm was at peace, and there could be no justification for invoking the military authority and trying men through court-martial proceedings. I refer to other instances now, to refresh our memories as to how rigidly in these past years that nation has enforced the subordination of the military to the civil authorities. In 1782 Joseph Wall, governor of the British colony in Africa in command of troops, suspecting a mutiny, caused one Armstrong to be stripped, tied to the wheel of an artillery carriage and whipped with a rope. Armstrong died because of his injuries. Afterwards Wall was tried for murder in the courts of England. Some of the greatest of English jurists presided at Wall's trial, and it was held that he was guilty, notwithstanding the fact that he claimed that mutiny prevailed, that rebellion was in progress, that the laws were defied, and that the only method by which he could summarily administer justice was through his arbitrary punishment by military methods. But the court rejected his plea and held him responsible.

Alfred the Great, that marvel of intellectual power and indomitable courage, far back in the history of England, caused to be executed 44 judges because they denied his subjects a trial by jury. It is now nearly a thousand years, until very late, since anyone with success undertook to deny a man the right of trial by jury in England.

Strafford, when lord lieutenant of Ireland, caused Staremont to be tried by court-martial and put to death. His plea was insurrection, rebellion, necessity, and self-preservation. But this was one of the things for which Strafford was afterwards tried, condemned, and executed as a traitor to the institutions of his country.

Lord Brougham, in discussing the validity of the trial before a court-martial in British Guiana in 1824, said:

> No such thing as martial law is recognized in Great Britain, and courts founded on proclamation of martial law are wholly unknown.

In view of these precedents and of this long, noble struggle against arbitrary power, with what profound regret we read of these midnight judgments of the court-martial sitting at Dublin. It was a surprise, it was a shock to see this flagrant use of arbitrary power—this indiscreet, short-sighted, unnecessary use of the tyrant's court. It was in violation of England's best and noblest traditions, in contravention to the great, underlying principles of her venerable institutions, and in defiance of sound statesmanship and the higher concepts of a Christian civilization.

It is no part of our concern as to the punishment other nations administer to those who offend against their peace. Certainly we would not assume to sit in judgment upon the action of the established tribunals of other nations. But it was supposed, sir, that certain great principles for the determining of guilt and the administering of punishment had through these long struggles of the human family been established. It was therefore discouraging to see a great nation relapsing into the practice of the most absolute of Governments. It was unwise, it was unjust, it was a distinct retrogression of six centuries. It was a deed of folly. It was a stupendous blunder. It will compromise England's good name more than the story of the Dardanelles or any other misfortune of this war. It insures to England countless generations of hatred. And it all serves to warn us how difficult it is to establish the great principles of justice and humanity, how arduous is the task of building up institutions which will administer the established law to all alike. And, moreover, how easy it is, how very easy after great principles, through long sacrifice and time, are established and

great institutions of justice are built up to destroy them and tear them down in a single night. Verily has it been said that eternal vigilance is the price of liberty.

I am warned by these regrettable and unhappy instances, both those which have transpired in our own country during the last few years and those which have occurred of late in England—two great English-speaking nations devoted to representative Government, devoted to principles which the saints of liberty have sacrificed and died to establish—I am warned, I say, how easy it is to relapse and hasten on the back track to the old, brutal, cowardly, cruel days of arbitrary power. I do not want to take any further steps in that direction. I do not want a tremendous organization actuated by the spirit of militarism, on the one hand, and conscious of its political power on the other combining both for every emergency in its own interest fastened upon the taxpayers of this country. I want to know before I take the first steps where the last steps are going to lead. Arbitrary power is the besetting sin of all nations. It seems to be in the blood, and though for years it may not reveal itself, upon some untoward occasion it breaks out, as it has in Dublin, in all its hideous, repulsive, and hellish deformity. I do not want to feed this spirit. I do not want under the guise of preparedness to foster the feeling of contempt for civil government and civil courts which has been manifested so much of late. It is easy to have a Republic in name and have a despotism in fact, and where men are tried in times of peace and while the civil courts are open by military authority we have in fact a despotism under whatever name it may pass among men.

Let me here, so appropriate at this point, call your attention to a minority report upon this very subject which was filed in another branch of Congress no more than four years ago. I call attention to it, not for the purpose of involving anyone in a contradictory position, but because it contains, in my judgment, such sound principles that it ought to apply to any party or any administration and have weight in any legislative body.

You will remember that in 1912 we had before Congress what was then called the militia-pay bill, much less important than this in its aspect and in its largeness and in its comprehensiveness. Upon that a minority report was filed in the House of Representatives. This report, representing the views of the party now in power, says:

> The proponents of the measure estimate that the amounts to be paid under it annually to each militiaman will range from $100 to $360 for officers and from $45 to $225 for enlisted men; also that, with existing militia organizations recruited only to the minimum prescribed strength, the total annual expenditure for militia pay may be $9,234,729, which, added to the more than $5,000,000 that the advocates of the measure say is the present annual cost of the militia to the United States, will entail upon the General Government a total annual expenditure of between $14,000,000 and $15,000,000 for militia purposes.

Four years ago the ambition of those who represented the militia and the National Guard was content with an expenditure of from fourteen to fifteen million dollars a year. This report very properly says that if that amount is expended, it will be but a short time until it is trebled or quadrupled. Now, within the space of some three and a half or four years we have not only enlarged very much the pay of officers, but we have enlarged the total expenditure to a point where it runs from somewhere about forty-five million to sixty-five million dollars a year.

This report further says:

> And this will be the cost at the very beginning of the operation of the proposed law, and it affords no indication as to the enormous increase that will inevitably occur later by reason of the increase in militia strength, which it is the plain purpose of the pending measure to bring about, and which can and will be brought about without any additional legislation whatever by Congress if this bill shall pass.
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> Childish must be the credulity of him who can bring himself to believe that the militia will rest content "with any such reward or compensation" as that proposed by the pending bill, or that, if the bill becomes a law, Congress can successfully resist the tremendous pressure that will certainly be brought to bear upon it for more and more legislation of the same kind. The appetite for pabulum from the Public Treasury grows by what it feeds on, and so does the political strength of the possessor of such an appetite if that possessor happens to be an organizable body of men with widespread political and social affiliations.

I think, Mr. President, regardless of who the author was, or where it came from, that that must appeal to the judgment and the good sense of every man in the Senate. When you have an organized or an organizable body whose strength is accentuated by reason of its additional pay from the National Treasury, whose strength is accentuated by reason of its political influence, aside from its military influence, there is no limit to the demands which it may ultimately make. And when we reflect on what 125,000 men have already done in the way of molding public sentiment and public opinion, we can form some crude estimate of what 425,000 or 500,000 or a million men may do in the politics of the country in the future.

Again, this report says:

> What may be expected of a widespread military organization, such as the Organized Militia, composed, as it is, of active, intelligent, and aggressive young men, every one of whom is a voter fully alive to his own interest and that of the organization to which he belongs and all of whom have such business or social relations as to make their combined influence very formidable politically? They are fully conscious of their power even now, and their representatives who, in support of the pending bill, have appeared before committees of Congress and have approached individual Senators and Members have presented and pressed their arguments in a confident and aggressive manner.
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> If this bill becomes a law it will confirm them in their estimate of the political strength of their present organization and will encourage them to use it in support of the many demands that they will surely make for further legislation by Congress in their behalf, and their power to back up their demands will increase pari passu with the great increase in their numerical strength that it is the evident purpose of this bill to bring about, and it will undoubtedly take place under it, should it become a law.
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> The gift of prophecy is not needed to foretell the nature of the demands that will be made upon Congress for additional militia legislation if this bill is passed. First and foremost there will be insistent and persistent demands for more pay for officers and men, and every demand of this kind that is made will be followed sooner or later by others of the same kind, each being based upon the assertion, doubtless correct, that the constantly advancing standard of requirements of members of the Organized Militia compels officers and men to give more and more of their time to their military duties and less and less of it to their ordinary vocations. Then will come the demand, already voiced in some quarters, that the General Government shall assume the very great expense of furnishing and maintaining horses for Cavalry and Field Artillery and shall relieve the States of other and greater burdens, notably those of providing and maintaining armories, target ranges, drill, encampment, and maneuver grounds, and other necessary facilities, all of which but few, if any, of the States are able or willing even now to furnish to the extent of meeting the urgent needs of the present relatively small militia force, and all of which they will surely be far less able and far more unwilling to furnish to the extent required by the greatly increased force to which the door is opened by the pending bill.
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> Our population of more than 90,000,000 people will easily permit the expansion of our militia to more than a million men. With the same ratio of expense per man that this bill and existing laws permit the annual cost to the taxpayers would be $116,000,000. An officer of the National Guard has been heard to say that in a few years the yearly cost for maintaining the militia will be $100,000,000, and after making that statement he added, "But what of it?"
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> As the militia increases in numerical strength, so also will increase its power to influence the policy and legislation of the various States as well as of the Nation. It may be confidently expected that after it has been found that the General Government can be induced to bear an additional share of the burden of supporting the militia the States will not only shape their policy and legislation with a view to inducing or compelling the United States to shoulder more and more of that burden, but will actively support their militiamen in concerted efforts to obtain for themselves, at the expense of the General Government, more and more benefits in the shape of pay, allowances, quarters, retired pay, and pensions, all gradually approaching and perhaps finally equaling those allowed to officers and enlisted men of the Regular Army.

I quote further from this well-drafted report. It is even more applicable now than then, for subsequent events have justified the gravest fears then entertained.

> The minority making this report is convinced that the legislation proposed by the pending bill is not only unwise but that it is dangerous in the extreme. Rather than enter upon a legislative course that will inevitably entail upon the General Government an enormous expense, which may be found in dire emergency to have been wasted, a course that will surely lead to the creation of a great military force that will become so powerful politically that Congress will be no more able to resist its demands than it has been to resist the demands of the far less compactly organized and manageable army of pension applicants and their friends, this minority would favor a reasonable increase of the Regular Army, leaving the States to maintain their own troops in their own way and at their own expense, without any aid whatever from the United States. Objectionable as such an increase of the Regular Army would be, it would have the merit of assuring us the possession of an armed force that in time of war would by its persistent training be worth all of its cost, which undoubtedly would be cheaper in the end than the cost of the great semimilitary, semicivil organization, wielding tremendous political power, that will grow up as surely as the sun will rise and set if the course of legislation outlined by the pending bill is once entered upon.
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> It now costs more than a thousand million dollars a year to support the Federal Government. Measures are pending before Congress, or being investigated by committees, which if approved will add hundreds of millions to the annual toll exacted from the taxpayer. Very few, if any, will cost more than the "militia-pay bill." None will cost more than the "militia-pay bill" if it shall develop as there is every reason to expect it will develop in a few years.

And there is more, discussing the different features of this proposed military organization four years ago. In so far as the writer undertook to prophesy or foretell what would take place, he has proven himself to be entirely accurate. He foresaw, reading well human nature, precisely what would happen. Give some power, and more will inevitably be asked. The writer was convinced they would not long be satisfied with $15,000,000 a year, and he was right, for in four years their demands have gone up to from forty-five to sixty-five or seventy millions a year, increasing four and five times the original demand. It has been stated since this debate began that our militia should be increased to a million men, which would make the burden upon the taxpayers at least $150,000,000 a year. Before men in this Con-

gress retire from public life the demands will be made, and will be acceded to, even though perfect peace should prevail, to increase the appropriation to one hundred and fifty million a year.

This is in no sense, of course, a party question. There are men on this side of the Chamber just as enthusiastic in the support of this proposition as upon that side of the Chamber, and it can in no sense be a party question; but it is a governmental question. It is a political question. It is an exceedingly important proposition for us to consider as a people. Do we want to take permanently the step of placing some 425,000 men upon the national pay roll? Do we want to organize and enlist them and connect them with the National Treasury under the guise of preparedness and leave them as such a tremendous organization to spend one hour at drill and two hours in politics, as I shall later show?

So long as they are under the control of the States, so long as the States must provide for them, must pay them, and meet their expenses, the States can control them and keep them within reasonable limits and bounds. But when you place above and over them a greater power, a power to which they can appeal, and give them the influence which they have as an organized body of men, you are taking a step which, in my judgment, will be far more detrimental in the final result of things than will possibly come from any invading army of a foreign foe.

There is now but one kind of militarism to be feared in this country. The militarism of the standing army is in my judgment not nearly so serious as the militarism in Congress through the avenue of politics and which dominates legislation through its presence here in the Capital. There can be only one kind of militarism in our Republic, and that is the militarism which arises by reason of the combination of the military power and the political power. Men who are organizing as a military force but exercise their influence under their organization as a political force constitute the greater menace to our institutions. I have less fear of a standing army because the people are braced through inherited prejudices and beliefs, they are on their guard against it; but when you take an organization organized for military purposes and at the same time active through political channels and for political purposes, it becomes an organization subject to the direction and control of the political general who may best mobilize the forces. It is not the military general who will organize these military forces but the political general.

The old form of militarism, the man on horseback, the crossing of the Rubicon, the coup d'etat—these things are ancient and out of style and wholly behind the times. There is a more modern, a more subtle, a less risky, and less suspected method by which modern militarism under the guise of law and order, as in West Virginia, supplants the courts and tears down the guarantees of personal liberty. It subordinates the civil to the military authority as happened in the New York convention when the influence of the State militia defeated the proposed provision to the constitution providing a jury trial for civilians when the courts were open. Modern militarism dictates from the gallery here through its persistent and well-organized lobby what appropriations shall be made in its interest and on its behalf. It sends its generals and lieutenants here to the Capital, whose business it is to notify the constituents of each Senator and Congressman that their representatives assume some views of their own which are to be shortly and adequately changed. Why should men adopt the old method and risk life in an effort to subjugate a government or a country to their will when they can effectuate their purposes, fix the amount of the appropriation and shape the laws, set at defiance the courts and usurp the civil authorities, and do it all under the inspiring shibboleths of law and order, preparedness, and patriotism. This measure has been shaped in its most vital parts by a military organization exerting its political influence. It is fastening upon the people an exorbitant annual tribute of from forty-five to sixty million dollars a year, a tribute which Congress left to itself would not have contemplated for a moment, for Congress knows and everyone knows that it is not preparedness but politics. These statements seem harsh but they are really within the facts, and those who can reflect upon them without some misgivings as to the future are welcome to do so.

Mr. President, there is another feature of this bill. I stated in the debate when this matter was before us that there were State militias that were efficient, well organized, and capable, but when you take the 48 States for which we are covering, and take all the State militias together, there could not be a more pronounced travesty upon military preparedness than the 48 different militias of the different States.

During the debate upon his bill a few weeks ago a distinguished gentleman sat in the gallery who was said to be a major general in the State militia and directed the political forces toward the enlargement of this particular feature of the bill. It is perfectly safe to say that a more thoroughly organized, efficient, energetic lobby has seldom been seen in the Capitol than the one which backed up the building up of this National Guard proposition and dictated the most vital portions of the bill.

The evening the Senator from Oregon [Mr. CHAMBERLAIN] brought in his bill and explained it I submitted to him a few interrogatories, not indicating how or wherein I stood with reference to the National Guard, but they scented the opposition, and the next morning when I arrived at my office I found upon my desk not only telegrams from the majors and colonels and captains of the National Guard in my far-away State, but I found there telegrams from county chairmen, from commercial clubs, and other organizations. I was urged to support that which the major had informed them that I was opposing. It so happened that the major had permitted his telegram to be published in the papers at home, so I am not guessing. There was no doubt about where it, the motive, was located—here in the Capitol.

I have no doubt at all that that same thing occurred wherever there was found to be opposition. Was that the military power of this organization or was it political influence or political power? They were using their political influence and their political power in putting up and strengthening their military power.

I am going to read some reports in order to show the condition of the militia in the State of this gentleman who sat in the gallery and conducted this campaign for national preparedness. I desire you may see that instead of being here if he was anxious to put his troops in a condition where they might be of service he had far better been at home with his militia. These reports are from the War Department, dated April 20, 1916:

APRIL 20, 1916.

From: Department commander.
To: The Adjutant General of the Army.
Subject: Inspection, Organized Militia, 1916.

1. In connection with the reports of the annual armory inspections of the following militia companies of the Florida National Guard, viz, Company I, First Infantry, Tallahassee; Company L, First Infantry, Apalachicola, I recommend that Federal recognition be withdrawn for the following reasons: Incomplete records, bad condition of rifles, unsatisfactory storage of public property, and poor showing in general efficiency.

2. Attention is invited to my remarks on the subject of records in connection with the report on Company C, Second Infantry, Florida National Guard.

Again, April 20, 1916:

It is recommended that Federal recognition of this company be withdrawn on account of deficiency in strength, lack of records, very poor condition of rifles, unsatisfactory storage of public property, shortage of equipment, and poor showing in general efficiency.

Again, April 20, 1916:

TO THE ADJUTANT GENERAL UNITED STATES ARMY:

In view of the importance of records as a means of determining whether or not Federal recognition of an organization is justified, it is believed a company showing such disregard thereof as in this case should not longer be allowed to receive Federal funds. It should be a regulation of the Division of Militia Affairs that recognition will be withdrawn from any organization which does not show complete records bearing every evidence of genuineness and reliability. Also recognition should, as a rule, be withdrawn from any organization which shows for several successive years a large percentage of change in personnel for reasons other than expiration of service.

In this company 34 men have had less than one year's service; 28 have been discharged for reasons other than expiration of service.

The carelessness about records, the lack of protection of property against fire and theft, the poor condition of the rifles, unsatisfactory storage of public property, shortage of equipment, and the rating in instruction, which is poor to fair, mark this organization as unworthy of further Federal recognition.

These are regular reports. That which I have read is not all. There are other reports, equally interesting, applying to other States in the Union.

Mr. President, let me call attention to other reports of a different nature which I have, later reports than those which I discussed here a few days ago. They are in the RECORD, but I wish to call your attention to some figures. This is a part of the expenditure of Federal money from the six to eight million dollars which we have been expending for the last 10 years.

The amount paid to major generals, $355.55. This is the 1913 report.

To brigadier generals, $5,399.99; to colonels, $5,955.53; to lieutenant colonels, $3,723.63; to majors, $12,433.31; to captains, $29,047.95; to lieutenants, $14,091.98; to second lieutenants, $8,105.55; to enlisted men, $7,013.63. In other words, the total amount paid to officers was $79,093.48. The total amount paid to enlisted men was $7,013.63.

Mr. O'GORMAN. May I ask the Senator as to the number of enlisted men who got $7,000 between them and the number of officers who got the larger amount?

Mr. BORAH. I have not that information, Senator, but I made an estimate the other day of the number of enlisted men in the militia and the number of officers, and I found that there was about one officer for every six enlisted men of the National Guard.

Mr. THOMAS. Did the Senator notice the presence of any of the enlisted men of the National Guard in the lobby here about Washington?

Mr. BORAH. No. I was going to say this: Since this discussion took place a few weeks ago I have had a vast amount of correspondence—some of it unpleasant—in regard to the National Guard; but all I have had from the enlisted men was to the effect that if their lips were not closed by their superiors they would object to this bill. The men who will bear the brunt of the fighting, if fighting be done, are not asking for this legislation. It is an officers' lobby and not a lobby upon the part of the men who will be called on to bear the heaviest burden of war.

I submit, Mr. President, that this bill ought to go back to conference. If I could, I would like to send it there and keep it there until this feature is eliminated from the bill. We could not do our country a greater service than to prevent the establishment of this precedent at this time.

Mr. President, I have said all I desire to say. I will be charged with feeling, but I have never had an unpleasant relationship with a member of a militia in any way. With many of the individual members my relationship has been altogether agreeable. I look at this matter solely from the standpoint of good government, of justice to the taxpayers, and, I confess, a jealous and anxious regard for the great underlying principles of the wisest and best Government ever organized by the mind of man.

Mr. LEE of Maryland. Mr. President, I would like to respond very briefly, because this legislation will probably be enacted in its present shape, to some of the suggestions thrown out by the Senator from Idaho [Mr. BORAH]. The criticism made by these reports against certain companies of the National Guard of Florida significantly bear a date subsequent to the time when Gen. Foster was here in the interest of the National Guard. Of course it is a mere inference that he was thus attacked in the rear, but military strategy always justifies a rear attack. These criticisms mostly appear to be of a trivial nature, and are all of a kind that can be prevented when the National Guard are given some compensation for service. Gen. Foster was here very legitimately. He is the head of the organization of the National Guard officers of the United States. It was his duty to be here at this session of Congress, and he did his duty well. I am not willing to listen to indefinite and unjust criticism of these officers of the National Guard without resenting it, because, in my humble judgment, there is no more patriotic class of men in the United States than the officers of the National Guard. They deserve the thanks and gratitude of the country for long and faithful service, the cost of which they have largely borne themselves, rather than the condemnation of any citizen or of the able Senator from Idaho.

There is hardly one of these guard officers who has not lost by his association with the National Guard hundreds of dollars by reason of the expenses to which he is subjected, and the pay provided for them in this bill is scarcely enough money to compensate them for the expenses they are subjected to, not to mention their actual loss of time. These officers and these men have endured this loss for years, and they now come here, to the Legislature of the Nation, asking that they be relieved from loss for the future.

Mr. President, the other day some Member of this body praised the militia under Gen. Jackson, who so signally defeated the English at New Orleans, praised "the backwoods rabble," that was the term used before the fight by the English officers in describing Jackson's men, who in numbers only—5,000—defeated 15,000 regular British troops, these American militia accomplishing a complete victory by the use of arms of precision—that is to say, accurately firing the rifle—for the first time on a field of battle in the history of the human race. There was the beginning of a new form of tactics, the use of arms of precision on the battle field, and so great was the confidence which Jackson had in the capacity of his men to use their arms with precision that he caused the artillery to stop firing when the British were still beyond the range of the rifles, in order that the damp, heavy air of that morning should not hold on the field the powder smoke of cannon and interfere with his men using accurately the rifles with which their commander believed them capable of inflicting destruction upon an enemy.

Mr. President, that "backwoods rabble," so called by the British, were for the most part disciplined militia, and they inflicted an unparalleled defeat upon the most highly organized troops of Europe of that time. A dozen Americans were killed and wounded. The English losses were over 3,000.

But it did so happen that on the other side of the Mississippi River a small group of the American militia, the least disciplined and poorest armed, were met by a larger number of British, some thousand British sailors, marines, and infantry, under the command of Capt. or Col. Thornton, against about 700 militia from Kentucky and Louisiana. Gen. Jackson had to use his best and largest forces against the main body of his enemy.

I think it was the Senator from Idaho who, when the great victory of Jackson's militia army was praised here the other day, commented upon this side affair, the slow retreat or withdrawal of this small body of militia on the other side of the Mississippi, as practically showing that militia are unreliable under general circumstances and as neutralizing the glorious record of the militia under Jackson in the main battle. I can not help on this occasion to call the attention of the Senate to the fact that the way in which those 700 men on the other side of the river had been handled and the way they came to New Orleans was an exact illustration of just what the Senator from Idaho wants to have go on in the history of this country. Those 700 militia were mostly a part of the Kentucky Militia, that had been brought down the Mississippi River in flatboats not long before the battle. They were brought down there without any guns in their hands at all, and when they got to New Orleans they were furnished with some old Spanish fowling pieces, known as escopetas, without bayonets, and, as one of the historians says, these escopetas were little better than good, heavy clubs in the hands of the stalwart Kentuckians.

Those men were brought to New Orleans unarmed, and with these old guns, these obsolete weapons, in their hands, they were sent out to face the best-trained troops from Europe, and, though they did retreat from one position to another, they inflicted a loss of 100 killed and wounded upon the British, with only some 20 killed and wounded on their side, and they finally took a position from which it would have been very difficult to dislodge them. The great main victory of the American troops, who were armed with rifles, ended this minor engagement.

The Senator from Idaho, if I remember correctly, considered that incident as an illustration of how unreliable militia are. It is quite the contrary, Mr. President. It shows, in my judgment, that the American citizen can be made a soldier very rapidly if Congress gives him a fair chance. The disciplined militia under Jackson overthrew three times their number of regular troops, and revolutionized the military tactics of Europe. The militia who partly failed at New Orleans had their arms given to them after they arrived on the scene of conflict, and they are now reviled, 100 years afterwards, in the United States Senate because they were not fully successful against a superior number of well-armed English troops, who had bayonets on their guns, and were superior enough in numbers to turn the flank of the poorly armed and smaller force. This is a wonderful illustration, Mr. President, of the attitude and policy of some Members of this body toward the militia of the United States.

The officers who represent the National Guard of the United States who have been here giving their time and attention to this important feature of preparedness have been called a lobby. Any man can be called a lobbyist who writes or speaks to a Member of Congress. The real trouble is with the mental attitude of the critic who seeks to smother all argument by applying the offensive epithet of lobbyist to citizen soldiers who come here properly to advise Congress on a subject as to which these soldiers are qualified to speak.

These men are practically without pay. They have served with loss through years and years. When this organization upon which they have labored so long has at last got a chance to be recognized and put upon a more efficient basis for national defense, they naturally and properly and patriotically come here and criticized this bill from the standpoint of their knowledge of the military needs of the country.

I may say right here, Mr. President, that in their criticisms, and I have heard at least half a dozen of them talking to members of the committee on one occasion, they were as broad, as patriotic, and as wise from a military standpoint as any other witness before your committees. Their testimony, from the standpoint of military knowledge and practical suggestions, compares favorably with that of the Regular Army officers.

I may say, Mr. President, we have gotten to a very strange pass in the affairs of this country when regular officers can be heard here without the suggestion of criticism; yet, when the men who have been working for years for the country without pay, and who have raised an Army and disciplined an Army 30 per cent larger than the regular officers, with all their pay have been able to get together—when those men come here and put up an argument for the benefit of their country and

the great organization upon which they have labored so long and so disinterestedly, that they should be criticized and called a lobby. It was highly proper that both sets of officers should testify and advise Congress.

Mr. President, I submit that this attitude of denunciation and for the suppression of facts and argument at so great a national crisis, the attitude of many of the newspaper men of this country, which seems to be against the National Guard, shows that there is something behind this whole business from a centralization standpoint which is unhealthy for the future of the country. I congratulate the Senate and the House for showing their discipline and for standing up for the citizen soldiery of George Washington and the Constitution.

The Senator from Idaho just now spoke of the danger to this country of a combination of military force and political force. He said that led to and would be equal to despotism. There is some truth in his suggestion. But a President of the United States can represent political force and with an army of 500,000 centralized troops under him might be said to represent military force. The result would represent such despotism as might suit the individual President and his occasion. Congress has preferred to follow in this law the balance and suggestions of the Constitution and the teachings of Gen. Washington.

The Senator from Idaho can only see the danger of coming despotism when it comes through the local governments of this country. Mr. President, despotism is much less likely to come through the 48 local governments than it is to come through the one great National Government. Anyone concerned as to the probabilities of despotism in the United States, the probabilities of a coup d'état in this country, must realize, and realize inevitably, that if there is any such danger to the American people that danger must spring from the power of one man over a military organization that will obey any order regardless of what that order may be.

The Senator from Idaho the other day, in commenting upon this very bill, quoted from some of Mr. Hamilton's expressions, in the twenty-ninth article, I believe, of the Federalist, and there he found what to my mind appears to be the sheet anchor of safety to the free institutions of this country in developing a great military power for the protection of the country against foreign invasion. The Senator from Idaho then called attention to the fact that Alexander Hamilton himself conceded that the States had left to them two powers over the militia under the Constitution of the United States, namely, the appointing of officers and the training of the troops through the agency of the officers, and that seems to have been the element of safety against national despotism that Hamilton may be said to have conceded to the school of Jefferson. When we have the Hamiltonian and Jeffersonian ideas agreeing on a general proposition, I think both the Republican and Democratic Parties may get together on it also, and feel that the country is fairly safe.

But, strange as it may be, there were Democrats on this side of the Chamber who, when we came to the question of the old section 56—the Volunteer Army in time of peace—were willing to leave in the hands of any President power over a trained and disciplined and centralized army of 500,000 men, and were apparently indifferent as to the militia, the balancing force of the Constitution. These Democrats were not apparently willing to let the States of this country have the protection for their rights that Alexander Hamilton was willing to concede against centralization and to local self-government.

I agree with the Senator from Idaho [Mr. BORAH] in one thing. I am inclined to think that this country is in as great danger of possible attack upon its free institutions from the inside as is the danger of attack from without, and certainly both dangers must be guarded against in any sane form of preparedness.

The power of a trained soldier to-day as compared with the power of a trained soldier in the days of the Revolution is tenfold greater. The instrumentalities of war have become so complex, have become so destructive that an equipped and disciplined army of 100,000 men to-day, in my humble judgment, has the power of subduing an unarmed male population of ten times that number. Mr. President, when Gen. Emory Upton, who wrote that famous book on the Military Policy of the United States, was considering this very question, he laid down the limits of the size of the National Army in this country, consistent with the safety of our institutions, as 100,000 men for our present population. He fixed this proportion at a time when the arms in the hands of a disciplined soldier were, comparatively, not one-fifth so effective as are the arms in his hands to-day.

Mr. President, I believe that this bill as it is agreed upon with reference to the National Guard is, for the first time in the history of this country, a commensurate and proper step taken toward the arming, organizing, and the disciplining of the militia of the several States under Federal authority, and I believe that it is a safe step, a step in the right direction. It is no more dangerous, Mr. President, to put the power of the rifle and the bayonet in the hands of an American citizen than it is to put the power of the ballot in the hands of an average American citizen. It is a fair inference, Mr. President, that the men in this body, the men elsewhere who have control of the newspapers in their attack upon the National Guard of the country, really are of the type who do not want either the power of the ballot or the power of the bayonet to be in the hands of the average American citizen.

Mr. President, I inquired of the Senator from Massachusetts [Mr. LODGE] just now what kind of opportunity the young man desiring to do his duty as a patriot to this country and as a soldier for the protection of the country, could desire better than that which is afforded him now by this bill in connection with service in the National Guard, and the Senator from Massachusetts suggested that organized labor would not be able to become members of the National Guard. The Senator from Idaho [Mr. BORAH] indicated that that is by reason of prejudice, but I do not believe, Mr. President, that organized labor in this country is blindly prejudiced against the instrumentalities of law and order. I believe that organized labor, no matter what may be their present views or their experience from an abuse of local military power, no matter what may be the views of organized labor in the Senator's own State—and he has doubtless heard from it—in a short time, thinking this thing over, by and large, organized labor will come to the conclusion that any possible danger of despotism is from a great army, under the control of one central power, and not from the National Guard of the several States.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Maryland yield to the Senator from Idaho?

Mr. LEE of Maryland. Certainly; with pleasure, Mr. President.

Mr. BORAH. The Senator from Maryland says that the Senator from Idaho doubtless has heard from union labor in his State upon this subject. In order that those who are absent may not be unjustly commented on, I wish to say that I have never heard a word from them on this subject. So far as the people of my State are concerned, I think I know how they feel upon it. They undoubtedly feel upon it like all members of union labor, but they have not communicated with me in reference to this bill in any way, shape, or form.

Mr. LEE of Maryland. Then, perhaps, it was not necessary for them to communicate with the Senator from Idaho.

Mr. BORAH. No; because I think I have my own mind about these things, which people outside do not control.

Mr. LEE of Maryland. Mr. President, recurring to the possibility of union labor becoming a part of a volunteer army under the original section 56 of the bill, which the Senator from Massachusetts just now suggested as an argument in favor of that section, that plan provided for volunteers in time of peace being raised by the Federal authority, receiving the pay of the private soldiers of the Regular Army, and giving up their local employment and their family obligations for a period of not less than two or three months. For any man to suggest that labor of any kind could leave its home and its occupation and income and could become a part of this Federal volunteer system for from 30 to 60 days, would imply very little idea, I respectfully submit, of the present or average income of the labor of this country and of the duty of such men to their families and to themselves. The very last element in this country that can be found willing to go to a camp in the summer for from 30 to 60 days is the element that is dependent for its livelihood upon its daily labor.

There must be some other objection to the National Guard, or to the citizen soldiery, lurking within the minds of the gentlemen who are willing to add, by hook or by crook, as much power as they can to the military system under the control of the Central Government of the United States. My humble judgment, Mr. President, is that in connection with this bill we have had show itself in this country, show itself through the press, show itself here in this Senate, some of the old-time conflict between centralization and State rights; and the friends of centralization have shown that they have no respect for the fair and humane balances of the Federal Constitution.

Mr. President, when Alexander Hamilton was willing to concede that the power of the States to appoint the National Guard officers and to train the State troops was a proper power, from the standpoint of the balance between the States and the Union, I think that there should certainly be no objection from our side, the Democratic side, of the Senate to creating a defensive force in this country, which would be safe from the standpoint of internal revolution, and not open to any doubts upon the question of overthrowing the power of local self-government.

The balance of the Constitution, Mr. President, is a very vital thing in this day. It is a very great inspiration that has expressed itself in our Constitution for preserving peace between the warring elements of mankind. To appreciate that we have but to look upon what is going on in Europe, where they have no constitution governing the several countries of the European Continent for the settlement of any serious question that may come up between them, where they have but one way of settling great questions between nations, and that is by killing men. After diplomacy has ceased to exercise its power, there is nothing left for them but war and force to bring about a definite result; yet here in this country we have this great national system under our Constitution of settling all questions by discussion, deliberation, and voting.

I know there are some cynics who say, "What is the Constitution between friends?" Whatever they may think about the usefulness of the Constitution as "between friends," the Constitution is of absolutely vital importance as between possible enemies. It has a way of settling the greatest difficulties that can arise between elements of the human family by discussion, deliberation, and voting, and it represents the highest attainment of the human race in the direction of permanent peace between the nations or States of our continent.

Under those circumstances I am glad that this bill respects, to the extent it does, the balance between the States and the National Government. I think the Senate and the House of Representatives are to be congratulated upon it. At this time, when we see the National Guard of Massachusetts, of New Jersey, and of New York—essential, as the Senator from Massachusetts has just admitted, to the proper protection of those States at this moment—and when we see the National Guard of three States upon the borders of Mexico, being summoned by the President and the national authorities to the protection of that section, I think the very conditions of our time show us that this body of citizen soldiery has been pretty well developed, even though Congress has not done all that it might have done for them.

Reverting now to a detail, I noticed in the criticisms of the National Guard of Florida, which the Senator from Idaho has put into the RECORD, complaint that the personnel of the companies was changing; that company commanders were accused of being unable to keep the run of some of the equipment that was put into the hands of the State troops. I am willing to aver, without fear of contradiction, that the most gifted officer who was ever graduated from West Point could not have maintained a company or a regiment without pay. When there is no pay, any lost article of clothing or equipment can not be exacted of the soldier who has not a single dollar coming to him to set the value of that property off against. It is cruel, indeed, to criticize the men and officers of the National Guard who have made good such inevitable losses out of their own money. Property loss and changing membership are unavoidable under the conditions Congress has imposed on the National Guard, yet that body has persisted and exists to-day 134,000 strong for the safety of the country and to the great credit of the men and officers who thus serve the Nation and the States.

The officers' appeal has been made to the patriotism of the men to become a part of the militia of the country; it was a voluntary association for patriotic purposes; and whenever it failed it was simply a failure of unpaid patriotism, and should not be commented upon disrespectfully by any Senator who has refused through long membership here to give proper compensation to these men for the time they have devoted to this patriotic purpose.

These citizen soldiers in Florida are experiencing what the unarmed part of the Kentucky militia experienced at New Orleans and since. It is just exactly the repetition of the lesser experience at New Orleans. "Do not arm the militia; do not clothe them; do not pay them," but when they are floated down the Mississippi River on flatboats and old Spanish escopedas are put into their hands to repel the charge of the best-equipped British infantry, then curse the militia because they were not able to withstand the charge, and keep up the cursing for 100 years.

Mr. President, I will conclude by expressing as an individual my personal appreciation and gratitude to the members and the officers of the National Guard of the United States, who, in addition to the sacrifices they have already made in behalf of the citizen soldiery of this country through long years of expense—making good their own expenses and the expenses and losses of some of the other soldiers—have added to the obligations that this country owes them by coming here to Washington and giving to Members of the Senate and of the House of Representatives, who needed it, the technical information upon military matters, that these men had and thus helping us to put in this bill the provisions that have made it for the first time in the history of the Congress of the United States a tolerably decent provision for the disciplining, organizing, and arming of the citizen soldiery of this country.

Mr. CHAMBERLAIN. Mr. President, I ask unanimous consent that at not later than half-past 4 o'clock this afternoon we vote on the conference report.

Mr. STONE. Mr. President, I have no objection to that request, but I desire to occupy the time of the Senate for a few moments.

Mr. CHAMBERLAIN. May I ask to have my request first put? I ask unanimous consent that at not later than half-past 4 o'clock we may vote on the conference report.

The PRESIDING OFFICER. The Senator from Oregon asks unanimous consent that at not later than half-past 4 o'clock——

Mr. SMOOT (to Mr. CHAMBERLAIN). That will require a roll call.

Mr. CHAMBERLAIN. I withdraw the request, Mr. President.

Mr. STONE. Mr. President, I ask to be recognized.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. STONE. Mr. President, I had intended to speak at some length on this conference report, but as it is I am going again to do what I have often done heretofore, bury in the waste basket, so to speak, practically all of the speech I had in mind to make. I think it more important that we get on with the business of the Senate than that I should make a speech expressing my personal views. My speeches are not important; the business of the Senate is.

I wish to join the Senator from Idaho [Mr. BORAH] in the just compliment he paid the Senator from Oregon [Mr. CHAMBERLAIN], chairman of the Committee on Military Affairs, on his fine management of this measure. I think he has managed it with great skill—a skill so excellent that he has accomplished results which I did not believe he could accomplish, and some of which I do not think should have been accomplished. But this only adds to my admiration of his legislative diplomacy.

Mr. President, I will be brief in what I have to say, pocketing most of what I intended to say. I do not wish to stand in the way of concluding this business and in the way of taking up what I understand to be the unfinished business—the rivers and harbors bill.

To my mind by far the most important item in this military bill is the one which makes provision for a Government plant to develop the fixation of atmospheric nitrogen. I am not going to discuss that subject or undertake to emphasize its importance as I had intended to. I think possibly that has been done sufficiently already; but the Senator from Alabama [Mr. UNDERWOOD], who has been giving a great deal of attention to that subject, and who is exceedingly well informed about it, during his remarks this morning made the statement that in times of peace the United States could for an indefinite period secure from Chile all the materials necessary for the use of the Government in the manufacture of explosives. I am not sure of that. I hold in my hand a copy of an address delivered on the second day of the present month before the National Conservation Congress, by Mr. Henry J. Pierce, of Seattle, Wash. I understand this gentleman to be a man of high scientific attainment and well prepared to speak on the subject covered by his address. I call attention to one remark made by him in that address, which I had the pleasure of listening to. He said:

> The richest nitrate beds of Chile, however—

He had been talking about the nitrate beds in Chile—

> The richest nitrate beds of Chile, however, will be practically exhausted by 1923.

Then he proceeded to enlarge upon that subject.

I call attention to this remark, assuming, without knowledge as to the extent of the Chilean deposits, that Mr. Pierce has some definite authoritative knowledge on the subject and that what he says is substantially correct. Does anyone know to the contrary? If what he says be so, it emphasizes very strongly the importance, without reference to whether we are to have peace or war, that provision should be made in this country for the manufacture of nitrates.

Mr. HARDWICK. Mr. President, will the Senator yield for a moment?

Mr. STONE. Yes.

Mr. HARDWICK. Of course that could not be true, if in point of fact the most enlightened nations of the world, such as Germany and others, have already discovered a cheaper and better process for making nitrates needed for gunpowder, and have abandoned the water-power process.

Mr. STONE. Mr. President, I heard that statement in substance and effect made this morning by the senior Senator from Massachusetts [Mr. LODGE] and I heard him make the same statement some time ago.

Mr. HARDWICK. If the Senator will allow me a further interruption, I desire to say that I read that in the magazines and it was claimed to be true. I do not know whether it is true or not, but I merely invite the Senator's attention to it.

Mr. STONE. I do not know whether it is true or not; but I heard the Senator from Alabama answer—I thought very effectively—that very statement made here some weeks ago by the Senator from Massachusetts when this bill was then before the Senate. The two Senators had a very interesting colloquy upon that subject; they debated it more or less at length. Now, I do not know what these alleged chemical processes are, nor have we been informed by anyone respecting them.

Mr. HARDWICK. If the Senator will allow me to interrupt him again, ought we not to know concerning that before we go into this business?

Mr. STONE. We hear about things and we read about things in magazines and other publications, but it often happens—and it may easily happen—that when certain people or certain interests for one reason or another desire to defeat legislation they can initiate any sort of propaganda through magazines and newspapers. Such things can be written and published, and Senators can get upon the floor, as the Senator from Massachusetts and the Senator from Georgia have done, and say, "We are informed that in Germany or in some other foreign land chemical processes have been discovered and are being developed that will put water power out of business." But, sir, I would not have our matured plans delayed, especially where such vital interests are involved, to await an uncertain development of some nebulous theory. As legislators we must deal with facts, not mere possibilities.

Mr. President, I had intended to ask leave of the Senate to print the address of Mr. Pierce, to which I have referred, as a public document.

Mr. SMOOT. It has already been printed as a public document.

Mr. STONE. I had intended to have it put in the RECORD or printed as a document, but I had abandoned the idea even before the Senator from Utah informed me it had been already printed, for the reason that I do not think, even if printed in the one way or the other, that anybody, or at least very few, would ever read it. If I thought it would be read, I would be very glad to have it reprinted in the RECORD; but believing, as I do, that few people ever read documents of this nature, however valuable, I am not much inclined to put the Government to the expense of the printing.

But, Mr. President, notwithstanding it is already a public document, I am going to ask to print at least a part of this address, incorporating it in my remarks. I wish to insert the following at this point, beginning on page 7 and continuing down to the first three lines of page 16. This covers what Mr. Pierce had to say about the production of fixed nitrogen as it may be applied in useful ways to electro fertilizers and to explosives. If I may have leave to have that printed, I will send it down to the reporters.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

PRODUCTION OF FIXED NITROGEN.

The greatest need for the development of our water powers is the imperative necessity, and it is a national necessity, that sufficient fixed nitrogen should be produced within the boundaries of the United States to meet its requirements. Nitrogen comprises four-fifths of the atmosphere and is a constituent of all organized life and tissues. It is a colorless, tasteless, odorless, gaseous, nonmetallic element. We live in it, we breathe it, we eat it, and it constitutes a portion of our human frame. It is absolutely necessary to the existence of animal and plant life. Without fixed nitrogen the earth would soon become an uninhabited, desert waste. While the atmosphere contains an exhaustless supply of nitrogen, it being estimated that 20,000,000 tons exist above each square mile of the earth's surface, yet 90 per cent of the plant life that lives in it does not absorb it, and the remaining 10 per cent absorbs but a small portion of that which it requires. The world has been dependent for most of its supplies of fixed nitrogen upon the nitrate of soda beds of Chile, where, during some convulsion of nature at some remote-past time, the soda absorbed quantities of nitrogen from the air. During 1913 the United States imported 625,000 tons of Chilean nitrates, valued at $21,000,000, upon which the Chilean export duty was 60 per cent. We thus paid to the Chilean Government $7,500,000, which may be considered merely a part of the amount which the people of the United States pay for its policy of water-power stagnation. In other words, the people of this country would be quite as well off as they now are if they granted a subsidy or bonus of $7,500,000 per annum for the establishment of the water-power nitrogen industry in the United States. In the past 30 years the export tax on nitrates has netted the Chilean Government about $500,000,000. The richest nitrate beds of Chile, however, will be practically exhausted by 1923, and were it not for the most wonderful of all modern discoveries, whereby it is now possible with the aid of electric energy to obtain a supply of fixed nitrogen from the atmosphere, the world would stand in imminent, deadly peril, the perpetuation of the human race would be endangered, and we would be in a position similar to that of a shipwrecked sailor drifting on an immense ocean of brine but dying for lack of water. It is a wonderful providence that perpetual and inexhaustible supplies of nitrogen may be obtained from the atmosphere by the use of electric energy obtained from our water powers, whose flow is also everlasting, and that thus the limited supplies of coal and other fuels laid aside by nature may be conserved for other uses. The governmental paralysis imposed seven years ago upon the development of water powers in the United States, through the restrictive interpretation of Federal laws, still continues; but that period has been one of great hydroelectric development in Europe, where over 1,200,000 water horsepower has been utilized for the extraction of nitrogen from the atmosphere, being over three times the quantity of power produced at Niagara Falls, while the United States, out of 61,000,000 horsepower, is not using a single horsepower for that purpose. Hydroelectric nitrogen plants have been established in Norway, Sweden, Germany, Australia, Italy, Switzerland, France, Spain, Japan, and Canada, but none in the United States. The nitrogen industry of Europe represents an aggregate investment of over $300,000,000, employs 50,000 people, and the annual value of its products and derivatives is upward of $220,000,000. In Germany, where practically all the water powers have been developed, a nitrogen plant is being built which will use 100,000 horsepower, to be produced from cheap coal. England is seriously considering the development of 1,000,000 water horsepower in Sweden and Iceland to provide for her future supplies of nitrogen. Thus, with a foresight that is a reproach to our intelligence and enterprise, these other countries are insuring their requirements of this great human necessity against the time when it will be no longer possible to obtain supplies from Chile. It seems incredible that nothing has been done thus far toward the establishment of the nitrogen industry in the United States.

Several years ago an effort was made to locate an atmospheric nitrogen plant upon the Coosa River in Alabama where a large water power would have been developed, and near which were ample supplies of the necessary raw materials, high-grade limestone, and cheaply mined coking coal. The plant, moreover, would have been located in the center of the cotton belt, where the most of its product would have been marketed in the form of fertilizer. As development capital could not be obtained under our restrictive Federal water-power laws, a bill was introduced in Congress to meet the requirements of the case, but failed to become a law, and as a result the plant was established at Niagara Falls, Canada, where a contract was obtained for electric energy at a low figure, and the capacity of this plant has been increased sixfold in five years. As a result the United States has lost and Canada has gained a great manufacturing institution, covering an investment of millions of dollars, and the farmers of Alabama are paying the freight on its product from Canada to their cotton fields. It is estimated that an investment of $860,000,000 would be necessary to produce mechanically from the atmosphere as much nitrogen as Chile's nitrate deposits yield every year, and this shows the enormous possibilities for the future contained in the establishment of this entirely new industry in the United States.

The two largest and most necessary uses for nitrogen are in connection with the manufacture of electrofertilizers and explosives.

ELECTROFERTILIZERS.

Seven million tons of fertilizer, valued at $170,000,000, were sold in the United States during 1913, and for its manufacture over $40,000,000 of nitrogenous and other material was imported, most of which could have been made in this country with the aid of electricity. The average amount of fertilizer used in the United States is 28 pounds per acre of cultivated lands, against 200 pounds per acre in Europe, with the following results.

Comparison of average yield per acre in bushels of crops in the United States and Europe:

| | Wheat. | Oats. | Barley. | Rye. | Potatoes. |
|---|---|---|---|---|---|
| Europe | 32 | 47 | 38 | 30 | 158 |
| United States | 15 | 29 | 25 | 16 | 96 |

In 20 years Germany has, through the use of fertilizer, increased the average of all crops three and one-half times as much per acre as America. Germany, with 70 per cent of the population of the United States, and cultivating but one-fourth the area, grows 95 per cent of the food products which she consumes.

If our use of fertilizer had been equal to one-half of that of Europe per acre in 1913, 24,000,000 tons would have been required, of the value of $580,000,000, and in the production of which 12,000,000 water horsepower must have been utilized, and the resultant increase of crop value would have exceeded $2,000,000,000.

Careful and extensive experiments made in Germany have shown that by the addition annually of 150 pounds of nitrogen per acre, crops of rye, wheat, oats, barley, and potatoes are more than doubled, and the reports of the German agricultural department show that as the result of feeding the soil with 2,000,000 tons of nitrates the increase of crops amounted to 63,000,000 tons. These figures show how important is the rôle actually played by nitrogen in the cereal production of Europe. The German farmer, who pays but one-half as much for his fertilizer as does the American farmer, practically uses his land as an agent for transforming fertilizer into product, while the American farmer tries to get products out of his starving land without feeding it sufficient plant food. The American people are falling far behind the rest of the civilized world in the most important of all human activities—the cultivation of the soil. European nations waste nothing, and in many clever ways create values out of what we discard as worthless. Our comparatively young country is wasting its resources with terrible prodigacy, as is evidenced by our using up our stores of coal and oil instead of utilizing our wasting water powers.

The crops harvested annually in the United States abstract over 1,000,000 tons of nitrogen from the soil, and, as the world's supply of combined nitrogen is increased only slowly and in small degrees by nature, the soil of farmed lands is entirely dependent upon fertilizer for replenishment of the stock of nitrogen which it gives up in its yield of crops.

At the agricultural station at Rothamsted, England, wheat has been grown year after year on the same land for 63 seasons without fertilizer, with an average crop return of 12 bushels per acre, while during 10 years the average crop on adjacent plats of ground receiving plant food each year was 40 bushels per acre.

The present method of manufacture produces a finished product containing but 12 per cent of active fertilizer and 88 per cent of utterly useless material on which freight and haulage must be paid by the farmer, whereas the electrofertilizer product contains 60 per cent of fertilizing material. By the electric process not only is nitrogen obtained from the atmosphere, but phosphate rock may now be treated by electricity, instead of sulphuric acid, for extraction of phosphoric acid.

It is estimated that fully 10,000,000,000 tons of phosphate rock containing an average value of 70 per cent is located in Idaho alone. Phosphorus is an essential constituent of flesh and blood and bone and brain. How essential it is has been clearly shown by experiments recently made by the Wisconsin experiment station. Animals fed with a ration deficient in phosphate thrived for a time and after three months collapsed. In an immature state some of them were killed and it was found that the flesh was taking the phosphate from the bone in order to supply its need. This went on until the bones were no longer able to supply phosphate to the flesh and the collapse came.

The use of fertilizer has a most intimate relation to the cost of living, which has increased in this country at a much more rapid rate than it has abroad.

The population of the world doubles in 65 years, and with increase in numbers there is an increased per capita consumption of food.

The extraordinary increase in the cost of living in the United States has been principally in the cost of food products, while other items than foods have increased at only the general rate prevailing throughout the world. From 1900 to 1910 the cost of foods in the United States increased 35 per cent and abroad only 15 per cent. While our population increased 21 per cent during those 10 years, crop production increased only 10 per cent, and our exportation of wheat and flour decreased from 31 per cent to 13 per cent of the amount produced. The rapid increase in food cost in this country can only be checked by increased crop production, just as food prices are held down in Europe through increase in yields per acre obtained without additional labor through the use of fertilizer. The countries of highest agricultural development are the largest consumers of fertilizers.

The less nitrogen there is available as foodstuff, the nearer the population is to starvation. The great famines in such nitrogen-deficient countries as India, China, and Russia are sad but striking examples of nitrogen starvation.

The mutterings of strife for commercial supremacy between England and Germany were heard as far back as early in the nineteenth century, when, the value of bones as a plant food becoming realized, the great German chemist, Liebig, was moved to say:

"England is robbing all other countries of their fertility. Already in her eagerness for bones she has turned up the battle fields of Leipsic, of Waterloo, and Crimea. Already from the catacombs of Sicily she has carried away the skeletons of many successive generations. Annually she removes from the shores of other countries to her own the manurial equivalent of three and one-half millions of men."

EXPLOSIVES.

Nitrogen, in the form of nitric acid, is the principal constituent of explosives, such as guncotton, dynamite, and smokeless powder. The basis may be glycerine, wood pulp, cotton, or a coal-tar product, but in every case nitric acid is the agent used to transform inert substance into powerful explosives. Modern warfare to-day means nitric acid. What use are men and guns without powder? Powder to-day has the significance in war that it has never had before. To-day a battle field, as to attack, is the playing of a sheet of metal at such velocity and in such volume that it sweeps clear to the underlying rock everything within reach and is like a hose playing a leaden stream. The whole thing means powder, and there is no such thing as powder without nitrogen.

We are annually producing about 250,000 tons of explosives, valued at $40,000,000, and we pay $23,000,000 for the raw materials that enter into them, most of which are imported. Had it not been for the discovery of the nitrate fields of Chile, the explosive industry as it is known to-day would have been impossible; and, as coal and minerals could not have been mined without the use of explosives, the development in mining and transportation, which has characterized the last half century, could not have been made.

In case of war we would be almost entirely dependent upon foreign nations for our supply of nitrogen for manufacture of powder and would be practically defenseless unless we could obtain it from other nations. If the country with whom we were at war should be strong enough to seize the nitrate deposits of Chile or to prevent shipments to this country, it would leave us helpless, in spite of our 100,000,000 of people and our Army and Navy. We would be forced to commandeer all sources of nitrogen, including fertilizer, and it might come about that some of our agricultural regions could no longer be devoted to food production, even though the scene of conflict never penetrated to them. The War Department is greatly concerned over this weak point in our national defense, and writers who are authorities upon the subject from the military standpoint urge the immediate development of our water powers and establishment of atmospheric nitrogen plants, in order to insure the production of our requirements of nitrogen within the borders of our own country; and they strongly recommend that the nitrogen plants be so strategically located throughout the country as to be reasonably well protected against attack in case of foreign invasion.

Franklin K. Lane, Secretary of the Interior, in his last annual report, under the poetic and beautiful caption, "Turning water into power," says:

"Then, too, there is that mystifying miracle of drawing nitrogen from the air for chemical use, which can be done only with great power, but is being done in Germany, Norway, Sweden, France, Switzerland, and elsewhere, by which an inexhaustible substitute for the almost exhausted nitrates of Chile has been found. To increase the yield of our farms and to give us an independent and adequate supply of nitrogen for the explosives used in war we must set water wheels at work that will fix nitrogen in lime."

Gen. William Crozier, Chief of Ordnance, United States Army, said in his last annual report to the Secretary of War:

"I do not know of any article which at the present time should cause more concern with reference to the war-time supply than should nitric acid. The nitrogen in the nitric acid is obtained from sodium nitrate, which comes from Chile, and the country is therefore dependent for its powder manufacture upon Chile."

A recent statement showed that the stock of powder for small arms in possession of the War Department amounted to 200,000,000 rounds, which would only be sufficient in time of battle to last an army of 500,000 men eight days; further, that there is only sufficient ammunition on hand to fire all of our coast-defense guns 40 times, or continuously for about one hour. The War Department has for some time been accumulating a stock of Chilean nitrate to provide for emergencies, but in time of war it would produce only sufficient explosives to last for a short period of time. Germany is shut off from supplies of Chilean nitrate for powder making, and if she had not developed her water powers for the purpose of obtaining nitrogen from the air the European war would be ended to-day and Germany beaten. But the Germans are operating all their nitrogen-fixation plants on a war basis, and thus are enabled to manufacture a plentiful supply of ammunition.

Mr. STONE. Now, Mr. President, I wish to ask my friend, the chairman of the Committee on Military Affairs, a question, and I am through. I should like to know from him, and thus get the information authoritatively in as narrow and concrete a form as possible, just what under this bill the number of men of all arms would be in the Regular Army, both in the first instance as a minimum, and secondly as to the possible authorized increase of that force.

Mr. CHAMBERLAIN. Would the Senator like to have that now?

Mr. STONE. Yes.

Mr. CHAMBERLAIN. Mr. President, the Army has been increased under this bill to 65 regiments of Infantry, 25 regiments of Cavalry, 21 regiments of Field Artillery, and 263 companies of Coast Artillery. In addition to those, there is the Corps of Engineers.

The minimum strength of these several branches under the bill is as follows:

The 65 regiments of Infantry at their minimum strength would be 87,035; the Cavalry, 24,900; the Field Artillery, 18,018; the 263 companies of Coast Artillery, 30,009; the Corps of Engineers, 5,334. That would make 165,296 men at the minimum strength proposed by the bill. In addition to that—and these are not included in the combative force of the Army—are the Philippine Scouts, 5,733; the Quartermaster Corps, 6,409; the Medical Department, 10,000; the Signal Corps, 3,387; and the unassigned recruits, 6,098; making a total of 31,627 men. That is estimated, of course, because the Quartermaster Corps——

Mr. STONE. You do not put all that in the Regular force?

Mr. CHAMBERLAIN. No; they are not in the enlisted force. I have given the Senator the Regular force.

Mr. STONE. One hundred and sixty-five thousand?

Mr. CHAMBERLAIN. One hundred and sixty-five thousand.

Mr. STONE. That is the minimum?

Mr. CHAMBERLAIN. That is the minimum strength. These that I read last and that are not included in the combative force vary in some degree, because the President has the power to increase or to diminish the Quartermaster's Corps, the Medical Corps, and the Signal Corps; and the unassigned recruits naturally change. They are the men that are recruited at the recruiting stations and vary according to the number that may be on hand.

Mr. STONE. In order that I may not get the questions and answers confused, let me see if I correctly understand. I understand that the minimum of the authorized Regular Army force is 165,000, in round numbers?

Mr. CHAMBERLAIN. One hundred and sixty-five thousand two hundred and ninety-six.

Mr. STONE. That is the minimum. What, then, is the maximum?

Mr. CHAMBERLAIN. The maximum would run it up to about 200,000. The minimum is practically two-thirds of the authorized strength. It would add to it enough to make it about 200,000—a little bit over 200,000.

Mr. STONE. But I thought it was more——

Mr. CHAMBERLAIN. Oh, the maximum? The maximum would run it up to about 216,000. That is the full amount that the President can call into requisition and increase these different organizations to the full maximum strength. To that still would have to be added the noncombative force, which would run it up——

Mr. STONE. What do you call the noncombative force?

Mr. CHAMBERLAIN. The Quartermaster's Corps, the Medical Department, the Signal Corps, the unassigned recruits, and the Philippine Scouts are not included in the combative force.

Mr. STONE. That altogether would make how many?

Mr. CHAMBERLAIN. About 245,000 or 250,000.

Mr. STONE. About 250,000. Then, in addition to that——

Mr. CHAMBERLAIN. There is the National Guard.

Mr. STONE. The National Guard. Mr. President, I desire that information in that concrete form. About 250,000 men

then would be connected with the Regular Army as authorized under this bill.

Mr. President, I wish to say just a few words more before I sit down for I wish to keep my promise about time—and what I am going to say is but a repetition of what I said when the bill itself was before the Senate—that I see as little need now as at any time in our history for a large increase of the Army of the United States. I have a great admiration for the Army and its officers, but I see no need for this increase. I would like to enlarge upon this theme, and would do so except for the reasons I have stated. My deliberate judgment is that we are about to entail upon the taxpayers of the United States a great and useless burden. The only possible use we could have for an army would be either to attack an enemy by invading his country, or to defend our own country against an invasion. We are not creating this Army to invade a foreign land. On the other hand, there is not a Senator, not a Member of the House of Representatives, not a man connected with the executive departments of the Government, who will sincerely say that in his opinion we are in danger of assault on land—I say on land—by an invading army from any power on the earth that is worth our serious attention.

We have gone wild about this military business. We have become hysterical about it, and in consequence we are about to pile up an enormous indebtedness or to impose enormous taxation on the people without any compensating benefit that I can see. To my thinking, it is a folly amounting to wickedness.

The Senator from Massachusetts [Mr. LODGE] spoke this morning about our troubles with Mexico. Of course we all hope, and many believe, that in the end the troublous conditions in Mexico will end in peace—that pacification will take place and a stable government be established, without any real intervention by the United States. But let us assume the contrary to be true. And if unhappily the contrary be true, we know we would not need any such military force as this bill provides for in any such service as that. The soldiers we now have in the Regular Army within the continental United States and one-half the National Guard would be more than sufficient to answer every military exigency that could arise so far as Mexico is concerned. We know that. Every man of sense knows that. Do we wish to fool ourselves? Do we wish to deceive others? What are we trying to do with public opinion? What is the matter with us here in Washington?

I can not understand, to save my soul, why we are trying to do this thing. Do we want to build up a Military Establishment that is going to cost us I do not know how many hundreds of millions annually without need for it—need that anybody can tell us about?

While the Senator from Massachusetts was speaking this morning, and I asked him about Mexico, he said we ought not to be compelled to strip our coast defenses or our military posts in the interior of troops in order to supply the demand on the Mexican border. Mr. President, about the only need now that I can see that we have for men for our coast defenses or our military posts is to have enough men left to guard and take care of the defenses and the posts. There is nobody on the wide earth threatening them.

But the Senator proceeded to say that we need men to guard our border. Maybe so; certainly so to any reasonable extent. While the Senator from Massachusetts was speaking the Senator from Arizona [Mr. SMITH] interrupted, and there was a colloquy between those Senators, joined in by the Senator from New Mexico [Mr. FALL]. Senator FALL said there were no troops between Yuma and Nogales, and that it was 250 miles between those towns. The Senator from Arizona replied that there were only two or three scattered settlements in that great distance; and nobody spoke to the contrary. He was presumably speaking from knowledge.

What, then, are we to do? What are we expected to do? Mr. President, it would take more than 250,000 men, even more than half a million men, to line the border between Mexico and the United States with troops from the Gulf of Mexico to the Pacific. Are we going to stretch out one long line of khaki uniforms for 2,000 miles?

You do not expect to do that. You have no thought of that. No sane man has that in mind. We can only locate troops at strategic points where they can be moved here and there as occasion needs. Certainly nobody wants to raise an army of a quarter of a million or half a million men to scatter along the border between the United States and Mexico. Such a suggestion would be an absurdity. For what, then, do we need this great, expensive Military Establishment?

Mr. President, I heartily favor the provision for a nitrate plant and I want that provision to go through. I feel that whatever else may happen, the Government of the United States should be in a position of absolute independence when it comes to supplying the means necessary for its defense or for any lawful purposes, whether it be for defense or something else.

Mr. SMOOT. Mr. President, will the Senator yield for a moment?

Mr. STONE. I shall be through in just a moment, unless the Senator wishes to interrupt me now.

Mr. President, I am not going to say any more, for I am keeping my friend the Senator in charge of this bill waiting—impatiently waiting, I think, as he should be—for a vote.

Mr. President, I received a postal this morning. I am going to ask to put it in the RECORD. I do not know from whom it came. I am going to read it. What it says is true, no matter whom it came from. I suppose every Senator got one. The card merely contains quotations from eminent men. Here it is:

Napoleon Bonaparte said: "The more I study the world the more am I convinced of the inability of brute force to create anything durable."

He ought to have known whereof he spoke.

George Washington said: "Cultivate peace and harmony with all nations. Overgrown military establishments are, under any form of government, inauspicious to liberty and are to be regarded as particularly hostile to republican liberty."

I know that the advice and admonitions of Washington are not held in such high esteem now as they were a few years ago. He is regarded as an old fogy and not up to date; and that is true.

Ulysses S. Grant said: "Though I have been trained as a soldier and participated in many battles, there never was a time when, in my opinion, some way could not be found to prevent the drawing of the sword."

Mr. OVERMAN. Read the balance.

Mr. STONE. Very well. I have been asked to read the balance. There is not much balance, but I will read it.

Gen. Philip H. Sheridan said: "By the next centennial"—

He said this in 1876—

"arbitration will rule the world."

I doubt the certainty of that prophecy.

On the back I find written these words, and they are real words of wisdom:

Wisdom is better than weapons of war.

The Senator from Oregon suggests sotto voce that this is a good place to stop, and so I think.

Mr. FALL. Mr. President, I had not expected to take any part at all in this debate, and I shall only ask the indulgence of the Senate for a very few minutes; but I can not refrain at this time from expressing, as briefly as possible, views somewhat at divergence with those which have just been uttered by the Senator from Missouri [Mr. STONE].

I am one of those who possibly may be hysterical, I am possibly more nervous than is the Senator from Missouri. I may be more susceptible to the influence of what is ordinarily known as fear. I will admit, sir, that I see danger to this country. I do not intend at this time nor at length to go into a detailed discussion of the danger which I anticipate to this country from a land attack. I do fear that unless we discharge our duty to the people of this country as we have not discharged it in the past, and perform that duty in the very near future, we shall be compelled to abandon the only public policy which we have ever inaugurated and followed since this Government was formed, together with our prestige on this continent, together with our ownership or control of or interest in the Panama Canal; that we shall be compelled to abandon the Monroe doctrine, or compelled to meet foreign legions on Mexican soil, unless we perform at an early date our duty to Mexico and to ourselves with reference to Mexico. I am not going to give my reasons in detail. They are sufficient, at least, for my own conviction.

The Senator from Missouri has said that in the event that unfortunately we were compelled to discharge what I think to be our duty to Mexico and to ourselves, by armed intervention in Mexico, the troops that we now have on Mexican soil and along the border, or available, are amply sufficient in numbers. I presume he means, amply sufficient with which to conquer Mexico. In my judgment, he is entirely correct. Let alone, unhampered by orders from Washington, with discretion placed as it has not been placed, with our military leaders along the border, despite newspaper reports to the contrary, with orders to overcome armed opposition and restore peace and order in Mexico, there are now enough regular soldiers on Mexican territory to perform that duty.

I am frank to say to you, sir, from my knowledge of Mexico and of its conditions and of its people and of its soldiers, that the 14,000 troops that are now under Gen. Pershing in Mexico can march from Columbus to the City of Mexico, occupy every town of 5,000 inhabitants, and maintain open lines of communication from every port in Mexico to the City of Mexico; and if they were to receive orders to do it they would have the substantial backing of 90 per cent of the Mexican population in their endeavors. They would be compelled to fight a lot of bandits who have been recognized by this Government as constituting the armed forces of the chief depository of the executive power of Mexico, I believe—bandits of Villa yesterday, loyal soldiers of Carranza to-day, changing their service because their officers are paid to deliver the soldiers, and the soldiers themselves not even taking an oath of allegiance to their new commander or to their new leader.

The people of the United States apparently will not understand, and the representatives of this administration apparently will not endeavor to understand the conditions as they are now existing in Mexico. If the State Department of this Government have not information which would lead them to investigate the question whether certain parties in Mexico—certain leaders, military and otherwise, of the Carranza Government—are not at this moment in negotiations with a foreign country as against the United States; if they have not such information in their possession as would lead them to such an investigation, then it is because they would not receive or pay heed to such information when offered. It is in the possession of others, sufficient to justify, at least, a very serious investigation.

Mr. President, the Senator said it would require 250,000 men to patrol the border. The border of Mexico has been patrolled. It has not been in such an unprotected condition as it is now until the recognition of Mr. Carranza. I have the records and can read them to the Senate when necessary to show that on the 3d day of January Gen. Obregon made a request that the border patrol be removed, and that the border patrol between the Gibson ranch and Columbus was removed, and that there was no patrol there to intercept Villa's forces when they marauded across the border and murdered the citizens of my State.

The border patrols are removed at the request, I suppose, of the general in chief of the recognized Government of Mexico, and the citizens of New Mexico were murdered in their beds. The border has been patrolled at this particular point, and they only require these men to patrol the border between Columbus and the Gibson ranch. There are 50 men to patrol the border for 30 miles between Columbus and Huachuca, and the entire border may be patrolled with the men who are now on it riding from one station to another a mile apart. It can be done. Why is it not done? I presume because we are afraid of wounding the tender susceptibilities of the Mexican murderers who are constantly raiding our borders.

Mr. SMOOT. Mr. President, the Senator from Missouri [Mr. STONE] has doubts as to whether he should vote for the conference report or not, but states he thought that he would do so, as section 124, which provides for a nitrate plant, is of such vital importance to the country he thought he would vote for the conference report, notwithstanding the other objectionable features of the report.

Mr. President, I look at the conference report in just the opposite way from the Senator from Missouri [Mr. STONE]. If I do vote for the report, I certainly do not want it understood that I approve of section 124. It seems to me that by adopting that section we are entering upon a dangerous policy. In that section $20,000,000 is provided for the erection of a nitrate plant. In ordinary times the Government of the United States purchases less than 20,000 tons of nitrates. At $50 a ton that is only $1,000,000. Three per cent upon $20,000,000 is $600,000, or enough to buy 12,000 tons of nitrate.

Mr. President, there is no business man who would undertake to invest $20,000,000 in a nitrate plant that will cost him as much to make, and perhaps more than he can purchase it for, if he has to borrow the money, as the Government of the United States will have to do, and pay 3 per cent interest upon it, and particularly when the interest upon his loan would purchase almost enough nitrates to supply his needs. This is about the condition the Government will find itself in if it undertakes to manufacture nitrates.

There is no danger, Mr. President, but what the Government of the United States can purchase all the nitrate it needs. I have a great regard for the opinion of Mr. Pierce, referred to by the Senator from Missouri, but I doubt very much the statement made in his address that the nitrate fields of Chile will be exhausted by the year 1923. I have attended national conservation congresses and heard statements made that in 28 years all the known coal of the world would be exhausted. Eight years of that time have gone by and I do not believe that there has been consumed in the United States during that time 1 per cent of the coal known to exist in the State of Colorado. The State of Colorado has coal enough to last the United States for hundreds of years.

Mr. SHAFROTH. If the Senator will yield, I will state that the Geological Survey stated that there were 391,000,000,000 tons of coal in the State of Colorado. They have been mining coal there for 60 years, and there has not been taken out yet one-half of 1 per cent of the coal of that State.

Mr. SMOOT. The statement the Senator makes at least confirms the moderate statement that I made. I know there is coal enough in the State of Utah to last the United States for a hundred years if there was not another pound of coal to be secured from any other source.

But that is not all. Grant that what Mr. Pierce says is true; agree with him that in 1923 there can be no more nitrates secured from Chile; then what? Mr. President, the Senate but a few weeks ago passed what is known as the Shields water-power bill. That bill is now before the House, and I say without fear of successful contradiction, if that bill becomes a law private parties will begin the manufacture of nitrates in the United States if the field is left to private enterprise, and the Government of the United States can buy nitrates as soon as a plant or plants are in operation for less money than the Government is buying nitrates from Chile to-day. There is not near the draft upon the nitrates of Chile to-day that there was years ago, as nitrates by the thousands of tons are being manufactured in Norway.

Mr. STONE. What?

Mr. SMOOT. Yes; I mean it.

Mr. STONE. In Norway?

Mr. SMOOT. Everybody knows it who knows anything about the manufacture of nitrates.

Mr. STONE. That is an easy statement to make, and it is not a very respectful one to make. I should like to know just where the Senator gets official or reliable or authoritative data for that statement.

Mr. SMOOT. I get it from the Geological Survey, and if the Senator wishes me I will send and get reports and show him the names of the companies in Norway manufacturing nitrates from the air, the amount of power used, and the amount of nitrates produced. They are making nitrates from the air in Canada. Mr. Pierce spoke of the plant that is now in Canada. In fact, if the Senator attended the lecture of Mr. Pierce, he saw moving pictures representing the plant located in Canada.

Mr. STONE. Which we lost.

Mr. SMOOT. Yes; I was going to say that plant would have been located in the United States if the Shields bill had been enacted into law a few years ago. But, Mr. President, a similar bill was passed, but did not meet the approval of certain people representing what was known as the National Conservation Congress, and at that time they had power enough to secure the veto of the bill.

Mr. President, I want to say again that if the Shields bill was the law to-day private capital would begin the manufacture of nitrates from the air. The Government of the United States could buy most of the nitrates they require for the interest upon the amount of money provided for in this bill to erect a plant only.

Mr. STONE. From whom would they buy it?

Mr. SMOOT. From individual parties who would begin the manufacture of nitrates from the air.

Mr. HARDWICK. Obtaining water power under the Shields bill.

Mr. SMOOT. Yes; I have no doubt of it. In fact, it has been testified before committees a number of times that the very parties who built the plant in Canada would have built it in North Carolina, if the President of the United States had not vetoed the water-power bill, as the bill would have allowed them to establish their plant upon some navigable stream in the United States.

Mr. OVERMAN. The company was already organized.

Mr. SMOOT. The company was already organized, as the Senator from North Carolina states; the capital was arranged for. I know if the water-power bill had become a law there was ample capital ready and individuals anxious to invest in a plant for the purpose of manufacturing nitrates from the air.

Mr. HARDWICK. If the Senator will pardon me, that is true in a case in Alabama, too.

Mr. SMOOT. I understood so, but I am not so familiar with that as I am with the North Carolina case.

So, Mr. President, there is no reason for this appropriation of $20,000,000, and I am sorry to see it in the bill. It looks to me as though we are running headlong into paternalism. As long

as I can prevent such a thing by a vote of mine I am going to do so. Let us place the railroads, the express companies, the telephone and telegraph lines, water transportation, and the manufacturing of nitrates under Government ownership and management, and let the work be done by men appointed for political reasons, and I say God help our country. I believe it will be a sorry day for the United States when individual initiative is destroyed in our country, as that is what has made our country as great as it is.

Such action as proposed is a long step toward defeating the policy that has made our country the greatest on the globe. If I vote for this report it will be because I believe the balance of the report is absolutely necessary for the immediate protection of our country.

Mr. SHAFROTH. If the Senator will yield, I should like to ask him whether he believes that because the Government is going to construct one nitrate plant it will do away with the necessity of private companies establishing other nitrate plants.

Mr. SMOOT. It may not do away with it entirely, but this is about what will happen. Ultimately private parties will erect plants for the manufacture of nitrates from the air, and I have no doubt but they can manufacture it cheaper than the Government of the United States can, providing all legitimate charges are made against the cost of the manufacture of it by the Government.

Mr. SHAFROTH. If they are going to manufacture cheaper than the Government can, and I believe the Senator is correct, I believe the private enterprise can do it, unless they have gentlemen's agreements and trust agreements by which it is thwarted, the Government will not interfere to any extent with private capital in the development of nitrate production.

Mr. SMOOT. The only question is as to how soon private parties will undertake it with the Government in the business and any loss made covered up by appropriations made by Congress. I have no doubt but what there will be private capital that will ultimately undertake it.

Mr. SHAFROTH. Does not the Senator think that a Government plant would serve this purpose if no other? If there were gentlemen's agreements to put up the price and make 400 and 500 per cent profit upon the product, the work on the part of the Government would tend to show the exact cost of it and would not that have a tendency to keep the price down?

Mr. SMOOT. I do not believe the exact cost will be known when manufactured by the Government. If we are to take past history into consideration and if we are to judge by the wasteful extravagances of the departments in spending appropriations, I want to say now that there will be no question but what the cost of manufacturing nitrates by the Government will be greater than by private parties.

Mr. SHAFROTH. Does not the Senator——

Mr. SMOOT. I want to say to the Senator that I believe private companies can make nitrate under the strict business rules by which such companies are generally managed cheaper than the Government can make it if actual cost is ascertained and can sell at a price fixed by the Government and make a profit.

Mr. SHAFROTH. They can, but will they not try to make an exorbitant profit by agreements such as we witness in many instances in products that are manufactured?

Mr. SMOOT. That, of course, I could not say; but we have a Federal Trade Commission to regulate such combinations, and I think they ought to be regulated.

Mr. SHAFROTH. But does not the Senator believe that the Government of the United States in the manufacture of its munitions and other things would have an advantage in the way of knowing processes and the latest inventions and keeping them, so that in case of war with a foreign country we would have an advantage in bringing forth something new that is devised by our inventive genius?

Mr. SMOOT. No; I do not think there will be any advantage on the part of the Government in keeping abreast of the times as to the improvements in any kind of processes or machinery for the manufacturing of any kind of article, I do not care whether it is nitrate or any other article manufactured for use.

Mr. VARDAMAN. Will the Senator from Utah yield for a question?

Mr. SMOOT. Certainly; I yield to the Senator.

Mr. VARDAMAN. The Senator from Utah is opposed to the Government building its own ships, manufacturing its own munitions of war, and otherwise engaging in enterprises of that character, is he not?

Mr. SMOOT. Mr. President, certainly I am opposed to the Government going into the building of ships. I am not opposed to the Government of the United States manufacturing a portion of the powder that it requires.

Mr. VARDAMAN. Why not by the Government of the United States?

Mr. SMOOT. I will state to the Senator why I say I do not believe that it is wisdom, nor does any other country believe it is, for the Government to manufacture all the powder that is required by——

Mr. VARDAMAN. Why not?

Mr. SMOOT. The Government of the United States to-day is relying upon private concerns for over one-half of its powder. We appropriate money every year to enable the Government to manufacture about a third of its requirements. It is the policy now that we shall manufacture that amount of our requirements, and depend upon private companies for the balance, so that in case of war or in case of a sudden call there would be private plants in operation, and the Government would be able to call upon them for their entire output.

Mr. VARDAMAN. When the Government manufactures its own powder it takes away the incentive to enlarge the Army which grows out of the enormous profits enjoyed by private companies. Why ought not the Government do it and thereby save the profits to the taxpayers rather than permit the profits to go into the coffers of the rich manufacturers of munitions of war?

Mr. SMOOT. That is another question entirely. I wish to say to the Senator that the real reason for the provision authorizing the Government to manufacture nitrates is not to enable the Government to manufacture it in case of war; that is so remote that it is hardly worth considering. The dominating reason is to allow the Government to manufacture nitrates to sell to the concerns of this country that make fertilizers.

Mr. VARDAMAN. Does not the Senator understand that if the Government did have that power it could be used to very great advantage to the farmers of the country by regulating very largely the price of the fertilizer which is so essential to them?

Mr. SMOOT. The price of the fertilizer is not regulated in the least.

Mr. VARDAMAN. No; but there will be no trouble, when plants shall be constructed, to provide for that by legislation, if it is in the interest of the American people.

Mr. SMOOT. This does not provide for the manufacture of fertilizer. It provides for the manufacture of nitrate, and the President is authorized to sell the nitrate on the best terms possible.

Mr. VARDAMAN. Well, the Senate can reasonably indulge the presumption that the President is going to exercise that discretion in the interest of the American people rather than in the interest of a few fertilizer manufacturers.

Mr. SMOOT. I will grant that, Mr. President, but that has nothing to do with what the farmer will pay for his fertilizer. The manufacturer of fertilizer will fix the price.

Mr. VARDAMAN. That is a mere matter of detail that will be met when the occasion arises. It is presumed that the Congress of the United States is going to act intelligently and patriotically in dealing with all of these questions. This is but the beginning. I really think it is the only thing in the bill for which I care.

Mr. SMOOT. Of course the Senator believes entirely differently from what I do. The Senator believes in Government ownership; the Senator believes that it would be wise for the Government to own the railways, to manufacture powder, and other munitions of war, and to manufacture anything which it desires. I think the Senator believes that the Government ought to build ships and to go into the transportation business.

Mr. VARDAMAN. I really think the Government ought to perform those functions where it is to the interest of the masses rather than to restrict its operations to certain things where it is to the interest of the few.

Mr. SMOOT. Well, Mr. President, my opinion is that it is for the interest of the masses of the people for the people themselves to attend to the business of the country. I think through competition and through regulation where there is no competition greater benefits will come to the people by the individual initiative of the American people and the manufacture of goods by and through that source.

Mr. THOMAS. Mr. President, will the Senator from Utah permit me to ask him a question?

Mr. SMOOT. Certainly.

Mr. THOMAS. The Senator from Utah referred some time ago to the Shields bill and what could be done under it, evidently upon the assumption that the Shields bill would become an accomplished fact in legislation. My query is whether the Senator has any information upon that subject? I know that bill received the denunciation of some very distinguished opponents of it some time ago, accompanied by directions to both

Houses, and practically to the President, as to what their duty would be under the circumstances. I was a little bit curious to know whether the Senator could tell me if the bill would probably become a law? Of course, if it does not, there can be no nitrates manufactured under its provisions.

Mr. SMOOT. I will say, Mr. President, that Mr. Pinchot prepared a statement denouncing the bill in the most vicious terms, and sent a copy to every newspaper in the United States, to little weekly papers, and even to some that are only issued once a month, calling attention to the fact—if it was a fact—that the Senator from the State where the paper was published voted for that iniquitous measure. Senators have, no doubt, been receiving protests from a few of these papers, inclosing the Pinchot letter of denunciation as a basis of the protest.

The National Conservation Congress held a meeting here at Washington on May 2, 3, and 4 of this year——

Mr. POMERENE rose.

Mr. SMOOT. Just a moment, and I will yield to the Senator.

At that meeting, Mr. President, there was a vote taken on the Shields bill, and the resolution approving of it passed the congress by a vote of 116 to 39, notwithstanding the propaganda that had been carried on against it from Washington, notwithstanding the denunciation of it made by the so-called father of the congress. The people are beginning to learn that a certain kind of conservation and as construed by certain people in this country is not conservation in its truest sense.

Mr. POMERENE. Mr. President——

Mr. SMOOT. I yield to the Senator from Ohio.

Mr. POMERENE. I want to ask the Senator what general means of information the author of that paper had over other common mortals?

Mr. SMOOT. I had rather let the author of the letter answer that himself, for I think he can do it better than I.

I will say to the Senator from Colorado [Mr. THOMAS] that I have hoped and believed that the Shields bill will pass the other House, and I believe it is going to become a law at this session of Congress. There may be some modifications of the bill as it passed the Senate, but I believe that the main provisions of the bill are going to be carried into law. When that is done water-power development will begin and the water of this country will be utilized and will not as at present flow from the mountains to the ocean unused and worse than wasted; and that utilization I believe, Mr. President, is in consonance with the spirit of true conservation.

Mr. SHAFROTH. Mr. President, I should like to call the attention of the Senator from Utah to the fact that the bill was passed by an enormous majority in this body—a majority of nearly 2 to 1, I think it was—and that if this body stands firm and reiterates the incontrovertible truths that were stated in behalf of that bill, it seems to me the other House will consider that and acquiesce in the judgment of the Senate.

Mr. SMOOT. I think that is true, Mr. President. I know, however, that the Senator from Oregon [Mr. CHAMBERLAIN] desires to have a vote upon the adoption of the conference report, and so I shall not occupy longer the time of the Senate.

Mr. BRANDEGEE and Mr. LANE addressed the Chair.

The VICE PRESIDENT. The Senator from Connecticut.

Mr. LANE. Mr. President, I should like to say that I do not understand the logic of the argument of the Senator from Utah [Mr. SMOOT].

Mr. BRANDEGEE. I believe I have the floor, Mr. President.

Mr. LANE. I will say——

Mr. BRANDEGEE. I will yield to the Senator, if he wishes.

Mr. LANE. I only desired to make a few remarks.

Mr. CLARKE of Arkansas. Mr. President, I want to say that we had a sort of "gentlemen's agreement" that we should vote on the pending conference report at half past 4 o'clock this afternoon. I, of course, probably state it extravagantly when I say a "gentlemen's agreement"; but the Senator from Oregon [Mr. CHAMBERLAIN] rose and asked unanimous consent to vote on the report at that time. The objection was made that that request would involve a roll call, but the indications were that we might vote about that time.

I want to say that I believe I shall subject myself to just censure if I do not hereafter insist that the river and harbor bill shall be kept before the Senate until it is passed. When we met this morning it was with the understanding that discussion of the pending measure would not require more than two hours. I trust Senators will understand the motives which prompt me to make this announcement at this time, and will this afternoon conclude the consideration of this particular matter, so that to-morrow morning we may resume the consideration of the river and harbor bill and keep it under consideration until it is disposed of.

Mr. BRANDEGEE. Mr. President, I hope I have not lost the floor, for I did not yield to the Senator from Arkansas, but I wish to say that I did not understand there was any agreement as to the time when the vote should be taken on this report. I saw the Senator from Oregon [Mr. CHAMBERLAIN] rise and heard him ask unanimous consent that a vote be taken at half past 4 o'clock, and then he withdrew the request.

Mr. CLARKE of Arkansas. The request was withdrawn, as I understand, for the purpose of avoiding a roll call.

Mr. BRANDEGEE. Whatever the purpose may have been, the request was withdrawn, and there was no assent to the request. So I assume there has been no hour fixed for a vote on the conference report.

Mr. President, I desire to ask the chairman of the committee what was the minimum number of enlisted men of the line provided in the bill as it passed the Senate?

Mr. CHAMBERLAIN. I will say to the Senator that the minimum number in the bill as it passed the Senate is practically as it is under the provisions of the conference report, because the numbers of organizations and the composition of the units are the same in the bill as it passed the Senate and in the report now before the Senate, except as to the amendment which the Senator from Connecticut proposed and which was adopted by the Senate increasing the enlisted strength to 250,000 men as a maximum.

Mr. BRANDEGEE. That was not the minimum?

Mr. CHAMBERLAIN. No; that was not the minimum.

Mr. BRANDEGEE. So that, if I understand the Senator correctly, the minimum number at which the Regular Army must be maintained, according to the provisions of the conference report, which he has stated to be 165,000 men, is the number which was provided by the bill as it passed the Senate.

Mr. CHAMBERLAIN. Yes; that is the same.

Mr. BRANDEGEE. Mr. President, I agree with the Senator from Missouri [Mr. STONE] in stating that I am considerably puzzled about how a Senator ought to vote on this conference report. I am more puzzled how a Senator who believes in real preparedness ought to vote on this conference report. The Senate put into this bill a provision that the total enlisted force of the line of the Regular Army, excluding the Philippine Scouts, the enlisted men of the Quartermaster Corps, of the Medical Corps, and the unassigned recruits, should not exceed 250,000 men, as appears on page 7271 of the RECORD. Now, if I understand the provisions of the conference report correctly, it provides:

That the total enlisted force of the line of the Regular Army, excluding the Philippine Scouts and the enlisted men of the Quartermaster Corps, of the Medical Corps, and of the Signal Corps, and the unassigned recruits, shall not at any one time, except in the event of actual or threatened war or similar emergency in which the public safety demands it, exceed 175,000 men.

That means that the Senate conferees have agreed that the maximum strength of the Army, to put it in a brief phrase, shall be reduced 75,000 men below the number which was fixed by the Senate, whereas the House conferees have only agreed to increase the minimum number provided for in the House bill, to wit, about 145,000 men, to 165,000 men. I think that is extremely unfortunate, Mr. President. The Senate conferees have not only receded upon that question of the strength of the Army, but they have stricken out absolutely section 56 from the bill.

Without reading section 56, I will ask, in order that those who wish to compare that section with the section that the conferees have substituted for it, that section 56 of the bill as it passed the Senate be printed in my remarks, and, immediately following it, section 54 of the conference report.

The VICE PRESIDENT. Without objection, it is so ordered.

The sections referred to are as follows:

Section 56 of the bill as passed by the Senate is as follows:

SEC. 56. The Volunteer Army: The President is hereby authorized, at any time, to organize, maintain, and train, under the provisions of sections 3 to 12, both inclusive, of an act entitled "An act to provide for raising the volunteer forces of the United States in time of actual or threatened war," approved April 25, 1914, volunteer forces, not exceeding an average of 600 officers and enlisted men for each congressional district. The term of enlistment, which shall in no event be greater than that of the Regular Army, the period of service with the colors and with the reserve, and the period of training shall be as the President may prescribe, those passing to the reserve to have the status and obligations prescribed for reserves of the Regular Army: *Provided*, That as reserves no compensation shall be paid except for actual services. Officers and enlisted men of the volunteer forces raised under the provisions of this section shall be entitled to the pay and allowances of officers and enlisted men of corresponding grades in the Regular Army during periods of training only: *Provided further*, That without the consent of Congress such volunteer forces shall not be called out for field service for more than a total period exceeding 30 days in any one year.

Temporary appointments and promotions of officers of the Regular Army arising from the operation of this section may be terminated at the discretion of the President.

Officers of the Regular Army who receive commissions in the Volunteer Army herein authorized shall in time of peace receive the pay and allowances of their respective grades in the Regular Army, and no more.

Section 54 of the bill as agreed to by the conferees is as follows:

SEC. 54. Training camps: The Secretary of War is hereby authorized to maintain, upon military reservations or elsewhere, camps for the military instruction and training of such citizens as may be selected for such instruction and training, upon their application and under such terms of enlistment and regulations as may be prescribed by the Secretary of War; to use, for the purpose of maintaining said camps and imparting military instruction and training thereat, such arms, ammunition, accouterments, equipment, tentage, field equipage, and transportation belonging to the United States as he may deem necessary; to furnish, at the expense of the United States, uniforms, subsistence, transportation by the most usual and direct route within such limits as to territory as the Secretary of War may prescribe, and medical supplies to persons receiving instruction at said camps during the period of their attendance thereat, to authorize such expenditures, from proper Army appropriations, as he may deem necessary for water, fuel, light, temporary structures, not including quarters for officers nor barracks for men, screening, and damages resulting from field exercises, and other expenses incidental to the maintenance of said camp, and the theoretical winter instruction in connection therewith; and to sell to persons receiving instruction at said camps, for cash and at cost price plus 10 per cent, quartermaster and ordnance property, the amount of such property sold to any one person to be limited to that which is required for his proper equipment. All moneys arising from such sales shall remain available throughout the fiscal year following that in which the sales are made, for the purpose of that appropriation from which the property sold was authorized to be supplied at the time of the sale. The Secretary of War is authorized further to prescribe the courses of theoretical and practical instruction to be pursued by persons attending the camps authorized by this section; to fix the period during which such camps shall be maintained; to prescribe rules and regulations for the government thereof; and to employ thereat officers and enlisted men of the Regular Army in such numbers and upon such duties as he may designate.

Mr. BRANDEGEE. Section 56 of the bill as it passed the Senate provided for the creation of a volunteer army, and was so entitled. Section 54 of the conference report provides simply for the establishment of training camps, and is so entitled.

The Senator from Oregon, the chairman of the committee, has given some intimation that under section 54 of the conference report something might result similar to what would happen under section 56 of the Senate bill. I must, with all due respect, entirely differ from his construction of the language of section 54 of the conference report. It simply provides that—

The Secretary of War is hereby authorized to maintain, upon military reservations or elsewhere, camps for the military instruction and training of such citizens as may be selected for such instruction and training, upon their application and under such terms of enlistment and regulations as may be prescribed by the Secretary of War.

Obviously the "terms of enlistment" and regulations to be prescribed by the Secretary of War, as stated in that section, are simply for the purposes of the section, to wit, military instruction and training in the camps. The section does not contemplate at all the enlistment of one of the citizens who goes to a training camp in either the Regular Army or the volunteer army, if there be such a thing, of the United States. It does not make him a United States soldier at all; he incurs no obligation to go into the service of the United States thereafter when called upon; but it is good in so far as it goes.

Another part of the section, which I have not read, provides that the citizen who goes to a training camp shall have his equipment furnished him, and so forth. Of course, the provision can not contemplate service in the Army of the United States, because it does not provide for any pay; but in the opinion of those who want to provide a real reserve of United States soldiers to be called upon in time of national peril, who would have had training in military camps in evolutions, in marksmanship, and who would have undergone a hardening process to put them in a condition to endure the privations of military life as they have to be endured in the field, section 56 of the bill as passed by the Senate provided something real and tangible.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator?

Mr. BRANDEGEE. The Senator may.

Mr. CHAMBERLAIN. I think that section 56 did not provide for pay except during the time the men were in training, but the Senator will remember—I hope the Senator will remember, at least—that the House and Senate had reached an impasse by virtue of the action of the House in absolutely refusing by an overwhelming vote to accept that Senate amendment; so that it was either the provision agreed to or nothing. If the Senate conferees had insisted all the time upon the retention of section 56, I for one felt—and I believe my colleagues on the conference committee felt as I did—that the situation was too serious to absolutely block all legislation on this subject, particularly in view of the fact that the Senate organization was retained intact as to the Regular Army.

Mr. BRANDEGEE. Mr. President, I beg to assure the Senator that I estimate him as a true friend of maintaining the national authority of this Government and of having the necessary force, the necessary military arm, to protect the life of this Government and its people under any and all circumstances; and I have no doubt that if the Senator could have had his way he would have had a real bill, in which the country could have had some confidence and which would have resulted, come what may, in at least affording the nucleus of a Regular Army organization and a possibility of training a reserve for it which would be reliable and which would not disappoint us in case of emergency. I have no doubt the Senator did the best he could to get the other body to accede to what I would consider a reasonable view of this situation; but I think it is a serious question after all whether it would not have been better for the Senate conferees, who no doubt believed in the bill which the Senate passed, to have absolutely broken with the House conferees over this difference and to have declined to enter on a system and to commit this country to a system, which I hope will not be permanent, of attempting to rely upon the militia of the several States as the first line of defense after the Regular Army of this country.

Mr. President, the individuals who compose the militia of the several States are patriotic and well-meaning. They show that by going into the militia. They do the best they can. They want to do something to be of service to their State and their country. Unfortunately it is not their fault that they can not be made a reliable part of the first line of defense as a Regular Army reserve. It is not their fault. It is simply that the Constitution of the United States prevents its being done, willing and able as they may be.

Mr. LEE of Maryland. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Maryland?

Mr. BRANDEGEE. I do.

Mr. LEE of Maryland. I should like to ask the Senator how it is that the Constitution of the United States prevents it, when the Constitution of the United States has exactly the same terms that the Constitution of Switzerland has, and Switzerland has an efficient citizen militia?

Mr. BRANDEGEE. Mr. President, I am not an expert on the Swiss Constitution. My learning has never extended that far, and I have not read the document. I do know that the Constitution of the United States provides that the militia of the several States can be called into the service of the United States for three, and only three, specific purposes—to enforce the laws of the United States, to suppress rebellion, and to prevent invasion. The trouble about relying upon the militia of the several States as an adequate supplement to the first line of defense—to wit, the Regular Army—is that until we get to the point where invasion has to be repelled we can not call the militia into the service of the United States. In other words, however well prepared each separate body of militia may be in its own State for those purposes, they can not be immediately called into the field—to-day, for instance—and put into training camps by the President of the United States, in the service of the United States, for the purpose of hardening them down, of testing their marksmanship, and of making them proper men to put into the field service with the Regular Army to repel invasion or to meet veterans.

Reason about it as you may and cavil about it as you may, there is that chasm between the militia of the several States and the Regular Army, that hiatus between the militia and the authority of the President of the United States, who is the Commander in Chief of the militia of the several States only when they are called into the service of the United States, and he is utterly without authority over them at other times. There is that hiatus that can not be bridged; and this whole bill, so far as it attempts by the use of language and adroit expressions and phrases to accomplish the process designated as "federalizing the militia," is a failure so far as any immediate results could be obtained from the militia as a first line of defense. Every lawyer knows it. Every Army officer knows it. The militia know it. The adjutant generals who have been so insistent here to prevent a Regular Volunteer Army of the United States know it and admit it. There is no use in attempting to deny it, or even to disguise it.

Whatever may be said about the distinguished brigade of adjutant generals who have taken a benevolent interest in the procurement of this legislation, or at least who have taken a position of open hostility toward section 56, and have finally valiantly succeeded in trampling it under their feet and substituting their own organizations in lieu of it—whatever may be said about them as a lobby, which term the Senator from Maryland [Mr. LEE], who is the champion of this embattled

brigade, resents—I say, I will not call them a lobby. I see that the distinguished Senator from Illinois [Mr. LEWIS], who claims to divide with the Senator from Maryland the honor of marshaling here this host who have vanquished section 56, is very much interested in this question. Whatever may be said about the wisdom of the action of this distinguished brigade, they have conducted a propaganda here.

If you do not like the word "propaganda," I will modify that to "an organization." They have maintained a very effective organization, and they have won their point. I think they have done more harm to their country than their military services will ever be able to redeem. Be that as it may, that feature is accomplished. But I say this conference report, which strikes out section 56, providing for the volunteer army, substitutes a mere authorization that men may have their uniforms furnished to them if they want to go into a training camp, and cuts down the 250,000 maximum number of the Regular Army as fixed by the Senate—although the President of the United States himself, disagreeing with the distinguished chairman of the Committee on Foreign Relations of the Senate, has openly stated to the country that he regarded 250,000 men as a very small Regular Army for a country of 100,000,000 population and of our great wealth—the conference report which has done all those things is most regrettable. And, Mr. President, I can not help but express my surprise and regret and my amazement to have heard the distinguished chairman of the Foreign Relations Committee, the Senator from Missouri [Mr. STONE], stand here this afternoon and say that he regards even this small army of 165,000 men as imposing an utterly unjustifiable burden of expense upon the taxpayers of this country.

Why, Mr. President, anybody in the position in which that Senator has been for the past year, and I should think anybody who has been in America in the past year and has kept track of current events pertaining to our foreign relations, would see beyond peradventure that it was the duty of this country to keep at all times, in peace as well as in war, a sufficient skilled military force to take the field and to meet danger, from whatever quarter of the compass it might appear. Let no Senator delude himself with the idea that the minute the present Mexican situation may be settled, or the minute the present European war may be over, this country will cease having its entanglements and its dangers from foreign powers. In my opinion they are going to be much greater and much more frequent in the future than they ever have been in the past.

I wish it were within my power to convince those who differ with me in this respect that what this country needs, if it is to be prepared to defend itself at all—and I am not arguing with anybody who thinks it is wrong to defend the country—is to have your force ready at all times, for it is the sudden emergency, the being taken unaware, that is the great danger. This country is so large territorially and in population and is so wealthy that I am almost tempted to pardon some people who believe that on those accounts it could never be attacked. But, Mr. President, the larger it is and the richer it is and the wealthier it is the more danger of attack; and the fact that after years of training and rush and tremendous payments of money and sacrifice of life we might then get in condition to repel the invader, whom we might have been able to expel with a thousandth part of the expense then entailed, would be no consolation to us now.

I think those who talk about "militarism" in this country are simply repeating a parrot cry. There is no such thing, and I do not believe there ever can be such a thing, in this country. But since when has it been considered militarism that a sovereign Government of 100,000,000 people should maintain a respectable-sized standing army and have the necessary munitions of war always on hand?

Everybody knows, every schoolboy knows, that the alluring picture of a thousand or a million embattled farmers springing to their arms on the bugle call and repelling the foreign invader is a mere idle dream. If the million farmers sprang, there would be no arms for them to spring to; and if there were, they would not know how to handle their arms. They would have to be put in great encampments and taught in some way to march shoulder to shoulder and taught what the military commands meant; and when they got so that they could be trusted with rifles, so that they would not shoot themselves or their companions, they would have to have the intricate mechanism of the arms explained to them for weeks.

While I do not want to reflect upon the benefits of the Plattsburg camp or other such camps, Mr. President, I have been told within a few weeks by a gentleman who attended one of those camps that even to-day—and he is the captain of one of the rifle teams—he has members that attended that camp bring their rifles to him because they have been unable to put them together after having taken them apart, after two months of training; and they were not unintelligent people.

But, in addition to that, an army is composed of units. The armies of to-day are not mere men with muskets in their hands; they are men of the highest mechanical skill, manipulating all sorts of delicate instruments. To say, living in a fool's paradise as we are, that we will stake everything upon the chance that nobody will attack us and that we will not be called upon to enforce our policies or help defend anybody else, with our Panama Canal and our Philippine Islands and our outlying possessions in the Atlantic and Pacific; to talk about trusting in Providence or to preach moral homilies to the tigers and panthers that are raging around the world licking their chops and seeking whom they may devour; to talk about garlands of roses and the millenium and the brotherhood of mankind simply makes me sick, Mr. President. The English language fails to express my feelings in that respect.

When a nation falls so low or becomes so effeminate or cowardly or contemptible that it will not fight to defend its own firesides and its own people, or when it becomes so brainless and steeped in maudlin, gummy sentiment, or so stingy that it will not prepare and pay the necessary insurance against the calamities that we see have befallen in Europe, I say it ought to go down. I hope the Lord, who is kind to drunkards and fools, will continue to preserve the United States even if the Congress will not furnish anything for Him to do it with.

Mr. LEE of Maryland. Mr. President, immediately after the close of the remarks of the Senator from Connecticut [Mr. BRANDEGEE] I should like to read into the RECORD the provision of the Constitution of the United States and the similar provision of the constitution of Switzerland as to the powers of our States and their Cantons in appointing officers for the militia. They are as follows:

Section 8, Article I, of the Constitution of the United States provides:

> Congress shall have power to provide for organizing, arming, and disciplining the militia and for governing such part of them as may be employed in the service of the United States, reserving to the States, respectively, the appointment of the officers and the authority of training the militia according to the discipline prescribed by Congress.

Now, the Swiss provision is as follows:

> So far as military reasons do not prevent, corps of troops shall be formed from soldiers of the same Canton. The composition of these bodies of troops, the maintenance of their effective strength, the appointment and promotion of their officers, shall belong to the Cantons, subject to general regulations which shall be issued to them by the Confederation.

Mr. BRANDEGEE. Mr. President, if the Senator will yield, I do not deny that the Swiss Army is efficient. I think it is. It has been sufficient to protect their country and keep out invaders.

Mr. LEE of Maryland. Then there is no reason why the Senator can not be comforted, because our people are as good as the Swiss; and with the same Constitution why can we not have the same kind of an army?

Mr. BRANDEGEE. Does the Senator from Maryland claim that under the Constitution of the United States the President can order the militia into service for the purpose of training in time of peace?

Mr. LEE of Maryland. It is in this bill.

Mr. BRANDEGEE. I know; but it is not in the Constitution.

Mr. LEE of Maryland. And it will operate in this bill, and it will operate so that the Senator will be comforted, and the country will be safe.

Mr. BRANDEGEE. That is one of the evasions and subterfuges that I criticize in the bill.

Mr. OLIVER. Mr. President, I can not allow the bill to come to a vote without explaining why I feel compelled to vote for the conference report. Rather than leave our country in its present condition unprepared to repel an invasion, which I feel sure will some time come, I am willing to sacrifice somewhat even in matters of principle. But I want to register my protest against the unfairness of compelling men who are willing to do everything in their power to put our country in its proper position in a military sense to vote for something which is absolutely repugnant to them as a matter of principle, and I refer to the provision for the nitrate plant.

I regard this provision as unwise in the extreme, even if it were true as alleged in the debate in the Senate before it was adopted as an amendment that there was any danger whatever of our country in time of war being short of a sufficient supply of nitrates to provide explosives. The argument was presented that as we now rely upon a foreign supply for a large part of our nitrates and as that supply might be cut off we must place ourselves in a position to provide for it from within.

Mr. President, I believe that before 10 years, before 5 years, have passed we will be in a position to obtain all the nitrates

that we can possibly need in time of war for explosives and in time of peace for fertilizers by the development of an industry the extent of which is not appreciated even by those who are intimately connected with the great iron and steel industries of the country. Up to within very recent years the coke necessary for our blast furnaces has been produced almost entirely in what is known as the old-fashioned beehive oven. The development of the by-product coke industry is driving the beehive oven out of existence, and within a few days I heard a man familiar with all branches of the industry predict that even within five years there would be no more coke made by that process.

As a by-product coke oven produces ammonia, from which nitrates can be made to an almost unlimited extent. In time of war our iron and steel industry would necessarily be busy, and there would be no difficulty whatever in obtaining all the nitrates we need, and on account of the great quantities which would be produced, in my opinion, the production of them would be infinitely cheaper than what it would cost either the Government or private parties to produce them by extracting nitrogen from the air.

Mr. POMERENE. Mr. President, can the Senator state whether it has been demonstrated that nitrates can be produced profitably from the by-products of coke?

Mr. OLIVER. I will say, Mr. President, that I have not the figures, as I was promised them a few days ago. They do not appear at my office. I have been away for a week, and I returned only to-day. I expected that before the debate would come on to have figures to prove that with the extension of this industry and the consequent large production of ammonia as a by-product of these ovens the cost of producing them and the necessity of disposing of them would be such that the cost to the consumer would necessarily be less than it would be by any possibility by extracting nitrates from the air.

Mr. POMERENE. As a practical proposition up to date can nitrates be produced profitably in this way or have they been produced profitably in this way?

Mr. OLIVER. They have undoubtedly been produced profitably in this way. About one-third of the nitrates that are now produced by the by-product oven are going into other lines of industry, not into fertilizers. A large part of them are already going into fertilizers and into explosives; but you must remember that the quantity produced to-day is as nothing compared to what it will be, I say, within five years, because the extent to which this industry is developed is known only to those who have been in intimate association with the business.

Mr. POMERENE. I asked the question because I have had several letters on the subject, and in construing the letters it seems to me that it is a case of hope springing eternal in their souls rather than because they have any definite knowledge on the subject.

Mr. OLIVER. Mr. President, I say in all good faith and in all good conscience I believe that before 10 years the quantity of nitrates that will necessarily be produced as a by-product of this industry will render them infinitely cheaper than they are to-day or than they will be or can be produced by this proposed Government plant.

For these reasons, Mr. President, I shall vote for this report, because I think some such measure is absolutely necessary, and I can not stand in its way; but I shall vote for it with the strongest kind of protest against the insertion of such a provision as section 124.

Mr. UNDERWOOD. Mr. President, at this late hour of the evening I do not intend to occupy the time of the Senate with any extended debate. I have great respect for the opinion of the Senator from Pennsylvania [Mr. OLIVER] on all questions of the kind he has just spoken upon, but I think he is mistaken in his opinion that necessarily nitrates for war purposes can be supplied for our Government by private coke-oven industry. In the first place, a hundred tons of coal will make only 2,688 gallons of sulphate of ammonia. When you reduce it to tons and realize that the war supply of the Government will require 180,000 tons a year of concentrated nitric acid, I think it is apparent how far we are away from the necessary supply of the by-product coke-oven business to furnish the country with enough nitrate to supply the Government.

It is apparent that you can not burn a hundred tons of coal for the mere purpose of making 2,600 gallons of sulphate of ammonia. You can only produce it as a by-product, and the limitation on your production is the limitation that is caused by the manufacture of pig iron. Therefore you can not expand it for war purposes. You are absolutely limited to your production of pig iron in the amount of sulphate of ammonia that you produce.

In the next place, sulphate of ammonia is not concentrated. You have to carry it to some central point to concentrate it, unless you propose to have the Government build a concentration plant in each pig-iron furnace or each by-product coke oven. The cost of transportation would be great. You have to carry it in tank cars to the point of concentration. After you have concentrated it you have to put it through other processes that are very expensive.

I have no doubt in my own mind that it will cost vastly more to produce your nitrate supply from the by-products of coke oven than through an air-nitrogen process.

But, in the next place, there is no possibility of the Government preparing itself in advance of a great war along this line. The Government can not go out in times of peace and build concentration plants, build plants to make the ammonia in various parts of the country, and carry them for years for no serviceable purpose other than to wait for a war, whereas if you create an air-nitrogen plant you can use it for other serviceable purposes.

Mr. OLIVER. Mr. President, I ask the Senator from Alabama if the Government is not now proposing to do that very thing, to prepare in time of peace for some war that may never come?

Mr. UNDERWOOD. Certainly; but it is a very different kind of preparation. I say the preparation suggested by the Senator from Pennsylvania is not practical.

Mr. OLIVER. I am not proposing to prepare at all. I am proposing that the Government shall intrust its citizens with the duty of preparing, as they will prepare if you will allow individual enterprise to have its full course.

Mr. UNDERWOOD. But the citizen of the United States is not going to prepare for a surplus supply. He can not afford to do it. The extent to which he will manufacture sulphate of ammonia through the by-product coke oven is only to the extent of peace demands, and the peace demands to-day are consuming his present supply. The larger portion of the supply of sulphate of ammonia to-day is used for cold-storage purposes. You would not divert that supply in time of war. You need the refrigeration plants as much or more in war than you do in peace. The balance of the supply is going into fertilizers to-day. You would not divert it from the field of fertilization in time of war.

Mr. OLIVER. I would.

Mr. UNDERWOOD. Unless there was no other place at which to get your supply. But I say that the Government itself can not go to work to-day and build its concentration plants, provide its tank cars for the concentration of sulphate of ammonia, and hold it in waiting indefinitely for war to come. It can build a great water power. It can build one plant that may lie idle or may not, waiting 50 years, because it can rent its power, it can sell its power, it can dispose of its surplus product. It is the economical way to do it.

But there is one argument that, in my judgment, is unanswerable to the argument made by the Senator from Pennsylvania, and that is that in the German Empire there was practically all its coke made by the by-product coke oven. They had more by-product coke ovens, and have to-day, than any other nation in the world. Yet when this war came on and the supply of Chilean saltpeter was cut off from the German Government, they did not resort to their by-product plants to obtain sulphate of ammonia to supply their factories with nitrogen and their armies with explosives. No, they developed an air-nitrogen process in an expensive way. Where they did not have the water power they put fuel under the boilers of their engines and produced the electric power that will make air nitrogen. There is no nation in the world from a scientific standpoint that is better prepared and better developed to meet the situation than the German Empire. The German Empire in what it has done has answered the argument that is made by the Senator from Pennsylvania on this subject by refusing to follow the course he advises the Senate of the United States to follow to-day.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal-savings deposits, to create Government depositaries

and financial agents for the United States, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. GALLINGER presented a petition of the William B. Durgin Co., of Concord, N. H., praying for the enactment of legislation to authorize the Supreme Court to prescribe forms and rules in legal work, which was referred to the Committee on the Judiciary.

He also presented the petition of Harry E. Barnard, State food and drug commissioner of Indiana, praying for increased appropriations for the Biological Survey, Department of Agriculture, which was referred to the Committee on Agriculture and Forestry.

He also presented the petition of F. J. Swords, of New York City, N. Y., praying for an investigation into the practice of vivisection, which was referred to the Committee on Agriculture and Forestry.

Mr. PHELAN presented petitions of sundry citizens of San Jose and Berkeley, in the State of California, praying for the enactment of legislation to prohibit the exportation of intoxicating liquor to Africa and the insular possessions of the United States, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of San Diego, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of Unity Council, No. 39, Junior Order United American Mechanics, of San Jose, Cal., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a petition of the Master Painters and Decorators' Association, of San Francisco, Cal., praying for the enactment of legislation to prohibit fraud in the manufacture of paints, which was referred to the Committee on Interstate Commerce.

Mr. POINDEXTER presented a petition of Fern Bluff Grange, Patrons of Husbandry, of Sultan, Wash., praying for Government ownership of telegraph and telephone systems, which was referred to the Committee on Post Offices and Post Roads.

He also presented the memorial of Mrs. G. H. Homann and sundry other citizens of Vancouver, Wash., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. PAGE presented petitions of Columbia Council, No. 11, Sons and Daughters of Liberty, of Hartland; of Evening Star Council, No. 6, Sons and Daughters of Liberty, of North Danville; and of G. O. Farr Council, No. 15, Sons and Daughters of Liberty, of Plainfield, all in the State of Vermont, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

Mr. OLIVER presented a petition of sundry citizens of Pittsburgh, Pa., praying for an increase in armaments, which was ordered to lie on the table.

He also presented memorials of sundry granges of Pennsylvania, remonstrating against an increase in armaments, which were ordered to lie on the table.

He also presented petitions of sundry granges of Pennsylvania, praying for Government ownership of telegraph and telephone systems, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry patriotic societies of Pennsylvania, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Pennsylvania, praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Pennsylvania, praying for national prohibition, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. SMITH of Maryland, from the Committee on the District of Columbia, to which was referred the bill (S. 5863) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Charles H. Bingham from Congressional Cemetery, District of Columbia, to Lock Haven, Pa., reported it with an amendment and submitted a report (No. 448) thereon.

Mr. POINDEXTER, from the Committee on Naval Affairs, to which was referred the bill (S. 3776) providing for the establishment of a radio station on Unga Island, Alaska, reported it with amendments and submitted a report (No. 449) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 6042) granting an increase of pension to Mary L. King; to the Committee on Pensions.

By Mr. CHILTON:

A bill (S. 6043) for the relief of William Leslie Nelson (with accompanying papers); to the Committee on Military Affairs.

By Mr. JAMES:

A bill (S. 6044) granting an increase of pension to Catherine E. Richards (with accompanying papers); and

A bill (S. 6045) granting an increase of pension to Alice J. Buck (with accompanying papers); to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 6046) authorizing the Secretary of War, upon the request of the governor of a State, to designate one or more commissioned officers of the United States Army to cooperate with the school authorities of the State in the establishment and proper conduct in any of the public schools of the State of the so-called Wyoming plan of military and physical training according to the system prepared by Lieut. E. Z. Steever, United States Army, and recommended by the War College Division of the General Staff Corps, United States Army; to the Committee on Military Affairs.

By Mr. GALLINGER:

A bill (S. 6047) to carry out the purposes mentioned in section 3 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers"; to the Committee on Agriculture and Forestry.

By Mr. HITCHCOCK:

A bill (S. 6048) to provide for the taxation of the lands of the Winnebago Indians and the Omaha Indians in the State of Nebraska; to the Committee on Indian Affairs.

By Mr. OLIVER (for Mr. PENROSE):

A bill (S. 6049) providing for the purchase of a site and the erection thereon of a public building at Midland, in the State of Pennsylvania; to the Committee on Public Buildings and Grounds.

A bill (S. 6050) to correct the military record of Charles Mace; to the Committee on Military Affairs.

A bill (S. 6051) to increase the pensions of those who have lost limbs or have been totally disabled in the same in the military or naval service of the United States;

A bill (S. 6052) granting a pension to Nathan K. Epler; and

A bill (S. 6053) granting a pension to George G. Richie; to the Committee on Pensions.

AMENDMENT TO POST OFFICE APPROPRIATION BILL.

Mr. POINDEXTER submitted an amendment providing that periodical publications issued at stated intervals as frequently as four times a year by any department of a State government as a part of the official work of that department and for public purposes only shall be entitled to second-class mail rates, etc., intended to be proposed by him to the Post Office appropriation bill (H. R. 10484), which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

AMERICAN CITIZENS IN IRELAND.

Mr. KERN. I submit a resolution and ask that it be read.

The VICE PRESIDENT. The Secretary will read as requested.

The resolution (S. Res. 196) was read, as follows:

Whereas it is represented that at the time of the recent revolt in Ireland there were, and are yet, many American citizens in districts in which martial law was proclaimed and in which armed conflicts occurred; and

Whereas the relatives and friends in this country of such American citizens whose safety has been thus endangered are apprehensive lest their lives and property have been imperiled: Therefore be it

*Resolved*, That the Secretary of State be, and is hereby, requested to cause inquiry to be made through our consular representatives as to the safety and well-being of American citizens in Ireland, and to take such steps as may be necessary for the safeguarding and protection of their lives and property.

Mr. STONE. Mr. President, I ask that the resolution be referred to the Committee on Foreign Relations.

Mr. KERN. I should like immediate consideration of the resolution, if there is no objection.

Mr. STONE. I ask that it be referred to the Committee on Foreign Relations.

Mr. KERN. That is the usual course, I presume, and it will have to be done.

The VICE PRESIDENT. The resolution will be referred to the Committee on Foreign Relations.

OSAGE OIL LANDS.

Mr. CHILTON submitted the following resolution (S. Res. 198), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Whereas the Osage Indians have questioned the legality and advisability of the proposed leases of oil lands upon the Osage Indian Reservation in Oklahoma, now pending before the Department of the Interior for the approval of the Secretary: Therefore be it

*Resolved*, That pending the investigation by the Committee on Indian Affairs of the Senate the Secretary of the Interior be, and he is hereby, requested to suspend all action upon all oil leases covered by the so-called Edwin B. Foster lease of lands upon the Osage Indian Reservation, except that pending such investigation all leases which were in force on March 16, 1916, are to be extended until such time (not to exceed one year) as a full and complete report is made by the Committee on Indian Affairs to the Senate.

*Resolved*, That the Committee on Indian Affairs of the Senate, through a subcommittee of five members to be chosen by it, be, and it hereby is, authorized and directed to fully investigate the methods of controlling and marketing the oil production of the Osage Reservation in Oklahoma and all affairs connected therewith, and that the said committee be empowered to send for persons and papers and to subpœna witnesses, to administer oaths, and to sit during the sessions of the Senate and during vacation; and said committee shall make full and complete report, together with its recommendation to the Senate. The necessary expenses of said investigation shall be paid out of the contingent fund of the Senate.

FEDERAL EMPLOYEES' RETIREMENT BILL.

Mr. POMERENE submitted the following resolution (S. Res. 197), which was considered by unanimous consent and agreed to:

*Resolved*, That the Bureau of Efficiency is directed to prepare and submit to the Senate estimates of the immediate and ultimate cost of pensioning or retiring the civil employees of the United States, and in order to prepare such estimates the Bureau of Efficiency shall obtain from the executive departments, from the chiefs of bureaus, and independent establishments, such information regarding persons appointed to and separated from the executive civil service as may be necessary for that purpose, including their salaries and dates of birth, appointment, and separation;

*Resolved further*, That for said purposes the heads of the executive departments, chiefs of bureau, and other executive or administrative officers are hereby directed to furnish the said Bureau of Efficiency with said information.

PREPAREDNESS AND DEMOCRATIC DISCIPLINE (S. DOC. NO. 443).

Mr. KERN. Mr. President, I have here an article published in the Atlantic Monthly of April, 1916, entitled "Preparedness and Democratic discipline," written by Mr. George W. Alger, an accomplished writer and a distinguished lawyer of New York City, which I should like to have printed as a public document. I regard it as a very valuable contribution to the literature on that subject.

The VICE PRESIDENT. Without objection, it is so ordered.

WYOMING PLAN OF MILITARY TRAINING.

Mr. POINDEXTER. I ask to have printed as a public document an article prepared in the War College Division of the Army on an outline of a plan for military training in public schools of the United States, commonly called the Wyoming plan of military and physical training.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FLETCHER. The Senator from Washington, as I understand, has asked to have a certain paper printed as a public document. I do not know anything about it, and I think it ought to go to the Committee on Printing for consideration.

The VICE PRESIDENT. If there is any objection, the paper will be referred to the Committee on Printing. That order will be made.

GOVERNMENT OF THE PHILIPPINES.

Mr. HITCHCOCK. Mr. President, I desire to give notice that immediately upon the conclusion of the consideration of the river and harbor bill I shall ask the Senate to consider the amendments of the House to the so-called Philippine bill (S. 381), which are now on the table.

RURAL CREDITS.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes.

Mr. HOLLIS. I move that the Senate disagree to the amendments of the House and request a conference with the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Vice President appointed Mr. OWEN, Mr. HOLLIS, and Mr. NELSON conferees on the part of the Senate.

Mr. HOLLIS. I ask unanimous consent that the rural-credits bill be printed in a form to show the House amendments.

The VICE PRESIDENT. Does the Senator ask that the Senate and House bills be printed in parallel columns?

Mr. HOLLIS. I will not ask for that now; but I ask that it be printed so that the Senate bill will show the House amendments.

Mr. NORRIS. Why does not the Senator have the bill printed in parallel columns?

Mr. HOLLIS. Because in the House they changed the order of the sections so that I am afraid that will be a very difficult thing to do. However, the Printing Clerk is going to see if it can be done; if so, then I shall ask for such an order.

Mr. SMOOT. Mr. President, I should like to suggest to the Senator that I believe the best way to have the bill printed is in parallel columns. I hardly think it could be printed in the way the Senator suggested, if I understood his request, but it can be printed in parallel columns. No matter whether the sections follow each other or not, the notes on each section will show exactly to what section in the opposite column it has reference. I think it is very much better to have it printed that way.

Mr. HOLLIS. Then I will ask that the bill be printed in parallel columns.

The VICE PRESIDENT. Without objection, it is so ordered.

The order was reduced to writing and agreed to, as follows:

*Ordered*, That there be printed as a Senate document, in parallel columns, a comparative print of the bill (S. 2986) "to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal-savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes," showing the bill as passed by the Senate and the bill as passed by the House of Representatives. (S. Doc. No. 444.)

Mr. HOLLIS subsequently said: Mr. President, I brought up this morning the question of having printed the rural-credits bill and asked to have the bill (S. 2986) printed, showing the amendments of the House. Some objection was then made, but I think there was a misunderstanding; and I now ask that the order be made, and that the bill be printed, showing the amendments of the House.

The VICE PRESIDENT. Without objection, it is so ordered.

PENSIONS AND INCREASE OF PENSIONS.

Mr. JOHNSON of Maine submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12027) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 9.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, and 14, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 15 and agree to the same with an amendment, as follows: On page 29, line 1, strike out "$30" and insert in lieu thereof "$24"; and the Senate agree to the same.

CHARLES F. JOHNSON,
WILLIAM HUGHES,
REED SMOOT,
*Managers on the part of the Senate.*

JOE J. RUSSELL,
WILLIAM A. ASHBROOK,
CHARLES E. FULLER,
*Managers on the part of the House.*

The report was agreed to.

Mr. JOHNSON of Maine submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12843) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 7, 9, 11, and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, 8, 10, 12, 13, 14, 15, 18, and 19, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: On page 4, line 5, strike out amount named and insert in lieu thereof "$24"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: On page 25, line 21, strike out amount named and insert in lieu thereof "$36"; and the Senate agree to the same.

CHARLES F. JOHNSON,
WILLIAM HUGHES,
REED SMOOT,
*Managers on the part of the Senate.*
JOE J. RUSSELL,
WILLIAM A. ASHBROOK,
CHARLES E. FULLER,
*Managers on the part of the House.*

Mr. GALLINGER. Before the conference report is agreed to I will ask the Senator from Maine if the allowance to Mrs. Sternberg is in this report.

Mr. JOHNSON of Maine. It is not. That provision is in a Senate bill, which has been reported and is now on the calendar.

Mr. GALLINGER. This is a conference report on a House bill?

Mr. JOHNSON of Maine. Yes; on a House bill.

Mr. GALLINGER. I wish to say to the Senator that when the bill containing the provision for Mrs. Sternberg comes before the Senate I should like to be heard on that particular item.

The VICE PRESIDENT. The question is on the adoption of the report.

The report was agreed to.

HEIRS OF HUNDLEY V. FOWLER.

Mr. VARDAMAN. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 8787) for the relief of the heirs of Hundley V. Fowler, deceased. It carries a small appropriation to pay an old claim to the heirs of a former very worthy citizen of my State; and I should like very much to have the Senate consider it this afternoon.

Mr. STONE. Mr. President, I hope the Senator will not press that request. If he does so, other Senators will want to secure the passage of bills. It is desired to have a short executive session, and it is getting late.

Mr. VARDAMAN. I do not think it will take a moment to pass this bill, Mr. President.

Mr. STONE. I understand, but there may be other bills which Senators may desire to have passed.

Mr. VARDAMAN. I do not think any Senator wants to have passed a bill as much as I should like to have this one passed.

Mr. STONE. I shall not object, if the Senator can put it through.

Mr. SMOOT. Mr. President, the bill to which the Senator from Mississippi refers is similar to about 15 or 16 other bills on the calendar; that is, the claim involved in it has the same basis. I objected to the consideration of all of the others when the calendar was up, and while I dislike now to object to this bill on account of the interest the Senator from Mississippi feels in it, I am compelled to do so at this time.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the door were reopened, and (at 5 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Thursday, May 18, 1916, at 12 o'clock meridian.

## NOMINATIONS.

*Executive nominations received by the Senate May 17 (legislative day of May 16), 1916.*

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

*To be first lieutenants with rank from May 12, 1916.*

James Lee Funkhouser, of Illinois.
Clarence Linwood Scamman, of Maine.
James Lona Stewart, of Idaho.
Lincoln Davis, of Massachusetts.
Edward Lorraine Young, jr., of Massachusetts.
John Aloysius McKenna, of Pennsylvania.
Henry Lee Smith, of Maryland.
William Hayes Mitchell, of Vermont.
Philip Levey, of Nebraska.
Paul Regan Howard, of Nebraska.
William Alexander Fisher, jr., of Maryland.
Reuben Spencer Simpson, of New York.
James Torrance Rugh, of Pennsylvania.
Otto Lowy, of New Jersey.
Roger Kinnicutt, of Massachusetts.
Custis Lee Hall, of the District of Columbia.
George Adams Leland, jr., of Massachusetts.
Walter James Dodd, of Massachusetts.
Charles Galloupe Mixter, of Massachusetts.
William Thomas Fitzsimons, of Missouri.
Carl Henry Davis, of Illinois.
Harvey Heber Martin, of Indiana.
Beth Vincent, of Massachusetts.
Charles Ira Redfield, of New York.
Charles Andrew Fife, of Pennsylvania.
Malcolm Eadie Smith, of Washington.
Arthur Ellison Midgley, of Wisconsin.
Albert David Kaiser, of New York.
Charles Chester Benedict, of Washington.
Arthur Wilburn Allen, of Massachusetts.
Robert Williamson Lovett, of Massachusetts.
Joseph Clapp Hubbard, of Massachusetts.
Isedor Mack Unger, of New York.
Charles Henry MacFarland, of Ohio.
Andrew Smith Robinson, of Ohio.
George Washington Wales Brewster, of Massachusetts.
Michael Joseph Sheahan, of Connecticut.
Theodore Foster Riggs, of South Dakota.
George Noble Kreider, of Illinois.
John Carl Arpad Gerster, of New York.
Montrose Thomas Burrows, of Kansas.
Verne Rheem Mason, of Maryland.
Charles Alexander Waters, of Maryland.
Homer Graham Duncan, of Colorado.
Robert Davies Rhein, of Pennsylvania.
Harry Carl William Schultz-de Brun, of New York.
Clinton Ephraim Harris, of Iowa.
Robert Coalter Bryan, of Virginia.
Charles Christian Wolferth, of New Jersey.
Truman Gross Schnabel, of Pennsylvania.
Rutherford Lewis John, of Pennsylvania.
Jacob Leon Herman, of Pennsylvania.
Edward Harris Goodman, of Pennsylvania.
John Dibble, of New Jersey.
Emory Graham Alexander, of Pennsylvania.
Bruce Gretton Phillips, of New York.
Philip Edward Rossiter, of New York.
Chester Field Smith Whitney, of New York.
William Ropes May, of New York.
Everett Garnsey Brownell, of New York.
Brooks Hughes Wells, of New York.
Francis Stuart Matthews, of New York.
Lawrence James Nacey, of New York.
John Rochester Booth, of New York.
Harry Rubin, of Georgia.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Capt. Edward C. Carey, First Infantry, to be major from May 15, 1916, vice Maj. James T. Moore, Sixteenth Infantry, who died May 14, 1916.

First Lieut. Guy E. Bucker, Seventh Infantry, to be captain from May 15, 1916, vice Capt. Edward C. Carey, First Infantry, promoted.

Second Lieut. Oral E. Clark, Seventh Infantry, to be first lieutenant from May 15, 1916, vice First Lieut. Guy E. Bucker, Seventh Infantry, promoted.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate May 17 (legislative day of May 16), 1916.*

MEMBER PHILIPPINE COMMISSION.

Eugene E. Reed to be a member of the Philippine Commission and secretary of commerce and police.

UNITED STATES ATTORNEY.

Charles F. Lynch to be United States attorney for the district of New Jersey.

SECRETARIES OF EMBASSY OR LEGATIONS.

CLASS 5.

Norman Armour to be a secretary of embassy or legation of class 5.

Allen W. Dulles to be a secretary of embassy or legation of class 5.

Robert M. Scotten to be a secretary of embassy or legation of class 5.

John C. Wiley to be a secretary of embassy or legation of class 5.

POSTMASTERS.

ARIZONA.

Hugh E. Laird, Tempe.
Milville C. Hankins, Douglas.

GEORGIA.

T. B. Banks, Grantville.
Frank Flynt, Griffin.
Dan A. McMillan, Bartow.
Mattie N. Riley, Butler.
J. Frank Stovall, Madison.

KANSAS.

Alexander Burgess, Mulvane.

MAINE.

Harry E. Roberts, Kittery Point.

MASSACHUSETTS.

Charles W. Swift, Yarmouth Port.

NEW HAMPSHIRE.

Elmer T. Ford, Hanover.
Frank L. Marston, Conway.

NEW JERSEY.

Richard M. Crawford, Westville.
James D. Moriarty, Orange.
Sol Needles, Cape May.

NEW YORK.

Lewis O. Davis, Port Jefferson.
Frederick M. Welsh, Patchogue.

OHIO.

Fred H. Hart, Beverly.
D. A. Muskoff, Navarre.
Augustus S. Tuttle, Creston.

SOUTH DAKOTA.

Tom Larson, Colton.
Kate A. Schnacke, Bigstone City.

VIRGINIA.

Nannie B. Campbell, Amherst.

## HOUSE OF REPRESENTATIVES.

### WEDNESDAY, *May 17, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou great Spirit, Father of all souls, above, beneath, around, within, make us susceptible to Thy holy influence that we may be inspired to pure, noble, generous thoughts, the antecedents of pure, noble, generous deeds; that we may be the instruments in Thy hands for a wider civilization which shall make for righteousness in the souls of men everywhere; that unholy strife, contentions, and wars may cease and Thy love be reflected in every heart after the example of the world's great Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

FEDERAL MOTION-PICTURE COMMISSION.

Mr. HUGHES. Mr. Speaker, on behalf of the Committee on Education I have submitted to-day a report (No. 697) on the bill (H. R. 15462) to create a commission to be known as the Federal motion-picture commission, and defining its powers and duties, and I ask unanimous consent that the minority have five legislative days within which to file minority views.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the minority of the Committee on Education have five legislative days within which to file their views on the motion-picture commission bill. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will ask the gentleman to withhold that a moment until he can lay before the House the following communication, which the Clerk will report.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
*Washington, D. C.*

Hon. CHAMP CLARK, *Speaker.*

SIR: Desiring to be absent for a short period from my office upon important business, I hereby designate the Chief Clerk of the House, Jerry C. South, to act in my official capacity during my absence.

SOUTH TRIMBLE, *Clerk.*

Mr. RAKER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAKER. The gentleman from Pennsylvania, I understand, has withdrawn his point of no quorum?

The SPEAKER. No; he has not.

Mr. RAKER. Then, Mr. Speaker, I will ask if he will not withhold it for five minutes, and by that time I am satisfied a quorum will be present. I would like to have unanimous consent to proceed for five minutes.

Mr. MANN. Oh, that would empty the House. [Laughter.]

The SPEAKER. The Chair desires to carry fair with the gentleman from Pennsylvania. The gentleman from Pennsylvania makes the point of order that there is no quorum present. Evidently there is not a quorum present.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

| | | | |
|---|---|---|---|
| Aiken | Doremus | Kiess, Pa. | Pratt |
| Anderson | Driscoll | Kreider | Price |
| Barchfeld | Fairchild | Langley | Ramseyer |
| Beales | Farr | Lehlbach | Reilly |
| Black | Flynn | Lesher | Riordan |
| Borland | Focht | Lewis | Roberts, Mass. |
| Browning | Gardner | Liebel | Rowland |
| Brumbaugh | Godwin, N. C. | Lindbergh | Saunders |
| Burke | Goodwin, Ark. | Loft | Scott, Pa. |
| Butler | Graham | McFadden | Scully |
| Candler, Miss. | Gray, N. J. | McKellar | Sears |
| Carew | Griest | McLaughlin | Shouse |
| Casey | Hadley | Maher | Sparkman |
| Clark, Fla. | Hamill | Matthews | Steagall |
| Coady | Harrison | Mondell | Steele, Pa. |
| Coleman | Hart | Mooney | Sutherland |
| Conry | Hayes | Morin | Tillman |
| Copley | Heaton | Moss, W. Va. | Tinkham |
| Costello | Henry | Nolan | Towner |
| Crago | Hollingsworth | North | Vare |
| Dale, N. Y. | Hopwood | Parker, N. J. | Volstead |
| Darrow | Johnson, S. Dak. | Patten | Watkins |
| Davis, Minn. | Johnson, Wash. | Peters | Watson, Pa. |
| Dewalt | Jones | Platt | Young, N. Dak. |
| Dies | Keister | Porter | |
| Dooling | Kelley | Pou | |

The SPEAKER. On this roll 330 members have answered to their names, a quorum.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection?

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I object.

SPEECH OF THE PRESIDENT OF THE UNITED STATES.

Mr. DILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the speech of the President delivered at the National Press Club on Monday evening, May 15, 1916.

The SPEAKER. The gentleman from Washington asks unanimous consent to print in the RECORD a speech delivered by the President of the United States at the Press Club. Is there objection?

There was no objection.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 5086. An act amending section 4 of the public building act approved March 4, 1913, providing for the purchase of a site for a building for post office and customhouse at Nogales, Ariz.; to the Committee on Public Buildings and Grounds.

S. 4655. An act authorizing and directing the Secretary of the Interior to determine the most suitable method of preventing further erosion and overflow on Gila River, Ariz.; to the Committee on Flood Control.

CORRECTION.

Mr. AUSTIN. Mr. Speaker, the gentleman from Louisiana, Mr. MARTIN, being called out of the city on April 28, requested me a few days since to pair him upon the affirmative side on the adoption of the rule to make in order certain provisions on the Agricultural appropriation bill. I so notified the pair clerk, but it appears that he is recorded as being absent and not paired. I make this statement in order that it may appear in the RECORD.

The SPEAKER. The Chair again desires to state to the House that neither the Speaker nor the House has anything to do with the pairs. That is an outside matter, a sort of excrescence that has grown up in the body politic. Without objection, the correction will be made.

There was no objection.

FLOOD CONTROL.

The SPEAKER. This is Calendar Wednesday. The unfinished business is the bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of this bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14777, with Mr. CARAWAY in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. I wanted to know whether, when the House arose on Wednesday last, debate had been concluded on the Mississippi River paragraph?

The CHAIRMAN. It had.

Mr. MOORE of Pennsylvania. And no debate is now permissible on that paragraph?

The CHAIRMAN. The Clerk will now commence the reading of the next paragraph.

Mr. MOORE of Pennsylvania. My recollection, Mr. Chairman, is that there was an understanding that we should not go beyond the Mississippi River paragraph, and there was no understanding that we should begin on the California paragraph.

The CHAIRMAN. The Clerk had read to line 3, page 4, before the committee arose. The discussion of paragraph 1, relating to the Mississippi River was concluded, and the Clerk will read.

The Clerk read as follows:

SEC. 2 That for controlling the floods, removing the débris, and continuing the improvement of the Sacramento River, Cal., in accordance with the plans of the California Débris Commission, the Secretary of War is hereby authorized and directed to carry on continuously, by hired labor or otherwise, the plan of said commission contained in its report submitted August 10, 1910, and printed in House Document No. 81, Sixty-second Congress, first session, as modified by the report of said commission submitted February 8, 1913, approved by the Chief of Engineers of the United States Army and the Board of Engineers for Rivers and Harbors, and printed in Rivers and Harbors Committee Document No. 5, Sixty-third Congress, first session, in so far as said plan provides for the rectification and enlargement of river channels and the construction of weirs, to be paid for as appropriations may from time to time be made by law, not to exceed in the aggregate $5,600,000: *Provided*, That not more than $1,000,000 shall be expended therefor during any one fiscal year.

Mr. GARD. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. GARD. Mr. Chairman, I move to strike out the last word. I desire to ask the chairman of the committee a question. I desire to ask the chairman of the committee to advise me what reason existed in the minds of the committee to make the change from the report as offered in the Sixty-second Congress to that of the Sixty-third Congress, I believe, in which the change of apportionment is made from a one-third contribution by the Government to a one-half contribution by the Government?

Mr. HUMPHREYS of Mississippi. The proportion that the Federal Government would pay under the report submitted in the Sixty-second Congress was something more than $11,000,000. Under the report submitted to the Sixty-third Congress it was $5,800,000. The first report contemplated doing that work by by-passes, river levees, rectification of the channel, and so forth, at a cost of $33,000,000, of which the local interests were to provide two-thirds, about $22,000,000, and the Federal Government $11,000,000. That was subsequently modified by the engineers when the matter was submitted to them for further investigation, and the State of California then proposed that it would pay one-half of the $11,000,000 which had been estimated as the proper contribution of the Federal Government. That was the modification, and that is the one which the committee approved.

Mr. GARD. What reason is there why the United States should pay one-half instead of one-third, as recommended in the first report?

Mr. HUMPHREYS of Mississippi. The reason which I have just given, that is, that the one-third would amount to $11,000,000, and that was referred back to the engineers for further consideration, that is to the California Débris Commission. That commission, after consultation with the authorities in California, made a subsequent report in which it was agreed that the State of California and the private interests who owned this property in the Sacramento Valley would pay all but $5,800,000, and that is the reason the committee accepted it.

Mr. GARD. I yet can not understand why the proportionate increase of the Government contribution was made from one-third to one-half.

Mr. HUMPHREYS of Mississippi. Well, I tried to make that plain. The Government under the first proposition was called upon to make a contribution of one-third, which amounted to $11,000,000, and that Congress did not do, the Committee on Rivers and Harbors did not accept it, but referred the matter back for further investigation, and the State of California said then the State would pay half of that third and the Federal Government pay the other half, and that is the shape the matter came to Congress in. That was the report of the California Débris Commission which was submitted.

Mr. GARD. The State was willing to let the Government pay the additional money——

Mr. HUMPHREYS of Mississippi. The State was willing to save the Government $5,800,000. The gentleman understands that the one-third, which was $11,000,000, is more than the half, which is $5,800,000?

Mr. GARD. I understand what the gentleman says.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. HUMPHREYS of Mississippi. Just for one moment. The gentleman has no amendment to offer.

Mr. MOORE of Pennsylvania. I make a pro forma amendment.

Mr. HUMPHREYS of Mississippi. I was going to say if there is no amendment offered I would try to agree on time.

Mr. FREAR. I desire to offer an amendment striking out the paragraph later.

Mr. HUMPHREYS of Mississippi. That is one of them. Then I would ask to close debate on the paragraph in 15 minutes.

Mr. RAKER. I want five minutes.

Mr. HUMPHREYS of Mississippi. I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this paragraph and amendments thereto close in 20 minutes. Is there objection?

Mr. SMALL. Mr. Chairman, reserving the right to object——

Mr. HUMPHREYS of Mississippi. Does the gentleman want time on this particular paragraph?

Mr. SMALL. Does the gentleman mean this entire section or just this paragraph?

Mr. HUMPHREYS. Just this paragraph.

Mr. SMALL. I do not care for it under this paragraph.

Mr. MOORE of Pennsylvania. Mr. Chairman, I understand my time begins now. I have made a point which I think is worthy of consideration by the Members of the House, that this bill contemplates navigation work, and to a certain extent it is a recourse by which two projects are taken from the regular rivers and harbors bill and are given special consideration in the House. They are both important projects, and, perhaps, in each instance there should be some Government relief; but there is no special reason why they should be taken away from all other projects and given a quittance from the so-called rivers and harbors bill, in which they have hitherto participated very largely.

But I call the attention of the Members——

Mr. CLARK of Missouri. I would like to ask the gentleman from Pennsylvania one question. Is it not true that the hue and cry that has been raised against river and harbor improvement in this country for the last several years grew out of the fact that they were all massed together, and it was claimed that

it was a "logrolling" performance? And does not this bill take it out of that class?

Mr. MOORE of Pennsylvania. To a large extent the statement made by the gentleman from Missouri [Mr. CLARK] is true, but I question whether taking the Mississippi project, which involves the largest expenditure, out of the rivers and harbors bill relieves the situation as to the other projects.

Mr. CLARK of Missouri. Can not the whole principle be settled on this Mississippi River bill? If we are going to continue the levee system, let us say so; and if not, let us not do it at all.

Mr. MOORE of Pennsylvania. It might save the situation if it were true that taking the Mississippi River problem out of the rivers and harbors bill would permit other great projects in this country to go on, but if taking the Mississippi River project out of the rivers and harbors bill destroys all other projects, then it is a very serious question for people elsewhere throughout the country.

Mr. CLARK of Missouri. To be very frank, the gentleman has been fighting this bill from the very start. What ground has the gentleman from Pennsylvania [Mr. MOORE] on which to base the assumption that you are not going to do anything more to any other rivers in this country?

Mr. MOORE of Pennsylvania. On the ground that the Mississippi River has been annually taken care of by large appropriations, while other worthy projects in the eastern part of the country, with which I am familiar, have been utterly ignored and neglected and are treated in this House sometimes with derision when brought on the floor.

Mr. CLARK of Missouri. That was under the old system, was it not?

Mr. MOORE of Pennsylvania. I very much fear if this $50,000,000 bill goes through, with filibusters conducted against the regular river and harbor bill here and in another body, it will be a long time before any other worthy projects will obtain recognition in this House.

Mr. CANNON. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will.

Mr. CANNON. If the former Mississippi project be a "logrolling" project, does not the gentleman think that this bill with all its provisions might beget two "logrolling" projects?

Mr. MOORE of Pennsylvania. That might be if we could ever arouse the East to the fact that the West was taking all the appropriations and leaving the East alone. One reason for criticizing this bill is to call the attention of the people of the East to the fact that the money keeps steadily flowing out of the Treasury into the Mississippi Valley. That is as true as I can state it and is as true as gospel. It is said that these two projects are necessary projects, but they are brought in under the guise of flood control. Floods occur only occasionally. And the facts are in this instance, that while you are asking for $45,000,000 for the Mississippi, and $5,500,000 for the California river, which is being thrown in here as a sop with which to catch the western vote, both projects will cost two or three times the amount of money appropriated in this bill before they are ever completed. The people who pay the bill ought to know that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FREAR. Mr. Chairman, I move to strike out the paragraph. Before I address myself to that I wish to respond for a moment to the remark of the gentleman from Missouri [Mr. CLARK] addressed to the gentleman from Pennsylvania [Mr. MOORE], and I quote from a paper of recognized influence in the South, known as the New Orleans Item. In an article printed on September 28, 1914, a little over a year ago, that paper says:

THE PORK BARREL, US, AND OUR NEIGHBOR.

The National Rivers and Harbors Congress conducts a national lobby for the pork-barrel bill.

The Mississippi River Levee Association was organized by some railroad interests who do not want genuine and permanent stream control, because it threatens competition by levee-board politicians and levee contractors, whose jobs and profits depends upon the perpetuation of the stupid and vicious old system of disjointed levee maintenance under which the people of the valley have been bled and pillaged, both ignorantly and willfully, for the past generation, and left hopelessly exposed to terrible floods at the end of the process. The genii that framed this latter organization also framed a bill, and Mr. RANSDELL and Congressman HUMPHREYS of Mississippi let their names be tacked to it.

The two institutions are ostensibly separate.

The statement that the Item or Mr. Maxwell attacked the Rivers and Harbors Congress is untrue. Our general attitude toward it has been a feeling that if the Federal Treasury is to be looted for the selfish purposes of Congressmen and local interests that have strings on Congressmen, our own part of the country had as well have its share of the loot. * * *

What the Item has done in this matter is to tell its readers the simple truth about the standing of this pork-barrel measure before the people of the country. We have not been ignorant or dishonest about it. We told you a year ago that the feeling of the Nation against the abuses of the pork barrel was approaching a climax so rapidly that it was utterly unsafe to trust to the barrel for any adequate relief from floods. We warned you that the country would not allow many more pork barrels to be opened. * * *

The Item has been the only newspaper in New Orleans to take this course. The result vindicates its stand. We have been bitterly berated for this course by the other three newspapers. Ignorance or untruth alone can account for their behavior. We urge you to be charitable in determining for yourself to which their course is chargeable.

The Item's readers know from its past exposures that the Mississippi Valley Levee Association is built on a foundation of railroad cash. It is a pleasure to note that the Item's photographic proof of this fact was exhibited to the Senate during the recent debate. Everybody ought to know the truth.

We do not accept our good neighbor's well-meant statement of the case, but lest there be any doubt about it, we hasten to assure everybody that we are quite proud of our contribution to the enlightenment of a suffering people, oppressed by log-rolling politicians and benighted by an ignorant and incompetent press, upon the fundamental causes that keep the pall of flood above them.

Now, that comes from pretty good authority, published a little over a year ago in the city of New Orleans. I desire to enter into the RECORD as a part of my remarks editorials by the New Orleans Item, also one by the Chicago Tribune, which was received this morning. Let me say of the Tribune that it is a paper with a great circulation, possibly larger than the entire population of the city of New Orleans, and its remarks are along the same direction. It pays attention to this remarkable proposition which we have here of reclaiming the lands along the lower Mississippi Valley at practically Government expense—two-thirds of it contributed for that purpose. I ask to have it introduced because of its important criticism on the land-reclamation bill, and I do so notwithstanding some embarrassment because of the personal allusion it contains.

A great many people have asked what is the reason for this bill. Forty-five million dollars is to be put in, first, for the benefit of the levee boards and contratcors in the South, to be followed by $200,000,000 or more as we must do if we make effective flood control. Now, I will admit that I am in favor of meeting the proposition if we can of controlling floods, but how under heavens are you going to take out 16,000,000 acres of natural reservoirs over which water now flows and help flood reclamation? To build up flood levees in that vain hope is beyond justification by Army engineers. In Mr. Crosser's report the Mississippi River Commission says that the floods are raised by reason of this very levee system which brings the river into a narrow compass. The present proposition is one which is largely for land reclamation. The two propositions of flood control and land reclamation are antagonistic and should be disassociated. I speak on the authority of men who know the valley and have studied the problem—the two propositions can not stand together. One consists in bringing the river to a narrow compass and reclaiming the land; the other in providing reservoirs and regulate floods.

He calls attention to the greater flood heights which would ensue in the central channel if you narrow the levees on the banks. That is the fight between the by-passes they have out there.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. I ask unanimous consent, Mr. Chairman, to introduce into the RECORD the editorials I have mentioned.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Following are the statements referred to:

[From the Chicago Tribune, May 16, 1916.]

PORK HUNTERS' INGENUITY.

An even quarter billion of dollars is the amount the Democratic Congress would like to divvy up this year among its friends in various districts. The amount is huge, larger, it is believed, than any of Congress's past charities to constituents; but the amount is not the most sinister aspect of the pork-hunters' progress. It is their growing ingenuity.

Probably because of the repeated and often successful attacks by Congressman FREAR and others on the river and harbor bills by which money is habitually distributed to local contractors for dredging creeks and enlarging worthless harbors, new vehicles for carrying pork have been created.

Of these the flood-prevention bill, championed by Congressman HUMPHREYS of Mississippi, is the most dangerous. It purposes to save the residents of the Mississippi Valley from floods by constructing out of Government funds levees along the river in the Southern States.

The idea is that the landowners have spent all the money they can afford for protection and that the Government should step in and relieve them. Mr. HUMPHREYS would have them pay about one-fourth of the initial cost. These southern farmers, it is argued, are suffering because the northern part of the Mississippi Basin has been denuded of trees through agricultural development, thus increasing the danger of floods. Therefore it is fair to tax the country to build levees.

But there is an even more alluring prospect. Levees will, Mr. HUMPHREYS says, not only protect against floods but will reclaim "16,000,000 acres of the geological cream of the earth" which "are awaiting the magic touch to spring into fields of waving beauty." Further it is estimated that the reclaimed land will produce $700,000,000

worth of cotton a year. The soil is alluvial, and Mr. HUMPHREYS and his followers grow enthusiastic about its quality. It is an American Nile valley, but more fertile and of wider extent than the Nile.

All this can be accomplished, it is argued, by the paltry expenditure of $45,000,000 on levees. Its advocates can draw a picture of flood and destruction on the one hand and incredible prosperity on the other.

It is desirable to prevent floods in the Mississippi River, and it is also desirable to reclaim the 16,000,000 acres. It is those 16,000,000 acres of rich land which are the prize Mr. HUMPHREYS'S backers want him to get for them. They will be worth conservatively a billion and a half dollars, probably two billions, and possibly much more. They are privately owned. The Government is asked to donate $45,000,000 to make the land of these syndicates—for much of the land, Mr. FREAR asserts, is held by syndicates already—worth many times what it is worth to-day.

It is not a flood-prevention bill, but a reclamation bill, and it will be recalled that our Government has refused in the case of the irrigable lands in the West to donate money for reclamation. That would be Government finance of private speculation. In Western States the landholders must pay back to the Government the cost of irrigation systems. That principle was established back in 1902. The Government loans the money but does not give it in irrigation projects.

Once this theory is broken down the Government Treasury will be used to enrich private persons and to finance private speculations. Dwellers on any river in the country which suffers from flood can fairly ask under the guise of flood protection the reclamation of private lands.

There are other objections to Mr. HUMPHREYS'S bill. One is that $45,000,000 will not do the work. Government engineers estimate the cost of building levees all along the river at about $200,000,000. Another is that levees may not do the work. By narrowing the river in order to reclaim land floods are made more dangerous. The water must rise if it can not spread out. It is not at all certain that levees are the answer to floods. Control of headwaters may be the way.

But one of the most significant comments on the bill is the manner of its making. A new committee was appointed in a rush in February, 1916, and the members traveled from Cairo to New Orleans to learn all about the Mississippi. Of course they were hand picked. Their appointment was dictated, of course, by the interests which will benefit, the interests which have conducted the widest and most powerful lobby in recent years. Taxes have even been levied by States, not to build levees but to build sentiment in favor of getting Federal money to build levees. The bill is pork and nothing else.

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[From the New Orleans Item, Oct. 21, 1913.]

BETRAYING WITH FALSEHOOD THE SAFETY AND DESTINY OF THE MISSISSIPPI VALLEY.

The "Mississippi Levee Association," creature of the railroad interests that want such manner of "flood protection" as shall permanently destroy real navigation on the Mississippi and its tributaries, works to betray the safety and destiny of the inhabitants of the Mississippi Valley as brazenly and shamelessly as treachery was ever brought to a Commonwealth.

Most recent and most flagrant instance of this organization's campaign of betrayal occurred in New Orleans on Thursday last, when by its submission of a resolution misinterpreted in its intended purport, bearing written into its face one bald misstatement and one misleading perversion of fact, the National Grain Dealers' Association was tricked into an apparent repudiation of its earlier indorsement of the Newlands river regulation bill and into an approval of the Humphreys-Ransdell "levees only" measure.

In the outcome it is well that the bit of treachery was perpetrated, for it develops that this resolution is but copy of thousands like it sent to every commercial organization in the United States by the agencies that would save to the north-and-south railroads the monopoly of the traffic of the Mississippi Valley—even at the cost of endless repetition down the ages of the flood disasters of 1912 and 1913.

Here is the story. It should bar from the councils of every self-respecting body working for the welfare of the people the agents and the arguments of the Mississippi Levee Association, should put upon its propaganda of betrayal the damning proof of treachery to the people of the region—treachery more brutal in effect, more ruthless in purpose even than that engineered by those transcontinental railroads which trafficked with foreign nations to defeat the building of the Panama Canal.

On Tuesday of last week George H. Maxwell, of the National Reclamation Association, appearing before the first informal gathering of the National Grain Dealers' Association, set forth the plea for comprehensive Federal control, explained the Newlands bill, and when he finished the gathering approved unanimously, on motion and second of two of its leading members, a resolution sweepingly indorsing Federal control and the Newlands measure.

Mr. Maxwell that night took the train for Washington.

At a subsequent meeting of the grain dealers John A. Fox, secretary-manager of the Mississippi Levee Association, talked to the grain dealers along general lines of need for Federal aid in flood protection. His address in no sense conflicted with Mr. Maxwell's. When he concluded the audience believed he had merely added to and strengthened the cause of a broad plea to the Federal Government.

Then Mr. Fox turned over to the resolutions committee of the Grain Dealers' Association one of the stock resolutions that the Mississippi Levee Association is sending throughout the country in a printed form, with a blank space left for the name of the organization. In the convention's closing moment this was adopted:

"Whereas the Mississippi River is the main outlet for the drainage of two-fifths of the area of the Union, embracing 31 States, whose waters subject the alluvial lands of the lower Mississippi Valley to destructive overflows; and

"Whereas the great political parties in their 1912 platforms declared that flood protection of the waters is a national duty; and

"Whereas the Engineering Department of the United States Government, after thorough investigation, has declared that a system of levees, with adequate bank revetment, is the only feasible method of flood control; and

"Whereas a measure known as the Ransdell-Humphreys bill has been introduced into both branches of the Federal Congress, appropriating $60,000,000, to be distributed over a period of five years, so that this great work may be undertaken at once and pushed rapidly to completion: Therefore be it

*"Resolved by the Grain Dealers' National Association of the United States in meeting assembled this 16th day of October, 1913,* That this subject is of such magnitude and importance to the whole Nation as to justify its immediate recognition by Congress in accordance with the plans already provided by the Corps of Engineers of the United States: Be it further

*"Resolved,* That we ask the Members from our several States in both Houses of Congress to support said Ransdell-Humphreys bill and that we solicit the aid and cooperation of all commercial organizations throughout the entire United States in its behalf."

Read this resolution carefully. Note that it says the "Engineering Department of the Government" has approved "levees only," plus revetments. Consider that this resolution is being sent to hundreds of organizations throughout the country where no local acute interest in flood control has impelled to knowledge of the truth and to investigation.

Note, further, that the resolution reads as though the Humphreys-Ransdell bill was intended to effect flood prevention throughout the Mississippi Valley.

The first statement is a falsehood. The second statement must be a deliberate attempt at deception, for the Humphreys-Ransdell bill ignores every part of the valley save that below Cape Girardeau. Its effect is to trick into approval every commercial organization where the members have not found out the truth.

It trafficks upon the Nation-wide willingness to lend a hand to obtain adequate Federal aid to effect flood prevention in order to win approval of a measure that will defeat that end.

We take up first the effort to persuade the commercial organizations of the Nation that the Humphreys-Ransdell bill provides for general flood protection.

Read anew the phrases in the resolution:

"Whereas the great political parties in their 1912 platforms declared that flood protection of the waters is a national duty * * * whereas * * * the Humphreys-Ransdell bill—appropriation $60,000,000—so that this great work may be undertaken at once and pushed rapidly to completion."

This is what the resolution says.

Here is what the Humphreys-Ransdell bill says:

"* * * For continuing the improvement of the Mississippi River from the Head of the Passes to the mouth of the Ohio * * * for the building of levees between the Head of the Passes and Cape Girardeau."

Thus it will be seen that the Humphreys-Ransdell bill is limited to the lower Mississippi and is therefore limited to "levees only" plus revetments, thus thrusting outside the range of protection every flood basin on any Mississippi tributary above the mouth of the Ohio.

And thus the resolution tricks every commercial organization that indorses it into the appearance of opposition to the Newlands bill, which seeks to establish a broad, national, comprehensive program of Federal control of streams, flood prevention, and navigation maintenance.

Next we take up the simple untruth in the resolution.

Read anew this clause therein:

"Whereas the engineering department of the United States Government, after thorough investigation, has declared that a system of levees, with adequate bank revetment, is the only feasible method of flood control."

Let us ascertain the facts. Here we show you a reproduction of the latest bulletin of the United States Geological Survey—one engineering branch of the Federal Government—which declares that "levees and reservoirs" are "unquestionably the best and most reliable" "means of preventing flood damage."

[Department of the Interior, United States Geological Survey; George Otis Smith, Director; Water-Supply Paper 304.]

THE OHIO VALLEY FLOOD OF MARCH-APRIL, 1913.

"The two means of preventing damage by floods that have received the most attention and that are unquestionably the best and most reliable are levees and reservoirs. For full discussion and rational and conclusive consideration of either of these proposed means, as applied to the Ohio Valley, data more complete than those at present available are necessary. (P. 87.)

* * * * * * *

"The best solution may prove to be a combination of reservoirs and levees, the function of the reservoirs in extreme floods being, as pointed out above, to hold back the last straw that breaks the levee's back. (P. 90.)

* * * * * * *

"Whatever may be the merits of the respective schemes there can be no doubt of the absolute necessity for a comprehensive plan of action. To be effective any system of control must treat Ohio River and its tributaries as a unit, with due regard to the effect of such control of the Ohio on the Mississippi below Cairo. To make such a comprehensive system of control practicable, efficient, and successful, a central organization for the control of rivers is needed. Such a central organization would necessarily have to be Federal." (P. 91.)

This accounts for one "engineering department" of the Government. We leave aside the fact that the engineers of the Department of the Interior and the Department of Agriculture have indorsed the Newlands bill, which provides for the construction of any means of flood prevention that full investigation finds advisable, and come to the last word from the Army engineers.

Below we print a reproduction of an account in the Times-Democrat of the report of the Army engineers who have been investigating the last year's floods in the Ohio Valley. Read that picture carefully:

"The report, written by Lieut. Col. Francis Shunk and transmitted through Brig. Gen. Rossell, Chief of the Army Engineers, was given general approval by both Secretary Garrison and Gen. Rossell.

* * * * * * *

"The board was much impressed in its examinations," said the report, "by the evils of divided control of the watercourses."

* * * * * * *

"The board approved flood prevention plans tentatively worked out from Columbus, Ohio, but pointed out that, unless a means of escape for water delivered to the lower reaches were provided, the flood merely would be transferred from one point to another.

* * * * * * *

"A site for a reservoir near Kenton, Ohio, was examined, but the engineers believe prospects for sites in other parts of the Ohio Basin, notably Pennsylvania, West Virginia, and Kentucky, are better and recommends further investigation. They also recommend that the work

of formulating a plan of flood control be intrusted to the Army engineers at Pittsburgh, who already have taken up the problem.

"In transmitting the report Gen. Rossell suggested that the entire bridge matter could be handled by the Army engineers with a very small addition to their present forces. He also recommended greater cooperation with the Interior and Agricultural Departments."

Note that this account tells of the desire of the Army engineers to end "divided control." The Humphreys-Ransdell bill continues "divided control"; the Newlands bill ends it. The engineers urge that care be taken for the flood problem all down the rivers. The Humphreys-Ransdell bill does not do this; the Newlands bill does do it.

The engineers urge investigation of reservoir sites. The Humphreys-Ransdell bill renders that impossible. The Newlands bill provides for this investigation.

The engineers urge cooperation with the Departments of the Interior and Agriculture. The Humphreys-Ransdell bill does not provide for that. The Newlands bill does provide for it.

Thus will be seen with what means and with what bold and daring falsification of the entire record the "Mississippi Levee Association" seeks to defeat genuine flood prevention, which carries with it establishment of navigation on the inland rivers.

Thus will be seen how the National Association of Grain Dealers were tricked and deceived into a position where the "Mississippi Levee Association" could quote them against the one broad program which promises to the people of the valley both protection against floods and against railroad monopoly and rapacity.

United States Senator ASHURST summed up the situation a few weeks ago, speaking upon the flood problem and for the Newlands bill to the United States Senate, when he said:

"It is known to every well-informed person that the transcontinental railroads prevented an Isthmian Canal for nearly a quarter of a century. These same and other railroads fear the water competition that undoubtedly would follow systematic development of the rivers. If anyone should doubt that the railroads of the country fear waterway competition, or should doubt that the railroads are actively supporting the policy which proposes simply to levee against floods without doing anything else, because that method of protection will not result in waterway improvement, let him read the report of the Commissioner of Corporations on Transportation by water in the United States, part 4, issued December 23, 1912, especially that chapter entitled 'Railroad control of water carriers,' and he will be convinced that in lending no support whatever to the Newlands river-regulation bill the railroads of the country are fighting to prevent waterway transportation competition just as they fought the construction of the Isthmian Canal. * * *"

Those of us who have been in the heat of the fighting for effective Federal organization and effort to control the streams, use their waters, restore navigation, and prevent floods, know how absolutely true is the statement of Senator ASHURST.

We know how the railroad influence throughout the valley has been thrown against the Newlands bill, which provides for restored navigation, and for the Humphreys-Ransdell bill, which provides only for levees.

Not only do we know this, but we have the proof.

Here is one bit of it—a photographic reproduction of a typewritten statement made by Secretary-Manager John A. Fox, of the Mississippi Levee Association, himself. The reader will note that the north and south railroads founded the movement with eight thousand of the thirty that Mr. Fox declares is necessary each year:

"It has been estimated that a minimum fund of $30,000 per annum is necessary for this organization to do its work in a complete and thorough manner, and already a considerable portion of this sum has been pledged annually for five years. The subscriptions are as follows:

| | |
|---|---|
| Southern Ry. Co | $1,000 |
| Mobile & Ohio R. R | 1,000 |
| Frisco R. R | 1,000 |
| Missouri Pacific Ry | 1,000 |
| Chicago, Rock Island & Pacific Ry | 1,000 |
| St. Louis Southwestern Ry | 1,000 |
| Illinois Central R. R | 1,000 |
| Yazoo & Mississippi Valley R. R | 1,000 |
| Chicago Mill & Lumber Co | 1,000 |
| Caldwell & Smith, Memphis, Tenn | 1,000 |
| International Harvester Co | 1,000 |

This is the story, briefly told.

The National Grain Dealers' Association was tricked into appearing an enemy to restored navigation on the Ohio, the Missouri, the upper Mississippi, under guise of indorsing flood relief.

The trick played upon them—and played skillfully—is being played upon commercial organizations throughout the country.

It is part of the railroad conspiracy, not only to prevent maintenance of navigation on the inland rivers but absolutely to establish such a system as will forever destroy the chance of restoring navigation.

In its phraseology, of course, the Humphreys-Ransdell bill has smug reference to navigation, but its scope of operation is below the mouth of the Ohio, and the Nation knows that the only means of restored effective waterway transportation in the valley is by standardized stream flow on the great tributaries of the Mississippi that will render it possible to trade and travel by water the year round from the great centers of freight origin down to the sea.

For this means the Humphreys-Ransdell bill does not provide.

And the railroads are for the Humphreys-Ransdell bill and against the Newlands bill, just exactly as they were against the Panama Canal.

It rests with the people of the valley—

Will they permit the north and south railroads to destroy the Mississippi and its tributaries as transportation factors in the economic life of the valley and the Nation? No less than that is the aim of the railroads. No less than that will be the effect of such legislation as the Humphreys-Ransdell bill, which, while destroying all chance for restored navigation, by the record of the past will not protect against floods.

Mr. RAKER. Mr. Chairman, originally the Sacramento River was navigable by ocean-going vessels up to the city of Sacramento and Marysville and Red Bluff from the earliest pioneer days down to 1864 and 1867. Hydraulic mining was permitted in the mountains by the Government, and débris from the land filled up the channel to such an extent that when the floods came they filled up the bed of the river from 2 to 10 feet deep, thereby causing the overflow of the adjacent and adjoining country.

The original report made to the House by the Army engineers shows that the estimated cost was about $33,800,000. One-third of that, which was exclusively for improving the river for navigation, was to be paid by the Government. The other two-thirds was to be paid by landowners for the purpose of joining up and connecting with the levees on the river, so as to prevent floods over the valley of the Sacramento and to protect the lands.

The report of the engineers contains the statement that when the matter was presented to the Committee on Rivers and Harbors in the House and Senate it was held up for a year, and the Committee on Rivers and Harbors then asked the Board of Engineers to make a supplemental report, which they did, which is Report No. 5, referred to in the bill, which is favorable, showing that, as a matter of fact, a great part of the reclamation had been done by the private owners and would be completed; and to the end that the private interests of California should put the river in the state it was in from 1849 to 1867 for navigation, and navigation alone, and that the State of California should pay one-half of this expense, the Committee on Rivers and Harbors of the House two years ago reported favorably upon this project, and the House passed the bill. The Senate committee also reported favorably upon the project, and we know the bill was defeated by virtue of a filibuster, and these provisions were not then carried out.

The amount of money, the $5,600,000 to be paid by the Government, is only one-half of the actual cost of putting the river, its banks, and its bed in the shape it was in before the Government permitted hydraulic mining to such an extent that the river was made nonnavigable.

Mr. GARD. Mr. Chairman, will the gentleman yield?

Mr. RAKER. In just a moment. The people of the State of California, knowing the value of the navigation of that river, knowing what it means to the State of California and to the West and to the country generally, are willing to go side by side with the Government and pay one-half of this legitimate improvement to place the Sacramento River in shape fit for navigation and for navigation alone, the remainder is for flood control and reclamation. This part is paid by the private landowners, which will cost them about $22,000,000.

The question of drainage, the question of drainage districts, is cared for by the people themselves, and the expense incident to that drainage system is paid by the people, amounting to something over $22,000,000 or $25,000,000; and that system simply joins up and adds to the Government work, so that it will not do the extra damage. The money expended here will put the river in shape and create a by-pass so that the floods will not destroy the banks of the river, and so that the river will not be filled up with débris, but will remain in proper shape and be washed out and thereby permit navigation the year round.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RAKER. I will add here, under permission granted me to extend my remarks, that part of the report of the Committee on Flood Control that relates to the Sacramento River, Cal., which is as follows:

FLOOD CONTROL OF THE SACRAMENTO RIVER.

1. The name California carries with it to the mind of the intelligent and reading world the spirit of romance. It is surrounded and colored with kaleidoscopic pictures of proud hidalgos, of Spanish padres, and tile-covered missions, of sea adventurers, of gold seekers, and prairie schooners and Indian ambush, of vaqueros, of fruits and flowers, and warm sunshiny days. But of all these pictures the most vivid and those which have left most impress upon the fortunes of the country, upon the minds of its people, and upon the very configuration of the hills and valleys of the State, are those which tell of the work of the gold miner.

2. The California miner has dug out of the earth and added to the country's wealth since 1848 gold valued at $1,631,601,990, which is about one-sixth the value of all the gold coinage and bullion in the world to-day available for circulation, and within 3 per cent of the total within the United States as reported by the Secretary of the Treasury this month. The gold produced by California was, during the Civil War, the basis of the credit of the Nation when she most needed credit. The State is still the greatest gold producer in the Union, her annual output of $22,860,590 exceeding that of Alaska; but gold production is now one of the minor industries of the State. Even the alfalfa crop amounts to $23,000,000 yearly.

3. The gold in California is found in many forms in nature. It is most abundant, however, in the free state in small particles in the sands which have borne it down from the mountains through countless ages of the world's history. Deposits of this character are made by mountain streams, particularly where they drop their heavy grade and reach the floor of the valley. These deposits are found close to the surface or on the bedrock and covered by mountain layers of 100 to 400 feet in thickness, according to the number of years or the ages of

time which have elapsed since the deposit was made. The eastern and northeastern edge of the Sacramento Valley and the slopes adjoining are particularly rich in these deposits.

4. Various methods have been employed to secure this gold, including the hand pan and rocker washing the sands of the surface stream; the drift tunnel working into the sidehill on top of the bedrock; the hydraulic "monitor," which washes down the entire mountain in order to reach the layer of gold-bearing sand far below; and the modern gold dredge, which costs as high as $500,000 and brings gold-bearing material to the surface in its endless-ladder buckets from an extreme depth of 90 feet. Of these methods, hydraulicking was that responsible for most of California's output during the Civil War and for 15 years thereafter.

5. The State and the Nation, however, paid an enormous price for this gold in permanent injury to great natural resources and to varied interests—a price which is not only being paid now but will continue to be paid through all the generations of civilization yet to come. It is seriously questioned by those who have given careful study to the subject whether the entire amount of gold which has been and can be recovered from the hills and stream beds of California, great as it is, is adequate compensation for the permanent injury done by hydraulic mining to the navigable streams and rich arable lands of the valley, and for the losses which must continuously result therefrom to commerce and wealth in retarded development and decreased production.

6. It is the purpose of this report to give a faint idea of that damage and to call attention to the means suggested by the Corps of Engineers of the United States Army for correcting, so far as possible, the injury already done and for preventing in the future some of the injury which must otherwise ensue. The plan proposed has been recommended after 17 years of investigation and experiment, and receives general indorsement as the only one economically feasible which will accomplish the ends sought. It has already met the approval of the Board of Engineers for Rivers and Harbors and of the various congressional committees which have examined it, has been adopted by the State of California, and is steadily progressing to completion under cooperation of Nation, State, and property owners.

THE STORY IN BRIEF WITH REFERENCE TO THE MORE COMPLETE REPORT AND AUTHORITIES.

7. Sacramento River floods: The maximum floods of the Sacramento River are greater than those of any river in the United States, except the Mississippi below its junction with the Missouri, the Ohio, and the Columbia. In proportion to territory drained its floods are from 4 to 15 times as great as those of the three rivers named. The volume of water which may be precipitated, in extreme flood, into different sections of the river is from four to eight times as great as the capacity of the channel in those sections, respectively. The problem of flood control of the stream is still further complicated by immense deposits of débris washed down by hydraulic mining and by reclamation of lands in the low basins which formely served as relief reservoirs. These basins have been accepted from the Federal Government and sold to private parties as swamp lands under obligation to reclaim. (Secs. 53 to 60.)

8. Navigation in the fifties: When California was admitted into the Union in 1850, the Sacramento River throughout its entire length was a stream of clear water, free from silt of any character. For 15 years thereafter, at all seasons of the year, seagoing vessels drawing as much as 13 feet discharged at Sacramento City, 125 miles from the sea, cargoes brought around Cape Horn. Seagoing vessels even went as far as Marysville, on the Feather River, 60 miles above Sacramento. Light-draft craft plied all the year up to Red Bluff, on the Sacramento River, 323 miles from the sea. (Secs. 61 to 71, 101.)

9. Changed by hydraulic mining: With the advent of hydraulic mining this condition gradually changed, the silt, sand, gravel, and cobbles from the mines being washed through tributary streams into the main channel, where it deposited in bars and shoals, gradually raising the bed, and causing frequent overflow, with destruction of banks and injury to cultivated lands, as well as to navigation. (Secs. 72 to 80.)

10. Federal tolerance: Hydraulic mining was conducted practically under Federal license, certainly under Federal tolerance, and usually on Government land. At no time up to 1893 did the Government exercise its right of protection over the navigable stream to the extent of forbidding or regulating the hydraulic mining which was destroying navigability. (Secs. 129 to 144.)

11. Injury by flood: Disastrous floods (induced in part by the conditions referred to), commencing in 1861–62 and occurring at irregular intervals since, caused great injury to navigation and to property. Through breaks, or crevasses, in the levees the flood was diverted from the channel, cutting out soil on orchards and farm lands and depositing thereon sand and gravel. In the channel itself, below each break of the kind, there was caused slack water, with a deposit of débris in the form of shoal or sand bar. (Secs. 80 to 92; also Exhibit A.)

12. Navigation crippled: In time the river shoaled so that boats of even 6-foot draft could not reach Sacramento in the summer and fall months, but were compelled to lighter for 6 to 30 miles of the distance at great expense (Sacramento City is only 64 miles from the river's mouth). Navigation above Chico Landing (147 miles above Sacramento) even for boats drawing 20 to 24 inches ceased; and above Colusa (90 miles from Sacramento) no attempt is now made to furnish regular service by boat. Portions of the Bay of San Francisco were shoaled and access to the Mare Island Navy Yard threatened. (Secs. 93 to 120.)

13. Rise of flood plane: In the attempt to protect river lands and towns from inundation levees were constructed by private interests along or near the river bank in places, and this work, in connection with the deposit of the débris in the channel, caused in time a steady rise in flood plane, which in turn necessitated still further increase in levees. At Sacramento City the flood plane rose 8 feet in 40 years. With the gradual withdrawal, by reclamation, of the reservoir capacity in the various basins, the time was apparently approaching when the cost of levees, high enough and strong enough to keep above the rising flood plane, would exceed the value of the lands which the levees sought to protect. (Sec 98.)

14. The courts forbid hydraulicking: As soon as the valley and river interests realized the injury being done to navigation and to valley interests by hydraulic mining, protests were made, but without avail. (Secs. 129 to 140.) Litigation commenced in the courts was not concluded until 1884, when Judge Sawyer, of the United States circuit court, decided in effect that such mining must cease unless the mine tailings could be so impounded as not to cause injury to the navigable streams or to private lands. (Secs. 121 to 128.)

15. Stopped by injunction: Following this decision, and in the course of some years, hydraulic mining on the tributaries of the Sacramento River, save behind dams which would hold back the débris, was gradually stopped through the vigilance of valley associations and because of fines inflicted on the miners for contempt of court in running in defiance of the court's injunction. (Secs. 145, 146.)

16. Conditions in 1893: At this time not only had the navigation of the river been in great part practically destroyed and much orchard and farming land rendered permanently worthless, but a condition had been created which made certain the recurrence of disastrous floods. And there had been washed into the tributaries of the Sacramento hundreds of millions of cubic yards of sand, gravel, and cobble which would move with each freshet, and all of which must ultimately find its way into the main channel unless some way could be found of holding the material back. (Secs. 76, 77, 147; also Exhibit D.)

17. Congress seeks to repair the damage: These conditions were brought to the attention of Congress in 1893 by the various interests concerned, and an act (known as the Caminetti Act) was passed creating the California Débris Commission, to be composed of three United States Army engineers, which act is still in force. The principal duties of the commission as therein described are: To provide for the resumption of hydraulic mining so far as can be done without injury to navigation and without damage from overflow; to restore as near as practicable the degree of navigability of the Sacramento and San Joaquin Rivers which obtained in 1860; to afford relief in flood time and to provide sufficient water to maintain scouring force in summer. Cooperation with the State was provided for by empowering the commission to confer with such body of engineers as might be appointed by the State, and the expenses of barriers, dams, dredging, etc., done by the commission in pursuance of its duties were to be shared half and half by Congress and California. (Exhibit B; also secs. 149, 150, of this report.)

18. A mutual contract: The act of 1893 was practically a business proposition made by Congress to the State of California. That State by legislation promptly accepted and ratified the proposition, making it in effect a contract, and has since that time promptly paid into the United States Treasury such sums as were called for under the act as her one-half of the necessary expense involved. She has paid those amounts in good faith on the assumption that when the necessary plan had been matured it would be carried out, so that the injury done to navigation could be corrected and so that future loss from floods might be prevented. (Secs. 158 to 167.)

19. What California paid United States: Under the terms of the act of 1893 California has already paid $1,000,000 into the United States Treasury, to be expended on the Sacramento River by the California Débris Commission, as agent of the Federal Government. Of this amount $400,000 was for impounding débris and $600,000 for improvement of the river by dredging; $250,000 additional is in the State treasury, subject to call of the débris commission. Over $350,000 more has been spent for rights of way, most of it subscribed by landowners. (Sec. 175.)

20. Additional amounts spent for navigation: In addition the State has spent independently, under its State engineering department and river boards, since 1897, for rectification of navigable river channels, etc., $1,275,000. Landowners have already spent in river levee construction along the Sacramento, San Joaquin, American, and Feather Rivers up to date, it is estimated $12,000,000. The amount is undoubtedly two or three times larger than would have been necessary but for the injury done the river by hydraulic mining. All of this expenditure has been partly in the interest of navigation, since the integrity of the channel can not be preserved, particularly when partly choked by débris, unless levees be maintained. (Secs. 186, 187.)

21. Hydraulic mining regulated: The California Débris Commission, in compliance with the terms of the act, regulated hydraulic mining by providing that no mines might operate unless they could hold back their débris behind safely constructed dams, built under Government supervision and subject to Government inspection. Very few hydraulic mines could comply with this condition and make a profit, and that kind of mining has, in consequence, almost entirely ceased on the tributaries of the Sacramento. (Sec. 148.)

22. Storage reservoirs rejected: The débris commission, in the course of its investigations, rejected storage reservoirs as a means of flood control for the Sacramento (1) because of lack of sufficient available storage, (2) because the available storage is uneconomical. The investigations of the United States Reclamation Service and of the California State engineering department have since fully corroborated this conclusion and even demonstration that it is physically impossible to secure flood control of the Sacramento through storage. (Secs. 223, 224, 225; also Exhibit G.)

23. Main channel plan inadequate: The débris commission rejected also the main channel plan of major and minor levees, confining the floods to a wide strip on each side of the main channel. This plan was proposed on the theory that the maximum flood of the river is 250,000 second-feet. The floods of 1907 and 1909 showed that not less than 600,000 second-feet should be figured on, while the record of drainage into the valley in one season was 823,000 second-feet. (Exhibit D; secs. 11, 12, 13.)

24. Minor project for flood control: In 1907 the débris commission reported that, having satisfactorily regulated hydraulic mining as called for by the act of 1893, it recommended, in further pursuance of its duties, that dredging operations be inaugurated to care for débris deposits and incidentally assist in flood control. The report recommended 56 months' operation of two large suction dredges. No details were given but the intimation was made that there would be forthcoming "well-matured plans, in the preparation of which all elements of the problem will be taken into account." That project (known in California as the minor project) was adopted in 1910, and the dredging operations have been going on since, the work done being principally at the river's mouth. Nation and State have been cooperating in good faith in carrying out the project suggested in the report of 1907, the State having already appropriated for the purpose $850,000 and Congress $600,000. (Secs. 153, 154, 182.)

25. The major project: In 1910 the Débris Commission presented "the well-matured plans in the preparation of which all elements of the problem will be taken into account," as referred to in the report of 1907. These plans, embodying what is termed in California the major project, provide for entire flood control of the river, serving not only the cause of navigation, but also that of reclamation and of débris control, and in effect include the minor project of the 1907 report now in progress. (Secs. 155, 156, 157.)

26. Reapportionment of expense: In 1913 the Débris Commission offered a report modifying the report of 1910, not as to engineering

detail but only as to method of financing, and making the expense to the National Government about half of the amount contemplated in the original report. The project as thus outlined was approved by the Board of Engineers for Rivers and Harbors, by the Chief of Engineers, United States Army, and by the Secretary of War, was favorably reported by the Rivers and Harbors Committee (in the 1914 rivers and harbors bill), was passed without dissenting voice by the House of Representatives, and was favorably reported by the Senate Committee on Commerce. The rivers and harbors bill which contained this project, however, failed in the Senate, and was replaced by a substitute bill providing a lump appropriation to be expended at the discretion of the Chief of Engineers, United States Army, in the interest of existing projects only. The Sacramento and all other projects classed as unapproved were thus excluded from the bill. (Secs. 155, 156, 157.)

27. California creates an active agent: The State of California, by legislative acts of 1911 (special session), 1913, and 1915, formally approved the project, adopted the reports of the Débris Commission as in effect a contract between the State and the Nation, and pledged herself to carry out her portion of the contract. In discharging the obligations thus placed upon her the State created the State reclamation board, with jurisdiction over the entire area of the Sacramento and San Joaquin Valleys below the flood plane, with full power to force all reclamation work therein to conform to the project, to order project work done or to do it itself, and to levy the necessary assessment for river levees and by-pass construction on the lands which would receive benefit therefrom. (Secs. 179, 180.)

28. Cooperation between State and Nation: The State, as represented by the reclamation board, has kept in close touch with the California Débris Commission, has seen that all plans for levees, bridges, embankments, and cuts met with the commission's approval as being in accord with the project, has faithfully discharged all obligations laid upon her by the mutual understanding, and has pushed, as rapidly as conditions justified, that portion of the project under her charge. (Secs. 172, 180.)

29. The only plan feasible: The plan outlined in these reports is declared therein to be in effect the only one economically feasible which will secure flood control of the Sacramento River; and without flood control, it is stated, there can be no permanent restoration of navigability for the rivers. It is explained that on the Sacramento River the interests of flood control, navigation, reclamation, and débris control are so interwoven that a plan which seeks to care efficiently for one must care incidentally for the others. For this reason an apportionment of expense is suggested among Nation, State, and property owners. (Secs. 218, 219, 220.)

30. Principles of plan: The plan contemplates the retention in the river channel of so much of the flood as the channel, guarded on each side by strong levees, can safely carry. This utilizes current action in clearing the channel of deposits. The excess volume, in flood season, is to be diverted over concrete weirs, and into by-passes, through which it will be conducted over the adjacent basins and turned into the river again at Rio Vista, 15 miles from the mouth. From this point to the mouth, the channel is to be enlarged and deepened to accommodate the full volume of flood. (Secs. 168–172.)

31. A permanent flood plane: The plan will make unnecessary, after standard construction has been completed, any future raising of levees such as has been continually resorted to for many years past. The crests of the weirs will fix the flood planes in the river channel in their respective districts; and floods which would raise the plane under present conditions will be automatically turned into the by-passes. (Secs. 168 to 172.)

32. The Government's work: The California Débris Commission is to have sole charge of those portions of the project which are supposed to be peculiarly in the interests of navigation, including enlargement of the river's mouth, dredging in the channel, and construction of the four weirs. The cost of these elements is to be shared equally between the Nation and the State, the estimates in the report fixing the Nation's share at $5,860,000. (Since those estimates were made Congress, in caring for the minor project, has appropriated $200,000 for part of the work covered by them.) All rights of way must be paid for by the State or by private parties. (Sec. 173.)

33. The State's responsibility: The State, through the State reclamation board, assumed responsibility for completion of the remaining elements of the project, including 503 miles of river levee and 186 miles of by-pass levees and the securing of the necessary rights of way (about 85,000 acres). The cost of this work is to be assessed by the reclamation board on lands benefited by the project in proportion to benefits received. In some cases the completion of the project will incidentally reclaim private lands; in others it will insure conditions under which the owners can go on with reclamation work; in all cases it will afford reasonable assurance of safety against future floods. In no event will any of the expense for this portion of the project be borne by the United States. (Secs. 173, 174.)

34. Work at the river's mouth: Work on that portion of the project in charge of the California Débris Commission has been confined to dredging at the river's mouth under "minor project" appropriations. Some 13,000,000 cubic yards have been removed by the hydraulic dredgers, the new cut thrown open to the action of the current, and an appreciable improvement in run-off of flood waters already secured. (Secs. 181, 182.)

35. Progress in weir preliminaries: There has been, necessarily, no work done by the débris commission in weir construction, in the absence of the adoption of the major project and the inapplicability of minor project appropriations thereto. Sites for three of the four weirs have already been secured, however, and Sacramento city has in her treasury the money necessary for building the Sacramento Weir, construction of which she will undertake because of the protection it will afford her. Her citizens voted to advance $594,000 for the purpose, fearing that Federal appropriations therefor might come too late. (Secs. 183, 184.)

36. Progress in the State's portion: Since the presentation of the débris commission report of 1910, and particularly since the adoption (December, 1911) by the State of the project therein recommended and the creation of the State reclamation board, private capital has, in response to the State's invitation, spent many millions of dollars in reclamation works which form incidentally integral portions of units of the great flood-control project. In this way the completion of river and by-pass levees, as called for by the plans and on standards fixed by the reclamation board, is rapidly progressing. The entire Sacramento by-pass and weir, it is expected, will be commenced within the next few months and pushed steadily to completion.

In securing material for construction and betterment of river levees, private reclamation districts have dredged out of the navigable channels millions of cubic yards of débris deposit, the removal of which is contemplated in the major project. (Secs. 185, 186.)

37. Losses due to lack of flood control: While the State is steadily pushing her share of the project, the work she is doing will lose its value unless Congress adopts the major project and makes such appropriations as will enable the engineers to complete those portions having to do with the navigable channel over which the Federal Government exercises exclusive jurisdiction. Delay in securing flood control, which can be had only through completion of this project, means great loss of property, and perhaps life, as well as serious injury to navigation.

The reports of the Chief of Engineers, United States Army, 1910, show that the loss in the Sacramento Valley in the floods of 1907 and 1909 was $11,000,000, and that Marysville was without railroad service for 10 days and San Francisco practically isolated for over one week by failure of bridges and railroad beds. Two transcontinental lines—the Southern Pacific and Western Pacific—run through the valley, as well as a number of local lines, and the interruption to mail service and business under such conditions is serious. (Secs. 80 to 93.)

38. An obligation of Congress: The clear intent of Congress, expressed in the act of 1893, to restore the navigation of the Sacramento and San Joaquin Rivers as near as practicable to the conditions existing in 1860; California's prompt compliance with the conditions of the act and the appropriations which she has made for prosecution of the work; the methods of the Débris Commission in discharging one after another the duties imposed on it by the act; its regulation of hydraulic mining and report on the accomplishment thereof; its attempts at débris control, with varying success up to its report of 1907, which recommended dredging as the final resort; its failure to outline therein any plan for such work save the construction of two dredges, and its reference to "well-matured plans in the preparation of which all elements of the problem will be taken into consideration"; its final presentation in 1910 of those well-matured plans covering flood control and all elements of the problem, and its suggestion that this was the last of the duties assigned it; the readiness with which appropriations were recommended and made as called for by each progressive step toward the accomplishment of the purpose clearly set forth in the act of 1893—all are strongest indications of the belief on both sides that a contract had been entered into in good faith between the Nation and the State, and that the injury to the Sacramento River done by hydraulic mining under national tolerance was to be remedied so far as practicable by cordial cooperation between State and Nation. This is apparently the view of the United States Army Engineers, as it certainly is that of the State, for in the hearing before the Rivers and Harbors Committee, February 7, 1912, Col. John Biddle, United States Army, senior officer at that time of the California Débris Commission, expressed, in effect, the opinion that undoubtedly the State of California would not have appropriated $400,000 for the minor project unless it had understood that the improvement of the river would be completed under a matured plan, since otherwise the $400,000 would have been practically thrown away. (Secs. 158 to 167.)

39. A business investment for the United States: Aside from the weight which may be given to the apparent understanding in this matter—the necessity for speedy completion of the Sacramento flood-control project, the benefits, National and State, which will flow therefrom, and the widespread disaster which must follow a failure on the part of the Federal Government to cooperate should be sufficient to secure its prompt indorsement at the hands of Congress. In the following statement of the results which will be accomplished by the completion of the project will be found sufficient justification for the Nation to regard it as a good business investment on its part.

40. It is the only plan through which flood control of the Sacramento River can be secured; and only through that flood control can the following results be attained:

41. (*a*) Restoration and maintenance of the navigability of the Sacramento River, injured through hydraulic mining. Ocean freighters drawing 13 feet used to deliver cargoes at Sacramento city, 125 miles from the sea, at all seasons of the year. Light-draft craft formerly carried freight and passengers all the year around to Red Bluff, 323 miles from the sea.

42. (b) Protection of the San Joaquin River, which has a common delta with the Sacramento and which is affected by floods of the Sacramento as far as the city of Stockton, 45 miles from the river's mouth.

43. (c) Transportation for passengers and freight from the lower stretches of the two rivers, which, because of the physical conditions, are not accessible to railroads.

44. (d) Maintenance of low freight rates for the products of the two valleys. Ninety per cent of all freight between Sacramento and San Francisco and between Stockton and San Francisco is carried by river boat, at about one-third the expense of rail transportation. Improvement of river conditions above Sacramento City would tend to induce simular conditions in the upper valley.

45. (e) Maintenance of an inland waterway system of which the two navigable rivers must be necessarily the main arteries. Upon such a waterway system depends in large measure future development of the Sacramento and San Joaquin Valleys and the commerce of the State, since without cheap water freights to tidewater products of the valleys can not secure profitable access to the markets of the world. The history of inland waterways in Europe will make this point very clear.

46. These two valleys, comprising about 10,000,000 acres, will grow to advantage any product called for by the necessities or desires of the Nation. Properly developed and under intensive cultivation the year round they could furnish a large portion of the supplies demanded by the country in time of stress. They would become under such conditions a national economic asset, which might be invaluable and which, it would seem, Congress at this time can not afford to ignore.

47. (f) Safety from disastrous floods for a million and a quarter acres of rich alluvial lands. The annual crop on so much thereof as is now reclaimed, or partly reclaimed, is valued at $30,000,000. Included in the district are the cities of Sacramento and Stockton, with population of 120,000 and property assessment of over $100,000,000.

48. (g) Creation of permanent wealth in lands now subject to overflow and which can not be reclaimed or used for any purpose in the absence of flood control of the Sacramento. If these lands were re-

claimed and under intensive cultivation under protection of the completed flood-control project the present value of the annual crop in the river districts would be easily doubled (Secs. 188 to 215.)

THE PROJECT AND ITS HISTORY IN DETAIL.

THE GREAT INTERIOR VALLEY.

49. The greater portion of the arable section of California is comprised in an immense valley about 400 miles long and 40 miles wide. It is inclosed on the east and west by the Sierra Nevada and Coast Range Mountains, respectively. The two converge above Red Bluff in the north, while the southern boundary is formed by the Techachipa Range, joining the Coast Range and the Sierra Nevada below Bakersfield. On the earlier maps of the United States Geological Survey this valley is called "The Great Interior Valley." To-day it is known in its northern part as the Sacramento and in its southern part as the San Joaquin Valley, the first containing about 3,000,000 acres and the latter about 7,000,000 acres. There is no distinguishable dividing line between the two, though the Cosumne River is usually accepted as such line.

50. In prehistoric ages the entire valley was an arm of the sea. It was gradually filled up by material washed down from the mountains, until eventually there was left only San Francisco Bay, with its arms and estuaries and a narrow opening—the Golden Gate—through the Coast Range to the sea.

51. The upper portion of the Great Valley is drained by the Sacramento River, flowing south, and the lower portion by the San Joaquin, flowing north. The two rivers have a common delta, and their main streams, flowing on opposite sides of Sherman Island, empty side by side into Suisun Bay, an arm of San Francisco Bay, 61 miles from the sea. Because of their common delta and the difference in volume of their floods, the San Joaquin in the lower 45 miles of its course is subject to flood and injury from the Sacramento.

52. When California was admitted into the Union, in 1850, and for many years afterwards, both streams were particularly valuable for navigation. On the San Joaquin ocean boats navigated to Stockton and light-draft craft ran for half of the year as far as Hills Ferry, 129 miles from the mouth of the river, and for a few weeks at high water they ran to Firebaugh, 79 miles farther. Navigation on the San Joaquin to-day is limited practically to that stretch of the river lying between its mouth and the city of Stockton, a distance of 45 miles, the Government maintaining therein, under existing project, a channel depth of 9 feet. The river is navigable, however, for 15 miles above Stockton. The navigability of the upper river has been practically destroyed by the demands made upon its sources of supply for water for irrigation. In the San Joaquin Valley the volume of available water is less and the quantity of land to be irrigated much greater than in the Sacramento Valley. The maximum flood volume of the river is 155,000 second-feet. (See statement G. A Atherton, hearing Rivers and Harbors Committee, July 23, pp. 7 and 8 (Exhibit H); also Report Chief of Engineers, 1915, pp. 1461 and following.)

THE SACRAMENTO RIVER FLOODS.

53. It is with the Sacramento River that this report has more particularly to do. This river has a flood volume exceeded only by three rivers in the United States—the Mississippi below its confluence with the Missouri, the Ohio, and the Columbia. In comparison to the area of territory drained, its flood volume is over four times as great as that of either of the latter two streams and 15 times as great as that of the Mississippi. Its maximum flood is now usually estimated at 660,000 second-feet, though the records show a flow into its basin in 1907 of 823,000 second-feet.

54. It had been assumed, as late as 1906, due to lack of data concerning earlier floods, that the maximum flood of the Sacramento did not exceed 250,000 second-feet. In 1881 it was thought to be 100,000 second-feet "and perhaps more for a short time." (Rept. Chief of Engineers, 1881, p. 2517.) If the Columbia and Ohio carried floods equal in proportion to the territory drained to those of the Sacramento, the maximum discharge of each would be about 5,000,000 second-feet, instead of the 1,390,000 and the 1,233,000, respectively, with which they are now credited, while the Mississippi's discharge under similar conditions would be about 25,000,000 second-feet instead of 1,777,000 second-feet. (H. Doc. No. 81, 62d Cong., 1st sess. (Exhibit D), p. 19.)

55. The records show that at Iron Canyon, where the Sacramento River enters the valley, it carried, on February 3, 1909, a flood of 276,000 second-feet. This point is 109 miles above Colusa. The maximum capacity of the river channel below Colusa and down to the Tisdale Weir, is 65,000 second-feet, while below the Tisdale Weir and to the mouth of the Feather, a distance of 34 miles, the maximum capacity is only 35,000 feet. (See map.)

56. The Feather River, carrying with it the floods of the Bear and Yuba and smaller tributaries, has, at its mouth, an estimated maximum flood of 250,000 second-feet (in 1907 this was exceeded), while the channel of the Sacramento, from this point down to the city of Sacramento, 20 miles, has at present a maximum capacity of only 75,000 or 80,000 second-feet

57. The American River enters the Sacramento a half mile above Sacramento city, its maximum flood volume being estimated at 180,000 second-feet, while the maximum capacity of the Sacramento River channel from Sacramento city down to Suisun Bay is but 110,000 second-feet.

58. Because of the difference in length of streams, the floods reach Sacramento city from the headwaters of the Sacramento River approximately in 96 hours, from the Feather and Yuba in 48 hours, and from the American in 9 hours. The gravest danger to the valley is created when, because of difference in time of storm in the drainage areas of the respective streams, or because of long continuance of storm, the floods from the three sources, or from two of them, crest together at Sacramento.

60. These conditions in themselves create, it is seen, a serious flood-control problem. That problem is greatly complicated by the hydraulic-mining deposits and by the reclamation of basin and river lands accepted from the Federal Government under obligation to reclaim.

EARLY NAVIGATION ON THE SACRAMENTO.

61. In the early pioneer days the Sacramento River was a perfectly clear stream with pebbly bottom. From 1850 to perhaps 1865 it was navigable at all seasons of the year for seagoing craft drawing from 9 to 13 feet of water up as far as Sacramento and, for the earlier part of the period named, some little distance beyond Sacramento. Indeed, most of the steamers which plied on the river in those days had to be seagoing craft, for they made their way to California from east Atlantic ports around Cape Horn or through the Straits of Magellan. Tidal influence was felt in 1849 at the mouth of the Feather River and at Sacramento was fully 2 feet. The records on these points are conclusive and interesting.

62. In the transcript of the hearing, held in California July 23, 1915, before the Rivers and Harbors Committee, appears, at page 15, the following statement made by A. E. Anderson, president of the California Transportation Co., which for many years has operated steamboats on the Sacramento and San Joaquin Rivers:

"Prior to the time when the river was damaged by hydraulic mining and up to 1865, seagoing ships drawing from 9½ to 13 feet made regular trips to Sacramento at all seasons of the year—spring, summer, autumn, and winter. One steamboat, the *Senator*, drew 13 feet of water."

The steamer *Senator* referred to by Mr. Anderson was a boat of 755 tons, built to run from New York to Portland, Me. She came to California, reaching Sacramento November 6, 1849, and thereafter plied regularly for many years between Sacramento and San Francisco. The *New World*, a very much larger boat, which was placed on the river many years afterwards to run between the same points, was built to run out of New York to Atlantic ports, and, like the *Senator* and other steamers, came to California by sea. (Judge Sawyer's decision, Exhibit A.)

63. Seagoing craft went up the Sacramento beyond Sacramento City and 30 miles up the Feather River to Marysville. In 1849 the steamer *Linda* came to California round Cape Horn, went up the Sacramento and Feather, and beyond Marysville up the Yuba 4 miles. The township within which she landed still bears the name Linda.

64. During the fifties several lines of steamers were regularly running to Marysville. The Sacramento Bee on February 16, 1862, recorded the fact that the *Defiance*, drawing 2 feet, had gone up the Feather 30 miles above Marysville to Oroville.

65. In "The History of Sacramento County," by Winfield J. Davis, published 1880, from pages 60 to 66, are interesting details as to early navigation, from which the following facts are briefed:

66. The Alta California (a San Francisco newspaper) in its issue of January 4, 1850, refers to the bark *Whiton* (which arrived at Sacramento May 4, 1849, with cargo from the Atlantic) as a comparatively small craft. She drew 8 feet. The first big steamboat to be seen at Sacramento was the steam-propeller *McKim*, which reached there from New Orleans in September, 1849, and thereafter made regular trips on the river. Her passengers paid in fares on her first river trip $16,000, the fare being $30 apiece. The steamer *Senator's* first trip to Sacramento is mentioned.

67. The Alta California of August 31, 1849, published a list of 45 vessels plying up the rivers Sacramento and San Joaquin, the sizes of which are not given, but most, if not all, of which must have come by sea from east Atlantic ports.

68. One day in 1850 a list of steam and sailing vessels at the wharves of Sacramento numbered 65.

69. A list of 25 steamers, large and small, is given which regularly ran in and out of Sacramento in 1853, the *Senator* being the largest. The total value of the steamers was $1,086,000. Fares had been reduced in 1851 to $1.

70. In 1854 one of the new river boats, the *Queen City*, built by the citizens of Marysville, 200 feet long with 9-foot hold, carried on her first trip 919 passengers.

71. The Sacramento River steamers increased in size and improved in appointments steadily for some years, the largest making regular trips to Sacramento being the *Capital*, 1,625 tons, which appeared first in March, 1866.

HYDRAULIC MINING AND ITS DÉBRIS.

72. Gold was discovered in California in 1848, following which came the rush of gold seekers to the State and the prosecution of mining as the leading industry for a number of years. About 1856 the hydraulic method of mining came into use in the State. The method consists in sluicing away the top soil and lower strata of clay, sand, gravel, and cobbles that overlie the bedrock on which the gold is usually found and catching the gold in sluices and riffles. The débris is carried down by the stream of water, finding temporary lodgment in the creeks and small tributaries, but pushed eventually by the freshets into the navigable river channels.

73. The sluicing was done originally by water carried under pressure in canvas pipes and delivered through nozzles, such as are found on fire hose. The hydraulic "monitor," invented in 1865, was soon afterwards generally adopted, and, within 10 years thereafter, the hydraulic mining industry had enormously increased. With the use of a monitor with an 8-inch nozzle and a water pressure, such as was usually used, of 250 to 500 feet, 185,000 cubic feet of water could be discharged in an hour with a velocity of 150 feet per second. Against this force immense mountains, 300 or 400 feet high, melted like sugar. One monitor would use as much as 1,500 miner's inches of water, equivalent to a discharge of 25,000,000 gallons, in 24 hours. As the mines worked without cessation, using electric light at night and blasts of powder of 30 and 40 tons were utilized to assist in breaking up the mountains, the amount of material washed down in a comparatively few years by a large number of mines assumed enormous proportions. It requires, however, the sight of the immense craters, 300 and 400 feet deep, left in the mountains to properly appreciate the force of this agency and the quantity of débris sent into the streams. (Woodruff *v.* N. Bloomfield G. M. Co., 18 Fed. Rept., 757.)

74. In 40 days, using 3,000 miner's inches of water, the Miocene mine discharged into the Feather River above Oroville no less than 300,000 cubic yards (52,500 railroad carloads) of débris. Up to 1878 the Excelsior Co. alone had washed into the Yuba 8,000,000 cubic yards (14,000,000 tons). (Wm. A. Lawson, Sacramento Bee, Sept. 28, 1915.)

75. The official reports of William Ham. Hall, State engineer of California, declare that the hydraulic mines operating upon the streams draining into the Sacramento Basin were using in 1879 an annual supply of 15,000,000 miner's 24-hour inches of water (60,000,000,000 gallons), and that they were annually washing into the streams and canyons 53,000,000 cubic yards of material. The Yuba River alone, he estimated, received annually 22,362,500 cubic yards, a quantity which would have filled the entire length of the Erie Canal, as it then existed, to two-thirds of its extreme capacity.

76. In addition to the enormous quantities of this material which had been brought down by floods in the 60 years preceding 1912 and deposited in the basins and on agricultural lands and in the lower bay, or carried out to sea, it was estimated in the year named that there was then in the navigable channel of the Sacramento between the mouth of the Feather River and the mouth of the Sacramento (a distance of 84 miles) from 80,000,000 to 120,000,000 cubic yards of the material (biennial report State engineering department, California, 1912, p. 103); that there was in the lower channels of the Feather

and the American, in addition, not less than 300,000,000 cubic yards, which must in time find its way into the Sacramento (H. Doc. 81; Exhibit D, p. 5); that in the Yuba Débris Basin at the mouth of the Yuba was a deposit, covering 25 square miles, from 8 to 26 feet deep, and estimated to contain from 360,000,000 to 600,000,000 cubic yards (State engineering report, 1912, p. 111), and that this deposit, while losing each year an amount washed by the floods into the Feather, still received an annual net increase of 3,000,000 cubic yards.

77. In the report, February, 1891, of a board of engineers, United States Army (Lieut. Col. Benyaurd, Maj. Heuer, and Maj. Hanbury), appointed in accordance with act of Congress October 1, 1888, to investigate the mining débris question (H. Ex. Doc. 267, 51st Cong., 2d sess., p. 12) are given estimates of the amount of débris at that time in the upper streams, aside from that which had already gone down into the navigable channels. This estimate included 66,000,000 cubic yards for the canyons of the Bear and its tributaries, and 36,000,000 in the stream bed above its junction with the Feather; and in the canyons of the American (two forks) 49,000,000 cubic yards. The report states that "the amount now remaining in the canyons and beds of the streams is but a small portion of that taken from the mines," and estimates the amount mined out of the basin of the Yuba alone at 444,640,000 cubic yards.

78. The State engineer of California reported to the California Legislature in 1880 (Pt. III)—

"That at the rate of March 6, 1879, under a discharge of 25,750 cubic feet per second, 207,645 cubic yards of sediment was discharged every 24 hours by the Yuba River at Marysville."

79. In the report of the California commissioner of public works, 1904 (known as the "Dabney Commission" report), page 19, appears this:

"At a point about 4 miles east of Marysville the sand deposits have been built up in the bed of the Yuba to a height of 13 feet above the farming land on the opposite of the levee."

DAMAGE TO LANDS.

80. Most of the hydraulic mining was done on the Yuba, the principal tributary of the Feather, the débris from this source amounting to more than that from all other tributaries of the Sacramento combined. The American River furnished the next largest quantity. On the Sacramento itself and its tributaries above the mouth of the Feather there was no hydraulicking and that portion of the river continued clear, save for such injury as it received from floods of the Feather coming across the Sutter Basin. The amount of débris deposited in the navigable channels of the Feather and Sacramento became, in time, so great as to raise the bed of the stream in places from 5 to 16 feet. (State Eng. Rept., 1912.) With decreased capacity the stream was no longer able to carry ordinary floods and inundation of river lands followed. Levees were broken by force of the water, deep depressions cut in the river banks by the current, the floods diverted through such cuts or crevasses, and immense quantities of sand and gravel deposited on orchard and agricultural land, destroying its value for cultivation. Gentle floods, which do not cut the land and carry only the silt from the top inches of surface soil, act as fertilizer, as they do on the Nile; but the sand and gravel from lower strata of the mountains, washed down by hydraulicking, covered the rich lands with a worthless layer which could be transformed into soil only after many years' action of the elements.

81. Below each crevasse in the river levee and bank caused by the floods, there was created slack water in the river channel and a deposit of débris in the shape of shoal or sand bar, which served to impair or possibly entirely block navigation until it was removed. These conditions, both as to injury to navigation and destruction of private lands, steadily grew worse, not only while hydraulic mining continued, but after it had ceased, because of the immense deposits in the Yuba, Feather, and American Rivers, some portions of which were washed into the Sacramento by each freshet.

82. From the syllabus of the court's decision in Woodruff *v.* North Bloomfield Mining Co., tried in the United States Circuit Court Northern District of California (18 Fed. Rep., 753), the following quotation is made. It concerns conditions in 1884. (See also Exhibit A.)

"The débris thus discharged has produced the following effects: It has filled up the natural channel of the Yuba above the level of its banks and of the surrounding country and also of the Feather, below the mouth of the Yuba, to the depth of 15 feet or more. It has buried with sand and gravel and destroyed all the farms of the riparian owners on either side of the Yuba, over a space of 2 miles wide and 12 miles long. It is only restrained from working a similar destruction to a much larger extent of farming country on both sides of the river, and from in like manner destroying or injuring the city of Marysville, by means of a system of levees, erected at great public expense by the property owners of the county and inhabitants of the city, which levees continually and yearly require to be enlarged and strengthened to keep pace with the increase in the mass of débris thus sent down, at a great annual cost, defrayed by means of special taxation."

83. In the decision itself (which is full of interesting detail as to damage done by débris) it is stated that the citizens of Marysville paid as high as 7 per cent annual tax because of the necessity for levee protection created by this débris. As a matter of fact, the taxes per $100 of assessed valuation collected by Marysville for the five years commencing 1906 were $4.50, $7.05, $4.85, $6.12, and $5.65, respectively. Of the 1907 tax ($7.05) $3.25 was for levee work. The city of Marysville, with 5,000 population, has paid out approximately $1,000,000 for levee construction.

84. The nature of damage indicated as inflicted on the lands adjoining the Yuba was later inflicted on the lands along the Feather, the American, and the Sacramento, as the débris deposits were forced down into those streams and produced similar results.

85. On the American River at Folsom, 22 miles from Sacramento, there was built in 1890, at an expense of about $1,000,000, a dam with diverting canal and power plant which transmitted electric energy to Sacramento City. This was the first long-distance transmission for lighting purposes in the world, while priority for power purposes was due to one other plant only, in Italy. Within a comparatively few years after this dam was built the reservoir became worthless for storage because it was filled up by mining débris, and the entire plant became practically useless save during flood stages of the river.

86. In 1880 William Ham. Hall, State engineer, reported that upon the Yuba, Feather, and Bear Rivers and Auburn Ravine and Dry Creek 43,000 acres of valuable land had been covered by débris, with a loss to the owners estimated at $2,597,000. This did not include actual damage to lands along the Sacramento and American, nor the expense occasioned other lands in leveeing for protection.

87. Subsequently a more detailed estimate of this damage was prepared by Dr. M. M. Chipman, of San Francisco, chairman of the committee on medical topography of the Medical Association of California. He showed that over 40,000 acres of rich fruit and garden land had been entirely ruined and that 270,000 acres had been greatly damaged. He estimated the total visible loss and depreciation of value from hydraulic mining at that time at $15,922,000, distributed among five counties, as follows: Yuba, $6,527,000; Butte, $170,000; Sutter, $6,799,000; Sacramento, $2,340,000; Placer, $86,000.

88. Since that time the loss has multiplied in the direct injury to other lands through deposit thereon of débris and in the constantly increasing expense of levee construction to keep out the steadily rising flood plane.

89. Up to and including the year 1907 the two counties of Sutter and Yuba (including the city of Marysville) had paid out for levee construction, necessitated in large part by the results of hydraulic mining, $5,747,329.59. (Statement county supervisors to Board of Engineers for Rivers and Harbors, United States Army, at Marysville, Aug. 15, 1914.)

90. Up to July 1, 1909, reports from 41 reclamation districts out of 48 in the Sacramento Valley showed that such districts had expended for protection against floods $15,039,525. (Doc. 81, Exhibit D, p. 7.) This did not include Sacramento city. Since that date several more millions have been spent.

91. Sacramento city has expended on her levee system in the neighborhood of $5,000,000, and is now about to construct, under plans already approved by the Chief of Engineers, United States Army, a half million dollar weir in the Sacramento by-pass. The city is providing funds for the construction in advance of Federal appropriation, because of the grave danger threatening the city until that weir and its by-pass furnish easement for American River floods.

92. When the great floods come the amount of damage done in the absence of flood control is very great. From the report of the California Débris Commission of 1910 (Doc. 81, Exhibit D, p. 7), it is learned that the damage done by the floods of 1904, 1907, and 1909 amounted to $11,000,000. It is estimated that the Southern Pacific Co. was injured to the extent of nearly $1,000,000 by washouts and interruption to traffic. Sacramento and San Francisco in 1907 were practically cut off for nearly 10 days, with corresponding interruption in mail service and general business.

INJURY TO NAVIGATION.

93. The deposits of mining débris, moving down the channels of the navigable rivers with each flood, acted in manner similar to that noted on the Yuba, gradually choking the channel, forming sand bars, and decreasing the available depth until in time it became impossible for even the lightest-draft craft to navigate the Feather during the greater part of the year, while on the lower Sacramento the large seagoing craft were in time replaced by flat-bottom stern-wheelers of light draft, and even these could not load to capacity in the summer and fall months, and often had to lighter cargo below Sacramento.

94. In 1875 the low-water depth in the Feather had been reduced to 2 feet, and one small steamer made a weekly trip between Marysville and San Francisco. In 1890 boats ceased running on the Feather, the débris conditions having become so bad that one steamer and one barge with full cargoes were sunk and insurance companies declined to write risks on the river traffic. Navigation of the river has not been practicable since then, save at flood stage. (Statement of Marysville Levee Commission to Board of Engineers for Rivers and Harbors, Aug. 15, 19-4, p. 27.)

95. In the latter part of 1859 and spring of 1860 a bar formed in the Sacramento River across the mouth of the American (which then entered the Sacramento a half mile below the present location) and extended down to the Sacramento city drawbridge, forming an obstacle to upriver navigation. In 1866 the large river steamers could no longer reach their landing at Sacramento city, and the city levied a tax to clear out the channel. (History of Sacramento County, by Winfield J. Davis, pp. 60 to 66.) Dredging of this kind, however, could not stay the flood of débris, and gradually the deeper-draft steamers, such as the *Senator, New World, Capitol, Chrysopolis, Yosemite,* and others, were withdrawn from the river and used exclusively on the Bay of San Francisco and its salt-water estuaries.

96. These deposits of débris in the stream were always greatest after heavy flood, and particularly below crevasses in the levees which had permitted a diversion of the current and a deposit in the channel below each break where slack water was produced.

97. Opposite Sacramento city in many seasons at low-water stage there was a bar on which one might walk dry-shod across the greater portion of the river. In 1910 the channel itself in front of the bridge draw was thus closed, and the United States Army engineers used a clam-shell dredge to clear a channel so that up-river traffic might be resumed. They deposited the material, through necessity, at one side in the middle of the river, where it formed an immense mound, which gradually disappeared during succeeding flood seasons. In 1913, the engineers dredged through a similar shoal in front of Sacramento city, moving 27,000 cubic yards of material, and through another deposit at the mouth of the Feather, moving 25,000 cubic yards. (Report of Chief of Engineers, 1914, p. 3169.)

98. The low-water gauge readings at Sacramento city offer a striking illustration of the steady filling up of the river from mining débris and resultant injury to navigation, because the reading on the gauge rose as the débris raised the bottom of the channel. According to the 1914 report of the California Débris Commission (Report of Chief of Engineers, 1914, p. 3315) the water reached zero on this gauge in 1849 and again in 1856. The peak of the débris effect appears to have been reached in 1896, at a reading of 8.5, though in 1890 a reading of 9.3 occurred. The average readings of this gauge at low water, in periods of five years each, show a steady increase in height from zero in 1849 to 8 in the period of 1896, and then a steady decrease down to 2.6 in 1913, then an increase to 4.2 feet in 1914 and 4 feet in 1915. It should be explained that since 1909 there has been no great flood, the levees below Sacramento city have held intact, and there has been in consequence a gradual scouring of the channel. The gauge readings from 1849 to 1915 follow:

*Average low water at Sacramento for 5-year periods, 1849 to 1913.*

| Average gauge reading: | Feet. |
|---|---|
| 1849–1853, five observed years | 0.6 |
| 1854–1858, five observed years | 1.2 |
| 1859–1863, three observed years | 2.2 |
| 1862–1873, no records. | |
| 1874–1878, five observed years | 5.5 |
| 1879–1883, five observed years | 6.5 |
| 1884–1888, five observed years | 7.3 |

| Average gauge reading—Continued. | Feet. |
|---|---|
| 1889–1893, four observed years | 7.8 |
| 1894–1898, five observed years | 8.0 |
| 1899–1903, five observed years | 7.2 |
| 1904–1908, five observed years | 6.8 |
| 1909–1913, five observed years | 4.7 |
| 1913, one observed year | 2.5 |
| 1914, one observed year | 4.2 |
| 1915 | 4.0 |

99. In 1869 the Central Pacific Railroad commenced operating in connection with other railroads a through overland service to New York. Its western terminus at the time and for several years was Sacramento city, from which point passengers were transferred to San Francisco by the company's boats. In April, 1869, the Central Pacific bought out the California Steam Navigation Co. and its river boats, and thereafter for many years competition on the river practically ceased. Whenever an opposition boat made its appearance the railroad company reduced the fare to 25 cents and the freight rate accordingly, and the opposition soon died. In time the commerce of the river became sufficiently great to justify competition even against a railroad company, and in time, too, the State passed laws which did not permit the throttling of competitive public-service corporations through temporary cutting of rates.

100. During this period of stagnation in navigation the condition in regard to navigability of the stream grew steadily worse, and the floods of 1904, 1907, and 1909, which brought down great quantities of débris from the Yuba, Feather, and American, added to a situation already very bad. Boats drawing 6 feet of water with light load could not reach Sacramento city and had to lighter cargo for 30 miles. Sacramento city is only 61 miles from the mouth of the river. Note the statement of Capt. A. E. Anderson, president of the California Transportation Co., before the Rivers and Harbors Committee, February 7, 1912, as appears in the published document at page 46, as follows:

"Capt. ANDERSON. I was compelled to maintain a steam-barge service in the year 1911 from the 1st of September to about the 5th or 6th of January, 1912, to lighter cargo of these steamers in and out of Sacramento, not having over a 5 foot 6 inch channel; that did not permit me to go into Sacramento with over 120 tons of cargo.

"Mr. KENNEDY. That is just a short distance, though.

"Capt. ANDERSON. That was a distance of 30 miles, the lightering. The bad reaches of this Sacramento River, from Sacramento down the first 30 miles, have been largely due to the floods of 1904 and 1907, which washed so much of the material into the river from the American and the streams above; and it was stated by one other member of the committee that right at this point, where a railroad bridge crosses the river, the department was compelled to hire dredges two years ago and take material from the river and deposit it in another part of the river and to make a small gutter to permit the boats to go upstream. Until they did that there was absolutely no connection between Sacramento and the river above."

101. The commission of three United States Army engineers appointed under request of Congress to find means for adjusting the conflict between miners and farmers—Lieut. Col. Benyaurd, Maj. Heuer, and Maj. Hanbury—reported in 1891, in speaking of the results of mining débris on the river channel between Sacramento city and Suisun Bay (Report of Chief of Engineers, p. 3014):

"It is therefore evident that in 40 years the effective depth of water in the river has been reduced from 12 feet to depths of 5½ feet and, during one year at one locality, to 3 feet 10 inches."

(Lest there should seem a discrepancy between the effective depth of 12 feet referred to in this report and the fact that the steamer *Senator*, drawing 13 feet, regularly plied to Sacramento in the early days at all seasons of the year, it is explained that in the early days and for many years the trip to Sacramento was made via Steamboat Slough, a branch of the river on the west side of Grand Island, providing a shorter and deeper channel than Old River, on the east side of the island; that, subsequently, and before the report of 1891, navigation was diverted to Old River; and that the original depth of 12 feet used in comparison with existing conditions in 1891 was the minimum depth in early days in Old River and not in Steamboat Slough.)

INJURY TO THE BAY.

102. The masses of débris put in motion by the freshets not only deposited material all along the Sacramento River channel, raising the bed and making shoals and bars therein and creating islands of size at the river's mouth, but necessarily added enormously to the deposits in San Francisco Bay.

103. The Government surveys indicate that the filling from this cause in certain parts of the bay has been most serious, and that it must continue while the Sacramento floods carry down that portion of the débris which can not be held back in the canyons and tributaries. The situation assumes additional gravity, because the deposits have been large in the channel, which serves as an approach to the Mare Island Navy Yard, making more difficult and expensive the maintenance of depth sufficient to safely accommodate large warships.

104. San Francisco Bay in its northern portion is called San Pablo Bay, and this is connected by the Carquinez Strait with the upper bay—Suisun Bay—into which the Sacramento and San Joaquin Rivers empty. The Mare Island Navy Yard is located on a channel connecting with the strait. Suisun Bay naturally serves as settling basin for much of the débris brought down by the Sacramento, but San Francisco and San Pablo Bays are also being shoaled by it.

105. What the débris has done in shoaling the approaches to the Mare Island Navy Yard is plainly indicated in the reports made to the Chief of Engineers, United States Army, in connection therewith. In House Document 1103, Sixtieth Congress, second session, is presented the report (1908) of a board of engineers commissioned to investigate the approaches to the navy yard with a view of providing floatage for deepest draft warships. The report states that, notwithstanding dredging, there has been in 56 years a shoaling of about 9 feet between Mare Island and Vallejo and about 16 feet on the bar. Comparisons of surveys at various dates showed at the entrance to the strait in 1851 no sign of a bar with a controlling depth of 34.5 feet; in 1856 there was a bar with controlling depth of 28.5 feet; in 1864 it was 25.5 feet, while the inner channel in the same time had shoaled from 27 feet (the least depth, which obtained in only a small area) to 21 feet. There were no soundings of record between 1876 and 1896. In 1898 the minimum depth on the bar was 21 feet and in the channel 15 feet. In 1900 a depth of 28 feet was obtained in a channel by dredging and thereafter until 1905 there was steady filling over channel and bar.

106. The report doubts the absolute accuracy of the earlier charts, but says there can be no doubt that rapid shoaling has taken place since the establishment of the navy yard. "It has been thought," says the report, "that the débris brought down from hydraulic mining has been one of the main causes; there is, however, no evidence to that effect. Moreover, the material brought down from hydraulic mines will in future be an almost negligible quantity, as hydraulic mining is controlled under the present laws."

107. In making the latter statement the engineers apparently lost sight of the amount of débris in the upper streams. The floods of 1907 and 1909 clearly demonstrated that each great flood must be expected to bring down a mass of débris, while every freshet will carry some.

108. The character of the material causing the shoaling in the Navy Yard Channel, too, was clearly established by surveys made 12 years before by Maj. Charles E. L. B. Davis, Engineer Corps, United States Army, and reported by him November 19, 1896, in House Document 134, Fifty-fourth Congress, second session. He says "the character of the bottom revealed by the lead and determined by the borings seems to indicate that most of the deposited material is 'slickens' brought down by the Sacramento River from the mines on its upper tributaries."

109. Lieut. Col. Mendell, United States Army, in an earlier report, February 1, 1881 (Report of Chief of Engineers, 1881, p. 2518, on causes producing decrease of depth in San Francisco Bay), said that at that time the influence of mining débris in producing this effect had not been measured, and he added:

"It may be remarked that mining detritus is easily recognized, being quite different from the natural alluvial deposits, so that there will be no particular difficulty in tracing this influence wherever it may be found."

It is extremely unlikely, therefore, that Maj. Davis was mistaken in reporting the deposit as "slickens" (the clay silt from mining débris). It is probable, too, that the commission of engineers who made the 1908 report was not aware of the Davis survey.

110. The Navy Department, in the fall of 1915, completed dredging the Navy Yard Channel to a depth of 30 feet at low water. The department engineers estimated that this depth can be maintained under existing conditions at a yearly expense of $40,000 to $80,000. There is a tide at Mare Island of 6 feet.

The War Department, under an existing project authorized by Congress, maintains a channel 600 feet wide and 30 feet deep at low water through Pinole Shoals, such channel serving as approach to the Navy Yard Channel. The department recently finished the construction of a large suction dredge, which will be operated continuously in these channels and on the bay.

PRESENT CONDITION OF NAVIGATION.

111. In the San Joaquin, due largely to the comparative absence of mining débris in the stream and its tributaries, and to tidal influence, conditions are fairly good and with proper work will steadily improve. The existing project contemplates a 9-foot channel to Stockton (45 miles from the river's mouth), which is practically the head of navigation, though the river is really navigable for 15 miles above Stockton. The San Joaquin could be easily cared for in the absence of complications which are caused by its common delta with the Sacramento and the danger from floods in that stream. (See statement of G. A. Atherton, of State reclamation board, in hearing of Rivers and Harbors Committee, July 23, 1915, and Report Chief of Engineers, 1914, p. 1342.)

112. In the Feather River there has been no navigation for many years, except at flood stage.

113. In the Sacramento above Sacramento city conditions grew steadily worse for a great many years, though now perhaps they may be said to be at a standstill.

114. Red Bluff, 200 miles above Sacramento, many years ago had regular service by light-draft boats at all seasons. In time that service could be given only during high stages of the river. No boat has reached that town from Sacramento at any season of the year since 1911, when the last boat that attempted it took 30 days for the trip, and had to stop 13 miles south of Red Bluff and transfer its cargo by team to the nearest railroad. The condition on this stretch of the river, however, was not caused by hydraulic mining.

115. In the last three years no transportation company has been able to operate higher than Chico Landing, 147 miles from Sacramento, while even to this point and beyond Colusa (90 miles above Sacramento) there is apparently little incentive for navigation, as there is no regular service.

116. Up to Colusa the river is in fair shape for light-draft craft, and the completion of the flood-control project will insure maintenance of those conditions and a gradual improvement toward the better conditions that obtained many years ago. There are two companies operating to Colusa throughout the year, each of which runs two boats, making one round trip a week between Sacramento (or San Francisco) and Colusa and hauling barges when necessary. (See Rivers and Harbors Committee hearing, July 23, 1915, pp. 20, 21, Exhibit H.)

117. Below Sacramento city and to the mouth of the river there has been generally during the last few years a gradual improvement, though the depth of channel at low stage is, of course, very much less than that which obtained up to, say, 1860. This improvement is indicated in the low-water readings of the gauge at Sacramento showing how the débris deposits, at that point at least, are gradually scouring out. This is due to the fact that there has been no big flood since 1909, while the river levees below Sacramento city have held intact since then. In consequence, the current has been forced to scour the bed, while there has been no unusual accretion of débris from above. With a lower stage of water in the late fall there has been a greater depth of channel than for a number of years, a striking indication of the steady improvement that may be anticipated when the completion of the flood-control project will have secured permanent operation of similar forces. There is now at Sacramento once again a marked tide (about 12 inches at low water).

118. The first big flood, however, under existing conditions, will undoubtedly destroy in large part, if not entirely, the improvement made in this portion of the channel during the past few years. (Rpts. Chief Engineers, 1915, p. 1458; 1914, p. 1338.)

119. In the hearing before the Rivers and Harbors Committee July 23, 1915, at page 7, Capt. Anderson, president of the California Transportation Co., said:

"Three years ago during low water, from July to September, my company maintained a steam barge to lighter our boats in and out; but each year during the last three years the channel has been scouring a little better each year, and with the lower gauge we notice a little better channel. I contend that we would not have had this channel if we had had any floods in the past few years."

Again, at page 15, he said:

"At the present time the greatest draft steamer on the river is 6 feet loaded to capacity. During low water that steamer can not load to capacity. These boats are the *Fort Sutter* and the *Capital City.*"

120. Up to 1914, for 50 years prior thereto, no ocean-going craft had brought a sea cargo to Sacramento city. Such traffic was stopped by the mining débris deposits in the river. In 1914, however, following the scouring of channel referred to above, the *Grace Dollar*, drawing 13 feet, brought three cargoes of lumber (between 600,000 and 1,000,000 feet in each cargo) from Puget Sound to the Sacramento wharf during flood season. Last year the *Robert Dollar*, drawing 15 feet, made a similar trip with like cargo. The river will have to be very greatly improved, however, before a 13-foot-draft boat can come up to Sacramento at all seasons of the year, as did the steamer *Senator* in the fifties.

PROTESTS AND LITIGATION.

121. Hydraulicking had been prosecuted for a number of years before even the interests most directly affected awoke to a realization of the damage it was causing and the destruction that must ensue if it continued. And when that realization came the industry had grown to such proportions, the amount invested therein was so great, and the influence wielded by those concerned so widespread, that individual effort was powerless to accomplish results looking toward restriction of the evil. A crusade was inaugurated by the antidébris association of the Sacramento Valley, composed originally in large part of residents of Yuba and Sutter Counties. It was later succeeded by the State antidébris association under the same leadership and with the same aims and purposes, but with increased membership and wider scope. Funds for the work of this organization were regularly supplied by private subscription and by boards of supervisors from the county funds of the five counties most immediately affected, Yuba, Sutter, Colusa, Yolo, and Sacramento. For many years George Ohleyer, of Yuba City, was president and manager of the organization, and Robert T. Devlin, of Sacramento, its attorney. It disbanded August 18, 1915.

122. It is estimated that these two organizations spent not less than $250,000 in prosecuting the fight against hydraulic mining, though that amount represents only a small portion of the cost of the crusade. For instance, in a statement prepared for submission to the Board of Engineers for Rivers and Harbors, at Marysville, August 15, 1914, the boards of supervisors of the two counties of Yuba and Sutter declare that the legal expenses of those two counties in connection with suits against hydraulic mining up to and including 1907 aggregated $294,987.63.

123. For many years protests were made to Congress in various forms against the continued and steadily increasing injury inflicted on the river and the valley lands by the operation of the hydraulic mines. While Congress repeatedly investigated and in other ways acquired information on the subject, it did nothing in the way of remedial legislation until 1893.

124. Meanwhile the navigation and valley interests had resorted to the courts for protection. The first suit was brought before the superior court of Sutter County, Judge Phil. W. Keyser, in 1878—James H. Keyes *v.* The Little York and other mining companies. The court decided for the plaintiff, invoking the principle, "So use your own as not to injure the property of others." The decision was afterwards set aside by the State supreme court on the technical ground that there was a misjoinder of defendants, a point on which in other cases the court subsequently reversed itself.

125. A number of other suits were brought by the antidébris association. A notable one was that of the Gold Run Mining Co., in which the attorney general permitted the name of the State to be used. This was tried before Judge Jackson Temple, sitting temporarily in the superior court of Sacramento County. Judgment was given for plaintiff, and afterwards affirmed by unanimous opinion of the State supreme court, November 25, 1884 (66 Cal. Repts., 138). This decision was the beginning of the end.

126. The final coup to the legal standing of hydraulic mining as conducted in California was delivered by Judge Lorenzo Sawyer, in the United States Circuit Court, Northern District of California, in his decision, October 5, 1892, in the case of Woodruff *v.* North Bloomfield Gravel Mining Co. (18 Fed. Repts., 753–815). This decision, filled with facts and law, was so broad and so unanswerable that it was never appealed. (See extract, Exhibit A.)

127. Another decision will be found in the case of United States *v.* North Bloomfield Mining Co. (53 Fed. Rept., 625), in which, while the court denied an injunction because the mine was impounding its débris, he clearly defined the law.

128. In all these decisions it is made very clear that hydraulic mining, as generally conducted in California, is a public and a private nuisance; that it does an enormous amount of damage to navigation and to private property; that the United States in permitting mining on these streams or in selling lands for mining purposes could not legally authorize the prosecution of any business which would cause the injuries recited; that Congress has no power, even by statute, to authorize a public nuisance destroying or materially obstructing the navigability and navigation of navigable streams within a State for purposes wholly unconnected with commerce or post roads; that a statute of the State authorizing such a nuisance would be in violation of the fourteenth amendment of the Federal Constitution; and that those who suffer from the results of such mining are entitled to injunction.

INVESTIGATIONS BY CONGRESS.

129. From the time that the Sacramento Valley interests realized the results following hydraulic mining, and continuously thereafter, up to the time that it took definite action thereon, in 1893, Congress was kept fully advised of the situation and petitioned to exert its authority to stop the injury. The antidébris association was the most active factor in this direction, sending delegations at times to Washington, headed by its manager, George Ohleyer, and accompanied once by its attorney, R. T. Devlin. There have not been found, for purposes of this report, transcript or reference to any hearings had in the matter, but the official records of Congress and the War Department bear the unmistakable marks of the association's efforts in the frequent investigations ordered and the reports made. There can be no question that Congress had full knowledge of the damage being done to navigation, as well as to the agricultural lands of the valley.

130. It is evident that the attention of Congress was called to the matter in 1870, if not before, for in that year there appeared in the rivers and harbors bill provision "For survey or examination of the bar of the Sacramento River, Cal., known as the 'Hogs Back,' for the purpose of removing the same." The Hogs Back was one of the first obstacles to navigation created in the lower portion of the Sacramento River by hydraulic mining, and one of the evidences of such inquiry which first brought it to the attention of the public. The Hogs Back was a series of shoals extending across the channel of the river, about 3½ miles long, located about 35 miles below Sacramento City. Results of the survey called for by Congress in this matter appear in the report of January 28, 1871 (Report Chief of Engineers, 1871, p. 915), of Maj. R. S. Williamson, United States Army, and the detailed report of his assistant, Lieut. W. H. Heuer, United States Army This report referred to shoals between Sacramento City and Suisun Bay, at Eagles Nest, Heacock Shoals, and shoals near Sutterville (5 miles below Sacramento City), as well as the Hogs Back, and recommended an appropriation of $7,500 for dredging. The engineers reported that there was on these shoals, at lowest stage, only 7 feet of water. The report says, among other things:

"Some of the rivermen attribute the formation of these shoals to the placer mining which was carried on in the streams emptying into the Sacramento. Immense quantities of débris would be carried downstream and deposited here and there along the bottom of the river."

These shoals are repeatedly thereafter referred to in the annual reports of the Chief of Engineers. In 1878 the condition of the Hogs Back and Heacock Shoals is reported as being about the same as in 1871.

131. In 1875 (Report of Chief of Engineers, 1875, p. 705), Maj. George H. Mendell, United States Army, in charge of rivers and harbors in California, calling attention to the results caused by mining débris in the Feather River, said that the water of the river in 1849 had been clear, and that the river consisted of a succession of pools separated by shallow bars, and added:

"An idea of the extent to which this filling has taken place can be appreciated when I state that the bottom of the river to-day is on a level with the tule lands inclosed by the levees. These same pools in 1849 contained fully 30 feet of water, where now there is a scant 2 feet, and the bars have also been covered with sand, so as no longer to be seen."

It was undoubtedly, in view of the situation thus outlined, that the engineer in charge was instructed to use part of the appropriation for work in the Feather River.

132. Again, in 1876, Maj. Mendell, in his report (Report Chief of Engineers, p. 620) called attention to the increasing damage being done by hydraulic mining in the Feather, declaring that the brush dams then being used only induced sour in sections of the channel to deposit material farther down, and recommended that $20,000 be appropriated for a thorough investigation of the matter and discovery of some remedy. He said "mining operations not only continue to exist but their magnitude grows under the application of new and tremendous appliances."

133. July 5, 1878, Maj. Mendell, in his annual report (at pp. 1294 and following, Report of Secretary of War, 1878, Appendix H H) gives interesting and convincing evidence as to the great injury being done by débris. He suggests therein, that to determine the exact results of these deposits in raising the beds of the river, obstructing the channels, building up any shoals in the Bay of San Francisco, influencing height of floods in the lower rivers and affecting the navigability of the rivers, and "to counteract or remedy these evils when determined, is a problem of great perplexity and one in which the great interests of California are deeply concerned." He calls attention to the fact that the State of California, through its State engineer, is investigating the subject, and suggests that cooperation with the State will be a judicious policy.

134. In 1879, the annual report of Lieut. Col. Mendell, and the report of his assistant, L. J. Le Conte, furnish interesting information as to the knowledge at that time concerning the injury already done and that in prospect from débris deposits. In that report Col. Mendell says (Report of Chief of Engineers, 1879, p. 1751):

"When we undertake by engineering constructions to restore as nearly as may be the conditions that existed 30 years ago, reestablishing the low-water slope of that epoch, so as to permit the tide to ebb and flow as far as Sacramento and in this way restore a good channel, the immense quantity of movable material that encumbers the channels becomes a serious embarrassment to any system of improvement."

135. In 1880, undoubtedly inspired by the efforts of the antidébris association, Congress, in the rivers and harbors bill, inserted this provision:

"The Secretary of War is hereby directed to cause to be made such examination and surveys as may be necessary to devise a system of works to prevent the further injury to the navigable waters of California from the débris from the mines and the estimates on the cost of such works and report the result of such examinations, surveys, and estimates of cost of proposed works made in pursuance hereof to Congress at its next session."

In accordance with the above requirement of Congress, a preliminary report was made thereon January 31, 1881, but as it could not cover the full field of inquiry, final report was made by Lieut. Col. Mendell, the officer of engineers in charge, and transmitted to Congress March 6, 1882. (H. Ex. Doc. 98, 47th Cong., 1st sess.; Report of Chief of Engineers, 1882, pp. 2546 to 2640.)

136. This report, with its accompanying reports from Lieut. A. H. Payson, United States Army, assistant to Col. Mendell, and other engineers who acted with him in the matter, is most exhaustive and furnishes information as to every phase of the hydraulic-mining question. It was very liberally quoted by Judge Sawyer, of the United States Circuit Court, Northern District of California, in his decision referred to in section 126 of this report. In suggesting remedial measures, he says, as to the necessity of restricting hydraulic mining itself: "Under all circumstances restraint is the first essential step of any project, whether of alleviation, conservation, or improvement. (P. 2578.)

137. In 1886 the rivers and harbors bill, in making appropriation for the Sacramento and Feather Rivers, specifically provided that the balance of unexpended moneys was "not to be used until the Secretary of War be satisfied that hydraulic mining hurtful to navigation has ceased on said rivers and their tributaries. If he be not so satisfied, he is hereby instructed to institute such legal proceedings as may be necessary to prevent the washing, sluicing, dumping, or discharging detritus, débris, or slickens caused by or arising from such hydraulic mining into either of said rivers, or any of its tributaries, or into the San Joaquin River or any of its tributaries."

138. It was in pursuance of the intent of this direction to the Secretary of War that Capt. A. H. Payson, United States Army (see Report Chief of Engineers, 1887, p. 2444), reported first on October 26, 1886, that under instructions he had made certain examinations of the

mining field and was convinced that hydraulic mining was being carried on contrary to law, but in a small way, and that he had advised the United States district attorney, by letter, of the facts. Capt. Payson reported as his opinion that legal proceedings could not prevent the evils, but that the appearance of the United States as an applicant for injunction would have a good moral effect and be in accord with the will of Congress as expressed above. These views were approved by the department

139. Subsequently, under date of February 28, 1887, Capt. Payson reported that there was practically a deadlock between the office of the district attorney and himself, since the former insisted on being supplied with information on which could be based at the same time action against all hydraulic mines operating, while Capt. Payson's instructions did not cover such elaborate investigations and his appropriations did not provide therefor. The records, so far as secured for this report, do not indicate what, if anything, further was done in this matter.

140. In 1888, October 1, Congress passed an act (ch. 1057) "For the investigation of the mining-débris question in the State of California," authorizing the Secretary of War to detail three officers from the Engineering Corps to ascertain "whether some plan can be devised whereby the present conflict between the mining and farming sections may be adjusted and the mining industry rehabilitated, and for a complete examination of the injured navigable river channels, their tributaries, and lands adjacent thereto, with a view to the improvement and rectification of said rivers, * * * said commission to report as early as practicable."

141. It was in compliance with the instructions thus given that a commission consisting of Lieut. Col. W. H. H. Benyaurd, Maj. W. H. Heuer, and Maj. Thomas H. Handbury was appointed and made exhaustive investigations (in the course of which frequent meetings were held with both parties to the controversy) and submitted a report of 123 pages (Report of Chief of Engineers, 1891, p. 2996). This report, too, contains very much valuable information on the matter. In its conclusions the report stated that hydraulic mining was then practically suppressed and must cease; that in isolated cases it was possible for mines operating to impound their débris without injury; that dams could retain some of the débris and permit other mines to work for a period of time; that the navigation of the river and the lands in Sacramento Valley had been seriously injured by hydraulic mining; that there were heavy deposits in the streams and also in the canyons. The report recommended as remedial measures that the deposits in the canyons of the Yuba and Bear Rivers be held back by restraining barriers and in the streams on the plains by dams and other works and that the flow of material through the navigable channels to tidal waters be accelerated by contracting the width of the river by wing dams.

142. In 1893, following 20 years of protest and investigation and reports of the kind indicated, Congress passed the Caminetti Act.

143. In 1905, included within the rivers and harbors bill, was a provision directing the Secretary of War to appoint a board consisting of three engineers of the United States Army, one having had experience on the Sacramento River and two on the Mississippi, to make a general examination of the Sacramento, San Joaquin, and Feather Rivers and their tributaries and consult with commissioners or engineers appointed by the State of California, to determine a method of controlling the overflow of said rivers and their tributaries, with a view of considering what, if anything, the United States can or should do in conjunction with said State to improve the navigation of said rivers and their tributaries, and the probable cost to the United States of such improvement.

144. It was in accordance with instructions contained in this act that a commission consisting of Col. W. H. Heuer, Col. Thomas H. Handbury, and Capt. William H. Harts made a report September 25, 1905 (H. Doc. 262, 59th Cong., 1st sess.), in which it was suggested that such assistance as Congress might determine to afford in this matter should not be based on the needs of navigation; that any work in the interests of navigation should be done independently of reclamation or flood control, as in that way could economy of funds be best secured. (It will be noticed that subsequent investigations following the floods of 1907 and 1909 induced a precisely opposite recommendation from the engineers commissioned to report thereon, as indicated in the report of the California Débris Commission, 1910, Exhibit D.)

HYDRAULIC MINING STOPPED BY CONGRESS.

145. It might be supposed that with the enormous damage done by hydraulic mining thus clearly established and its illegal character determined by the courts, further prosecution of the business would cease. As a matter of fact, the court decisions obtained against a few of the mines operating had for years practically no effect on the numberless other mines, and sometimes none on those enjoined. The industry had grown to enormous proportions, one report of the California Débris Commission estimating the amount invested therein at $100,000,000; entire communities had been created by it and depended on it for existence; it enlisted generally the sympathy and support of the mountain sections and because of its great expenditures for material and supplies it had wide influence with the merchant class in Sacramento and San Francisco; and there was a sentimental force working for it in the generally accepted public belief that the gold which it produced was more or less necessary to the prosperity of the country.

146. Under these conditions the industry proved sufficiently powerful with the biennial legislature to block all attempts to curb it by State legislation. It became necessary for the valley interests, represented by the Anti-Débris Association, to maintain a corps of detectives to secure information as to the operation of mines whose débris was washed into the streams; to present this evidence to the court and secure injunction; and afterwards to obtain additional evidence showing that the injunction had been violated, when the court would fine the offending mine for contempt of court. It became quite difficult, however, to secure effective results in this way, for the miners adopted protective measures by maintaining a force of lookouts who gave advance notice of the approach of antidébris detectives, when the mine under surveillance would shut down for a few hours. The antidébris agent, if permitted to approach the mine, could see plainly that operations had only just ceased, but he had no evidence that material had been actually washed down; and to obtain a court injunction the mine operator must be caught red-handed. The feeling between mountains and valleys became very bitter, and it was at one time unsafe for a man of pronounced antidébris sentiments to venture into certain mountain districts.

147. The valley defense organization persevered, however, and it became more and more difficult for a mine to operate illegally without being heavily fined therefor, while gradually a public sentiment was created against the industry because of the enormous injury done to permanent interests of the State. The more intelligent and fairer of the miners ceased operation; the others found their efforts at relief before the legislature blocked; and, finally, Congress, by the act of 1893, made such mining illegal, save with permission of the California Débris Commission and under conditions which would safeguard the streams. Soon afterwards the further washing down by monitors of material that might reach such streams ceased. But there was already in the navigable channels and in their tributaries, and piled in the mountain canyons, as before stated, an immense amount of material which, in the absence of remedial measures, must continue to inflict great injury to navigation and other interests.

148. The investigations of the California Débris Commission established conclusively the impossibility of permitting such hydraulic mining as would directly (or even indirectly, after the lapse of years) send down the débris into the navigable channel, unless the navigability of the rivers was to be destroyed, and the lands on the floor of the valley ruined for agricultural use. The obvious condition imposed by the commission upon the hydraulic mines for operating—that is, the impounding of their débris so that it could not reach the streams—was the same condition previously imposed by the courts, State and Federal. But to comply with this condition in most cases meant a prohibitive initial investment, even where it was physically possible. And as the commission rigidly enforced the law, and this kind of mining could be carried on only under its permit, operations gradually ceased as available débris reservoir capacity became exhausted. The few mines which can still operate under this process on tributaries of the Sacramento are very rapidly reaching the time when they must cease.

WORK OF THE CALIFORNIA DÉBRIS COMMISSION.

149. The Federal act, still in force, under which illegal hydraulic mining was finally stopped, is known as the Caminetti Act, its sponsor being Congressman A. Caminetti, who represented then one of the mining districts of California. The title of the act is "An act to create the California Débris Commission and regulate hydraulic mining in the State of California," approved March 1, 1893. (Exhibit B.)

150. The measure was introduced in response to the demand of the hydraulic miners and to afford them, if possible, some relief. It created the California Débris Commission, composed of three United States Army engineers, and placed upon the commission the broad responsibility of maturing and adopting a plan to restore the navigability of the rivers of the Sacramento and San Joaquin system, if practicable, to care for mining débris and floods and to provide conditions under which hydraulic mining might be prosecuted without injury to the navigability of the rivers or injury to adjacent lands. Full power was given to the commission to act, under supervision of the Chief of Engineers, United States Army; provision was made for cooperation with the State; and the expense of necessary work under any plans adopted was to be shared equally by the Federal Government and the State of California.

151. Having performed, under the act of 1893, that part of its duty having to do with the regulation of hydraulic mining as indicated above in section 148 of this report, the Débris Commission set about maturing plans to care for the mining débris already in the canyons and river channels, and incidentally to assist in securing flood control. It sought to hold back in the Yuba River Canyon, by barriers and dams of different description, the immense deposits of débris which otherwise must come down into the Yuba débris basin and out into the Feather and Sacramento Rivers. Various works attempted from 1902 to 1907 were washed out by succeeding floods, and after the flood of 1907, which entirely destroyed a massive dam, the attempt was finally abandoned.

152. The commission then attempted to retain in the Yuba débris basin itself, below the canyon, so much as possible of the enormous deposit already in the basin, as well as to hold there some at least of the material washed out of the canyon by each flood. It planned to accomplish this by cutting a narrow outlet through Daguerre Point and creating behind it and inclosed in retaining walls of cobbles, a basin large enough to hold about 60,000,000 cubic yards of débris. In addition it sought to hold in the basin below Daguerre Point the greater part of the deposit already there (estimated at from 360,000,000 to 600,000,000 cubic yards) by forcing the floods to pass through a narrow channel formed by two retaining walls of cobble behind which the old débris deposits would be safe from wash by the floods. These retaining walls, 22,000 feet long, 300 feet wide at the base, and 30 feet high, were to be constructed by one of the gold-dredging companies in consideration of the privilege of dredging the basin for gold. The plan is fully described in the report of the State engineering department, 1912, at page 112 and following, and also in the annual reports of the Débris Commission, published by the Chief of Engineers, United States Army. The retaining walls are now almost entirely completed, serving the purpose intended, and the Government has saved through its arrangement with the gold-dredging company about $450,000, the estimated cost of constructing the retaining walls. California's appropriation for this work of impounding débris was the same as that of Congress, $400,000.

THE MINOR AND MAJOR PROJECTS.

153. In addition to this plan for holding back débris in the Yuba débris basin, the commission, in pursuance of the duties imposed upon it and to care particularly for that portion of the débris already in the navigable channel of the Sacramento River and that which must yet come into it from the Feather and American, turned its attention to dredging on a large scale. Its report of 1907 (Exhibit C) recommended the operation for 56 months of two large hydraulic dredges "for the direct improvement of navigation on the Feather and Sacramento Rivers and toward the controlling of débris and floods." No plans of any description were offered, but there was added the statement that "Whatever work is done on the Sacramento and its tributaries must and will be done upon well-matured plans, in the preparation of which all elements of the problem will be taken into account." It recommended that the State of California, as usual, and as called for by the Caminetti Act, pay half the cost and provide the rights of way necessary.

154. The project thus recommended (known in California as the "minor project") was regularly approved by Congress and became in 1910 an existing project with a preliminary appropriation of $400,000. California in the meanwhile had accepted its provisions and made her preliminary appropriation of $400,000 (act of 1909). Work has progressed under this project with additional appropriations as explained in section 182 of this report.

155. In 1910 the Débris Commission presented in its report of that year the complete plans forecasted in the report of 1907—the "well-matured plans in the preparation of which all elements of the problem will be taken into account." The plans appear in House Document No. 81, Sixty-second Congress, first session (Exhibit D), outlining what is known in California as the major project, and providing for flood control, care of débris, and permanent protection to navigation.

These plans were subsequently modified, not as to engineering features but only as to financing and the division of responsibility and expense, by the report of 1913, House Rivers and Harbors Document No. 5, Sixty-third Congress, first session. (Exhibit E.)

156. The major project thus outlined was approved by the Board of Engineers for Rivers and Harbors and by the Chief of Engineers, United States Army, was reported favorably by the Rivers and Harbors Committee, passed by the House of Representatives in the 1914 rivers and harbors bill, and favorably reported by the Senate Commerce Committee. The bill failed of passage in the Senate, and there was substituted therefor a bill appropriating a lump sum, to be expended in the discretion of the Chief of Engineers, United States Army, in aid of projects technically classed as "existing." The major Sacramento project, not having been passed by Congress (although formulated in compliance with act of Congress of 1893), is not in this category—the minor project is.

157. The major project received prior thereto exhaustive hearings before the Rivers and Harbors Committee February 7, 1912, December 8, 1913, and July 23, 1915, and before the Senate Commerce Committee February 8, 1912. The project has been personally inspected on the ground by the Rivers and Harbors Committee and by the Board of Engineers for Rivers and Harbors.

CONTRACT BETWEEN NATION AND STATE.

158. The major project includes really the minor project, and embodies the final plans for completion of the several duties assigned the California Débris Commission, as clearly set forth in the opening statement of the 1910 report. (Doc. No. 81, Exhibit D.) The minor project fits into and becomes a part of the major project on adoption of the latter. It was intended as the forerunner of the latter, and money expended on it will become more or less useless unless the larger project be adopted and carried out.

159. In its report of 1913 (H. R. and H. Doc. No. 5, Exhibit E), at pages 9 and 10, the Débris Commission says:

"The commission understands that the act creating the commission directed the preparation of a plan for flood and débris control. Congress, in making the appropriation of $800,000 in the act of June 25, 1910, apparently realized that flood control was a necessity; that sooner or later works for flood control would be undertaken; and that any work done for the improvement or maintenance of navigability should be part of a plan intended to accomplish the three objects of flood control, débris control, and improvement of navigability.

"We believe that the execution of the plan prepared by the commission, revised as described in this report, is necessary for the accomplishment of these three objects. The difficult question is what proportional part of the cost the United States should pay.

"In making its present recommendations the commission has sought to eliminate from the project those features which are more intimately associated with reclamation and to confine the work of the Federal Government to the river channels and weirs, which features have a more direct bearing upon the navigability of the river."

160. Other and subsequent statements of the California Débris Commission make very plain its understanding—which is the understanding of California—that the minor project is only a step in the work ordered by Congress and participated in by California under practical contract. In the report of 1914 (Report of Chief of Engineers, United States Army, 1914), at pages 1472 and 1473, occurs this language:

"The project now in force, however, is based on report printed in the Annual Report of the Chief of Engineers for 1907, pages 2262–2269, inclusive, and provides for dredging, for the improvement of navigation, and the control of débris and floods, and work thereunder is adopted without loss into and made part of the more complete and general proposed project just mentioned."

161. Again, at page 1476 of the same report:

"The work now in progress along the lower portion of the Sacramento River with two suction-dredging plants is along the lines of work proposed in the Annual Report of the Chief of Engineers for 1907, as approved by Congress in the act of June 25, 1910, appropriating $400,000 therefor, while at the same time it would become, without change, a part of the work included in the reports published in House Document No. 81, Sixty-second Congress, first session, and Rivers and Harbors Committee Document No. 5, Sixty-third Congress, first session, should Congress later adopt these."

162. The reports of 1910 and 1913, offering for approval the major project, are simply the culmination of the contract entered into by Congress and the State of California to secure, at as early date as possible, the restoration of navigability, the control of floods, and the care of débris in the Sacramento River. This contract is evidenced clearly by the Caminetti Act of 1893; by California's acceptance thereof; by the prosecution by the Federal Government, through the California Débris Commission, of work to accomplish the intent thereof; by the cheerful payment by California of her one-half of the expense as Congress called upon her therefor; by the gradual development by the Débris Commission of the plans and work necessary to solve the complicated problem through successive stages, namely, (1) the regulation of hydraulic mining; (2) the attempt to hold back in the canyons the débris not yet washed into the streams, and after enforced abandonment of this plan; (3) the retaining in the Yuba Débris Basin of immense deposits which otherwise would wash into the Feather and Sacramento; (4) the care of débris now in the navigable channel and that which must still come into it by dredging (the minor project upon which work is still in progress); and (5) the presentation of the final comprehensive plan for flood control, the major project now before Congress, without the completion of which work already done and moneys expended by the Congress and by the State will be in large part wasted, while irretrievable damage must result to interests, national, State, and private.

163. It is quite certain that California would not have turned over $1,000,000 to the War Department for the work of the California Débris Commission and appropriated $250,000 more subject to call if she had not understood that the Nation and the State had jointly inaugurated under the general terms of the Caminetti Act and supervision of the Chief of Engineers of the United States Army, the prosecution of work which was to secure flood control of the Sacramento River, restoration of navigability, and protection for the valley.

164. On February 7, 1912, Col. John Biddle, United States Army, senior officer of the California Débris Commission at the time its report of 1910 was presented, made a lengthy statement before the Rivers and Harbors Committee on the Sacramento project, pages 47 to 65. In the course thereof he made a clear and comprehensive explanation of the duties required of the commission by the Caminetti Act and the way in which such duties had been and were being performed. He frankly stated therein that it was understood the work was not to cease short of flood control, and that in his opinion California would not have been justified in appropriating her initial subscription of $400,000 under any other understanding. Expressions and answers in point will be found on pages 48, 49, 55, 57, 60, 61, 63, and 64. A few only are quoted here:

165. From page 55:

"Mr. DAVIDSON. Do you think the interests of commerce and navigation require an expenditure of $11,000,000 on the part of the Government for the improvement of those streams?

"Col. BIDDLE. As I have stated before, if you left out the responsibility called for by the Caminetti Act, I do not think so; but that responsibility was given by that act, and money has been already appropriated for that purpose to the extent of about $2,000,000, supplemented by the same amount by the State of California.

"Mr. DAVIDSON. The appropriation of $400,000, with a like sum by the State of California, was simply to restore navigation by dredging process, without reference to any expenditure of any $11,000,000 or any other large sum, but it was to restore or maintain a reasonable stage of navigation, say 7 feet, to Sacramento.

"Col. BIDDLE. That $400,000 was not intended to complete the work; it was just simply intended to start it. The total cost might grow into millions for dredging out all that débris."

166. From page 57:

"Mr. DONOHOE. Would you now recommend the expenditure of $11,000,000 by the Government except for the fact you believe the Government is obligated to go on with this plan?

"Col. BIDDLE. Pardon me to say, I think the Government is not obligated to anything; but if the Government intends to carry out the provisions of the Caminetti Act I think this is the best plan.

"The CHAIRMAN. How far would you suggest the Government was obligated to go?

"Col. BIDDLE. To get rid, practically, of all the débris that was in the river and that could be considered as having been brought down from the hydraulic mines."

167. From pages 60 and 61:

"Mr. SMALL. Now, with this $400,000 that California appropriated a few years ago, and which was expended, together with $400,000 appropriated by the Government, would that be a useless expenditure if this project is now abandoned, or has that accomplished good results?

"Col. BIDDLE. * * * On the other hand, I do not think the State of California would ever have appropriated this $400,000 if it had not thought it would be followed by more.

"Mr. SMALL. It would not have been a wise or provident appropriation or expenditure of money, except having this larger project in view?

"Col. BIDDLE. In my mind, not at all, except in view of this larger project or some similar project for taking care of the débris." * * *

DESCRIPTION OF THE MAJOR PROJECT.

168. The reports of the California Débris Commission for 1910 and 1913, approved by the Board of Engineers for Rivers and Harbors and by the Chief of Engineers, state very clearly that the major project for flood control of the Sacramento River follows the only plan economically feasible, which will secure control of floods, restore navigation, care for débris deposits, and allow permanent reclamation, and that the interests named are so interwoven on this stream that they can not be separately treated. (Doc. No. 81, Ex. D, p. 2, and also p. 4, sec. 5; Doc. No. 5, Ex. E, p. 9, sec. 12.)

169. The plan contemplates retaining within the river channel all the waters which it can safely carry, by the maintenance of strong levees on or near the river banks, and caring for the excess flow in flood season by conducting it over easements, or weirs, and through by-passes (strips of land protected on each side by levee) to a junction with the river, 15 miles above its mouth, whence a widened and deepened channel will discharge the entire floods into the upper arm of San Francisco Bay. The sills of the weirs fix automatically a flood plane for each station of the river, beyond which the water can not rise in the channel, while constant improvement of the channel itself will be secured by the scouring of the current and by dredging operations necessary to maintain levees. The plan calls for four weirs, located, respectively, two in Yolo County, one in Sutter, and one in Butte, and 90 miles of by-passes, varying in width from 1,000 to 14,000 feet. The section of channel at the river's mouth is to be straightened and widened to 3,000 feet (about four times the present width in places) and deepened to 35 feet at extreme flood.

170. This plan as applied to the problem of the Sacramento will be better understood by the following explanation, with reference to the map and to the article of this report on floods of the river. (Secs. 53 to 60.)

171. Above Colusa the Sacramento River brings down from Iron Canyon an extreme flood of 276,000 second-feet. At present the excess is carried out over the river banks into the Butte Basin, and will ultimately be provided for by a by-pass system there, unless a storage reservoir in the Iron Canyon shall provide therefor. The river channel will carry down to Tisdale Weir 65,000 second-feet, about half of which will be diverted here into the Tisdale by-pass and turned into the main Sutter by-pass, which carries the floods from the Butte Basin. The Sacramento River Channel below the Tisdale has a capacity of only 30,000 or 35,000 second-feet. The Sutter by-pass at Nelsons Bend joins its waters with the floods of the Feather River, which carries in maximum flood 250,000 second-feet. The Sacramento River Channel below the mouth of the Feather has a present capacity of 85,000 second-feet, but will be increased under the project to 107,000 second-feet. The excess from the upper Sacramento River and the Feather will be diverted over the Fremont Weir (8,000 feet long) into the Yolo by-pass. Just above Sacramento city the American River comes into the Sacramento with a maximum flood of 180,000 second-feet, while the channel capacity of the river from this point to Suisun Bay is only 110,000 second-feet. The excess will be carried out over the Sacramento Weir and through the Sacramento by-pass into the Yolo by-pass. The entire excess floods thus find their way into the Yolo by-pass and through it to the enlarged channel at the mouth of the river and into the bay.

172. In this plan, as originally outlined in the maps accompanying the report of 1910, various minor modifications have been and will be necessary, as plainly indicated in that report (Exhibit D) on page 3 and in the report of 1913 (Doc. No. 5, Exhibit E), on page 5, section 4, and the last paragraph of section 5. Such modifications have been necessary or desirable, because the plans of 1910 were, to a certain extent, tentative, because of lack of complete survey and data. There was also, prior to the creation of the State reclamation board, no authority with power to prevent private reclamation constructing works which would interfere with the plans of 1910, and, in consequence, it has been necessary to make modifications thereof because of reclamation work constructed thereafter. The plans as now approved

by the State reclamation board, under recommendation or consent of the California Débris Commission and the State engineering department, are practically complete, save as to that portion of the project which cares for floods in the Butte Basin.

173. The plan provides that the California Débris Commission shall have charge of all work in the channel of the river, including the widening of the river's mouth, and in the construction of the four weirs, the estimated expense thereof, $12,600,000, to be divided equally between Congress and the State of California. It is assumed that these features have to do more particularly and exclusively with navigation interests. The construction of all river levees (503 miles) and of all by-pass levees (180 miles) and purchase of rights of way (about 85,000 acres) are to be under the direction of the State and to be paid for by the lands benefited through the fact that completion of the project will make permanent reclamation of these lands possible. The original estimates of 1910 indicated a cost of about $21,000,000 for the elements of the work to be paid for by the landowners. Improved standards of levees since adopted and the necessity of extensive revetment and drainage will perhaps increase the cost to upward of $35,000,000, though it is ordinarily estimated at about $30,000,000.

174. Under this plan the State of California and the landowners, therefore, will pay together about six-sevenths and the United States about one-seventh of the cost of a project which, while of great value to reclamation and flood control, is also indispensable for preservation of the navigability of the two great waterways of the State. It should be borne in mind, too, that Congress is called upon to pay only one-half of the expense involved in works in the river channel connected particularly with the interests of navigation, while the property owners, in paying the entire cost of river levees, are paying for works absolutely necessary to navigability, since only thereby can the integrity of the channel be maintained.

THE COOPERATION OF CALIFORNIA.

175. Following the enactment of the law of 1893, in which Congress clearly indicated its intent, with the cooperation of California, to mature a plan and push it to completion, by which the navigability of the river could be restored, the débris cared for, and flood control secured, the State has cheerfully done her share, and even more. In making the first appropriation called for by the California Débris Commission under that act, California formally accepted the terms of the act and in effect pledged herself to carry out her share of the contract. Since that time she has promptly fulfilled all conditions and made appropriations usually in advance of Congress. She has already paid into the United States Treasury, to be expended by the California Débris Commission as agent of the Federal Government in carrying out the terms of the Caminetti Act, $1,000,000. These appropriations were made as follows:

| | |
|---|---|
| 1897 | $250,000 |
| 1909 | 150,000 |
| 1911 | 400,000 |
| 1913 | 200,000 |

Of these appropriations $400,000 was for impounding débris and $600,000 for improvement of navigation. In addition, $250,000 was appropriated in 1915 and is now awaiting requisition from the California Débris Commission. Over $350,000 more has been spent for rights of way, some of it from State appropriations, but most of it subscribed by landowners, and all necessary for carrying on operation of the California Débris Commission under the Caminetti Act. In addition, the State has spent independently, under its State engineering department and river boards, since 1897, all for rectification of navigable river channels and in direct interest of navigation, $1,275,000.

176. This is entirely aside from the work done by private landowners in dredging and construction of river levees, all valuable for and necessary to the preservation of navigation, as elsewhere referred to.

177. With each new appropriation the State formally renewed its approval of the plan and intent of Congress, as indicated in the Caminetti Act, and when that plan was finally perfected by presentation of the completed project in the report of 1910, transmitted to Congress by the Secretary of War June 27, 1911, the California State Legislature had adjourned and would not again meet until January, 1913. A special session, however, was called in December, 1911, for consideration of vital matters, and Gov. Hiram W. Johnson, realizing the overshadowing importance of this matter to the State, made it one of the few subjects in his special call to be considered at that session.

178. By legislative act the plan as presented by the California Débris Commission in Document No. 81 (Exhibit D) was formally adopted as the State plan for flood control of the Sacramento River; the State's aid, cooperation, and appropriations pledged thereto; and the State reclamation board created, in order that the duties imposed upon the State under the plan might be fully and promptly executed. In addition, State Senator A. Caminetti, who, as Congressman in 1893, had introduced the Federal act creating the California Débris Commission, introduced and had passed by the State legislature December 15, 1911, senate joint resolution No. 13, calling the attention of Congress to the fact that the legislature in extraordinary session assembled had formally adopted the project and recommendations of the California Débris Commission, and had provided for cooperation on the part of the State in putting the project into effect, and asked that Congress, on its part, give favorable consideration thereto.

179. The act of December, 1911, did not become effective under the State referendum law until March 23, 1912, and in the interim a special flood-control committee, consisting of a commissioner appointed by the governor and representatives of the Chambers of Commerce of San Francisco and the Sacramento Valley, presented the matter to the River and Harbors Committee. The legislature, in the subsequent sessions of 1913 and 1915, fully confirmed its previous acts in this matter by making additional appropriations and by increasing the powers of the State reclamation board, so that it might fully perform the obligations accepted by the State in connection with the project.

180. The duties and powers of the State reclamation board, as defined by the legislature of 1911 (special session), 1913, and 1915, will be found fully set forth in the reclamation board act. (Exhibit F attached hereto.) They include very broad and arbitrary police power under which the board is given exclusive control of all private reclamation within the area subject to flood in the Sacramento and San Joaquin Valleys (1,726,553 acres), with power and duty to pass upon all plans for reclamation therein and to withhold approval in event any such plan shall interfere in any way with the project of the California Débris Commission or the interests of flood control. The board has power to remove levees and obstructions from any by-pass or overflow channel; to order property owners and reclamation districts to construct levees which may be necessary under the flood-control project or to the safety of districts; to construct itself any necessary levees or works, in the event that owners and districts refuse or fail, to comply with the orders of the board in such matter; and to levy and collect on the lands within the Sacramento and San Joaquin drainage district, comprising the 1,726,553 acres referred to, assessments necessary in the construction of levees and works called for by the flood-control project.

PROGRESS OF THE WORK.

181. There has been notable progress made toward completion of the project, and, for reasons which will be indicated, very much more in that portion for which the State is responsible than in that apportioned to the California Débris Commission. As outlined in the project, the work to be under exclusive control of the California Débris Commission and to be paid for, half and half, by Congress and California, includes enlargement of the river channel below the mouth of Cache Slough, estimated cost, $9,075,420; construction of four diverting weirs, $1,617,560; and rectification and enlargement of river channels, $191,375, with 15 per cent added for contingencies and administration and $800,000 subtracted as already appropriated, half by the State and half by Congress, at the time of the report. This leaves a total of $11,717,008 as the estimated remaining cost of those portions of the project, such amount to be assumed, half and half, by the United States and California. The amount to be paid, therefore, by each would be $5,858,504, which has been decreased since then $200,000 by appropriations of that amount made by each. (Doc. No. 5, Exhibit E, p. 9.)

182. The California Débris Commission has been able to make only such progress as permissible under the terms of the minor project and with appropriations made therefor. Such project provides for the use of two suction dredges for a term of 56 months, and the work already done thereunder is indicated at length in the report of the State reclamation board of 1916, attached hereto as Exhibit G. Briefly, the two dredges have worked under this project up to January 1, 1916, for a term of 36 months and have moved about 13,000,000 cubic yards of material and expended about $1,200,000, appropriated half by Congress and half by the State. The channel at the mouth of the river in the course of this work has been straightened and widened and a material improvement in run-off of flood already secured thereby. There is, therefore, work yet to be done in connection with opening the mouth of the river, the estimated cost of which would be in the neighborhood of $8,000,000.

183. The Débris Commission has not been able to do any work in connection with the construction of weirs, such work not being included within the minor project. Preliminary preparations, however, have been made by the securing of the necessary sites for three of the weirs, that of the Tisdale Weir having been in possession of the State for a number of years; that for the Fremont Weir having recently been acquired by the reclamation board; and that for Sacramento Weir having been purchased by the city of Sacramento. In the case of the Moulton Weir no steps have been taken toward securing a site therefor, for several reasons: Because the location of the by-passes in the Butte Basin has not been definitely determined by the Débris Commission; because the landowners in the basin are divided in opinion as to whether they would prefer reclamation, with a by-pass system, or the running of the floods over their lands, through the basin and into the Butte Slough and Sutter by-pass; and because of the possibility that an early completion by the United States Reclamation Service of the Iron Canyon project, with a storage reservoir, would make unnecessary the use of by-passes in the Butte Basin.

184. It is also fairly certain that construction of the Sacramento Weir will be commenced during the present season, and perhaps completed before the winter of 1917–18. The city of Sacramento, in view of the grave menace existing for the city in the absence of completion of this weir and the easement which it offers for the floods of the American River, has voted $594,000 for the purpose; has perfected plans which have already been approved by the Chief of Engineers United States Army; and is preparing, with the cooperation of the State reclamation board, to construct this weir and open the Sacramento by-pass.

185. In that portion of the project under supervision of the State reclamation board and for which the property owners are to pay, material progress has been made and is steadily being made, under the reclamation board act, which invites cooperation on the part of landowners and reclamation districts in constructing units of the project, and provides machinery whereby it can be accomplished. The project was so outlined by the California Débris Commission as to utilize, so far as possible, the existing river levees constructed by landowners and reclamation districts; and also to take advantage for by-pass purposes of existing levees which might be made to serve therefor. (See State reclamation board report, Exhibit G.)

186. It is estimated that the river levees already constructed on the Sacramento, Feather, American, and San Joaquin Rivers, and necessary for the interests of navigation, because they preserve the integrity of the river channel in flood season, have cost $12,000,000. This does not include the cost of levees for Sacramento city, $5,000,000, and for the city of Marysville, $1,000,000.

187. It will cost upward of $6,000,000 more to improve these levees to standards fixed by the reclamation board, while the ultimate cost of by-pass levees, rights of way for by-passes, and drainage plant necessitated by by-pass construction, will make the total, which the property owners will pay as their portion, in excess of $35,000,000, of which about half is yet to be expended.

188. In addition, the dredging done by landowners and reclamation districts in the construction of these levees has removed from the navigable channels an amount of mining débris which would have cost the Government, if it had done the work, $3,950,000, as appears in the report of the Chief of Engineers, United States Army, 1915, at page 1459.

BENEFITS TO STATE AND NATION.

189. What the completion of the Sacramento River flood-control project means to the State and the Nation is indicated by the statement that only through this plan can flood control of the Sacramento River be secured; and that only through flood control thereof can the following results be attained:

190. (a) Restoration and maintenance of navigability of the Sacramento River, on which, in earlier days, ocean freighters drawing 13 feet of water use to deliver their cargoes at Sacramento city, 125 miles from the sea, at all seasons of the year.

191. (b) Protection of the San Joaquin River, which has a common delta with the Sacramento and which is threatened by floods from the

Sacramento up to and including the city of Stockton, at the practical head of navigation, 45 miles from the river's mouth, 106 miles from the sea.

192. (c) Maintenance of an inland waterway system, of which the two navigable rivers must be necessarily main arteries. Upon such a waterway system depends in large measure future development of the Sacramento and San Joaquin Valleys and the commerce of the State, since, without cheap water freights to tidewater, products of the valleys can not secure profitable access to the markets of the world. In the absence of such markets the valleys will not produce their possible crops and can not develop in either wealth or population. The history of inland waterways in Europe so clearly establishes the truth of these principles that it is not necessary to enlarge upon them

193. (d) Safety from disastrous floods for nearly 1,300,000 acres of rich alluvial lands and for communities in the district, including the cities of Sacramento and Stockton, with aggregate population of 120,000 and assessed valuations exceeding $100,000,000.

194. (e) Insurance on the crops of 750,000 acres reclaimed and in process of reclamation, but subject to flood in absence of flood control. These crops are worth annually upward of $30,000,000.

195. (f) The creation of permanent wealth in the lands now overflowed and which can not be reclaimed in the absence of flood control, together with assurance of annual crops thereon to the value of many millions of dollars.

196. As concerns the lands now subject to flood and which can secure safety only through flood control of the Sacramento River as promised by this project:

In Water-Supply Paper No. 251, Department of the Interior, United States Geological Survey, Part XI, California, at page 154, the total area of the Sacramento Valley is stated to be about 4,250 square miles, divided approximately as follows:

| | Square miles. |
|---|---|
| High lands not subject to overflow | 2,510 |
| Lower lands occasionally overflowed | 450 |
| Low lands overflowed periodically and submerged for a considerable part of the year | 1,250 |
| Perennial stream surface | 38 |

The document calls attention to the fact that about 40 per cent of the valley suffers from floods.

197. The Sacramento flood-control project is a measure of immediate safety not only to those lands included within the Sacramento Valley as above indicated, but also to those in the contiguous portion of the San Joaquin, the whole totaling 1,291,027 acres. Included in this total are low river lands, reclaimed or in process of reclamation, 595,731 acres; lands entirely unreclaimed and not possible of reclamation in absence of flood control, 160,600 acres; higher lands, partly protected, over which floods would pass in absence of protection, but on which they would not remain, 149,600 acres; similar higher lands entirely unprotected and for whose protection flood control is absolutely necessary, 182,785 acres; in by-pass and overflow channels, lands rich in character but now practically useless for revenue, 202,311 acres. Even the lands embraced within the last category can be, to a great extent, made valuable and productive by the carrying out of the flood-control project, while the acreage embraced in the other categories is dependent, for present or prospective value and productiveness, upon the completion of the project, as is particularly explained in the report of the State reclamation board, 1916 (Exhibit G), under the head "Scope of the Sacramento project."

198. While actual safety of farms, communities, and cities located in a district of 1,291,027 acres is dependent on the flood-control project, the balance of the total acreage in the Sacramento and San Joaquin Valleys, about 10,000,000 acres, is dependent on the project for that development which comes from intensive cultivation and the growth of the highest grade of crops on every available acre of soil. Such development can only follow the creation of markets for the products, through low water rates to tidewater all the year around (there is no interference with water transportation because of ice in these valleys); and such rates will depend on the maintenance of navigability on the two great streams which must be the main arteries of any inland waterway system for the State. It would seem to be a wise enterprise on the part of the Nation to encourage in every possible way the development of the conditions in these valleys which will enable them to produce during the entire year a succession of the most valuable products, which only the peculiar combinations of soil and climate to be found here can produce. The Nation has in these valleys an economic asset which ought to be fully utilized.

199. Some faint idea of the possibilities of the Sacramento and San Joaquin Valleys as all-the-year-round producers of those things which would be most needed in time of necessity to supply the Nation's wants, may be gathered from consideration of what those valleys now produce, bearing in mind that, because of flood conditions and because of deficiency in cheap water transportation, there is but a very small portion of the available acreage devoted to intensive cultivation. Much of that used could be devoted to crops of more value to the country but for the present uncertainties as to conditions.

200. In the San Joaquin Valley last year the orchard and dairy products, with grains, honey, and eggs, totaled 75,270 carloads. To this must be added 1,200,000 tons of hay, worth $10,000,000, and vegetables worth $3,200,000, the carload figures for which are not available. The output in farm animals can not be given, but the number of cattle, sheep, hogs, horses, and mules on the farms was 1,541,627.

201. In the Sacramento Valley, whose acreage is less than one-third as large as that of the San Joaquin Valley, but where certain incentives for increased production are greater, the output is still larger, though it is only a fraction of that which could and would be produced in time under favorable conditions. The estimated output of the valley last year in all products, including live stock, was 102,251 carloads. The shipments of deciduous fruits alone amounted to 10,300 carloads, and of green vegetables, 1,360 carloads (a carload is 26,000 pounds). Five-sevenths of all the California deciduous fruits that come to eastern markets are shipped from the Sacramento Valley. The vegetables include potatoes, beans, onions, asparagus, celery, sugar beets, etc. The valley produces 65,000 bales of hops.

202. There is a great increase in tree planting. The almond crop, now 3,800 tons, will jump to 10,000 tons when new orchards are in bearing. The acreage in olives has been enormously increased.

203. In 1911 there were in the valley 150 acres in rice; in 1912, 1,400 acres, with an average yield of 50 bushels, and a production of 70,000 pounds, worth $64,000. In 1915 the acreage had so increased that the crop was 720,000 sacks, worth $1,500,000. This year the crop is estimated at 2,500,000 sacks, valued at $5,000,000, while the indications are that in the near future the crop will jump to 15,000,000 sacks.

204. The rice crop strikingly illustrates the great necessity for insuring permanent navigability of the Sacramento River through completion of the flood-control project. The crop is late and must be moved fast to avoid the rains. (In California there are no summer rains.) There are not available cars to move such a crop at once, and the crop last year was saved by transporting it to the river, where it was loaded on barges and carried to market. That can not be done if a flood shall have even temporarily destroyed navigation.

PRESENT COMMERCE OF THE RIVERS.

205. The official reports on the commerce of the Sacramento and San Joaquin Rivers for the last year available give the following figures (Report of Chief of Engineers, 1915, pp. 1466–3347):

206. Sacramento River: Freight, 720,000 tons; valuation, $38,000,000; passengers, 175,485.

207. San Joaquin River: Freight, 772,000 tons; valuation, $35,479,000; passengers, 189,667.

208. These figures do not include the tonnage of the large mosquito fleet of gasoline boats and their barges, which is not available.

At the hearing before the Flood Control Committee April 5, 1916, at page 8, Col. Harry Taylor, United States Army, Assistant Chief of Engineers, United States Army, referred to the mosquito fleet and difficulty of securing statistics thereof, and said: "We know the published statistics are far short of the commerce carried on the river."

209. Through Sacramento city's lower or M Street Drawbridge (Northern Electric Railway) there passed during the year 3,054 steamboats, 1,005 barges, 969 gas boats, 73 sailing vessels, 30 dredges, and 29 pile drivers. Through the upper or H Street Drawbridge (Southern Pacific Railway) there passed in the same time 895 steamboats, 799 barges, 867 gas boats, 31 sailboats, 27 dredges, and 20 pile drivers. (This indicates traffic above Sacramento city; the down-river traffic goes through the M Street draw.)

210. On the Sacramento River most of this freight and practically all of the passenger traffic was between Sacramento and San Francisco and intermediate points. Present conditions in portions of the river above Sacramento city do not permit the use of boats thereon during the greater part of the year and there is in consequence no incentive for investment of capital in steamers giving the frequent and rapid service to induce a large patronage and no opportunity for shippers to secure the most advantageous water transportation rates. On the San Joaquin all of the tonnage and passenger traffic indicated was between San Francisco and Stockton and intermediate points.

211. The high class of freight handled on the two rivers is a noticeable feature, the value averaging $50 per ton, almost the highest, if not the highest, reported on any river in the United States. It includes fruit, alfalfa, hops, beans, asparagus, rice, potatoes, onions, celery, cabbage, dairy products, etc.

212. Ninety per cent of all freight between Sacramento and San Francisco and between Stockton and San Francisco is handled by boat, the average rate being 35 per cent less than by rail, while on certain classes of freight it is 60 per cent less. Between Sacramento and San Francisco is a daily merchants' express service by boat (overnight), the rates for which are between 7 and 10 per cent cheaper than for ordinary freight by rail.

213. This is a somewhat striking condition in view of the fact that there are five different rail routes between Sacramento and San Francisco giving service many times during the 24 hours for both freight and passengers. There is the Southern Pacific with two through lines, one by Benicia on the west side of the river and one by Stockton on the east side; the Western Pacific via Stockton; the Oakland, Antioch & Eastern (electric); and the Central Traction (electric) from Sacramento to Stockton and connecting at the latter point with the Santa Fe for San Francisco.

214. From docks on the Sacramento River as far up as Colusa, 90 miles above Sacramento city, grain, alfalfa, rice, vegetables, and other freight, gathered by the river transportation companies' trucks from points 8 and 10 miles distant from the river, are loaded on barges, towed by steamers, and delivered at the warehouses at Sacramento city or at the tidewater docks at Port Costa or San Francisco for 20 per cent less than the railroad rate. The improvement of the river, with the development of the valley and the increased production certain to follow, would produce conditions which would insure shippers even better service and probably lower rates.

215. On the Sacramento there are four companies operating, owning 26 steamboats and a large number of barges. There are about 200 boats of all kinds, including schooners and barges, employed in the traffic. Handsomely equipped passenger steamers ply every day between the two interior cities and San Francisco. The best of these are 260 feet long, 6 feet draft, 1,200 tons gross, and are fitted with all hotel conveniences. (See Annual Report of Chief of Engineers, 1915, pp. 3346–3353; also hearing before Rivers and Harbors Committee, Dec. 8, 1913, statement A. E. Anderson at a previous hearing; also hearing before same committee July 23, 1915, pp. 20 to 23. Exhibit H.)

216. The value to the State and Nation of a permanent restoration of navigability to these rivers is not fairly gauged, however, by their present commerce. Its proper measure of value is the commerce which will ultimately be handled by water if the original river conditions of 1860 are restored and an inland waterway system developed. Some conception of the prospective commerce of the river under such conditions may be formed by considering the wonderful possibilities of soil and climate, the fact that crops grow all the year around, and waterways are navigable at all seasons, the wonderful present yield under unfavorable conditions, and the millions of acres available, much of it not now used, and very little of it intensively cultivated. Note in this connection sections 197 to 203.

CRITICISM OF THE PROJECT.

217. There have been offered three main criticisms of the project, which are here dealt with:

(a) Navigation's interest: It is declared that the project is not necessary in the interests of navigation, that declaration having received its inspiration originally from language to that effect found in the report of the Board of Engineers for Rivers and Harbors, in discussing the project as originally submitted by the California Débris Commission. Because of a misunderstanding as to the exact import of this language, and because of other considerations, the matter was referred back to the Board of Engineers for Rivers and Harbors by the Rivers and Harbors Committee, December 2, 1912, with a request for examination and review and their subsequent information and conclusions thereon. This brought forth the California Débris Commission report of February 8, 1913 (Doc. No. 5, Exhibit E), approved by the Board of Engineers June 17, 1913, and by the Chief of Engineers July

17, 1913. From that and other documents the following facts are gathered:

218. The evident idea in the mind of the Board of Engineers when it said (Doc. No. 81, Exhibit D) "the execution of the project is not necessary in the interests of navigation," was that a measure of navigability could be secured by dredging the channel of the river, without carrying out the major project. This expedient of dredging, however, could not, as a matter of fact, "maintain" a navigable channel of any depth desired or necessary, but could only restore it after the winter's floods had partly filled it with mining débris; and as the dredges can not commence to operate to advantage until the flood stage has passed, there would be months in the summer and fall when the river is most valuable for transportation, when navigation would be crippled. To dredge the river without flood control would simply mean the destruction or serious impairment of navigation each year, until the expensive and tedious dredging operations had cleared the channel of the deposits left by the floods. It may be added that in a large portion of the stretch of the river below Sacramento city this plan of dredging is not feasible, because there is no place on which the dredged material could be deposited, the top of the finished levees being used usually for district roads, and in places for railroads, and the land immediately behind the levees being under intensive cultivation.

219. The Débris Commission report of 1913 (Exhibit E), as approved by the Board of Engineers, makes the situation very clear when it declares in section 12 of such report as follows:

"It is thought that the Board of Engineers for Rivers and Harbors, in stating that the execution of the original plan was not necessary in the interests of navigation, meant to imply that a sufficient degree of navigability could be maintained at less cost. This commission knows of no way of maintaining navigability with certainty and permanence, except under a plan which is part of a plan for flood and débris control, nor does it seem possible to estimate with certainty the cost of maintaining navigability apart from flood and débris control.

"Should nothing be done to control floods, there is every probability that from time to time navigability will be temporarily destroyed.

"To the cost of restoring navigability should then be added the damage done to navigation interests during the periods of nonnavigability.

"The commission understands that the act creating the commission directed the preparation of a plan for flood and débris control. Congress in making the appropriation of $800,000 in the act of June 25, 1910, apparently realized that flood control was a necessity; that sooner or later works for flood control would be undertaken; and that any work done for the improvement or maintenance of navigability should be part of a plan intended to accomplish the three objects of flood control, débris control, and improvement of navigability.

"We believe that the execution of the plan prepared by the commission, revised as described in this report, is necessary for the accomplishment of these three objects. The difficult question is what proportional part of the cost the United States should pay.

"In making its present recommendation the commission has sought to eliminate from the project those features which are more intimately associated with reclamation and to confine the work of the Federal Government to the river channels and weirs, which features have a more direct bearing upon the navigability of the river."

It is noticed that the commission declares very positively that it knows no way of maintaining navigability with certainty and permanence except under a plan which is part of a plan for flood control.

220. In its report of 1910, too, the commission uses this language, page 4, section 5:

"The interests of navigation, débris control, and flood control in the case of this river are so inseparably connected that it is thought that they should be considered under one general project, thus utilizing to the fullest extent and for the common good any work done under projects for improvement of navigation, control of débris, or the control of the floods."

221. And the Chief of Engineers in approving the project (Doc. No. 81, Ex. D, p. 2), says:

"This report presents a project for control of floods, the third duty assigned the commission. Recognizing that the interests of navigation, débris control, and flood control are inseparably connected, the commission has considered these problems as one general project, thus utilizing for the common good to the fullest extent practicable the works for any one of the three projects."

222. (b) Reclamation's interest: The project has been criticized as a reclamation scheme. The project is undeniably of value to reclamation, since only through the flood control which it will insure can reclamation be made possible in some cases and permanent in all. But it is also true that navigation can not be fully protected by any other plan and that the interests of navigation, flood control, reclamation, and care of mining débris are so interwoven on the Sacramento River that they can not be separated in remedial measures. (See the Engineers' Reports 1910 and 1913, Exhibits D and E, as quoted above.) And, further, because of reclamation's interest in the project it is being assessed for five-sevenths of the cost thereof, including all that can fairly be construed as being exclusively in the interest of reclamation and also much—notably the construction of river levees—which is undeniably partly in the interests of navigation, and even as to that portion of the project which is admittedly in the interests of navigation and in the navigable channel over which the Federal Government exercises exclusive jurisdiction, Congress is asked to pay only half of the expense. There is not recalled any flood-control project in which the State proposes to deal more generously with the Federal Government than in the case of the Sacramento project. Certainly this project does not deserve in any objectionable sense the charge of being a reclamation scheme.

223. (c) Conservation's interest: The entire plan is declared to be opposed to conservation, since it proposes to waste, through by-passes to the sea, flood waters which can be, and should be, stored for, or otherwise adapted to, beneficial use. This statement is based on lack of knowledge of existing facts.

224. Flood control by storage: First, as to the practicability of securing control of the Sacramento River floods by storage:

225. The United States Army engineers, the engineers of the United States Reclamation Service, the California State department of engineering, and all competent engineers who have made the necessary investigation, agree that it is not only impractical but a physical impossibility to secure flood control of the Sacramento River by storage reservoirs, and that the very limited amount of storage available for its floods can be utilized only as an additional factor of safety, and will not justify any change in the by-pass system, save possibly in the Butte Basin. There will be found in the report of the California State reclamation board for 1916 (Exhibit G), under the subhead "Storage and flood control, Sacramento Valley," a statement of the facts and authorities which leaves no room for further question on this point.

226. Flood-water canals: As to the suggestion made to the Flood Control Committee of the House, in the hearing April 5, 1916, looking to the utilization of the excessive floods of the Sacramento by conveying them in great flood-water canals along the western slope of the Sierra Nevada Mountains to the south end of the San Joaquin Valley, and there utilizing them either through storage or by permitting them to soak into the ground so as to increase the subterranean water supply, reference was made in connection with this suggestion to a report made February 20, 1874, by Lieut. Col. B. S. Alexander, United States Army, Maj. G. H. Mendell, United States Army, and George Davidson, assistant, United States Coast Survey, and transmitted to Congress by President U. S. Grant.

227. The report in question does not deal in any way with the subject of flood control of the Sacramento River, and would have very little value if it did, for as late as 1881 the report of the Chief of Engineers shows that the maximum flood of this river was supposed to be about 100,000 second-feet, or less than one-sixth of the actual volume. The report deals with "the irrigation of the San Joaquin, Tulare, and Sacramento Valleys," and is full of valuable information and suggestion, as might be expected of the able engineers who prepared it.

228. For the purpose of irrigating the two great valleys the report suggests utilizing the waters of the two rivers by carrying them in canals along the east and the west side of the valleys, tapping the Sacramento for the purpose at Red Bluff on both sides, and carrying the west side canal down to tidewater at Cache Slough (near the mouth of the Sacramento River) and the east side canal down into San Joaquin Valley.

The plan is thus described at page 37:

"Each main river has two canals, one on either bank, extending to the right and left just below the base of the foothills until they meet similar canals from the adjacent rivers; the whole of them taken together, forming, as it were, a main exterior canal of large size extending from the Kern River in the south to the vicinity of Red Bluff on the east side of the Sacramento."

229. The Kern River drops into the San Joaquin Valley close to Bakersfield, and it has been apparently assumed by some from the above language that the engineers proposed to carry the waters of the Sacramento River by canal from Red Bluff to Bakersfield (about 400 miles in a straight line). It is probable that they had no such idea; for while they spoke of their lack of detailed topographical knowledge of the eastern side of the valley and said in consequence they could "only sketch a hypothetical system of canals on that side of the valley,' yet they must have known that Red Bluff is over 100 feet closer to sea level than Bakersfield (elevations, Red Bluff 304, Bakersfield 420). Their intent undoubtedly was to carry water from the Kern and other San Joaquin Valley rivers north and from the Sacramento and its tributaries south, as far as conditions permitted. They figured on a grade of 6 inches to the mile, which would have brought a canal started at Red Bluff to a junction with the San Joaquin somewhere south of Merced. The engineers figured on small canals—how small may be imagined when they estimated the cost of such canals to the land to be irrigated at $10 per acre.

230. The value of any such canal system in taking care of the floods of the Sacramento and its tributaries may be determined from these facts: A canal on a grade of eight-tenths of a foot to the mile, taking water from the Sacramento at Red Bluff would deliver it in the San Joaquin Valley no farther south than Dos Palos, near Merced, 250 miles in a straight line, perhaps 300 on grade. Such a canal would have to be 1,800 feet on the bottom and 20 feet deep to carry approximately 200,000 second-feet—only a little more than one-third of the excess maximum floods of the Sacramento which must be cared for outside of the river channel. Such a canal for the distance named and if the surveys were level would involve a total excavation of over 2,100,000,000 cubic yards, and if only a small proportion of that excavation were in rock and the rest in material easily excavated, the cost would run upward of $700,000,000, with the probability that the actual cost would double that amount.

231. To carry these waters to Bakersfield the source of supply would have to be tapped at a higher altitude than Red Bluff, with corresponding increase of difficulty and expense. If the canal were intended to save the valley and the river from injury by assuring control of floods, it would have to care for 550,000 second-feet (the amount the by-passes are designed to accommodate), and thus would necessitate a very much larger canal or a very much steeper grade. With a grade of 2 feet to the mile, there would be required a width of over 2,000 feet and a depth of 20 feet to accommodate the excess floods. Whether the increased capacity be secured by difference in grade or by increasing the size of the canal, it is quite certain that the difficulties and expense involved in construction would be so multiplied as to make the project practically impossible and, perhaps, physically impossible as well.

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EXHIBIT A.

DAMAGES FROM HYDRAULIC MINING.

[Extract from the opinion of Judge Lorenzo Sawyer, United States Circuit Court, District of California, Jan. 7, 1884 (18 Fed. Rep., 753).]

Woodruff *v.* North Bloomfield Gravel Mining Co. and others. George Cadwalader, I. S. Belcher, and J. N. Pomeroy, for complainant. Stewart & Herrin, J. K. Byrne, and W. C. Belcher, for defendants.

Sawyer, J.: This is a bill in equity to restrain the defendants, being several mining companies engaged in hydraulic mining on the western slope of the Sierra Nevada Mountains, from discharging their mining débris into the affluents of the Yuba River and into the river itself, whence it is carried down by the current into Feather and Sacramento Rivers, filling up their channels and injuring their navigation, and sometimes, by overflowing and covering the neighboring lands with débris, injuring and threatening to injure and destroy the lands and property of the complainant and of other property owners situate on and adjacent to the banks of these watercourses. In March, 1882, the Secretary of War transmitted to Congress the official report of Lieut. Col. Mendell, of the Corps of Engineers, "upon examinations and surveys to devise a system of works to prevent the further injury to the navigable waters of California from the débris of mines, arising from hydraulic mining," which surveys and report were made in pursuance of the act of Congress relating to rivers and harbors of June 14, 1880. This report, made in January, 1882, was introduced in evidence, and it has been quoted and recognized by both sides in the case as showing the injurious results of hydraulic and other mining up to its

date and the remedies attempted and suggested. It is also fully confirmed by the other evidence in the case and by the condition of things as disclosed upon actual inspection and observation made by the judges who traversed and examined the country affected by the operations complained of, in the presence and with the consent of representatives of the respective parties and their counsel. Many of the facts in the general statement will therefore be taken in condensed form from that report.

Hydraulic mining, as used in this opinion, is the process by which a bank of gold-bearing earth and rock is excavated by a jet of water, discharged through the converging nozzle of a pipe, under great pressure, the earth and débris being carried away by the same water, through sluices, and discharged on lower levels into the natural streams and watercourses below. Where the gravel or other material of the bank is cemented, or where the bank is composed of masses of pipe clay, it is shattered by blasting with powder, sometimes from 15 to 20 tons of powder being used at one blast to break up a bank. In the early periods of hydraulic mining, as in 1855, the water was discharged through a rubber or canvas hose with nozzles of not more than an inch in diameter; but later, upon the invention of the "Little Giant" and the "Monitor" machines, the size of the nozzle and the pressure were largely increased, till now the nozzle is from 4 to 9 inches in diameter, discharging from 500 to 1,000 inches of water under a pressure of from three to four or five hundred feet. For example, an 8-inch nozzle at the North Bloomfield mine discharges 185,000 cubic feet of water in an hour with a velocity of 150 feet per second. The excavating power of such a body of water, discharged with such velocity, is enormous; and, unless the gravel is very heavy or firmly cemented, it is much in excess of its transporting power. At some of the mines, as at the North Bloomfield, several of these monitors are worked much of the time night and day, the several levels upon which they are at work being brilliantly illuminated by electric lights, the electricity being generated by water power. A night scene of the kind at the North Bloomfield mine is in the highest degree weird and startling, and it can not fail to strike strangers with wonder and admiration. The amount of débris discharged into the rivers by these operations can only be duly appreciated by actual observation.

The Yuba River is a tributary of Feather River, entering it at Marysville, 30 miles above the mouth of the Feather, where the latter joins the Sacramento. It is the fourth river in size in the Sacramento Valley, and drains about 1,330 square miles of the western slope of the Sierra Nevada Mountains, comprising portions of Sierra, Nevada, and Yuba Counties, its extreme breadth being about 36 miles and its extreme length about 60 miles, excluding the 12 miles of its lower course from the foothills to its junction with Feather River at Marysville. The elevation of the Yuba Basin above tidewater is from 200 feet at its lower parts to about 8,000 feet at the summit of the mountains; but the gold deposits of this basin only extend to an elevation of from four to five thousand feet, in a belt from 40 to 50 miles wide. The upper portion of the river is divided into five principal branches, the North, Middle, and South Yubas, and Deer and Dry Creeks. The first four—Deer Creek being nearly as large as the smallest main branch—unite in the mountains before reaching the valley; Deer Creek, not far from it; the last, Dry Creek, joining the main river in the valley shortly after it leaves the foothills. The débris complained of is mostly discharged into the Middle and South Yubas and Deer Creek and their numerous smaller tributaries.

The auriferous deposit on the San Juan Ridge, between the South and Middle Yubas, embracing most of the defendants' mines—and a larger part of the mines now actually worked being under their control—is much the largest and most important in the State and is favorably situated for working, the beds of the ancient channels in which it lies being elevated several hundred feet above the beds of the Yubas and their affluents, and the annual floods of the Yuba may be relied on to carry off a large portion of the débris resulting from mining. Says the report referred to:

"The linear extent of the gravel channel and its branches on this ridge is about 25 miles. Deducting liberally for the portion already worked, and for that too deeply covered by lava to be available for hydraulic mining, there remain, probably, not less than 14 miles of channel available for washing, from which only a comparatively small portion of the top gravel has been removed. Below San Juan the gravel body has a surface width of over 1,000 feet, and is, say, 140 feet deep. From Badger Hill to Bloomfield, it is for the greater portion very much wider and deeper. At Columbia Hill, its surface width varies from 3,000 or 4,000 to 8,000 feet, and it is from 300 to 600 feet deep. The gravel at Lake City is probably 300 or 400 feet deep. At North Bloomfield it is opened to the bedrock showing a depth of more than 300 feet. Roughly estimating the average width of the remaining gravel range at 400 yards, and, after allowing for the portion worked off, placing its average depth at 70 yards, the sum is an average of, say, 50,000,000 yards per mile, or, for 14 miles, say, 700,000,000 yards."

"Allowing for the amount washed since 1876, 100,000,000 yards, there remain 600,000,000 to be removed;" adding to this the estimated amount still remaining to be worked at Smartsville, lower down the river, and the amount remaining to be washed will appear. Says Col. Mendell: "Seven hundred million of cubic yards may be assumed to represent the amount of gravel remaining to be worked by hydraulic process, tributary to the Yuba." Approximately, then, according to the evidence, over 100,000,000 of cubic yards in these mines have been washed out by the hydraulic process, and the débris deposited in the Yuba and its affluents; and 700,000,000 more remain to be washed out, and its débris deposited in these watercourses in the same manner.

The following shows some of the results of former washings and unmistakably indicates what must result from a continuance of the work. The Yuba, with its branches and smaller affluents, were necessarily characterized by heavy grades, the waters falling about 8,000 feet in a distance of 90 or 100 miles from their extreme sources to the Feather River. They ran through deep, rocky canyons and gorges, over a rough, rocky bottom, with frequent rapids, and waterfalls of greater or less height, and there were many deep holes excavated by the action of the water at the foot of falls, rapids, and the like. The beds of all these streams, from the very dumps of the higher mines to the junction of the main Yuba with Feather River, a distance of 75 miles or more, have all been filled up many feet deep—at some places to the depth of 150 feet—and all the streams have regularly graded themselves, so that a railroad track might be laid upon their beds for the whole distance, the grade, of course, being steeper in the upper parts, but equally regular.

Thus the main branches of the Yuba and Deer Creek, Shady Creek, Bloody Run, Grizzly Canyon, Humbug Canyon, and the other smaller tributaries, all exhibit this result. There are many square miles, in the aggregate, in the beds of these streams, buried many feet deep with débris, and those channels are choked and clogged with it, the heavier material being deposited higher up and the lighter passing farther down. Most of it will from year to year be carried farther down, and ultimately find its way to the valley. The transporting capacity of the water, however, is unequal to the task of carrying off all the débris at once, as it is discharged into the stream. So, also, the ordinary floods, from year to year, are unable to carry off all the débris discharged into the streams during the year, and it consequently accumulates from year to year along the upper portions of the watercourses, within the mountains, till an extraordinary flood comes. When such a flood occurs it transports a much larger amount at once and precipitates it upon the valleys below. Vast amounts are now accumulated in the upper courses of the Yuba and its branches, which are liable to be precipitated in immense quantities into the valleys below by any extraordinary flood—such as that of 1862—that may hereafter occur. With reference to the amount of these deposits remaining in the Yuba above Marysville, Col. Mendell, in his report, says:

"The estimates by Mr. Manson, reported to the State engineer, give the estimated deposits in 1879 on the Yuba, above the foothills, as 46,462,100 cubic yards, the great bulk in 8 or 10 miles; and below, 23,284,000, a total of 71,746,100 cubic yards. In the light of later information, it seems probable that this estimate is altogether too low, the deposits in small tributaries not having been taken into account and the amount in the lower river having been much underestimated. The actual amount is not capable of being ascertained, and the statements are given merely for the purpose of illustration. At its escape from the mountains, where the foothills recede and give width to the plain, the Yuba spreads out its load of sand and gravel over a plain of 15,000 to 16,000 acres, which has risen until it now stands above the level of the adjoining country on either side. This plain has a slope of about 10 feet to the mile, varying above and below this limit as you ascend or descend, the slope of the river bed being 15 feet at the foothills and 5 feet at Marysville, 10 miles below. The sizes of material have some correspondence to the grades. Ascending the stream, one passes to a continually increasing average size of material. While it is nearly all sand below, above it becomes nearly all gravel, with, however, considerable admixture of different sizes everywhere. This irruption from the mountains has destroyed thousands of acres of alluvial land. The State engineer, in 1880 estimated that 15,220 acres had been seriously injured by these deposits from the Yuba. On the Yuba the great deposits of gravel are found on a grade of 30 feet to 20 feet to the mile. The sands predominate greatly in slopes of 10 feet and below."

The portion of the valley here referred to as covered with sand is that portion of the borders of the Yuba River extending across the Sacramento Valley from the foothills to its junction with Feather River at Marysville, a distance of about 12 miles. Formerly, before hydraulic mining operations commenced, the Yuba River ran through this part of its course in a deep channel, with gravelly bottom from 300 to 400 feet wide, on an average, with steep banks from 15 to 20 feet high at low water on either side. From the top of the banks on each side extended a strip of bottom lands of rich, black, alluvial soil, on an average a mile and a half wide, upon which were situate some of the finest farms, orchards, and vineyards in the State. Beyond this first bottom was a second bottom, which extended some distance to the ridge of higher lands, the whole constituting a basin between the higher lands on either side of from a mile and a half to 3 miles wide. Not only has the channel of the river through these bottoms been filled up to a depth of 25 feet and upward, but this entire strip of bottom land has been buried with sand and débris many feet deep, from ridge to ridge of high land, and utterly ruined for farming and other purposes to which it was before devoted, and it has consequently been abandoned for such uses.

Dr. Teegarden's lands afforded a very striking example of individual injuries inflicted by this mining débris. Dr. Teegarden is a prominent citizen of Yuba County, having for some years represented the county in the State senate. He owned 1,275 acres on the Yuba bottoms some 3 or 4 miles above Marysville, on the north side. All except the 75 acres now lying outside the levee have been buried from 3 to 5 feet deep with sand and utterly destroyed for farming purposes, for which injuries he has received no remuneration. He now lives in a small house near the levee, on the outside, which is liable to be swept away should the levee break opposite to him during an extraordinary flood. Dr. Teegarden testifies that the main filling up was in 1879 and 1880, but that there has been a constant addition to it ever since, and that during the last year it has filled up faster than at any other time; that he built 3 miles of levee to protect it, but it proved insufficient; and that the land is 5 to 6 feet higher with sand and sediment on the river, or inside of the levee, than on the outside, where he lives.

A considerable portion, but not all, of the lower bottoms of the Yuba was covered by the accumulated débris brought down by the great flood of 1862; but it has been extending and deepening ever since. Much, perhaps most of it, was more or less covered as early as 1868 or 1869. Since that time levees have been built by the citizens of Marysville and Yuba County along the ridge on either side for the purpose of preventing a further spread of the devastation and for the protection of Marysville and the adjacent country. In addition to the levees so erected, as O'Brien, who did the work, testifies, the miners themselves five years ago built a levee for the same purpose, being the levee on the south side of the Yuba, from the foothills to the Hedges grade, with which it connected at Hedges Station, a distance of 8 miles, at a cost of $86,000, of which sum the defendants in this suit paid 80 per cent. This is the levee which, connected with Hedges grade from its connection to the Feather River, protects the country from overflow on the south. It broke in three places in Linda Township in June last, when the English Dam gave way, and the country for a considerable distance below, extending to the Eliza tract, several miles distant, was flooded with some, though not great, damage, the flood from the reservoir having soon spent itself. Not only has all the space between these levees been filled with this débris to a level with the highlands upon which they are built, but for miles of the lower portion of the river the filling between the levees is several feet above the level of the surrounding country on the outside. The intervening space is grown up with young cottonwoods and willows. The river has now no definite channel within these bounds, but runs anywhere over the space between the levees, situate 2 to 3 miles apart, according to the obstructions its waters meet from time to time by growing trees or accumulations of driftwood or deposits made by itself, thereby raising the bed, where it actually for a time runs, to a higher level than the bed of such surrounding channel as it has.

This broad channel or bed, such as it is, is several feet higher than the lands of the surrounding country outside the levee, which outside lands have no protection from overflow of the waters of the Yuba, surcharged with débris, except the slender intervening artificial banks so erected by the people and the miners for that purpose. The lands

thus already buried and destroyed are over 15,000 acres, or 25 square miles; or, taking the average width, a tract from the foothills to Marysville, 12 miles long along the river by 2 miles wide. The filling in the river bed is generally 25 feet or more, and at its immediate junction with Feather River at Marysville is about 20 feet deep—some witnesses make it deeper—where it forms a bar of nearly that depth across Feather River. The depth of the filling is increasing year by year and raising the bed of the river within the levees higher and higher above the surrounding country outside the levees. The depth of the filling increases as the river is ascended, till at Squaw Flat, near Parks Bar, below Smartsville, at the entrance of the foothills, according to the testimony of O'Brien, a witness for defendants, it *is 150 feet deep.* Opposite Sucker Flat ravine it is 90, and at the narrows above Smartsville, 60 feet deep. The deposits constituting the first 50 feet, at Squaw Flat, have been there 10 or 12 years, and the rest has accumulated since. At a point near this, at Roses Bar, where the channel was once but 100 to 300 feet wide in the bed of the canyon, it has now been raised by filling till it is 3,000 feet wide. But at these points no valuable lands are covered.

The result as affecting the navigability of the waters of the State, will be stated upon the authority of Mendell's report, which was made upon instrumental surveys and actual measurements, and is amply supported by other evidence. The low-water level of Feather River, at Marysville the head of navigation, at the date of his report, has been raised fully 15 feet—at this time it is more—indicating a rise of the bed of the river to that height above its former bed. The filling at the mouth of the Feather River is fully 5 feet. Says Mendell:

"Taking 15 feet at Marysville and 5 feet at the mouth, the difference, 10 feet, is to be added to the old fall. This increases the slope of the Feather, in its navigable part, 4 inches to the mile. This increase has impaired the depth of water and the practicability of navigation to a considerable extent. Applying to the navigable portion of the Feather the rule adopted for the minimum deposit in the Sacramento, namely, that the average filling is equal to the elevation of the plane of low water, we will have for the 30 miles from Marysville to the mouth, an average depth of 10 feet over the bed of the river. This estimate is thought to be here, as in the Sacramento, considerably below the fact."

Some witnesses say it is now 15 feet. Again:

"As a consequence of these changes, a higher flood line and greater exposure to overflow now exists for all riparian lands on both these rivers. This is an element of considerable loss to the country, but its description and discussion do not come within the limits of this investigation. * * * The elevation of the bed of the river is not accompanied by an equal rise in the level of the banks. The level of the beds approaches more and more the level of the banks. In the cases of the Yuba and Bear, nonnavigable streams, the level of the beds has risen from a depth a number of feet below the banks to an elevation of several feet above the banks. These instances may be taken to illustrate the ultimate condition of the Sacramento and Feather Rivers, under a continuance of the influences to which they are now subjected. The abandonment of existing channels is a consequence to be apprehended."

It is claimed by plaintiff, and the testimony on the point is conflicting, that there is danger of the Sacramento leaving its channel at Grays Bend and running some distance from Sacramento city to the west. In the Sacramento River a similar rise in its bed has taken place from similar causes. During the first 20 years of mining, from 1849 to 1869, the low-water plane in the river at Sacramento was raised 2.9 feet. During the next 10 years of hydraulic mining, from 1869 to 1879, the rise in this plane was doubled. It has been raised fully 6 feet from 1849 to 1881. Says Mendell:

"As a consequence of the elevation of the bed, the tidal influence which, in 1849, extended at least as high as the mouth of the Feather, 25 miles above Sacramento, and was quite 2 feet at Sacramento, is now no longer noticeable above Heacock Shoals, 9 miles below Sacramento. The tide, within the past 30 years, rose on these shoals as much as 3 feet. * * * Twenty-five miles below Sacramento the river divides into two delta channels, which unite below, the intermediate distance by the two channels being 18 miles by Old River and 12 miles by Steamboat Slough. In the earlier days of navigation, and until six or eight years ago (before 1881) Steamboat Slough was the channel used by all boats and vessels."

It is a part of the public history of the State, with which all the earlier settlers are familiar, that for years the comparatively deep-draft steamers, *Senator* and *New World*, the former built to run from New York to Portland, Me., and the latter to run on the Atlantic Ocean out of New York, both of which either came around Cape Horn or through the Straits, ran regularly through Steamboat Slough. This slough is now filled up, so as not to be navigable for the light-draft river boats in use at the present day, and its navigation abandoned, steamers going by the longer route of Old River. The beds of the river have not only been filled and raised for several feet, but the channels have been largely contracted in width. So, also, from similar causes, the shoal water in Suisun, San Pablo, and San Francisco Bays and in the Straits of Carquinez have largely increased, and the navigable channels of these waters have been considerably and materially contracted. The débris from Bear River and the American, of course, contribute their share to fill the Sacramento below the mouth of the American and Steamboat Slough, as do some of the southern rivers, to swell the amount of deposits in the Straits of Carquinez and Suisun, San Pablo, and San Francisco Bays, but the mines of the Yuba discharge a much larger amount of débris than all the other mines together.

In speaking of remedial means, Col. Mendell says:

"The statement of the case presented in the preceding pages seems to establish the necessity of measures of remedy or alleviation, even in the event that no further contribution be made to mining detritus in the beds of streams. * * * The preservation of river beds and routes of drainage requires that effective restraint be imposed upon mining detritus. Otherwise, these drainage lines may be expected to suffer the fate which overtook their prototypes, the Pliocene rivers, which were obliterated by enormous deposits brought down by their own currents. It may be added that the conservation of existing facilities for navigation equally requires restraint of the flow of sand and gravel; and that no important improvement of the channels can be expected until this result shall be secured. Under all circumstances, restraint is the first and essential step to any projects, whether of alleviation, conservation, or improvement. It has been shown that in the beds of the American, Bear, and Yuba there are now lying many millions of cubic yards of material in positions where it is comparatively harmless, and that each yard, as a rule, adds something to the volume of these deposits; but that, whether anything is added or anything subtracted, which is sometimes the case, depends upon the volume and power of the floods. As a rule the mines supply more material annually than the floods are able to transport over the grades in the lower portions of the rivers. If the floods were of sufficient duration, the accumulations would be found lower down and in more dangerous positions. Instead of lying in the bed of the Yuba, they would be in the Feather and Sacramento."

The waters of the Yuba are so charged with débris that they are wholly unfit for watering stock, or for any of the uses, domestic or otherwise, to which water is usually applied, without first being taken out of the stream and allowed to stand in some undisturbed place and settle. As it comes down to Marysville it is so heavily charged with sand as to render it unfit even for surface irrigation.

In pursuance of the provisions of the drainage act of 1880 (Stat. 1880, p. 130), the State, under the supervision of the State engineer and Col. Mendell, as consulting engineer, erected a brush dam for impounding débris about 2 miles in length across the Yuba River, from ridge to ridge of highlands, some 8 miles above Marysville. At the first ordinary flood in the following rainy season a large section on the northerly end and two other sections toward the south were swept away. According to the report of Hamilton Smith, its engineer, to the North Bloomfield Co., made in July, 1881, after the break by the floods, this dam was at its greatest height, 14 feet, "its cost being in the neighborhood of $120,000," and it broke in three places, as follows: "The east embankment at the northern end has been washed away, nearly down to the original level, from the end of the brushwork to the shore, a distance of 400 feet; the brush dam has been cut away entirely in two places, one 760 feet and the other 230 feet in length, measured on the crest. In two places there are small gaps, but the foundation is undisturbed. Out of a total length of 10,000 feet there has therefore been destroyed about one-seventh." Afterwards, during the dry season, the dam took fire, and a large portion of the remainder was burned. An impounding dam was also constructed by the State, under the same act, on Bear River, with similar results. These dams, with connecting and auxiliary levees built by the State, are understood to have cost over $500,000.

The North Bloomfield Mining Co., defendant, has constructed a dam to impound its débris 50 feet high near the junction of Humbug Canyon with the South Yuba. The dam, not having been carried higher as it filled up, is now full, and the débris that has passed over the dam has filled the canyon and the South Yuba below the dam to a level with the débris above, so that now the débris passes along down the canyon over the dam without obstruction, as though no dam at all existed at that point. A similar dam erected across Sucker Flat Ravine at Smartsville to impound the débris of the mines at that place is in a similar condition.

The complainant has owned in fee for more than 20 years, and he still owns, an undivided half of three parcels of land held under a patent of the United States issued upon a grant made by the Mexican Government to John A. Sutter and known as the New Helvetia grant. One is a city lot situated in Marysville, at the corner of D and Second Streets, near the business center of the town and about 500 feet from the levee on the Yuba, which lot is covered by a brick block of stores called the Empire Block, erected about 1854 or 1855, at a cost somewhere between $40,000 and $60,000. Formerly the steamboat landing was in the Yuba nearly opposite this block, just below the ferry, on the Sacramento Road, but now the Yuba is filled up and the steamboat landing is in Feather River, opposite Yuba City, which is in Sutter County, three-fourths of a mile distant. Another is a tract of farming land, consisting of 952 acres, situate on the east bank of Feather River a few miles below Marysville, known as the Eliza tract, upon which there was formerly a public steamboat landing, used for receiving and discharging freight and passengers, but by reason of the filling of the river in front to the depth of 12 to 15 feet it is now of little use. The third is a tract of land of 720.57 acres, known as the Hock farm tract, on the western bank of Feather River not far from the Eliza tract, but on the opposite side of the river. Of the Eliza tract 75 acres and of the Hock farm tract 50 acres of the bottom lands, being the best land on these tracts, were buried by débris in 1862 and subsequent years, and they are still covered from time to time with fresh deposits. These lands have become covered with cottonwood and willows, and they are now useless for agricultural purposes. Other portions of these tracts are still within the levees erected and liable to overflow.

About 1868 the people of Marysville found it necessary to build levees around the city and along the north bank of Yuba River to protect it from the rapid encroachment of the débris coming down the Yuba, and levees were built. It has been found necessary to increase these levees in height and thickness from year to year ever since. In 1875 the levee on the north side of the Yuba broke some 3 or 4 miles above the city and the city and other lands were not only flooded but a large amount of débris was deposited. This was the first time Marysville was ever flooded, although the amount of water that fell, or was in the valley at any one time, was much less than in the great flood of 1862. So in 1881, with much less water than at the great flood, it rose to a higher point at Marysville than ever before. This was doubtless owing in great part to the filling up of the channels and elevation of the beds of the rivers, and probably in part also to the general levee system adopted for the protection of the lands of the valleys. At the break of the levee and flooding of the city of Marysville in 1875 complainant's Empire Block in Marysville was materially injured. The water was over 4 feet deep in it and débris from the Yuba was deposited in it to a considerable depth. The underpinning of the center of the building was washed out and the roof fell in. It cost between $2,000 and $3,000 to put it in repair again. Not only this building but many others had valuable basements in use prior to 1875, which were filled at that time, and since then the owners of basements in Marysville have been compelled to abandon their use.

The level of the bed of the Yuba and the water flowing in it having been elevated by these mining deposits above the level of the floors of basements of the buildings in Marysville, the water in the basements rises and falls with the river, to a greater or less extent, from percolation, rendering them unfit for use, and compelling their abandonment. So, also, the sewerage of Marysville, and of Empire Block, has been greatly obstructed and injured by the same means. In 1881 the water is stated by some of the witnesses to have been 4 feet higher than in 1875, and 8 feet higher than the great flood of 1861–62. The trestle work of the D Street Bridge in 1876 was 10 to 12 feet above the ground. Now it is filled so that it is within 2 or 3 feet of the water, and one can step from the trestle work to the bed of the stream; and in 1881 the flood went over the bridge, depositing gravel on it. In 1881 the inhabitants were called out in the night to increase and strengthen the north levee, and only by the most strenuous exertions of those able to work in raising the levees several feet in places, by means of gunny sacks filled with sand, did they escape a break and inundation of water and sand.

The taxes of the citizens of Marysville from year to year amount to from 2 to 7 per cent upon the assessed value of their property, a large part of which is expended upon their levees, to widen and strengthen them and to increase their height as the height of the débris within the levees is increased. The levee tax alone in Marysville and in Sutter County, opposite, in some instances has been as high as 6 per cent. During the present year a large amount has been expended by the city on the levee on the north side of the Yuba. For some miles there have been thrown out jetties every few yards, at an angle downstream, by means of timbers and poles resting on supports fastened to the earth, covered with willow brush and packed with sacks filled with sand, the object being to check the flow of the current, turn it from the bank so as to prevent its cutting it away, and by deadening the current compel it to deposit its débris in the still water and thus aid in widening and strengthening the levee itself. For all these purposes and to protect his property complainant annually pays large taxes that would otherwise be unnecessary. This levee is the only barrier which prevents the waters of the Yuba within the levee, the bed of which is higher than the lands outside, at flood time from flowing over, loaded with sand to their full carrying capacity and depositing their débris in Marysville and from at all times flowing over and depositing their load of sand and other débris upon the surrounding country, which is now for some miles around below the level of the bed of what channel there is within the two levees. In 1881 the south levee broke in Linda Township, 7 miles above Marysville and ran down over the country for several miles, flooding complainant's Eliza tract, which was under water until June, preventing the raising of a crop for that year. Any breaking of the south levee during a flood sends the water down to the Eliza tract and overflows it unless the small private levee built by the occupant, the tenant of complainant, at his own expense, is sufficient to protect it.

In June last (1883) the English Dam, near the summit of the mountains, which forms the reservoir of one of the defendants, gave way and the accumulated waters came down the Yuba in a torrent, sweeping everything before them, a distance of 85 miles in about 10 hours, rising at some places in its canyons, it is said, to a height of 90 feet, and at Marysville, where the channel is broad, 2½ feet. At Linda, 7 miles above Marysville, meeting some obstruction, its current was turned against the south levee, which broke at three points, the water rushing through and down over a broad stretch of the lower plains outside, to and upon the Eliza tract again. The water having run out of the reservoir in an hour, the torrent soon spent itself, and no considerable damage was done to the Eliza tract, although considerable damage resulted to the intervening lands. In this case, however, the small private levee constructed by the tenant of Woodruff for the protection of this and other lands held by him would have protected this tract from this brief flood had there not been a culvert the gate of which the proprietor refused to have shut, giving as a reason that he desired to show his neighbors, who refused to contribute to the expense of building this private levee, that their lands were in danger without it. Had the rivers all been high and this torrent continued for several days, as sometimes happens from natural causes, there is no knowing what the result would have been. These torrents sometimes happen in nature on these mountain watercourses, as, for instance, in 1862, when the Sacramento River rose between 50 and 60 feet at Folsom, and in 1881 the Sacramento River cut its way down to its old bottom. And they sometimes continue for several days. So, in 1881, the Sutter Levee broke below the mouth of the Yuba River, at Shanghai Bend, 1 mile above Woodruff's land, and the river overflowed complainant's Hock farm tract, washing off its soil in many places as deep as it has been plowed and depositing sediment on it. One witness says gravel as large as hens' eggs passed through the break. The Hock farm tract was overflowed in 1862, 1867–68, 1871–72, and 1881—the later overflows being since the building of the levees. The Hock farm of complainant is one of the best in the county, producing large crops of grain, in which it has been cultivated for many years. A mile below is O'Neils Landing, at which large amounts of grain used to be shipped. This, like the Eliza Landing, has been destroyed, or nearly so, by the filling in front from mining débris.

The defendants have attempted to show that much of the danger from overflows results from the acts of the people themselves, in consequence of the improper system of leveeing adopted, and the cutting off by such means of some outlets of water, available at high water. There is, as might be expected, some conflict in the testimony of experts and others on these points; but it is probable that they have not in all instances adopted the wisest plan possible in their efforts to protect life and property. These works are always erected on the judgment of engineers, or other men presumed to be competent, and rarely without some difference of opinion, and it is scarcely possible that any plan wholly unobjectionable to all could be adopted. However this may be, there can be no possible doubt, not only that the deposit of mining débris has greatly augmented the injuries heretofore received, but that it largely enhances the danger for the future, and that it is the great source and cause of all or most of the evils which are suffered and threatened. The evils resulting from the occasional overflow of pure water, or water deteriorated only by natural erosions and causes, and which leaves no deleterious sediment behind to permanently destroy the land, are trifling compared with those resulting from the addition and deposit of the enormous amount of débris arising from hydraulic mining. At every break of the levees on the Yuba a heavy volume of water, charged to its full transporting capacity with sand and other deleterious material, is poured out and deposited on the lands over which it flows, where it remains, on the subsidence of the floods, to work out its destructive effects. If there were not a levee on the river, and not a slough cut-off, the mining débris deposited in the navigable and nonnavigable waters of the State, and burying the 25 square miles of land between the levees of the Yuba, would not only still be there, but many other square miles of the adjacent country would also be buried, but for the resistance interposed by the slender barriers erected by the people, including the complainant, at great, continuing, and ever-recurring expense, for their protection.

If the great and unexampled flood of 1862, by bringing down in one mass the accumulations of débris of previous years, did so much, as is claimed by defendants, to fill the channel of the Yuba and cover the lower portions of its bottom lands, what must be expected should there be a recurrence of such a flood, bringing down the vastly larger accumulations with which the watercourses of the mountains are now choked and gorged and precipitating it in a mass upon the deposits now between the levees which are already several feet higher than the surrounding country, and which levees constitute the only barrier upon which Marysville and the adjacent country can rely for protection? A concurrence of conditions which produced such an extraordinary flood as that of 1862, which has once happened, is liable to occur again. The concurrence of conditions was high water in the Sacramento and all its affluents on the 1st of January, 1862; immense deposits of snow already existing in the mountains along the whole watershed of the Sacramento and its tributaries; and a general rain warm enough to melt the snow on which it fell throughout the same region, continuing through many days, with only short intervals, whereby the rain that fell at the time, augmented by the water furnished by the rapidly melting snows, was precipitated into the valleys below, already full. Should there be a recurrence of such conditions in the present condition of the watercourses of the States, gorged with débris, no man can safely predict the result. To the most casual observer, even though but slightly acquainted with the operations of the forces of nature, the present condition of things and the dangers to the residents of the valleys that may reasonably be anticipated in the future must be anything but assuring.

Unless the acts of the defendants complained of, in view of all their necessary consequences, are legal—unless they are authorized by some valid law—it does not appear to us to admit of doubt or discussion that the results of those acts heretofore developed, still existing and operating, and certain to continue and increase in the future, as disclosed by the evidence and indicated by the preliminary statement of facts, constitute a grievous and far-reaching public nuisance, most destructive in its character, or, in the terse language of one of complainant's counsel, a nuisance, "destructive, continuous, increasing, and threatening to continue, increase, and be still more destructive. * * * After an examination of the great questions involved as careful and thorough as we are capable of giving them, with a painfully anxious appreciation of the responsibilities resting on us * * * we can come to no other conclusion than that complainant is entitled to a permanent injunction. * * * Let a decree be entered accordingly." Judge Deady wrote a concurring opinion.

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EXHIBIT B.

[Extracts from ch. 183, Revised Statutes of the United States, approved Mar. 1, 1893 (known as the Caminetti Act).]

An act to create the California Débris Commission and regulate hydraulic mining in the State of California.

SECTION 1. *Be it enacted, etc.*, That a commission is hereby created, to be known as the California Débris Commission, consisting of three members.

The President of the United States shall, by and with the advice and consent of the Senate, appoint the commission from officers of the Corps of Engineers, United States Army. Vacancies occurring therein shall be filled in like manner.

It shall have the authority, and exercise the powers hereinafter set forth, under the supervision of the Chief of Engineers and direction of the Secretary of War.

SEC. 2. That said commission shall organize within 30 days after its appointment by the selection of such officers as may be required in the performance of its duties, the same to be selected from the members thereof.

The members of said commission shall receive no greater compensation than is now allowed by law to each, respectively, as an officer of said Corps of Engineers.

It shall also adopt rules and regulations, not inconsistent with law, to govern its deliberations and prescribe the method of procedure under the provisions of this act.

SEC. 3. That the jurisdiction of said commission, in so far as the same affects mining carried on by the hydraulic process, shall extend to all such mining in the territory drained by the Sacramento and San Joaquin River systems in the State of California.

Hydraulic mining, as defined in section 8 hereof, directly or indirectly injuring the navigability of said river systems carried on in said territory other than as permitted under the provisions of this act is hereby prohibited and declared unlawful.

SEC. 4. That it shall be the duty of said commission to mature and adopt such plan or plans for examination, and surveys already made and from such additional examinations and surveys as it may deem necessary as will improve the navigability of all the rivers comprising said systems, deepen their channels, and protect their banks.

Such plan or plans shall be matured with a view of making the same effective against the encroachment of and damage from débris resulting from mining operations, natural erosion, or other causes, with a view of restoring, as near as practicable and the necessities of commerce and navigation demand, the navigability of said rivers to the condition existing in 1860, and permitting mining by the hydraulic process, as the term is understood in said State, to be carried on, provided the same can be accomplished without injury to the navigability of said rivers or the lands adjacent thereto.

SEC. 5. That it shall further examine, survey, and determine the utility and practicability, for the purposes hereinafter indicated, of storage sites in the tributaries of said rivers and in the respective branches of said tributaries, or in the plains, basins, sloughs, and tule and swamp lands adjacent to or along the course of said rivers, for the storage of débris or water or as settling reservoirs, with the object of using the same by either or all of these methods to aid in the improvement and protection of said navigable rivers by preventing deposits therein of débris resulting from mining operations, natural erosion, or other causes, or for affording relief thereto in flood time and providing sufficient water to maintain scouring force therein in the summer season; and in connection therewith to investigate such hydraulic and other mines as are now or may have been worked by methods intended to restrain the débris and material moved in operating such mines by impounding dams, settling reservoirs, or otherwise, and in general to make such study of and researches in the hydraulic mining industry as science, experience, and engineering skill may suggest as practicable and useful in devising a method or methods whereby such mining may be carried on as aforesaid.

SEC. 6. That the said commission shall from time to time note the conditions of the navigable channels of said river systems, by cross-section surveys or otherwise, in order to ascertain the effect therein of such hydraulic mining operations as may be permitted by its orders and such as is caused by erosion, natural or otherwise.

SEC. 7. That said commission shall submit to the Chief of Engineers, for the information of the Secretary of War, on or before the 15th day of November of each year, a report of its labors and transactions, with plans for the construction, completion, and preservation of the public works outlined in this act, together with estimates of the cost thereof, stating what amounts can be profitably expended thereon each year.

The Secretary of War shall thereupon submit same to Congress on or before the meeting thereof.

SEC. 17. That at no time shall any more débris be permitted to be washed away from any hydraulic mine or mines situated on the tributaries of said rivers and the respective branches of each, worked under the provisions of this act, than can be impounded within the restraining works erected.

SEC. 24 That for the purpose of securing harmony of action and economy in expenditures in the work to be done by the United States and the State of California, respectively, the former in its plans for the improvement and protection of the navigable streams and to prevent the depositing of mining débris or other materials within the same, and the latter in its plans authorized by law for the reclamation, drainage, *and protection of* its lands, or relating to the working of hydraulic mines, the said commission is empowered to consult thereon with a commission of engineers of said State, if authorized by said State for said purpose, the result of such conference to be reported to the Chief of Engineers of the United States Army, and if by him approved shall be followed by said commission.

SEC. 25. That said commission, in order that such material as is now or may hereafter be lodged in the tributaries of the Sacramento and San Joaquin River systems resulting from mining operations, natural erosion, or other causes, shall be prevented from injuring the said navigable rivers or such of the tributaries of either as may be navigable and the land adjacent thereto, is hereby directed and empowered, when appropriations are made therefor by law, or sufficient money is deposited for that purpose in said débris fund, to build at such points above the head of navigation in said rivers and on the main tributaries thereof, or branches of such tributaries, or at any place adjacent to the same, which, in the judgment of said commission, will effect said object (the same to be of such material as will insure safety and permanency), such restraining or impounding dams and settling reservoirs, with such canals, locks, or other works adapted and required to complete same.

The recommendations contained in (1) Executive Document No. 267, Fifty-first Congress, second session, and Executive Document No. 98, Forty-seventh Congress, first session, as far as they refer to impounding dams, or other restraining works, are hereby adopted, and the same are directed to be made the basis of operations.

The sum of $15,000 is hereby appropriated, from moneys in the Treasury not otherwise appropriated, to be immediately available to defray the expenses of said commission.

NOTE.—(1) These are House Executive Document 98, Forty-seventh Congress, first session, and House Executive Document 267, Fifty-first Congress, second session

The former contains the report of Lieut. Col. G. H. Mendell, Corps of Engineers, United States Army, of January 26, 1882, prepared in accordance with a provision contained in the river and harbor appropriation act of 1880, June 14, chapter 211 (21 Stat. L., 196).

The latter contains the report of February 9, 1891, submitted by a board of engineer officers, constituted under the act of 1888, October 1, chapter 1057 (25 Stat. L., 498). "for the investigation of the mining débris question in the State of California."

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EXHIBIT C.

[Annual Report of the Chief of Engineers, United States Army, 1907, pt. 3, pp. 2262–2269, inclusive.]

REPORT OF CALIFORNIA DÉBRIS COMMISSION WITH REGARD TO FUTURE OPERATIONS FOR CONTROL OF MINING DÉBRIS, IMPROVING NAVIGABILITY, AND PROVIDING FOR CONTROL OF FLOODS ON THE SACRAMENTO AND FEATHER RIVERS, CAL.

SAN FRANCISCO, CAL., *June 30, 1907.*

GENERAL: Under date of February 11, 1907, the California Débris Commission, consisting then of Col. W. H. Heuer, Maj. C. H. McKinstry, and Maj. William W. Harts, submitted a report recapitulating the work done and results obtained to that time and proposing future work. The following report is based upon that of February 11, 1907. The changes made by the present commission are not changes in principle, but only in details, and have been rendered advisable by events which have occurred since the date of the former report.

The principal duties of the commission, as prescribed by the Caminetti act, are:

First. To regulate hydraulic mining so as to permit the fullest resumption of this industry compatible with the protection and restoration of the navigability of the Sacramento, Feather, and San Joaquin Rivers and the prevention of damage from overflow, etc.

Second. To improve the navigability of all the rivers of this system, deepen their channels, and protect their banks, with a view of restoring, as near as practicable and the necessities of commerce and navigation demand, the navigability of said rivers to the condition existing in 1860, and, further, to afford relief in flood time and to provide sufficient water to maintain scouring force in the summer season.

The first of these objects may be said to have been accomplished.

The plan adopted was, in brief, to require each miner to impound the tailings resulting from his operations on land owned or controlled by him behind dams to be approved by the commission. The two types of dam found most useful were log crib dams filled with quarried rock and brush dams. For these types standard specifications are now authorized. Earth or gravel dams, with spillways excavated in the bedrock of the banks, were used where sites permitted.

Under this plan hydraulic mining is carried on at the present time under the supervision of the commission. While it is doubtless a fact that some illegal hydraulic mining is done and that occasionally restraining dams behind which tailings are stored fail under suspicious circumstances, it is nevertheless true that the work of the commission is preventing any considerable addition of débris to that already in the river beds. The downward movement of the débris which had already been dislodged at the time the commission was created has of course continued, except as checked by the commission's restraining works in the Yuba, to be presently described.

Before proceeding to the description of the investigations and work done under the second head, it is well to point out that while the ultimate object is the restoration of former conditions of navigability, direct operations looking to improvement of depths could not be undertaken until an effort had been made to check the influx of débris into navigable streams. The first of the débris-carrying tributaries to be investigated was the Yuba, because this stream contains more débris, the further movement of which would be injurious to navigation, than do all the other tributaries of the Sacramento combined. The commission's plan for the Yuba is well underway and bids fair to be successful. It is more particularly described below. The investigations made of the Bear and American indicate that while some dredging in the lower reaches may perhaps be desirable, restraining works will be too costly for the good accomplished. The facts on which this conclusion is based are given below:

Yuba River project: The project for the Yuba River contemplates (1) holding the great quantities of mining débris now in that stream and its tributaries by works built in the river bed at and above Daguerre Point, and (2) restricting the low-water channel below Daguerre Point within narrower, well-defined limits, in order to preserve in place as much as possible of the extensive deposits in the last few miles of the river.

These objects were to be accomplished (1) by the construction of four restraining barriers and a settling basin in the bed of the river, the structures to be provided with necessary weirs and conduits to regulate the inflow and outflow of water and to cause a deposition of the finer material carried in suspension, and (2) by the construction of two training walls. (See H. Doc. No. 431, 56th Cong., 1st sess.)

Work done under this project: The condition of the work under this project is as follows:

(a) Barrier No. 1: This barrier has been completed to a height of 14 feet and a contract had been entered into for adding a step 8 feet high and increasing the width of the spillway, and work under the same had been begun when about 600 feet of the barrier was destroyed by the flood of March, 1907.

A full report of the destruction of this structure was made to the Chief of Engineers on April 1, 1907.

It is not considered advisable to rebuild, and no further work on same is contemplated.

(b) Barrier No. 4: About 95 per cent of this barrier, known as the Daguerre Point barrier, has been completed, and the remainder will be completed as soon as the training walls below are constructed.

This barrier is a dredger embankment thrown up by the dredgers of the Yuba Consolidated Gold Fields under an agreement with that company and w thout cost to the United States.

In connection with this barrier and to serve as a spillway a cut has been made across Daguerre Point of sufficient capacity to take the flood discharge of the stream. It was completed in January, 1906.

(c) Settling basin: The entrance gates were completed in January, 1907. An agreement has been made with the Marysville Gold Dredging Co. to construct, without cost to the United States, about 4,400 feet of embankment on the south side of the basin, and work is underway. An agreement has been made with Mr. James O'Brien to raise, without cost to the United States, the present levee along the river side.

(d) Training works: Agreements have been made with the above gold-dredging companies to construct, without cost to the United States, the south training wall, and about 4,000 feet, or one-third of it, has been completed.

A contract is in force for the construction of the north training wall, and about 90 per cent of the work has been done.

The embankments referred to above as being constructed by the gold-dredging companies, without cost to the United States, are a portion of the embankments which they construct to "impound" themselves—that is, to prevent their tailings from working into the stream below and to permit operations at high stages of the river.

Work remaining to be done—(a) Barriers: No further work is contemplated on barrier No. 1. No work is contemplated on barrier No. 2. Barrier No. 4 will be completed without cost to the United States, and with an average height of 30 feet will furnish storage for about eight years. After the first storage season, however, the Daguerre Point Cut spillway and the entrance gates to the settling basin will have to be raised from time to time. About $100,000 are available for this work, which sum should be sufficient for about five years.

(b) Settling basin: The outlet gates of this basin and a portion of the levee on the south side, about 6,000 feet, remain to be constructed before the basin will be available for use.

To obtain the full capacity of this basin it will be necessary later to raise the west side levee to a height beyond that called for in the agreement with Mr. O'Brien.

It is estimated that this work can be done at a cost not exceeding $130,000.

(c) Training works: The south training wall will be completed to the length of about 2 miles without cost to the United States, and the north training wall to the same length at a cost of about $50,000.

It is thought that the funds available are sufficient for the completion of the works contemplated at present under the project and to maintain same for several years after they are put in use. On the other hand, it is not possible to state at the present moment whether it may not prove necessary to extend the training walls beyond the length now contemplated.

The following methods of protecting the navigable streams from the influx of mining débris have been investigated:

(a) The construction of storage reservoirs in the high canyons of the rivers into which mines might drain their tailings, thus storing the detritus in regions where land was cheap and material for dam construction easily obtainable.

(b) The diversion of the rivers into the "tule" lands along the Sacramento and Feather Rivers, thus raising these lands and reclaiming them for agricultural purposes.

(c) The construction of settling basins in the lower reaches of the streams.

(d) The dredging of the beds of the navigable and the nonnavigable streams, placing the excavated material on the banks to assist in flood control and land protection.

The last-named method is the one which it is the main object of this report to explain and recommend.

High sites for storage dams: Thorough investigation indicates that this method, though successful in other places, can not be satisfactorily applied in the high Sierras. Few capacious reservoir sites are available at which dams are practicable at reasonable expense or in locations where the reservoirs would serve many or large mines.

In some of the small tributaries several places were found where high dams might be erected, but the great cost of these dams compared with the amount of benefit to be derived therefrom and the prohibitive burden on the mines if taxed therefor as prescribed in the law, combined with the small capacity of the reservoirs, rendered their construction inadvisable. The method of using high dams, therefore, in any of these streams, or in their higher tributaries, was abandoned by the commission as impracticable.

Diversion into "tules": The only overflowed land that could be used for this purpose without carrying the entire flow of the Yuba or other of the débris-carrying streams entirely over or under the Feather or Sacramento Rivers, or both, is the area known as the "American Basin," lying east of the Sacramento between the Bear and American. It was manifestly impracticable to carry, at reasonable cost, even a small river like the Bear over or under the Sacramento.

In order to carry débris, surface slopes must be comparatively high. In the Yuba the finest material is deposited where the slopes are about 5 feet to the mile, fine gravel where the slope is about 10 feet to the mile, and coarse gravel and small bowlders on slopes from 14 to 15 feet to the mile. These figures result from examining the river bed at various places and of course are approximately only. In order, therefore, to carry fine material alone, the minimum slope of any diversion canal, to carry débris, should be at least 5 feet to the mile. The average miner's sluice has a fall of about 7 inches to the 12-foot box. This is equivalent to over 250 feet per mile.

Diversion of the Yuba: The lowest point in the Yuba River at which the flow could be diverted is in the vicinity of Daguerre Point. This is at an elevation of about 120 feet above the sea, to which possibly might be added a few feet by embankments in the river bed. The elevation of the American Basin is approximately 20 feet, and in order to make a deposit, say, 6 feet deep, the outlet of the canal should be at an elevation of, say, 30 feet. This would leave a fall of 90 feet or less, distributed over a distance of not less than 30 miles, giving an average slope of 3 feet per mile. A uniform slope would be impracticable, and the minimum would be far less than the average. It is thus plain that there is not sufficient fall to carry effectively even the very fine materials.

Furthermore, the right of way for such a plan would require probably 16,000 acres of land and would lie in valuable agricultural regions. The cost of the right of way might amount to $1,600,000. These two objections—lack of grade and high expense for right of way—render the adoption of this method of disposing of mining débris inadvisable at the present time for the Yuba.

Diversion of the Bear: A study of the Bear River leads to the same conclusions.

Diversion of the American: Applied to the American River the conditions are somewhat more favorable, but even here this plan was abandoned for similar reasons. This matter was examined at the time of the survey of 1906. The owners of the overflowed land demand about $50 an acre for it, even though the land would ultimately be benefited and would then be returned to them. A company has already been formed to reclaim this land and is not preparing plans for the work. After reclamation the land will be worth upward of $100 an acre; reclamation is said to cost approximately $10 an acre. The land has therefore a high prospective value. The cost of a right of way for a diversion project consequently is prohibitive.

Settling basins and low barriers: The application of this method of treatment to the Yuba has already been described.

The total available storage capacity in the Yuba River bed is about 60,000,000 cubic yards, 20,000,000 cubic yards in the settling basin and 40,000,000 cubic yards in the river bed above Daguerre Point barriers.

By comparison of the surveys of 1899 and 1904 it is ascertained that the increment of débris in these five years amounted to about 15,800,000 cubic yards, or an average annual addition of slightly over 3,000,000 cubic yards. The additions to the river bed between the surveys of 1899 and 1906 amount to a total of 18,000,000 cubic yards, of which 15,100.000 cubic yards were below the barrier and 3,000,000 cubic yards above. These results show a scour below the barrier and a substantial addition above, thus demonstrating the effect then being produced by the barrier. They also indicate that the annual flow of débris for the years 1905–6 was somewhat less than the average.

At an average rate of 3,000,000 cubic yards per year there is, then, storage in the Yuba bed for over 20 years. As the rate of débris flow will diminish with time unless the restrictions on hydraulic mining are relaxed, the actual period should be greater.

It is hoped that the settling basin may be completed during 1909 and that the training walls below Daguerre Point may be completed about the same time.

After the present storage is exhausted, it will be practicable and may be found advisable to use the space between the training walls and the river banks between Daguerre Point and the mouth.

Settling basins and barriers for the Bear: The control of such mining débris as is brought down by this river, by means of settling basins and impounding dams similar to those of the Yuba River, was carefully studied and sites selected where such works could be economically placed. It is estimated that a high dam could be built in the vicinity of Van Giesens for about $70,000, and a settling basin in the lower river for about $230,000, which, combined, would store 20,000,000 cubic yards of débris, at a cost of 1½ cents per cubic yard.

The most desirable site for the settling basin is in the vicinity of Camp Far West, but this land is in the hands of a gold dredging company which refuses to part with it for any reasonable price. Another practicable site was found in the vicinity of the county bridge.

As planned both of these settling basins were to be constructed of gravel embankments sufficiently high never to be overtopped, and were to have concrete spillways designed to take the maximum flow of the river.

The reports of these investigations were lost in the fire of April 18, 1906. The maps (not printed) herewith have been traced from blue prints of the original maps.

In view of the recommendations herein, the commission has not thought it necessary to go to the expense of reproducing the calculations and plans.

Settling basins and barriers for the American: The only site available for storage is the "American Basin," in which, as explained in paragraph 15, the cost of land would be prohibitively expensive. To control the débris of the American by means of settling basins or by diversion would far exceed the cost per cubic yard of storage on the other rivers. A rough estimate shows that any adequate system would cost more than $500,000.

After careful consideration we are of opinion that while this method of treatment is being successfully applied to the Yuba, its great cost on the Bear and American would render its application to these streams inadvisable.

Dredging: The remaining method of treatment is dredging. Suction dredges would be used, and the excavated material would be thrown up into levees along the banks. Applied to the lower courses of the nonnavigable tributaries this method would have the advantage of combining protection from flood overflow and better drainage, with disposal and control of débris. Its additional advantages when applied to navigable streams will be pointed out later.

As to the relative cost of disposing of material by dredging and by settling basins and low barriers, storage by the latter method may be obtained at a cost of about 2 cents per cubic yard, while it is estimated that dredging will cost about 6 cents. A large suction dredge with a capacity of about 150,000 cubic yards per month can be built for about $120,000. The expenses of operation would amount to about $5,000 per month, including maintenance and repairs. For seven months in the year operations can be carried on without serious interruptions from high water.

It appears, therefore, that for those portions of the Bear and American where either dredging or barriers and settling basins could be used, the method of dredging is the more expensive. Nevertheless the commission believes that dredging, with incidental levee construction, is preferable to the other method on account of the concomitant protection from flood overflow afforded.

The commission believes that it will be best at this time not to undertake any operations in the lower courses of the Bear and American, but to begin dredging in the navigable portions of the Feather and Sacramento Rivers.

That dredging would be the main reliance when it came to the direct improvement of the navigable streams has always been evident. But from the beginning it was believed, and rightly, that it would be hopeless to attempt the improvement of the Feather below Marysville until some successful plan of controlling and fixing the old débris in the Yuba had been devised and applied. That similar treatment would be required for the Bear and American was not equally apparent, and, as pointed out above, investigation and study have shown that barriers and settling basins for the lower reaches of these streams are not advisable, though dredging or the construction or thoroughly protected training walls may be. These conclusions and the progress of the work of control in the lower Yuba have now made advisable the application of the method of dredging both to the control of the old débris in the Feather and Sacramento and to the improvement of navigation in these streams. It is an important part of the dredging project that the excavated material shall be thrown up into levees along the banks.

It is estimated that $500,000 is the least sum for which a proper system of settling basins can be provided on the American River and $300,000 the least sum for which a similar system can be provided on the Bear River. So far as controlling the débris in the Sacramento and Feather Rivers and their tributaries and improving the navigability are concerned, we believe that $800,000 spent in dredging would produce wider and more immediate benefit. In addition, the excavated material if thrown up into levees along the banks, would do much to control floods.

The sum in question will be sufficient to equip two suction dredges and maintain them in operation for seven months a year for a period of eight years. The total amount of material moved in this time would probably be as much as 15,000,000 cubic yards.

We would not be understood as meaning that levees of a height sufficient to contain the river at extreme flood could be built on both banks along the entire stretch of river in which these dredges would work during these eight years. It will be recalled that the estimate of the Dabney Board for such levees and cut-offs amounted to more than $16,000,000. It would probably be found advisable to confine the work to one bank of the stream, but in any event the material thrown up by these dredges would be placed so as to form a useful part of any work that may be done hereafter by the State in the prosecution of the Dabney or other flood-control and reclamation project.

With dredging, the operation of the plan and the results obtained can be ascertained at any time. Emergency work can be done wherever and whenever specially needed, or, in short, dredging offers the most hopeful method of accomplishing débris control, improvement of navigation, and levee construction.

Should the application of this method result in restoring the navigable streams to their former condition of depth and flood-carrying capacity, hydraulic mining might be permitted under less severe restrictions than now obtain. Whether unrestricted hydraulic mining can ever again be permitted in this watershed will depend on the results obtained. The additional expense for maintenance due to any expansion of hydraulic mining should be borne by a tax on each mine operating.

Many ditches originally constructed for mining are now used for power purposes, and accordingly hydraulic mining on its former large scale can not be expected, and the use of water for power will gradually grow more valuable.

The State of California should assist, as it has heretofore done in débris work, by paying one-half the total cost. Furthermore, in order to prevent interruption of work, the rights of way for the levees and spoil banks should be secured before dredging is begun. On account of the benefit to the land protected, these rights of way should be procured without cost to the Government or State by the reclamation districts concerned, and the donation of said rights of way should be a condition precedent to the expenditure of money for dredging.

Conclusions: To summarize—

1. We concur in the opinion of our predecessors that dams in the high Sierras are inadvisable on account of cost per cubic yard of storage effected.

2. We believe that for the same reason it is inadvisable to attempt to divert the Yuba, Bear, or American into the "tules" or to construct settling basins or restraining barriers in the lower courses of the Bear or American.

3. We recommend that the Yuba River project be carried to completion, omitting the construction of No. 2 and the reconstruction of barrier No. 1.

4. Of all practicable methods of accomplishing the second of the duties assigned to the commission we believe that dredging in the navigable streams and possibly in the lower courses of the principal nonnavigable tributaries is the most feasible and advisable.

It has been urged against the dredging plan that any improvement of the Feather and of the Sacramento above the city of Sacramento will facilitate the progress of flood waters into the river below Sacramento and will therefore raise the flood plane in the lower river. To this the reply is obvious, that whatever work is done on the Sacramento and its tributaries must and will be done upon well-matured plans, in the preparation of which all elements of the problem will be taken into account. The jurisdiction of the commission is not confined to the Sacramento and its tributaries above Sacramento, but extends as well to the river below Sacramento. To quote the act:

"It shall be the duty of said commission to mature and adopt such plan or plans * * * as will improve the navigability of all the rivers comprising said system (the Sacramento and San Joaquin systems), deepen their channels, and protect their banks. Such plan or plans shall be matured * * * with a view of restoring as near as practicable and the necessities of commerce and navigation demand, the navigability of said rivers to the conditions existing in 1860."

Recommendations: In pursuance of these conclusions and in compliance with the requirements of the act of March 1, 1893, the commission recommends as follows:

That for the direct improvement of navigation in the Feather and Sacramento Rivers, and toward the controlling of débris and floods, an appropriation of $400,000 be made by Congress, its expenditure to be

contingent on the appropriation of an equal amount by the State of California; these sums to be devoted to the construction of two hydraulic dredges and to their operation and maintenance, in accordance with the general terms of this report; provided, furthermore, that all rights of way for levees and spoil banks shall be furnished free of cost to the United States.

Respectfully submitted.

JOHN BIDDLE,
*Lieutenant Colonel, Corps of Engineers.*
C. H. MCKINSTRY,
*Major, Corps of Engineers.*
THOS. H. JACKSON,
*Captain, Corps of Engineers.*

Brig. Gen. A. MACKENZIE,
*Chief of Engineers, United States Army.*

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EXHIBIT D.

REPORT CALIFORNIA DÉBRIS COMMISSION, 1910 (MAJOR PROJECT).

[H. Doc. No. 81, 62d Cong., 1st sess.]

WAR DEPARTMENT,
*Washington, June 27, 1911.*

SIR: I have the honor to transmit herewith a letter from the Acting Chief of Engineers, United States Army, dated 24th instant, together with copy of report from the California Débris Commission, with maps, containing a project and an estimate of the cost of the same, for the relief from floods in the Secramento Valley and the adjacent San Joaquin Valley, made in accordance with the requirements of the act of Congress approved March 1, 1893, creating the California Débris Commission.

Very respectfully.

HENRY L. STIMSON,
*Secretary of War.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
*Washington, June 24, 1911.*

SIR: I have the honor to submit herewith, for transmission to Congress, a report, with maps, submitted with letter dated August 10, 1910, by the California Débris Commission, containing a project, together with an estimate of the cost of same, for the relief from floods in the Sacramento Valley and the adjacent San Joaquin Valley. The project is submitted in accordance with the requirements of the act of Congress approved March 1, 1893, creating the California Débris Commission, which act prescribes that the duties of the commission shall be—

"(a) The regulation of hydraulic mining in the territory drained by the Sacramento and San Joaquin Rivers systems, so that mining by that method may be resumed and carried on without injury to other interests in the State;

"(b) To mature and adopt plans to improve the navigability of the above-mentioned rivers, to protect same from damage due to mining débris, and to deepen their channels, protect their banks, etc.; and

"(c) To afford relief in flood time and to provide sufficient water to maintain a scouring force in the summer season."

The first of the above-mentioned objects has already been accomplished, and Congress, in the river and harbor act of June 25, 1910, approved the project submitted by the commission June 30, 1907, for continuing the control of débris in the tributaries of the Sacramento River, mainly by dredging instead of by construction of settling basins. Two hydraulic dredges are provided for, and their operation is to comprise the maintenance of navigable channels as the most effectual means to accomplish the second of the duties assigned to the commission, viz, the improvement of navigation in the rivers of that system. The said act appropriated $400,000, no part of said sum to be expended unless the State of California shall provide a like sum of $400,000 for prosecution of the work.

This report presents a project for control of floods, the third duty assigned the commission. Recognizing that the interests of navigation, débris control, and flood control are inseparably connected, the commission has considered these problems as one general project, thus utilizing for the common good to the fullest extent practicable the works for any one of the three projects.

The question of flood control in the Sacramento Valley is of the utmost importance, and much study has been given to it by a State commission and others. The extensive areas of reclaimable land, its high value after reclamation, and the great damage by frequent floods to land already reclaimed make the problem a vital one which presses for early solution. In some respects the interests of flood control and of low-water navigation are conflicting, and it is the concern of the United States to secure that solution of the flood problem which will be least injurious to the present good low-water channels. With the object of developing the most feasible and practicable plan for flood control, the commission has made surveys of the river and its tributaries, collected a large amount of data, and has given the whole subject exhaustive study, in which reports of former commissions have been utilized.

The plan proposed herein by the commission is known as the by-pass system, for the reason that an auxiliary channel through low lands at some distance from the main river is provided for the passage of the greater portion of the flood waters. This plan is described in paragraph 52 of the within report and involves the building of levees, excavation of channels, purchase of rights of way, construction of spillways, bridges, etc.

The estimated total cost is $33,800,000, from which should be deducted $800,000, provided in the river and harbor act of June 25, 1910, making the net cost of the present project $33,000,000. It is proposed that the State of California shall provide two-thirds and the United States one-third of this sum; also that after completion the State shall maintain all flood-control works.

The commission recommends the adoption of this project for the control of floods in the Sacramento River and its tributaries; that the work begin at once, and provision be made for its early completion; and that upon completion the United States turn over the flood-control works to the State of California for future maintenance.

This report has been referred, as required by law, to the Board of Engineers for Rivers and Harbors for consideration, and the board in its report, dated December 27, 1910, herewith, concurs generally in the plan proposed by the commission, and states that—

"The plan proposed by the commission seems well adapted to fulfill the above objects, subject to such changes as further study or experience in the course of execution may show to be desirable or necessary. The estimates from this point of view should be considered as approximate only, exact determination being impracticable in undertakings of such large magnitude, involving so many diverse interests and various details of cooperation not yet elaborated. The board is inclined to the opinion that further study should be given to the question whether it might not be preferable, even at increased cost, to keep the auxiliary channel wholly on the west side of the river, and thus lessen the risk of injury to the navigable channel where the two cross in the proposed plan.

"A project for the improvement of the Sacramento River below the city of Sacramento for the benefit of navigation was presented under authority of the act of March 2, 1907, and may be found published as House Document No. 1123, Sixtieth Congress, second session. This project provides for a channel 9 feet in depth and 200 feet in width. Under the provision of the act of March 3, 1909, a project has been forwarded by this board, under even date herewith, for the improvement of the river between Sacramento and Red Bluff, which contemplates a channel depth of 4 feet from Sacramento to Colusa, 3 feet from Colusa to Chico Landing, and such depth as is practicable under the plan recommended, from Chico Landing to Red Bluff. (See H. Doc. No. 76, 62d Cong., 1st sess.) These channel dimensions are believed to be sufficient to meet present and reasonable prospective demands of commerce, and will not be benefited by the proposed works of flood control. In fact, there is reason to apprehend greater difficulty in maintaining the low-water channel where the river is widened to increase its flood capacity, also where the by-passes leave the river, and in general where the flood heights are increased by reason of the works of flood control.

"While Congress has hitherto included flood relief among the objects to be accomplished by the work of the débris commission, it appears to have considered this only as incidental to the control of mining débris in the interests of navigation. Should Congress now decide to cooperate with the State of California in a comprehensive project of this magnitude for the purpose of flood control, it is believed that the plan proposed, with such division of cost as Congress may determine, should be adopted, since, in the opinion of the board, it is well designed to secure the desired result. The board reports, however, that the execution of this project is not necessary in the interests of navigation."

I concur in the views of the Board of Engineers for Rivers and Harbors.

Very respectfully,

EDW. BURR,
*Acting Chief of Engineers.*

The SECRETARY OF WAR.

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WAR DEPARTMENT,
UNITED STATES ENGINEER OFFICE,
*San Francisco, Cal., August 10, 1910.*

SIR: The California Débris Commission has the honor to submit herewith a project for the relief from floods to the Sacramento Valley and the adjacent San Joaquin Valley.

This is the project which it was stated in the annual report of the California Débris Commission for 1910 would be submitted on or about July 30, 1910.

Very respectfully, your obedient servant,

JOHN BIDDLE,
*Lieutenant Colonel, Corps of Engineers,*
*Senior Member California Débris Commission.*

The CHIEF OF ENGINEERS, UNITED STATES ARMY,
*Washington, D. C.*

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APPENDIX A.

REPORT OF CALIFORNIA DÉBRIS COMMISSION WITH REGARD TO AFFORDING RELIEF FROM FLOODS IN THE SACRAMENTO VALLEY AND THE ADJACENT SAN JOAQUIN VALLEY, CAL.

1. The principal duties of the commission as prescribed by the act of Congress approved March 1, 1893, which created the California Débris Commission, are:

"(a) To regulate hydraulic mining so as to permit the resumption of that industry so far as is compatible with the protection and restoration of the navigability of the Sacramento, Feather, and San Joaquin Rivers, and the prevention of damage from overflow.

"(b) To improve the navigability of all the rivers of this system, deepen their channels, and protect their banks, with a view of restoring as near as practicable and the necessities of commerce and navigation demand the navigation of said rivers to the conditions existing in 1860.

"(c) To afford relief in flood time and to provide sufficient water to maintain scouring force in summer season."

2. The first of these objects has been accomplished.

3. The commission, in a special report dated June 30, 1907, submitted a project for the continuance of the control of débris in the tributaries of the Sacramento River.

4. The commission now desires to submit a project for the control of the floods in the Sacramento River.

5. The interests of navigation, débris control, and flood control in the case of this river are so inseparably connected that it is thought that they should be considered under one general project, thus utilizing to the fullest extent and for the common good any work done under projects for improvement of navigation, control of débris, or the control of the floods.

6. The United States is interested in the improvement and maintenance of the present navigable channel; it is interested jointly with the State of California in the control of mining débris; but to date it has given no attention to the flood problem.

7. Any work done on the present river channel, in the nature of deepening it or of preventing mining débris from entering it, will increase its flood-carrying capacity and improve it both as a navigable and flood-carrying stream. Any work, however, that involves the widening of the channel will injure its navigability and necessitate the use of artificial means for securing low-water navigation. It is to the interest of the United States, therefore, that, if practicable, solution of the flood problem be adopted which will result in the least injury to the present good low-water navigable channel.

8. It is with this object in view that this commission has for some years been making surveys of this river and its tributaries, and collecting data for the preparation of a project which will control the floods in the river at a minimum cost and which when carried out will have caused the least injury to the present navigable channel.

9. The great amount of reclaimable land in the Sacramento Valley, its high value after being reclaimed, and the great damage to the land already reclaimed, wrought every few years by floods, render the problem of flood control a vital one which must be solved in the immediate future.

10. This problem has been considered for many years and various solutions have been advanced. Several of the proposed projects possess many good qualities and all have been considered in the preparation of this one. All projects prior to this one, however, have been based on a maximum flood discharge of about 250,000 cubic feet per second at Collinsville, while the floods of March, 1907, and January, 1909, showed that it will not be safe to provide for less than 600,000 cubic feet per second. It is evident that when the maximum flood discharge considered was less than one-half of what it is known to have been at a later date, great modifications must be made in the projects that have been advanced.

11. A commission of engineers, commonly known as the Dabney commission, appointed by the State of California to consider this problem, submitted in 1904 a complete and very comprehensive project. Up to the date of the flood of March, 1907, this project had been considered as the one most nearly filling the requirements of the case. In the discussion of this problem, the project of the Dabney commission is constantly referred to and compared with the project proposed herein, for the reason that the former project has received such general sanction in the State of California and has been so generally considered as a possible solution.

12. The Dabney report contemplated a widening of the present channel below the mouth of the Feather River from the present average width of about 600 feet to a width of about 1,200 feet. Though this would result in serious injury to navigation, it was considered that the benefits derived would justify such injury and a greatly increased cost of maintenance of the navigable channel. Modifying the Dabney project, however, to carry present estimated discharge, and assuming the proposed average depth of 35 feet, would necessitate the widening of the present channel to about 2,400 feet above Sacramento and about 3,000 feet between Sacramento and Cache Slough. This would ruin the present low-water channel throughout that division, a distance of about 80 miles, and make it impossible to maintain a water channel equal to the present, except at a cost of improvement and maintenance which would be almost prohibitive.

13. The problem of the maintenance of such a channel is further complicated in this case by the mining débris lying in the American and Feather Rivers, for there are at least 300,000,000 yards of material in those streams that must eventually pass to tidal waters. Some idea of the difficulty to be experienced from this mining débris can be obtained from the estimates submitted in a report submitted in 1908 by the engineer officer in charge of the river. The annual cost of maintenance by dredging of a 9-foot low-water channel below Sacramento was estimated at $42,000; that of a 12-foot depth below Sacramento at $160,000; that of a 15-foot depth below Sacramento at $425,000; and that of a 9-foot low-water channel between Sacramento and Feather River was estimated at $207,500. This excessive maintenance is due almost entirely to the mining débris in the Feather and American Rivers.

14. At present, owing to the restricted channel width, the river is able to maintain a good channel by scouring out at mean stages the débris brought into it during the high stages. On the other hand, with an increased channel width, the scouring effect would be less and the annual cost of maintaining the present navigable depths would be great. While the commerce of the Sacramento River is not large, it has a high value per ton. It is estimated that the average amount for the past 15 years has been 425,000 tons, valued at over $20,000,000. At present the annual tonnage is estimated at 425,000 tons and its value at about $30,000,000. This increase in value is due to the nature of the crops now being grown, especially on the lower river. Considering the extent of this commerce, it is evident, therefore, that any injury to the present navigable conditions will be a serious injury to the development of the river districts which are dependent on the river for transportation.

DESCRIPTION OF LOCALITY.

15. The entire central portion of California is a low, flat depression inclosed by mountains. It consists of an elliptically shaped valley about 450 miles long and 40 miles wide, embracing about 18,000 square miles. This basin is inclosed by the Sierra Nevada Mountains on the east and the Coast Range on the west. The entire drainage area of this great valley is about 57,000 square miles. The northern portion of this valley is drained by the Sacramento River and its tributaries, while the southern portion is drained by the San Joaquin River.

16. From an examination of the geology of the surrounding country it seems probable that Suisun Bay is all that is left of a large inland sea, the leveling effect of the weather and rainfall having filled the remainder and converted it into land by the eroded material carried down by the river from the surrounding mountains. This action has progressed for a great period of time and is still in progress. That portion of this great inland depression lying north of the Consumnes River is ordinarily known as the Sacramento Valley, while that portion to the south is known as the San Joaquin Valley. The Consumnes River, however, is only a convenient boundary, as there is no definite dividing line between the two valleys.

SACRAMENTO VALLEY.

17. The watershed of the Sacramento Valley is about 27,000 square miles, with an average rainfall of about 30 inches. This rainfall varies from about 18 to 20 inches in the flat portion of the valley to as high as over 100 inches in sections of the Sierra Nevada and Shasta regions, where there are maximum elevations of 11,000 and 14,000 feet. Practically all of the precipitation occurs during a few months in the winter and early spring, so that the warm rains and melting snows together cause frequent floods. The upper portions of all the streams have high gradients and are torrential in character. Most of the tributary streams are in flood at the same time, and the Sacramento River is called upon nearly every spring to carry off floods far beyond the capacity of its channel.

18. The flood waters flowing over the banks in a thin sheet have raised the natural banks by successive deposits in the manner characteristic of similar sediment-bearing streams, and in this manner natural levees of low elevation have been built which prevent the overflowed water from finding its way back to the neighboring channel when the river falls. Large basins have thus been formed where the water stands after the flood until evaporated or until it finds its way through other natural channels and side sloughs into the river at points nearer its mouth. These basins, together with the sloughs and side channels at the mouths of this river and the San Joaquin, comprise an area of about 1,250 square miles, which is subject to overflow at every ordinary flood. This area is increased to about 1,700 square miles at extraordinary floods.

19. In the lower part of the Sacramento and San Joaquin Valleys there are islands varying in area from 1,500 to 43,000 acres, most of which have been reclaimed for agricultural purposes. This overflow land (swamp land) is probably as good and as productive as any in the State of California. Reclaimed lands that are improved, i. e., hop vineyards, orchards, asparagus and alfalfa lands, etc., are now valued as high as $300 or more per acre, while the average value of the reclaimed land along the 65 miles of the river below Sacramento is about $200 per acre.

20. In the Sacramento Valley there are 48 reclamation districts, and reports on 41 of these districts, with an area of 317,904 acres, showed on July 1, 1909, that 205,423 acres have been completely reclaimed, and 99,376 acres have been partially reclaimed by the construction of 521 miles of levee. The total cost of such reclamation on that date was estimated at $15,039,525, with contemplated improvements amounting to $1,762,053. (Sacramento city was not included in the above statements.) It is estimated that in addition to the cost of reclamation to property owners, the State of California has expended on protection works along the rivers about $2,500,000.

21. It is estimated that the control of the floods will result in the reclaiming for agricultural purposes of about 400,000 acres, now valued at about $20 per acre, the value of which reclaimed should average $150 per acre, in addition to protecting the 300,000 or more acres now reclaimed and valued at about $200 per acre.

22. The losses throughout the valley due to the floods have been large. The estimated loss in the 41 reclamation districts mentioned in paragraph 20 during the flood of January, 1909, was over $4,500,000. The losses due to the flood of March, 1907, were somewhat greater than those of the flood of January, 1909. It is estimated that the losses due to the floods of 1904, 1907, and 1909 amounted to at least $11,000,000. From the above data regarding the cost of the reclamation of these swamp lands and of the extent of the injury sustained due to the great floods, the urgency of protection against floods is evident.

23. The conditions that affect the cost of making new reclamations and of protecting the old reclamations are growing worse from year to year, and will continue to do so until some general scheme of conirol is effected, for every additional reclamation results in a contraction of the present waterway or a reduction of the storage area that has heretofore been available. This results in the flood waters reaching the lower reaches of the river with an increased volume, a higher flood plane, and a greater velocity. The problem presented for solution, then, is to prevent the flooding of these lands and to do so with the least possible injury to the present navigable channels.

24. The valley is, in general, of alluvial formation, and below, about Stony Creek, the river has the characteristic elevation of banks with depressed basins on each side. Above Stony Creek the river lies in the lowest part of the valley and has sufficient capacity to carry all its flood waters except at times of extraordinary floods. Below that point, however, the river channel is deficient in capacity and requires artificial correction. On the west side there are two basins, Colusa Basin and Yolo Basin, separated by a ridge extending from the hills to the vicinity of Knights Landing. (This ridge is 12 to 18 feet higher than the basin above or below and is the result of deposits from Cache Creek.) On the east side Marysville Buttes, Feather River, and American River divide the depression into four basins, called, respectively, Butte Basin, Sutter Basin, American Basin, and Sacramento Basin. The areas and capacities of these basins during the floods of 1907 and 1909 are estimated as follows:

| | Acres. | Acre-feet. |
|---|---|---|
| Butte Basin | 54,000 | 407,000 |
| Sutter Basin | 116,000 | 1,038,000 |
| Colusa Basin | 93,000 | 880,000 |
| American Basin | 70,000 | 571,000 |
| Yolo Basin | 140,000 | 1,126,000 |

Or a total of about 470,000 acres and 4,022,000 acre-feet.

25. The Sacramento River channel from Stony Creek to Butte Slough, a length of about 52 miles, differs from the division above. The slope is less and the channel flood capacity decreases progressively downstream, so that at Butte Slough it is only about 70,000 cubic feet per second, or about 30 per cent of that at Stony Creek. A considerable portion of the flood discharge escapes through Butte Slough, with a corresponding reduction in the cross section of the channel below.

26. The division of the river from Butte Slough to Feather River, a length of about 64 miles, is not only more contracted in cross section than the division above, but it is very crooked and has a flatter slope. Its flood capacity is reduced at Knights Landing to about 23,000 cubic feet per second, or about 10 per cent of that at Stony Creek. The navigable channel, however, is correspondingly better, and there is no difficulty in maintaining a low-water depth of 4 feet.

27. Near the mouth of the Feather River the waters from Butte and Sutter Basins return to the Sacramento, and there is added such portion of the flow of the Feather as remains in its channel at flood stage. Opposite the mouth of Feather River and at points below the surplus flood water escapes into Yolo Basin, to return to the river at Cache Slough.

28. The channel of the Sacramento River from the Feather River to Suisun Bay contains large deposits of mining débris brought down by the Feather and American Rivers. The accumulations of mining débris in the channel of the Sacramento River have raised the bed about 5 feet and reduced its capacity about 5 to 10 per cent. In the lower reaches of the Feather, Yuba, Bear, and the American Rivers there still remains at least 300,000,000 cubic yards of material which must in time enter the Sacramento.

29. At the head of Grand Island the river divides into two main channels, Old River and Steamboat Slough, which unite at Cache Slough. Georgiana and Three Mile Sloughs on the east carry their waters from the Sacramento to the San Joaquin River.

30. The following table shows the estimated capacity of the river at various points, the distance of such points above the mouth of river (Collinsville), and the estimated discharge capacity that should be

provided to care for the great floods if the waters were confined to a single channel:

| Localities. | Distance. | Capacity (present). | Capacity (required). |
|---|---|---|---|
| | *Miles.* | *Cubic feet per second.* | *Cubic feet per second.* |
| Chico Landing | 202 | 235,000 | 235,000 |
| Colusa | 151 | 70,000 | 250,000 |
| Knights Landing | 94 | 25,000 | 250,000 |
| Below Feather River | 81 | 65,000 | 450,000 |
| Below American River | 62 | 80,000 | 525,000 |
| Below Cache Slough | 16 | 165,000 | 600,000 |

31. Feather River: The Feather River above the mouth of the Yuba has not been injured to any extent by mining deposits. Below the Yuba it is full of mining débris, and its channel capacity has been greatly reduced.

32. Yuba River: The Yuba River, the principal tributary of the Feather, drains that region where hydraulic mining operations were carried on most extensively. As a result the bed of the river has been raised from about 11 feet at its mouth to about 80 feet at Smartsville, 20 miles upstream. It is estimated that the deposit in that distance is about 250,000,000 cubic yards. This material varies from large cobblestones at Smartsville to a mixture of sand and clay, with some gravel in the main channels, at junction with the Feather River. For 10 miles above the mouth the levees are from 1 to 2½ miles apart, the space between being covered with this débris. It has ample flood capacity between the present levees except at its junction with Feather River.

33. American and Bear Rivers: These rivers rise in the Sierra Nevadas and have also received large deposits of mining débris. While not in such a bad condition as the Yuba, their beds are practically filled with this material.

34. While entirely inadequate as a flood channel, the Sacramento River has a good navigable channel below Colusa. The following table shows the low-water navigable depths below Red Bluff, the head of navigation:

| From— | To— | Miles. | Least channel. |
|---|---|---|---|
| Mouth of river at Collinsville. | Sacramento | 64 | 7 feet. |
| Sacramento | Colusa | 90 | 4 feet. |
| Colusa | Chico Landing | 57 | 3 feet. |
| Chico Landing | Red Bluff | 52 | 3 feet for about 6 months; 1½ to 2 feet for about 6 months. |

During the period 1875–1910 the average annual cost of maintenance has been $27,680.63, and the greater portion of this expenditure, probably about 65 per cent, has been made in the 60 miles immediately above Colusa. When account is taken of the length of this river and of the quantity of débris that has been carried and is still being carried down each year, some idea can be obtained of the natural excellence of the low-water channel. In this connection attention is again invited to the statements in paragraphs 12 to 14, inclusive.

PROPOSED SOLUTIONS.

35. Of the many projects that have been suggested for the solution of this problem, the following two have been considered the only ones possessing sufficient merit to justify discussion:

(a) Main-channel system.

(b) By-pass system.

MAIN-CHANNEL SYSTEM.

36. Project of 1880. The project to confine the river to one main channel was advocated first in 1880, under the State engineer, Mr. William Ham Hall, with a board of consulting engineers consisting of Gen. S. Alexander and Col. George H. Mendell, Corps of Engineers, and Mr. J. B. Eads. A general plan of reclamation was devised, suggested by Gen. Alexander and approved by the others, by which the river was to be confined between high levees and was intended eventually to carry all its flood flow in its own channel. Side relief channels were to accommodate the excess not carried by the river itself, but these relief channels were to be ultimately abandoned when the river had developed its ability under this treatment to carry all floods. This plan was never accepted nor acted on by the State legislature.

37. Dabney project: In 1904 a project was prepared by a board of engineers consisting of Messrs. T. G. Dabney, State levee engineer, Mississippi; Henry B. Richardson, member of Mississippi River Commission; M. A. Nurse, chief engineer State of California, commissioner of public works; and Maj. H. M. Chittenden, Corps of Engineers, United States Army. This project is similar to that of Gen. Alexander, Corps of Engineers, and contemplates confining the entire flow at high stages between permanent levees. Under this project the use of side relief channels is counted on until the project is far enough advanced to rely on the improved channels. Cut-offs at various places were to reduce the length of the river and increase the slopes.

38. The project, in brief, consisted in shortening the channels and enlarging them to the desired extent, partly by dredging and partly by natural scour, and by building levees along the best practicable lines to concentrate and rectify the river and hold it to its work of developing and maintaining its channel. These levees were to be sufficiently high to contain ultimately the entire flood flow. Side creeks were to be leveed and pumping plants established to care for the natural drainage. One-third of the excavation (about 120,000,000 cubic yards) was to be made by mechanical means, while the balance (about 240,000,000 cubic yards) was to be made by natural scour.

39. The estimated cost was placed at $23,776,002.

40. This project was based on a maximum flood discharge of 250,000 cubic feet per second below Cache Slough, which was greater than that provided for by any previous projects.

41. Before discussing this project it must be pointed out that while the Dabney report is based on a maximum flood discharge of 250,000, the records of the United States Geological Survey on the floods of March, 1907, and January, 1909, would indicate that provision should be made for a discharge of at least 600,000. This means channel capacities below the mouth of the Feather River of more than double those provided in that project, and a resultant increase in cost.

42. The principal objections to the proposed project are:

(a) This project provided for the moving of about 320,000,000 cubic yards of material, of which about 214,000,000 were to be removed by the river and carried to tidal waters. A modification of this project to meet the present known maximum flood discharge will involve the moving of over two and one-half times the above amount. If the same assumption is made with reference to scour by the river, then about 545,000,000 cubic yards will have to be carried to tidal waters. This amount of material can not be carried into Suisun Bay without injury to that body of water, resulting in injury to navigation interests on both the Sacramento and San Joaquin Rivers and the reclaimed areas along that bay. The filling up of Suisun Bay would also result in the raising of the flood plane at the mouth of the Sacramento River, with a consequent raising of the flood plane at points above. This is objectionable. It is considered by this commission, however, that under a modified project it would not be practicable to obtain the desired channel capacity by current action.

(b) Injury to navigation in the Sacramento River from Collinsville to Colusa, due to the excessively wide channel required.

The following table shows the present average widths, the necessary widening for the proposed widths of the Dabney commission, and the widths required to carry the estimated maximum flood discharge, based on the floods of March, 1907, and January, 1909:

| Section of river. | Required capacity. | Mean widths at present. | Dabney Commission width. | Required mean width. | Widening necessary— | | Ratio between two last columns. |
|---|---|---|---|---|---|---|---|
| | | | | | For Dabney flood. | For required capacity. | |
| Stony Creek to Caldens Landing | 260,000 | | | 960 | | | |
| Caldens Landing to Meridian | 250,000 | 340 | 830 | 1,120 | 490 | 780 | 1.56 |
| Meridian to Feather River | 250,000 | 250 | 770 | 1,250 | 520 | 1,000 | 1.92 |
| Feather to American | 450,000 | 570 | 1,000 | 2,300 | 430 | 1,730 | 4.02 |
| American to Grand Island | 525,000 | 550 | 1,200 | 2,740 | 650 | 2,190 | 3.37 |
| Steamboat Slough | 470,000 | 380 | 1,000 | 2,320 | 620 | 1,940 | 3.13 |
| Old River | 50,000 | | | | | | |
| Below Cache Slough | 600,000 | 1,080 | 1,400 | 3,325 | 320 | 2,245 | 7.02 |

The same slopes and mean depths as those used by the Dabney Commission are used in determining these estimated widths.

From this table an idea can be obtained of the inadequacy of the proposed channels of the Dabney Commission and of the increase in the amount of work and its probable cost.

The average low-water discharge of the Sacramento River is about 7,000 or 8,000 cubic feet per second, with a minimum of about 5,500 cubic feet per second. It is evident that this widening of the channel to the widths given above will ruin the present low-water channel, and that its restoration and maintenance will be a very expensive proposition, probably so great as to be prohibitory.

At the present time, owing to the contracted channel, the depths corresponding to high and mean stages of the river are greatly prolonged and the river is thus better able to care for the great quantity of mining débris that the floods in the tributaries bring into it. If the channel were increased in width as required under a main-channel project, the river would be for only a short period at what are now considered high and mean stages, for the channel would be several times wider and the amount of water flowing at the mean stages would be less than at present, owing to the elimination of the present storage areas. The river would therefore be unable to care for the débris brought into it by the floods. The conditions would be similar to that of the Feather River below Marysville, where the channel, having become filled with débris, has such a great width that the flow at mean and low water stages is not sufficient to care for the débris brought into it from the Yuba and Bear Rivers at floods, and navigation has become impracticable except for a few months of each year.

(c) The indefinite period required for the completion of the project, owing to the amount of excavation that is dependent on natural scour—current action. With a modified project contemplating the excavation of all material by mechanical agencies this objection would be removed.

(d) The cost of completing this project was estimated at $23,776,022; but, considering the present known maximum flood discharge, it is estimated that the modified project will cost at least $90,000,000.

43. The one advantage of this project is that it provides for the reclamation of the greatest possible area of land, amounting to about 60,000 acres more than can be reclaimed under the by-pass system.

BY-PASS SYSTEM.

44. The by-pass system was advocated by Messrs. Marsden, Manson, and C. E. Grunsky, who, as consulting engineers to the commissioner of public works, submitted in 1894 a report on the flood control of the Sacramento River. This project involves:

First. The enlargement and utilization of the river channels to their maximum capacity as drainways, i. e., channel rectification.

Second. The overflow of surplus waters from the river channels at selected points.

Third. Control of the surplus waters between embankments forming by-pass channels and a rapid delivery of the same into Suisun Bay.

45. Channel rectification: The principal works of channel enlargement and rectification were:

First. Below Cache Slough the river was to be reduced in width at Newton Shoal and widened at Horseshoe Bend, with general correction of alignment.

Second. Steamboat Slough was to be enlarged and made the main drainage channel.

Third. Above Feather River the alignment of the river was to be systematically improved.

46. Overflow weirs: The overflow weirs were to be located so as to pass flood waters into by-passes only at very high stages of the river. Two weirs, with an aggregate length of 6,500 feet, were to be placed just below the mouth of the Feather River, and a third, 1,200 feet long, 7 miles below Sacramento.

In Sutter Basin weirs were to be placed at the head of Butte Slough, and at or near Tisdale Break, with a combined length of 3,700 feet.

In Butte Basin the weir, 4,000 feet long, was to be located 2 miles above Butte City, while in the Colusa Basin a weir 750 feet long was to be located about 4 miles below Jacinto.

The crests of all these weirs were located at the general bank height, or about 3 feet below the assumed flood plane.

47. By-passes: The by-pass in Yolo Basin was to have a capacity of 108,000 cubic feet per second to Putah Creek and 130,000 cubic feet per second below that point. The embankments were to vary from 4,000 to 4,500 feet apart and be 15 feet high.

The by-pass in Sutter Basin was to have a capacity of 70,000 cubic feet per second, with embankments 2,500 feet apart and about 15 feet high.

The Butte Basin by-pass was to be 2,400 feet wide, with embankments 3 feet above the assumed flood plane.

The Colusa Basin by-pass was intended to act principally as a drainage canal for the Colusa Basin and its drainage area. It was to extend through the ridge at Knights Landing and connect with the Yolo Basin by-pass. Its width was to be about 800 feet, with embankments varying from 9 to 11 feet.

48. The estimated cost of this project was $8,637,000 for the by-passes and $650,000 for the channel corrections. This did not include any estimate for constructing levees along the river or its tributaries, though the project contemplates the construction of levees to a height that would confine all water that the by-passes do not carry. It was assumed that the individual landowners would construct those levees. The estimate did not provide for pumping plants in the basins that could not be drained by gravity, though the project recognizes them as necessary. The cost of those plants was to be borne by local interests.

49. The maximum discharge for which provision should be made was not given, but the by-passes provided were to supplement the river capacities to the following extent:

| | Cubic feet per second. |
|---|---|
| Above Colusa | 60,000 |
| Colusa to Feather River | 80,000 |
| Feather River to Cache Slough | 108,000–130,000 |

The capacities of the river at various points were given as follows:

| | Cubic feet per second. |
|---|---|
| At Colusa | 63,000 |
| At Sacramento | 70,000 |

The maximum discharge below Cache Slough was therefore assumed at about 200,000 cubic feet per second, which it was considered would not be exceeded more than once or twice in a century.

The elevations of the assumed flood planes at Cache Slough, Feather River, and Butte Slough were 13, 36, and 64 feet, respectively. The elevations of the assumed flood planes of the Dabney project and of this project at these points are, respectively, 14, 47, and 74 feet, and 15, 40, and 65 feet.

50. The principal objections to this project are its incompleteness and, owing to the lack of flood-discharge data, its inadequateness. The principles upon which this project is based, however, are believed to be sound. The project proposed by this commission differs from this project principally in providing for the complete control of a much larger flood discharge.

PLAN PROPOSED BY THIS COMMISSION.

51. It seems practicable to control the floods in this river and its tributaries in such a manner as to secure the desired results, without the objectionable features of injury to Suisun Bay, injury to navigation in the Sacramento River from Cache Slough to Colusa, indefinite period of construction, and excessive cost.

52. The project now proposed by this commission involves:

(a) Dredging to flood channel section that portion of the river below Cache Slough, with rectification of the channel by a cut-off at Horseshoe Bend.

(b) Improving the channel at various points, especially at the head of Steamboat Slough, so that the river from Cache Slough to American River will have a capacity of about 100,000 cubic feet per second.

(c) Constructing a weir opposite the mouth of Feather River and connecting it by means of a permanent by-pass in Yolo Basin with Cache Slough, this by-pass and weir to be of sufficient cross section to carry all flood waters that can not be carried by the present river below the above weir.

(d) Constructing a weir at Moultons Break, about 13 miles above Colusa, and connecting it by means of a permanent by-pass in the Sutter and Butte Basins with the Sacramento River at its junction with Feather River, this weir and by-pass to be of sufficient capacity to carry all flood waters that can not be carried by the present river below this weir.

(e) Increasing the cross section of the river above Moultons Break by raising the levees and placing them farther apart, so that the increased cross section will provide for the estimated discharge.

(f) Constructing a weir at Brytes Bend, 2 miles above the mouth of the American River, and connecting it by means of a permanent by-pass with the Yolo Basin by-pass, this by-pass and weir to have a capacity of about 70,000 cubic feet per second, or sufficient to carry the excess flood water that reaches that point.

(g) Reconstructing the present Tisdale Weir and connecting it by means of a permanent by-pass with the Sutter-Butte by-pass, the weir and by-pass to have a capacity of about 35,000 cubic feet per second, or sufficient to carry the excess water that reaches that point.

(h) Confining to their present channels by means of levees the flood waters of all of the important tributary streams.

(i) Collecting the hill drainage in intercepting canals and conveying it to the rivers or by-passes at convenient points.

(j) Providing for the drainage of the basins by placing culverts with gates at various points in the by-pass levees.

53. The objections which may be offered to this scheme are:

(a) The cost of maintaining the levees will be greater under this project than in the case of one main flood channel, on account of their greater length.

(b) The possibility of deposit in the by-passes and in the river itself below the spillways.

(c) The large area of land devoted to the by-passes. This project does not admit of the reclamation of the greatest possible amount of the land subject to overflow, as it requires about 60,000 acres of land more than a main-channel project.

54. The advantages of this solution are:

(a) It is estimated that this project can be completed for about $33,000,000, or about 35 per cent of that of a main-channel project of equal capacity.

(b) The cost of maintaining the river channels, both from a standpoint of navigation and flood control, will be less than the maintenance of equally good channels under a main-channel project.

(c) No injury will be done to Suisun Bay by the scouring of hundreds of millions of yards of material into it.

(d) The period of construction will be less.

(e) The by-pass system is especially adapted to the use of storage reservoirs whether for the development of power or for irrigation purposes, and, considering the numerous storage sites available for these purposes, it is probable that the time will come when the present flood and low water conditions will be affected by such storage. This subject will be discussed more fully later.

55. It may be claimed that the use of by-passes will result in great deposit therein from the main river and from tributary streams flowing into the by-pass, as in the case of Yolo by-pass. An examination of the land in the vicinity of the mouths of Cache and Putah Creeks shows that no considerable deposits are now being made in Yolo Basin by débris from those streams. Therefore, with the increased velocities in the by-passes over those in the basins at present, it is not to be expected that any considerable deposit will be made by them in the by-pass.

The by-passes will not be utilized at all some seasons, and it is probable that they will be in commission but a short period other years; therefore the deposit, if any, should not be great.

Considering the velocities in the by-passes due to the slopes in same, it is not expected that there will be much deposit of the material that may be carried into them. The conditions will be different from those at the present spillways and breaks where the water escapes at flood from the river into a large basin of comparatively still water, with an immediate deposit of the material carried in suspension. Further, there will be no water escaping into the by-passes except at stages above about 6 to 8 feet below the present maximum flood stages. Therefore the material carried into the by-passes should be principally material in suspension which will not be deposited in them.

56. It may be argued that the use of the by-passes will result in deposit in the river immediately below the spillways, especially below those spillways in the portion of the river carrying large quantities of mining débris. Considering, however, that the crest of the spillway into Yolo Basin is at elevation 30, or about 16 feet above low water at that point, the waters of the river after the flood wave has passed will be kept in the present channel, where they will be utilized to scour out any deposits that may have formed during the flood. Elevation 30 at the mouth of the Feather River corresponds to an elevation of about 24 feet at Sacramento, or a stage at least 16 feet above extreme low water. The elevation of the weir opposite the mouth of American River will be 30.6 feet, which corresponds to an elevation of about 29 feet at Sacramento.

With the flood waters escaping into Yolo by-pass at elevation about 30, the conditions will be better than those at present, the river overflowing now into the American and Yolo Basins at about elevation 26 feet. It is most desirable from a navigation standpoint that the river should be kept at what is now a low high-water stage during as great a portion of the year as possible in order to prevent deposit and secure scour.

57. Flood discharge: It was not until the flood of March, 1907, that definite data regarding the run-off from the Sacramento River watershed during a great flood were available. The records of the United States Geological Survey on that flood have proven of the greatest service in arriving at a reliable estimate of the flood discharge. Those records are assumed as a basis in determining a maximum discharge for which provision must be made at the critical points along the river. It is considered that this flood was the greatest experienced since the flood of 1862, and while a discharge of any one tributary may occur that will exceed that of the flood of 1907, the possibility of a greater discharge than that of 1907 simultaneously in several important tributaries is so remote that it is not considered advisable to provide for a greater flood over the entire river system. Owing to the breaks that occur at various points in the levees during every large flood and the consequent filling up of the basins adjacent thereto, it has always been impracticable to gauge the river itself, and the flood discharge at any point and the corresponding flood height must be arrived at from gauged discharge of the river and its tributaries at points where they are confined to their channels, with due allowance for the flattening of the flood wave due to channel capacity and for the time of arrival of floods in the tributaries.

58. United States Geological Survey records: During this flood the United States Geological Survey kept gauge records on the Sacramento at Red Bluff, the Feather at Oroville, the Yuba at Smartsville, Stony Creek at Fruto, Cache Creek at Yolo, Putah Creek at Winters, Bear River at Van Trent, and the American River at Fair Oaks.

59. The official reports for the year 1907 have not been issued, and the following table giving the run-off from the Sacramento Basin in cubic feet for March 18–21, 1907, is taken from an article entitled "Flood of March, 1907," pages 281–330, Volume LXI, Transactions of the American Society of Civil Engineers. This article was written by Messrs. W. B. Clapp, E. C. Murphy, and W. F. Martin, of the United States Geological Survey, and is based on the data collected by that survey and published by permission of the Director of the United States Geological Survey. The run-off of the unmetered area is an estimate by the same authorities, assuming a run-off of 50 per cent of the precipitation for the period March 17–20 in the case of the mountains and foot-

hills, and of 40 per cent of the rainfall for the same period in the case of the Sacramento Valley.

| Streams. | Drainage area (square miles). | 1907 | | | | Mean for 4 days. |
|---|---|---|---|---|---|---|
| | | Mar. 18. | Mar. 19. | Mar. 20. | Mar. 21. | |
| Sacramento River | 9,300 | 118,000 | 164,000 | 192,000 | 132,000 | 151,500 |
| Stony Creek | 601 | 25,000 | 20,000 | 13,450 | 6,800 | 16,310 |
| Feather River | 3,640 | 107,900 | 129,600 | 84,900 | 66,740 | 97,290 |
| Yuba River | 1,220 | 85,000 | 100,000 | 60,000 | 27,000 | 68,000 |
| Bear River | 263 | 15,500 | 28,000 | 17,400 | 8,400 | 17,300 |
| American River | 1,910 | 63,200 | 93,000 | 77,000 | 65,000 | 74,600 |
| Cache Slough | 1,230 | 13,500 | 19,000 | 12,500 | 7,820 | 13,200 |
| Putah Creek | 805 | 19,800 | 24,700 | 10,000 | 5,460 | 15,000 |
| Mountains and foothills | 3,907 | ..... | ..... | ..... | ..... | 76,000 |
| Sacramento Valley | 4,250 | ..... | ..... | ..... | ..... | 25,500 |
| Total | 27,126 | ..... | ..... | ..... | ..... | 554,700 |

60. The maximum stages of the various streams and the time are given below:

| Streams. | Cubic feet per second. | Time. |
|---|---|---|
| Sacramento River | [1] 204,000 | 2 p. m., Mar. 20. |
| Feather River | 185,000 | 1 a. m., Mar. 19. |
| Yuba River | 105,000 | 2 p. m., Mar. 19. |
| Bear River | 28,000 | Mar. 19. |
| American River | [2] 105,000 | 5 a. m., Mar. 19. |
| Stony Creek | 25,000 | Mar. 18. |
| Cache Slough | [2] 20,000 | Night, Mar. 19–20. |
| Putah Creek | [2] 33,000 | About 12 m., Mar. 23. |
| Unwatered mountains and foothills | [3] 100,000 | Mar. 19. |

[1] The maximum recorded discharge at this point is 250,000 cubic feet per second, which occurred on Feb. 3, 1909. The maximum recorded discharge previously was 224,000 cubic feet per second on Feb. 16, 1904.
[2] Estimated.
[3] Estimated for 24 hours.

*Comparison of the flood flow into the Sacramento Valley for March, 1907, and January, 1909.*

| Streams and places. | Flow at crest. | | | Greatest daily mean flow. | | Greatest 4-day mean. | |
|---|---|---|---|---|---|---|---|
| | March, 1907. | January, 1909. | February, 1909. | March, 1907. | January, 1909. | March, 1907. | January, 1909. |
| Sacramento, at Red Bluff | 204,000 | [1] 205,000 | 250,000 | [2] 192,000 | 175,000 | 152,000 | 129,000 |
| Feather, at Oroville | 185,000 | [1] 170,000 | ..... | [2] 130,000 | 130,000 | 97,300 | 112,000 |
| Yuba, at Smartsville | 105,000 | [1] 90,000 | ..... | [2] 100,000 | 85,000 | 68,000 | 68,000 |
| Bear, at Van Trent | 30,000 | [1] 40,000 | ..... | [3] 28,000 | 27,000 | 17,300 | 20,000 |
| American, at Fair Oaks | 105,000 | [1] 90,000 | ..... | [3] 100,000 | 85,000 | 74,600 | 75,000 |
| Stony, at Fruto | [4] 30,000 | [4] 28,000 | [4] 38,000 | [5] 25,000 | [4] 25,000 | 16,300 | [4] 17,000 |
| Cache, at Yolo | 19,500 | 17,500 | 25,000 | [3] 19,000 | 17,000 | 13,200 | 12,000 |
| Putah, at Winters | 35,000 | 32,400 | 34,000 | [3] 25,000 | 29,000 | 15,000 | 18,000 |
| Unmetered mountains and foothills | [6] 120,000 | [6] 105,000 | ..... | [6] 100,000 | [6] 85,000 | 76,000 | [6] 76,000 |
| Total flow into valley | 834,000 | 778,000 | ..... | 719,000 | 658,000 | 530,000 | 527,000 |

[1] Jan. 16. [2] Mar. 20. [3] Mar. 19. [4] Estimate made from flow at Orland. [5] Mar. 18. [6] Estimated in comparison with run-off in 1907.

61. The records of the flood of January, 1909, by the same authority, show that flood was of a magnitude almost as great as that of the flood of March, 1907. The above data are a comparison of these two floods, taken from a brief analysis of the flood of January, 1909, by W. F. Martin, engineer, United States Geological Survey, dated February 9, 1909. In this analysis the following statement is made:

"The figures show that the flood of January, 1909, did not crest as high as the flood of March, 1907; but this year's flood was better sustained for a period of four consecutive days. There is no question, however, that the 1907 flood was better sustained for a longer period, such as a week or 10 days. During January the total peak, or crest, flow into the Sacramento Valley was 778,000 second-feet, as against 834,000 in 1907, or 6.5 per cent smaller. The crest flow lasted only a few hours, and it did not occur in all the streams simultaneously, but nearly so. The greatest mean daily flow in January was 658,000 second-feet, as against 719,000 in 1907, or 8.5 per cent smaller. The mean daily flow for four consecutive days was 527,000 in January and 530,000 two years ago, or practically the same for the two floods."

62. The following table gives a comparison of the estimate of the Dabney Commission for the maximum discharge of the river at various points, and the estimate of Messrs. W. B. Clapp, E. C. Murphy, and W. F. Martin in their article, which has been referred to in paragraph 59:

| Places. | Maximum rate assumed by Dabney Commission. | Maximum rate computed by Messrs. Clapp, Murphy, and Martin. |
|---|---|---|
| Below mouth of— | *Cubic feet per second.* | *Cubic feet per second.* |
| Stony Creek | 180,000 | 261,000 |
| Feather River | 190,000 | 465,000 |
| American River | 230,000 | 559,000 |
| Cache Slough | 250,000 | 640,000 |

It is thought that the estimates of Messrs. Clapp, Murphy, and Martin should be followed very closely in determining the necessary channel widths, and their maximum is assumed, with certain allowances for flattening of the flood wave in passing down the improved channels.

63. It is doubtful if the flood in the American was a maximum in 1907, and it is not considered safe to estimate its maximum flood discharge at less than 120,000 cubic feet.

64. Considering the above discharge data and the estimated maximum flood discharge of Messrs. Clapp, Murphy, and Martin, it is considered that provision should be made for the following discharges:

| | Cubic feet per second. |
|---|---|
| Sacramento River below Stony Creek | 260,000 |
| Stony Creek | 30,000 |
| Sacramento River at Moulton Weir | 250,000 |
| In river to Tisdale Weir | 65,000 |
| In river from Tisdale Weir to Feather River | 30,000 |
| Tisdale by-pass | 35,000 |
| Sutter-Butte by-pass | 185,000–220,000 |
| Feather River above Marysville | 150,000 |
| Yuba River | 110,000 |
| Bear River | 30,000 |
| Feather River below Marysville | 240,000 |
| Yolo by-pass at Spillway | 400,000 |
| Yolo by-pass below Colusa Basin Canal | 410,000 |
| Yolo by-pass below Cache Creek | 425,000 |
| Yolo by-pass below American by-pass | 490,000 |
| Yolo by-pass below Putah Creek | 510,000 |
| From Feather River to American River | 50,000 |
| From American River to Cache Slough | 100,000 |
| Below Cache Slough | 600,000 |
| American River | 120,000 |
| Colusa Basin Canal | 10,000 |
| Cache Creek | 20,000 |
| Putah Creek | 25,000 |
| Sacramento by-pass | 70,000 |

65. The above discharges are large and much larger than many may consider it advisable to provide for. The floods considered, however, were of long duration and but little reduction can be allowed for the flattening of the flood wave under such conditions. In the projects that have heretofore been seriously considered, the estimated flood discharges of the main river and of most of its tributaries have been abnormally low, and the possibility of even those low discharges being maintained for some days was not considered probable. The floods of 1907 and 1909 have proved conclusively that a flood in this river may continue for several days at almost the point of maximum discharge. Failure to provide for a discharge such as is shown by these floods of 1907 and 1909 would leave open the way for damage by the occurrence of a similar flood.

66. The magnitude of the maximum flood discharge of the Sacramento River may be better appreciated by comparing it with that of several well-known rivers of the United States:

| Rivers. | Drainage area above station. | Maximum flood discharge (cubic feet per second) recorded. |
|---|---|---|
| | *Square miles.* | |
| Mississippi (at Vicksburg) | 1,100,000 | 1,777,000 |
| Mississippi (above Missouri River) | 165,000 | 366,000 |
| Missouri | 527,000 | [1] 546,000 |
| Columbia | 237,000 | 1,390,000 |
| Ohio | 201,700 | 1,233,000 |
| Arkansas | 186,300 | 440,000 |
| Red River | 90,000 | 210,000 |
| Sacramento | 26,000 | [2] 600,000 |

[1] It is estimated that the discharge of the Missouri River during the floods of 1884 and 1903 was 900,000 cubic feet per second.
[2] Estimated, 1907–1909.

67. The by-pass system permits the adoption of an entirely safe estimate of the flood discharge, for no considerable excavation is involved except below Cache Slough, and if an excessive flood discharge is assumed the cost is increased but little except in the item "Purchase of land." Under the concentration scheme, however, the assumption of an excessive flood discharge means a great increase in cost due to excavation for this extra discharge, as well as an increase in cost of land.

68. It is considered advisable, therefore, by this commission to provide capacity for a flood of the extent and duration of that of March, 1907, or January, 1909, and that provision for anything less would be not only unwise but unjustifiable.

69. Elevation of the high-water plane: In determining the elevation of the high-water plane the important points, Collinsville, Cache Slough, American River, and Feather River, Marysville and Moultons, and Chico Creek were first determined and the intermediate elevations determined from those. The datum plane assumed is 3.60 feet below mean sea level.

Mean high water at flood stages at Collinsville is taken as the elevation of the flood plane at that point. The gauge records of the flood of January, 1909, show that the mean high water at that point is about 7 feet. The elevation at the mouth of the American River is assumed at 35 feet. Owing to the many disadvantages to Sacramento city of a high-water elevation it is desirable to keep that elevation as low as possible. On the other hand, a sufficiently high elevation must be assumed to make the river at that point care for about the maximum discharge of the American River and also to prevent too much of the upper river flood waters from coming down to the American River. An elevation of 35 feet insures about sufficient capacity to care for the American River and allows an elevation of 40 feet at the mouth of the Feather River, with only about 50,000 cubic feet per second to be cared for at the spillway just above the American River.

An elevation of 40 feet at the mouth of the Feather River makes it possible to care for all of the flood waters above that point except about 50,000 cubic feet per second which is passed into the Yolo by-pass at the American River spillway, with reasonable heights of levees in the Sutter-Butte and Yolo by-passes. The elevation at the mouth of Cache Slough was assumed at 15 feet, based on the determination of the other important points just mentioned. The elevation at Marysville at the Yuba City bridge is assumed at 75.5 feet, a safe elevation for the levee system of that town and an elevation that it is known will care for the floods in the Yuba and Feather Rivers with little modifications in the present levee systems in the vicinity of Marysville.

The elevation at Moultons is assumed at 86 feet. The elevation at Chico Creek is assumed at 141.6 feet.

As a general statement it may be said that all flood-plane elevations were assumed so as to make the present channel carry as much water as possible, but at the same time obtain such flood-plane elevations as would permit the locating of the by-passes in the troughs of the basins with the assumed allowable levee heights.

70. The elevations of the high-water plane at points where the slope changes and the distances and slopes between these points are given below:

| | High-water elevation. | Distance. | Slope in feet per mile. |
|---|---|---|---|
| Collinsville | 7.0 | 15.9 | 0.503 |
| Mouth of Cache Slough | 15.0 | 18.3 | .464 |
| Head of Grand Island: | | | |
| Via Old River | 23.5 | 11.4 | .745 |
| Via Steamboat Slough | 23.5 | 27.7 | .415 |
| Mouth of American River | 35.0 | 19.5 | .256 |
| Mouth of Feather River | 40.0 | 43.4 | .323 |
| | | [1] 37.0 | .379 |
| Tisdale Weir | 54.0 | 27.0 | .564 |
| 1 mile above Colusa | 69.2 | 12.6 | 1.33 |
| Moultons Break | 86.0 | 20.0 | 1.60 |
| 1½ miles below Jacinto | 118.0 | 17.8 | 1.33 |
| Chico Creek | 141.6 | | |
| Feather River | 40.0 | 25.0 | 1.06 |
| 1 mile below Eliza Bend | 66.5 | 4.7 | 1.90 |
| Yuba City Bridge | 75.5 | 24.9 | 2.10 |
| 1 mile below head of Butte County Canal | 128.0 | | |

[1] With cut-offs.

71. In making computations for discharges the side slopes of the channels are assumed as 3 to 1, extending from the bed of the stream to the top of the levee. In applying Kutter's formula n is taken at 0.030.

IMPROVEMENT OF CHANNELS.

72. Collinsville to Cache Slough: The channel in this division must be excavated to full-flood section, or to an average width of about 3,100 feet and a mean depth at flood stages of 35 feet. The levees will be raised to 5 feet above the adopted flood plane of 7 feet at Collinsville and 15 feet at Cache Slough. This will provide for a flood discharge of about 600,000 cubic feet per second. In connection with the enlargement of the channel, it is proposed to straighten the channel by a cut through Horseshoe Bend. Threemile Slough will be closed as soon as the channel below that point is completed to its full-flood section. The amount of excavation in this division is estimated at 148,600,000 cubic yards.

73. Cache Slough to head of Grand Island: No change will be made in Old River except to raise the levees to 3 feet above the adopted flood plane of 15 feet at Cache Slough and 23.5 feet at head of Grand Island. This will provide for a flood discharge of about 54,000 cubic feet per second.

In Steamboat Slough the only improvement will be the setting back of the levees in the upper 4½ miles, to provide for a discharge of about 46,000 cubic feet per second. The levee system throughout will be raised to 3 feet above the adopted plane of 15 feet at Cache Slough and 23.5 feet at head of Grand Island. This will provide for a flood discharge of about 46,000 cubic feet per second.

74. Head of Grand Island to American River: The only changes in this section will be the closing of Sutter Slough and the setting back of the levees at two or three points where the cross section is not sufficient with the adopted flood plane. The levees will be raised throughout to a height of 3 feet above the adopted flood plane of 23.5 feet at head of Grand Island and 35 feet at American River. This will provide for a flood discharge of about 100,000 cubic feet per second.

75. American River to Feather River: The levees in this section will be raised to a height of 3 feet above the adopted flood plane of 35 feet at American River and 40 feet at Feather River. The capacity will be greater than the required capacity of 50,000 cubic feet per second.

76. Feather River to Tisdale Weir: The river in this section has several very bad bends. It is proposed to straighten the channel in the vicinity of Grays Bend, Collins Eddy, Ministerial Bend, and Race Track Bend by cuts, having a total length of about 1.4 miles. These cuts will shorten the present channel about 6.4 miles and will increase the capacity of the river to about 30,000 cubic feet per second. The cost of making these cuts will be offset by the saving in the levee construction that would be necessary along the present channel at these points, and the reduction in length of the improved channel, amounting to about 6.4 miles, will give a considerable decrease in cost of maintenance. The amount of excavation is estimated at 1,550,000 cubic yards. No other work will be done in this section except the closing of all sloughs and the raising of the levee system to 3 feet above the adopted flood plane of 40 feet at Feather River and 54 feet at Tisdale Weir.

77. Tisdale Weir to Moulton Weir: No change wil be made in this division except to raise the levees to a height of 3 feet above the adopted flood plane of 54 feet at Tisdale Weir, 69 feet at 1 mile above Colusa, and 86 feet at Moulton Weir. This will provide for a capacity of 65,000 cubic feet per second.

78. Moulton Weir to Chico Creek: In this division the levees will be set back to secure sufficient cross section to care for a flood discharge of 260,000 cubic feet per second. The levees will be raised to a height of 3 feet above the adopted flood plane of 86 feet at Moulton Weir, 118 feet at 1½ miles below Jacinto, and 141.6 feet at Chico Creek. Where the levees are set back to provide for additional cross section, all timber and obstructions to the free flow of the flood waters must be removed to permit an increase in cross section of the flood channel.

79. Feather River: Along this river the present levees will be utilized where available and new levees will be constructed along lines that will give a capacity between levees of about 240,000 cubic feet per second to Marysville and 150,000 cubic feet above Marysville. The levees will be raised to a height of 3 feet above the adopted flood plane of 40 feet at the mouth of the river, about 66.5 feet 1 mile below Eliza Bend, and 75.5 feet at Yuba City Bridge. Above Marysville the levees will be raised and strengthened on the east side of Feather River to the mouth of Honcut Creek, thence up the south side of that creek to high ground. On the west side the levees will be extended to about 1 mile below the head of the Butte County Canal, the elevation of the flood plane at this point being assumed at 128 feet.

80. Yuba River: No work is needed along this river except the protecting and strengthening of the south levee at a few points and the clearing of brush in the channel to a width of about 2,000 feet. The present capacity is about 110,000 cubic feet per second.

81. Bear River: The adopted flood plane is 55 feet at Feather River and 62.5 feet 7 miles upstream. Levees 3 feet above the adopted flood plane will be provided to care for a flood discharge of 30,000 cubic feet per second.

82. American River: The levee system on the south side of this river, strengthened where necessary, will be utilized as far as possible. On the north side a levee will have to be constructed 3 feet above the adopted flood plane of 35 feet at the mouth of the river and about 49 feet at high ground above 8¼ miles upstream. The capacity to be provided is 120,000 cubic feet per second.

83. Chico Creek and Stony Creek: These creeks enter the Sacramento River at the upper limit of the necessary regulating works. Levees will be constructed along the south bank of each for a distance of about 2½ miles.

84. All other important tributaries will be provided with levees extending from the main rivers or by-passes to high ground.

85. Yolo Basin by-pass: The adopted flood plane in this basin is 15 feet at Cache Slough, 27 feet at Southern Pacific Bridge, and 40 feet at Fremont Weir. The flood discharge to be provided for varies from 400,000 cubic feet per second at Fremont Weir to about 500,000 cubic feet per second at Cache Slough. To provide for this discharge the by-pass will have a width varying from about 8,000 feet at Fremont Weir to about 12,000 feet above Cache Slough. On account of the inferior material of which the levees will be constructed and the wave action to which they will be exposed, they will be constructed 6 feet above the adopted flood plane. At the head of the by-pass the ground rises to elevation about 30 feet, at which elevation the crest of the weir is placed.

86. Sutter-Butte by-pass: The adopted flood plane in this basin is 40 feet at Fremont Weir, 45 feet at 3 miles below Tisdale by-pass, 57 feet at about opposite Butte Slough, and 86 feet at Moulton Weir. The flood discharge to be provided for varies from 185,000 cubic feet per second at Moulton Weir to 220,000 cubic feet at the mouth of Tisdale by-pass. To provide for this discharge the by-pass will have a width varying from about 1,900 feet to 4,100 feet. The levee height will be 5 feet above the adopted flood plane.

87. Tisdale Weir by-pass: This by-pass will connect Tisdale Weir with the Sutter-Butte by-pass. It will have a capacity of about 35,000 cubic feet per second.

88. Sacramento by-pass.—This by-pass will connect the Sacramento Weir with the Yolo by-pass. It will have a capacity of about 70,000 cubic feet per second.

LEVEE SYSTEM.

89. The crown width of all levees is to be 10 feet, with slopes of 3 to 1. The construction will be in accordance with the best practice of levee construction. The grade will be 3 feet above the high-water plane except in the by-passes, where it will be 5 to 6 feet, and below Cache Slough, where it will be 5 feet. The present levees will be utilized as far as practicable.

Where the river must be widened to secure the necessary cross section it will be widened, if possible, on that side on which the land is least valuable. Where levees are constructed in connection with excavations for cut-offs, canals, increase in channel capacity, etc., deductions are made in the estimates of the cost of levee work.

SPILLWAYS.

90. Fremont Weir: It is proposed to construct at the head of the Yolo by-pass and opposite the mouth of the Feather River a weir which will allow the passage at maximum flood flow of all the flood waters of the Sacramento and Feather Rivers except about 50,000 cubic feet per second. This weir will have a length of about 8,000 feet. Its sill will be placed at elevation 30 feet, or 10 feet below the adopted flood plane at this point. To provide for the passage over it of such a volume of water, it must be of the strongest construction, and the estimate of cost is based on a concrete structure on concrete pile foundations, of dimensions and construction such as that of similar works on the Ohio River. The elevation assumed will permit the confining of the river to the main channel up to about a 16-foot stage—an ordinary stage. The river may be confined to a higher stage by constructing this weir with

a movable crest. If the crest were lowered below that assumed, the saving in the cost of spillway would be more than offset by the additional cost of excavation. The advantages of keeping the river confined at the higher stages has been discussed before. It is estimated that this spillway will cost about $1,000,000.

91. Sacramento Weir: The weir located at Brytes Bend, 2 miles above American River, will be similar in construction to that of the Fremont Weir. It will have a length of about 1,670 feet and its sill will be at elevation 30.6 feet, or about 5 feet below the adopted flood plane at that point. The estimated cost is $168,000.

92. Moulton Weir: The weir located at the head of Sutter-Butte by-pass will be similar in construction to that of the Fremont Weir. It is to be about 2,840 feet in length, and its sill will be at elevation 79 feet, or 7 feet below the adopted flood plane at that point. The estimated cost is $284,000.

93. Tisdale Weir: This weir, located about 26 miles below Colusa, was constructed by the State of California some years ago. It has a length of about 1,140 feet and a crest elevation of 42.3 feet. It is proposed to utilize this weir in the present project by raising its crest to elevation 50 feet, or 4 feet below the adopted flood plane at that point. The estimated cost is $91,000.

DRAINAGE OF WATERSHEDS TRIBUTARY TO BASINS.

94. Yolo Basin: The large streams and sloughs that now empty into this basin will be connected to the by-pass by levees which will extend up those streams to high ground.

95. Colusa Basin: It is proposed to construct a drainage canal extending from Sycamore Slough to the Yolo by-pass. This canal will be about 7 miles long, with an enlargement of Sycamore Slough for about 2½ miles. It will have a bottom width of 300 feet and side slopes of 1 on 1. Its capacity with Colusa Basin at elevation 30 feet will be about 16,000 cubic feet per second. The amount of excavation is estimated at 6,700,000 cubic yards.

96. Butte Basin: It is proposed to construct a line of levees along the trough of this basin northward from the Sutter-Butte by-pass. They will be located to intercept a great portion of the drainage now entering the basin.

97. American Basin: No provision is made for the drainage into this basin, as it is considered that the reclamation project of the Natomas Consolidated Co. will care for all drainage into this basin.

98. Drainage of basins: Provision remains to be made for the drainage of the unreclaimed lowlands of the basins of the water that will accumulate there from local rainfall, seepage, etc. This will be done by the use of culverts, with suitable gates through the levees at the lowest point of the area to be drained. These culverts will afford a means of draining these areas by gravity as the water falls in the adjacent channels. The estimate for this work is included under miscellaneous work. Where the land is reclaimed no provision is made for such drainage, that duty devolving on the property owner. It is assumed that any drainage canals constructed in Sutter and Yolo Basins will be done in connection with the levee construction in those basins, and the cost of same will be considered as levee construction.

99. The question of caring for the numerous small streams tributary to these large basins is one that involves much consideration and study, and the commission is not in the possession of sufficient data to properly consider this question. Owing to the difficulty of making any estimate of the cost of caring for this water, no detailed estimates are made. Provision can be made to cover this work only by making the estimates for miscellaneous work sufficiently large to meet the cost of any possible solution, and this has been done.

MISCELLANEOUS.

100. Rights of way: It is very necessary that the rights of way be acquired promptly, otherwise the work will be greatly delayed. This project will involve less difficulties along this line than that of any project heretofore considered, for the bulk of the land and the rights of way to be secured are controlled by a limited number of people and most of the land is not reclaimed.

101. Irrigation and power reservoirs: The commission has considered the possibility of the control of floods, in part at least, by the utilization of storage reservoirs. The Geological Survey and the Reclamation Service have made examinations and surveys of reservoir sites, both in the Coast Range and the Sierras. The commission has also had the principal sites examined, and has delayed this report for the purpose of making these examinations. While the available data is not sufficient to report fully on all possible sites, and while some other sites than those considered may later be found practicable, the information on hand is sufficient to discuss the advisability of the use of reservoirs for flood control. As all the tributaries have been looked over, it is not probable that any large reservoir sites exist that have not been examined.

The reservoir capacity of the Coast Range is relatively small as affecting the flood discharge. In the Sierras three principal sites have been surveyed—on Indian Creek, on Pitt River, and on the North Fork of the Feather River. It is calculated that the combined effect of these three reservoirs will reduce the floods of the Sacramento as follows: Above Moulton Weir 9.8 per cent, in Sutter by-pass 11.2 to 13.3 per cent, in Yolo by-pass 8.2 per cent, and below Cache Slough 6.1 to 10.2 per cent. The effect is therefore small, and additional means to care for floods would in any case have to be provided. The value of the reservoir from an economical point of view is whether this relatively small amount of flood discharge can best be cared for by reservoirs or by by-passes.

The following table shows the relative cost:

| Reservoirs. | Ratio of cost of control in valley to control in reservoirs. |
|---|---|
| Clear Lake | 1.0- 1.5 |
| Indian Valley (Clear Lake) | 1.0- 2.0 |
| Putah Creek Reservoirs | 1.0- 1.7 |
| Stony Creek Reservoirs | 1.0- 3.0 |
| Indian Valley (Feather River) | 1.0-10.0 |
| Big Valley | 1.0- 5.0 |

It is therefore evident that this partial control by reservoirs is not economical. If for power or irrigation purposes reservoirs are constructed, and part of the flood withheld, it will simply mean that the by-passes will be in use for a shorter period of time, and that the river will carry a larger proportionate part of the flood. Reservoirs for power or irrigation purposes are difficult to operate to the best advantage for flood control, as they would be filled at the earliest moment and would then exercise but little effect on subsequent floods.

While favoring the use of reservoirs as far as possible, and considering that one of the advantages of the project herein proposed is that it lends itself to future storage possibilities, the commission believes that it is not economical to construct reservoirs for flood control, but that such construction should be deferred until these reservoirs prove desirable for power and irrigation purposes.

102. Clearing between levees, etc.: When the levees are set back to provide for additional cross section, it is proposed to remove all timber and obstructions to the free flow of the flood waters for a width sufficient to obtain the necessary flood channel cross section. The estimate for this work, including the right to clear and keep this land clear for use as an overflow channel, is $576,000, or $30 per acre. This estimate is included under miscellaneous work.

103. Bank revetment: It is probable that some bank protection may be found necessary, but that matter is one to be considered in connection with the question of maintenance, not of construction.

104. Telephone lines: A complete telephone system should be established along the river and its tributaries throughout the limits of the work, and extensions made to all of the United States Geological Survey's gaging stations. The estimate for this work is included under miscellaneous work.

BRIDGES, ETC.

105. In connection with the completion of this project a railroad bridge across the Colusa Basin Canal will be necessary, and the following bridges and trestle of the Southern Pacific Co. will require raising or reconstruction: Bridge at Knights Landing, bridge at Yuba City, bridge across Feather River above Yuba City, trestle across Sutter Basin, trestle across Yolo Basin. A change in the location of this company's track for about 5 miles along lower Feather River is also contemplated, the track for this distance to be moved back on the new levee. The estimates for this work were prepared by the Southern Pacific Co., to which this commission is greatly indebted. It is considered that, as much of this work of reconstruction will be to the interest of the Southern Pacific Co., that company will be willing to share in the expense. This is especially true of the following constructions:

First. Bridge across Yolo by-pass, where estimates are based on a double track to replace the present single-track trestle.

Second. Bridge across Sutter by-pass.

Third. Moving of 5 miles of track along lower Feather River.

In preparing these estimates it is assumed that this company will assume 65 per cent of the cost of the Yolo by-pass bridge, 50 per cent of the Sutter by-pass bridge, and the entire cost of moving the track along Feather River.

(a) It is proposed to construct across the Yolo Basin by-pass a double-track steel railway bridge about 9,500 feet long, with about 50-foot clear spans and a draw span of about 80 feet at each end for the passage of dredges. The elevation of the lowest member is fixed at 3 feet above the adopted flood plane at that point. The estimated cost of this bridge and the work on its approaches is estimated at $1,589,000, of which the Southern Pacific Co. will assume $1,033,000.

(b) It is proposed to construct across the Sutter by-pass a single-track steel railway bridge with about 50-foot clear spans and with an 80-foot draw span at each end for the passage of dredges. The elevation of the lowest member of this bridge is fixed at 3 feet above the adopted flood plane at that point. The length of the bridge will be about 3,400 feet. The estimated cost of the bridge and work on approaches, etc., is $370,000, of which the Southern Pacific will assume $185,000.

(c) It is proposed to construct across the Colusa Basin Canal a single-track steel railway bridge about 375 feet long. The elevation of the lowest member is fixed at 3 feet above the elevation of the adopted flood plane in the canal at that point. The cost of the bridge and work on the approaches, etc., is estimated at $53,000.

(d) The bridge at Knights Landing will have to be raised 7 feet, and the cost of the work involved incident to this rise is estimated at $121,000.

(e) The railroad bridge between Yuma City and Marysville will have to be raised 6 feet, and the cost of the work involved incident to this rise is estimated at $70,000.

(f) The railroad bridge across Feather River above Marysville will have to be raised 6 feet, and the cost of the work involved incident to this rise is estimated at $140,000.

106. Other bridges: The other important bridges that will have to be raised are the highway bridges across the Sacramento River at Butte City and at the head of Grand Island. Numerous small highway bridges across the tributary streams and across the various canals, etc., will have to be constructed, and in many cases the present bridges will have to be modified. The number and sizes of these bridges have not been definitely determined, so this work is provided for by a lump sum. It is considered that local interests, county, city, etc., should contribute in work on many of these bridges. It is estimated that the cost of raising and of rebuilding all bridges other than those of the Southern Pacific Co. is $253,000.

107. Preliminary surveys: The estimates of quantities, dimensions, and locations of those portions of the work along the main river—the American River—and the Feather River and its principal tributaries, the Yuba and Bear, are based on surveys made by this commission since 1905 and by the United States engineer officer in charge of the Sacramento River in 1908 and 1909. Estimates on those portions of the work in the overflow basins are based on the surveys of the United States Geological Survey. As a preliminary to much of the drainage work in and adjacent to the basins and to the control of the creeks flowing into the basins, it will be necessary to make many surveys; but it is thought that such surveys, while important in determining locations, will not result in material change in the estimates of quantity.

108. Prosecution of the work: Under this project work can be carried on simultaneously at practically all points, but the final completion and putting into operation of the several principal parts of this plan should progress upstream from Collinsville. By the time the river channel is improved to Cache Slough the Yolo and Sutter Butte by-passes should be ready for service. Meanwhile the levees of the tributary streams, the drainage canals, etc., should have reached such a state of completion that not more than one flood season need elapse before they are completed. Vigorous prosecution of the work at all points is essential.

ESTIMATES.

109. (a) Leveeing: About 90 per cent of all the leveeing can be done using clamshell dredges. The balance of the dredging will have to be done using teams and scrapers. The work to be done by means of dredges is divided into two classes, depending on the quantity of work in the locality and the facilities for operating dredges. Where the quantity is large and the dredges can be operated without difficulty, the unit cost is taken at 6 cents per cubic yard. For other clamshell dredging the unit cost is placed at 12 cents. Where teams and scrapers are to be used, the unit cost is placed at 20 cents.

(b) Excavation: Estimates for excavation are based on the use of clamshell and hydraulic dredges, except for that at the different weirs, and are as follows: In lower river, 6½ cents per cubic yard; in Colusa Basin Canal and cut-offs above Feather River, 12½ cents per cubic yard; and at weirs, 25 cents per cubic yard.

(c) Right of way: The right of way will be a costly feature of this project, though the bulk of the land to be acquired is unreclaimed land in the basins. For improved land along the river below Knights Landing the average cost is estimated at $200 per acre. For improved land along the upper river and the tributary streams the average cost is estimated at $75 per acre. For unreclaimed land the average cost is estimated at $25 per acre.

110. Table of estimates:

| | | |
|---|---|---|
| Levees: | | |
| 58,000,000 cubic yards, at 6 cents | $3,480,000 | |
| 28,000,000 cubic yards, at 12 cents | 3,360,000 | |
| 18,000,000 cubic yards, at 20 cents | 3,600,000 | |
| | | $10,440,000 |
| Excavation: | | |
| 148,600,000 cubic yards, at 6½ cents | 9,659,000 | |
| 8,250,000 cubic yards, at 12½ cents | 1,031,250 | |
| 380,000 cubic yards, at 25 cents | 95,000 | |
| | | 10,785,250 |
| Land: | | |
| 4,400 acres, at $200 | 880,000 | |
| 8,400 acres, at $75 | 630,000 | |
| 78,000 acres, at $25 | 1,950,000 | |
| | | 3,460,000 |
| Spillways: | | |
| 8,000 feet, at $125 | $1,000,000 | |
| 4,500 feet, at $100 | 450,000 | |
| 1,140 feet, at $80 | 91,200 | |
| | | $1,541,200 |
| Bridges | | 1,382,000 |
| Miscellaneous | | 1,740,000 |
| Engineering and contingencies, 15 per cent | | 4,451,550 |
| Total | | 33,800,000 |
| Less amount appropriated under existing project | | 800,000 |
| Total | | 33,000,000 |

111. Maintenance: In view of recommendation 3 in paragraph 116, no estimate of maintenance is made.

112. Maps: There is submitted with this report a map of the valley of the Sacramento River to a scale of 1 inch to 5,000 feet, on which are indicated all the works recommended in this project. There is also submitted a sheet of profiles of the adopted flood planes in the rivers and by-passes.

113. The surveys and the collection of data made in connection with the preparation of this project were under the immediate charge of Mr. H. H. Wadsworth, assistant engineer, whose report is appended hereto.

CONCLUSIONS.

114. The project here submitted differs much from the commonly accepted solution, but this commission is satisfied that it more nearly meets the requirements of the case than any heretofore considered. In a consideration of this project attention is invited to its small estimated cost and short time of completion; also to the fact that the floods are controlled immediately and completely upon its completion.

115. The results to the State of California in permitting reclamation and preventing damage to reclaimed lands are great, but the United States also gains in keeping the present channels uninjured. It is the opinion of the commission that both should therefore share in the construction of the works under this project, the United States to the extent of 33⅓ per cent. It is also the opinion of the commission that the State of California will benefit to such an extent by the control of the floods of the river that upon the completion of this project it should take over and maintain all flood-control works, the United States to provide only for the maintenance of the navigable channels. This seems an equitable distribution both of the first cost and the maintenance.

RECOMMENDATIONS.

116. It is therefore recommended—

First. That the United States begin at once the work for the control of the floods of the Sacramento River in accordance with the above project and provide for its early completion.

Second. That the United States contribute one-third of the cost of work and the State of California contribute the remaining two-thirds.

Third. That upon its completion the United States turn over to the State of California for maintenance all flood-control works.

Respectfully submitted.

JOHN BIDDLE,
*Lieutenant Colonel, Corps of Engineers.*
THOS. H. JACKSON,
*Captain, Corps of Engineers.*
CHAS. T. LEEDS,
*First Lieutenant, Corps of Engineers.*

The CHIEF OF ENGINEERS, UNITED STATES ARMY.

[Second indorsement.]

THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS,
*Washington, December 27, 1910.*

Respectfully returned to the Chief of Engineers, United States Army.

This is a report by the California Débris Commission on the subject of the control of floods in the Sacramento River. It is apparently submitted in compliance with that provision in the act of March 1, 1893, creating the commission, which refers to affording relief in flood time, as follows:

"SEC. 5. That it shall further examine, survey, and determine the utility and practicability, for the purposes hereinafter indicated, of storage sites in the tributaries of said rivers and in the respective branches of said tributaries, or in the plains, basins, sloughs, and tule and swamp lands adjacent to or along the course of said rivers, for the storage of débris or water or as settling reservoirs, with the object of using the same by either or all of these methods to aid in the improvement and protection of said navigable rivers by preventing deposits therein of débris resulting from mining operations, natural erosion, or other causes, or for affording relief thereto in flood time and providing sufficient water to maintain scouring force therein in the summer season."

This provision of the law appears to contemplate only such flood relief as would be incidental to the reservoirs or settling basins that were once regarded as the most important means of controlling the mining débris. Moreover, in the same act Congress discriminated between the objects of the work to be undertaken by the United States and the State, respectively, as follows:

"SEC. 24. That for the purpose of securing harmony of action and economy in expenditures in the work to be done by the United States and the State of California, respectively, the former in its plans for the improvement and protection of the navigable streams and to prevent the depositing of mining débris or other materials within the same, and the latter in its plans authorized by law for the reclamation, drainage, and protection of its lands, or relating to the working of hydraulic mines, the said commission is empowered to consult thereon with a commission of engineers of said State, if authorized by said State for said purpose, the result of such conference to be reported to the Chief of Engineers of the United States Army, and if by him approved shall be followed by said commission."

In the river and harbor act of June 25, 1910, however, Congress has approved the conclusion announced by the commission in its report of 1907 in favor of dredging rather than settling basins as the most effectual means for "the direct improvement of navigation in the Feather and Sacramento Rivers, and toward the controlling of débris and floods." The problem is stated by the commission as follows:

"The United States is interested in the improvement and maintenance of the present navigable channel; it is interested jointly with the State of California in the control of mining débris; but to date it has given no attention to the flood problem.

"Any work done on the present river channel in the nature of deepening it or of preventing mining débris from entering it will increase its flood-carrying capacity and improve it both as a navigable and flood-carrying stream. Any work, however, that involves the widening of the channel will injure its navigability and necessitate the use of artificial means for securing low-water navigation. It is to the interest of the United States, therefore, that if practicable that solution of the flood problem be adopted which will result in the least injury to the present good low-water navigable channel.

"It is with this object in view that this commission has for some years been making surveys of this river and its tributaries and collecting data for the preparation of a project which will control the floods in the river at a minimum cost and which when carried out will have caused the least injury to the present navigable channel.

"The great amount of reclaimable land in the Sacramento Valley, its high value after being reclaimed, and the great damage to the land already reclaimed wrought every few years by floods render the problem of flood control a vital one which must be solved in the immediate future."

Extensive surveys and investigations have been carried on for a number of years by the commission, and much thought and study have been given to this subject, culminating in the within report, which outlines a project for the control of the floods through the cooperation of the State of California and the United States. The question of flood control in the Sacramento Valley is recognized as being of the utmost importance to the State of California and the varied interests located in the valley, and this subject has had the consideration of many engineers, boards, and commissions. Several plans have been advanced involving different methods of control at varying costs. Excessive floods in recent years, however, indicate a maximum discharge of more than twice the volume assumed in these former projects, and they are therefore considered wholly inadequate at the present time.

The California Débris Commission has had the benefit of these former studies in considering the greater problem with which it has been confronted, and it submits herein a project estimated to cost $33,800,000, toward which the commission proposes to apply $400,000 appropriated by the act of Congress approved June 25, 1910, and the like sum of $400,000 furnished by the State of California in compliance with the terms of said act, leaving $33,000,000 to be provided if the project is adopted and carried out. It proposes that the State of California shall provide two-thirds and the United States one-third of this sum, and that the State shall maintain all the flood-control works, this distribution of the first cost and maintenance being equitable in the opinion of the commission.

The plan proposed is known as the by-pass system by reason of the auxiliary channel to be provided through the lowlands at some distance from the river, along the greater portion of its length, and intended to take the major part of the discharge during extreme flood stages. On the tributaries and the upper Sacramento levee systems are proposed of sufficient capacity to confine all flood waters, and the channel of the Sacramento below Grand Island is to be enlarged to a similar capacity. The intermediate portion of the river is also to be leveed above extreme flood height, and will provide capacity sufficient for small floods, but it will be able to carry only a minor part of the maximum flood discharge. Weirs are provided at certain points in the levee lines, over which the surplus flood waters will pass into the auxiliary channel when the river rises above the weir levels. The auxiliary channel is formed by two lines of levees along the low ground in the Butte, Sutter, and Yolo Basins. It leaves the Sacramento about halfway between Butte City and Colusa on the left bank, crosses the Sacramento at the mouth of the Feather River, and rejoins it on the right bank at the foot of Grand Island. This project is the result of careful study and deliberation, and, in the opinion of the commission, will solve the problem of flood control and resulting land reclamation in the Sacramento Valley without injury to navigation interests. The commission has considered the use of reservoirs for flood control, but concludes that they could at the most afford only a small percentage of the necessary relief, and this at such a great cost that they are not economically justifiable for this purpose alone.

The plan proposed by the commission seems well adapted to fulfill the above objects, subject to such changes as further study or experience in the course of execution may show to be desirable or necessary. The estimates from this point of view should be considered as approximate only, exact determination being impracticable in undertakings of such large magnitude, involving so many diverse interests and various details of cooperation not yet elaborated. The board is inclined to the opinion that further study should be given to the question whether it

might not be preferable, even at increased cost, to keep the auxiliary channel wholly on the west side of the river, and thus lessen the risk of injury to the navigable channel where the two cross in the proposed plan.

A project for the improvement of the Sacramento River below the city of Sacramento, for the benefit of navigation, was presented under authority of the act of March 2, 1907, and may be found published as House Document No. 1123, Sixtieth Congress, second session. This project provides for a channel 9 feet in depth and 200 feet in width. Under the provisions of the act of March 3, 1909, a project has been forwarded by this board, under even date herewith, for the improvement of the river between Sacramento and Red Bluff, which contemplates a channel depth of 4 feet from Sacramento to Colusa, 3 feet from Colusa to Chico Landing, and such depth as is practicable under the plan recommended from Chico Landing to Red Bluff. These channel dimensions are believed to be sufficient to meet present and reasonably prospective demands of commerce, and will not be benefited by the proposed works of flood control. In fact, there is reason to apprehend greater difficulty in maintaining the low-water channel where the river is widened to increase its flood capacity, also where the by-passes leave the river, and in general where the flood heights are increased by reason of the works of flood control.

While Congress has hitherto included flood relief among the objects to be accomplished by the work of the débris commission, it appears to have considered this only as incidental to the control of mining débris in the interests of navigation. Should Congress now decide to cooperate with the State of California in a comprehensive project of this magnitude for the purpose of flood control, it is believed that the plan proposed, with such division of cost as Congress may determine, should be adopted, since, in the opinion of the board, it is well designed to secure the desired result. The board reports, however, that the execution of this project is not necessary in the interests of navigation.

For the board:

WILLIAM T. ROSSELL,
*Colonel, Corps of Engineers,*
*Senior Member of the Board.*

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APPENDIX B.

REPORT OF ASSISTANT ENGINEER H. H. WADSWORTH.

UNITED STATES ENGINEER OFFICE,
*San Francisco, Cal., July 1½, 1910.*

CAPTAIN: I have the honor to submit the following report on studies and investigations made by me relative to the control of floods in the Sacramento Valley and its relation to navigation in the Sacramento River:

Detail surveys of the Sacramento River from its mouth at Collinsville to Chico Landing have been made and reported upon in connection with reports on projects for improvement of navigation.

Within the past few years surveys have also been made of the Feather River below Oroville, but complete only as to that portion below Marysville; also of those portions of the Yuba, Bear, and American Rivers lying between their mouths and the foothills of the Sierra Nevada Mountains.

These surveys and that of the San Joaquin River below Stockton, made under the direction of Col. John Biddle in 1908, together with several minor surveys made under the direction of this office, form the framework of the map of the valley of the Sacramento and San Joaquin Rivers, which, with a sheet of profiles showing several actual and assumed water surfaces of the Sacramento River and adjoining basins, accompany this report.

The topography, except in the immediate proximity of the rivers and portions of the troughs of Yolo, Sutter, and Butte Basins, has been taken, so far as they were available, from the published maps of the United States Geological Survey.

The contours in the territory lying between the Feather and Sacramento Rivers, except the lower parts of Sutter and Butte Basins, were obtained from the map of the Sacramento Valley published in 1895 by the commissioner of public works of the State of California, modified by elevations obtained by lines of levels extending easterly across the basins from Butte City and from Meridian, the latter being from surveys of the Northern Electric Railway.

The data used in this report relative to the discharge of rivers during the flood of March, 1907, were obtained from a paper by Messrs. W. B. Clapp, member, American Society of Civil Engineers; E. C. Murphy, member, American Society of Civil Engineers; and W. F. Martin, jr., American Society of Civil Engineers; engineers of United States Geological Survey, published in Volume LXI of Transactions of American Society of Civil Engineers.

The records of gauge heights at several points kept by the United States Weather Bureau were used to supplement those obtained from numerous staff and several registering gauges maintained in connection with the surveys under the direction of this office.

A general statement of the physical characteristics of the Sacramento River and its several tributaries is given in the report of the State commission of engineers to the commissioner of public works of California, under date of December 15, 1904. The report of this commission, commonly known as the Dabney Commission, was reprinted as an appendix to a report of a board of engineer officers, United States Army, in House Document No. 262, Fifty-ninth Congress, first session, so that it does not seem necessary to repeat much of this descriptive matter. After reviewing the several plans which had theretofore been proposed for dealing with the floods of the Sacramento Valley, the Dabney Commission formulated a comprehensive plan for the rectification of the river and the reclamation of the adjacent lands.

This report did not consider the effect which the carrying out of its plan would have on navigation, but it was recognized by those who have to do with the maintenance of navigable channels that the enlargement of the river channel to carry such a flow as was then assumed to be a maximum would greatly increase the difficulty and cost of maintaining a good channel at low-water stages. To adapt this same general plan, by the further enlargement of channels, to the flood conditions of March, 1907, would not only render the maintenance of a navigable channel still more difficult, but, if the necessary channel enlargement by the methods proposed could be extended to the limits which this new flood standard requires, would take a very large area of valuable agricultural lands which are now either completely reclaimed or which lie so high that flood waters recede from them each year in time to produce bountiful crops.

The occurrence of another flood in January, 1909, nearly as great as that of 1907, and even surpassing that on some of the tributaries, does not make the assumption tenable that such floods are so phenomenal and are separated by such very long intervals that a flood-control project should not provide for them.

A study of the cross sections of the Sacramento River and Valley shows that the river never carried more than a small percentage of the water delivered to it by its tributaries. Before levees were constructed the excess escaped into the basins over the banks in a thin film, gradually building up the banks by the deposit of sediment, thus increasing the depth and consequently the velocity in and capacity of the channel. The capacity decreased progressively downstream, because of the further escape of water. When levees came to be built they were located on the natural ridges along the channels, thus raising the flood heights in channel and improving channel depths, but, on account of insufficient provision for escape of water, compelling breaks in the weaker levees and escape of the water to the flood basins. The effect of a break is, of course, to protect the adjacent districts from the danger of increased flood height, and the discharge of the water into these basins of great capacity delays its appearance at outlet of same until the crest of flood wave in the river channel has passed.

The insufficient capacity of outlets of flood basins results in the raising of the water in them to such heights as to threaten the back levees of reclaimed lands and in the backing up of the water in the main channels. When the Sacramento River at the outlet of Cache Slough is at its highest stage the water stands practically level from that point nearly to Walnut Grove. A similar conditions prevails above the mouth of Feather River and lower end of Sutter Basin.

If storage reservoirs of capacities equal to or even approximating those of the valley flood basins could be provided in the mountains at a cost not greater than the value of the basin lands which might thereby be relieved from similar duty, they would be well worth while. To make such storage reservoirs of effective assistance in controlling floods, however, it would be necessary to subordinate their use for storing water for irrigation, power development, or for improving low water navigable depth to that purpose, since an ample storage at the end of the rainy season is essential in the one case and a large storage capacity until such time as the possible occurrence of a flood has passed is essential in the other. The possibility of utilizing mountain reservoir storage in connection with a flood-control project will be discussed further on.

TABLE 1.—*Comparison of the flood flow into the Sacramento Valley for March, 1907, and January, 1909.*

| Streams and places. | Flow at crest (cubic feet per second). | | | Greatest daily mean flow. | | Greatest 4-day mean. | |
|---|---|---|---|---|---|---|---|
| | March, 1907. | January, 1909. | February, 1909. | March, 1907. | January, 1909. | March, 1907. | January, 1909. |
| Sacramento at Red Bluff | 204,000 | [1] 205,000 | 250,000 | [2] 192,000 | 175,000 | 152,000 | 129,000 |
| Feather at Oroville | 185,000 | [1] 170,000 | ..... | [3] 130,000 | 130,000 | 97,300 | 112,000 |
| Yuba at Smartsville | 105,000 | [1] 90,000 | ..... | [3] 100,000 | 85,000 | 68,000 | 68,000 |
| Bear at Van Trent | 30,000 | [1] 40,000 | ..... | [3] 28,000 | 27,000 | 17,300 | 20,000 |
| American at Fair Oaks | 105,000 | [1] 90,000 | ..... | [3] 100,000 | 85,000 | 74,600 | 75,000 |
| Stony at Fruto | [4] 30,000 | [4] 28,000 | [4] 38,000 | [5] 25,000 | [4] 25,000 | 16,300 | [4] 17,000 |
| Cache at Yolo | 19,500 | 17,500 | 25,000 | [3] 19,000 | 17,000 | 13,200 | 12,000 |
| Putah at Winters | 35,000 | 32,400 | 34,000 | [3] 25,000 | 29,000 | 15,000 | 18,000 |
| Unmetered mountains and foothills | [6] 120,000 | [6] 105,000 | ..... | [6] 100,000 | [6] 85,000 | 76,000 | [6] 76,000 |
| Total flow into valley | 834,000 | 778,000 | ..... | 719,000 | 658,000 | 530,000 | 527,000 |

[1] Jan. 16
[2] Mar. 20.
[3] Mar. 19.
[4] Estimate made from flow at Orland.
[5] Mar. 18.
[6] Estimated in comparison with run-off in 1907.

The subject of the maintenance of good navigable depths at low-water stages is intimately connected with the diversion of water from the river and its tributaries for irrigation purposes, and is one likely to require careful attention in the near future. Water for irrigation purposes stored in reservoirs during the rainy season is no drain on the navigability of the river, and may even be an aid in reducing flood heights, but water diverted from the river at low stages, reducing the flow by the amount of the diversion, is a direct detriment.

The extensive irrigation works now in progress of construction in Glenn and Colusa Counties will require a much larger quantity of water than has heretofore been used. Other projects which are now under consideration and those which are likely to come up will create a demand which, if granted, will seriously affect the navigable depths, particularly above Colusa. The probable effect of the diversion at low-water stage of 1,000 second-feet of water above the mouth of Chico Creek, as computed by me, will be to decrease present depths between

that point and Colusa from 0.3 foot to 1.5 feet, depending upon the characteristics of the section. The decrease in depth will be least at points where existing depths are least, but these points are now the critical ones, and a decrease of even 0.3 foot would be a serious matter and would require the construction of contraction works where, but for the diversion, they would not be necessary. Therefore the storage of water on the Sacramento or its tributaries above Red Bluff, either by companies diverting water for irrigation purposes or otherwise, so that the low-water flow may be increased, should be made a condition precedent to further diversion.

Such storage can be provided in Big Valley on Pitt River, and this same reservoir is the one best suited by location and capacity of any of the several possible storage sites to aid in flood control.

Table No. 1 (see preceding page), compiled by the engineers of the United States Geological Survey from their records of flood discharge, as published in the American Society of Civil Engineers paper, previously refecred to, and extended to show in comparison the floods of January and February, 1909, shows in each case the peak flow, the greatest daily mean, and the greatest four-day means flow at a station on each of the tributaries.

The volume of water which must be taken care of in the several natural divisions into which the river is divided will differ with every flood. Using the records of the floods of 1907 and 1909 as a basis and assuming an increase of 25,000 second-feet and 50,000 second-feet, respectively, to those records of the maximum flow of the Yuba and American Rivers, on account of observations under this office on the Yuba and on account of the similar character and greater extent of the American River drainage area, and making such allowance as seems proper for the volume of water absorbed by or stored in the channels, considering the length of time that the high rate of flow may be (in the light of the experience of 1907) sustained, the following has been assumed as the rate of flow for which channel capacity must be provided, viz:

| | Second-feet. |
|---|---|
| Sacramento River below— | |
| Mouth of Stony Creek | 260,000 |
| Princeton | 250,000 |
| Feather River above Marysville | 150,000 |
| Yuba River above Marysville | 120,000 |
| Feather River below Marysville | 240,000 |
| Feather River at its mouth (including Bear River) | 250,000 |
| Sacramento River below mouth of Feather River | 450,000 |
| American River | 120,000 |
| Sacramento River below mouth of— | |
| American River | 500,000 |
| Cache Slough | 600,000 |

Of the several engineers and engineering commissions which have reported on the flood-control problem, there has been a substantial agreement as to the necessary manner of treating that part of the river between Cache Slough, the outlet of Yolo Basin, and Collinsville, at the mouth of the river. In fact, there is no other reasonable solution than that the entire flood flow must be carried through this section.

There has been such a persistent popular impression among many people that a canal through the ridge separating Yolo Basin from Suisun Bay, north of Montezuma Hills, permitting a more direct discharge of the Yolo Basin waters, would be the simplest solution of the problem that a more complete detail survey of the route of such a canal than was before available has been made and a map and profile prepared. These show that a flood-relief canal from Yolo Basin to Suisun Bay via Denverton to be out of the question, as not only would it require the excavation of a cut with maximum depth of about 60 feet, but the distance to a free outlet in Suisun Bay would be actually greater than via Rio Vista and Collinsville. This scheme will be referred to again.

While the plan recommended by the Dabney Commission may have been best suited for floods of the magnitude assumed by it to be maximum, it becomes quite insufficient to deal with the problem which records subsequently made have shown to exist. The accompanying profile shows, besides several other lines, the proposed high-water surface of the river according to the proposed plan of the Dabney Commission. The annexed cross sections are typical ones of several different reaches of the river, and show, first, existing sections; second, the sections proposed by the Dabney project; third, the sections that would be required according to the plan of that commission enlarged to carry the flood of 1907.

Below the mouth of the Feather River the widths of channel would be approximately two and one-half times as great as estimated, but the extent to which existing widths would have to be increased would be from three and one-half to seven times as great as estimated. In those estimates it was assumed that two-thirds of the material would be removed by the agency of the current and one-third by mechanical means. It can not be hoped that these proportions could obtain with the much greater total volume of material which such an enlargement of the project would involve.

The impracticability, therefore, of enlarging on that plan to the extent that would be required on account of excessive quantities of material which would have to be handled, and the prohibitive cost of the same, and the value of land that would be sacrificed for the sake of reclaiming other lands less valuable, makes the adoption of the by-pass system, aided by storage of water in reservoirs, as far as practicable, the only alternative. Such a system is much better for navigation, since the low-water flow is confined to a channel commensurate with its volume.

The main principles which it has been assumed should govern in planning a by-pass system of flood control are—

First. That the largest practicable volume of water consistent with the maintaining of good navigable conditions and without raising levees to excessive and dangerous heights should be forced through the main channels.

Second. That by-passes should occupy the troughs of the basins, and that the side levees for same occupying the highest available ground should be constructed, as far as practicable, from material excavated from within the by-pass.

Third. That the weirs over which water is diverted from the river to by-passes should be as long as is economically practicable, so that a high stage of water may be maintained in the river and so that the diversion of water may be effected in a thin layer and with as low a velocity as possible to avoid carrying into the by-passes a large amount of sediment from the river.

Fourth. That canals should be constructed to intercept the drainage from lands bordering the basins to reduce the volume of water which will have to be pumped from those lands adjoining the by-passes and river which are too low to be drained naturally.

In fixing the flood planes or high-water grade lines noted on the profile as "adopted grade lines," in accordance with which the details of this flood-control project have been worked out, the elevations at several critical points were first fixed and then, by a careful study of slopes in connection with depths and cross sections, intermediate points were so established that the channel would carry the maximum volume of water without too violent a change in existing regimen.

The elevations of the high-water plane or "adopted grade line" at points where the slope changes and the distances and slopes between these points are as follows:

TABLE 2.

| | High-water elevations. | Distance (miles). | Slopes in feet per mile. |
|---|---|---|---|
| Collinsville | 7.0 | 15.9 | 0.503 |
| Mouth of Cache Slough | 15.0 | 18.3 | [1] 1.464 |
| | | 11.4 | [2] 2.745 |
| Head of Steamboat Slough | 23.5 | 27.7 | .415 |
| Mouth of American River | 35.0 | 19.5 | .256 |
| Mouth of Feather River | 40.0 | 43.4 | .323 |
| | | [3] 37.0 | .379 |
| Tisdale Weir | 54.0 | 27.0 | .564 |
| 1 mile above Colusa | 69.2 | 12.6 | 1.33 |
| Moultons Break | 86.0 | 20.0 | 1.60 |
| 2½ miles below Jacinto | 118.0 | 17.6 | 1.33 |
| Chico Creek | 141.54 | | |

[1] Via Old River. [2] Via Steamboat Slough. [3] With cut-offs.

With reference to the fixing of the elevation of the flood-flow grade line at Collinsville at so high an elevation as 7 feet, the following data are given. This elevation for mean tide was used by the Dabney Commission with the explanation that it was probably too high for any but extraordinary conditions. Such extraordinary conditions actually existed during the time of the January, 1909, flood. The automatic registering gauges maintained by this office at Collinsville and at Benicia showed that during the period of one tidal cycle of 25 hours, i. e., from one lower low water to the following one, the mean height of tide at Collinsville was at elevation 7.2, with a maximum height of 9.7 feet. During the period of two tidal cycles, 50 hours, the mean height of tide was 6.9 feet. At Benicia the corresponding heights were 6.5 feet and 6.1 feet, respectively. At San Francisco during the same 50-hour period the mean height of tide was 0.9 foot above the mean of predicted heights.

The following table shows approximately the present capacity of the river channel up to the high-water line of the floods of 1907 and 1909. This line, however, simply shows the height reached before the levees broke, and is, of course, above the present effective height of the levees. The table also shows the capacity to be given each section of the river under the project now proposed and the volume of water which it will be necessary to carry in the by-passes.

TABLE 3.

| | Present capacity. | Capacity by proposed plan. | |
|---|---|---|---|
| | | River channel. | By-pass. |
| Above Stony Creek | | 250,000 | |
| Stony Creek to Jacinto | | 260,000 | |
| Jacinto to Moulton Break | 140,000 | 260,000 | |
| Moulton Break to Cobbs Bend (above Colusa). | 100,000 | 65,000 | 185,000 |
| Cobbs Bend to Butte Slough | 70,000 | 65,000 | 185,000 |
| Butte Slough to Tisdale Weir | 60,000 | 65,000 | 185,000 |
| Tisdale Weir to Feather River | 23,000 | [1] 30,000 | 220,000 |
| Feather River to Elkhorn Weir | 62,000 | 50,000 | 400,000 |
| Elkhorn Weir to American River | 36,000 | 50,000 | [2] 430,000 |
| American River to Kripp Break | 127,000 | 100,000 | [2] 430,000 |
| Kripp Break to head of Steamboat Slough | 75,000 | 100,000 | [2] 500,000 |
| Steamboat Slough | [4] 34,000 | 46,000 | 500,000 |
| Old River | [4] 49,000 | 54,000 | |
| Cache Slough to Threemile Slough | [5] 300,000 | | |
| Below Threemile Slough | [5] 200,000 | 600,000 | |

[1] 27,000 without cut-off.
[2] Below Cache Creek.
[3] Below Putah Creek and Southern Pacific Ry.
[4] These capacities for Old River and Steamboat Slough assume a free outlet, which condition does not obtain after passage of first flood wave down the river, as the slope is flattened almost to nothing by backwater from outlet of Yolo Basin.
[5] These figures represent approximate quantities of water flowing in these sections at crest of floods, but are much above their safe capacity, both on account of height and velocity. Safe present capacity below Threemile Slough is about 160,000 second-feet.

The main points to be discussed in connection with this flood-control project are:

(a) The enlargement of the river channel below the mouth of Cache Slough.

(b) The construction of a weir at Moultons Break of 185,000 second-feet capacity to divert water into Butte Basin; the raising and maintenance of Tisdale Weir with capacity of 35,000 second-feet to divert water into Sutter Basin; the construction of a weir at mouth of Feather River of 400,000 second-feet capacity to carry the Butte and Sutter Basin and the Feather River waters into Yolo Basin; and the construction of a weir of 70,000 second-feet capacity near Sacramento to carry the waters of the Sacramento and American Rivers, in excess of the channel capacity below, into Yolo Basin.

(c) The rectification, in several places, of the river channels.

(d) The raising of river levees, and in places the construction of new ones along established lines to the heights required by the adopted flood plane or high-water grade line.

(e) The construction of by-pass levees in Butte, Sutter, and Yolo Basins, with wing levees extending up the tributary streams.

(f) The possible diminution of flood channel capacity by means of storage reservoirs in mountains.

(g) Tributaries.

(h) The construction of intercepting canals to carry as much as possible of the drainage naturally tributary to the flood basins to gravity outlets, and the drainage of the lower parts of these basins outside of limits of by-passes.

(i) The raising of several bridges and construction of others, both railway and highway, in consequence of raising the flood plane.

The accompanying maps and profiles show in a general way the locations and dimensions of the several features of the project. Many of these are shown more in detail on larger-scale maps on file in the office. These several features will be discussed separately in the order named.

(A) ENLARGEMENT OF RIVER CHANNEL BELOW MOUTH OF CACHE SLOUGH.

The situation below mouth of Cache Slough is such that not only does it need correction on account of the flood hazard to the lands in the vicinity under present conditions, but any project for confining floods to channels (river and by-pass) is dependent on there being first provided an outlet for the waters which will then reach this point in greater volume than before. The present flood capacity of the channel below Threemile Slough up to the adopted grade line is only about 160,000 second-feet, and above Threemile Slough it does not exceed 220,000 second-feet.

In determining the size of channel necessary to give the required capacity of 600,000 second-feet a depth of 35 feet at flood stage was adopted after careful consideration of the relation of depth to total area of section, to area of dredged section, to velocity of current, and to the effect on maintaining low-water navigation. The corresponding necessary width (at surface), taking the slope due to the cut-off north of Horseshoe Bend above Tolands Landing, is 3,050 feet where the river is confined to one channel, and it is 2,600 feet in the cut-off mentioned, leaving present channel via Horseshoe Bend to carry its proportion of the flow.

Some of the land which it will be necessary to acquire for this work is now reclaimed. The point where the channel is now most contracted is at Bakers Point, on Sherman Island, opposite Tolands Landing. Here it will be necessary to set the levee back about 2,500 feet. The quantities of material to be moved for channel enlargement and for levee construction and the area of land required for channel and for spoil banks will be found under the head of estimates.

Considerable relief from flood conditions will be afforded by the simple setting back of levees and the removal of remnants of old levees and fringe of trees and brush, which prevent the free movement of water across the swampy land north of Horseshoe Bend just above Tolands Landing. By this means alone the flood capacity will be increased to about 250,000 second-feet.

So extensive an increase in the width of the channel to give it the required flood-carrying capacity will probably result in a detriment to low-water navigation or will require increased expenditures to maintain good navigable channel at low water. How this may best be done will require special study. The widening of the river from its mouth to Cache Slough will help to increase tidal flow, which will be an advantage.

In comparison with the estimate of cost of enlarging this section of the river from the 250,000 second-feet capacity to 600,000 second-feet capacity, which, except in so far as it may be done by inducing channel scour, must be done by dredging, the quantities involved in making the Denverton Cut already referred to may well be presented here. To carry 350,000 second-feet through such a cut would require a free discharge into Suisun Bay. This might possibly be effected by a cut across Grizzly Island from near the lower end of Nurse Slough to the nearest point of the bay, but there is such a vast extent of very shoal water between this point and the nearest channel that it is thought that the maintenance of a clear outlet would be much less practicable than would be the case if Montezuma Slough, which in its lower course averages 600 feet wide and 35 feet deep, were enlarged to the requisite section.

Assuming the same adverse condition as to tidal height in Suisun Bay as in the case of the river channel, and a water surface elevation of 18 feet in Yolo Basin where the flow would diverge from that to the river, the mean slope would be 0.406 foot per mile. With a depth of water of 35 feet in a canal having side slopes of 1:1, the required width at bottom would be 2,020 feet. What seems to be the most favorable location for such a canal is shown on sheet No. 6 of the map. This sheet of the map and a profile of the line of the canal are on file in this office.

The estimated total quantity of excavation is 289,000,000 cubic yards, of which 17,000,000 cubic yards would be easy (presumably) dredging in Yolo Basin, and 100,000,000 cubic yards would be dredging in Suisun Marsh, for the most part easy work, but rock might be encountered near Potrero Hills. The remainder, 172,000,000 cubic yards, would be in the cut through the saddle in the ridge. So far as could be learned from parties who had sunk wells along or near this line, no rock is likely to be encountered, but a considerable portion of the excavation would be in a hard formation, locally known as hardpan, which, together with the depth of the cut (60 feet maximum), would greatly increase the cost per cubic yard. These quantities are greatly in excess of those required to effect the same result in the main river channel. As the average unit cost will also be greater, it is unnecessary to give the proposition further consideration.

It may be shown also that the proposition to carry Putah Creek by canal along the edge of Yolo Basin and thence across the divide to Suisun Bay is not economical. As an outlet for small canals to intercept the drainage, above an elevation of about 35 feet from the area south of that tributary to Putah Creek, this location has some merit, but that is a matter for the consideration of the owners of the land lying below an elevation that can be drained into the river after the flood has passed and from which the water must be pumped for complete reclamation.

(B) THE CONSTRUCTION OF DIVERTING WEIRS.

This subject is taken up next because provision for relieving the river channels of water in excess of their capacities must be made before all the numerous breaks in the river levees can safely be closed and the extension of the levees made to the heights proposed. With the weirs constructed, Butte, Sutter, and Yolo Basins will continue to act as relief reservoirs and flood channels, as at present, until such action can be better regulated by the confinement of the water to the somewhat restricted areas forming the by-passes.

The question of proper location and crest elevation of the weirs has received a good deal of attention. As now proposed and shown on the maps and profile, the two principal weirs are at Moultons Break, on east side of river about 13 miles above Colusa, and on the south bank of the river opposite and extending upstream from the mouth of the Feather River. The former, which will be called Moulton Weir, is designed to divert 185,000 second-feet. Its length is to be 2,840 feet and its sill will be at elevation 79 feet—7 feet below the adopted high-water grade line. The latter, which will be called the Fremont Weir, is designed to divert 400,000 second-feet. It is planned to be 8,000 feet long with its sill at elevation 30, or 10 feet below the adopted high-water grade line.

Moulton Weir is nearly opposite the point (Caldens or Comptons Landing) selected by the Dabney Commission for the upper temporary diversion. The reason for locating it on the east side instead of the west will appear later in connection with the subject of location of by-passes. This point is as far downstream as it is practicable to bring the flood volume between the river levees even with the high-water grade line adopted.

By the adjustment of the grade line shown it will be possible to carry the water in the river without further diversion to Tisdale Weir, thus permitting the permanent cutting off of the outlet through Butte Slough.

Tisdale Weir, with a length of 1,140 feet and crest at elevation 42.3, is located about 7 miles below Grimes. It was built by the State a few years ago. To conform to this project its crest will be raised to elevation 50, or 4 feet below the adopted high-water grade line.

Between Fremont Weir and the mouth of American River the channel capacity of Sacramento River will be sufficient to carry the 50,000 second-feet, which is the excess of estimated flow reaching the mouth of Feather River over the capacity of the weir there.

The Elkhorn Weir, also built by the State, about 6 miles below the mouth of Feather River, will therefore be abandoned and closed.

For a distance of about 8 miles below the mouth of the American it might be practicable to enlarge the flood capacity of the river channel to carry the waters of the American in addition to those of the Sacramento not diverted at Fremont Weir. But it is thought that the interests of navigation, which are much greater below Sacramento than above, would be better served by limiting the flood capacity of this section to that of the channels below and permitting the construction of wharves and terminals on the west side of the river. This would be accomplished by constructing the Sacramento Weir at Brytes Bend, about 2½ miles above the mouth of the American River. Its proposed length is 1,667 feet and the elevation of its crest 30.6 feet, or 4.4 feet below the adopted high-water elevation at mouth of American River.

The length and depth of sill below flood height of water of each weir, as given above, are those necessary to pass the specified volume when the by-pass below is running to its full capacity, but as this condition will not be reached until there has been a flood into it at a mean rate as great as its capacity, sufficiently long for the by-pass channel to become filled, the same volume will in the meantime pass the weir at increased velocity and decreased depth. Thus, in the case of the Fremont Weir, if the assumed maximum rate of flow should be reached early in the flood, so that there would be free egress for the water from a temporarily raised crest on the sill of the weir, a depth of about 5.5 feet on the crest would give this discharge and the full depth of 10 feet would be needed only during the latter part of a long-sustained flood. By building suitable steel frames on the sill of the weir to support adjustable stop planks reaching up to within, say, 2 feet of the allowable flood height, the amount of water drawn off over the weir could be so regulated by these stop planks, removing one row at a time, as the volume of water increased, as to force the greatest possible flow down the river channel and hold the surface up to the established high-water mark much longer than would otherwise be the case. The necessity of removing all the stop planks would arise only at the times of the very exceptional floods, which are separated by intervals of several years.

The superstructure of the weirs may be so designed that the release of one stop plank will automatically release all or any desired number of the other planks in its row. The substructures will necessarily be founded on piles, which will project so far above permanently wet ground that concrete piles should be used. Wooden ones would be too short lived. This construction will necessarily be expensive, and the designs will require much study.

(C) RECTIFICATION OF RIVER CHANNELS AND PROTECTION OF BANKS.

In the portion of the river between Colusa and the mouth of Feather River a number of cut-offs may be made with beneficial results both to navigation and to flood-carrying capacity. Between Sacramento and the mouth of Cache Slough there are a few places where the cross section must be increased by a slight widening, and the entrance to Steamboat Slough must be much enlarged to give the desired capacity as per Table No. 3.

Above Colusa, however, although the river is very crooked, the slopes are steep and any material cut-off of bends would increase them. The resulting increase of velocity would aggravate bank caving and cause even more rapid changes in the regimen of the stream than those which now make the maintenance of good navigable conditions difficult. Straightening the channel would doubtless momentarily increase its flood-carrying capacity, but the tendency of the river to readjust its bed to conform to its current would in a few years probably cause it to return to a condition no better able to carry a large flood volume, unless very extensive bank-protection works were maintained, than before.

Although the present commerce carried on the river is not sufficient of itself to warrant very extensive bank-protection works, there are several places where such protection works, in my opinion, would be abundantly justified by the combined benefit to navigation and to agricultural lands; to the latter both by reason of preventing further caving into the river of the adjacent land and by reason of increased flood-carrying capacity.

Four cut-offs in the extremely crooked portion of the river between Cranmore and the mouth of Feather River are proposed. Each of these will be considered by itself, but the combined effect of them all will be to shorten the channel 6.43 miles, to eliminate several very sharp turns, and to increase the flood-carrying capacity about 3,000 second-feet (from 27,000 to 30,000 second-feet). By reason of the shortening, the increased velocity, due to increased slope, will result in slightly decreased depths at low water, but not enough to have any serious effect on navigation, as exceptionally good depths exist here.

The banks along this part of the river are stable and would not be injuriously affected by the small increase in velocity.

At low water velocity would be increased from 2.32 to 2.44 feet per second, and at high water it would be increased from 3.3 to 3.6 feet per second, approximately.

Several data regarding the suggested cut-offs are shown in tabulated form below:

TABLE 4.

| | Location, cutting out— | | | | |
|---|---|---|---|---|---|
| | Grays and Woods Bends. | Collins Eddy. | Ministerial Bend and Kirkville. | Racetrack Bend. | Total. |
| Length of cut.....miles.. | 0.50 | 0.45 | 0.35 | 0.30 | 1.40 |
| Distance, channel shortened .....miles.. | 3.18 | .57 | 1.48 | 1.20 | 6.43 |
| Quantity of excavating .....cubic yards.. | 586,000 | 231,000 | 397,000 | 317,000 | 1,531,000 |
| Amount of material to raise levees along present lines .....cubic yards.. | 757,000 | 162,500 | 243,500 | 202,800 | 1,365,800 |
| Increase in flood-carrying capacity.....second-feet.. | 1,475 | 265 | 700 | 560 | 3,000 |
| Per cent of reduction in required capacity, Sutter bypass below Tisdale Weir..... | .68 | .12 | .32 | .25 | 1.37 |
| Possible decrease in acreage of by-pass, account cut-offs..... .....acres.. | 55 | 10 | 26 | 20 | 111 |

In each case the material excavated in making the cut-off channel will be more than sufficient to build the levees paralleling it on either side. It will be seen from the above table that in the case of Grays Bend the amount of excavation is actually less than that required to raise levees along present lines. In the cases of the other cut-offs the material that would be required to raise the existing levees is from 30 to 40 per cent less than that required to make the channel excavation. This difference would probably be largely offset, however, by the smaller unit cost of the cut-off channel excavations.

The decrease in area of land required for by by-pass by reason of the cut-offs is less than that required to make the cut-offs, except in the case of the Grays Bend cut-off, and its present value per acre is also less.

Other points in favor of the cut-offs are the lessened cost of maintenance of levees, because of decreased length, and the improvement of navigation due to the elimination of four very bad bends and shortening the distance 6.43 miles.

Between Sacramento and the head of Steamboat Slough there are three points only where changes affecting the alignment of the river are proposed. In each case the levee at a bend of the river will be moved back for a length of about 1,800 feet, in two instances a maximum distance of 200 feet, and in the other 500 feet. At the upper end of Steamboat Slough it will be necessary to increase the space between levees from about 350 feet (the present width) to 650 feet, from the head to Sutter Slough, a distance of about 4½ miles.

(D) THE RIVER LEVEE SYSTEM.

Below Colusa no radical change in the location of the river levees is proposed except as noted under previous headings, viz, the Sherman Island levees at mouth of river and at Bakers Point opposite Tolands Landing; along upper course of Steamboat Slough, partly on Grand and partly on Sutter Island; at three points between the head of Steamboat Slough and mouth of Feather River; and at the points where cut-offs are proposed.

Between Colusa and the mouth of Chico Creek the present location of levees will generally be followed, making some changes as shown on accompanying map, and perhaps some others if a more minute study of the ground shows them to be feasible. It is not practicable to follow the windings of the channel for several reasons. In many places rapid cutting of banks is going on with consequent frequent changes in location of the channel. This has resulted in the formation of many lakes and sloughs, to go around which has resulted in placing the levees, in some instances, more than 1½ miles apart. To have crossed the sloughs with levees would have been prohibitive in first cost and to maintain them would have been impracticable.

By following the higher ground, cutting across from bend to bend, a large area is left between the river and the levees. Excepting the lakes and former channels, the ground between levees is high and becomes unwatered promptly after the passage of a flood. Much of it is exceedingly fertile, and when cleared of the tropical jungle which naturally covers it, it becomes very valuable agricultural land.

Above Moulton Weir it will be necessary to keep a strip of land varying from a few hundred feet to one-half mile wide, adjoining the channel, clear of timber and brush to provide the necessary cross section for the flood discharge. Where the soil is suitable, which is generally the case except where gravel bars exist, such cleared strip would be available for agricultural purposes. The estimated cost of clearing this land should be sufficient to cover also the necessary easements to the property, since the owners' use of the land, in most cases, will not be curtailed and the clearing will be an actual benefit to them.

In general it is planned to give the levees a crown width of 10 feet, side slopes of 3 horizontal to 1 vertical, and a height 3 feet above high water. Below the mouth of Cache Slough, where the width of the river is so great that wave action will at times be serious, the height is made 5 feet above high water. On the upper river, where the levees are a long distance from the channel and separated from it by a growth of timber, so that only slack water reaches them, the section may be somewhat reduced.

(E) BY-PASS.

The storage capacity of the several flood overflow basins up to the height reached by the water during the floods of 1907 and the flooded areas are approximately as follows:

| | Acre-feet. | Acres. |
|---|---|---|
| Colusa Basin | 880,000 | 93,000 |
| Butte Basin | 407,000 | 54,000 |
| Sutter Basin | 1,038,000 | 116,000 |
| Yolo Basin | 1,126,000 | 140,000 |
| American Basin | 571,000 | 70,000 |
| Total | 4,022,000 | ..... |

Assuming a mean discharge of the river of 600,000 cubic feet per second, of which the river below Sacramento would carry, in its present condition, 80,000 second-feet, and that the discharge through Cache Slough would increase during the time this mean flow of 600,000 second-feet continued from nothing to 250,000, giving, when this discharge had been reached, a flow past Rio Vista and through Georgiana Slough equal to the capacity of these channels, the basin capacity would be filled at the mean rate of 475,000 second-feet. At this rate it would take four and one-fourth days to fill the five basins mentioned.

With the river channel capacity increased to the extent contemplated by this project, and with the lands in the basins reclaimed, leaving only sufficient areas for by-passes, the storage capacity of these would be exhausted much sooner, while, as has been shown, a mean flow at the rate mentioned may be expected for a period of four days. Therefore, by-passes of capacity sufficient to carry continuously the volumes specified in Table 3 must be provided. The possible effect of storage in these by-passes will be shown later.

Below the mouth of Feather River there is no choice as to location, which will be down the trough of Yolo Basin to its outlet through Cache Slough.

For location of by-pass to carry the water from the upper weir, Colusa Basin offers the advantage that the water would not have to be taken across the river, but could be turned directly into Yolo Basin. This would reduce the required capacity of the Fremont Weir about one-half. The disadvantages, however, outweigh the advantage. With the most favorable high-water grade line for the Colusa Basin by-pass, a cut through the ridge south of Knights Landing 1½ miles long and 4,900 feet wide, with a maximum depth of 10 feet, would be required. This would involve the excavation of about 6,000,000 cubic yards of material, the cost of which would be almost twice as much as for that portion of the Fremont Weir required to pass an equivalent volume of water.

The area of land required for the Colusa by-pass would be nearly 4,000 acres in excess of that for the Sutter-Butte Basin by-pass. This excess acreage would be land lying on the Knights Landing Ridge, which is of much greater value per acre than that in the basin bottoms. In addition to this, the Colusa Basin by-pass would require the maintenance of about 18 miles more levee than the other and would require the raising of one railroad bridge and the construction of another, longer than that crossing the proposed Sutter Basin by-pass. It would also cross a greater number of highways. The advantages which the Sutter Basin by-pass has over one in Colusa Basin more than compensate for the increased cost of weir sill and superstructure.

The grade line of high-water surface in by-passes has, as far as practicable, been fixed so that the depths of water along the levees should not exceed 18 feet.

The width of channel between levees, as shown on the map, varies from 1,900 feet to 4,100 feet in Butte and Sutter Basin by-pass, increasing to 5,500 feet just above junction with Feather River, and from 7,500 feet to 12,000 feet in Yolo Basin.

Near the lower end of the Yolo Basin by-pass Cache Slough, through which the basin discharges its water into Sacramento River, increases in depth and cross section and becomes capable of carrying about 112,500 second-feet. It thus becomes possible to narrow the space between by-pass levees; but to carry the whole flow of 500,000 second-feet into the river, at the junction of Steamboat Slough and Old River, it would be necessary, as the levees approach each other, to increase the width of the deep channel (now averaging 45 feet deep below the adopted grade line) in the lower 3 miles of its course from its present width of about 500 feet to one of about 2,600 feet at its mouth. This would, however, involve more than 50,000,000 cubic yards of dredging. Some enlargement of Cache Slough at its lower end, as shown on map, even with by-pass outlet contracted only to the extent necessitated by the topography will be required.

The lines for the by-pass levees shown on map and the heights of water surface shown on profile are those required for the completed project. Construction to these lines need not necessarily be undertaken all at once, but may be made in connection with projects for reclaiming separate portions of the basins.

As planned and estimated for here, the levees would be constructed to a height of 6 feet in Yolo Basin and 5 feet in Sutter and Butte Basins above high-water mark, with 10 feet crest and side slopes of one vertical to three horizontal. This large section was assumed on account of the possible severe wave action and on account of the character of the material which in places will likely settle excessively.

It is planned to build the levees, as far as practicable, by dredging from a channel along the by-pass side of them, thus increasing the by-pass section and providing a good drainage canal for the lands within the by-pass. After the flood season has passed it should then be possible to use for agricultural purposes so much of the areas within the Yolo Basin by-pass as lie well above high-tide level, or, say, above elevation 10 feet; so much of Sutter Basin by-pass as lies above the water surface elevation of the Sacramento River at Fremont on, say, the 1st of June; and all of Butte Basin except Butte Slough and worthless land along the foot of Marysville Buttes. On the 1st of June, 1909, the water surface at Fremont was at elevation 26.8. In 1908 and 1910 it was much lower. This means that about 38,000 acres, or nearly 50 per cent of the total areas of the by-passes, would be available for agricultural use.

The area of land in each of the three basins that would be used for by-passes, including land occupied by levees, is approximately as follows:

| | Acres. |
|---|---|
| Yolo Basin | 56,545 |
| Sutter Basin | 13,970 |
| Butte Basin | 7,570 |
| | 78,085 |

And the capacities of these by-passes up to the allowed high-water mark would be for Yolo Basin, 765,000 acre-feet, and for Sutter and Butte Basins, 277,000 acre-feet.

With the river levees intact and the stop planks in place on overflow weirs a very moderate flood would fill the river channel to its capacity, and there would be a large flow into Sutter Basin by-pass at its lower end, filling it to the elevation of the crest of the Freemont Weir. This would greatly reduce the capacity of this by-pass for storage when an extreme flood occurs. Assuming, however, that the full by-pass storage capacity is available for receiving flood waters after the river channel has become filled and is carrying the estimated flow before a flood having a mean rate of 600,000 second-feet occurs, the following figures show the effect of the by-passes on the flow in the river below Cache Slough and the length of time which it will take the by-passes to fill.

First. With the river widened as planned but not deepened:

| | Second-feet. |
|---|---|
| Capacity of river below Rio Vista | 250,000 |
| Of this, Steamboat Slough and Old River contribute | 100,000 |
| Leaving for overflow from Yolo Basin through Cache Slough | 150,000 |

While this outflow of 150,000 second-feet is being attained the actual outflow will increase from 0 to 150,000 second-feet and the mean rate of outflow will be not far from 75,000 second-feet. The mean rate of flow into Yolo, Sutter, and Butte Basins will be (600,000—100,000) 500,000 second-feet. The rate at which by-pass storage will then be filled equals (500,000—75,000) 425,000 second-feet. At this rate the 1,042,000 acre-feet capacity will be filled in 1.2 days. When this point is reached the outflow from the basin would be at the rate of 150,000 second-feet and the rate of increase of storage would be (500,000—150,000) 350,000 second-feet.

The continuance of the flood at this rate for a longer time would, of course, raise the flood plane in Yolo Basin to a higher level than the assumed one, with consequent increase in capacity of about 1.8 hours flow per foot of height. Such an increase in height, resulting in increased slope on the lower river, would increase the discharge there, but at the expense of greater hazard to property on account of higher water and increased velocity.

Second. With the lower river increased in capacity to 600,000 second-feet it would carry off from Yolo Basin 500,000 second-feet. While this outflow is being attained the actual outflow will increase from 0 to 500,000 second-feet and the mean rate will be not far from 250,000 second-feet, and the rate at which by-pass storage will then be filled is (500,000—250,000) 250,000 second-feet. At this rate 1,042,000 acre-feet capacity will be filled in 2.1 days, after which the assumed rate of flow would cause no further increase in height.

(F) FEASIBILITY OF REDUCING FLOOD-CHANNEL DIMENSIONS BY STORAGE OF FLOOD WATER IN MOUNTAIN RESERVOIRS.

The United States Reclamation Service has made surveys of many reservoir sites in both the Sierras and the Coast Range. Advance sheets of the maps of several of these sites have been obtained by this office. The sites where the construction of reservoirs gave promise of some material relief to flood conditions in the valley were visited—those in the Coast Range by Capt. W. P. Stokey, Corps of Engineers, United States Army, and those in the Sierras by myself—to acquire information for use in making estimates of probable cost of such storage. In three instances surveys of dam sites were made, and in another the maps of surveys made for an electrical power development company were secured.

In the case of the Coast Range reservoirs, estimates of cost as favorable as possible to the project of utilizing them for flood control, compared with the saving which their use would make in reducing dimensions of by-passes, flood channels, and the several structures they will necessitate, show that it will not be economical to construct them for that purpose. Several of them will doubtless be used in the near future for storing water for irrigation and power development. A project is now on foot for utilizing Clear Lake for this purpose, and it calls for the use of so much water that the total flow into the lake will probably have to be stored to supply it. When carried out these works will have a slightly ameliorating effect on floods.

In the Sierras are three reservoir sites where either all or a very large part of the season's run-off from the tributary drainage areas may be stored at a cost per acre-foot less than at any of the Coast Range sites. None of these are in the region of greatest precipitation and most rapid run-off, but they are thought to be the most favorable for the purpose of any of the possible sites. Such large storage capacity as these reservoirs would afford would make it possible to store the water required for very extensive irrigation and power projects, and still leave room to hold all the run-off from the tributary area during a storm period such as that which caused the flood of 1907.

The following table gives data relative to the storage capacities of these reservoirs for two heights of dam in each case, also the effect which such storage would have in reducing the estimated necessary channel capacity:

TABLE 5.—*Reservoir data.*

| | Reservoirs. | | | | | |
|---|---|---|---|---|---|---|
| | Big Valley, Pitt River. | | Indian Valley, Indian Creek. | | Big Meadows, North Fork, Feather River. | |
| Height of dam above low-water surface of river.feet.. | 70 | 100 | 110 | 120 | 85 | 105 |
| Area of reservoir.....acres.. | 50,800 | 72,300 | 12,200 | 12,600 | 22,000 | 24,750 |
| Storage capacity...acre-feet.. | 1,200,000 | 3,100,000 | 450,000 | 600,000 | 450,000 | 865,000 |
| Tributary drainage area, square miles..... | 2,950 | | 810 | | 460 | |
| Total run-off during February and March, 1907, acre-feet..... | 659,000 | | 304,000 | | [1] 172,500 | |
| Total run-off during 4 days of greatest flow, March, 1907.....acre-feet.. | 195,000 | | 77,400 | | [1] 44,000 | |
| Mean flow during same 4-day period, cubic feet per second..... | 24,600 | | 9,750 | | [1] 5,520 | |

[1] These figures were obtained by using the run-off per square mile at Crescent Mills on Indian Creek. There was no gauging station on North Fork Feather River.

*Effect of storing this flood discharge in the reservoirs in diminishing the estimated required capacities of flood channels.*

| | Per cent. | Per cent. | Per cent. |
|---|---|---|---|
| Above Moulton Weir | 9.8 | ..... | ..... |
| Butte and Sutter Basin by-pass above Tisdale Weir. | 13.3 | ..... | ..... |
| Sutter Basin by-pass below Tisdale Weir | 11.2 | ..... | ..... |
| Yolo Basin by-pass | 5.1 | 2.0 | 1.1 |
| Below Cache Slough | 4.1 | 1.6 | .9 |
| Feather River: | | | |
| Above Marysville | ..... | 6.5 | 3.7 |
| Below Marysville | ..... | 3.9 | 2.2 |

It will be noticed that in each case the storage capacity of reservoir, with the lower dam, will be greatly in excess of the total run-off for the months of February and March, 1907. This capacity will be ample to completely control the flood flow from the drainage area above. In this connection it may be noted that the storage of the total run-off of Pitt River above the canyon at outlet of Big Valley for the months of February and March, 1907, would have provided water enough to increase the low-water flow 3,000 cubic feet per second for 100 days.

In the estimates on the cost of these storage reservoirs the ones depending on the lower dam are taken in each case. In the preceding table the height of dam above the low-water surface of the river is given, for the reason that the total height above a suitable foundation is not known, as will appear in the statements which follow.

Big Valley: The elevation of this valley is about 4,200 feet above sea level. Within the area which would be overflowed is the town of Bieber. Lookout, a smaller town, is located on ground which would not be overflowed by a reservoir formed by a dam of the height now being considered. The land is of very varying character. Some portions near the river and tributary creek channels are rich agricultural lands. Other portions have an adobe soil, which in many places very thinly overlies the bedrock. From the number of vacant buildings and apparently abandoned ranches, these lands can not have been very productive. Railway lines projected through the valley, surveys for which are now being made, will increase the land values over those given in the following estimate.

The rock formation of the canyon where the several possible dam sites are located is of lava, varying in character from hard basalt or block lava, ranging in specific gravity from 2.65 to 2.80, to tufa, having a specific gravity of 2.1 or less and an absorption of 7½ per cent. Indications are favorable for a quarry producing rock suitable for concrete. The question of the suitability of the foundation for a dam 70 feet in height can be determined only after extensive test pits and core-drill holes have been sunk.

The estimated cost of dam is based on a gravity section having a maximum height of 90 feet. Rock capable of bearing the pressure may be found at a less depth than 20 feet, but the uncertainty as to the necessity of going to a great depth with a cut-off wall does not justify a decreased estimate of cost.

*Estimate of cost, Big Valley Reservoir.*

| | | | |
|---|---|---|---|
| Land: | | | |
| 10,000 acres, at $100 | | $1,000,000 | |
| 8,000 acres, at $50 | | 400,000 | |
| 10,000 acres, at $20 | | 200,000 | |
| 26,400 acres, at $5 | | 132,000 | |
| | | | $1,732,000 |
| Ranch buildings | | | 130,000 |
| Town of Bieber, buildings and capitalization of income from destroyed businesses | | | 400,000 |
| Dam: | | | |
| 26,000 cubic yards excavation, at $1 | | $26,000 | |
| 58,400 cubic yards concrete, at $12 (present freight rate on cement from San Francisco to Bieber is $24.75 per ton) | | 700,800 | |
| | | | 726,800 |
| Total | | | 2,988,800 |

This cost of the reservoir is believed to be under rather then over estimated. The lessening in cost of works for controlling floods, under the project here proposed, which this reservoir would effect is (referring to Table No. 5) approximately as follows:

| | | | |
|---|---|---|---|
| Lands: | | | |
| 13.3 per cent of 11,560 acres | 1,540 | | |
| 11.2 per cent of 9,190 acres | 1,028 | | |
| 5.1 per cent of 56,545 acres | 2,882 | | |
| 5.5 per cent (the flow intercepted by the reservoir is 4.1 per cent of maximum below Cache Slough, but it would effect a diminution of 5.5 per cent of the required increase in dimensions of channel) of 2,989 acres | 164 | | |
| Total | 5,614, at $25 | | $140,350 |
| Excavation: | | | |
| 5.5 per cent (the flow intercepted by the reservoir is 4.1 per cent of maximum below Cache Slough, but it would effect a diminution of 5.5 per cent of the required increase in dimensions of channel) of 144,452,000 cubic yards (7,950,000 cubic yards), at 5 cents | | | 397,500 |
| Structures: | | | |
| 13.3 per cent of cost of Moulton Weir | | | 37,800 |
| 5.1 per cent of cost of Fremont Weir | | | 54,800 |
| 5 per cent (5 per cent is approximate means of reduction in cost of bridges over the by-pass channels) of cost of bridges over by-pass chanels | | | 98,700 |
| | | | 729,150 |

This estimate of the amount that cost of flood-control works would be lessened by reason of the great storage capacity of Big Valley Reservoir is less than 25 per cent of the estimated cost of the reservoir.

Indian Valley: The elevation of this valley is about 3,500 feet above sea level. Within the area which would be overflowed are the small towns of Cresent Mills and Taylorsville. The reservoir would extend close to the limits of the considerably larger town of Greenville. The mine of the Crescent Mills Mining Co. has been closed down for several years awaiting cheaper power for pumping out its flooded workings. The filling of the reservoir would probably result in the impracticability of ever pumping out the mine. The valley is composed largely of good agricultural land now devoted quite extensively to dairying. The recent completion of the Western Pacific Railway has added to the value of the land.

The outcropping rock at the only feasible dam site on Indian Creek seems to be a hard, massive dioryte, but there is so great an accumulation of fragmentary rock, bowlder, and soil that the depth to a safe foundation is unknown. The estimated cost of dam is based on a gravity section having a maximum height of 130 feet, as the conformation of the sides of the canyon and the banks of the creek do not indicate bedrock within less than 20 feet of the low-water surface of the creek. Quite possibly it is much cheaper.

*Estimate of cost, Indian Valley Reservoir.*

| | | |
|---|---|---|
| Land: 12,600 acres, at $50 | | $630,000 |
| Buildings in towns of Crescent Mills and Taylorsville and on ranches; and capitalization of incomes from destroyed businesses | | 630,000 |
| Mining property | | 100,000 |
| Dam: | | |
| 28,000 cubic yards excavation, at 75 cents | $21,000 | |
| 105,600 cubic yards concrete (freight rate on cement from San Francisco to Crescent Mills is $13 per ton), at $9.50 | 1,003,200 | |
| | | 1,024,200 |
| Total | | 2,384,200 |

As the flood discharge which this reservoir would intercept is only about 40 per cent of that which Big Valley would intercept, while the cost of this reservoir is 80 per cent of the other, it is evident without further consideration that no saving in the cost of the project would result from the construction of this reservoir.

Big Meadows: The elevation of Big Meadows is about 4,400 feet above sea level. A large portion of the reservoir site, including the dam site, is owned by the Great Western Power Co. The rock formation at the dam sites is practically the same as that at the Big Valley dam sites. Diamond drill holes show lava, varying in density and hardness from that of basalt to that of tufa for a depth of 100 feet or more. A dam here will evidently be very expensive. The power company is now making more thorough investigation as to the character of the foundation.

Considering the facts that the flood discharge from Big Meadows was only about one-fourth, while the acreage required for a reservoir is about one-half as much as that for Big Valley; and that the present owners of the controlling interest in the lands will evidently use the site for a reservoir in connection with its power-development plants; it would be neither economical nor practicable for either the Federal or State Governments to construct a reservoir here for flood-controlling purposes.

As the storage of water for power purposes would result in increased summer flow with consequent benefit to navigation at low-water season, and would also relieve the flood situation to the extent already pointed out, some arrangement might be possible by which the construction of the reservoir could be reimbursed for a part of the expense, provided the reservoir was so operated as to give a maximum benefit both to low water and to flood conditions.

A similar statement might be made concerning the use of Big Valley by either a private corporation or by the United States Reclamation Service.

(G) TRIBUTARIES.

Flood waters of all the tributary streams can be carried between levees raised to heights conforming with those adopted for the Sacramento with radical changes of alignment or location in a few places only. Each of the principal streams will be considered separately. With the levee system modified as here specified it will be a matter of equal importance that the space between them, or the specified portion of this space, be kept cleared of trees and brush which naturally grow in great luxuriance.

American River: Adopted high-water plane at mouth is at elevation 35. The assumed high-water slope is 1.7 feet per mile from the mouth for 8½ miles, or to elevation 49, then a slope of 2.64 feet per mile for 2.7 miles, or to elevation 55. At this point, 10.95 miles above the mouth, the high-water elevation is within the trough of the river's valley and marks the end of the south levee. The north levee strikes high ground 8½ miles above the mouth. The grades adopted by the city of Sacramento for top of levees at Twenty-third Street and at Elvas are 3 feet above the high-water plane here described. The grade of the Southern Pacific Railway track from Elvas nearly to Perkins is well above this plane. To pass the 120,000 second-feet assumed flood discharge requires that at and near the mouth the levees be not closer together than 2,000 feet and that this space be kept cleared. Approximately this same width should be kept clear for several miles up the river. A considerable portion of this area is now under cultivation. Waters recede from it rapidly after a flood. Reclamation projects now being carried on will doubtless necessitate very material changes in the lines for levees from those shown on accompanying maps.

Feather River: The tentatively adopted high-water planes for this river are as follows:

| | High-water elevation (feet). | Distance (miles). | Mean slope per mile (adjustments necessary). |
|---|---|---|---|
| Mouth | 40.0 | 25.0 | 1.06 |
| Cross section No. 3, 1 mile below Eliza Bend | 66.5 | 4.7 | 1.9 |
| Yuba City Bridge | 75.5 | 24.9 | |
| 1 mile below head of Butte County Canal | 128.0 | 8.9 | 2.1 |

These high-water elevations and slopes require changes in the levee systems below the mouth of Bear River, substantially as shown on accompanying maps. It also involves a change in location of about 5 miles of the Knights Landing branch of the Southern Pacific Railway, which would then occupy the crest of the levee for most of that distance.

There is an extensive area east of the Feather River between the Bear and Yuba Rivers, in which are large lakes and swamp lands and of which we have not sufficient data to determine even approximately the proper locations of levees. This will not affect flood conditions on the Sacramento materially, and with provision made for carrying the Feather, Bear, and Yuba River waters to an outlet, there will be no serious problems involved in the reclamation of this area.

The assumed high-water elevation for the junction of the Yuba and Feather Rivers is but one-half foot higher than that of the actual high water of January, 1909.

Above Marysville it is proposed to raise and strengthen the levees on the east side of the Feather to the mouth of Honcut Creek; thence up the south side of that creek to high ground. The west side levee will need be extended to and across Hamilton Slough, through which flood waters now escape from Feather River to Butte Basin. It is understood that arrangements have been made by a gold-dredging company to construct that part of this levee crossing the head of Hamilton Slough.

Bear River: At mouth of Bear River the assumed high-water plane is at elevation 53 and rises on a slope of 1.06 feet per mile for 7 miles, at which distance the top of levees, 3 feet above this water plane, will strike surface of ground.

Yuba River: The high-water plane at D Street Bridge, Marysville, has been assumed at elevation 75.5 (height of 25 feet on gauge at that point), rising on a mean slope of 5 feet per mile for 10 miles. Levees along existing lines, strengthened and raised in some places on south side to make them safe for this height of water, will confine the floods between them, with provision made for keeping a width of 2,000 feet clear of obstructions.

The training walls now being constructed under direction of the California Débris Commission downstream from Daguerre Point Cut will confine the river to a width of 2,000 feet, but it is impracticable to extend them, at this distance apart, to Marysville, as the only available material for building the levees will not stand the action of the current which such confinement of flood on this steep slope would produce. The flood waters should, however, be confined as far as possible to a single channel by clearing a strip of river bottom. This would induce scour, with resulting increase of channel capacity.

Chico Creek and Stony Creek: These creeks enter the Sacramento at the upper limit of necessary regulating works. Levees along the south bank of each are proposed for a distance of about 2½ miles. High-water plane at mouth of Chico Creek is at elevation 142, and at mouth of Stony Creek it is at elevation 134.

Of the streams which do not enter the Sacramento directly, but flow into the flood basin, those entering the American Basin, it is assumed, will be taken care of by land reclamation companies now organized, by diverting them into American or Bear Rivers, or both. Those of considerable size entering Butte and Yolo Basins will need be leveed on each side, connecting with the by-pass levees. Smaller streams entering these basins and all those entering Colusa Basin will be considered under the head of intercepting canals and basin drainage.

(H) DRAINAGE OF BASINS AND INTERCEPTING CANALS.

Besides the streams already described, which at normal stages discharge their waters into the Sacramento River and which upon the execution of a flood-control project will do so at all stages, there are several smaller streams that empty into the flood basins. The principal ones of these, viz, Dry Creek and Butte Creek, discharging into Butte Basin; and Cache, Putah, and Willow Creeks, discharging into Yolo Basin, will be carried directly into the by-passes; and levees connecting with those of the by-passes will be built along their banks to points where the adjoining land is above the flood plane.

There will still remain considerable areas the run-off from which will accumulate in the lower parts of the basins and in the pockets formed by the junction of main by-pass and branch creek levees. These areas are:

496 square miles tributary to Butte Basin.
382 square miles tributary to Sutter Basin.
612 square miles tributary to Yolo Basin.
1,700 square miles tributary to Colusa Basin.

In the case of Butte, Sutter, and Yolo Basins gates will be provided by means of which, after the passage of the floods, the accumulated water may be drained into the by-passes, leaving the more complete reclamation of the land, necessitating the installation of pumping plants, to the proper owners. The run-off from about 250 square miles of the area tributary to Yolo Basin may be carried in an intercepting canal to a gravity outlet either in the Sacramento River above Rio Vista or through the Denverton Saddle to Denverton Slough and Suisun Bay.

The drainage of Colusa Basin presents greater difficulties. Using the recorded run-off from the adjacent and near-by drainage areas of Stony and Putah Creeks as a guide (the flow of Cache Creek is regulated to a large extent by the reservoir action of Clear Lake), the run-off into Colusa Basin during the flood of March, 1907, must have been approximately as follows:

Maximum daily run-off, 40 second-feet per square mile; greatest 4-day mean run-off, 22 second-feet per square mile; mean run-off for February and March, 5 second-feet per square mile.

With these rates of flow, the greatest 4-day mean daily run-off from the 1,700 square miles area would alone amount to 299,000 acre-feet, or the capacity of the basin up to about the 33-foot contour; but the mean run-off for the 45 days of February and March preceding the 4-day period of greatest flow would amount to about 575,000 acre-feet. Therefore, at the end of the 4-day period the run-off into the basin would have amounted to 874,000 acre-feet, or the capacity of the basin up to the 40-foot contour. The proposed high-water plane of the river at Knights Landing, where Sycamore Slough, the natural outlet of Colusa Basin, enters the river is at elevation 44.5 feet. During the summer of 1909 the river at this point did not drop to an elevation of 30 feet until the 12th of June. The drainage of the basin into the river would therefore be impracticable until late in the season. The only solution of the difficulty is a canal through the Knights Landing Ridge.

It is proposed to cut off Sycamore Slough from the river and to excavate a drainage canal following Cache Creek Slough from its junction with Sycamore Slough to the south about one-half mile, thence cutting directly across the ridge and following the lowest ground to the Yolo Basin by-pass. Such a canal would have a free outlet in the Yolo Basin by-pass, except when there is a considerable flow over the Fremont Weir. The flood plane of this by-pass at the point where the drainage canal would reach it is at elevation 34.5. It would, however, be at this elevation for a few days only. The canal would be about 7 miles long.

With the water in Colusa Basin up to the 30-foot contour and that in the Yolo by-pass at elevation 25, the hydraulic grade line of the canal would have a slope of 0.67 foot per mile. Excavated to a depth of 15 feet below this grade line, with a bottom width of 300 feet and side slopes of 1 to 1, it would have a capacity of 16,300 second-feet.

To keep the water surface in the trough of the basin at as low an elevation as a canal of these dimensions would make possible, Sycamore Slough would probably need be enlarged for about 2½ miles above the head of the canal. The canal would then take care of a uniformly distributed run-off of 5 second-feet per square mile of the drainage area without permitting the rise of water in the basin above the 28-foot contour so long as there was a free outlet into Yolo Basin by-pass.

But with the basin filled to the 28-foot contour, the occurrence of a discharge into it of 22 second-feet per square mile of drainage area for four days, at a time when the Yolo by-pass would be running

full, or to such height as to shut off outflow from the basin, would cause a further rise of water surface of about 6 feet, and the total volume of water impounded would be about 375,000 acre-feet. The drainage canal of dimensions given would, after the subsidence of the water in by-pass, lower the water to the 28-foot contour in about nine days and draw it practically all off in about nine days more.

In the more complete reclamation of Colusa Basin by property owners the inclosing of a considerable part of the lowest land by levees, say that within the 28-foot contour, would result in much less accumulation of water and much more rapid drainage of the other portions.

To construct the canal will require the excavation of about 6,700,000 cubic yards of material. The maximum depth of cut will be 25 feet, with 1 mile averaging 20 feet in depth and 6 miles averaging 15 feet in depth.

It would be possible to construct an intercepting canal carrying the discharge from 1,400 of the 1,700 square miles tributary to the basin and discharging into the Yolo Basin by-pass at flood stage through a cut across the Knights Landing Ridge, with a maximum depth of 8 feet. The total length of the canal would be 63 miles. To carry the peak discharge in a section largely above the natural surface of the ground would involve the temporary flooding of a very large area of land well above the flood plane of the basin and to construct a canal of such capacity with only 20 per cent of its section in excavation would involve the excavation of 30,000,000 cubic yards. Any materially less capacity (such as that of the mean flow for two months) would require the spilling of such a quantity of water into the trough of the basin that the flood height reached there would not be reduced below that which we have seen might exist with a drainage canal as described. During normal winters such an intercepting canal would prevent any of the run-off from 1,400 square miles from reaching the trough of the basin, but the expense makes it impracticable.

(I) BRIDGES.

The execution of a flood-control project along the lines outlined above will necessitate the construction of a few bridges and the reconstruction of several others. These are as follows:

First. Southern Pacific Railway bridge across Yolo Basin, between Sacramento and Davis. The aggregate length of existing trestles in the Yolo Basin crossing is 7,550 feet. The double-tracking of the road is now in progress. The estimate of cost of a bridge across the by-pass is for a double-track structure 9,500 feet long, with an 80-foot clear opening draw span at either end. Bottom chords of spans are to clear the assumed high-water elevation by 3 feet, which will involve raising tracks 12 feet above their present elevation and providing 3,000 feet of run-off at each end.

Second. Southern Pacific Railway bridge across Sutter Basin. Existing trestle is 11,153 feet long. The estimated cost of reconstructing this bridge is for a single-track structure 3,400 feet long, with an 80-foot clear opening draw span at either end. Bottom chords of spans are to clear high-water plane by 3 feet, which will involve raising track 9 feet above its present elevation and raising the trestle approaches at either end to provide the necessary run-off.

Third. Southern Pacific Railway and highway bridge across Sacramento River at Knights Landing. This will have to be raised 7 feet, involving the raising of embankment approaches and incidentally raising sidings and buildings.

Fourth. Southern Pacific Railway bridge across Feather River between Marysville and Yuba City. This will have to be raised 6 feet and run-offs back of levees constructed at either end.

Fifth. Southern Pacific Railway bridge across Feather River, 1½ miles above preceding bridge. Measured along the railway track the distance between levees is here 11,000 feet. Besides the bridge across the river proper there is a long trestle approach and a second trestle across Simmerly Slough. On this main line the maximum grades are lighter than on the Knights Landing branch, on which are the three preceding bridges. Consequently the necessary length of run-off resulting from raising the track 6 feet between levees is greater than in those cases and involves several street changes in Marysville. This change of grade through Marysville has, however, already been practically effected by raising of tracks necessitated by increased height of the Marysville levee system. It is quite possible that one new bridge could be constructed to take the place of this and the preceding one at a decreased total expense, but this would involve so many features of uncertain cost that it has not been thought best to consider such a change in the estimates.

Sixth. Southern Pacific Railway bridge on Knights Landing branch, across the Colusa Basin drainage canal. This bridge will need be 375 feet long. The grade of the railway will need be raised 4 feet.

Seventh. Highway bridge near upper end of Grand Island. This will need be raised 3 feet.

Eighth. Highway bridge at Colusa. The bottom chord of this bridge is now 2 feet above the adopted high-water plane.

Ninth. Highway bridge at Butte City. This bridge will need be raised 7 feet.

Tenth and eleventh. Highway bridges across Sutter-Butte Basin by-pass. There are at present two timber trestles crossing Butte Slough (with truss spans over the channels), which will be made a part of the by-pass. These are on parallel roads about 3 miles apart. These will have to be reconstructed to an elevation about 6 feet higher than at present.

Twelfth. New highway bridge across Colusa Basin drainage canal, 375 feet long and 20 feet high.

In addition to the roads on which bridges have beeen enumerated above, there are roads crossing Sutter Basin which are used only during the late summer season after the flood water has drained off. No provision is made here for permanent structures crossing the by-passes at these places.

ESTIMATES.

Estimates of quantities and of cost of the several features of this project are taken up in the same order as were those features in the preceding description.

(A) ENLARGEMENT OF RIVER CHANNEL BELOW MOUTH OF CACHE SLOUGH.

| | | | |
|---|---|---|---|
| Land: | Acres. | | |
| For increased channel section | 2,989 | | |
| For new levees and enlargement of existing ones | 200 | | |
| Total | | 3,189, at $100 | $318,900.00 |
| Earthwork: | | | |
| Enlargement of existing and construction of new levees, 4,083,000 cubic yards, at 10 cents | | | $408,300.00 |
| Channel excavation in excess of material required for levees, 144,452,000 cubic yards, at 6 cents | | | 8,667,120.00 |
| | | | 9,394,320.00 |

(B) CONSTRUCTION OF WEIRS.

| | | | |
|---|---|---|---|
| Weirs: | | | |
| Moulton Weir, 2,840 linear feet, at $100 | | | $284,000.00 |
| Tisdale Weir (reconstruction), 1,140 linear feet, at $80 | | | 91,200.00 |
| Fremont Weir, 8,000 linear feet, at $125 | | $1,000,000 | |
| Fremont Weir excavation— | | | |
| Removal of levee, 139,000 cubic yards, at 20 cents | | 27,800 | |
| Material above sill of weir, 231,000 cubic yards, at 20 cents | | 46,200 | |
| | | | 1,074,000.00 |
| Sacramento Weir, 1,667 linear feet, at $100 | | 166,700 | |
| Sacramento Weir excavation: Removal of levee, 8,300 cubic yards, at 20 cents | | 1,660 | |
| | | | 168,360.00 |
| | | | 1,617,560.00 |

(C) RECTIFICATION AND ENLARGEMENT OF RIVER CHANNELS.

| | | | |
|---|---|---|---|
| Lands: | Acres. | | |
| Steamboat Slough, for channel enlargement | 198 | | |
| Between head of Steamboat Slough and mouth of Feather River | 30 | | |
| Cut-off channel, cutting out Grays and Woods Bends | 46 | | |
| 3 cut-offs between Knights Landing and Cranmore | 78 | | |
| Total | | 352, at $200 | $70,400.00 |
| Earthwork: | | | |
| Excavation of cut-off (Grays and Woods Bends), 586,000 cubic yards, at 12½ cents | | | 73,250.00 |
| Excavation of 3 cut-offs between Knights Landing and Cranmore, 945,000 cubic yards, at 12½ cents | | | 118,125.00 |
| Clearing land for flood channel, 2,800 acres, at $25 | | | 57,500.00 |
| | | | 319,275.00 |

(b) THE SACRAMENTO RIVER LEVEES.

| | | | |
|---|---|---|---|
| Land: | Acres. | | |
| Steamboat Slough, for levee enlargement | 9 | | |
| Old River | 13 | | |
| Between head of Steamboat Slough and mouth of Feather River, for enlargement of old and construction of new levees | 338 | | |
| Between mouths of Feather River and Chico Creek, including borrow ditches | 2,950 | | |
| Total | | 3,310, at $100 | $331,000.00 |
| Earthwork: | Cubic yards. | | |
| Steamboat Slough, enlargement existing and construction of new levees | 1,061,000 | | |
| Old River, enlargement of existing levees | 288,000 | | |
| Between head of Steamboat Slough and mouth of Feather River, enlargement of existing and construction of new levees | 5,738,000 | | |
| Total | | 7,087,000, at 10 cents | 708,700.00 |
| Between mouths of Feather River and Stony Creek, enlargement of existing and construction of new leveees, 22,756,000 cubic yards, at 15 cents | | | 3,413,400.00 |
| | | | 4,453,100.00 |

(e) BY-PASSES.

| | | | |
|---|---|---|---|
| Land: | Acres. | | |
| Yolo Basin | 56,545 | | |
| Sutter Basin | 13,970 | | |
| Butte Basin | 7,570 | | |
| Sacramento Weir by-pass | 340 | | |
| Tisdale Weir by-pass | 230 | | |
| Total | | 78,655, at $25 | $1,966,375.00 |
| Clearing land along Butte Slough, between Butte and Sutter Basins, 2,900 acres, at $25 | | | 72,500.00 |
| Earthwork: | Cubic yards. | | |
| Yolo Basin levees | 21,147,000 | | |
| Sutter Basin levees | 22,606,000 | | |
| Butte Basin levees | 5,760,000 | | |
| Sacramento Weir by-pass levees | 523,000 | | |
| Tisdale Weir by-pass levees | 1,122,000 | | |
| Total levees | | 51,158,000, at 6 cents | 3,069,480.00 |
| | | | 5,108,355.00 |

(f) RESERVOIRS.

Not made a part of project.

(g) TRIBUTARIES.

| | | | |
|---|---|---|---|
| Land: | Acres. | | |
| For flood channel on lower Feather River | 1,721 | | |
| For levees and borrow pits on— | | | |
| American River | 328 | | |
| Feather River and Honcut Creek | 1,463 | | |
| Bear River | 222 | | |
| Yuba River | 84 | | |
| Chico Creek | 27 | | |
| Stony Creek | 26 | | |
| Dry and Butte Creeks | 597 | | |
| Area within levees (Cache Creek, Willow Slough, Putah Creek) | 752 | | |
| Total | 5,220, | at $50 | $261,000.00 |
| Clearing lands in river bottoms, 12,000 acres, at $25 | | | 300,000.00 |
| Earthwork: | | | |
| Levees on— | Cubic yards. | | |
| American River | 1,693,500 | | |
| Feather River and Honcut Creek | 13,065,000 | | |
| Bear River, including connection with Feather River to northwest | 1,751,000 | | |
| Yuba River | 526,000 | | |
| Chico Creek | 216,000 | | |
| Stony Creek | 59,000 | | |
| Dry and Butte Creeks | 2,724,000 | | |
| Cache Creek | 539,000 | | |
| Willow Slough | 1,352,000 | | |
| Putah Creek | 647,000 | | |
| Total | 22,572,500, | at 15 cents | $3,385,875.00 |
| | | | 3,946,875.00 |

(H) COLUSA BASIN DRAINAGE CANAL.

| | |
|---|---|
| Land, 630 acres, at $150 | $94,500.00 |
| Earthwork, 6,700,000 cubic yards excavation, at 12½ cents | 837,500.00 |
| | 932,000.00 |

(I) BRIDGE.

| | | |
|---|---|---|
| Double-track railway bridge across Yolo Basin by-pass | | $1,588,775.00 |
| Single-track railway bridge across Sutter Basin by-pass | | 368,321.00 |
| Raising railway bridge across Sacramento River at Knights Landing | | 120,653.00 |
| Raising railway bridge across Feather River between Marysville and Yuba City | | 69,692.00 |
| Raising railway bridge across Feather River 1½ miles above preceding | | 140,000.00 |
| Single-track railway bridge across Colusa Basin drainage canal near Knights Landing | | 53,000.00 |
| Raising highway bridges at upper end of Grand Island, Colusa, and Butte City | | 30,000.00 |
| Raising two highway bridges across Butte Slough | | 15,000.00 |
| Highway bridge across Colusa Basin drainage canal | | 7,500.00 |
| | | 2,392,941.00 |
| Less portions of cost of bridges over by-passes properly chargeable to railway companies, viz: | | |
| 65 per cent of cost of Yolo by-pass bridge | $1,032,703.75 | |
| 50 per cent of cost of Sutter by-pass bridge | 184,160.50 | |
| | | 1,216,864.25 |
| | | 1,176,076.75 |

SUMMARY.

| | | |
|---|---|---|
| (a) | Enlargement of river channel below Cache Slough | $9,394,320.00 |
| (b) | Construction of weir | 1,617,560.00 |
| (c) | Rectification and enlargement of river channels | 319,275.00 |
| (d) | Sacramento River levees | 4,453,100.00 |
| (e) | By-passes | 5,108,355.00 |
| (g) | Tributaries | 3,946,875.00 |
| (h) | Colusa Basin drainage canal | 932,000.00 |
| (i) | Bridges | 1,176,076.75 |
| | | 26,947,561.75 |
| Add 15 per cent for contingencies and administration | | 4,042,134.26 |
| Total | | 30,989,696.01 |
| Less appropriations made by United States and State of California, the project for the expenditure of which may be made a part of this larger project | | 800,000.00 |
| | | 30,189,696.01 |

Respectfully submitted,

H. H. WADSWORTH,
*Assistant Engineer.*

Capt. THOS. H. JACKSON,
*Corps of Engineers, United States Army,*
*Secretary California Débris Commission.*

EXHIBIT E.

REPORT CALIFORNIA DÉBRIS COMMISSION, 1913 (MODIFICATION OF MAJOR PROJECT).

[House Committee on Rivers and Harbors Document No. 5, Sixty-third Congress, first session.]

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
*Washington, July 17, 1913.*

SIR: 1. Referring to your letter dated December 6, 1912, inclosing a resolution of the Committee on Rivers and Harbors of the House of Representatives of December 2, 1912, requesting the Board of Engineers for Rivers and Harbors to examine and review its report of December 27, 1910, upon the navigation and flood control of the Sacramento and San Joaquin River systems, California, printed in House Document No. 81, Sixty-second Congress, first session, and to report its subsequent information and conclusions thereon, I have to inclose herewith a copy of the report of the board, dated June 17, 1913, in response thereto, accompanied by a copy of a report by the California Débris Commission, dated February 8, 1913, submitted at the request of the board.

2. The commission adheres in general to its original project, but submits a modified plan for the work to be done jointly by the United States and the State of California, at a total estimated cost of $12,517,008, of which it considers $800,000 has already been appropriated by the United States and the State of California, leaving $11,717,008 required for completion of the project. Under the plan of cooperation proposed, one-half of this sum, or $5,858,504, would still remain to be furnished by the General Government. The board reports that if Congress desires to participate in this work the plan of cooperation now proposed is equitable and advantageous to the United States, and recommends its adoption, at an estimated cost of $5,860,000, on condition that the State of California contribute a like sum. I concur with the views of the board.

Very respectfully,

W. H. BIXBY,
*Chief of Engineers, United States Army.*

Hon. S. M. SPARKMAN,
*Chairman Committee on Rivers and Harbors,*
*United States House of Representatives.*

—

WAR DEPARTMENT,
BOARD OF ENGINEERS FOR RIVERS AND HARBORS,
*Washington, D. C., June 17, 1913.*

From: The senior member Board of Engineers for Rivers and Harbors.
To: The Chief of Engineers, United States Army, Washington, D. C.
Subject: Sacramento River, Cal.

1. This report is submitted in compliance with the following resolution:

"*Resolved by the Committee on Rivers and Harbors of the House of Representatives, United States*, That the Board of Engineers for Rivers and Harbors created under section 3 of the river and harbor act approved June 13, 1902, be, and it is hereby, requested to examine and review its report of December 27, 1910, upon the navigation and flood control of the Sacramento and San Joaquin River systems, California, printed in House Document No. 81, Sixty-second Congress, first session, and to report its subsequent information and conclusions thereon."

2. In its former report on this matter, printed in House Document No. 81, to which attention is invited, the board called attention to the law under which the California Débris Commission submitted its report and reviewed briefly the project prepared by the commission for the control of floods, and expressed the opinion that the plan proposed was well adapted to accomplish the object intended, but that other projects had been reported upon purely for the improvement of navigation which were more economical, and that the larger plan was not, therefore, necessary in the interests of navigation.

3. The resolution was referred to the California Débris Commission, and the commission has made a supplemental report, which is transmitted herewith. While considerable changes have taken place in the Sacramento Valley since the commission's former report, these have not been of such a nature as to require any material change in the technical features of the plan of flood control proposed by the commission in its original report. Minor changes of detail in the execution of the work will adapt the plan to the present conditions. By act of the legislature approved December 24, 1911, the State of California has adopted the commission's plan for control of floods in the Sacramento River and its tributaries, and it has organized a State reclamation board with ample power to require conformity to this plan in future reclamation work.

4. There has been extensive development along the valley, as evidenced by the building of railway lines and the formation of reclamation districts. Much work that was included in the original plan for flood control has already been done by local interests. In view of the present situation, the commission is of the opinion that the following conclusions may be properly drawn:

"(1) That the land should and will stand a larger share in the total cost of the project than was originally proposed.

"(2) That private capital may be depended upon to carry out certain elements of the project under a general supervision only as to the location and capacity of the river and overflow channels to be provided.

"(3) That the rate at which reclamation has proceeded in the last three years and the fact that such reclamation work is being designed and laid out to conform to the flood heights and general lines of the plan proposed by the commission, renders extremely urgent the work of increasing the channel capacity of the Sacramento River below the mouth of Cache Slough."

5. The commission's original recommendations were as follows:

"First. That the United States begin at once the work for the control of the floods of the Sacramento River in accordance with the above project and provide for its early completion.

"Second. That the United States contribute one-third of the cost of the work and the State of California contribute the remaining two-thirds.

"Third. That upon its completion the United States turn over to the State of California for maintenance all flood-control works."

6. The commission now recommends:

"First. That the United States begin at once the work for the control of floods, removal of débris, and improvement of navigation in the Sacramento River in accordance with the commission's report submitted August 10, 1910, and printed in House Document No. 81, Sixty-second Congress, first session, in so far as the same provides for the rectifica-

tion and enlargement of river channels and the construction of weirs, and provide for the early completion of these features of the plan.

"Second. That the United States contribute one-half of the cost of the work indicated in the first recommendation and the State of California contribute a like amount.

"Third. That all land required for the work indicated be turned over free of cost to the United States.

"Fourth. That upon its completion the United States turn over to the State of California for maintenance all flood-control works."

7. The estimate for the work in which the commission recommends that the United States should participate on a 50 per cent basis is as follows:

| | |
|---|---|
| (a) Enlargement of river channel below mouth of Cache Slough | $9,075,420 |
| (b) Weirs | 1,617,560 |
| (c) Rectification and enlargement of river channels | 191,375 |
| | 10,884,355 |
| Add 15 per cent for contingencies and administration | 1,632,653 |
| | 12,517,008 |
| Less amount appropriated by the United States and the State of California under existing project | 800,000 |
| | 11,717,008 |
| Share each of United States and State of California | 5,858,504 |

8. As the commission originally recommended an expenditure by the United States of $11,000,000, it will be noted that the division of cost now proposed reduces the amount to be appropriated by the United States by about $5,000,000. No estimate for maintenance is given, as all of the works covered by the estimate are flood-control works, and as such are to be maintained by the State of California after their completion.

9. The board has again very carefully considered this entire subject, and on May 26, 1913, held a hearing at which were present Hon. Julius Kahn, Hon. T. F. Curry, Hon. William Kent, Hon. J. E. Raker, and Hon. E. A. Hayes, Members of Congress, Mr. A. L. Shinn, and Mr. F. Freeman, who argued in favor of the improvement, laying stress, among other things, on the obligation of the Government to remedy conditions which it was claimed had largely resulted from the vailure on the part of the United States to prevent hydraulic mining operations in the early days.

10. The subject matter covered by this report seems to be a special one pertaining wholly to the duties of the California Débris Commission as expressed in the organic act creating it, the commission stating that flood control was a distinct subject committed to its care, and that Congress has recognized the necessity for flood control in the Sacramento River work by an appropriation of $400,000 in the act of June 25, 1910. In this connection it seems proper to call attention to the growing demands on the part of the public for participation by the United States in works of flood control where these can be properly coordinated with the improvement necessary for commerce and navigation. In the case under consideration the execution of the plan proposed would greatly increase the productiveness and prosperity of the adjacent country and lead to a large increase of commerce on the Sacramento River and its tributaries. The board therefore reports that, if Congress desires to participate in this work, the plan of cooperation now proposed is equitable and advantageous to the United States, and recommends its adoption at an estimated cost of $5,860,000, on condition that the State of California contribute a like sum.

11. In compliance with law, the board reports that except as contemplated by the above recommendations there are no questions of terminal facilities, water power, or other subjects so related to the project proposed that they may be coordinated therewith to lessen the cost and compensate the Government for expenditures made in the interests of navigation.

For the board:

W. M. BLACK,
*Colonel, Corps of Engineers, Senior Member of the Board.*

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WAR DEPARTMENT,
UNITED STATES ENGINEER OFFICE,
*San Francisco, Cal., February 8, 1913.*

From: California Débris Commission.
To: The Chief of Engineers, United States Army, Washington, D. C.
Subject: Subsequent information bearing upon report of Board of Engineers of December 27, 1910, upon the navigation and flood control of the Sacramento River and San Joaquin River systems.

1. In compliance with the third indorsement, office of the Chief of Engineers, dated December 28, 1912, Engineer Department file No. 16121/462, the California Débris Commission submits the following report upon the present conditions in the Sacramento and adjacent San Joaquin Valleys and their relation to the plan of the commission, printed in House Document No. 81, Sixty-second Congress, first session, and the report of the Board of Engineers for Rivers and Harbors thereon.

2. Upon receipt of the instructions above referred to, notice was sent to all parties known to be interested in the matter and published in the local papers, requesting all such parties to submit to the commission their views in the matter. The commission also immediately undertook a general study of the conditions in the valley affecting the flood-control plan.

3. The responses received to the above-mentioned notice may be divided into two classes: (1) Those suggesting modification in the engineering features of the plan, affecting the location and capacity of the channels to be provided; and (2) those suggesting modification in the method of carrying out the work, affecting the nature and degree of participation of the Federal Government in the plan, and the estimated cost of the same.

4. As to the first class the commission has carefully considered the modifications suggested and is of the opinion that such of them as are practicable and advisable under present conditions can be effected under the terms of the original report, and that therefore no modifications in the engineering features of the original plan are at this time necessary. In this connection the commission has considered the suggestion contained in the original report of the Board of Engineers on the plan, "that further study should be given to the question whether it might not be preferable, even at increased cost, to keep the auxiliary channel wholly on the west side of the river, and thus lessen the risk of injury to the navigable channel where the two cross in the proposed plan." On this point, although it might be practicable, at a considerably increased cost, due to the reclaimed condition of Colusa Basin and the existence of a natural ridge between Colusa and Yolo Basins in the vicinity of Knights Landing, to carry the excess waters of the upper Sacramento River in a by-pass located entirely on the west side of the river, the commission finds that, with a capacity in the Sacramento River below the mouth of the Feather at limiting flood stages of less than 100,000 second-feet and an estimated flood discharge from the Feather River of 250,000 second-feet, it would still be necessary to spill the excess Feather water into Yolo Basin, which can best be done at the place indicated in the original plan. This is in fact nothing more nor less than now occurs, except that the excess waters will flow over an established weir instead of through scattered breaks in the banks and levees from Grays Bend to the Elkhorn district.

5. It seems proper here to remark that the plan of the commission for the control of floods in this valley has received the general approval of those familiar with conditions in these streams and a greater degree of consideration and support than any of the previous plans for the control of floods in this valley. The very existence of the plan has contributed in no small degree to the great development that has taken place in the valley in the last two years.

By an act of the Legislature of the State of California, approved December 24, 1911, copy herewith, the plan of the commission has been adopted as the approved plan for control of floods in the Sacramento River and its tributaries. The board created by section 2 of the act above mentioned was appointed by the governor in April, 1912, and since that time has exercised its functions.

There are no engineers on the board, but it has referred all questions that have come up affecting the engineering features of the plan to both the State engineer and the commission and has acted in accordance with the recommendations received from these sources.

Through the powers exercised by the State reclamation board since its organization, it has been possible to so control reclamation work as to preserve the general lines of the plan. Certain reclamation districts, however, organized prior to the creation of the State board have encroached upon the by-pass areas, particularly in Yolo Basin, necessitating certain changes in the lines as originally laid down. Such necessary changes can be made under the terms of the original plan and the approval of the chief of engineers thereon.

6. As to second class of modifications suggested, those affecting the nature and degree of the participation of the Federal Government in the plan, and the estimated cost of the same, the commission finds such considerable changes in the conditions on which the original recommendations were based as to indicate the desirability of certain modifications in such features of the original report of the commission.

7. Since the commission's plans were prepared there has been a period of tremendous development in the Sacramento Valley and a general recovery from the disastrous effect of the floods of 1907 and 1909. As evidence of this development, the following features may be mentioned:

Railways: The Sacramento Southern Railway has been built from Sacramento to Walnut Grove along the east bank of the Sacramento River.

The Oakland, Antioch & Eastern Railway (electric) is building from Oakland to Sacramento, crossing Yolo Basin in the vicinity of the Glide district, and expects to have trains running to Sacramento inside of six months.

The Vallejo Northern Railway (electric) is building from Vallejo to Sacramento, and expects to have trains running within a year.

The Sacramento & Woodland Railway (electric) has been built and is in operation between those places.

The Northern Electric Railway, which began operation in 1906, from Chico to Oroville, and came into Sacramento via Marysville the following year, has during the last year built a branch from Marysville to Meridan, on the Sacramento River, and will immediately extend this line to Colusa.

The Southern Pacific is building a branch from Harrington, on its line on the west side of the Sacramento River, across Colusa Basin to Grimes, Colusa, and Hamilton, all on the Sacramento River.

The Central California Traction Co. (electric) began operating between Sacramento and Stockton in the spring of 1911.

Reclamations: The following new reclamations have been completed or are under construction:

| | Acres. |
|---|---|
| Egbert tract (tide levee only) | 7,000 |
| Hastings tract (tide levee only) | 7,388 |
| Netherland Farms Co | 26,000 |
| West Sacramento district No. 900 | 10,236 |
| Driver district | 3,136 |
| Elkhorn district | 1,280 |
| Natomas district 1000 and 1001 | 90,000 |
| Addition to district 108 | 23,100 |
| District 1002 | 7,200 |
| Total | 175,340 |

Plans are being prepared for the reclamation of some 50,000 acres in lower Sutter Basin and the remaining portion of Yolo Basin east of the by-pass. As a result of the completion of the several districts above noted, the by-pass levees in lower Sutter Basin and the east by-pass levee through Yolo Basin will be established.

In addition to the above, practically all of the old districts have raised and strengthened their levees, and in all work of this nature the levees and railroad grades are being carried to or above the grade proposed in the commission's plans.

Other features: The city of Sacramento has voted bonds in the amount of $887,000 for the raising of its levee system and the construction of the weir near Brytes Bend contemplated in the commission's plans, about $500,000 to be devoted to the latter work. Options on the land required have been taken and plans for the work are being prepared.

District No. 108, which is extending its area so as to include practically all of the bottom of Colusa Basin, has sought to secure a right of way for a drainage canal through Knights Landing Ridge on the line indicated in the commission's plan, and has submitted plans for such a canal to the State reclamation board which have been approved.

The above-noted new construction of railroads and reclamations is shown on the accompanying map.

Levee work: The estimates of the commission for the levee work along the Sacramento and Feather Rivers contemplated in the flood-control plan were based on surveys made in 1907, 1908, and 1909. Since these surveys were made so much work has been done on the river levees that the commission has, during the last summer, caused the levee rights to be checked, with the results given in the following table:

*Statement showing length of levees required, constructed to grade, and partially constructed, Sacramento River flood-control project.*
[Distances given, miles.]

| | Levees in project. | Prior to 1910. | | 1912 | | | |
|---|---|---|---|---|---|---|---|
| | | Existing. | Built to grade. | Existing. | Built to grade. | New levee required. | Levee to be raised. |
| Sacramento River: | | | | | | | |
| Chico Landing to mouth of Feather | 196.0 | 165.0 | 5.0 | 168.0 | 34.0 | 28.0 | 134.0 |
| Mouth of Feather to Sacramento | 40.0 | 28.0 | ..... | 40.0 | 26.0 | ..... | 14.0 |
| Sacramento to Collinsville | 105.0 | 97.0 | 50.0 | 97.0 | 81.0 | 8.0 | 16.0 |
| Steamboat Slough | 22.7 | 17.1 | 14.0 | 17.1 | 17.1 | 5.6 | ..... |
| Feather River: | | | | | | | |
| Oroville to Marysville | 45.0 | 35.8 | (1) | 35.8 | (1) | 9.2 | (1) |
| Marysville to Sacramento River | 52.0 | 35.5 | 3.0 | 38.5 | 34.0 | 13.5 | 4.5 |
| Bear River | 10.4 | 6.5 | ..... | 7.5 | 7.5 | 2.9 | ..... |
| Yuba River | 4.8 | 4.8 | (1) | 4.8 | (1) | ..... | (1) |
| American River | 18.0 | 2.0 | 2.0 | 18.0 | 18.0 | ..... | ..... |
| | 493.9 | 391.7 | 74.0 | 426.7 | 217.6 | 67.2 | 168.5 |

[1] Elevation of flood plane has not been determined on Feather River and Yuba River above Marysville.

From this table it appears that on the total length of 494 miles of levees contemplated in the flood-control plan there existed at the time the surveys on which the plan was based were made 391 miles of levee of some description, of which 74 miles were up to the grade contemplated in the plan. Since that time the total mileage of levees has become 427, an increase of 36 miles of new levee, and the mileage of levee completed to grade has become 218, an increase of 144 miles of completed levee, leaving to complete the project, so far as river levees are concerned, 67 miles of new levee to be constructed and 169 miles of old levee to be raised, the greater part of this work being on the upper Sacramento.

For reasons that will appear below it is not considered necessary in the present report to compute the effect of the above-noted levee work on the original estimates of the commission.

8. In view of the foregoing statement of the condition of development in the Sacramento Valley and the work already undertaken in furtherance of the plan, and in view of the present tendency of capital to undertake large units of the work which by natural conditions are properly separable from the rest and to carry them out in accordance with lines laid down in the plan, such as the Natomas project between the Bear and American Rivers, and the district 108 project, which will take care of Colusa Basin and the cut through Knights Landing Ridge, the commission is of the opinion that the following conclusions may be properly drawn:

1. That the land should and will stand a larger share in the total cost of the project that was originally proposed.

2. That private capital may be depended upon to carry out certain elements of the project under a general supervision only as to the location and capacity of the river and overflow channels to be provided.

3. That the rate at which reclamation has proceeded in the last three years and the fact that such reclamation work is being designed and laid out to conform to the flood heights and general lines of the plan proposed by the commission, renders extremely urgent the work of increasing the channel capacity of the Sacramento River below the mouth of Cache Slough.

As explained in the original report, the various elements of the project should be brought to completion progressively upstream from the mouth of the river. To date a great amount of work has been done in Yolo, Colusa, Sutter, and American Basins, while no work has been done below the mouth of Cache Slough.

9. The final recommendations of the commission's original report were as follows:

"116. It is therefore recommended—

"First. That the United States begin at once the work for the control of the floods of the Sacramento River in accordance with the above project and provide for its early completion.

"Second. That the United States contribute one-third of the cost of work and the State of California contribute the remaining two-thirds.

"Third. That upon its completion the United States turn over to the State of California for maintenance all flood-control works."

The commission now recommends:

First. That the United States begin at once the work for the control of floods, removal of débris, and improvement of navigation in the Sacramento River in accordance with the commission's report submitted August 10, 1910, and printed in House Document No. 81, Sixty-second Congress, first session, in so far as the same provides for the rectification and enlargement of river channels and the construction of weirs, and provide for the early completion of these features of the plan.

Second. That the United States contribute one-half of the cost of the work indicated in the first recommendation and the State of California contribute a like amount.

Third. That all land required for the work indicated be turned over, free of cost, to the United States.

Fourth. That upon its completion the United States turn over to the State of California for maintenance all flood-control works.

10. The effect of the first recommendation will be to confine the expenditure of any Federal appropriations to one-half of the items (a), (b), and (c) of the estimate contained in the report of Mr. H. H. Wadsworth, appended to the report of the commission of August 10, 1910, and to materially reduce the expense of the project to the United States. Eliminating from the estimate the cost of the land and clearing, these items become:

| | |
|---|---|
| (a) Enlargement of river channel below mouth of Cache Slough | $9,075,420 |
| (b) Weirs | 1,617,560 |
| (c) Rectification and enlargement of river channels | 191,375 |
| | 10,884,355 |
| Add 15 per cent for contingencies and administration | 1,632,653 |
| | 12,517,008 |
| Less amount appropriated under existing project | 800,000 |
| | 11,717,008 |
| Share, each, of United States and State of California | 5,858,504 |

The effect of the second recommendation will be to make the method of defraying the cost of this work conform to that which has heretofore been followed on all works undertaken by the commission in furtherance of the aims and purposes of the act of March 1, 1893.

The third recommendation is in accordance with the present policy of the department in the matter of lands required for river and harbor improvements, and the fourth is the same as the third of the original report.

11. In participating in certain features only of the plan as originally proposed, the Federal Government should not relinquish the control over the other features of the plan necessary to make its work effective. It is the opinion of the commission that the adoption by Congress of the original plan as modified by the present report would confer on the commission power to exercise such control over work done on other elements of the plan than those actually participated in by the Federal Government as would be necessary to prevent anything being done that would adversely affect the general lines of the plan, and particularly the limiting flood heights assumed.

12. It is thought that the Board of Engineers for Rivers and Harbors, in stating that the execution of the original plan was not necessary in the interests of navigation, meant to imply that a sufficient degree of navigability could be maintained at less cost. This commission knows of no way of maintaining navigability with certainty and permanence except under a plan which is part of a plan for flood and débris control, nor does it seem possible to estimate with certainty the cost of maintaining navigability apart from flood and débris control.

Should nothing be done to control floods, there is every probability that from time to time navigability will be temporarily destroyed.

To the cost of restoring navigability should then be added the damage done to navigation interests during the periods of nonnavigability.

The commission understands that the act creating the commission directed the preparation of a plan for flood and débris control. Congress in making the appropriation of $800,000 in the act of June 25, 1910, apparently realized that flood control was a necessity; that sooner or later works for flood control would be undertaken; and that any work done for the improvement or maintenance of navigability should be part of a plan intended to accomplish the three objects of flood control, débris control, and improvement of navigability.

We believe that the execution of the plan prepared by the commission, revised as described in this report, is necessary for the accomplishment of these three objects. The difficult question is what proportional part of the cost the United States should pay.

In making its present recommendations the commission has sought to eliminate from the project those features which are more intimately associated with reclamation and to confine the work of the Federal Government to the river channels and weirs, which features have a more direct bearing upon the navigability of the river.

13. As to the statement contained in the report of the Board of Engineers that "there is reason to apprehend greater difficulty in maintaining the low-water channel where the river is widened to increase its flood capacity, also where the by-passes leave the river, and, in general, where the flood heights are increased by reason of the works of flood control," the commission would invite attention to the fact that the proposed widening of the river channel is confined to the tidal portion of the river where the depths are determined by tidal levels rather than by the low-water discharge. The commission considers that the substitution of weirs for the breaks in the levees and banks by which the excess waters now reach the basins will limit the outflow into the basins to relatively high stages and in some seasons prevent it altogether, which should generally prolong the medium high stages of the river and cause less deposit of material in the river channels below the weirs than now occurs below the present outlets.

For this particular stream, in which the flood and low-water channels are generally coincident where navigation is important and for the proposed increase in the height of the flood plane, the commission does not share the apprehension expressed by the Board of Engineers for Rivers and Harbors that raising the flood plane will increase the difficulty of maintaining the low-water navigation channel.

Some work will doubtless be required to maintain the increased cross section of the channel required for flood discharge below the mouth of Cache Slough; but this does not form a part of the project, for reasons stated in the original report. There is good reason to expect that the increased tidal effect will materially assist in maintaining an ample estuary channel as it does in the lower reaches of the San Joaquin River.

THOS. H. REES,
*Lieutenant Colonel, Corps of Engineers, United States Army, President California Débris Commission.*

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THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS,
*United States Army.*

GENTLEMEN: The flood-control committee of California that has for several years been cooperating with the California Débris Commission and with the State engineering department in the interests of navi-

gation and reclamation in that State, respectfully submits the following suggestions and requests for your consideration:

In early years hydraulic mining precipitated vast quantities of débris into the Sacramento River and its tributaries, greatly impairing navigation in the main river and entirely filling the Feather River so that navigation became impossible.

The filling of the channels also increased the difficulty of controlling the floods, and in protecting adjacent lands from overflow.

In 1893 the Federal Government recognized some obligation on its part to restore the stream to the condition that existed before the havoc was done by the mining interests, which operated under the laws of the United States.

In that year Congress passed an act known as the Caminetti Act, creating the California Débris Commission, and declaring a purpose of dealing with the subject.

Appropriations were made from time to time for this object, and the State usually contributed an equal amount.

In 1907, pursuant to the directions of the Caminetti Act, the California Débris Commission made a partial report, recommending the execution of part of the plan under its jurisdiction.

Congress and the State each appropriated $400,000 for this purpose, which sum has been used in part to construct two large dredges which have been completed and are ready to begin actual excavation at the mouth of the river.

In 1910 the débris commission made a more extended report, recommending a plan which is embodied in House Document No. 81, Sixty-second Congress, second session. This plan contemplated the construction of levees and acquisition of by-passes to carry the excess waters in addition to channel improvement.

When this report was presented to Congress in 1912, the Committee on Rivers and Harbors declined to recommend its adoption, because certain features of the plan were manifestly intended to promote reclamation of land. But the principal reason for the action of the committee was found in the report of the Board of Engineers for Rivers and Harbors, dated December 27, 1910, wherein it was said that "The execution of this project is not necessary, in the interests of navigation."

At the session of the legislature of 1913 an act was passed, known as Senate bill No. 1218, which was prepared under the direction of the flood control committee, and received unanimous support from the legislature as well as from the people whose lands are to be taxed for an enormous expenditure.

This act separates all of the plan which embraced the construction of levees and purchase of by-passes and rights of way, and provides to carry out all of the plan except channel rectification and enlargement and the construction of weirs to regulate the flow in the river, so as to encourage its scouring capacity and the consequent removal of the accumulated mining débris.

The California Débris Commission kindly assumed the burden of separating, as far as possible, the portions of the plan which related to reclamation and which did not relate directly to navigation, although it has always been understood that a complete separation of these elements is impossible.

The purchase of rights of way for channel enlargement and rectification by the drainage district, created by the act of 1913, clearly affects and assists navigation, and this burden is cast upon the district; there is no logical way to separate the two elements.

Channel enlargement, in the interests of navigation, also has a resultant influence on the flow of the streams, and, of course, benefits reclamation to some degree.

A supplemental report has been submitted to you by the California Débris Commission, embodying its conclusions, and rearranging the estimates upon a basis considered by it to be fair to the United States.

The estimate of cost by the report of 1910 was $33,000,000, one-third of which, or $11,000,000, was apportioned to the United States. The supplemental report segregates all except $12,517,000, from which is deducted $800,000 already appropriated, leaving $11,717,000 to be borne by the State and Federal Government, or $5,858,000 each. This leaves over $20,000,000 of the original estimates to be provided by taxing the land of private concerns which would be benefited by the work.

A considerable portion of these estimates have already been paid by the reclamation of large tracts at private expense, under the direction of the State reclamation board, which is in turn guided by the débris commission.

The purpose in appearing before this board, as a representative of the State of California, is to urge an approval of the supplemental report and a recommendation that will harmonize the work in the future, and secure from Congress such action as will clothe the California Débris Commission with jurisdiction over the entire subject.

In the past the State has carefully complied with the plan and recommendations of the débris commission, but it is doubtful if the commission has jurisdiction over subjects not closely connected with channel improvement and flood control as identified with navigation.

It is necessary that there should be a primary head to an enterprise as great as this. The State of California has recognized the débris commission as the proper governing influence, and has enacted laws to bind the State to follow on this theory. Congress, however, has not adopted the plan, or empowered the débris commission to execute it, except in part.

The supplemental report now before you strongly recommends a definite policy, as follows:

First. That the Federal Government should not relinquish control over the entire plan, for the reason that control is necessary to prevent anything being done in one part of the work that would affect the general plan, and particularly limiting flood heights.

Second. The adoption by Congress of the plan would confer on the commission power to exercise control over the work done on other elements of the plan than those participated in by the Federal Government. It also appears that the plan, as supplemented by the present report, is necessary in the interests of navigation, and apparently the best method of reasonable and permanent navigation.

It is upon these recommendations that the State of California requests specific, definite approval from this board, together with recommendations to Congress for such legislation as will fulfill the requirements for successful execution of the plan.

The necessity for congressional action is urgent and immediate.

Of course, one of the objects of the plan is the preservation of life and property, as well as the reclamation of a vast territory of rich land that must be dependent upon the execution of this plan for any kind of cultivation or profit.

There are about 400,000 acres in a comparative state of reclamation, but it will never be safe until the plan is executed. In 1907 millions of dollars' damage was done and nearly all of the reclamation districts were flooded. There are about 300,000 acres more in process of reclamation, because of the expectation that the plan will be carried out, but no one would expect these reclamations to be effective to any degree unless the plan should be executed.

It must be borne in mind that all of this reclamation is being made at private expense, and that all of the plan excepting the river-channel improvement and control is to be paid for by the owners of the land.

NAVIGATION.

The interests of navigation are very much involved in the carrying out of this plan. Among the special instances in which navigation is affected we can mention the following:

First. By maintaining a uniform flow of water in the river at its greatest capacity the débris now in the stream and that which will in due course find its way into the stream will be carried away by the scouring process and deepen the channel permanently.

Second. The erection of levees along the river by landowners will form part of the reclaiming works to effect a constant flow of water and improve navigation; and these levees should be standardized and controlled by the débris commission, to the end that the channel improvement and rectification will not be abortive or interrupted by breakes in levees.

Third. The by-passes which are to carry the excess water escaping at flood periods must be controlled so that the flood elevation in the by-passes will not exceed that in the river, and thereby endanger the restraining levees and render the weirs ineffective.

Fourth. The closing of Three Mile Slough and Georgiana Slough is necessary to preserve the navigability of the San Joaquin River. Recent observation shows that the channel is being filled with débris and that navigation is being rapidly impaired.

The growing industry of the Sacramento Valley, especially the hundreds of thousands of acres of new land that will be reduced to cultivation, is making it necessary to improve the channel and keep it in a permanently navigable condition, which can be done only by the execution of the general method recommended by the débris commission. Northern California is growing more rapidly in population and development than any other locality in the United States and needs better facilities for cheap and convenient transportation.

We desire a report from this board, if in harmony with its views, to the following effect:

First. That the execution of the plan as now presented by the débris commission is the most economical method by which permanent and practical navigation can be attained and preserved in the Sacramento and Feather Rivers.

Second. That Congress should enact legislation approving the plan and such modifications thereof as may hereafter be recommended by the proper engineering department of the United States and giving jurisdiction and control over the plan to the California Débris Commission.

Third. That the recommendations of the débris commission appertaining to the expense is fair and just to the United States.

Fourth. Recommending appropriations from time to time as the work progresses to meet the expenses in accord with the supplemental report of the débris commission.

Respectfully submitted.

FLOOD-CONTROL COMMITTEE OF CALIFORNIA.
V. S. MCCLATCHY, *President.*
A. E. ANDERSON.
A. L. SHINN, *Secretary.*

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EXHIBIT F.

RECLAMATION BOARD ACT, STATE OF CALIFORNIA, AS IN EFFECT ON AND AFTER AUGUST 8, 1915.

Explanation: The original act creating the reclamation board was passed at the first extra session of the thirty-ninth legislature, which convened on November 27, 1911. That act was approved December 24, 1911, and went into effect March 24, 1912. It is found in chapter 25 at page 117 of the published statutes passed at the extra session of 1911, and is referred to herein as the "Act of 1911."

That act was amended and supplemented by an act approved May 26, 1913, which went into effect August 11, 1913, and is found in chapter 170 at page 252 of the published statutes of 1913, and is referred to herein as the "Act of 1913." By this amendatory act the Sacramento and San Joaquin drainage district was created and the reclamation board increased from three to seven members and its powers greatly enlarged.

The original act of 1911, as amended and supplemented by the act of 1913 was further amended and supplemented by an act approved June 9, 1915, which went into effect August 8, 1915, and is found in chapter 686 at page 1338 of the published statutes of 1915, and is referred to herein as the "Act of 1915."

The amendatory act of 1915 provides that the whole act, as now amended, may be cited and referred to as the "Reclamation board act."

The titles in full of the acts of 1911, 1913, and 1915 are as follows:

Chapter 25, Statutes of 1911: An act approving the report of the California Débris Commission, transmitted to the Speaker of the House of Representatives by the Secretary of War on June 27, 1911, directing the approval of plans of reclamation along the Sacramento River or its tributaries or upon the swamp lands adjacent to said river, directing the State engineer to procure data and make surveys and examinations for the purpose of perfecting the plans contained in said report of the California Débris Commission and to make report thereof, making an appropriation to pay the expenses of such examinations and surveys, and creating a reclamation board and defining its powers.

Approved December 24, 1911.

Chapter 170, Statutes of 1913: An act to amend an act entitled "An act approving the report of the California Débris Commission transmitted to the Speaker of the House of Representatives by the Secretary of War on June 27, 1911, directing the approval of plans of reclamation along the Sacramento River or its tributaries or upon the swamp lands adjacent to said river, directing the State engineer to procure data and make surveys and examinations for the purpose of perfecting the plans contained in said report of the California Débris Commission, and to make report thereof, making an appropriation to pay the expenses of such examinations and surveys, and creating a reclamation board and defining its powers," approved December 24, 1911; by amending sections 1, 3, and 4 of said act and adding 16 new sections to said act, to be designated as sections 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 16½, 17, 18, and 19; creating a drainage district to be known as Sacramento and San Joaquin drainage district, appointing of a reclamation board, providing for the management and control of said district, and defining the powers and duties of the reclamation board

and the State engineer, the acquisition of rights of way and property by said drainage district, the reclamation and protection of the lands therein which are subject to overflow from the Sacramento and San Joaquin Rivers and their tributaries and control of the floods thereof; the making of assessments; also defining the rights and powers of certain municipal corporations, levee, drainage, and protection districts therein, and making an appropriation to pay the expenses of the State engineer and the reclamation board; also providing for the approval and creation of plans of reclamation and the examination of the security afforded to bonds of reclamation and drainage districts and others; to prevent the diversion of the waters of any stream into the Sacramento and San Joaquin Rivers; to prevent the construction of and to require the removal or regulation of obstructions in streams, by-passes, and overflow channels; to repay money contributed for the purchase of rights of way for enlargement of the outlet of the Sacramento River, and making an appropriation for carrying out the purposes of this act.

Approved May 27, 1913.

Chapter 686, Statutes of 1915: An act to amend sections 1, 3, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16½, 17, and 18 of an act entitled "An act approving the report of the California Débris Commission transmitted to the Speaker of the House of Representatives by the Secretary of War on June 27, 1911, directing the approval of plans of reclamation along the Sacramento River or its tributaries, or upon the swamp lands adjacent to said river, directing the State engineer to procure data and make surveys and examinations for the purpose of perfecting the plans contained in said report of the California Débris Commission and to make report thereof, making an appropriation to pay the expenses of such examinations and surveys, and creating a reclamation board and defining its powers, approved December 24, 1911, as amended by an act approved May 26, 1913, and to add 12 new sections to said act to be numbered 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, and 31, relating to the organization, powers, and duties of said reclamation board, and creating a revolving fund and appropriating money therefor.

Approved June 9, 1915. As in effect on and after August 8, 1915.

CALIFORNIA RECLAMATION BOARD ACT.

[As in effect on and after Aug. 8, 1915.]

SECTION 1. The report of the California Débris Commission, transmitted to the Speaker of the House of Representatives of the United States by the Secretary of War on the 27th day of June, 1911, with such modifications and amendments and such additional plans as have been or may hereafter be adopted by the reclamation board, is hereby approved as a plan for controlling the flood waters of the Sacramento River and San Joaquin River and their tributaries, for the improvement and preservation of navigation and the reclamation and protection of the lands that are susceptible to overflow from said rivers and their tributaries. (Original section in act of 1911, as amended by acts of 1913 and 1915.)

SEC. 2. There is hereby created a board, to be known as the reclamation board, consisting of three persons to be appointed by, and to hold office at the pleasure of, the governor. It shall be the duty of said reclamation board, and it is hereby empowered to pass upon and approve plans of reclamation that contemplate the construction of levees, embankments, or canals along or near the banks of the Sacramento River or its tributaries or connected therewith, or upon any land adjacent thereto or within any of the overflow basins thereof. Any original plan of reclamation hereafter adopted that includes or contemplates the construction of any levee, embankment, or canal along or near the banks of the Sacramento River or its tributaries or connected therewith, or upon any lands adjacent thereto or within any of the overflow basins thereof, must be approved by the reclamation board before such plan of reclamation shall have been adopted by the trustees of any reclamation, levee, protection, or drainage district, or by any person, corporation, or association. Any such plan of reclamation shall be void unless first approved by said board, and the construction of any levee, embankment, or canal at any of the places hereinbefore mentioned, without such approval, is hereby declared to be a public nuisance, and the reclamation board is hereby empowered to prosecute any suit or suits in the name of the people for the prevention or abatement of such nuisance. (Original section, act of 1911.)

SEC. 3. The State engineer is hereby directed to procure data and make surveys and examinations upon said rivers and tributaries and the adjacent overflow basins for the purpose of perfecting the plans contained in the report mentioned in section 1 of this act, and making additional plans for the San Joaquin and Sacramento Rivers and their tributaries, and to make a report thereof to the reclamation board. He shall advise and assist the reclamation board, and shall be reimbursed by said board for any necessary expenses incurred by him under the directions of the board. He may, at his option, appoint the chief engineer of the reclamation board to act also as his assistant in the performance of the duties required of him by this section; in which case the compensation of said chief engineer while acting also as such assistant to the State engineer shall be apportioned as may be agreed upon between the reclamation board and the State engineer. All maps, records, and engineering data prepared or obtained by the State engineer for the use of the reclamation board shall be deposited in the office of said board and remain part of its records. (Original section, act of 1911, as amended by acts of 1913 and 1915.)

SEC. 4. There is hereby created a drainage district to be known and designated as "Sacramento and San Joaquin drainage district," the boundaries of which said district are as follows. (Description by metes and bounds follows.)

* * * * * * *

Said drainage district is hereby declared to be a body corporate and politic and shall have power to sue and to be sued; to acquire, own, hold, use, and enjoy for the purposes mentioned in this act any and all properties herein mentioned or necessary for the purposes of said district. [Sec. 4 of the original act of 1911 contained an appropriation and was amended by the act of 1913 to read as above.]

SEC. 5. The management and control of said drainage district shall be vested in the reclamation board, which shall hereafter consist of seven members. The members of the present reclamation board shall be members of the board as hereby enlarged. The remaining members shall be appointed by the governor of the State within 30 days after this act shall take effect. All the members, whether herein named or appointed by the governor, shall hold office at the pleasure of the governor. In case of a vacancy, the same shall be filled by the governor of the State. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 6. The reclamation board shall appoint a secretary, who may be a member of the board, and may appoint a general manager, a chief engineer, and an assistant secretary, and may employ an attorney for the board, and such assistant engineers, consulting engineers, special attorneys, and other assistants, employees, and advisers as may appear necessary to said board, and shall fix their compensation. The compensation of any attorney or engineer employed by the board may be fixed at a monthly rate of compensation, or fees for special services rendered, or both. The secretary, assistant secretary, general manager, chief engineer, and two assistant engineers, all consulting engineers, the attorney for the board, and all special attorneys employed by the board, and such employees as may be otherwise exempted by law, shall be exempt from the provisions of the civil-service laws of this State. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 7. The State of California and the people thereof are hereby declared to have a primary and supreme interest in having erected, maintained, and protected on the banks of the Sacramento and San Joaquin Rivers and their tributaries and the by-passes and overflow channels and basins mentioned herein good and sufficient levees and embankments or other works of reclamation, adequately protecting the lands overflowed or subject to overflow by said streams, and confining the waters of said rivers, tributaries, by-passes, and overflow channels and basins within their respective channels and boundaries, and it shall be the duty of the reclamation board at all times to enforce on behalf of the State of California and the people thereof the erection, maintenance, and protection of such levees, embankments, and channel rectification as will, in their judgment, best serve the interests of the State of California. The purposes and objects of this act are to carry into effect the plans of the California Débris Commission with such modifications and amendments and such additional plans as have been or may hereafter be adopted by the reclamation board for the control of the flood waters of the Sacramento and San Joaquin Rivers and their tributaries and said basins, and to vest in said reclamation board control and jurisdiction over said plans and such other plans as may be adopted by said board, excepting such portions of said plans as relate to channel excavation, enlargement, rectification, and control in the Sacramento River and the construction of weirs, it being the intent of this act that all work and control in the said stream and the construction of weirs shall remain with the United States and the State of California concurrently, but this exception does not apply to the San Joaquin River and its tributaries.

This act and every part thereof shall be liberally construed to promote its objects and to carry out its intents and purposes. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 8. It shall be unlawful for a member of the board to vote upon any contract or other matter in which he may have an interest or share, or for any employee of said board to receive directly or indirectly for his own use or benefit any portion or share of the money or other thing paid under any contract; but having an interest in lands within said drainage district shall not disqualify a member for voting to execute any part of said plans of flood control or carrying out the objects of this act.

SEC. 9. The reclamation board shall have its office at the city of Sacramento, which shall be the principal place of business and legal residence of said board and of the said Sacramento and San Joaquin drainage district. The reclamation board shall elect one of its members as president, and may also elect another of its members as vice president, who shall have the powers and perform the duties of the president during his absence or inability to act or at his request or when so authorized by the board. The regular meetings of said board shall be held at such times as shall be fixed by the board, and a majority of the board shall constitute a quorum, but no action of said board shall be effective unless the same shall be concurred in by a majority of the members thereof. Special meetings of the board may be called at any time by the president or by a majority of the members upon notice by mail or telegraph to each member at his place of residence or business, and there received at least 12 hours before the hour fixed for such meeting. Any other meeting of the board, at its office, when all of the members are present, shall be considered a legal meeting at which any business may be transacted. It shall be the duty of the reclamation board to keep full and correct minutes of all proceedings and transactions of all meetings of the board, which minutes shall be open for public inspection during office hours. Each member of the board shall receive the necessary expenses incurred by him in the performance of his duties, and $20 for each day attending the meetings of the board, but such per diem shall not exceed $1,000 in any one year. The reclamation board shall have a seal of such device as said board may adopt, and any seal heretofore adopted by the reclamation board shall be the seal of said board, and said seal shall also be the seal of the said Sacramento and San Joaquin drainage district. A copy of any record of said board, when certified by its secretary or assistant secretary to be a true copy thereof, and attested by the seal of the board, shall be prima facie evidence of the existence and contents of such record. For making a copy of any record of said board to which any person may be entitled by law, or which may be made at the request of any person, the reclamation board may charge and collect the actual reasonable cost of making such copy, including the time of its employees and materials used, and $1 for the certificate thereto, if a certified copy be requested, and may require a deposit in advance sufficient to cover such charges. All money so collected shall be paid monthly to the State treasurer and be by him credited to the balance remaining unexpended of any appropriation or assessment available for the general administrative expenses of said board. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 10. Whenever so required and notified by the reclamation board it shall be the duty of the owner of and of the person or corporation maintaining or operating any railroad, electric railroad, wire line, wagon road, or other structure crossing any of the by-passes or overflow channels herein provided for, to provide and maintain one or more suitable draws or other appliances within any such by-passes or overflow channels to permit the passage of water craft, dredgers, or other machines used in the construction of reclamation works, and to open said draws or appliances upon reasonable notice given by any person desiring to pass the same and payment of a fee of $50. Said draws or appliances shall be located at such points as shall be designated by said board. A failure to comply with this section shall render such owner of or person or corporation maintaining or operating any of said structures liable to any person for the damages caused to such person by such failure. Compliance with the provisions of this section may be enforced by mandamus or by mandatory injunction, or by any other appropriate remedy authorized by law, in an action or proceeding brought by the reclamation board, which action or proceeding may be

commenced and maintained by said board in the name of the people of the State of California. The remedies provided by this section shall not be exclusive of, but shall be concurrent with and in addition to any other remedy which may exist by law. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 11. Any plan of reclamation, flood control, drainage, or other improvement that includes or contemplates the construction, enlargement, revetment, or alteration of any levee, embankment, canal, or other excavation along or near the banks of the Sacramento or San Joaquin Rivers or any of their tributaries or connected therewith, or upon any land adjacent thereto, or within any of the overflow basins thereof, or upon any land susceptible to overflow therefrom, must, unless heretofore approved by the reclamation board, be approved by said board before construction of the same shall be commenced. Any such plan shall be void until approved by said board, and no such work shall be done or constructed without the permission of said board first obtained.

No river or by-pass levee at any of the places hereinbefore mentioned, nor any levee forming part of any of the plans of flood control adopted by this act or by said reclamation board shall be cut or altered without permission of said board first obtained.

Notwithstanding any provision hereinbefore in this section contained, the owner of any existing levee at any of the places above mentioned shall have the right to raise, widen, or strengthen the same to such extent as such owner may desire: *Provided*, That before such work is commenced the plans, specifications, and method of construction therefor shall be submitted to and approved by the reclamation board, and that the work shall be done subject to the supervision of said board, and that no claim shall ever be made against said reclamation board or said Sacramento and San Joaquin drainage district for compensation, through or by any assessment or otherwise, for any part of such work which may be in excess of the requirements of the plan of flood control for that locality finally adopted and approved by said board: *And provided further*, That any such existing levee may be protected or strengthened in case of emergency during the season of flood water, where it is in danger of injury or destruction therefrom: *Provided*, That notice of such work shall be immediately given to the reclamation board, and provided that all such emergency work shall be subject to the subsequent approval of the reclamation board, and that said board shall have power to require its removal or alteration if not so approved: *And provided further*, That no levee, embankment, or other structure within any by-pass or overflow channel adopted by said reclamation board shall be raised, widened, strengthened, or altered without permission of said reclamation board first obtained.

The construction, enlargement, revetment, or alteration of any levee, embankment, canal, or other work of reclamation, flood control, or drainage at any of the places hereinbefore mentioned, or the doing of any act or construction of any work in this section mentioned, or permitting the same to remain after such construction, which shall be done without the permission of the reclamation board and in violation of any of the provisions of this section, is hereby declared to be a public nuisance, and the reclamation board is hereby empowered to commence and maintain any suit or suits in the name of the people of the State of California for the prevention or abatement of such nuisance. Any person who shall do any act contrary to or in violation of any of the provisions of this section shall be guilty of a misdemeanor. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 12. The reclamation board shall have power to acquire either within or without the boundaries of the district by purchase, condemnation, or by other lawful means, in the name of the Sacramento and San Joaquin Drainage District, from private persons, corporations, reclamation, swamp land, levee, protection, or drainage districts, or other organizations or associations, all lands, rights of way, easements property, or material necessary or requisite for the purpose of by-passes, weirs, cuts, canals, sumps, levees, overflow channels, and basins, reservoirs, and other flood-control works, and other necessary purposes; to construct, clear, and maintain by-passes, levees, canals, sumps, overflow channels, and basins, reservoirs, and other flood-control works; to make contracts in the name of said district to indemnify or compensate any owner of land or other property for any injury or damage caused by the exercise of the powers by this act conferred, or arising out of the use, taking, or damage of any property for any of such purposes; to maintain actions in the name of the people of the State of California to restrain the doing of any act or thing that may be injurious to any of the works necessary to said plan of flood control or that may interfere with the successful execution of said plan or for damages for injury thereto, and any damages so recovered shall be deposited with the State treasurer to the credit of said district and shall be applicable to the payment of warrants against any assessment for the particular portion or project affected by such injury; to establish a standard of levee construction; to do any and all things necessary or incident to the powers hereby granted or to carry out the objects specified herein; to maintain actions in the name of the people of the State of California to compel by injunction the owner or owners of any bridge, trestle, wire line, viaduct, or embankment or other structure which shall be intersected, traversed, or crossed by any by-pass, drainage canal, or overflow channel, so to construct or alter the same as to offer a minimum of obstruction to the free flow of water through any such by-pass, drainage canal, or overflow channel, and wherever necessary in the case of existing works, to compel the removal or alteration of any such embankment or other structure; to maintain actions in the name of the people of the State of California to restrain the diversion of the waters of any stream that will increase the flow of water in said Sacramento or San Joaquin Rivers or their tributaries, and such diversion of the waters of any stream into said rivers or either of them or any of their tributaries, is hereby declared to be a public nuisance which may be prevented or abated by the reclamation board. In case any land, right of way, or easement is or shall be needed for any work of channel excavation, enlargement, rectification, or control, or for the construction of any weir, which is a part of the plans to be carried out as contemplated by this act, and which is to be done or constructed in whole or in part by the United States, and it is or shall be necessary or be required by the United States, before doing such work or constructing such weir, that such land, right of way, or easement be conveyed to the United States free of cost, the reclamation board shall have power to acquire such land, right of way, or easement and cause the same to be conveyed to the United States free of cost, or to be condemned for the use of the United States in the manner provided by the laws of this State or of the United States, and to pay the cost and expense of acquiring such land, right of way, or easement out of the funds of any assessment by said board applicable thereto; or if such land, right of way, or easement is or shall have been already acquired by said reclamation board in the name of the Sacramento and San Joaquin Drainage District, the said board shall be and is authorized to cause the same to be conveyed by said district to the United States free of cost. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 13. Whenever in the opinion of the reclamation board it shall be necessary to levy an assessment upon any lands within said drainage district for any of the purposes herein specified, said board shall cause an assessment to be levied upon such lands within said drainage district for such purposes. The plans to be carried out shall be divided by said board into separate portions or projects in such manner as will in its judgment best facilitate the levying of assessments for each particular portion or project in a just and equitable manner according to benefits upon the lands in said district. Said board shall enter in the minutes of the board a resolution to the effect that the execution of each such separate portion or project which they may determine upon is a public necessity. Each such particular portion or project shall be designated by the board in such resolution by name and number. All assessments, plans, and funds intended for or connected with the execution of each particular portion or project shall be designated by such name and number and shall be kept separate and shall be used only for the purpose of carrying out such particular portion or project. For the purpose of making any such assessment the board shall appoint three assessors who shall be disinterested persons, and shall have no interest in any real estate within said drainage district, and each of whom, before entering upon his duties, shall make and subscribe an oath that he is not in any manner interested in any real estate within said district, directly or indirectly, and that he will perform the duties of an assessor to the best of his ability. Said assessors shall be exempt from the provisions of the civil-service laws of this State. Said assessors must assess upon the lands within said drainage district the said sums so levied by the board, and shall apportion the same according to the benefits that will accrue to each tract of land in said district, respectively, by reason of the expenditure of said sums of money. After said assessors have examined the plan or plans of the works contemplated and the estimates of the cost, they shall make a preliminary report to the reclamation board indicating the exterior boundaries of the lands that in their opinion will be benefited by the expenditures. The assessors shall then appoint a time and place in each county in which any of said lands are situated, when and where they will hear objections to the said report, and also evidence concerning the manner in which said assessment should be apportioned. They shall give notice of such hearing in each of such counties by publication in a newspaper published in such county once a week for three weeks, the first publication to be not later than the twenty-first day before the day of hearing, which notice shall contain a general designation of the lands which will in their opinion be so benefited, as aforesaid, and shall refer to said preliminary report on file in the office of the reclamation board for such exterior boundaries. They shall exclude any land that will not be benefited by the expenditure of said sums and shall assess all lands that will be benefited thereby.

Said assessors shall make a separate list of the lands so assessed in each county, which list shall contain a description of the tracts of land assessed by swamp-land surveys, legal subdivisions, or other boundaries or references sufficient to identify the same, the name of the owner, if known, or if unknown, that fact, and the amount of the charge assessed against each tract. The name of the owner of land which is or is supposed to be property of the estate of a deceased person in course of administration may be stated as estate of (such person, naming him), deceased. When there are two or more owners or supposed owners of any tract of land, partly known and partly unknown, the assessment may be to such known owner or owners by name and to other owners unknown. No mistake in the name of the owner or supposed owner of any real estate shall invalidate the assessment. In the assessment list for any county the assessor may make use of any abbreviation in common use in that county, without explanation thereof. The assessor may also in the assessment list for any county make use of other abbreviations, provided a schedule and explanation thereof with reasonable certainty shall, unless printed on each page of such assessment list, be prefixed to said assessment list and a reference thereto written, printed, or stamped on each page of said assessment list whereon any such abbreviation is used. In case any land shall in the assessment list for any county be described in whole or in part by reference to a map, plat, or survey, which map, plat, or survey shall be on file or of record in any public office, it shall be sufficient in such description to designate such map, plat, or survey by name, number, or other designation sufficient to identify the same in a schedule of such maps, plats, and surveys, which schedule shall be prefixed to said assessment list and shall set forth with reasonable certainty where each such map, plat, or survey may be found, and shall be referred to by a reference written, printed, or stamped on each page of said assessment list whereon such method of description is relied upon. The assessors appointed for any assessment may also prepare or cause to be prepared a map or maps of the whole or any part or parts of the lands to be assessed with sufficient detail to indicate thereon and identify the several tracts of land to be separately assessed, or any of them, each of which such separate tracts shall be designated on such map or maps by a distinctive number. Each of such maps shall be inscribed and designated as "Reclamation board assessment map No. —," giving each map a distinctive number. Any such map may consist of any number of sheets attached together and designated as one map. Such map or maps when approved by the reclamation board shall be certified by the secretary of said board as having been so approved, and shall be filed for record in the office of the county recorder of the county wherein the land indicated on such map or maps is situated. Thereupon and thereafter, for the purpose of said assessment, or of any future assessment levied by said reclamation board, the assessment list for any county may, for the description of any tract of land so indicated on any such map, refer to such map and to the number by which such tract is designated on such map, and such reference, if used for that purpose, shall be a sufficient description of such tract for the purposes of such assessment list, and for the purposes of the notice of delinquent sale, certificate of sale, and deed in pursuance of such sale, and all other proceedings under this act based upon such assessment. No provision of any other statute of this State relative to the filing or recording of maps in the office of the county recorder shall apply to the maps in this section referred to: *Provided, however*, That the maps herein referred to shall have no legal effect for any purpose except for the convenient reference to and description of the tracts of land indicated thereon for the purposes of description of such tracts of land by reference thereto in the matter of assessments levied by the reclamation board and acts and proceedings based thereon as herein provided. No fee shall be charged by any such county recorder for the filing for record of such map as in this section provided.

Said lists when completed shall be filed with the secretary of the board and said secretary shall forward to the county treasurer of each county in which any lands so assessed are situated the assessment list for such county, and the same shall be open for inspection by the public for at least 30 days. The compensation of said assessors shall be fixed and allowed by the board. The reclamation board shall appoint a time and place not less than 30 days after said list has been filed with the county treasurer when and where it will meet in each county wherein any of the lands so assessed are situated for the purpose of hearing objections to said assessments, and notice of such hearing in each county shall be filed with the county treasurer and published once a week for two weeks in some newspaper published in such county. At any time before the date of such hearing any person interested in any land upon which any charge has been assessed may file in the office of the reclamation board written objections to such assessment stating the grounds of such objections, which said statement shall be verified by the affidavit of such person or some other person who is familiar with the facts. At such hearing the board shall hear such evidence as may be offered touching the correctness of such assessment or the manner of its apportionment, and may modify or amend the same, and may reapportion all or any part of the entire assessment. If said assessment shall be reapportioned, the board shall give two weeks' notice as before and proceed to hear objections in each county affected, as before, and shall then reconsider said assessment and make an order approving said assessment as finally fixed; and the decision of said board shall be final, and thereafter said assessment list shall be conclusive evidence, except in the suit hereinafter provided, that the said assessment has been levied and apportioned according to law. Any person interested, as aforesaid, in any land upon which any charge has been so assessed, aggrieved by the decision of the board approving said assessment, may commence an action against the district in the superior court of the county in which said land or the greater part thereof is situated, to have said assessment upon such land modified or annulled. Such action must be commenced within 30 days after the reclamation board has approved such assessment and the assessment list for such county has been deposited in the office of the county treasurer as provided in the next section, and shall have preference over all civil actions in fixing the time of trial. No objection to said assessment shall be considered by the court unless such objection shall have been made in writing to the reclamation board as hereinbefore prescribed, and, excepting in the action above mentioned, no action or defense shall ever be maintained attacking the said assessment in any respect. Whenever an assessment has been levied by the reclamation board upon lands in said district for general administrative expenses and other expenses not pertaining to any particular project, and the boundaries of said district have been or shall be extended so as to include lands other than the lands included within said district at the time such assessment was levied, the reclamation board shall make an estimate of the fair and equitable amount which should be contributed by the lands so included in the district by such change of boundaries for the purposes of such assessment previously levied by said board for general administrative expenses and other expenses not pertaining to any particular project, and shall levy and cause to be assessed, equalized, and collected in the manner in this act provided an assessment to the amount of such estimate upon lands so included in the district by such change of boundaries, according to benefits in the manner in this act provided. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 14. After such hearing has been had by the board in any county, said assessment list shall be certified by the secretary of the board to be correct, and said list shall be deposited in the office of the county treasurer of said county, and such assessment shall thereafter constitute a lien upon the lands so assessed and shall impart notice to all subsequent purchasers or incumbrances or other person acquiring any interest in or lien upon said land, and all unpaid assessments shall bear interest at the rate of 7 per cent per annum from the time when the assessment list is so deposited in the office of the county treasurer, and shall be paid to the county treasurer in one or more installments of such amounts, and at such times, respectively, as the board, from time to time, in its discretion, may, by order entered in its minutes, direct: if any such installment shall remain unpaid at the expiration of 30 days from the date of the order, then said installment shall become delinquent, together with the accrued interest thereon to date of delinquency and 10 per cent of the amount of said installment and interest, and the sum of 50 cents upon each tract of land separately assessed to cover cost of publication of notice of sale, shall be added thereto, and collected for the use of the district: *Provided*, That if an action is pending in any court to have the assessment on any tract of land reviewed, modified, or annulled as provided herein, such assessment, if not annulled in said action, may in the discretion of the board become delinquent 30 days after any judgment rendered therein shall become final. After the said installment has become delinquent, the board shall publish a notice at least once a week for three weeks in some newspaper of general circulation published in the county where the land is situated, which notice shall contain a description of the property assessed as described in the assessment list or by other description sufficient to identify the same, the name of the person to whom it is assessed or a statement that it is assessed to unknown owners, if such is the fact, the amount of the delinquent installment, the amount of the interest at the date of delinquency, the amount of the penalty and cost of publication that has been added as above provided, and notice that the property assessed will be sold on a date therein stated, in front of the courthouse of said county, to pay said installment with accrued interest and the penalty and cost of publication hereinbefore specified. At the time stated in said notice, or such other time to which said sale may have been postponed, the board must cause said property to be sold to the highest bidder for gold coin of the United States. If not completed on the first day the sale may be continued from day to day and over Sundays and legal holidays until completed. The sale may be conducted by such person as the board may appoint for that purpose, whether a licensed auctioneer or not, and no license shall be required of such person for conducting such sale. Out of the proceeds of said sale the board must pay the amount of said installment with accrued interest thereon and the penalty and cost of publication herein provided for to the county treasurer of such county, and the board must pay to the owner of said property any surplus remaining after such payment to the county treasurer. The board may postpone said sale from time to time by announcement at the time and place of sale and by a written notice posted at or near the place of sale, which written notice shall be substantially as follows:

The sale of property for delinquent assessments under (name and number of assessment) of the Sacramento and San Joaquin drainage district, which was fixed for (time and place of sale) has been postponed to (time to which postponed) at the same place. If no bid is made for said property equal to the amount of said installment, accrued interest, and penalty and cost of publication, the district shall become the purchaser, and the said property must be struck off to the district for the amount of said installment, accrued interest, and penalty and cost of publication. A certificate of such sale shall be executed by the president of the board to the purchaser, or to the district if the property shall have been struck off to the district, and said certificate of sale shall be recorded in the office of the county recorder of the county in which the land is situated. Any person interested in said property may redeem the same at any time within one year after the date of said sale, by paying to the county treasurer the amount for which said property was sold, and interest on the said sum at the rate of 10 per cent per annum from the date of said sale. If no redemption shall be made within said one year, the purchaser, or the district, if said property shall have been sold to the district, shall be entitled to a deed executed by the president of said board. The effect of such deed shall be to convey said property free of all liens and incumbrances, excepting State, county, and municipal taxes, assessments levied or assessed by statutory authority, and the unpaid balance of the said or any assessment made by said drainage district, which said balance must be called in and collected in the same manner as other assessments: *Provided*, That where property shall have been so deeded to the district and shall not have been sold, the same shall not be offered for sale for subsequent installments of the said or any assessment so long as the district shall remain the owner of said property, but the board may sell said property at any time at public auction after notice given for the same period and in the same manner as herein provided for sale for delinquent installments, but not for a sum less than all delinquent unpaid installments of all assessments thereon, with accrued interest and penalties, and the deed executed in pursuance of such sale shall convey said property free of all incumbrances except State, county, and other municipal taxes, assessments levied or assessed by statutory authority, and the unpaid balance of all assessments of said drainage district, which balance must be called in and collected in the same manner as other assessments. The remaining portion not yet ordered paid by said board of the assessment upon any tract of land may be voluntarily paid in full, with the accrued interest thereon, at any time after the lien of such assessment has accrued, and if the total amount of the whole of such assessment on any tract shall be paid in full within 30 days after the first installment of such assessment has been by said board ordered paid, no interest shall be charged. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 15. All money collected upon sales or otherwise shall be paid to the county treasurer of the county in which the land is situated, and said money, together with all other money collected by the county treasurer shall, within one month after its receipt by the county treasurer, be by him deposited in the State treasury to the credit of said drainage district in a fund which is hereby created and known as the Sacramento and San Joaquin Drainage District fund, specifying the name and number of the assessment from which such money was derived, and shall be paid out upon warrants of the State controller, and the controller is hereby directed to issue warrants upon said funds whenever drafts of the reclamation board shall be presented to him, and the State treasurer is hereby directed to pay such controller's warrants when there is sufficient money in the funds of said drainage district: *Provided*, That all moneys collected from assessments shall be paid out only on warrants issued for works or other expenses covered by the assessment from which such money was derived, which assessments must be numbered consecutively, to the end that all moneys raised by assessment upon any of the lands embraced in said drainage district, shall be expended only for the works of reclamation or other expenses beneficial to the lands so assessed, and for the payment of warrants issued for the construction of the works and other expenses for which such assessment was levied, and each warrant must designate the name and number of the assessment from which it is to be paid. Drafts of the reclamation board may be presented to the controller and warrants drawn, as aforesaid, against the funds to be raised by an assessment as soon as the reclamation board has passed its order or resolution for the levy of such assessment and appointed the assessors therefor. In case there are not sufficient funds applicable thereto for the payment of such warrants when presented to the State treasurer he shall indorse on such warrants the date of presentation and register the same, and thereafter such warrants shall bear interest at the rate of 7 per cent per annum, and must be paid in the order of their registration. Such warrants shall be considered as contracts in writing for the payment of money, and the period prescribed for the commencement of an action based upon said warrants, or connected therewith, is and shall be four years from the date of their issuance or renewal as hereinafter provided. Said warrants shall, at any time within four years after their issuance or renewal, be received in payment of any assessment for work or expenses for which such warrants were issued. The reclamation board may, at its option, at any time within four years after the date or previous renewal thereof, renew any warrant for an additional period of four years upon application of the owner or holder of such warrant, by an indorsement thereon of the fact and date of such renewal and notice thereof to the State treasurer and controller. Whenever there is sufficient money in the treasury applicable to the payment of any outstanding warrants of the district, the State treasurer shall give notice that there is money in the treasury to pay certain warrants, giving their numbers in the order of their registration; said notice shall be published for 10 days in one newspaper published in the city of Stockton and one published in the city of Sacramento. After the last publication of said notice the warrants therein mentioned shall cease to bear interest.

The reclamation board shall designate a paper in each of said cities which shall be the official papers of said district for the purpose of such publication. Whenever in the opinion of the reclamation board it shall appear that the total amount of any assessment previously levied and assessed and which has become a lien upon lands in said drainage district will be greater than required for the purposes for which such assessment was levied, the reclamation board may by resolution entered in its minutes release the lien of and abandon such assessment as to any part thereof not required as aforesaid and not previously ordered to be paid; and a copy of such resolution, certified by the secretary of said board and attested with its seal, shall be deposited in the office of the county treasurer of each county wherein is situated any land affected by such assessment, and shall be by such county treasurer annexed to the assessment list of such assessment for that county; and in any such case, when any payment has been voluntarily made upon the part of such assessment upon any tract of land so

abandoned and released the amount of such overpayment shall be repaid to the person by whom the same was paid, his heirs or assigns; and upon production of the county treasurer's receipt therefor and indorsement thereon by the reclamation board of the fact of such repayment, the reclamation board shall draw a draft on the State comptroller and the comptroller shall draw a warrant upon the State treasurer therefor, and the State treasurer shall pay such warrant in the same manner as other warrants against the funds of such assessment. The reclamation board may also, in its discretion, abandon further proceedings under any assessment at any time prior to the time when the lien of such assessments has accrued. In case of any change of county boundary lines, or creation of any new county, all acts and proceedings in this act provided for in the matter of or relating to or in pursuance of or founded upon any assessment upon lands affected by such change of county boundary lines, or creation of such new county, shall be done and conducted as if such lands were situated in the same county as at the time of appointment of the assessors to make such assessment. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 16. In all cases in which an assessment shall be levied upon the lands embraced within said district, and if the assessment upon any tract or tracts of land shall have thereafter been adjudged invalid by any court of competent jurisdiction, or if for any reason such tract or tracts of land shall not have been legally charged with said assessment, then such tract or tracts of land shall be charged in any subsequent assessment with such proportion of the former assessment as the benefits derived by said land from the purposes for which said former assessment was levied bears to the whole amount of said former assessment, or a subsequent reassessment of such tract or tracts of land may be made separately for the purpose of charging said land with its proper proportion of the said assessment. [New section, added by act of 1913.]

SEC. 16½. One of the first projects to be considered by said board shall be that portion of the plans of the California Débris Commission relating to the Sacramento River and Cache Slough below the junction of Yolo Basin by-pass and Cache Slough, known as the project to enlarge the outlet of the Sacramento River. In the estimate of the sum necessary for the project last named, the board shall also ascertain the amount of any expenditures that have heretofore been made by the State of California, any municipal corporation, reclamation district, and by any owner of lands within said drainage district, or by any of them, for the purpose of purchasing rights of way for the enlargement of the outlet of the Sacramento River and actually applied to said purpose, which said sums so expended shall be legal claims against said district upon execution by the claimant of a quit-claim deed of rights of way to the district, and shall be paid from the moneys arising from the assessment for the project in this sectoin first above mentioned. The governor is hereby authorized to execute such quit-claim deed on behalf the the State of California: *Provided, however*, That in cases where such rights of way or lands for use as such rights of way have already been conveyed to or the title thereto has already been vested in the United States for use in carrying out said project the quit-claim deed from any claimant above referred to shall not be required. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 17. It shall be the duty of the reclamation board to promote the construction, completion, maintenance, and repair of levees along all rivers, streams, overflow channels, and basins and by-passes where, in the opinion of the board, such levees are insufficient or necessary for the purpose of the plans for flood control to be carried out by said board under this act. Whenever any such levee is in the opinion of said board insufficient or necessary for the purpose aforesaid, the reclamation board shall give notice, by publication in the manner hereinafter provided, that such levee is insufficient or necessary and that it is the intention of said board to construct, repair, or complete such levee and pay the cost thereof out of an assessment levied or to be levied and assessed upon the lands within said drainage district directly or indirectly benefited by such levee. Such notice shall be signed in the name of the reclamation board by its president and secretary and shall be published once a week for three weeks in some newspaper published in the county wherein such levee or the greater part thereof is situated or is to be constructed, and the giving of such notice by publication shall be deemed completed on the twenty-first day after the first publication thereof. Any landowner or owners, and any reclamation district, drainage district, levee district, municipal corporation, or other organization or association authorized by law to construct, repair, or complete such levee shall have 30 days after completion of the giving of such notice by publication as aforesaid within which to apply to said reclamation board for leave to construct, repair, or complete such levee, which application shall be in writing and signed by such applicants or their respective executors, administrators, guardians, trustees, or duly constituted and authorized officers, and filed in the office of the reclamation board; and in case such application be filed within 30 days, as aforesaid, such applicants shall have 60 days after the filing of such application, or such further time as said reclamation board may by order entered in its minutes allow, within which to present to said reclamation board their plans and specifications for the construction, repair, or completion of such levee, and obtain the approval by said board of such plans and specifications, and to commence the work. Each such application for leave to construct, repair, or complete such levee shall designate the name and post-office address of at least one and not more than three of the applicants signing the same as the person or persons to whom any notice or communication may be addressed by the reclamation board in the matter of such application. In case there shall be two or more such applications filed in the office of the reclamation board within said period of thirty days last above mentioned, the reclamation board may determine which of such applications shall be recognized and may reject the others. Any such levee constructed or work done by such applicants as hereinbefore provided, pursuant to such notice from the reclamation board and according to plans and specifications approved by said board, shall be considered as constructed or done with the permission of said board within the meaning of section 18 of this act. If such application shall not be filed in the office of said reclamation board for permission to do such work, as aforesaid, within 30 days after completion of the giving of such notice by publication, or if such applicants shall fail to present to said board and obtain its approval of such plans and specifications and to commence the work as aforesaid, within said period of 60 days or such further time as the board may allow, or shall fail to complete such work with reasonable diligence after the same shall have been so commenced, the reclamation board shall thereupon be and is hereby empowered to proceed with the construction, repair, or completion of such work and to pay the cost thereof by assessment upon the lands within said drainage district directly or indirectly benefited by such levee according to such benefits, as in this act provided, which assessment may be either an assessment specially levied and assessed for that purpose, or any assessment levied and assessed by said board and applicable to the payment of such work. Notwithstanding anything in this section provided, if in the opinion of the reclamation board a case of emergency exists requiring immediate action to preserve life or property or to protect or preserve the safety of any such levee along any river, stream, overflow channel, or basin, or by-pass, the reclamation board may cause the necessary work to be done immediately for the protection or preservation of such levee, without giving the notice hereinbefore provided, and may pay the cost thereof, and any damage that may have been done by the performance of such work, by an assessment to be levied and assessed as above provided, or out of the funds of any assessment available for that purpose under the provisions of this act. [New section, added by act of 1913 and amended by act of 1915.]

SEC. 18. Notwithstanding any provision in this act, any reclamation district, levee district, drainage district, or municipal corporation, wholly or partly within the said Sacramento and San Joaquin drainage district, now or hereafter existing, shall have the right, within the permission of the reclamation board, to acquire by grant or eminent domain or otherwise any right of way or other easement included in any of the plans for controlling the flood waters of the Sacramento and San Joaquin Rivers or their tributaries to be carried out by said reclamation board as in this act provided, which right of way or other easement is or shall be required by the plans of such reclamation, levee, or drainage district, or municipal corporation for the consummation of its purposes as authorized by law, and shall also have the right, with the permission of the reclamation board, to construct such levees, cuts, canals, or gates as may be required to complete any by-pass forming part of said plans to be carried out by said board as aforesaid, or to complete any part of any such by-pass which may in the judgment of said reclamation board be safely and economically constructed as a separate unit or portion thereof, and the title to any such right of way or other easement or levees, cuts, canals, or gates shall be conveyed to the said drainage district upon compensation being made at the actual reasonable cost thereof.

If any reclamation district, levee district, drainage district, municipal corporation, private corporation, association, or person within said Sacramento and San Joaquin drainage district, with the consent of the reclamation board, has provided or left, or shall hereafter provide or leave, any land for a by-pass or waterway, storage basin, or sump for the purpose of complying with the plans to be carried out by said board as aforesaid, or for carrying out in whole or in part any of the plans or works adopted by it, or shall hereafter, with the consent of the reclamation board, erect any levee or levees along said by-pass or waterway, storage basin, or sump, the said by-pass, waterway, storage basin, or sump and levees shall be considered as a part of the work to be done pursuant to the provisions of this act, and proper compensation shall be made for the right of way or easement through, over, and upon such by-pass, waterway, storage basin, or sump and for the actual reasonable cost of construction of said levees, cuts, canals, or gates. When such compensation shall have been made, such reclamation district, levee district, drainage district, municipal corporation, association, private corporation, or person shall convey to the said Sacramento and San Joaquin drainage district a perpetual easement in, over, and upon said by-pass, storage basin, or sump and levees for all purposes necessary to accomplish the said plans to be carried out by said reclamation board as aforesaid.

In the event that any such reclamation district, levee district, drainage district, municipal corporation, private corporation, association, or person, shall, with the consent of the reclamation board, expend any sum of money in the acquisition of such right of way or other easement, or in the construction of such levees, cuts, canals, or gates, and shall convey the same to the Sacramento and San Joaquin drainage district, or in the event that it, he, or they has or have allowed, or shall allow, any land to be used for the purpose of a by-pass or waterway, storage basin, or sump to comply with the plans to be carried out by said board as aforesaid, or shall, with the consent of said board, construct levees along any line of any such by-pass or storage basin, and shall convey a perpetual easement therein to said Sacramento and San Joaquin drainage district, it, he, or they shall have a claim against the said drainage district for the reasonable value or cost of such right of way or other easement or of such levees, cuts, canals, or gates, and an assessment shall be levied upon the lands in said drainage district benefited thereby so that the same may be paid, or such cost may be included as one of the items in any assessment that may be levied in the said drainage district.

The words "with the permission of the reclamation board" or "with the consent of the reclamation board," as used in this section, shall be construed to mean and are hereby declared to mean the express permission or consent of said board in each particular case, evidenced by resolution or order entered in its minutes, and granted upon application of the particular district, corporation, association, or person desiring to obtain benefit of the provisions of this section.

Before granting its permission for the acquiring of any right of way or easement or for the construction of any of the levees or other works in this section mentioned, the reclamation board may require the applicant for such permission to furnish and submit to said board complete and detailed plans and specifications therefor and estimates of the cost thereof, and said board may in its order granting such permission designate a maximum limit of the amount of compensation to be so allowed therefor.

In case the reclamation board shall determine that the ownership in fee of, instead of the right of way or easement over, any land required for use as a by-pass, or overflow channel or basin, or for any part of the works of flood control to be carried out by said board, is necessary, or that the absolute ownership by said Sacramento and San Joaquin drainage district of any levees, cuts, canals, gates, or other flood-control works is necessary, for the purposes of said district, then said board may require that such title in fee and absolute ownership shall be conveyed to said Sacramento and San Joaquin drainage district before any compensation shall be allowed therefor pursuant to any of the provisions of this section. (New section, added by act of 1913 and amended by act of 1915.)

SEC. 19. The sum of $100,000, in addition to the sums heretofore appropriated, is hereby appropriated for the use of the reclamation board, at least $20,000 of which shall be used by the board to pay the expenses of the State engineer in carrying out the directions of this act. The comptroller is hereby directed to draw warrants upon the State treasurer whenever drafts of the reclamation board are presented to him, and the treasurer is hereby directed to pay said comptroller's warrants. In the first assessment levied in said district the sum of

$50,000 shall be levied, collected, and paid to the State treasurer as reimbursement of one-half of the above appropriation.

The State of California shall not be liable, directly or indirectly, for any obligation, claim, or liability of any kind or character, arising under or by reason of this act or any of the provisions thereof, in excess of the $100,000 in and by this act appropriated. [New section, added by act of 1913.]

SEC. 20. When and as soon as the sum of $50,000 has been collected and paid to the State treasurer as reimbursement of one-half of the appropriation for the use of the reclamation board made by section 19 of said act hereby amended, or when and as soon as any part or parts of said sum shall be so repaid from time to time, if the same shall be so repaid in installments, the money so repaid to the State treasurer shall be and is hereby reappropriated for the use of said reclamation board and may be used by said board as a continuing revolving fund in the manner hereinafter provided. The controller is hereby directed to draw warrants upon the State treasurer whenever drafts of the reclamation board therefor are presented to him, payable out of such revolving fund, and the State treasurer is hereby directed to pay said warrants. The said revolving fund may be used by said reclamation board from time to time for any purpose for which the funds of said board or of the Sacramento and San Joaquin drainage district, whether raised by assessment or otherwise provided, may be lawfully used. Whenever any assessment has been or shall be levied or ordered by said board applicable to the payment of any expenses or charges so prepaid out of said revolving fund, and such proceedings shall have been taken in the matter of such assessment that it shall be lawful to draw warrants against the funds of such assessment as hereinbefore provided, the reclamation board shall make and present its draft to the controller and the controller shall draw his warrant upon the State treasurer upon the funds of such assessment for the amount of such expenses or charges so prepaid out of said revolving fund, which warrant shall be drawn in favor of the State treasurer. Such warrant may be registered and renewed and shall bear interest and be paid in the same manner as other warrants against the funds of such assessment, as hereinbefore provided, and when so paid the amount of such warrants and the interest thereon, if any, shall be by the State treasurer credited to said revolving fund and form a part thereof.

The reclamation board may from time to time draw such sum from the State treasury out of such revolving fund not to exceed the sum of $5,000 as shall be approved by the board of control, which sum may be drawn without the submission of estimates, receipts, vouchers, or itemized statements, to be used as a special cash contingent fund out of which may be advanced any proper expenses or charges in and about the conduct of its business, requiring prompt payment in cash. All charges and expenses so advanced out of such cash contingent fund must be accounted for and proper vouchers therefor produced to the board of control, and when approved by the board of control the amount thereof shall be paid out of said revolving fund and returned to said cash contingent fund. Said special cash contingent fund must be accounted for by the said State reclamation board at any time upon demand by the controller or State board of control and refunded to the said revolving fund. [New section, added by act of 1915.]

SEC. 21. Any construction or repair work to be undertaken or done upon the initiative of the reclamation board under any of the provisions of this act may, at the option of said board, be undertaken and done by said board under the sole charge and direct control of said board, its officers, agents, and employees, free from any jurisdiction or control of the State department of engineering over the same. Any such work to be so undertaken and done by the reclamation board may be done wholly or partly by contract let by the board in such manner as the board may determine, or may be done wholly or partly by day labor or force account if deemed advisable by the board. Said board is hereby authorized to construct, purchase, rent, sell, or exchange, from time to time as may be found necessary or convenient, any and all such dredgers, machines, appliances, tools, apparatus, and other property as may be necessary or convenient for doing any such work; and the cost thereof shall be apportioned to and paid from the funds raised from the several assessments levied or to be levied by said board in a just and equitable manner according to the use made of the same in carrying out the several separate portions or projects for which such assessments are levied, respectively.

Any such dredgers or other equipment, when not in use on any work of the reclamation board, may be by said board rented for use by others, and the rental received therefrom by said board shall be paid over to the State treasurer and by him credited to the balance or balances remaining unexpended of the assessment or assessments against which the cost of such equipment has been paid or is to be charged, as indicated to him by said board.

The reclamation board may also, at its option, determine that any such construction or repair work shall be taken charge of and constructed by the State department of engineering, in which case the plans and specifications for such work shall be prepared and approved by the reclamation board and by said board delivered to the State engineer, together with a request that such work be taken charge of and done by the State department of engineering; and thereupon such work shall be done or constructed under the sole charge and direct control of the State department of engineering in the manner provided by law for the doing of such work by the department, and the cost thereof and any necessary and proper expenses incurred by said department of engineering in connection therewith shall be a legal charge against the Sacramento and San Joaquin drainage district and paid out of any assessment or other fund applicable thereto: *Provided, however,* That any contract let by the State department of engineering for the doing of any such work shall be approved by the reclamation board before becoming effective: *And provided further,* That any cash, bond, check, or other security forfeited by any bidder or contractor for failure to enter into or to perform any contract for the doing of any such work shall be forfeited to and recovered by the reclamation board for the use of the Sacramento and San Joaquin drainage district, and as soon as received or recovered shall be paid to the State treasurer and by him placed to the credit of the assessment out of which the cost of such work is to be paid.

In the case of any such work so done or constructed by said department of engineering, the reclamation board may furnish to said department of engineering for use in such construction any of its dredgers, machines, appliances, tools, apparatus, or other property which may be necessary or convenient for doing such work. [New section added by act of 1915.]

SEC. 22. The reclamation board shall have the right to inspect and supervise, as the same progresses, any work done or constructed pursuant to any of the provisions of this act, and may insert a stipulation for such inspection and supervision in any order, contract, or other instrument permitting or providing for or relating to the doing or construction of any such work. [New section added by act of 1915.]

SEC. 23. Any plans or specifications heretofore or hereafter adopted or approved by the reclamation board for any work to be done or constructed pursuant to any of the provisions of this act may be changed or altered, with the consent of said board, at any time before commencement or during progress of the work if deemed advisable by said board for the purpose of avoiding obstacles or to conform to conditions discovered or existing where such work is to be done, or for any purpose approved by said board; and said board may in like manner and for like purpose at any time change or alter the plans or specifications for work undertaken by the board upon its own initiative. [New section added by act of 1915.]

SEC. 24. The president or any member of said reclamation board, and the secretary and assistant secretary, general manager, and chief engineer of said board are, and each of them is hereby, authorized to administer oaths and to take and certify affidavits relating to any matter pending before said board, or in which said board or the Sacramento and San Joaquin drainage district may be interested. [New section, added by act of 1915.]

SEC. 25. Any hearing before the reclamation board shall, if deemed advisable by the board, be conducted upon sworn testimony of the applicants or witnesses except in the case of reports or investigations made by the members, employees, or special advisers of the board.

Whenever in the opinion of the board it shall be necessary or proper for the convenience of applicants or witnesses, the reclamation board may meet at any place in this State for a hearing or partial hearing of any application coming before said board; or the board may, in its discretion, authorize such hearing or partial hearing to be had before a committee of one or more members of the board, or before the general manager or chief engineer of the board, at any place within this State, who shall take and report the evidence to the board. The board may require that all, or such part as it deems proper, of the expenses of any such outside hearing, if held at the request of the applicant, including traveling expenses of the members, officers, or employees of the board, and the expenses of stenographic reporting and transcribing evidence taken at such hearing, shall be paid by the applicant, including a proportionate allowance, according to their usual rate of compensation, for the time of the members, officers, and employees of the board required for such hearing. All money so collected as compensation for the time of the members, officers, or employees of the board shall be paid by said board into the State treasury and by the State treasurer credited to the balance remaining unexpended of any appropriation or assessment available for the general administrative expenses of the board.

The reclamation board may also provide, in such manner and upon such terms as to said board may seem proper, for the taking at any place of the deposition under oath of any witness for or against any application pending before the board, which deposition shall be taken before a notary public or other officer or person authorized by law or by this act to administer oaths, and when so taken the same shall be certified and returned to the office of said board in the manner provided by law for the certifying and returning of depositions in civil actions; and when so taken, certified, and returned the said deposition may be read in evidence before said board at the hearing of such application. [New section, added by act of 1915.]

SEC. 26. An affidavit may be used to prove the service or publication of any notice required or provided for by any of the provisions of this act in the same manner and to the same extent as provided for in sections 2009 to 2015, inclusive, of the Code of Civil Procedure, and such affidavit shall be received as prima facie evidence of such service or publication in any court or elsewhere. (New section, added by act of 1915.)

SEC. 27. Besides and in addition to the notices required by this act, the reclamation board may in its discretion give such notice as it may deem proper, by publication, mailing, or otherwise, of any of its assessments, orders, proceedings, hearings, or other acts done or contemplated. (New section, added by act of 1915.)

SEC. 28. The reclamation board may from time to time adopt rules to promote the convenient, orderly, and just conduct of the business of said board and of the Sacramento and San Joaquin drainage district, and may amend or repeal the same or any part thereof from time to time, and any such rules or any part thereof may be suspended or compliance therewith may be waived by said board at any meeting to such extent as may be deemed proper. Any rules heretofore adopted by the reclamation board shall be the rules of said board until amended or repealed or until new rules are adopted. (New section, added by act of 1915.)

SEC. 29. The property of the reclamation board or of said Sacramento and San Joaquin drainage district shall be exempt from execution or attachment. (New section, added by act of 1915.)

SEC. 30. If any section, subsection, sentence, clause, or phrase of this act shall for any reason be held or found to be unconstitutional, the validity of the remaining portions of this act shall not be thereby affected. The legislature hereby declares that it would have passed this act and each section, subsection, sentence, clause, and phrase thereof, notwithstanding that any one or more sections, subsections, sentences, clauses, or phrases be held or found to be unconstitutional. (New section, added by act of 1915.)

SEC. 31. This act shall be known and may be cited and referred to as the "Reclamation board act." (New section, added by act of 1915.)

MEMORANDUM.

To the amendatory act of 1915 are appended the following general provisions:

It is hereby declared by the legislature that some of the provisions of this amendatory act are for the purpose of more clearly expressing what was intended by the legislature in certain provisions of said act which is hereby amended, and therefore if any provision of said act hereby amended, when properly construed, shall be held to have the same meaning as a corresponding or any provision of this act, although differently expressed, the amendment thereof by this act shall be construed to be an amendment in form only and not in substance.

All acts and parts of acts inconsistent with said act as heretofore and now hereby amended are hereby repealed to such extent as they may be so inconsistent.

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EXHIBIT G.

EXTRACTS FROM BIENNIAL REPORT STATE RECLAMATION BOARD OF CALIFORNIA.

SACRAMENTO, *April 1, 1916.*

HON. HIRAM W. JOHNSON, *Governor of California:*

The State reclamation board offers for your consideration the following report of its activities from the date of its previous report,

April 1, 1914, up to the 1st of April, 1916, together with certain suggestions in the interest of the work in its charge.

The work of the board as at present developed has a three-fold character.

POLICE POWERS OF BOARD.

First, it exercises unusual police powers conferred by the reclamation board act in directing private reclamation so that it may not interfere with flood control or unnecessarily injure the safety of existing reclamation in the Sacramento and San Joaquin Valleys. Under the law plans for new levees or for changes in the old levees must receive the approval of the reclamation board before work thereon may commence. So, too, for bridges and roads crossing by-passes or overflow channels, and for works of any kind likely to interfere with flood flow, or to jeopardize reclamation works essential to the project. The board has jurisdiction in these matters, not only along the Sacramento and San Joaquin Rivers and on the tributaries thereof, but also in the adjoining basins.

Power is given to the board to enforce the construction of draws in highway and railroad trestles crossing the by-passes and overflow channels, wherever, in its judgment, such draws are necessary to allow the passage of dredges and other craft utilized in reclamation work. It is evident that prompt access to levees and reclamation works along the by-passes, as well as on the rivers, must be had in order to insure permanent protection to the flood-control project and the interests served thereby.

In pursuance of that provision of the law the Oakland, Antioch & Eastern Electric Railway has constructed a movable span with an opening of 80 feet in that portion of its trestle crossing the east borrow pit of the Yolo by-pass. A similar span of 70 feet width was placed, prior to the adoption of the law, in the trestle of the Sacramento & Woodland Railroad where it crosses this borrow pit. Similar provision has been made in the bridge crossing the canal between districts 1000 and 1001, and similar provision will be made, under the board's order, in the new bridge which will be constructed by Yolo County across the mouth of Sycamore Slough, near Knights Landing.

An 80-foot removable span has been constructed in the highway bridge crossing the Knights Landing Ridge cut under plans approved by the board.

The State highway commission has provided for a bascule bridge in its causeway where the same crosses the east borrow pit of the Yolo by-pass.

It has also left at the western end of such causeway a trestle which may be replaced, in the future if necessary, where it crosses the determined site of the western borrow pit of the by-pass, by a bascule bridge.

The trestle of the Southern Pacific Co. crossing the Yolo by-pass had been constructed prior to the passage of the reclamation board act, and this board has been unable to induce that company to act in the matter of providing a draw in such trestle, unless the cost thereof is met by the district. Even should the reclamation board approve of the equity of so meeting the expense there are no funds for the purpose.

In pursuance of this same police power, the board has ordered the removal of all trees from levees wherever they offer an element of danger, and has called attention to defective construction and dangerous conditions wherever they were found to exist, even where it lacked the power to enforce correction of the defects.

The board in the fall of 1915 entered into a contract with the Natomas Co., under which that company undertook to clear the Yolo by-pass, in the neighborhood of the Fremont Weir, of brush and trees, the work to be done under supervision of the flood-control engineer and to be paid for in warrants of the Sacramento and San Joaquin Drainage District, payable out of an assessment to be hereafter levied for the Yolo by-pass. This work was undertaken in order to prevent congestion of flood waters at the upper end of the Yolo by-pass with consequent danger to the river channel and reclaimed lands.

The work was practically completed before January 1, 1916, and the good effects are already apparent. It is desirable also to clear this by-pass each year through its entire length, of tule, by burning or otherwise. The run-off could be so improved thereby as to materially decrease the flood plane in the by-pass; but it can not be done in the absence of funds for the purpose, unless interested districts are willing to undertake the work, partly for their own protection, and to accept warrants in payment therefor. District 1500 proposes to do a certain amount of clearing in the Sutter by-pass. Similar choke conditions exist in the Butte by-pass and elsewhere, and material benefits could be secured in each case by clearing.

The ill effects of the independent method of reclamation, which was recognized by State law prior to the creation of the reclamation board, are everywhere apparent. There are some large reclamation districts whose lines of levee have been so unwisely planned or placed, or improperly constructed, that these districts must either entirely change their plans or meet heavy annual expense to repair wash. There are certain districts whose levees have been so placed that no repair or construction, reasonably practical, can in the future, while the levees remain in that location, protect the districts from inundation. Levees have been so constructed on overflow channels as to cause ensmallment and choke of channel at certain points, making inevitable a breach of the levee in heavy flood on one side or the other. ("Overflow channel" as used in this report has reference to the space left in places between the natural bank of the stream and the levee to accommodate the excess flow in flood season.) Again, with the hope of saving an acreage of rich land, or because the river bank offered better foundation for a levee, levees have been constructed without proper berm on the water side, or without revetment, and are subject to such wave action and wash that they must be every year repaired at heavy expense, and perhaps ultimately moved farther back. In many of these cases, if for any reason it was desirable or necessary to maintain the levee on or near the river bank, economy would have been served had such bank been strongly revetted.

There is apparent on the part of a number of reclamation districts and landowners a misconception as to the scope of the board's duties. It has been called upon for decision or relief in cases of difference between landowners in a district as to the the internal administration of the affairs of such district. With such matters the board has nothing whatever to do, the intent of the law being evidently to allow the reclamation districts to administer their own affairs in the future, as they have in the past, and to limit the jurisdiction of the reclamation board in connection with such districts to such supervision of district levee plans and construction as would safeguard the flood-control project from interference and other districts from danger or injury.

FLOOD CONTROL IN THE SAN JOAQUIN.

The second element of the board's duties consists in promotion of a comprehensive flood-control project for the San Joaquin River.

A certain amount of study has been given to this subject, but little could be done in advance of completion of surveys of the valley, which were undertaken in 1914, under joint action of the California Débris Commission, representing the Federal Government, and the State engineering department, representing the State of California. A fund of $64,557 was available for the purpose, half of which was appropriated by Congress and the other half supplied by the State engineering department from its appropriation for river work.

Those surveys are now practically complete and the engineering force of the reclamation board is engaged in working up data to serve as basis for the comprehensive flood-control project which will be worked out by the California Débris Commission in conjunction with the State engineering department. As soon as that has been accomplished and a plan adopted, with means provided for carrying it out, either under joint Federal and State action, or by the State alone, the reclamation board can proceed with the active promotion of those portions of the project which are necessary for the protection of existing districts.

Until such a plan has been formulated and adopted the board is necessarily handicapped in granting permission for private reclamation projects in the San Joaquin Valley because of the possibility that they may interefere with such flood-control plan when developed.

The Calaveras problem: In the San Joaquin Valley, too, outside of the section now contained within the Sacramento and San Joaquin drainage district, there is the problem of the floods of the Calaveras River, which threaten a serious menace to the city of Stockton. Those floods are at present being diverted to the north and west of the city and discharged into the San Joaquin River through the so-called diverting canal completed by the Federal engineers in 1910.

This diverting canal, while not insuring entire safety to the city of Stockton, causes annual inundation of a large farming section outside of the city. Through her chamber of commerce and official representatives, Stockton came to the legislature of 1915 and asked that she be admitted to the district and placed under the jurisdiction of the reclamation board, believing that thereby and only in this way could she speedily and satisfactorily solve the Calaveras flood problem and provide means whereby the safety of the city of Stockton could be permanently assured. Because of a complication of issues, which are elsewhere referred to in this report, the legislature failed to comply with her request.

Freeport levee protection: The proposed work of levee protection on the Sacramento River at Freeport under the board's assessment No. 5 will very materially assist in securing protection to the reclamations in the northern part of the San Joaquin Delta.

SACRAMENTO FLOOD-CONTROL PROJECT.

The most important work of the reclamation board has been in promoting the prosecution of work on the Sacramento River flood-control project, which constitutes the third element of the duties of the board. This has been done in various ways—by completing, in cooperation with the California Débris Commission, cross-section surveys of the basins and overflow channels, and adopting, with approval of Federal and State engineers, necessary modifications of the original by-pass plan as tentatively proposed in the report of the Chief of Engineers, United States Army, 1910; by approving the construction by private capitalists of river and by-pass levees necessary for reclamation of their own lands, but which are incidentally necessary parts of approved units of the flood-control project; by itself undertaking field work where necessary in important matters; by securing desirable modifications of the law; by conducting a campaign of education among the people of the State, and particularly of the Sacramento and San Joaquin drainage district, so that their necessary cooperation might be had; by coordinating its work with that of the Federal engineers, and keeping Nation, State, and landowners in touch and in harmony with each other.

SCOPE OF THE SACRAMENTO PROJECT.

The State, and even those citizens most directly interested, have only recently commenced to thoroughly appreciate the magnitude of the Sacramento River flood-control project, and what it means in State development. In problems presented and solutions offered, in results promised to many interests—National, State, and local—in nature of the work and the expense involved it is the greatest project in progress or contemplated west of the Missouri River, and is exceeded in the particulars named by but few projects in the United States.

The project is necessary, first, for restoration and maintenance of navigability in the Sacramento River. Ocean freighters came up the river to Sacramento city, 125 miles from the sea, several times during the high stage of water in 1914. Light-draft craft originally ran up to Red Bluff, 200 miles above Sacramento, except in late summer and fall, but now go no farther than Chico Landing, 141 miles above Sacramento city. The most favorable conditions indicated could be made more or less permanent.

The project promises necessary protection for the San Joaquin River, as well, since the two rivers have a common delta, and overflow of the Sacramento may cause inundation on the San Joaquin up to Stockton.

The project is necessary for the safety of the lower lands on the floor of the two valleys, including the cities of Sacramento and Stockton.

Upon the project depends any inland waterway system for California, since the two rivers must form the arteries of any such system. The development of the valleys of the Sacramento and San Joaquin, and, to a certain extent, that of the commerce of the State, are dependent upon inland waterways, with consequent low freight rate to the ocean port, and access thereby to the markets of the world.

In the Sacramento Valley and the adjoining portion of the San Joaquin Valley are 1,300,000 acres of rich alluvial lands below the flood plane whose future protection depends upon the completion of the project. Of this acreage 595,731 acres are low river lands, reclaimed or in process of reclamation, and 149,600 acres include higher lands, partly protected, over which floods would pass in absence of protection, but on which they would not remain. The annual crop from these 745,331 acres is valued at $30,000,000. Of low lands entirely unreclaimed which must remain permanently waste unless the flood-control project is completed, there are 160,600 acres. For taxable purposes, the value of these lands would be increased twentyfold by the project, and they would yield ultimately annual crops worth $5,000,000. There are 182,785 acres of the higher lands over which floods pass but on which they do not remain, which are entirely unprotected and for whose protection the flood-control project is more or less necessary. There are 202,311 acres of waste lands in by-passes and overflow channels, rich in character, but now practically useless for revenue, the greater portion of which will become available for valuable crops on completion of the system of by-passes and weirs. These lands would add greatly

in crop and taxable wealth to the State's resources. It is quite evident therefore that the early completion of the Sacramento River flood-control project means an enormous increase to the resources of the State in addition to the taxable lands of most productive capacity in increased annual crops and in insurance against injury to towns and to possible normal crops on lands now enjoying some measure of reclamation.

The Sacramento River flood-control plan contemplates a unique co-operation between State and Nation, under which the entire expense will be shared, about one-seventh by the Nation, one-seventh by the State, and five-sevenths by the landowners whose lands will be benefited through ability to secure permanent reclamation.

PROGRESS IN CONSTRUCTION—FEDERAL UNITS.

Notwithstanding the magnitude of the Sacramento project and various obstacles encountered—including lack of knowledge on the part of those who would be most benefited by its completion, opposition for various reasons in a number of quarters, and lack of congressional approval and appropriation—work on the project has materially progressed.

In connection with that portion of the work assigned under the plan to the United States engineers, and to be paid for jointly by State and Nation, there has been progress, notwithstanding the fact that in the absence of approval of the project by Congress there could not be congressional appropriation directly for such purpose. The project has been recommended by the Board of Engineers and the War Department, by the Rivers and Harbors Committee of the House of Representatives and Commerce Committee of the Senate in their reports of 1914; was passed by the lower House of Congress in the same year but failed of passage in the Senate through filibuster. Since that time there has not been approval of new projects and no direct appropriation for old projects, but simply an appropriation each session of a lump sum placed to the credit of the Chief of Engineers to be allotted in his discretion for the continuance of existing projects.

It has been possible to continue the operations in opening the mouth of the river under these conditions, because in 1910 Congress approved a project recommended in the Report of Chief of Engineers, 1907, for the purpose of taking care of the débris in the channel of the Sacramento River, which project contemplated the use of two suction dredges for 56 months. The work contemplated and being done by the California Débris Commission under this project (locally referred to as the minor project) may be considered as a part of the work included within the Sacramento River flood-control project (referred to locally as the major project). For this minor project Congress appropriated in 1910 $400,000, which was supplemented by a similar appropriation from California. In 1913 the legislature appropriated $200,000 for this purpose, which was met by allotment from the Chief of Engineers in 1914 and 1915 of $60,000 and $140,000, respectively, under recommendation of the California Débris Commission. The legislature of 1915 made a further appropriation of $250,000, which will doubtless be met by allotment of such amount as may be deemed necessary by the Chief of Engineers under recommendation of the débris commission for continuance of the present operations. Further appropriation will be necessary from the legislature in 1917, even for the minor project. If the major project should be approved by Congress at the next session, the legislature of 1917 should appropriate not less than $1,000,000 in accordance with recommendations already made and to insure completion of the project within a reasonable time.

Under this minor project the California Débris Commission has, in effect, removed the principal obstructions to flow for high-water conditions over a nearly straight channel about 3,000 feet wide, diverging from the river across the Horse Shoe Bend between Rio Vista and Bakers Point on Sherman Island. In the course of this work some of the material has been so disposed of as to serve as the core of a levee about a mile in length across the base of Bakers Point, and the old levee outside thereof has been breached in several points to permit it to be attacked and eroded by flood waters should flood conditions develop to further facilitate the flow. This would tend to afford the necessary relief. Similar work was done at the corresponding projection formed by the lower extremity of Sherman Island. Corresponding work toward the same end has also been done at other places between Bakers Point and Collinsville, where it would afford the most relief.

In progress of this work the débris commission has moved with the two dredges 13,000,000 yards of material up to January 1, 1916, and has worked 26 months of the 56 months contemplated by the project.

The plan of operation and results accomplished are shown in a map accompanying his report, the data for which was furnished through the courtesy of the California Débris Commission.

The beneficial effects of the work already done in this way toward "uncorking" the river's mouth—one of the objects contemplated by the major project—are noticeable in improved run-off of the floods.

The progress of the work at the mouth of the river offers an indication of the manner in which the National and State authorities are cooperating so as to secure the most effective results.

Through delays in procuring certain property needed for spoil bank, to afford the best sequence of operations toward the flood-control idea, it had been necessary for the Federal engineers to anticipate their needs in this matter at other points, where they had constructed retaining embankments to hold the spoil from returning to the river. Operating under the minor project only they could not construe the law to permit them to abandon this work for the time being, which had cost several thousand dollars, and repeat the expense to procure a similar new spoil bank at the Horse Shoe Bend, after the lands there necessary had become available. It was desirable that the work at the Horse Shoe Bend which would afford the most relief to the flood situation (under the major project) should be done at the earliest possible moment. On recommendation of the reclamation board the State engineering department appropriated from its river funds on hand $12,868.96 for the purpose of building the necessary retaining levee 4 miles along the west side of the channel mentioned. The Government dredges, following the construction of this levee, were enabled to deposit the material on the spoil bank behind such levee so that, without extra expense to the minor project, the work thereof was made available to the major project in opening the large channel necessary for the run-off of floods.

Similarly, the California Débris Commission found itself prevented, by the limitations of the minor project from surfacing the levee constructed across Bakers Point, and in the absence of such surfacing with soil there was question as to the advisability of permitting the sand embankment to be exposed to the wave wash that might result with the destruction of the outer levee, to enlarge the channel. The reclamation board arranged with the trustees of district No. 341 (Sherman Island), to advance $3,028.13, half of the necessary funds for this soil surface and issued to them warrants of the Sacramento and San Joaquin Drainage District, to be paid out of Sacramento River outlet assessment No. 2, while the State engineering department provided a similar amount. That soil surface having been placed and the levee thereby protected to the satisfaction of the landowners in the district, the outer levee will be cut so that the high waters may escape across the point and cause further erosion to increase the area available for flood relief flow.

The State engineering department has provided during 1915, and the latter part of 1914, $53,021.03 to assist in various ways the work of the débris commission in opening the river's mouth. Of that amount $37,123.94 was paid in condemnation proceedings and purchase of rights of way, and $15,897.09 for dredging operations.

In the matter of weir construction, which is also a portion of the work contemplated in the major project and to be placed under Federal supervision, while no construction has been done, in the absence of congressional appropriations therefor, rights of way for three of such weirs have already been secured, that for the Tisdale Weir having been in the possession of the State for some years, that for the Fremont Weir having been acquired through the operations of the reclamation board, and that for the Sacramento by-pass having been purchased by the city of Sacramento, which has also undertaken to construct the Sacramento Weir itself, as herein elsewhere explained.

THE PROGRESS IN BY-PASS AND LEVEE CONSTRUCTION.

Notwithstanding the difficulties and obstacles referred to in this report, the progress in construction of units of the project under supervision of the reclamation board has been marked. Much of this progress has been due to the work of private capital, which has been undertaken under practical invitation of the State and assurances that the old plan of independent reclamation, involving danger to each district and ultimate destruction to all, has been replaced by a comprehensive plan looking toward safety to all and providing a competent authority with power to enforce completion of the plan.

Of the 519.42 miles of river levees contemplated by the project, there has been already constructed and up to approved grade as fixed by the reclamation board 78.58 miles; constructed but not up to standard, 213.31 miles; in course of construction, 98.57 miles; projected, 11.85 miles; unprovided for, 46.40 miles; data lacking, 70.70 miles.

Of the 193.71 miles of by-pass levee there have been constructed and up to approved grade, 9.47 miles; constructed but not up to standard, 15.72 miles; in course of construction, 44.77 miles; projected, 25.38 miles; unprovided for, 74.37 miles; not yet located (Butte Basin), 24 miles. In addition there may be counted as by-pass levee, completed to grade, 7 miles of the west levee of district 1001, which is, in effect, the east levee of the lower portion of the Sutter by-pass.

Butte Basin: In the Butte Basin the location of the weir and by-pass has not been finally determined by the engineers and the board. Tentative plans appearing in the report of the Chief of Engineers, 1910, are subject to modifications to be made by this board on recommendation of the engineers, Federal and State, and while such plans as to all other parts of the project have received the necessary modification and been finally approved there has been no action taken in the Butte Basin. This was because there was not the immediate necessity therefor, while there was necessity for immediate determination and action as to other portions of the project, the local interests in the Butte Basin seemed to be generally content with existing conditions; no danger was involved to other portions of the project, and there is a possibility that an early completion of the Iron Canyon Reservoir may obviate the necessity for by-passes in this particular basin.

Colusa Basin: The Colusa Basin has been subject to disastrous floods due to the hill waters from the west and the absence of adequate provision for handling the same, and the imperfect river levees between Colusa and Knights Landing, particularly in those portions not included within organized districts. These difficulties are being very rapidly remedied.

The Knights Landing Ridge cut, a unit of the Sacramento River flood-control project, intended to convey the hill waters of the Colusa Basin through the Knights Landing Ridge and into the Yolo By-pass, is now nearing completion and in operation, and giving already the necessary relief. The completion of this cut by the Knights Landing Ridge drainage districts was fought through injunctions by some districts and private owners, and its completion delayed until the litigating districts and owners were, in the winter of 1914–15, inundated, a disaster which would have been avoided had they cooperated earlier in completion of the project. This case furnishes a striking instance of the results which may be expected to follow lack of cooperation on the part of interested property owners and districts in securing completion of units of the project.

For a number of years past district 108 has endeavored to maintain for its own protection the entire stretch of river levee on the west side of the Sacramento River from Meridian down to Knights Landing, a large portion of which was entirely without its own boundaries and a protection to the lands of others. In the winter of 1914–15 this levee broke at several points near Meridian, because, while district 108 was willing to pay the expense and to undertake the work of strengthening such levees, the owners thereof refused to permit the necessary work in connection therewith. In consequence by special act of the legislature of 1915 there was created the West Side levee district, including all the lands to be benefited and with power to construct and maintain 50 miles of levee on the west side of the Sacramento River from Colusa down to Knights Landing. That district has had dredges working for a year past to so strengthen the levee that it might afford protection against the floods of this season (1915–16). It is intended to complete the work during the present year.

Yolo Basin: In the Yolo Basin there has been since the date of the last report practically no progress in construction of the unfinished portions of the eastern levee of the Yolo By-pass. These unfinished portions consist of 15.46 miles at the lower end (being the west levee of the Netherlands district, No. 999), and 6.25 miles at the north (being the west levee of Mull district, No. 1600). District 999 has been delayed partly by condemnation suits for rights of way. District 1600 has already arranged to push construction work during 1916. There has been no construction of any portion of the west levee of this by-pass. The river levees in this basin are unfinished on the frontage of district 1600 and are defective at points in two districts. Otherwise they are generally good in condition.

Sutter Basin: District 1500 reports construction of 24½ miles of the 34½ miles on her Sacramento River frontage. Construction of the bal-

ance is delayed by complications as to rights of way. The north and east levees of the district, forming, respectively, the south levee of the Tisdale By-pass and the southerly 20 miles of the west levee of the Sutter By-pass are reported as 50 per cent finished, but are now stopped by injunction, as is elsewhere explained.

District 1500 has also recently commenced work on 3 miles of the east levee of the Sutter by-pass, within the limits of district No. 1. This work is necessary for the protection of district No. 1, and is required by the act creating district No. 1500.

American Basin: Work in the American Basin has been finished and the entire basin closed to flood waters by the completion a year ago of the levees of districts 1000 and 1001, owned or controlled by the Natomas Consolidated. The first-named district comprises 52,128 acres and the second 31,203 acres.

The levees of these districts along the Sacramento River for 18 miles furnish fine examples of modern levee construction. They are placed 100 feet or more back from the river bank, the intervening space being grown up with brush and timber, to guard against wave wash. The levees have a crown of 24 feet, average height of 15 feet, and slope outside of 3 to 1 and inside of 2 to 1.

In construction a drag-line excavator was used to excavate a central trench 10 feet below the natural surface and 12 to 15 feet wide at bottom and 30 to 35 at top, the material being thrown up on each side in the shape of a levee. This trench and the core between the clay levees was then filled in with sand pumped by suction dredge from the river bottom. This sand core levee is a valuable safeguard against burrowing by gophers, one of the obstacles to maintenance of strong levees in the Sacramento Valley, and also diminishes seepage by offering a barrier to the flow through pervious strata. The expense per cubic yard is said to be no greater than that experienced in clamshell work. The cross section calls for more material than would a clamshell levee, because of the drag-line trench, but this is partly offset by the slippage of the clamshell material.

In district 1000 last year for the first time since the sixties the sea of flood waters was replaced by a sea of waving grain.

SACRAMENTO BY-PASS.

The Sacramento by-pass, 1.83 miles long, situated a few miles above Sacramento city, and intended to discharge excess floods into the Yolo by-pass, is necessary for the safety of Sacramento city and of the neighboring districts on both sides of the river above and below her. It is intended as an easement for the American River, which river in extreme flood will carry, it is estimated, 180,000 second-feet, augmenting the flood which the Sacramento River channel below the mouth of the Feather can accommodate (now 75,000 second-feet, but to be increased on completion of the river levees of district 1600 to 107,000 second-feet). The maximum capacity of the river channel below Sacramento city is but 110,000 second-feet, and no levees practicable in the neighborhood of Sacramento city could under present conditions long remain above the rising flood plane which would follow the choke produced by the flow of 287,000 second-feet indicated.

Because of her critical position and the uncertainty of congressional appropriation for weir purposes, Sacramento city voted, in 1912, over $500,000 to be used in opening the Sacramento by-pass. There were delays because of rights of way negotiations and changes in city administration, but the entire rights of way have now been purchased by the city and she has perfected plans for the weir which have received approval of the Chief of Engineers and War Department. The weir structure is designed to carry also a public roadway for Yolo County and the trackway of the Sacramento and Woodland Railway. Its sill is fixed at elevation 25 U. S. E. D., and above that, in 40-foot sections, are 48 movable gates which permit retaining the flood in the river channel up to elevation 31 U. S. E. D., or discharging it through one or more of these gates. The gates are so devised that automatically a steadily increasing number will drop for each half-foot rise in flood plane above elevation 32 feet U. S. E. D., all being open when the flood plane reaches 36½ feet U. S. E. D.

The reclamation board will build the lateral retaining levees of the by-pass and adjust the matter of compensation for drainage plants, etc., with reclamation districts Nos. 785 and 537, through both of which the by-pass cuts.

Some fears were expressed by Yolo County landowners as to possible increased damage to their lands from the operation of the Sacramento by-pass in conjunction with the Yolo by-pass, but there is apparently no good ground therefor, as indicated by reports made in connection with the subject in September, 1912, by Maj. S. A. Cheney, United States Army, then executive officer of the California Débris Commission, and Hon. W. F. McClure, State engineer, to be found in the report of the reclamation board published in 1912.

According to the statements of these engineers with the various levees as they are now, and holding intact, no water could go over the Sacramento Weir as planned until the Yolo Basin had been filled through existing breaks at Grays Bend and Woods Bend and at Elkhorn Weir; water would have to be pouring more than 4 feet deep over Elkhorn Weir before it would begin to go over the Sacramento Weir; the extra amount which could go into the Yolo Basin, because of the Sacramento Weir, would be, under such circumstances, small; the operation of the Fremont Weir, with the corresponding construction of river levees, which will follow construction of the Sacramento by-pass, would be of great value to Yolo Basin, diminishing the amount of water going into the basin by forcing the river channel to carry more, and maintaining conditions under which in any year there would be water in the basin for less time than under existing conditions, and in some seasons none at all; and the speedy construction of the Sacramento Weir should be therefore promoted by all who are interested in the development of Yolo Basin.

BASIN RECLAMATION AND BOARD POLICY.

While the intent of the reclamation board act is obviously that the reclamation board should promote in every practicable way the early completion of the Sacramento River flood-control project, the board has not taken the initiative in advancing reclamation in the river basins, even when such reclamation would incidentally construct works which are integral parts of units of the project.

It has followed this policy for two reasons: First, there was obviously a possibility that reclamation in the upper basins, if it progressed too rapidly, would so diminish the basin reservoir capacity in flood season as to cause increased danger to the river and to existing reclamations in the delta, until the work of opening the mouth of the river had progressed far enough to permit the rapid run-off of augmented flood; second, the board deemed it best to have reclamation work of this character incidental to the project done, so far as possible, by the districts and landowners themselves, under approval and supervision of the board and its engineers. Such a plan is obviously more satisfactory to the districts, while it utilizes their organization and facilities, relieves the board of much detail, and permits it time and attention for supervision of this work and for consideration of the larger features of the problem. For the reasons indicated, the board has thus far avoided, save in case of necessity, taking itself the initiative in actual construction of by-pass works. If, when the river's mouth has been sufficiently opened, the work in the basins has not kept pace therewith through private and district initiative the board can, under its authority, force completion of basin and river work wherever necessary to secure flood control.

It is evidently not the intent of the act, however, notwithstanding the consideration above mentioned, that the board should disapprove plans of reclamation districts for reclamation in the upper basins if the plans are in conformity with the flood-control project, and particularly where levees necessary to units thereof are part of such plans. The act plainly invites cooperation from the districts in such work. The board has assumed that each reclamation district or owner of overflow lands has the right, under the law and in conformity with the act, to reclaim its lands, provided the plans therefor should be approved by the State and Federal engineers as in conformity with the Sacramento River flood-control project adopted by the State. It has, therefore, approved plans of this character when presented to it by reclamation districts or owners, even in advance of the necessary opening of the mouth of the river, but has endeavored to provide for safety of all interests by restricting the closing of the reclamation levees in the upper basins until a time so remote that there would be opportunity to secure the necessary relief in run-off below. For instance, a delay of two years each was enjoined on district No. 1500 in Sutter County, on the Knights Landing ridge district for making the Knights Landing ridge cut, on the Mull district No. 1600, and the Netherlands district No. 999 in Yolo County, on the assumption that within that time, under the appropriations made and provided for, sufficient increased capacity would be secured in the river's mouth to compensate for withdrawal of basin reservoir capacity, and that in the meanwhile Sacramento city and interests concerned would complete the construction of the Sacramento by-pass for which measures had already been inaugurated.

Under a recent decision of Judge Emmet Seawell, presiding in the superior court of Sutter County, in the case of Samuel Gray et al. v. Reclamation District No. 1500, if upheld by the Supreme Court, it would appear that reclamation in the basins can not proceed by individual district work which raises the flood plane, even though it constructs necessary parts of units of the flood-control project, unless there be completed at the same time the entire work in by-pass and levee construction for the particular unit of the project involved. For only in this way can all lands threatened be protected from the effects of such raise in flood plane. It may become necessary now, in fairness to districts which have, under the State's invitation, expended large sums of money in this work and which may not complete it for their own protection under the Seawell decision, and it will certainly be necessary in the future, when the time is opportune for completing all by-passes, that the reclamation board abandon the policy above indicated, and itself assume the initiative in constructing at one time all remaining portions of large units of the project.

ASSESSMENTS.

The board has levied five assessments as follows:

General assessment No. 1, $250,000 levied June 9, 1914; assessors, A. E. Chandler, Max W. Enderlein, Alex Brown. First installment called, $150,000, delinquent July 15, 1915; amount collected to December 31, 1915, $111,523.36, a small portion of which is payment in advance on the second installment, which has not yet been called.

In levying this assessment the board complied with the specific provision of the act of 1913, providing that out of the first assessment levied by the board there must be returned to the State treasury $50,000, or one-half of the appropriation made by that act for the running expenses of the board. The assessment was necessitated further by the facts that the legislature, in passing the act of 1913, clearly intended that future administrative expenses of the board should be paid out of assessments; that the legislature of 1915, in amending the act, made no change in such policy; and that the funds in the board's hands were about to be exhausted, while the work, vital to the project, had to continue. We believe this method of assessment for providing funds for the administrative work of the board to be a serious mistake, to which attention is hereafter called.

Of the amount collected through this assessment, $50,000 was paid into the State treasury, in accordance with the terms of the act of 1913, and afterwards placed to the credit of a revolving fund for certain uses of the reclamation board, as provided in the act of 1915. The balance, $61,523.36, remained to meet the various expenses of the board.

Sacramento River outlet assessment No. 2, levied August 4, 1914, $367,000; assessors, A. E. Chandler, Max W. Enderlein, and Alex Brown.

In levying this assessment the board complied with the direction of the act of 1913, which provided that one of the first projects to be given consideration by this board shall be the Sacramento River outlet project, and that it shall provide in the assessment therefor for the return to the State of California, municipalities, reclamation districts, and landowners of amounts expended by them previous to passages of the act in purchase of rights of way in connection with such outlet project.

The amounts thus subscribed for rights of way, as referred to in the act, aggregate $240,188.19, of which $75,000 was furnished by a bond issue by the city of Sacramento, and most of the balance obtained through efforts of the San Joaquin and Sacramento River Improvement Association. In addition assessment No. 2 covers estimated cost of additional rights of way under condemnation suits (since decided), spoil banks, elimination of Wood Island, levee work not covered by contemplated congressional and State appropriation, assessment expenses, etc.

A warrant has been issued against this assessment for $3,028.13 in favor of the trustees of district No. 341 (Sherman Island), who advanced half of the amount necessary for surfacing the new Bakers Point Levee prior to cutting off such point. The other half was furnished by the State engineering department from its appropriation for river work.

Sacramento by-pass assessment No. 3, levied August 4, 1914, $900,000; assessors, A. E. Chandler, Max W. Enderlein, and Alex Brown (subsequently canceled and relevied, as indicated below).

This assessment was levied in order to hasten, in cooperation with the city of Sacramento, the completion of the Sacramento by-pass, which by-pass is recognized as necessary to secure the safety of Sacramento city and the surrounding districts more particularly from the menace offered by the floods of the American River, and is preliminary to installation of the Fremont weir. Sacramento city, in the absence

of congressional appropriation for weir construction, had offered to construct the Sacramento weir with funds secured from a bond issue passed by the city on behalf of the completion of the Sacramento by-pass. She has already purchased the necessary rights of way for the entire by-pass, amounting to $275,000.

Assessment No. 3 is intended to reimburse Sacramento city for the purchase of these rights of way and also to cover the cost of construction of the two lateral levees and such additions to the weir structure as are intended for the purposes of the Yolo County road and the trackway of the Sacramento & Woodland Electric Railway, now having rights of way across the by-pass, and also to compensate reclamations districts Nos. 537 and 785, which are cut by such by-pass, for damage incurred thereby.

This assessment was canceled January 29, 1916, and a new assessment for $1,095,000 levied, covering the changes necessitated by the plans for the weir, submitted by Sacramento city and approved by the Chief of Engineers. The assessors named for this assessment are Max W. Enderlein, F. C. Herrmann, and B. A. Etcheverry.

It is contemplated that collection will be made on this assessment this fall.

Fremont weir-site assessment No. 4, levied August 25, 1914, $180,000; assessors, Max W. Enderlein, F. C. Herrmann, and B. A. Etcheverry.

This assessment was levied in order to purchase the lands known as the Freitas and Caffaro lands, and some other lands at the head of the Yolo by-pass, which are necessary to provide the site for the Fremont Weir, and an opening 8,000 feet wide from the Sacramento River near the mouth of the Feather into the Yolo by-pass. Options had been secured on the Freitas and Caffaro properties in 1913 and 1914, which options were expiring, necessitating an assessment for the purpose of securing the necessary funds. A warrant has already been issued for the payment of the amount due on the Freitas contract, $102,930.20, and the deed therefor placed in escrow pending the payment of the warrant. The assessors are now proceeding to the spreading of the assessment, and it is expected that collection thereof will be made in the fall of 1916.

Freeport levee assessment No. 5, levied January 18, 1916, $58,163.70; assessors, Max W. Enderlein, F. C. Herrmann, and B. A. Etcheverry.

This assessment was levied for the purpose of securing the funds necessary to strengthen and revet a certain stretch of levee, 3,550 feet long, on the east side of the Sacramento River below Freeport, between districts Nos. 824 and 744. A break in the levee at this place would not only inflict injury to the navigability of the river and damage to a number of districts in the neighborhood and below, but would also very seriously injure a territory extending into San Joaquin County. Temporary repairs, which it is hoped will be sufficient to protect the levee during the current floods, are being carried on by the State engineering department under funds to be provided as follows: $1,750 by the State engineering department, $1,000 by the supervisors of Sacramento County because of interest in public roads; an amount not exceeding $400 by private subscribers, to be reimbursed by warrants from the Sacramento and San Joaquin Drainage District, payable out of this assessment. Work on permanent construction and revetment will be commenced after the winter season. The assessors are engaged in the work of assessment; and collection, it is expected, will be made in the fall.

STORAGE AND FLOOD CONTROL, SACRAMENTO VALLEY.

One fruitful cause of opposition to the flood-control project, and of apathy on the part of those who otherwise would have cooperated in promoting its completion, is the declaration that the by-pass plan recommended by the Federal engineers and adopted by the State is not the proper plan of flood control for the Sacramento River; that it carries in waste to the sea the flood waters which could be stored for power, irrigation, and municipal purposes; and that there is ample reservoir capacity in the Sierra Nevada Mountains to store all these flood waters. This declaration has been for years insistently made by those ignorant of the facts and by those who ignored them, and has been used as a stock argument for the abandonment of the present plan and the promotion instead of the Newlands-Broussard bill which has been for many years before Congress without action.

Some support has been given to this belief by the fact that there is in the Sierra storage capacity which if available for the purpose would go far toward controlling the floods of the Sacramento River.

The report of the Chief of Engineers, 1910, declares that storage reservoirs can not be utilized for flood control of the Sacramento, because (1) the storage available would care for only a small portion of the flood, and (2) the expense as to available storage would be from two to ten times as great as that involved in caring for the same amount of flood by the by-pass system.

Because of the large apparent storage capacity in the mountains and the failure of the report of 1910 to explain the limitations created by the word "available" the Federal engineers have been accused by some of misrepresentation or incompetency. The explanation of the apparent discrepency lies in the fact that most of the storage of the Sierra is not available for control of the Sacramento River flood for one or more of the following reasons:

(a) It is above or can not be reached by the flood flow.

(b) It duplicates in whole or in part the service of other storage draining the same area.

(c) Its capacity is greatly in excess of any flow of the season which can drain into it.

d) It is fed not by flood waters in time of river flood but by melted snow after the danger of river flood has passed.

(e) Its use would involve the sacrifice of homes and agricultural lands of such value as to make it impracticable.

A few instances will illustrate the conditions. Big Meadows Reservoir, draining a small section of one fork of the Feather River, with a credited capacity of over 500,000 acre-feet, is practically negligible as a factor for control of the Sacramento River. It receives its supply largely from melting snow late in the season, and its capacity is from two to three times as great as the season's run-off which can drain into it.

Again, on the upper Pitt River are four reservoir sites, Big Valley, Jess Valley, Warm Spring, and Round Valley, with an aggregate surveyed capacity of 4,186,000 acre-feet. The aggregate total of the mean annual flow which could be received by each is 1,100,000 acre-feet. Of the 770,000 acre-feet flow accessible to the largest reservoir, 340,000 can be stored also in the three smaller reservoirs. These facts developed under a joint survey made by the United States Reclamation Service and the State engineering department, because of the protests of landowners at having their lands and homes in these reservoir sites, included in Federal reserves. As a result the Government retained in reserve the three smaller reservoirs to the extent only of their available capacity, 340,000 acre-feet (their actual surveyed capacity is 990,000 acre-feet), and abandoned entirely the Big Valley, which, with a capacity of 3,196,000 acre-feet, could have received and stored of the flow, in excess of that stored by the smaller reservoirs, not more than 430,000 acre-feet. So in this case the United States Reclamation Service, which is particularly concerned in reserving all available storage capacity, found that an apparent capacity of 4,186,000 acre-feet dwindled down in practice to 340,000 acre-feet.

E. G. Hopson, formerly supervising engineer of the United States Reclamation Service on the Pacific coast and now consulting engineer in the same department, thus expressed himself on this subject before the California State Water Problems Conference at its session on October 27, 1915:

"As to the possibility of reservoirs holding back the floods of the Sacramento Valley there have been some very definite statements. We have collected a mass of information. All the reservoir sites are known to us and have been surveyed. It is impossible to hold back the greater part of the Sacramento floods by use of reservoirs. There are only two effective reservoir sites that I know of, that at Iron Canyon and one on the Pitt River, and these could take care for only the peak of the floods. Reservoirs never could hold back the great mass of flood water, and on that we can not lay too much emphasis. I think there is more fallacy abroad on that point than on any other point having to do with water problems. We could use all the sites available for the storage of flood waters and they would affect only to an insignificant extent the flood problems."

Opposition to and criticism of the project based on this misconception of the availability of storage reservoirs is fast disappearing as the facts become known and understood.

The Iron Canyon Reservoir, as projected by the United States Reclamation Service, is one of the few storage reservoirs which could be made of value to the Sacramento River flood-control project. Concerning the measures of that value there is practical agreement between this board and the Reclamation Service, as is evidenced by correspondence attached to the report of the Iron Canyon project published in 1915. The early completion of that project, with satisfactory operation in the interest of flood control, would justify material modification and possibly entire elimination of the by-pass system, so far as it applies to the Butte Basin, but would not justify changes elsewhere.

It should be said, however, that the Reclamation Service report offered a number of alternative plans, some of which do not provide for any measure of flood control. The particular plan which was recommended by the Board of Review named by Secretary of the Interior Lane—"B 3"—does not provide any measure of flood control and does interfere with navigation. It would cost $3,600,000 additional to add the features which would make this plan care for the excess flood beyond the quantity the river can accommodate and $4,000,000 to pay for improvement to navigation necessitated by adoption of the plan.

It is true that reservoirs hereafter constructed may prove additional factors of safety to the Sacramento flood-control project, but only to the extent of the flood which they will hold back at flood stage, and that project has been so planned that they can fit into it when built.

V. S. McCLATCHY,
A. G. FOLGER,
W. T. ELLIS,
PETER COOK,
G. A. ATHERTON,
LOUIS H. FRANKENHEIMER,
M. K. ZUMWALT,
*State Reclamation Board, State of California.*

EXHIBIT H.

[Extracts from hearing before the Committee on Rivers and Harbors of the House of Representatives, July 23 and 24, 1915, during the inspection of the Sacramento, Feather, and San Joaquin Rivers by the committee.]

STATEMENTS BY MAJ. L. H. RAND, UNITED STATES ARMY, OF CALIFORNIA DÉBRIS COMMISSION; G. A. ATHERTON, MEMBER STATE RECLAMATION BOARD; A. E. ANDERSON, PRESIDENT CALIFORNIA TRANSPORTATION CO.; P. J. HARNEY, PRESIDENT SACRAMENTO TRASPORTATION CO.; HON. CHARLES F. CURRY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA; AND P. C. DRESCHER, OF SACRAMENTO, CAL.

ON BOARD THE STEAMSHIP "COLUSA,"
ON THE SACRAMENTO AND SAN JOAQUIN RIVERS,
*July 23, 1915.*

[Notes taken by and dictated to the stenographer at different times en route from Meridian to Sacramento and Stockton on examination of Sacramento and San Joaquin Rivers, Cal.]

Mr. ATHERTON. The only thing at the present time that I care to call your attention to is the marking on this plan in red—the navigable channels between this point here [pointing] and up to Stockton. These channels have in every instance 9 or more feet of water and are 500 to 600 feet in width. They are navigated every day in the year. The lands are in a high state of cultivation, and all of the traffic with this territory is done by boats. The produce is largely potatoes, onions, beets, and barley, and it is shipped to San Francisco. There are about 200,000 acres in this territory, and of these channels there are 210 miles. The shoalest channels that we have in this territory are the 6 miles from here [pointing] into the city of Stockton. There the Government has to do considerable work to maintain 9 feet. The distance is about 45½ miles from Stockton to the mouth of the San Joaquin. We go down 61 miles from Sacramento to the junction of the two rivers, or to Collinsville. Very many of these channels have been constructed by private enterprise in connection with the reclamation of these lands through the raw tules. I think in this interior territory there is not a place where the farmer has to haul more than 3 miles to water. Between Stockton and the mouth of the river I think there is no difficulty at all in getting economically the necessary cross sections to take care of the flood waters that have ever occurred. There is one place on the river where a by-pass is necessary. The head of navigation is practically in Stockton, but this summer the river has been operated 20 miles above Stockton, and all of the year for about 15 miles above Stockton there is navigation. * * *

The CHAIRMAN. The captain of the boat said the new cut we just passed through is better for navigation purposes than the old one.

The river is like the Mississippi. If it makes a cut-off in one place, it will lengthen at some place else; so that it is ever practically the same length.

Mr. ANDERSON. The two large companies that handle commerce below Sacramento are the Southern Pacific and California Transportation Co., my company. I should say that we handle, combined, about 500,000 tons between Sacramento and San Francisco.

Capt. RAND. The commerce for the Sacramento is 720,000 tons, with a valuation of $38,000,000, and for the San Joaquin 772,000, valued at $35,479,000.

Mr. ANDERSON. The California Transportation Co.'s tonnage is all from Sacramento and below. Then there is also quite a tonnage on the lower river carried by schooners and gasoline boats towing barges. There are something like 200 boats of all kinds—schooners, barges, etc. Four companies operate 26 steamboats, including California Transportation Co. and the Southern Pacific. The Sacramento Transportation Co. operates 24 barges in addition. There are two regular lines operating above Sacramento—the Sacramento Transportation Co. and the Farmers' Transportation Co. The Farmers run twice a week from San Francisco to Colusa, each boat taking one week for the round trip, and the Sacramento Transportation Co. operates regularly twice a week from San Francisco to Colusa and above. Each boat makes one round trip a week. Above Colusa the business is all handled by Sacramento Transportation Co. on flat barges towed by light-draft steamboats. One boat and barge operate regularly to Chico Landing from Sacramento. When more boats are needed they are sent up. Chico Landing has been the highest upriver point any company has operated to in the last two years. No boat has gone to Red Bluff in the last two years and possibly last four years. They have found it unprofitable to operate up that far. The water dropped too fast on them, and snags found their way into the channel. The freight on the Sacramento, northbound, consists of merchandise of every type—seed, grain, cereals of all kinds, bags to put the crops in, and, of course, supplies of all kinds for those towns along the river. The southbound tonnage is grain, beans, dried fruits, rice, canned fruit, etc. The barges have a capacity of 800 tons.

Maj. HARNEY. Our total tonnage was 184,000 tons. Of the volume of tonnage that we carry from Sacramento to all points in the Sacramento River, more than half of that total volume is destined for and shipped from points above Sacramento. The last trip to Red Bluff we made June 23, 1911. It took us 30 days to make the run. We had a very big freight on that trip. We got up to Tehama, 13 miles from Red Bluff, and we could not make that 13 miles. We had to haul all the freight by team to the cars and ship it by rail. In the early days the river came up usually about the 1st of November. Since 1906 or 1907 we do not have high river until about the middle of January. That is the reason we have not been operating to Red Bluff.

(NOTE.—At 10 o'clock we passed the steamer *Sacramento* loading grain at Nelsons Landing. She carries 500 tons. The boat we are on, the *Colusa*, can carry 600 tons when fully loaded.)

Maj. HARNEY. We carry grain on light-draft barges. We go up to the upper reaches of the river with those barges and load 100 or 150 tons and keep on loading that barge as we come down the river, loading it to its full capacity, which is 800 to 850 tons. We built those barges so that we are able to take out 400 tons on a draft of 20 inches. In some places on the river we only have 26 inches. This boat draws about 29 inches light (*Colusa*).

Colusa has the largest tonnage of grain above Sacramento. So far as merchandise is concerned, that is determined by the population. The steamship transportation trucks the freight 8 or 10 miles from each bank of the river to their docks and carries it to San Francisco 20 per cent below the railroad rates.

We passed canneries yesterday that are full of canned fruit. Last year they were empty.

Capt. ANDERSON. Tonnage was less and passenger traffic was less in 1914 than in 1913. The answer is, merchants in the interior of the State were not doing the business in 1914 they were in 1913 and travel was not as great.

The Interstate Commerce Commission took from certain interior points in California their terminal rates. In the readjustment of the rates the railroads were to apply to an interior point, like Sacramento, the terminal rate plus the local. The rate on canned goods from the terminal to New York was 85 cents. A canal boat line put in a rate of 35 cents on canned goods and similar freight, and the Southern Pacific, fearing that the canned goods would get away from them, applied to the Interstate Commerce Commission for permission to issue a 40-cent rate. The local rail rate on canned goods from Sacramento to San Francisco is $2.20; from Fresno, $5. Now, then, a cannery in Sacramento gave me 200 tons of canned goods to bring to San Francisco and deliver to the Southern Pacific Co. for shipment to New York. My rate was $1.50 per ton from Sacramento to San Francisco. Inside of a week the Southern Pacific applied to the Interstate Commerce Commission for permission to put in a proportional rate of $1.50 on canned goods from Sacramento to San Francisco.

Maj. HARNEY. Eight or ten years ago the commerce was mostly grain on this upper Sacramento River. One farmer owned 54,000 acres. The result is that practically all of that land has been sold. With crops of grain it would produce 30,000 to 40,000 tons of freight. With diversified farming and irrigation that land will raise 150,000 tons of freight.

Between Sacramento and Colusa the river is in good shape. We can operate night and day on this river.

(NOTE.—Maj. Harney built this boat, the *Colusa*, two years ago, in anticipation of increased traffic on the river.)

Sacramento is the distributing center for the fruit industry in California. There are about 15 warehouses on the river. The farmers hold their grain until winter sometimes for good prices.

The boats carry 22 carloads of freight and take it promptly alongside of the ships in San Francisco Bay and other places. The railroads can not give the dispatch as there are delays in furnishing cars and delays in transferring and switching alongside of ships. Our boats run in to any bank and take freight from any farm.

Mr. DRESCHER. The lands in the valley produce from four to five crops of alfalfa a year, each crop giving from 1½ to 2 tons per acre, making a total production of from 7 to 10 tons a year. Two years ago this hay brought $12 and $13 a ton on the banks. Barley, they can produce 20 bags to the acre, each weighing from 100 to 110 pounds. That would be a moderate estimate. Potatoes, from 80 to 150 bags to the acre, weighing about 110 pounds to the bag, or about 2 bushels to the bag. Onions from 125 to 300 bags to the acre, 100 to 110 pounds to the sack. Vegetables of all kinds are raised and they run from 6 to 10 tons to the acre. With barley and wheat it is about 1 ton to the acre. With intensified farming it is sevenfold. One man at Meridian said his crop of sugar beets would be 15 to 20 tons per acre. The average production of Colorado is 10 tons to the acre, of California, a little over 10 tons to the acre. Two hundred and eighty pounds of sugar are produced from 1 ton of beets.

JULY 24, 1915.

NOTE.—We departed from Sacramento this morning at 8.30.

Mr. CURRY. Ninety per cent of all the asparagus canned in the United States is grown in this district from Courtland down. Two hundred carloads of fresh asparagus has already been shipped this year. Out of Courtland last year there was $10,000,000 worth of all kinds of deciduous fruits shipped, mostly pears, peaches, and fruits of that kind. The asparagus carloads consisted of 10 tons each. It costs about 7 cents a pound to land it in New York. The farmer gets 4 cents a pound for the asparagus in crates on his ranch. The crates weigh 7 pounds. Three cents is for handling, freight, and refrigeration. It is shipped by buyers and middlemen. They assume all the responsibility, paying the farmer 4 cents a pound, and they pay 10 cents a crate to sell it after it gets to New York. Three cents includes handling, hauling, refrigeration, and haulage at both ends of the route. We grow more potatoes, more beans, and more onions in through here than in any other section of similar size in California. The people on the east side have taken better care of their land, and all this produce is raised there. It is cultivated a little more intensively than other lands. This is all shipped by water, most of it going to San Francisco and Stockton, and is shipped by railroad from those points.

There is a mosquito fleet on the San Joaquin, as well as on the Sacramento, the tonnage of which can not be gotten. Every farmer has a landing place, and if they have got freight for this line they will put up a flag which will invite boats of this line to drop in and pick up the freight. Each line has its own flags. The boats will stop for one bag of potatoes. Every town or city water front on the river is owned by the municipalities. All the levees that have been put up have been put up by the owners of the land themselves. Around Sacramento and Marysville a levee is made. Sacramento contributed $75,000 toward purchasing a point 65 miles below for improving the navigation of the river. The land back of the levees slopes down as it goes back to about 22 feet below the high-water level. That land has a sedimentary deposit of about 12 to 14 feet. Below that is a muddy deposit. They do not have to irrigate that land out there at all, but if you do irrigate it a little it will do better. The land here does not need fertilization, but there are some very peculiar streaks in the soil along here. On the east side of the river is a famous cherry belt. In the cherry belt, which is a narrow strip about 12 to 14 miles long, these trees grow very well and bear very well, but when you get out of that strip you can not grow them at all. They have experimented with the land, so that they have got it planted in what it will grow the best and most of. They raise fruits and berries of all kinds. The citrus fruits are not raised here, but they do better farther north. Almonds and English walnuts are raised here. It takes a nut tree five or six years before they bear good. They find here that it is best to take the pear trees out when they are 20 years old. They will bear when they are 30 or 40 years old. The pear tree will be growing at its best when it is from 8 to 20 years old. Here they take them out when they are 20 and put in a new tree. The best the farmers can get this year for their peaches is $10 a ton for about one-third of their crop. They will get $25 a ton for their pears. Last year they got $40 for pears and $25 for peaches.

Capt. ANDERSON. In 1909 the River Improvement Association paid $120,000 and the State appropriated $80,000 for rights of way down here, which have been turned over to the United States. These rights of way are in territory now being worked by the United States dredges.

Maj. RAND. The dredges take out 300,000 yards a month each. The dredges cost about $50,000 more than the estimate.

About $4,500,000 is to be expended on dredging down here, and the other $1,300,000 is to be expended on weirs.

Mr. CURRY. Mr. Chairman, the Committee on Flood Control tried not to be narrow, sectional, or provincial, or more than ordinarily selfish. The reason why the Mississippi River and the Sacramento River are included in this bill, and no other projects, is because they are the only two projects in the United States that have been thoroughly investigated and surveyed and reported upon to Congress by the Chief of Engineers with an itemized estimate of cost.

In the third section of this bill we have tried to provide for the investigation and report of other projects throughout the United States. The Mississippi project is of paramount importance on account of the number of States interested and the immense amount of land that will be reclaimed for agriculture.

Recognizing that fact, although I was a member of the committee, and knowing how much the Sacramento River project meant to my people, my district, my State, and the Nation, I stated before the committee that if the inclusion of the Sacramento River project would jeopardize the success of the Mississippi River project, I did not want it to be considered. As a matter of equity and right and justice it was, however, included in the bill.

The gentleman from Pennsylvania [Mr. MOORE] says that it is a navigation project pure and simple, and should be in the river and harbor bill. It was in the river and harbor bill at the second session of the last Congress and passed this House without a dissenting voice or vote. The gentleman from Wisconsin [Mr. FREAR], on the other hand, says that it is a reclamation project pure and simple. Now, they can not both be right, but possibly, like Ananias and Sapphira of old, they are both partly right. [Laughter.]

It is partly a navigation project and partly a reclamation project and partly a flood-control project; and I will read to you what has been stated on that proposition by the Army engineers.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield for a question?

Mr. CURRY. I will.

Mr. SMITH of Michigan. Do you have in mind the number of acres that will be reclaimed by the Mississippi River project, and also the number of acres that will be reclaimed by the Sacramento project?

Mr. CURRY. Yes. The Mississippi River project will permit of the reclamation of about 15,000,000 or 16,000,000 acres of land. On the Sacramento River at the present time there are 350,000 acres reclaimed and 400,000 acres in the course of reclamation, and this project will permit of the reclamation of 1,000,000 more by private enterprise.

I want to impress upon the minds of the Members of the House that every dollar of this $5,600,000 is to be used on the Sacramento River itself for widening and straightening and deepening the river and for the construction of four weirs, over which the surplus water will flow into the by-passes, and the State of California will also contribute $5,600,000 for the widening and deepening and straightening of the river and the construction of these weirs. The by-passes will be 90 miles long and from 1,000 to 14,000 feet wide. The property owners on the Sacramento have already constructed 519 miles of levees, at a cost of $20,000,000. Under the proposed project they will construct 90 miles of by-passes from 1,000 to 14,000 feet wide within 190 miles of levees, at a cost to them of about $30,000,000 more.

In the report of the Chief of Engineers dated July 17, 1913, Rivers and Harbors Document No. 5, Sixty-third Congress, first session, appears the following:

This commission knows of no way of maintaining navigability with certainty and permanence except under a plan which is part of a plan for flood and débris control.

Reference has been made to the fact that in isolated cases individual property owners may be injured. That is true, but they will be compensated. Section 12 of the California reclamation board act provides as follows:

SEC. 12. The reclamation board shall have power to acquire either within or without the boundaries of the district, by purchase, condemnation, or by other lawful means, in the name of the Sacramento and Jan Joaquin drainage district, from private persons, corporations, reclamation, swamp land, levee, protection or drainage districts, or other organizations or associations, all lands, rights of way, easements, property or material necessary or requisite for the purpose of by-passes, weirs, cuts, canals, sumps, levees, overflow channels, and basins, reservoirs, and other flood-control works, and other necessary purposes; to construct, clear, and maintain by-passes, levees, canals, sumps, overflow channels, and basins, reservoirs, and other flood-control works; to make contracts in the name of said district to indemnify or compensate any owner of land or other property for any injury or damage caused by the exercise of the powers by this act conferred, or arising out of the use, taking, or damage of any property for any of such purposes.

The CHAIRMAN. The time of the gentleman from California has expired, and all time has expired. The question is on the motion to strike out the paragraph.

The question was taken, and the amendment was rejected.

Mr. MOORE of Pennsylvania. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. Was all debate on the last paragraph ended by agreement?

The CHAIRMAN. It was.

The Clerk read as follows:

(a) All money appropriated under authority of this section shall be expended under the direction of the Secretary of War, in accordance with the plans, specifications, and recommendations of the California Débris Commission, as approved by the Chief of Engineers, for the control of floods, removal of débris, and the general improvement of the Sacramento River: *Provided*, That no money shall be expended under authority of this section until assurances have been given satisfactory to the Secretary of War (a) that the State of California will contribute annually for such work a sum equal to such sum as may be expended annually therefor by the United States under authority of this section; (b) that such equal contributions by the State of California will continue annually until the full equal share of the cost of such work shall have been contributed by said State; and (c) that the river levees contemplated in the report of the California Débris Commission, dated August 10, 1910, will be constructed to such grade and section and within such time as may be required by said commission: *Provided further*, That said State shall not be required to expend for such work, for any one year, a sum larger than that expended thereon by the United States during the same year: *And provided further*, That the total contributions so required of the State of California shall not exceed in the aggregate $5,600,000.

Mr. HUMPHREY of Washington. Mr. Chairman, it so happens that I am more or less familiar with the Sacramento project. I presume, outside of the members of the California delegation, I am probably more familiar with it than any other Member of the House. I have been up and down the river several times, and I have been through the Sacramento Valley a great many times. This question of improving the river was considered by the Committee on Rivers and Harbors on several occasions, and twice was included in the river and harbor bill.

I want to make this explanation to the House: As near as it is possible to arrive at it, the money proposed to be expended on the Sacramento is equal to the amount necessary to improve it for navigation. I am thoroughly convinced that the Government by expending this amount of money will improve the Sacramento for the purposes of navigation for a considerably less amount than it would if it continued the present plan. That is the reason for including it in the river and harbor bill. The money going into this project, while it helps reclamation, will be entirely for navigation and be the cheapest way of improving the river for that purpose. For that reason I hope the appropriation will be made.

Mr. TILSON. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. TILSON. How much commerce is there on the Sacramento River?

Mr. HUMPHREY of Washington. It is very large. The gentleman smiles as though he had struck a river without any commerce. It is not one of those rivers, I assure the gentleman, that is improved mainly upon the purpose of prospective commerce. As I stated, the River and Harbor Committee came to the unanimous conclusion that it would be cheaper for the Government to join in this project than it would to continue in the way they are doing now. Last year the commerce upon the river was 720,000 tons, with a value of $38,000,000.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. CANNON. Mr. Chairman, there are rivers and rivers. The Mississippi River rises in the northern boundary of Minnesota and flows into the Gulf. It has no more respect for State boundaries than a duck has for a June bug. [Laughter.] It is exceptional, and therefore I have always voted for appropriations for the construction of levees. It is said that it is to improve navigation. That is a good deal of a myth in point of fact. I do not believe that the rivers in the United States are to be benefited by improvements from the standpoint of navigation, but I think the Mississippi River is exceptional.

The Sacramento River rises in California, practically, and flows through California into the Bay of San Francisco. The Wabash rises in Indiana—a gentleman near me says in Ohio, but I take it is in Indiana—and empties into the Ohio River. The Eel River rises in Indiana and empties into the Ohio River, and the Sangamon and Rock Rivers rise in Illinois—and many other rivers—and empty in the Mississippi.

In my judgment this bill, so far as it pertains to the Mississippi River, is a good project, and I am heartily in favor of it for the reasons assigned. I could give a good many other reasons if I had the time.

But what I do not like about the bill is its possibilities looking to the future. It seems to me that it is to beget appropriations, perchance, in the future by combination, breeding appropriations that localities ought to bear. In my State and your State, Mr. Representative FOSTER, it has cost us $15 to $20 an acre to drain the swamp lands and other lands which have an outlet. I fear, looking to the future, that the bill, although dealing only with the Mississippi River and the Sacramento River, is to cover a great lot of appropriations for the drainage of swamp lands that the State on the one hand and the people on the other hand ought to bear. [Applause.]

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto close in five minutes.

Mr. FREAR. I want five minutes.

Mr. HUMPHREYS of Mississippi. Has the gentleman an amendment to offer to this paragraph?

Mr. FREAR. I want to read in from the record of California some things on this very proposition.

Mr. MANN. We would like to have 20 minutes on this side on the paragraph.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto close in 40 minutes—20 minutes to be controlled by the gentleman from Illinois and 20 minutes by myself.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this paragraph and amendments thereto close in 40 minutes—20 minutes to be controlled by himself and 20 minutes by the gentleman from Illinois. Is there objection? [After a pause.] The Chair hears none.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, do I understand the gentleman from Wisconsin [Mr. FREAR] has an amendment which he desires to offer?

Mr. FREAR. No.

Mr. HUMPHREYS of Mississippi. I yield five minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Chairman, I am not opposed to the principle contained in this bill. I think the time has come when it is necessary that there should be a wise and fair cooperation between the Federal Government and the localities in flood control. I do wish, however, that in this particular bill a scheme had been presented for consideration applicable to all meritorious cases of flood control, and I think the bill is defective in that respect. I further wish that in this particular item for the Mississippi River the matter of its improvement for navigation had not been included, but that the bill had devoted itself exclusively to flood control. I understand the difficulties pointed out by the chairman of the committee, but still it seems to me they were not insuperable. I think further that the amendment which was adopted in the Committee of the Whole last Wednesday, increasing local cooperation as to the Mississippi River from one-third to one-half, was a wise amendment; but subject to those criticisms I think the principle is right and the bill as a whole will receive my support.

As to the matter of flood control of the Sacramento and the San Joaquin River and Valleys, I believe the proposition as contained in the bill is meritorious. Gentlemen must remember that the entire cost of this project amounts to $33,000,000; that of that $33,000,000 about $22,000,000 is assumed outright by the landowners embraced in the territory to be served.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SMALL. Yes.

Mr. MOORE of Pennsylvania. How does the gentleman from California interpret the last proviso in this paragraph:

That the total contributions so required of the State of California shall not exceed in the aggregate $5,600,000.

Why limit the contribution of the State of California?

Mr. SMALL. I will answer: The total expenditure resulting in benefit to navigation is $11,717,000, of which one-half is to be borne by the Federal Government. I call the attention of the chairman of the committee to that in order that he may explain it. It should have been $5,858,500 instead of $5,600,000.

Mr. HUMPHREYS of Mississippi. That amount has been appropriated.

Mr. SMALL. In other words, the cost of the entire project is $33,000,000, $22,000,000 to be borne outright by the lands to be affected, leaving $11,717,000, and of that amount one-half, or $5,858,500, is to be borne entirely by the State of California. In other words, Congress is to appropriate one-half of the $11,717,000.

Mr. PARKER of New York. Mr. Chairman, will the gentleman yield?

Mr. SMALL. Yes.

Mr. PARKER of New York. Knowing the gentleman as an expert on river and harbor matters, I wish to ask him if in his judgment this whole bill, to all intents and purposes, is not for the same purpose as the river and harbor appropriation bill?

Mr. SMALL. Except as to the Sacramento. As to the item here for the Mississippi River, it is simply a supplementary river and harbor appropriation bill. It is different as to the Sacramento River.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, it is hard to discuss an important matter like this in five minutes, and I do not feel able to do more than to make a suggestion. Take, for instance, the request for information by the gentleman from Connecticut a few moments ago as to the commerce on this river. There is commerce on the Sacramento River, largely around the mouth of the river. I went up that river last summer and passed just one small steamboat on the whole trip. I assume it has a substantial commerce, but this bill proposes $5,600,000. I have here a protest from the Sutter County Board of Supervisors opposing the proposition, and I have a number of reports that have been handed to me. I have no interest in it, and I know that the people who gave them to me had no financial interest in it. I want to read from a statement made by Mr. Ellis, who is a member of the California commission. On November 9, 1915, in the public hearing, he said:

I am going to voice one more objection, and that is that the construction of the by-pass in the Sutter Basin is going to be a direct menace to the city of Sacramento, which is already in an admittedly dangerous situation on account of the delay in constructing the Brytes Bend by-pass, and which will have no unnecessary margin of safety even after that by-pass is constructed.

Mr. Chairman, this is for land reclamation, not for flood control, and that is the trouble with the bill.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. FREAR. I can not yield, as I have not the time. I want to read now from the statement of Mr. Von Geldern, who was also before the committee at this public hearing. He says:

The people realize that it is necessary to have a plan of flood control, and that under any plan they would be subject to some danger, but they object to the unnecessary added danger caused by the shifting of the location of the by-pass. It is the unnecessary flooding of 20,000 acres of highly cultivated land at any time that a break should occur in the west levee of the Feather River that they object to.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. FREAR. That, I understand, is because the armor people have insisted and you have been compelled to adopt the proposed eastern by-pass.

Mr. RAKER. Is it not a fact that the only by-pass kept up is the weirs, out of the Yola, and that it absolutely protected the river and made it navigable?

Mr. FREAR. The Feather River is not to any appreciable extent a navigable river, and where this by-pass has been proposed is near the Feather River and not the Sacramento, as I am informed, and I have quoted from the record to show that, according to the engineer, we are to increase the danger to the city of Sacramento.

Mr. RAKER. Then is it not peculiar that the people of Sacramento are in favor of this legislation, for they know it will not endanger but will help to protect it?

Here is a protest which comes from the people of Sutter County, which I would like to read and put in the RECORD, showing what injustice has been done to those people, and which has been done over their protest, where they say 20,000 to 30,000 acres of land is to be flooded out there—their land—valued at $20,000,000; and they are to be subject to this unnecessary charge by reason of the project that is to be put through. Now, this is not flood-control, but land reclamation. There is some navigation at the entrance of the river, I understand, but there is very little, and yet we are to expend $5,800,000. Have there been any lives lost out there? Have there been any——

Mr. CURRY. Scores of lives have been lost.

Mr. FREAR. When?

Mr. CURRY. In 1904 and 1909, and $11,000,000 worth of property destroyed.

Mr. FREAR. I will accept that; I do not question the gentleman's statement.

Mr. CURRY. If the gentleman will read the report, he will see the destruction of property.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the proviso beginning with the word "and," in line 23, page 5, and continue to the end of the paragraph.

Mr. Chairman, while I am not in favor of this provision for reclamation of land along the Sacramento River as it stands, it has some features in it that are more to be commended than the provisions which are contained in reference to the Mississippi River. I refer more particularly just now to the provisions with reference to the construction of by-passes and the amount to be paid by the locality benefited. I have never believed—and I know of a large number of people along the Mississippi who have never believed—that it would be possible to control the floods of that river and keep it within bounds with any levees which could possibly be constructed. The effect of the construction of levees is naturally to raise not only the height of the flood itself but also in the long run by reason of the caving of the banks to raise the level of the stream bed than to lower the bed itself and also to widen it.

I have a letter here which I received this morning from a man I never heard of before who seems to live at Hernandez, Miss. I think he is in Mr. STEPHENS's district; I am not certain, however, about that. This man says:

The revetment system is the only thing that will solve the river problem. You can build your levees until they reach to the moon, and the river head will rise accordingly, and the same old trouble will always be with us like before and will call for an annual "pork-barrel" appropriation for the benefit of the levee contractors.

Mr. HUSTED. Mr. Chairman, will the gentleman yield for a question?

Mr. GREEN of Iowa. I will.

Mr. HUSTED. Does the gentleman realize that if this project is completed as provided in the bill that the flood height in the Mississippi River would not be raised to exceed 3 inches?

Mr. GREEN of Iowa. I know exactly to the contrary. The gentleman is in error about it, and that is the testimony of most of the people living along the Mississippi who have had any opportunity to observe it. There is only one way you can lower the level, and that is by controlling in some kind of way the headwaters by either reservoirs or——

Mr. RAKER. Will the gentleman yield for just one question?

Mr. GREEN of Iowa. I shall have to decline to yield; I regret that I have to do so. The only other method is that which is adopted in reference to the Sacramento River, which I entirely approve, and that is to establish by-passes which permit the water to pass off to one side. The system that is proposed to be adopted in reference to the Sacramento River is practicable. The system which is proposed to be adopted in reference to the Mississippi River is not practicable, and will not, in my judgment, control the flood waters. Now, something was said the other day in reference to the difference between the levee and the revetment system, and, to my surprise—although I ought not to have been surprised—I found a number of Members of the House did not understand the difference between a levee and a revetment. Of course those who live along the Missouri and Mississippi Rivers understand it perfectly. The levee system is one which raises the natural bank and seeks to prevent floods in that way. The revetment system is building out into the water over the natural bank to protect it; and, without raising the natural bank, it tends to deepen and scour out the channel and keeps the river in the place where the revetment is built.

Now, in these rivers in the East you find the Potomac, the Connecticut, the Hudson in the same place in six months that they are now. On the Missouri or Mississippi, in five months or six months or a year they may be 5 miles away from the channel which they now occupy. This makes it necessary to use the revetment system. The revetments are large willow mats extending out into the water 20 or 30 or even more feet, covered in the first instance with rock. They are not in the first instance intended to prevent overflow, for they do not raise the bank; but in the long run they are a help in this direction, because, as I have said, they confine and deepen the channel. For the same reason revetments are of great aid to navigation, while the levees as used along the Mississippi a mile or more from the channel banks, in case of flood always cause them to cave, fill up the channel, and widen it, instead of deepening. Some day the river will reach the levees with its main channel, unless the banks are revetted. For these reasons I think the levee plan will be a failure and result in the expenditure of enormous sums without any corresponding benefit.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, I agree with the gentleman from California [Mr. CURRY] that this is an Ananias and Sapphira proposition, and I think he fits both designations in his very elaborate report, which in the matter of eloquence and argument vies with that of the distinguished gentleman from Mississippi on the Mississippi River proposition. It is both a navigation and a reclamation project. It will involve an expenditure in the end of $35,000,000 at least. There is a limitation as to what the State of California shall expend, although I think any careful observer will admit the State of California has participated very liberally and fairly in the improvement made. But if anyone thinks this is a navigation proposition, let him read page 31 of the report of the Committee on Flood Control, headed "A business investment for the United States."

The gentleman from California admits that this project was taken care of in the rivers and harbors bill. He admits that the navigation features were looked after there, but he saw very cleverly, just as the gentleman from Mississippi saw, the short cut to prosperity, the short cut to the end, by deserting the Rivers and Harbors Committee, leaving the "pork barrel" stand in the middle of the road, and going out alone with these two new and separate projects. They make a fine team. Hitched together, they are doing pretty well toward the passage of this bill, which the gentleman from California very naturally says is a proper bill. Some other gentlemen have intimated that other projects ought to be brought under consideration in this bill. As it is, however, the bill specializes. It first takes care of these two particular projects and leaves "the devil to take the hindmost." That is one of the things that subjects it to criticism.

Mr. HUSTED. Will the gentleman admit that there are only two projects involving the flood control that are ready for action at this time?

Mr. MOORE of Pennsylvania. I will not admit that, because in my own State of Pennsylvania there are frequent floods on the Susquehanna River and its tributaries, in which life is lost and in which there is great destruction of property. I could throw into the balance dozens of other rivers throughout the country needing improvement and protection, just as these two rivers do.

Mr. HULBERT. Will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. For a question.

Mr. HULBERT. Has the gentleman recently read in the public press of the flood conditions on the upper Hudson at Albany, and on the Genessee River at Rochester, and has the gentleman any knowledge as to whether any effort was made by this committee to meet those conditions or not?

Mr. MOORE of Pennsylvania. There are constant floods on the upper Hudson that sometimes carry away lumber yards, and sometimes do the same kind of damage that the Mississippi River does in the South. They carry away the little huts along the river banks, encroaching upon the river, and push them back, and the people run away, just as they do down on the Mississippi. I do not throw this up to the gentlemen from Mississippi, but on the Hudson they do not come to the Government and ask for aid along this line; they suffer their own loss.

I want to call attention to the fact that on page 31, referring to "the navigation advantages to the United States" of this expenditure of money, the committee in its report refers to the valleys of the Sacramento and San Joaquin, as operated together for the benefit of the State of California. The fact is there set forth that these two valleys, comprising about 10,000,000 acres, will grow to advantage any product called for by the necessities or desires of the Nation. This is a valuable statement, because we are to spend $5,600,000 of Government money for the 10,000,000 acres to be reclaimed in two valleys of California, and $45,000,000 for the 16,000,000 acres to be reclaimed along the Mississippi River.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. GARD].

Mr. GARD. Mr. Chairman, I want to readvise the committee as to the pleasure I have in voting for any legislation to protect any community against flood ravage or damage. The great trouble which I find in this bill is not that it is not a flood protection, but that it alternates between a navigation bill and a land-reclamation bill. The gentleman from California who has just spoken has said very frankly that the State of California contributes $5,000,000 toward the navigation end of it; that it is a navigation bill; and that the interests of the State of California are in the direction of navigation.

Mr. CURRY. The gentleman entirely misunderstood me.

Mr. GARD. I said "the gentleman from California," meaning the gentleman's colleague, Mr. RAKER, who first spoke, and who said it was entirely in the interest of navigation. I comprehend that the gentleman, and I think that other gentlemen on the other side, did say that it was a combination of navigation and reclamation.

Mr. CURRY. As to flood control, the people of California in that part pay the property owners $30,000,000 for the flood control, and the State pays $5,600,000, and the Government $5,600,000 on the navigability of the river.

Mr. GARD. My purpose in speaking is largely to procure information, and therefore I would ask of the gentlemen who represent California, any of them, whether or not this $5,000,000 which the State contributes is to be levied in benefits upon any of the land adjoining this proposed improvement?

Mr. CURRY. No, sir. That is an appropriation from the State treasury, and the benefits to the land come under the commission—that is, the land is to be reclaimed according to the plans and specifications of the Army engineers, but to be reclaimed at private expense. The landowners pay for all the reclamation.

Mr. GARD. What I want to know is whether this $5,000,000 is to be reassessed upon adjoining property and paid back into the revenues of the State?

Mr. CURRY. No.

Mr. RAKER. Will the gentleman yield now?

Mr. GARD. For just a moment. My time is limited, but I will yield.

Mr. RAKER. The statement is made, and it is all through the bill that $5,000,000 is to be paid by the Government and $5,000,000 by the State for the purpose of keeping the river navigable. The $22,000,000 handles the flood control, and therefore the joint action.

Mr. GARD. Therefore this bill is entirely outside the purview of a flood-control bill, as I view it.

Mr. CURRY. We are willing for the Government to pay for the flood control if they want to do so.

Mr. GARD. I have no doubt the gentleman would be very glad to have the Government do that.

Another question, which I would like to ask of the chairman of the committee. On page 8 of this bill it provides that before anything is to be done by Government action, three things must appear, as follows:

(a) What Federal interest, if any, is involved in the proposed improvement; (b) what share of the expense, if any, should be borne by the United States; and (c) the advisability of adopting the project.

Now I will say, entirely as a matter of principle, that we have no report here from this committee upon any of these different propositions. It does not appear what Federal interest is involved, or what expense is entailed, or what share the Federal Government will have in either project. It is simply stated there are two rivers existing, and that they have large interests which should be cared for.

The committee should have handled the subject in a larger way and in a fairer way, and should have given the House the benefit of their information as to whether these are Federal interests, and what the expense should be, and the advisability of adopting the project. Those are the big things which the House wants to know.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, in answer to the gentleman from Pennsylvania [Mr. MOORE], and also in answer to the questions that were propounded to him, or rather the interjections made by the gentleman from New York [Mr. HULBERT], I will say that these two projects are the only projects that have been worked out by the engineers and reported upon to the Committee on Flood Control and are now ready for congressional action.

Mr. GARD. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. GARD. The gentleman intends to say that these are the only projects that have been worked out by the Army engineers?

Mr. HUMPHREYS of Mississippi. By the United States Government. Of course the United States Government can act only through an agency.

Mr. GARD. The gentleman does not mean to say that there are not other projects that have been worked out far better than these?

Mr. HUMPHREYS of Mississippi. I say no projects on the face of the earth have been better worked out than these.

In 1893 the Federal Government created the California Débris Commission. It has been at work since that time upon this proposition and has evolved this plan. It is for flood control and navigation, and the two branches of the project can not be separated. It would be a thoroughly stupid thing, in my opinion, to undertake to separate them, and to provide this $5,600,000 for the improvement of navigation there without requiring that the rest of the plan be carried out.

The Federal interest is shown very clearly in the reports of the California Débris Commission, and the amount of the local contribution is set out very fully. I do not know upon just what the gentleman bases his criticism. I agree with him in regretting that we have not a better bill than this. I am sorry that gentlemen do not suggest a better bill rather than criticize us for a failure to report a better bill.

Mr. GARD. I would be very glad to if I had the opportunity.

Mr. HUMPHREYS of Mississippi. The gentleman is a Member of Congress and has been here several years, and he has had very distinguished service. We are waiting for him to act.

Now, the gentleman from Pennsylvania [Mr. MOORE] refers to the floods on the Susquehanna. The gentleman ought to know, if he does not, that the Army Engineers are to-day investigating that river with a view to devising some means of flood control there, but they have not yet reported. On the Allegheny and Monongahela and tributaries very elaborate investigations are in progress, authorized by the Committee on Rivers and Harbors, of which the distinguished gentleman from New York [Mr. HULBERT] is a member. He should know that. But the reports have not come in. Surely the gentleman from Pennsylvania will not say that the people's Representatives in Congress ought to undertake the improvement of any river or harbor in this country for navigation, or adopt a project for the control of floods anywhere in the United States until that matter has been throughly investigated and a report has been had from the engineers showing how it will be done and the cost. The gentleman will not state that he believes a contrary course should be pursued.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. SWITZER].

The CHAIRMAN. The gentleman from Ohio [Mr. SWITZER] is recognized for two minutes.

Mr. SWITZER. Mr. Chairman, the gentleman who has just preceded me [Mr. HUMPHREYS of Mississippi] has covered fully what I was desirous to say upon one proposition, but I desire to call the attention of the committee to this fact: That the Committee on Rivers and Harbors adopted this provision after a thorough consideration of every feature of it in the second session of the Sixty-third Congress, after giving it careful consideration, and in last July about half of the members of the Committee on Rivers and Harbors, at the expense of the State of California, took a trip through the Sacramento Valley and personally inspected this proposition. I do not believe there is a member of the Committee on Rivers and Harbors who was on that trip and who went up and down the Sacramento River and conversed with the Army engineers and had pointed out to him what was expected to be done and what was expected to be accomplished but that fully indorses the proposition.

Here is a comprehensive scheme not only for improving but taking care of the navigability of the Sacramento River, but for reclaiming those waste lands along either side at this time, as well as controlling the floods, and that plan has been adopted, as I said, once.

Mr. GARD. Mr. Chairman, will the gentleman yield?

Mr. SWITZER. Yes.

Mr. GARD. Is the gentleman a member of the Committee on Rivers and Harbors?

Mr. SWITZER. I am.

Mr. GARD. Does the gentleman understand that the Committee on Rivers and Harbors reported out a bill carrying appropriations for the Sacramento and Feather Rivers in California this year?

Mr. SWITZER. That is all correct. But I understand no appropriation will be made under the authority given by this bill that will take effect until next year.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GARD. Does the gentleman know what the appropriation is?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. KAHN].

Mr. HUMPHREYS of Mississippi. I yield another minute, first, to the gentleman from Ohio [Mr. SWITZER].

Mr. SWITZER. So far as complaints coming in here from certain owners along the Sacramento Valley are concerned, that they will be injured by the adoption and enforcement of this scheme to reclaim the lands along the Sacramento Valley, there is no system that can be devised by man but will cause injury to some landowners. The lands of some will be taken by these by-passes, and the lands of others may be overflowed, but I have no doubt that those people will be recompensed for any injury they may suffer. Those details will be worked out by the State of California and under the laws and decisions of the courts of that State. The question should not be taken into consideration by this committee at this time.

Mr. PARKER of New York. Mr. Chairman, will the gentleman yield?

Mr. SWITZER. Yes.

Mr. PARKER of New York. Are not the motives in this bill for the improvement of the Sacramento River precisely the same as they were during the consideration of the river and harbor bill?

Mr. SWITZER. Certainly. We knew then it was a reclamation project as well as a navigation and a flood-control project.

Mr. PARKER of New York. In other words, you have shut out every other portion of the country except those two projects.

Mr. SWITZER. I am very much interested in the Ohio River project. The act adopting it recites that it is to be completed in 12 years' time, and I have no objection to taking any project out of the control of the Committee on Rivers and Harbors that we have passed upon favorably and saying that we will complete it within a certain time—one, two, three, or four years; in other words, put it under the continuing contract system.

Mr. HUMPHREYS of Mississippi. There is provision made for the Sacramento and Feather Rivers in the river and harbor bill, but this project has not been adopted

This project was carried in the river and harbor bill which was adopted by the House, but it failed in the Senate, and it only provided a small initial appropriation. This particular project is not carried in the river and harbor bill now, and has never been in any river and harbor bill which was enacted into law.

Mr. PARKER of New York. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. Yes.

Mr. PARKER of New York. The point I wanted to make is that the improvement of the Sacramento in this bill is a duplicate of the motive in the river and harbor bill. I am in accord with both of them, but you bring in two propositions here, and while in New York we have to pay 30 per cent of

the cost of these improvements, you do not give us a chance to get one dollar of appropriation.

Mr. HUMPHREYS of Mississippi. If I understood the debate in the House when the river and harbor bill was considered, there was complaint that we had singled out New York and given it the only new project in the bill and excluded everybody else. Did the gentleman find fault at that time?

Mr. PARKER of New York. No; not at all; but this is another proposition and you do not let us in on it.

Mr. HUMPHREYS of Mississippi. Yes; the gentleman did not find fault with the first, but he finds fault with this, because he is not in on it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KAHN. Mr. Chairman, the gentleman from Wisconsin [Mr. FREAR] has stated that there was a protest on the part of the people of Sutter County on this proposition because it might injure the city of Sacramento.

Mr. FREAR. That was Mr. Ellis, a member of the commission.

Mr. KAHN. As a matter of fact, the people of Sacramento are unanimous in their request for this legislation. The question was asked as to the extent of the commerce on the Sacramento. I believe that the reports show that the value of the trade on that river last year was $38,000,000, and that it carried 720,000 tons. That is river transportation. Of course the transportation over the railroads in the Sacramento Valley was many times greater.

One of the difficulties of the Sacramento is that every two or three years the river overflows its banks and causes very serious damage. The gentleman from Ohio [Mr. GARD] asked whether the Government of the United States was interested in this matter. I say to him, yes. Last year, in the spring of 1915, there was a sudden flood on the Sacramento which washed out the railroad tracks on the railroad line running between California and the States to the north. About 12 miles of road were destroyed. For about 10 days not a single mail train could pass north or south. The United States mails were stopped. The passenger traffic overland from San Francisco to Portland, Oreg., and Puget Sound cities was stopped, due to the floods of the Sacramento River.

Mr. GARD. Will the gentleman yield?

Mr. KAHN. Certainly.

Mr. GARD. I notice the river and harbor bill carries appropriations for the Sacramento and Feather Rivers of $200,000. Is that intended to do the same work as the appropriation in this bill will do?

Mr. KAHN. I do not think so; I think that is other work altogether. That is purely navigation work, and this is flood-control work as well as navigation work. If the gentleman could see the delta at the mouth of the Sacramento any year when it is in flood he would realize the necessity for this legislation. The water extends for miles over some of the best agricultural land in the universe. The crops are entirely destroyed. The farmer does not get a 5-cent piece out of his land on account of the overflow of the waters of the river.

The floods of the Sacramento occur every two or three years. This legislation will help the people of the State of California to control these floods. The Government of the United States, as I said before, is vitally interested in having these floods controlled.

Mr. PARKER of New York. Will the gentleman yield?

Mr. KAHN. Certainly.

Mr. PARKER of New York. Will the gentleman explain the difference between flood control and improvements in the interest of navigation?

Mr. KAHN. There is some difference, in my opinion. When the Sacramento is in flood great quantities of silt are carried in the waters of the stream, greater quantities than at ordinary times. Mare Island Navy Yard is beyond the mouth of the Sacramento, toward the southeast. The great quantities of silt that are carried down by reason of the flood fill up the channel, and the Government of the United States is put to great expense in keeping the channel to Mare Island clear.

Mr. PARKER of New York. Would not the improvement for navigation answer the same purpose as for flood control?

Mr. KAHN. I imagine that it would. But the gentleman seems to feel that other sections of the country ought to have been taken care of in this bill——

Mr. PARKER of New York. I think they should have been considered.

Mr. KAHN. And that seems to be his grievance. I feel that this Flood Control Committee will have a long existence. I hope it will become one of the greatest and most important committees of the House. It is to-day a great committee; and all these projects in connection with the Hudson, the Delaware, and the Susquehanna can be brought to that committee from time to time, and gradually the flood-control work can be done throughout the entire United States. [Applause.]

The CHAIRMAN. All time has expired, and the question is on the amendment of the gentleman from Wisconsin to strike out the paragraph.

Mr. FREAR. Mr. Chairman, that was a pro forma amendment, which I withdraw.

The CHAIRMAN. The gentleman from Iowa [Mr. GREEN] has an amendment, which the Clerk will report.

The Clerk read as follows:

Page 5, line 23, after the word "year," strike out the remainder of the paragraph.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

(b) All money contributed by the State of California, as herein provided, shall be expended under the direction of the California Debris Commission and in such manner as it may require or approve, and no money appropriated under authority of this section shall be expended in the purchase of or payment for any right of way, easement, or land acquired for the purposes of this improvement, but all such rights of way, easements, and lands shall be provided free of cost to the United States: *Provided*, That no money paid or expense incurred therefor shall be computed as a part of the contribution of the State of California toward the work of improvement herein provided for within the meaning of paragraph (a) of this section.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the proviso.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 6 line 11, after the word "States," by striking out the proviso.

Mr. MOORE of Pennsylvania. Mr. Chairman, several members of the Committee on Rivers and Harbors having indicated that they propose to vote for this bill and that they are entirely in favor of the principle involved, I think it fair to compliment the chairman of the Committee on Flood Control at this time upon his foresight and acumen in organizing this Flood Control Committee. It looks very much as if the statement I made in response to the Speaker of the House of Representatives and the distinguished ex-Speaker, the gentleman from Illinois [Mr. CANNON], a little while ago, is true, namely, that this Flood Control Committee and this important bill for $50,600,000 marks the passing of the Rivers and Harbors Committee. It may be a good thing if we are all to be driven to the Flood Control Committee to be relieved of the charge of seeking "pork," which afflicts us when we go to the Committee on Rivers and Harbors. Then, of course, the influence of the Flood Control Committee will increase as that of the River and Harbor Committee diminishes. But it is for the members of the Committee on Rivers and Harbors themselves, I presume, to say whether they propose thus to pass into innocuous desuetude. I am not a member of that committee, never could become a member of that committee, and never expect to be, and, therefore, I can speak freely from the outside. I desire to read from the report of the Committee on Flood Control on page 31, which rather indicates——

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Nebraska.

Mr. SLOAN. I just want to inquire if it was not the gentleman's foresight that impelled him to leave the Committee on Rivers and Harbors and go to another committee?

Mr. MOORE of Pennsylvania. I have just explained that I never was a member of the Committee on Rivers and Harbors—never could be—and now, of course, being associated with the gentleman from Nebraska on the Ways and Means Committee, never expect to be; but I shall always have business with the Committee on Rivers and Harbors, or, in the event of its being passed, the new and powerful Committee on Flood Control.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. GOOD. The gentleman heard the statement of the gentleman from California [Mr. KAHN] as to the number of acres of land—the richest, he said, in all the world—that would be reclaimed in California, and also the statement of the gentleman from Mississippi [Mr. HUMPHREYS] in his speech, in which he stated that there were 16,000,000 acres of the cream of the world but awaiting the magic touch of the opening of the Treasury. The gentleman realized that they have no such land as that along the Delaware.

Mr. MOORE of Pennsylvania. That "cream awaiting the magic touch" was a poetic dream of the gentleman from Mississippi, the Pegasus of the Mississippi Valley. So far as the Delaware lands are concerned, they are not to be compared for a moment with these lands in the Sacramento or the San Joaquin or the Mississippi Valley. While we are on this subject of land values and productivity, about which our western and southern friends are wont to boast, I wish to say that the census of 1910 shows that Massachusetts is first in the value of farm products per acre of all the States of this Union, Rhode Island is second, Connecticut is third, and the little State of New Jersey is fourth. The West and South have no monopoly in the value of farm products.

We hear a great deal about the value of these reclaimed lands of the West and South, but we have lands for hundreds of thousands of people—yes, for millions—in the East. These lands are going begging in the East while we are spending eastern and western money—$45,000,000 of it, in addition to what has already been appropriated—to reclaim 16,000,000 acres down the Mississippi Valley, and $5,600,000, which is to grow to $35,000,000, to reclaim 10,000,000 acres in California wholly within the State.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto be now closed.

Mr. GREEN of Iowa. Mr. Chairman, I would like to have five minutes on this.

Mr. HUMPHREYS of Mississippi. Is the gentleman going to talk to an amendment or to talk generally upon the subject?

Mr. MANN. I may want 10 or 15 minutes on this.

Mr. HUMPHREYS of Mississippi. On what?

Mr. MANN. On this Sacramento proposition. This is next to the last paragraph.

Mr. HUMPHREYS of Mississippi. Let us conclude the reading of the next paragraph, and then the gentleman may have 15 minutes.

Mr. MANN. I have no objection to taking it on the next paragraph. I will state to the gentleman that 15 minutes are desired over here on this side.

Mr. HUMPHREYS of Mississippi. Very well. We will yield that as soon as we conclude the reading of the next paragraph.

Mr. MANN. I mean that there are three gentlemen here who desire to talk five minutes each on this particular paragraph.

Mr. HUMPHREYS of Mississippi. Would they not be willing to read the next paragraph, and then take the 15 minutes?

Mr. MANN. Oh, we have plenty of time.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 25 minutes—15 minutes to be controlled by the gentleman from Illinois and 10 minutes by myself.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this paragraph and amendments thereto close in 25 minutes—15 minutes of that time to be controlled by the gentleman from Illinois and 10 minutes by himself. Is there objection?

Mr. SMALL. Mr. Chairman, reserving the right to object, I desire to modify that request for unanimous consent by making it 30 minutes, of which I shall have 10.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I will modify my request in accordance with that suggestion—15 minutes to be controlled by the gentleman from Illinois and 15 minutes by myself.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this paragraph and amendments thereto close in 30 minutes, 15 minutes of that time to be controlled by the gentleman from Illinois and 15 minutes by the gentleman from Mississippi. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, as I was saying a short time ago, there are many features in connection with this project for improvement of the Sacramento that commend themselves in comparison with the project for the improvement of the lands along the Mississippi, and the amount to be paid by the State of California being absolutely fixed is one that I commend. In the case of the Mississippi, there is no definite fixed amount of money which is to be contributed, or how the money which is to be contributed is to be obtained. Gentlemen have spoken here with reference to the amount to be expended by the owners of lands along the Mississippi and also along the Sacramento with reference to the amount that the people living on that land would expend. I think one gentleman said, in relation to lands along the Sacramento, that the settlers were going to put in some thirty-odd million dollars. The bill, of course, provides for nothing of that kind, and I believe in both cases that what is meant is that the settlers will have to expend a large amount in order to get land ready for cultivation. Now, that is exactly what occurred in reference to reclamation projects by irrigation or otherwise. Let me say here, that when I spoke last Wednesday with reference to this being a reclamation project one gentleman, who apparently was not very familiar with the subject, took decided exceptions, and some gentleman upon the other side, for whose opinion I have great respect, afterwards endeavored to show, somewhat unsuccessfully I thought, that the bill did not present a reclamation project. I am not opposed to these projects because they are reclamation projects.

I think the gentleman from Mississippi [Mr. HUMPHREYS] was correct when he said that if a project of this kind is too large for a State to handle that the Government ought to take hold of it, because that is the only way it can be carried out. But, Mr. Chairman, when that is done the Government ought only to advance the money with the expectation and hope of having it repaid, as in the case of irrigation-reclamation projects. That is not the case in reference to either of these projects. It is true the owners of these lands have expended and will expend large sums of money, but this is also the case with these irrigation-reclamation projects. When the Government furnishes the water for irrigation they have not furnished one-half of the expense that is necessary to bring the land under cultivation. The land has to be leveled, ditches have to be dug, other work has to be done upon it, so the actual expense in reference to any land under consideration of this kind will be some $20, $30, or $40 an acre. The Government does not pay all expenses with reference to these irrigation projects for that reason, and ought not to do so. All of these plans ought to provide that all the money expended by the Government will be repaid by the parties who get the benefit of it, and that is the only manner in which such a project would receive my approval.

Mr. BENNET. Mr. Chairman, I am much in favor of these improvements, and in a few moments I am going to assist other gentlemen by asking them to join me in improving the bill.

This House does not seem to realize that east of the Allegheny Mountains there is a very considerable portion in area and a very large portion in the population of the United States. I realize fully that the opinion of this House in relation to the people of New York, particularly of New York City, is that we are all hell-deserving sinners, hair hung and wind-shaken over the bottomless pit. However, we are residents of and, in the main, citizens of the United States and contribute to the taxes. Now, we have floods up our way, and I do not know whether my colleague [Mr. PARKER]—I did not hear all of his speech—alluded to the fact that up in his district there was great flood destruction.

Mr. PARKER of New York. About $2,000,000.

Mr. BENNET. About $2,000,000 in the cities of Troy and Albany, and the city of Albany, represented here by my colleague [Mr. SANFORD], was compelled to remove all buildings from the water front at public expense and raise the level of that part of the city at public expense on account of the floods. Now we are going—I am going, at least—to offer a suggestion in relation to flood control. The expense will not be very great, somewhere around $150,000,000. It will not be narrow and provincial because my plan when it is presented to the House will reach any point north to Boston that the President picks out, and any point south to Savannah that the President picks out, and just simply leaves it in the hands of the President to construct such ways and works, including an intracoastal canal, as will take care of the flood problem.

Mr. LOBECK. Does that include the Missouri River?

Mr. BENNET. Yes.

Mr. GREEN of Iowa. Has the gentleman examined the Newlands bill?

Mr. BENNET. I have not examined the Newlands bill, but I doubt if it is as good as the one I suggest; at any rate, if it is as good as the one I suggest, why then they will recommend the Newlands bill to the House. If we are going to start in to control floods, let us control them; but let us not be narrow and sectional.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BENNET. I do.

Mr. MOORE of Pennsylvania. The Newlands bill carried $60,000,000 a year for 10 years; that is $600,000,000. As a general proposition why not have the Newlands bill at once?

Mr. BENNET. I am a little bit cautious myself. [Laughter.] I would not want to propose anything I did not think

there was a reasonable chance of the House voting. Now this would be $150,000,000.

Mr. MOORE of Pennsylvania. Why not $600,000,000?

Mr. BENNET. Because that is a little too large.

Mr. MOORE of Pennsylvania. Not in the present state of the Treasury.

Mr. BENNET. We have got "hope" in the Treasury anyhow, and I am going to test the sense of the House——

Mr. MEEKER. Has the gentleman got any "faith" in the Treasury? The gentleman said he had "hope."

Mr. BENNET. The gentleman is now sitting on the right side of the House for "faith." That is about all they will have there after the 30th of June.

Mr. MADDEN. The gentleman from New York has "charity."

Mr. BENNET. The gentleman should come over on this side; here is where he belongs. When I get the gentleman from Missouri and the gentleman from Illinois talking about "faith, hope, and charity" it mixes me up in my speech.

Mr. MEEKER. You think the Treasury needs charity?

Mr. BENNET. No. I think we are a rich country, and I hope when my proposition comes before the House, everybody will vote for it.

Mr. LA FOLLETTE. Mr. Chairman, the gentleman from Iowa [Mr. GREEN] made a few remarks that I expected to make in regard to the reclamation features of this bill. I had expected to call to the attention of the committee that we were reclaiming thousands of acres of land in the West and we expected the people who got the benefit of that reclamation to eventually pay each and every dollar back to the Treasury. Now, if we go into a scheme of reclamation along any of the streams of the United States we should segregate the money which is allowed for reclamation and say that when the land is really reclaimed it shall pay back that money to the Government. And if it goes for navigation, which is for the benefit of all the people, that the Government should, and legitimately, pay for it. I am inclined to think that we are making a mistake in regard to flood control.

Mr. FOSTER. Will the gentleman yield?

Mr. LA FOLLETTE. Yes, sir.

Mr. FOSTER. How much money has the reclamation fund turned back to the Treasury?

Mr. LA FOLLETTE. I can not give the figures.

Mr. FOSTER. How much interest has it paid on the $100,000,000 the Government has given them?

Mr. LA FOLLETTE. They have paid considerable, but not all they should have paid, probably. But it is well secured.

Mr. FOSTER. I am not finding fault with that.

Mr. LA FOLLETTE. I understand; but it was a new proposition which had to be worked out. It is all expected to be paid back in time.

Mr. FOSTER. I understand that; but do you not remember that Congress passed a law extending the time of it 20 years within which they should not pay any interest?

Mr. LA FOLLETTE. I understand that. That has nothing to do with this question.

Mr. FOSTER. I think it has nothing to do with it, either.

Mr. LA FOLLETTE. The land reclaimed along a river or anywhere else by the aid of the Government should in time pay back the money used.

Mr. FOSTER. I think the money is well expended, and I am for it.

Mr. LA FOLLETTE. I think so, too, and I am for all proper methods of reclamation; but I think where land is reclaimed, the people owning the land should eventually pay the Government for that reclamation. Now, on last Wednesday the gentleman from Mississippi [Mr. HUMPHREYS] in talking about flood control made light of the question of controlling by reservoirs, and he said that the engineers all gave their testimony against the feasibility of that method. I have here testimony from Army engineers, stating that flood control by the construction of reservoirs is feasible, and that they would prevent a great deal of the damage done throughout the country year after year. They thought that the control of one-fifth of the water would require $54,000,000. At the time that report was made the appropriating of $54,000,000 for that purpose was considered an insurmountable obstacle. Now you would appropriate four times that much money on the other side of the aisle and consider it a mere bagatelle.

Mr. HUMPHREYS of Mississippi. What report does the gentleman refer to?

Mr. LA FOLLETTE. I have extracts from a report made by a special board of engineers, and I have extracts from the H. N. Chittenden report.

Mr. HUMPHREYS of Mississippi. Do either of those reports say it will be possible to control floods in the lower Mississippi by the construction of reservoirs costing $54,000,000?

Mr. LA FOLLETTE. Control one-fifth of the water. If you can control one-fifth of the water that runs past Cairo you could prevent the larger part of the damage by flood on the Mississippi.

Mr. HUMPHREYS of Mississippi. That would be very interesting.

Mr. LA FOLLETTE. I will be pleased to put it in the RECORD. I think if you could get it out of your head that you have got to build levees as high as the moon, in order to control the lower Mississippi, and would really take the upper ends of the river and improve those first by a comprehensive reservoir system, you could solve this question much more scientifically than you are doing under this bill.

Mr. Chairman, the Chittenden extracts referred to are interesting and supplemented by extracts from the report of the Chief of Engineers to the Secretary of War, as set forth in House of Representatives Document No. 50, Sixty-first Congress, show conclusively that many of our Army engineers consider flood control by the construction of reservoirs to be eminently practicable.

[Extracts from the Chittenden Reservoir Report, by Capt. (war general) H. M. Chittenden, H. Doc. No. 141, 55th Cong., 2d sess., entitled "Preliminary examination of reservoir site in Wyoming and Colorado," transmitted to Congress by the Secretary of War on Dec. 9, 1897.]

It is apparent, therefore, that a reservoir system which should exercise any appreciable influence on the lower-river floods must embrace the three great upper tributaries, and particularly the Ohio. What the magnitude of the storage required would have to be may be inferred from the fact that the total discharge of the Mississippi at Cairo above the bankful stage during the late floods was 2,368,000,000,000 cubic feet, or 4,250 square miles 20 feet deep, the assumed average depth of reservoirs. The largest artificial reservoir ever built, viz, that at Lake Winnebigoshish, Minn., has a capacity of 45,000,000,000 cubic feet. To store all this excess would take 52 such reservoirs.

While it might seem at first thought that this amount of storage could be found, still it would be very difficult to find it. Particularly on the upper Ohio and its southern tributaries favorable sites are understood to be of rare occurrence. It is probable, however, that in all the watershed of the Mississippi sites could be found that would insure a reduction of a flood discharge at Cairo like that of 1897 by one-fifth of its maximum. The ease with which the writer was able to find storage amounting to 11,000,000,000 cubic feet in the State of Ohio at the very headwaters of streams along the divide between Lake Erie and the Ohio convinced him that the natural facilities for storage are rather greater than is commonly supposed.

As already stated, the difficulty is not so much a physical as a financial one. To store, say, 500,000,000,000 cubic feet of water, equivalent to 11,500,000 acre-feet, would cost, even at the rate of only $5 per acre-foot, $57,500,000. This one fact condemns the project as a system for the exclusive purpose of flood prevention. But whenever such reservoirs have other and more immediate purposes for their construction the increment which each will form in the grand total necessary to produce some influence in the Mississippi floods is an element in its favor worthy of consideration.

These early convictions of Gen. Chittenden have been more than confirmed by the comprehensive surveys and reports of the Pittsburgh Flood Commission and the Dayton-Miami River and Columbus-Scioto surveys and reports.

[Extract from H. Doc. No. 50, 61st Cong., 1st sess. Report by a special board of engineers on survey of Mississippi River from St. Louis, Mo., to its mouth, with a view to obtaining a channel 14 feet deep and of suitable width, including a consideration of the survey of a proposed waterway from Chicago, Ill., to St. Louis, Mo., heretofore reported upon. Submitted by the Chief of Engineers to the Secretary of War.]

(Appendix No. 8, p. 112.)

Report on the reservoir possibilities of the sources of the Mississippi, Minnesota, St. Croix, Chippewa, Wisconsin, and other tributaries of the upper Mississippi River, with reference to the improvement of navigation of those tributaries and of the Mississippi itself.

[Extract from report of Asst. Engineer C. W. Durham, United States Engineer Office, Rock Island, Ill.]

The writer was able to procure all of the reports of the various district engineer officers connected with reservoir exploration and operation and of their assistants from 1869 to date, as also many additional documents and maps, all of which are supplemented by his own knowledge of the improvement of the Mississippi River gained by 37 years' experience in the work and by other information found in the United States engineer office at Rock Island.

1. The greatest practicable extent to which the reservoir systems may be carried with a view to obtaining the greatest possible discharge during periods of summer and fall low water in the Mississippi River and ascertaining the probable quantity of such discharge.

2. The effect of the proposed reservoirs upon the improvement of navigation of the Mississippi River at and below St. Paul.

No attempt will be made to give the probable cost of building and operating these reservoirs, nor to reconcile the various conflicting interests which may arise from their construction. It is the writer's belief, however, that these reservoir systems, carried out to their fullest extent, can be made to subserve both the interests of navigation and of water power, besides acting as a potent restraint on floods. Under such circumstances it might be to the advantage of water-power interests to come in and relieve the Government of an equitable part of the cost. It is believed that a very great part of the flowage damages, which have been the most expensive feature of reservoir construction, could be avoided by drawing down the water in the lakes themselves, thereby taking more advantage of their natural capacity than has heretofore been done, which result can in most cases be at-

tained by locating the aprons of the dams at a much lower elevation and then dredging proper channels to the ages and sluices of the dam, both above and below. The reservoir capacity could also be further increased by dredging in the basins, which could be very cheaply done with a suction dredge, and possibly a berm or levee could be built at the same time around the lakes and adjacent lands could be raised with manifestly excellent results.

Prior to the surveys made by Maj. Allen, in 1879, 1880, and 1881, which have given us the greater part of our information in regard to reservoir sites, preliminary surveys and examinations had been made by Gen. Warren in 1869 and Col. Farquhar in 1874.

The main object of all these surveys was to ascertain the extent to which the impounded water could be applied to the improvement of the navigation of each stream and ultimately to that of the main river. But the reservoir system, so far as built by the Government, is intended primarily for the benefit of the navigation of the Mississippi River and incidentally to mitigate its floods.

The object of the reservoirs already constructed at the headwaters of the Mississippi River is to collect the surplus water, principally from the precipitation of winter, spring, and early summer, to be systematically released so as to benefit navigation upon the Mississippi River below the reservoir dams. In 1905 the district officer said:

"The expenditure has resulted in benefit during the low-water season to the navigable portions of the Mississippi River from Cass Lake to Lake Pepin and below and incidentally to the mitigation of the floods in the river at St. Paul."

The examinations and surveys that have been made and the additional claims presented in this report, perhaps on somewhat insufficient grounds, do not represent the total possibilities; in fact, it is manifest that far greater storage facilities could be shown to be available.

The district officer further says, in 1907:

"The original project (for the reservoirs at the headwaters of the Mississippi River) calls for the construction of 41 reservoirs. * * * The efficiency of the reservoir system could also be greatly increased at small expense by dredging the channels above the dams and those connecting the various lakes that constitute the reservoirs. The aprons of the dams are now several feet below the level to which the water can be drawn down through the existing contracted channels."

The results as to precipitation, run-off, discharge, and velocity of streams, etc., given in the following tables and pages of this report, were obtained by constant study and effort during the past 30 years, and are believed to be accurate. The results only are given, without any attempt to explain the methods adopted.

There follows a table showing the areas of the drainage basins or watersheds of the various tributaries of the Mississippi River above the mouth of the Missouri. The figures in this table were mostly taken from Gen. Warren's report on bridging the upper Mississippi River, but they were revised by the writer many years ago and some unimportant changes were made.

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[Extracts from "The Port of New Orleans," by Capt. C. O. Sherrill, Corps of Engineers, published in "Professional Memoirs," Corps of Engineers, United States Army and Engineer Department at Large, Vol. VI, No. 25, January–February, 1914, pp. 13, 15, 34, 35, and 36.]

(Pages 13, 15.)

Another notable feature of the South Pass improvement since the lateral openings were closed and the jetties built is that there has been a constant tendency for the channel depths throughout the pass to become much more uniform. Near the head of the pass and over the bar the scour has been extensive, while throughout the pass itself there is extensive shoaling in the parts formerly deepest, giving an average depth of about 30 to 40 feet. This is an important fact, leading to the belief that levees improve the average condition of a channel, filling in excessive depths and scouring abnormal shoals. This, of course, would only hold true where the levees follow closely the low-water channel of the river, as is the case below New Orleans, and where the stream bottom is of soft material.

At localities where there is no relation between the required channel capacity and the sectional area of high-water flow between levee lines, as is found above Bayou Sara, La., on the Mississippi, there does not appear to be the slightest effect produced on the channel by levees, for they have no influence in holding the current over the low-water thalweg.

An injurious effect of the extension of levee lines on the channel is that by restricting the flow to a small sectional area, higher flood heights are caused and more extensive caving of the banks occur. This has been observed recently at the Head of the Passes, where extensive caving is occurring with danger of permanent injury to the improvement works. Since the three high floods of 1912 and 1913 the bank caving is probably greater than ever before observed. Where local conditions as near New Orleans admit of it waste-weir outlets would reduce flood heights and be of resultant great advantage without damaging the channel, due to deposits of silt, as is claimed to be the result of natural outlets, since the waste weirs would automatically cease to operate at the desired elevation chosen for the weir crest slightly above bank-full stage.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. SMALL] 10 minutes.

Mr. SMALL. Mr. Chairman, first, I wish to offer an amendment for the consideration of the chairman and the committee.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 5, line 5, after the word "the," strike out the balance of line 5 and the words "may require or approve" in line 6, and insert in lieu thereof the following: "Secretary of War in accordance with the plans, specifications, and recommendations of the California Débris Commission as approved by the Chief of Engineers."

Mr. SMALL. Mr. Chairman, the purpose I had in offering that amendment was this: The amendment is based on the assumption that the money contributed by the State of California is $5,600,000, equal to that contributed by the United States, as referred to in subsection (a). And if that assumption is correct, then the same language ought to apply as to the expenditure of the money as proposed in subsection (a). I submit it to the committee, and if they think it unnecessary I have no disposition to insist on it.

Mr. MOORE of Pennsylvania. Mr. Chairman, does the gentleman mean to take away the power of expenditure from the California Débris Commission?

Mr. SMALL. The money is to be expended by the Secretary of War under the plans of the California Débris Commission.

Mr. MOORE of Pennsylvania. Then the money to be contributed by the State of California would not be expended under the direction of the California Débris Commission?

Mr. SMALL. My amendment proposes it shall be expended by the Secretary of War according to the plans of the commission. I do not think in this bill we contemplate any jurisdiction over the $22,000,000 assessed against the lands to be benefited.

Mr. MOORE of Pennsylvania. I want to get at the substance of the gentleman's amendment. The bill provides that the expenditures shall be made under the direction of the California Débris Commission.

Mr. SMALL. My amendment is to insert in lieu of that the words "under the direction of the Secretary of War, in accordance with the plans and specifications of the Débris Commission."

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. SMALL. Yes.

Mr. KAHN. Is the gentleman aware of the fact that the California Débris Commission is appointed by the War Department?

Mr. SMALL. Yes; and therefore I prefer that the same language should be used there as is used in section (a).

Now, Mr. Chairman, I wish to continue what I was attempting to say when I was last on my feet. I made the statement that I favored this section for the flood control of the Sacramento and San Joaquin Rivers, and I was proceeding to state the distribution of the expenditure under the estimate of the Débris Commission. On pages 105 and 106 of the report of the committee it is stated in detail, giving the items making up this $33,000,000, to which it is not necessary to advert. The report of the Chief of Engineers, dated June 17, 1913, and which is referred to in the report of the committee, modifies the original report. In the original report the United States was to pay all of the $11,000,000. In the supplemental report the United States is to pay only one-half of the $11,000,000, or $5,600,000. This $5,600,000 to be expended by the United States is one-half of the aggregate sum of $11,200,000, which latter sum will be expended for improving navigation of the river. Of this sum the State of California will contribute one-half. This leaves $22,000,000 necessary for flood protection of contiguous lands. That amount is to be levied by assessment upon the lands to be benefited, they paying the entire amount of the expenditure for the benefit of the land embraced in this valley subject to overflow.

So that I think, Mr. Chairman, this project from the standpoint of the United States and the State of California and of the owners of the land to be benefited represents an exceedingly fair division of burden for the United States, and if any project of flood control is to be assisted by the United States under any fair proportion, then certainly that element of fairness is reached in this case.

Mr. Chairman, I want to say in conclusion what is a pleasure to state: I had the opportunity of being with the Committee on Rivers and Harbors in California last summer. In all the three Pacific Coast States—California, Oregon, and Washington—there were evidences of a very large degree of public spirit, a disposition to cooperate in every public movement which made for the public welfare. If one may differentiate at all between those three States, it did seem that the State of California was perhaps a little more active than the other two States. Those States have set an example in civic spirit, in public enterprise, in individual generosity, that might well be emulated by the citizens of every State in the Union.

I had occasion, with some other members of the committee, at that time to inquire as to the work of this California Débris Commission. I doubt if there has been any commission engaged in public work in any State of this Union which has devoted to its work more intelligent and persistent consideration than has this commission, and any one who will take the trouble to read the several reports of this débris commission will inevitably reach the conclusion that they were actuated solely by the desire to ascertain the truth of the matter to which they devoted their attention.

Some reference has been made, I believe, by the gentleman from Wisconsin [Mr. FREAR] to some evidences of dissatisfaction on the part of residents along the Feather River, a tributary of the Sacramento. We had opportunity to investigate that dissatisfaction. They thought they had ground for

it, but, in so far as we were able to observe and in the opinion of the commission, they were not justified in their contention, and the conclusions reached by the California Débris Commission were correct and did not do them any unnecessary harm; and where any harm was done them, ample provision was made for their compensation. The chairman of that commission is Mr. McClatchy, one of the owners and editors of the Sacramento Bee. He has acted as the chairman and leader in this important work of reclamation, and the burden of the work has fallen upon him. He has discharged his duty in a manner that is creditable to him and to the State of California, and as a citizen of that State he is worthy of emulation by the citizens of every other State in this Union. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. CURRY. Mr. Chairman, I do not wish to take up the time but a moment. I hope the gentleman from North Carolina [Mr. SMALL] will not insist upon his amendment. It would seriously interfere with the present system of conducting the improvements on the Sacramento River. The War Department and the California Débris Commission have gotten this system in practical working order and cooperation, and by substituting the Secretary of War for the California Débris Commission we would entirely overturn the whole system.

Mr. SMALL. Mr. Chairman, will the gentleman permit a question right there?

Mr. CURRY. Yes.

Mr. SMALL. Why do you express the language that it shall be done under the direction of the Secretary of War in subsection (a) and not under subsection (b)?

Mr. CURRY. It was put in section (a) so that the California Débris Commission would have to send their specifications to the Secretary of War and have them O. K'd and then returned. And after they have been O. K'd and returned, the California Débris Commission uses the money. The money from the Government is turned over to the California Débris Commission, which uses it.

Mr. SMALL. It is the same aggregate sum of $11,000,000, one-half of which is contributed by the United States?

Mr. CURRY. Yes.

Mr. SMALL. If one-half is to be expended under the direction of the Secretary of War, why not expend the other half under his direction?

Mr. CURRY. They are both expended under the direction of the Secretary of War by the California Débris Commission.

Mr. SMALL. You leave out the Secretary of War in subsection B.

Mr. CURRY. It was done after discussion with the War Department. They know what this provision of the bill is and are satisfied with it.

Mr. SMALL. I have no disposition to impair the workability of the bill, and if the gentleman thinks it will do so I will withdraw the amendment?

Mr. MANN. Will the gentleman yield?

Mr. CURRY. I will yield to the gentleman.

Mr. MANN. Paragraph (a) says that all money appropriated under authority of this section shall be expended under the authority of the Secretary of War. Why do you want to repeat it?

Mr. SMALL. I think it is true, and it is inconsistent with the language in subsection (b).

Mr. MANN. Not at all. It says that all money appropriated under this section, not paragraph, shall be expended under direction of the Secretary of War. It is under the direction of both.

Mr. SMALL. If the gentleman's interpretation is right, there is no necessity for my amendment, and I withdraw the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

Mr. BENNET. May we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read the amendment.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

The Clerk, proceeding with the reading of the bill, read as follows:

(c) Upon the completion of all works for flood control herein authorized the said works shall be turned over to the State of California for maintenance thereafter.

Mr. MANN. Mr. Chairman, I never have been perfectly satisfied as to whether it was a good thing or not a good thing for legislators to visit a particular locality or get into personal acquaintance with particular projects. I have usually thought that it very often resulted in bad legislation, although doubtless men legislate better when they have some knowledge of the subject matter. [Laughter.]

I made a trip up and down the Sacramento River about a year ago on one of the vessels navigating the river, spending a large share of one night watching them load freight on the vessel as it went down the river. The Sacramento is about 80 miles farther north than San Francisco. Of course that is not the whole of the Sacramento Valley. Los Angeles lies about four hundred and some odd miles south of San Francisco. I went from Los Angeles north to San Francisco and afterwards up the Sacramento River, and much to my surprise I learned that vegetation was further advanced up the Sacramento Valley 80 miles north than it was at Los Angeles 400 miles south of San Francisco.

I learned that they were at that time picking cherries in the Sacramento Valley and shipping them down to southern California where they might have the early cherries in the season before the cherries began to be ripe in southern California. I learned that in the Sacramento Valley the peaches, pears, plums, limes, lemons, and oranges ripened earlier north of San Francisco than they did down at San Diego, represented by my beloved friend [Mr. KETTNER], 500 or more miles to the south. I learned that they gathered strawberries and raspberries in the Sacramento Valley and shipped them to southern California. I learned that our earliest fruit from California came from the Sacramento Valley. I saw them pile on the vessel large quantities of asparagus, and all along the river I found canning factories for asparagus, and learned that 90 per cent of the canned asparagus in the United States was produced in the Sacramento Valley. I had some of it fresh, and discovered that it was exceedingly good. I have frequently tried it in cans, and believe it is better than that we used to get by importation from Europe.

This was about the livest place I have ever seen. It was as live as Broadway, New York, or State Street in Chicago. These people out there are not asking the Government of the United States to drain their lands. That is a mistake. Years and years ago the Sacramento Valley was a fairly tillable or pasture valley, not very much overflowed by the Sacramento River, although there may have been times in the spring when the snows were melting in the mountains, not very far away, when there was some overflow, but during the great excitement about gold mining in California and when it was at its height they were using the waters for hydraulic mining. The waters were shot down into the Sacramento River with a great body of mud and silt that came from the hydraulic mining until the bed of the river was so raised from the deposit of this silt that it overflowed its banks.

Mr. GARD. Will the gentleman yield?

Mr. MANN. Yes.

Mr. GARD. May I ask for further information on that point? Is it not true that the hydraulic mining was ordered to be stopped by injunction by the State courts of California?

Mr. MANN. If the gentleman says that is true, I will admit it. I was not there. I can say what they told me was the result; that is hearsay information.

Mr. CURRY. Hydraulic mining was stopped by an injunction of the United States district court on January 7, 1880. Oh, I remember we have had discussions here at various times about the California Débris Commission. I assume that one of the purposes of the creation of that commission was to endeavor to remedy the results caused by this hydraulic mining. The Government is asked here not to drain the land but to put this river in a position where it is best for navigation purposes. It is true that as a result of that to a large extent it will be easier to drain the lands.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, they had levees all along this river where we were, mostly along the river. The water outside of the river was a good deal lower than the water in the river, and the people who own the land are quite willing to pay for draining it and pumping it or so providing that the water runs off, without the aid of the Government. Undoubtedly the land will be of great value, and is of great value now, where it is drained. That is where they raise all of this produce I speak of. There is work to be done in connection with the navigation of the river, and really the one question which we are called upon to meet is whether it is more profitable and more

economical, while they are carrying on their plans for the drainage of the lands, to at the same time carry on our plan for the improvement of navigation.

We will undoubtedly some day so improve navigation that this stream will be a navigable stream in the best shape. It is a good navigable stream now, much of the time, though it needs to be shortened, perhaps. Some day we will do that. Some people believe, and this bill is upon that theory, that it is more economical to do these things both at the same time than it is to take care of the navigation at one time and then have the local people take care of the drainage at another time, or vice versa.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. GORDON. Of course Congress, or any branch of the Federal Government, will have no legal authority to impose any assessment for any special benefit conferred upon adjacent lands by any improvements constructed there by the Government of the United States?

Mr. MANN. Oh, no. At least I do not think we would have.

Mr. GORDON. Would not that suggest, then, that the State authorities would be the ones to carry out this improvement?

Mr. MANN. Oh, no. The gentleman misunderstands. This bill proposes that the Government shall cooperate with the State authorities in doing this work. That is what the bill contemplates. The amount that we contribute is less than it would cost us to put the river in a proper navigable condition. It is less than we would expend on one of the other rivers of the country under equal condition without any contribution from the local people. By the terms of this bill, and because it will be of some benefit to them in draining their lands, we require them to pay half of the costs of this for the purpose of navigation, in connection, of course, with what we call flood control, and it is flood control. I would be very glad if we could adopt the same principle upon the Hudson River [applause] and provide that the Government should not expend a cent on the Hudson River unless the State of New York expended an equal amount.

Mr. PARKER of New York. Well, it would.

Mr. MANN. Oh, I have heard gentlemen say that they will do it, but has any such proposition ever been presented?

Mr. PARKER of New York. Yes.

Mr. HULBERT. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. HULBERT. Does the gentleman know that the city of New York, local interests in the city of New York, have expended $100,000,000 for the improvement of the water front at New York and the Federal Government within the same period of time has expended $1,000,000, or 1 per cent of that amount?

Mr. MANN. I know all that. I know that the city of Chicago has expended eighty or ninety million dollars for the improvement of the waterway leading out of the city of Chicago, and has neither improvement nor waterway; and if some time the Government will pay half we might be willing to pay half also, but we have not offered to yet, and New York has not offered to pay a cent.

Mr. PARKER of New York. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. PARKER of New York. Does not the gentleman know that the State of New York offered to build a dam at Troy and that the Secretary of War absolutely forbade the State of New York to do it; that the case was taken into court, and the court decided that it was a Government charge? That happened two or three years ago.

Mr. MANN. I did not know it, but if the gentleman asserts it, I believe it to be true.

Mr. PARKER of New York. That is what the State of New York did.

Mr. MANN. I have no doubt there are a good many cases where the State would be willing to improve a place where they could get water power and where they would control it, and that is what we are asking in Illinois, but we have not been able to get it yet.

Mr. SANFORD. Mr. Chairman, will the gentleman yield?

Mr. MANN. Oh, I hope the gentleman will not think that I am attacking the State of New York. [Laughter.]

Mr. SANFORD. Mr. Chairman, does not the gentleman take note of the fact that New York has expended recently $150,000,000 for a waterway that no one can say is even for its use alone, but which is a great national waterway, going through the whole State, connecting the Great Lakes with the Hudson River?

Mr. MANN. Germany spent more than that, but that has nothing to do with the Hudson River. It is not the improvement of the Hudson River; it is the construction of a canal between the Great Lakes and the Hudson River.

Mr. SANFORD. Certainly; but there is no distinction.

Mr. MANN. It is not the same thing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for five minutes more. [Laughter.]

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANN. I thought perhaps the gentleman wanted to keep me on the grill a little longer. I am fully able to take care of myself——

Mr. BENNET. My only purpose was—the gentleman always has something serious to say, and we have taken up so much of his time——

Mr. MANN. The gentleman is very kind. I believe if we should adopt the principle—I happened to mention the Hudson River—in many places it would be great economy for the Government. I think that is what we are doing here on the Sacramento River. We are making the State of California contribute money toward the improvement of navigation on the Sacramento River, and the State of California does that because in doing that she gets the benefit of helping to drain her own land, but the people who own the lands have to pay for the drainage of those lands. Neither the General Government nor the State pays for that.

Mr. SHERLEY. Will the gentleman yield?

Mr. MANN. I will.

Mr. SHERLEY. Is not there another reason why California should do it, and that is because she is primarily responsible for having destroyed the navigability of the river?

Mr. MANN. Oh, well, I should doubt that.

Mr. SHERLEY. I do not doubt it.

Mr. MANN. The hydraulic-mining days in California were when there was not very much law anywhere, and if there was anybody largely responsible for that it was the people of the rest of the Nation, and if there is any State that through its lawfulness or lawlessness has ever contributed to the general Government at any time when we needed it, it was California when she was pouring the products of her gold mines into the lap of the Nation. [Applause.]

Mr. CLARK of Missouri. Mr. Chairman, I would like to have 10 minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that he may proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none. [Applause.]

Mr. CLARK of Missouri. Mr. Chairman, the two chief opponents of this bill are the gentleman from Wisconsin [Mr. FREAR] and the gentleman from Pennsylvania [Mr. MOORE]. Most of you did not know what the gentleman from Wisconsin [Mr. FREAR] was up to when he was quoting an editorial, about 18 months old, from the New Orleans Item. He was trying to take me in the flank because the publisher and chief owner of that paper happens to be my son-in-law, Col. James M. Thomson. When I gave Genevieve to Col. Thomson—and I did it with a great deal of regret, not because I had any objection to Col. Thomson—he is a fine man or I would not have given her to him at all—but because it wrung my heart to give her up—I did not agree that my opinion on any subject under heaven, except treating her well, should be the same as his. [Applause.]

That editorial, as read by the gentleman is misleading anyway. [Laughter.] It was written when the people of the Mississippi Valley were fighting among themselves about two systems of improvements, one of them the Newlands scheme that embraces everything under the skies, and the other one this scheme of confining our attention to one river at a time. That editorial no doubt was written by Marshall Ballard, the very brilliant and enthusiastic editor of that paper. So much for that except that the New Orleans Item now is supporting this bill. [Applause.]

I have wondered much first and last about this great and universal theme of "pork." I have raveled it out at last. Some man said years and years ago, "Orthodoxy is my doxy; heterodoxy is your doxy"; and that is the way about these appropriations. No sensible, patriotic, honest man wants to waste one dollar of the public funds [applause] on any project or in any manner whatsoever. It is not consistent with honesty or sound sense or patriotism to waste public money; because every man knows that every dollar spent by this Government represents toil and sweat and labor somewhere.

When Thomas Jefferson delivered his first inaugural, which every man, woman, and child in the Republic ought to be compelled to commit to memory as a classic, he gave the reasons

for economy in public service, that "labor may be lightly burdened." No man in this world has had sense enough to shift the tax burden from the back of labor. We tried it, and we tried our best in the enactment of the income-tax bill, and that was not a party measure. We ought to be fair. Our Republican brethren were nearly as much in favor of it as we were. Well, now, if an appropriation is going to certain parts of this country it is a great and patriotic performance. If it is going somewhere else it is "pork." I undertake to say, if Congress to-day were to appropriate every dollar there is in the Public Treasury for improvements in the city of Washington you would not hear a whimper out of these Washington papers about it. [Laughter and applause.] I am not criticizing them; they are very excellent and readable papers; but much depends on our several viewpoints—much depends on whose ox is gored.

It is just as honest, as wise, and as patriotic to appropriate a dollar to improve the Mississippi River or the Sacramento River as it is to improve the Delaware River or Hell Gate, or any other place in the East. The question touching any appropriation for public improvement should not be, "Where is the money to be expended?" but "Will this expenditure benefit the country?" All expenditures are not waste—frequently they are most profitable investments. The two bills that have been the most hammered on, first and last, about "pork" are the public-buildings bill and the rivers and harbors bill. I can not understand the attitude of mind of my friend from Pennsylvania [Mr. MOORE] about this bill. He seems to take it as a personal grievance that the overflow committee was cut out of the side of the Rivers and Harbors Committee.

All there was to it is the River and Harbor Committee had too much work to do. I introduced the resolution making this new committee, and I was in favor of it. The River and Harbor Committee have plenty to do now—in fact, more than they can do—because we have vast coast lines that ought to be improved, and many rivers. It is a hard-working committee—busy all the time.

The gentleman objects that this provides only for two rivers. The very reason that the River and Harbor Committee was hammered so much was because it embraced too many projects in one bill, thereby incurring the charge—often unjustly—of logrolling for votes, making meritorious projects carry those of doubtful utility. We tried to simplify it by reducing the number of projects treated from many to only two. Let every tub stand on its own bottom. Now he complains that it puts the Sacramento River in with the Mississippi River. The reason for that is that those two rivers have been so thoroughly investigated there is nothing else to learn about them from further investigation.

Mr. GARNER. Will the gentleman yield there?

Mr. CLARK of Missouri. Yes.

Mr. GARNER. The only difference between the proposed bill reported by the gentleman from Mississippi and the process under which the River and Harbor Committee take care of these projects is that this proposed bill puts it under a continuous project and saves the Government from $1,000,000 to $2,000,000 a year.

Mr. DUPRÉ. And compels local contributions.

Mr. CLARK of Missouri. And compels local contributions.

I am not in favor of taking public money to reclaim private lands, except as an incidental to the main object. I will state, and everybody who knows anything about it knows that there are three things about these rivers which are inseparable, namely, navigation, floods, and reclamation. You can not separate them to save your soul. If King Solomon were to return to earth and be reincarnated with that wondrous headpiece that he carried around with him, he could not do it. [Laughter.]

Commerce on the Western rivers—particularly the Mississippi and the Missouri—is growing, and we hope to see it completely rehabilitated. Kansas City has put a line of boats on the Missouri to St. Louis and business is picking up rapidly. St. Louis is putting on a new boat line running to New Orleans and is building river terminals, as are many other cities on both the great rivers.

We ought to settle once and for all whether we believe the levee system is good or bad, and we can settle it in this bill. It is the best plan the engineers have been able to devise in 6,000 years. They have been at it all that time.

I wish some gentlemen would follow the example of the distinguished gentleman from Illinois [Mr. MANN] sometimes. Frequently he rises to the status of a statesman [laughter], and that is more than a good many of us ever do. He rises above taking a purely local view of a thing in order to take a patriotic view in the interests of the whole country. That is what he has been doing about this bill. [Applause.] His constituents have no sort of direct interest in improving the Mississippi River—that is, about lands—because the water in his district, what little there is that falls in it—a small, compact city district—goes the other way. It does not go into the Mississippi River at all.

If the levee system is wrong, let us quit it; if it is right, let us go on with this thing and perfect it.

I want to make a suggestion to my friend from Wisconsin [Mr. FREAR]. He is always talking about these 16,000,000 acres of land which he asserts are going to be reclaimed, and while that is not the primary object of this bill, I wonder if he ever considered what that 16,000,000 acres of land in the valley of the Mississippi would do if the floods were kept off of them. The average corn crop in that amazingly rich region is at least 50 bushels to the acre. The average price of corn in the last five or six years has been 60 cents a bushel in the field. That would be $450,000,000 worth of corn raised every year. Has the United States Government no interest in raising that kind of a crop? Does it make nothing out of it? Does it get nothing out of it? Why, his argument against the bill is preposterous. I have always claimed that it would have been better for the Government—money in its pocket—originally to have given away every foot of land in small quantities to actual settlers, so that it would increase the number of farmers and increase agricultural products. In that way the Government would have gotten from taxes fivefold more out of it than it ever did by selling it at $1.25 an acre. Every time a piece of raw land is converted into a farm the entire country profits thereby.

Another thing about it is that there are 100,000,000 people in this country now. Our grandchildren and our great grandchildren will surely live to see the time when there will be two or three hundred millions, and not very many centuries hence there will be 500,000,000, and we must find homes for our children and our children's children. Just exactly as the number of landowners increase in this country the Republic is on a safe foundation [applause], I do not care whether it is in New England or in the Mississippi Valley. The land question is the greatest economic problem with which people ever bothered their heads. It did more than anything else to precipitate the French Revolution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Missouri. Mr. Chairman, I would ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CLARK of Missouri. When the French Revolution began there were only 100,000 owners of land in all of France. Now there are 3,000,000, and before this war began it was one of the thriftiest and most prosperous countries under the sun. The root of the troubles in Mexico is the distribution and ownership of land.

I am going to be frank. The main object of this bill is not the reclamation of that land out there; but, even if it were, if that was the sole purpose, all this money would be well spent in behalf of the Government. [Applause.]

The gentleman wants to know why we did not take in all these rivers at once. We could not do it. We have been accused of "pork" and "logrolling," and we wanted to segregate the Mississippi and the Sacramento, and give the House a fair chance to pass on those propositions without lugging all the rivers in the country into it. Other rivers will have their turn. I am in favor of improving the Connecticut River or the Broad River, in North Carolina, or any other of our rivers. We begin with the Mississippi River because it is the biggest in the whole lot.

Somebody—I believe it was the gentleman from Wisconsin [Mr. FREAR], although I would not accuse him wrongfully—but either he or the gentleman from Pennsylvania [Mr. MOORE]—seemed to be against this bill because money will be spent down South. Well, now, he need not quarrel with us. The right one for him to quarrel with is Almighty God, because He made the rivers of the United States run toward the Equator—most of them. [Applause.]

It is not a waste of money to improve these rivers. We have tried it by taking them wholesale in the rivers and harbors bill, and some people abused us for that; now we come back and undertake to try them one at a time, and we get mauled for that. [Laughter.]

I was out in California last summer myself, and I am just as much in favor of spending money on the Colorado River as I am on the Mississippi River. [Applause.] I will tell you something that you may not know. If they do not spend some money on the Colorado River before very long that river is going to absolutely submerge and ruin and destroy the great Imperial Valley of California.

We ought to act with some sense, and we ought to take these rivers one at a time. Let every one stand on its own merits. I am rather inclined to wish, inasmuch as these objections have been raised, that we had begun with the Delaware River or some other river in which these gentlemen have a greater interest than they have in the Mississippi.

This is a good bill. This is a good committee, and it is made up of good men, and they have brought in a reasonable bill. It is a great deal better than the wholesale system. It provides for a continuous project, thereby saving money to the Government. If we are going to have it, let us have it, and have a program which we can stand by. If we are not going to indorse this levee system, let us abandon it. If any man can produce a better scheme or system, let him do it. I invite any gentleman who has a better system or scheme to bring it in and put it on exhibition and let us examine it. If we agree with his opinion, we will vote for his scheme instead of this one. [Applause.]

Mr. KENT rose.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I want to see if we can reach an agreement on this paragraph. It is paragraph (c). I notice that the gentleman from Wisconsin [Mr. LENROOT] has an amendment he wishes to offer.

Mr. LENROOT. I ask, Mr. Chairman, that I be recognized to offer this amendment and have it disposed of.

Mr. MOORE of Pennsylvania. I would like the gentleman from Mississippi to bear in mind that while I have an amendment on which I would like to have five minutes, in view of the address just made by the Speaker I would like to have a slight extension of time.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 6, line 18, after the word "thereafter," insert "but for all other purposes the United States shall retain such control over the same as it may have the right to exercise upon such completion."

The CHAIRMAN. The quesion is on agreeing to the amendment offered by the gentleman from Wisconsin.

Mr. CURRY. Mr. Chairman, I accept the amendment.

The amendment was agreed to.

Mr. MOORE of Pennsylvania. I offer the following amendment, and I will ask that it be read for information. I will talk about it later.

The CHAIRMAN. The gentleman from California [Mr. KENT] has the floor.

Mr. MOORE of Pennsylvania. I am not asking for recognition, Mr. Chairman, but merely asking that my amendment be read.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Pennsylvania: Page 6, line 17, after the word "authorized," insert a comma and the following words: "but within 10 years from the date of this act."

Mr. MADDEN. How will it read then?

Mr. MANN. That can be explained later.

Mr. MADDEN. How will it read if that is in the bill?

The CHAIRMAN. The Clerk will report it again, showing how it will read.

The Clerk read as follows:

Paragraph (c). Upon the completion of all works for flood control herein authorized, but within 10 years from the date of this act, the said works shall be turned over to the State of California for maintenance thereafter.

Mr. MOORE of Pennsylvania. It contemplates bringing the work to completion in 10 years.

Mr. HUMPHREYS of Mississippi. I want to get an agreement to close debate on this section and all amendments thereto.

Mr. MANN. We shall want on this side 30 minutes.

Mr. HUMPHREYS of Mississippi. We are coming to the general provisions in a few minutes. I have an idea that that is what most of the gentlemen want to talk about, the general provisions, and not about the Sacramento River.

Mr. MOORE of Pennsylvania. Pardon me a moment. The gentleman from Missouri [Mr. CLARK], our distinguished and beloved Speaker, had 15 minutes. We always yield to him. His address was general, and referred to at least two Members of the House.

Mr. HUMPHREYS of Mississippi. When we get to the general provisions there will be no reason why these two gentlemen can not reply to the distinguished Speaker.

Mr. MANN. I do not think there will be much debate on the third section.

Mr. HUMPHREYS of Mississippi. We want to get along with the bill as rapidly as possible.

Mr. MOORE of Pennsylvania. I call the gentleman's attention to the fact that the section appropriates $5,600,000. It ought not to be rushed.

Mr. HUMPHREYS of Mississippi. The gentleman is not going to discuss that. He is going to talk about something else, I am sure.

Mr. MOORE of Pennsylvania. The $45,000,000 for the Mississippi River is passed, and we ought to have at least some discussion on $5,600,000.

Mr. HUMPHREYS of Mississippi. We have no disposition to cut off debate. We have ample time to discuss all the various aspects of flood control under the general provisions. I hope we can conclude this section now, and then take up the other.

Mr. FREAR. I ask for five minutes now, Mr. Chairman.

Mr. KENT. I have been recognized.

Mr. MANN. We need 20 minutes on this side.

Mr. HUMPHREYS of Mississippi. I ask, then, that all debate on this section and amendments thereto close in 25 minutes.

Mr. HULBERT. Make it 30. I want to speak on this paragraph.

The CHAIRMAN. Is there to be any division of the time?

Mr. HUMPHREYS of Mississippi. I ask unanimous consent that all debate close in 30 minutes; 20 minutes to be controlled by the gentleman from Illinois and 10 by myself.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this paragraph and amendments thereto close in 30 minutes; the time to be controlled, 20 minutes by the gentleman from Illinois and 10 by the gentleman from Mississippi. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. KENT].

Mr. KENT. Mr. Chairman, in the Sixty-second Congress this bill was placed before me because the majority of the work was in my then district. I spent a great deal of time in investigating on the ground the then situation and the situation hoped for as a result under this plan of flood control, navigation, and reclamation. Our distinguished Speaker well said that you can not unravel these three things. In the first place, we endeavored to obtain from the Federal Government by recommendation of the engineers one-third of the total estimated cost of $33,000,000. I felt at that time that we were asking too large a proportion, and I suggested to my people, when we failed to obtain our request, that we should ask for less. We have done so. We have come before Congress with what I believe to be a very moderate request, based on the navigation features of the general plan. We have reduced the Government proportion to about half of what we originally asked for, one-sixth of the total cost, even though the previous proportion suggested was not based upon our desires or our judgment, but upon the recommendation of the Army engineers.

The gentleman from Wisconsin [Mr. FREAR] has brought in here some foreign matter concerning a small locality in my district which is affected by the plan now authorized. There is no question but what there can be a reasonable difference of opinion as to the location of certain levees in the Sutter Basin. The people who felt themselves aggrieved requested that I should go up there and listen to the evidence. At my own expense I took an engineer, eminently fair and unbiased, and we sat and had the hearings that the gentleman from Wisconsin has referred to. These hearings were frankly ex parte. Subsequent to that time the case was taken into the court, and the court so ruled that these people could avail themselves of the ample redress which they have under the laws of California. There has been an injunction against continuing the location of levees to which these people objected.

If they had not received this particular form of justice, as they saw it, before the California court, then in that event they could have gone into the California court and secured damages as proven. But there has never been a single responsible person in my district or in the district of my colleague [Mr. CURRY], who has so ably and devotedly supported this measure, who has ever been willing to stand up and say that he was opposed to the total reclamation scheme, the flood-control scheme, or the navigation scheme. The things are united and can not be severed, and we are sure that the State can work out this problem in justice to all men. The State of California is very fortunate in having this river entirely within its borders, so that we can assess the beneficiaries and get back a due amount of that which has been expended from benefits accruing to those who will profit by the work.

Mr. Chairman, I desire to insert in the RECORD some excerpts from the decision of the eminent judge, superior judge of Cali-

fornia, who rendered the verdict in the case referred to by the gentleman from Wisconsin.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The matter referred to is as follows:

Wherefore, by virtue of the law and the findings aforesaid, it is by the court ordered, adjudged, and decreed that defendants, Reclamation District No. 1500, F. W. Kiesel, Edward H. Gerber, Charles F. Silva, P. J. Hiatt, A. T. Spencer, and every of them, their and every of their agents, servants, counselors, and employees, and all persons acting in aid or assistance of them, or any of them, be, and they hereby are, and every of them hereby is perpetually enjoined and restrained from erecting, constructing, completing, or maintaining, or in any way aiding or assisting in erecting, constructing, completing, or maintaining any embankment, levee, or other obstruction to the flow of water upon, along, or near the northerly boundary, or the northerly 12,900 feet of the easterly boundary of Reclamation District No. 1500 defendant, or along or near the line particularly described in paragraph 9 of plaintiffs' complaint herein as follows, to wit:

* * * * * * *

Also from erecting, constructing, maintaining, or aiding or assisting in erecting, constructing or maintaining any levee, embankment or other obstruction whatsoever whereby the waters of Butte Slough, Butte Creek, Wadsworth Creek, Little Blue Creek, Missouri Creek, Snake River, Live Oak Slough, Gelzhauser Slough (otherwise known as Yuba City Slough), also the waters flowing from the Sacramento River over Tisdale Weir described and referred to in the complaint in this action, or any of such waters, will be prevented or obstructed from flowing in the courses heretofore followed by such waters into the Sutter Tules or Sutter Basin, and thence through and over said basin in the course and courses they have heretofore followed southerly and southwesterly to the Sacramento River.

It is further ordered, adjudged, and decreed that the defendants, Reclamation District No. 1500, F. W. Kiesel, Edward H. Gerber, Charles F. Silva, P. J. Hiatt, and A. T. Spencer, and every of them, be, and they are hereby required, directed, and commanded within four months from the rendition and entry of this decree to remove or cause to be removed from along or near the whole of the north line of said Reclamation District No. 1500, and also from along or near the northerly 12,900 feet of the east line of said reclamation district, any and all embankments, levees, or other obstructions to the flow of said waters in the course and manner heretofore in this decree described and referred to, which said defendants, or any of them, may have erected and constructed, or caused to be erected or constructed, or in any way aided or assisted in erecting or constructing since the 18th day of September, 1915.

It is further adjudged and decreed that plaintiffs do have and recover of and from said defendants plaintiffs' costs and disbursements incurred in this action amounting to the sum of $———.

Done in open court this 7th day of April, 1916.

EMMET SEAWELL, *Judge.*

Mr. KENT. Mr. Chairman, it is not my habit to take up the time of this House in useless speaking.

We of California are so sure of the fairness of our requests, of the benefits to accrue to the whole people from this great work, that in full confidence of a favorable verdict by the House I refrain from further statement or argument.

Mr. STAFFORD. Mr. Chairman, in the absence of the gentleman from Illinois [Mr. MANN], I yield 10 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, somewhere in the Good Book it is written that "He who provideth not for his own house is worse than an infidel." The distinguished gentleman from Missouri, whom we all honor as Speaker of this House, is one who provides for his own house. That is exactly the situation with others of us who are discussing this bill. I remember reading with more than ordinary interest some time prior to the beginning of this session of Congress, when a report unfavorable to the Missouri River was presented by one of the Army engineers, that the distinguished Speaker, who then spoke for "his own house," intimated to the public that if claims were made for appropriations out West they were denominated "pork," but if they came somewhere from the East they were all right. That related to the $20,000,000 project on the Missouri.

I read his statement with intense interest, because I was glad to welcome our distinguished Speaker to that noble few who did not wholly believe in all the public denunciations of river and harbor bills as "pork barrel." I felt then that our Speaker, like a few of the rest of us, was beginning to pick up enough courage to think for himself on these great problems, and was not to be stampeded because an editor here or an editor there decided that this Congress did not know its own business, and must enact laws only in accordance with editorial opinion. But I have learned to-day that not only does the Speaker exercise his own judgment in matters of this kind, but he influences editorial opinion, and in one instance has actually induced an editor to change his views upon a public question, even if he had to make him a son-in-law to do it. [Laughter.]

The Speaker has "taken care of his own" just as I suspect everyone of us in this House is undertaking to take care of his own. I have no objection to the improvement of the Mississippi Valley or of the Missouri Valley, in which the Speaker is interested. I will go as far as any man to spend money legitimately on the Mississippi Valley, even for the purpose of keeping the people employed and keeping the money in circulation. That is what this bill will do; but I do not believe that the Mississippi Valley, or the Sacramento Valley, or any other valley in the United States should grab all the money in the Treasury intended for the improvement of rivers and harbors and postpone every other worthy project to the end of time.

We played fair with the Mississippi Valley in the river and harbor bill. We had difficulty in getting recognition for other worthy projects because of it and we had more difficulty in getting it through another body, but the Mississippi in the end was always taken care of—the lower Mississippi has had $87,000,000 up to date—and it was taken care of until that bright sunshiny morning when the idea penetrated the brilliant brain of my friend from Mississippi [Mr. HUMPHREYS] that he could get there quicker; that he could get more money and be assured against filibusters by withdrawing from the River and Harbor Committee and by putting the Mississippi River in a class by itself and strike out for a lump-sum appropriation under the plea of flood control.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not yield.

Mr. SISSON. I am glad for the slight courtesy he has shown me.

Mr. MOORE of Pennsylvania. I can not yield to the distinguished gentleman from Mississippi, much as I admire him, because I have not the time. I was referring to that other brilliant gentleman from Mississippi [Mr. HUMPHREYS], who is the chairman of the Committee on Flood Control, who is now gradually and with honeyed words putting the River and Harbor Committee out of business, with the support, I fear, of the distinguished gentleman from Missouri [Mr. CLARK], the Speaker of the House, with the support of the former Speaker of the House, the gentleman from Illinois [Mr. CANNON], one of the leaders on my side, and with the approval of the Republican leader, whom I admire even more than I do any gentleman on the Democratic side of the House. It is the voice of the Mississippi Valley, and in order to get the votes from the Pacific coast you have added the Sacramento Valley. A great scheme, a winning proposition.

The Speaker talks of the land to be reclaimed—16,000,000 acres of it. That is all in the Mississippi Valley. There are $45,000,000 going into this bill for that purpose, but out yonder in the Sacramento Valley you are going to improve 10,000,000 more acres, almost as much as is to be reclaimed in the entire Mississippi Valley, for $5,600,000. They are more economical there, but the Sacramento is satisfied and both schemes are to go into the law forever, and you little fellows with your creeks and your harbor improvements in the East, with your projects that have been approved here for generations, are going to take a back seat until somebody replenishes the Treasury, while these gentlemen with their two projects take care of themselves.

Oh, yes, Mr. Chairman, I want to see the Mississippi Valley improved, I want to see the river regulated, I want to see the floods controlled, but I do not want to wait forever for the crumbs from the table to open up the revenue-creating, burden-bearing waterways of the Atlantic coast.

What is responsible for the floods on the Mississippi? Much has been blamed on the Northern States. Why, gentlemen, I gather from a speech by Col. Townsend, the chief witness of our Mississippi Valley friends, that most of the flood trouble of the Mississippi comes from the Gulf. The warm southern winds come up from the Gulf and drop their waters in the lower Mississippi Valley; that is one of the contributing causes of the floods. You folks in the North are not wholly responsible. You have been depositing good northern soil on the lower Mississippi Valley and you have improved it. The people who moved in upon it did so at the risk of their property and lives. The Lord Almighty controls the flow and requires for it a certain amount of space——

Mr. SWITZER. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I can not yield. Because I must say a word for the East. I do not care how much the Speaker or any good Democrat stirs up the East and calls it effete. In its ignorance of the effect of congressional action it deserves to be called effete. The East is asleep. The people in Boston, the people in New York, the people in Philadelphia, have no conception of the amount of taxes they will have to pay to keep up with the appropriations that are being made by this Democratic Congress. You are writing into the law burdens that they will have to pay and which can not be lifted from their shoulders for years.

I do not blame the Democratic Party altogether; it is in power; it is making appropriations to build up every section

of the country where it has influence. Go ahead, I glory in the reconstruction of the South, but there is no reason why the people of the Atlantic seaboard should be deceived about the $45,000,000 they are voting to you to reclaim that 16,000,000 acres of land in the lower Mississippi Valley. They have 78,000,000 acres of unimproved land over yonder along the Atlantic coast that still awaits the hand of the tiller, and you have not given them a dollar to improve or reclaim it. Even in these times when we want to prepare our coast for defenses, where we have 40 per cent of the population and 56 per cent of the manufactured wealth, you make us stand aside when we ask to open up the inside passages to let through the submarines of the Navy of the United States, which will be absolutely essential for our protection in time of war.

Over yonder on the Atlantic seaboard you say they are effete. I guess there is some truth in it, for if it were not for a few Representatives in Congress who tell them the truth once in a while, they would be blinded to the magazine cry of "pork," while the Middle West and the South get away with the money. Why, gentlemen, on the other side of the Capitol they are now conducting a filibuster that delights a considerable portion of the taxpayers of the East. They are trying to kill legitimate river and harbor projects, while you gentlemen on the Democratic side of the House, with the support of certain gentlemen on the other side of the House, are ramming your arms down into the Treasury to the tune of $45,000,000, to cinch the job on the lower Mississippi for the next four or five years. While you are taking it away from the East you are providing an expenditure that will keep everybody employed on the lower Mississippi, that will keep money in circulation down there at the expense of all of the people, and you are doing it by taking in the people of the Sacramento Valley, which will secure the votes of the Pacific coast for the modest appropriation of $5,600,000. Mr. Chairman, I am glad to have this opportunity to tell the slumbering, if not the satisfied East, exactly what you are doing to it. It may not be as broad and as patriotic as it ought to be, but it is not far from the truth. [Applause.]

Mr. FREAR. Mr. Chairman, I have only five minutes in which to speak, and I trust that I will not be interrupted. The distinguished Speaker of the House did me the courtesy of personal mention, because of opposition to both this bill and the river and harbor bill. I hold him in the highest esteem because of his eminent fairness in the House, and I believe I represent the general sentiment on both sides of the aisle when I make that statement. It is impossible to discuss this bill in five minutes or to express one's self fully when the leaders on both sides take positions in favor of the bill. But though I stood alone, as was nearly the case at first on the river and harbor pork-barrel fight, I am opposed to this bill as I was opposed to that bill, and the same reason applies to both. I say this in answer to that criticism. The Speaker says, "If this is your own district, it is not 'pork.'" In my judgment it is "pork" wherever located. If you voted the people of Wisconsin, my own State, $20,000,000 for reclaiming swamp lands, as proposed for the Missouri River—river and harbor project which reclaims 500,000 acres of land—it would be indefensible. It would be "pork" wherever located, and the country has no right to be taxed for such purpose, either for Missouri landowners or for landowners in Wisconsin. That is one reason why I opposed the rivers and harbors bill, because of proposals which I believed were absolutely indefensible. In the lower Mississippi Valley are 16,000,000 acres to be reclaimed by this bill. The committee says it is exceptionally valuable land. True; but no better than in the States of Wisconsin, Iowa, Illinois, or elsewhere, where we reclaim our own lands at our own expense; but I believe the money appropriated by this bill and which the Government is to expend will be wasted. Whether it is or not, the people who have that land, who get the benefit, are the ones who ought to pay for it. Yet under this bill the Government pays two-thirds of $45,000,000. Why tax the people of this country to reclaim 16,000,000 acres of land for private owners along the Mississippi River, and, after this bill is put through and in cold storage, we will next get to 780,000 waiting acres along the upper Mississippi below Rock Island? Why should the people of this country be obliged to pay taxes to reclaim lands along the Missouri River or on the Mississippi or on lands out in California along the Sacramento?

Now, let me say a word personally in reply to a suggestion from the Speaker. I never considered the fact of relationship when proposing the editorial read. Yesterday an article was introduced in the RECORD reflecting on me and taken from the New Orleans Picayune. I brought a different statement from another New Orleans paper this morning for the purpose of answering the Picayune and that explains the presence of the New Orleans Item editorial. I offered one editorial for the purpose of answering the other, both from New Orleans. Criticism has been made over the river and harbor fight. We had 143 votes this year against the river and harbor bill—that is the effect of two or three years' work showing up projects including rivers in Texas and the Missouri River and other rivers all over the country that are not carriers of commerce. That is what should defeat the river and harbor bill, and that is what makes it a pork-barrel bill because it has many items just like this proposition. This Mississippi River project has been masquerading for years as a navigation project, when we all knew it was not. It is a land-reclamation project inconsistent with any flood-control proposal. The Speaker well said when the flood committee bill was introduced, and I believe he then had the right perspective, that the people who have these lands reclaimed will be required to pay for land reclamation. That should be done. The taxpayers of this country ought not to be required to reclaim these lands, and whether they are in California or Mississippi is immaterial—whether North or South, the proposal is wrong in principle.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. HULBERT].

Mr. HULBERT. Mr. Chairman and gentlemen, I am not one of those whom the illustrious Speaker of the House has distinguished, as stated by the gentleman from Wisconsin, because, perhaps, up until now I have not deserved it; but, like the gentleman from Pennsylvania, I do feel that the remarks of the Speaker warrant me in calling the attention of the committee to one feature emphasized by him, not because, as the gentleman from Philadelphia [Mr. MOORE] says, that the people of Boston, of New York, of Philadelphia, are asleep, for of the people of the latter city I can not speak, and the gentleman from Philadelphia, who lives there, is qualified to set up his judgment against mine [laughter]; but the people of Boston, where I have many more acquaintances, and the people of New York, which is my own city, are not asleep. But our difficulty is we are so busy caring for about 75 per cent of the country's foreign commerce that our people are too indifferent to the needs of that community, and it does require an occasional thrust from a Member of Congress in order to awaken them to the necessities of the occasion.

The distinguished gentleman from Illinois, whom we all revere, says there are rivers and rivers; and the Speaker said that the Mississippi was one of them, and to that I agree; and that the Sacramento was another, and to that I agree; that the Delaware is another, and to that I agree; and the East River, including Hell Gate, was another, and to that I agree. The only difference between the importance of those four rivers, if it is measured by the amount of appropriations which are made by Congress for their improvement, is that the Mississippi has received more than $160,000,000 and $45,000,000 more is provided for it, and for the Sacramento River the provision in this bill is over $5,600,000. The last river and harbor bill, which passed the House and is now in the Senate, carried $2,500,000 for the Delaware River, and for the improvement of Hell Gate, East River, the bill did not carry a dollar—not a dollar—and the only appropriation which was in the bill for the East River was a measly $200,000 in order to provide access to the navy yard from the southern entrance to New York Harbor, and is no longer in since the bill got over into the Senate.

I believe, Mr. Chairman, that improvements of such national character as the Mississippi River ought to be a matter of special legislation. But I also believe that a matter as important to this country as New York Harbor ought to be made a matter of special legislation. Whether you are going to improve the anchorage grounds off the Statue of Liberty, where to-day and every day vessels are going aground because the water is not of sufficient depth, should not depend upon a trade with some Representative who seeks to improve a part of the country where there may be but 2 or 3 inches of water in some unnamed creek. This bill which we have under consideration is entitled "A bill to provide for the control of the floods of the Mississippi River, and for other purposes."

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. Mr. Chairman, I have not taken occasion to say anything during the three Calendar Wednesdays on which this bill has been discussed. But I feel constrained to say a word at this time in reply to the gentleman from Pennsylvania [Mr. MOORE].

Some people believe in party regularity and some do not. My understanding is that the gentleman from Pennsylvania [Mr.

MOORE] has been one of the gentlemen who usually believes in party regularity. It seems, however, that on this occasion he deserts his party. I do not intend to answer the sectional insinuations that the gentleman sees fit and proper to use in reference to this bill, and I am most grateful to a good Providence that I have been permitted to live to see the day when sectionalism has about passed away. My hope is that it will completely pass away soon.

I listened with great delight to the speech which the gentleman from Illinois [Mr. CANNON] made the other day on Abraham Lincoln, and we all might take a great deal to ourselves from his remarks, because we do now have one great country; and unless a man is circumscribed by selfishness and bound up by his navy yard and his wharves and lives in a sleepy city like Philadelphia, he will realize that there is much outside of his very small and narrow scope and narrow vision. I call his attention to his own party platform, and then will let him answer to his constituents as to whether or not he is willing to be regular and is willing to help carry out his party pledges. I read from the last platform of the Republican Party:

The Mississippi River is the Nation's drainage ditch. Its flood waters, gathered from 31 States and the Dominion of Canada, constitute an overpowering force which breaks the levees and pours its torrents over many million acres of the richest land in the Union, stopping mails, impeding commerce, and causing great loss of life and property. These floods are national in scope, and the disasters they produce seriously affect the general welfare. The States, unaided, can not cope with this giant problem. Hence, we believe the Federal Government should assume a fair proportion of the burden of its control, so as to prevent the disasters from recurring floods.

And this is what the Republican platform said; and, although not in exactly the same language, the Democratic Party has committed itself to this great and national problem; and so did the Progressive Party. There were three great conventions that met and indorsed the control of the Mississippi River, and, therefore, it is only a question of the amount of money necessary to perform the pledge which the three parties have made to control the river. The engineers have made that estimate, and it is in this bill. Not only that, gentlemen say that this is "pork," when the unqualified testimony of all the engineers is that we save at least $5,000,000 by making this a continuing contract; and the Federal Government then withdraws aid and the States or levee districts take charge of it and the Federal Government is called upon to contribute no more. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

Mr. HULBERT. Mr. Chairman, I offer an amendment as a new section.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Insert as a new section, after line 18, page 6:

"That the sum of $20,000,000 be, and the same is hereby, appropriated out of any money in the Treasury not otherwise appropriated, to be made immediately available and to be expended under the direction of the Secretary of the Treasury and the supervision of the Chief of Engineers of the United States Army for the improvement of the port of New York, the Hudson River, and Long Island Sound, in accordance with the surveys and reports made by the Chief of Engineers in the United States Army."

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I make a point of order against that.

Mr. HULBERT. I will ask the gentleman if he will not reserve it?

Mr. HUMPHREYS of Mississippi. I think we had better proceed with the bill. This is clearly subject to a point of order, Mr. Chairman. It carries an appropriation.

Mr. HULBERT. What is the point of order, Mr. Chairman?

Mr. HUMPHREYS of Mississippi. That it carries an appropriation.

The CHAIRMAN. Does the gentleman from Mississippi make the point of order?

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I reserve it for five minutes.

Mr. HULBERT. Mr. Chairman, continuing the remarks in which I was interrupted at the expiration of my time, it seems to me that this amendment——

Mr. MOORE of Pennsylvania. Will the gentleman permit an interruption at this point?

Mr. HULBERT. For just a question.

Mr. MOORE of Pennsylvania. The gentleman by his amendment asks for $20,000,000?

Mr. HULBERT. Yes.

Mr. MOORE of Pennsylvania. According to the reasons of the gentleman from Mississippi [Mr. SISSON], would the gentleman be able to save the Government $5,000,000 right now if we reduced it to $15,000,000?

Mr. HULBERT. I suppose in the matter of the expenditure of the money at this time that that might be debatable, but I claim that the Government, by not appropriating this $20,000,000 for the improvement of New York Harbor and not improving the port at which 75 per cent of all the customs revenue of the country is collected, is losing many times the sum of money that we have asked for.

Mr. MOORE of Pennsylvania. But if the gentleman had asked for $15,000,000 instead of $20,000,000 he would have saved the Government $5,000,000 right now.

Mr. HULBERT. Well, I will let the gentleman settle that with the gentleman from Mississippi.

This amendment, Mr. Chairman, is perfectly germane to the subject under consideration. One of the projects that I intend to cover in this amendment is the anchorage grounds directly opposite the Statue of Liberty in New York Harbor, which has in recent years so filled up that, with the increased draft of vessels, both trans-Atlantic and coastwise, that come into the harbor, there are not adequate facilities for anchoring at that point. That condition is brought about by the heavy floods in the Hudson River, which bring down and deposit at this point alluvial soil and mud, just as the Mississippi River deposits silt at its mouth.

The State of New York has, by an expenditure of $154,000,000, about completed and opened the State Barge Canal. That canal will carry a great quantity of additional water coming from the Great Lakes, and as to the effect of that, what it will be, flowing down the Hudson River, I am unable to say. But it does seem to me that the conditions that have obtained up to this time certainly are not sufficient to give a full right of way to this enormous amount of additional water, as well as of commerce, it will bear down to New York Harbor.

I want to call the attention of this House to the fact that in 1902, 14 years ago, when the State Legislature of New York voted the authorization for a $101,000,000 bond issue for the construction of this great national waterway, uniting the Great Lakes with the Hudson River, the Congress was called upon to make a survey for the improvement of the Harlem Kills, in my own congressional district, connecting up the Harlem River and the East River with Long Island Sound, and enabling vessels to gain access into the East River and Long Island Sound and avoid the perils of Hell Gate.

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. HULBERT. I can not yield now. A survey was made. That improvement would save 11 miles in distance for every vessel going from the Harlem River into Long Island Sound or from the Sound into the river. The survey was made, I say, and the Chief of Engineers favorably reported back to this House in 1902 that this improvement should be made at a cost of $2,000,000, and stated that the effect of that improvement would be to diminish the currents at Hell Gate and decrease the dangers of Hell Gate by 30 per cent. And yet that has lain here unacted upon for a period of 14 years.

Within that time the people of the State of New York, upon the good faith of the report of the Chief of Engineers and in the belief that the Congress would be as willing to appropriate $2,000,000 in order to complete the terminal for this great waterway as the people of New York would be to spend $150,000,000 for its construction, have gone ahead with that improvement. The improvement is about completed. It is about to be opened, but Congress has done nothing in the meantime, and it is only by a bill of this character that we can get any action, because at this session of Congress the committee voted not to take on any new projects, and they took the same action in the last Congress, and God only knows when they will take action on this project. Until they do the people of the great Northwest and the people of the East who are to be benefited by this great improvement must bide their time.

My amendment includes the following projects recommended by the Chief of Engineers, United States Army, and approved by the Secretary of War. Their imperative necessity can not be questioned:

East River, N. Y.: For improvement with a view to providing a channel 35 feet deep from deep water in New York Harbor to Long Island Sound, in accordance with report published in House Document 188, Sixty-third Congress, first session, $500,000.

Harlem or Bronx Kills, N. Y.: For the commencement of the improvement, with a view to securing a channel 300 feet wide and 18 feet deep, in accordance with report published in House Document 188, Fifty-eighth Congress, second session, and House Document 188, Sixty-third Congress, first session, $500,000.

New York Harbor, N. Y.: Upper bay, with a view to improving channel opposite anchorage grounds, in accordance with House Document 518, Sixty-third Congress, second session, $250,000.

New York Harbor, N. Y.: With a view to the removal of Craven Shoal in accordance with House Document 518, Sixty-third congress, second session, $30,000.

New York Harbor, N. Y.: With a view to securing additional width in Bay Ridge and Red Hook Channels in accordance with House Document 863, Sixty-third Congress, second session, $300,000.

New York Harbor, N. Y.: With a view to securing a suitable depth of channel to the navy yard through Buttermilk Channel in accordance with House Document 44, Sixty-third Congress, first session, $700,000.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I make a point of order on that.

The CHAIRMAN. The point of order is sustained.

Mr. BENNET. Mr. Chairman, I offer an amendment by way of a new section.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. BENNET as a new section, to follow line 18, page 6:

"That for the purpose of controlling floods along the Atlantic coast the President of the United States is hereby authorized to acquire and build for and on behalf of the United States at a cost not exceeding the amount of the bonds authorized to be issued to aid in the construction of the Isthmian Canal remaining unissued December 1, 1915, such works as he may deem necessary, including an intracoastal waterway from such a point north of the city of New York, N. Y., to such a point south of the city of Savannah, Ga., as in his judgment he may deem advisable, the route, width, depth, and other engineering details of the said waterway shall be determined by the War Department, subject to such modifications as the President may direct; that the President is authorized, for the purposes aforesaid, to employ such persons as he may deem necessary and to fix their compensation; and the President is hereby authorized to cause to be entered into such contract or contracts, as may be deemed necessary, for the proper acquisition, construction, and completion of such works, including such waterway by the route finally determined upon by him under the provisions of this act.

"In addition to the powers conferred upon the President by this act, he shall have, in relation to the proposed works and waterway, all the powers, so far as applicable, conferred upon him by the various acts passed to provide for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans, including the act of June 28, 1902, chapter 1302, Thirty-second Statutes at Large, page 481, and all acts amendatory and supplementary thereto."

Mr. FOSTER. Mr. Chairman, I make a point of order on that.

Mr. BENNET. It is not subject to it.

The CHAIRMAN. The gentleman from Illinois [Mr. FOSTER] makes the point of order on the amendment.

Mr. FOSTER. It provides for the building of a waterway on the Atlantic coast.

Mr. BENNET. Oh, no.

Mr. FOSTER. Yes; it says so. The gentleman evidently has not read it.

Mr. BENNET. Oh, yes, I have. I drew it. It provides for flood control.

Mr. FOSTER. It provides for building a waterway along the coast. The gentleman can not get around the rule by putting in an amendment of that kind, which he himself knows is not germane.

Mr. BENNET. I would like to be heard on the point of order.

Mr. FOSTER. I will withdraw the point of order, then, Mr. Chairman. [Laughter.]

Mr. CULLOP. Mr. Chairman, I renew the point of order.

Mr. FOSTER. Mr. Chairman, I ask unanimous consent that the debate be closed in five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all debate on this amendment close in five minutes. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Chairman, reserving the right to object, I would like to have some time.

The CHAIRMAN. Is there objection?

Mr. FOSTER. Does the gentleman from Pennsylvania object?

Mr. MOORE of Pennsylvania. I reserve the right to object.

Mr. FOSTER. Then I will move to close debate as soon as the gentleman from New York [Mr. BENNET] gets through.

The CHAIRMAN. The Chair will hear the gentleman from New York on his point of order.

Mr. BENNET. Mr. Chairman, I understood the point of order to be withdrawn?

Mr. FERRIS. The gentleman from Indiana [Mr. CULLOP] renewed the point of order.

Mr. MOORE of Pennsylvania. Is the gentleman going to make the point of order?

Mr. CULLOP. Mr. Chairman, I make the point of order.

The CHAIRMAN. The Chair will hear the gentleman from New York on the point of order.

Mr. BENNET. Mr. Chairman, I am surprised that such good parliamentarians should make a point of order on an amendment of this kind, which is so clearly in order. The title of this bill is "To provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes." Under the last three words a good deal of latitude is permissible, but I do not think that——

Mr. MEEKER. Mr. Chairman, will the gentleman yield for a question?

Mr. BENNET. Yes; for a question.

Mr. MEEKER. Does not the gentleman think that he took a good deal of latitude in his amendment?

Mr. BENNET. No; I think not. In the bill, if the Chair will look at the different sections, he will find these things provided for: First, the removal of débris in the Sacramento River provision; second, the authorization of surveys in the Mississippi provision; third, the continuance of channel construction in the Sacramento provision; fourth, the building of levees in the Mississippi provision; fifth, general river construction; so that we have to start with the title that permits it, and we have to follow that five different methods applied to two very widely separated river systems. In a bill which has become general, in a bill which must be general, because the Committee on Flood Control has no authority or power except to report a general bill, why is not this amendment, which simply provides the method for flood control along the Atlantic coast absolutely germane? The gentleman from Illinois [Mr. FOSTER], who has made the point of order, and then like a good parliamentarian withdrew it——

Mr. FOSTER. Oh, I withdrew it because I thought we could get through with this quicker the other way. [Laughter.]

Mr. BENNET. I am sorry that the gentleman is destroying his reputation. [Laughter.] The gentleman is perfectly aware of this fact, that while he may not think, while others may not think, while even the Chair may not think that the best way to control floods is by the construction of a waterway, it is not for the Chair to say, I respectfully submit, not for any Member of the committee to say; but that goes to the judgment of the Committee of the Whole in passing upon the question of whether the amendment reaches the purpose at which it is aimed. I submit in all seriousness that this being a general bill, providing for other purposes than the Sacramento and the Mississippi Rivers, being confined by its language to the question of flood control, and there being five different methods of flood control in the bill, these two other methods of flood control ought not to be ruled out of order simply because they pertain to the Atlantic coast rather than to the Pacific coast or to the Mississippi Valley.

Mr. MANN. Mr. Chairman, I think I can demonstrate in less than the five minutes that will be occupied upon the amendment that it is clearly subject to a point of order. The gentleman might have introduced an amendment stating that "for the purpose of flood control" there is hereby provided authority to the President of the United States to build the post-office building in the city of New York to cost $25,000,000, but that would not make it in order.

Mr. BENNET. Certainly not.

Mr. MANN. It is likewise not in order in this case to say that "for the purpose of flood control" the President of the United States shall have authority to build an intracoastal canal. One is just as much in order as the other. If the mere words "for the purpose of flood control" would make an amendment in order, you might provide that we would build a road from here to the moon, and call that in order. The Chair will note that this is an amendment that belongs to the Committee on Railways and Canals; it is for the construction of a canal, not for the purpose of flood control, and the subterfuge of saying that a thing is for flood control does not take it away from the judgment of the Chair and give it to the House. If that were the case you could put anything in the world in order on any bill by indicating falsely that it was for a certain purpose when it was not for any such purpose. Besides that, the amendment says that the President of the United States shall have the same authority here that he had over the Canal Zone, which goes into the subject of sanitation, government, and everything else. That would not be in order on this bill to say that the President of the United States shall have control of government all along the line of an intercoastal canal.

The CHAIRMAN. The Chair is ready to rule. The bill under consideration deals with flood control, and the amendment offered by the gentleman from New York [Mr. BENNET] deals with the construction of a canal, introduced originally as H. R. 496 and referred to the Committee on Railways and Canals. The Chair is clearly of the opinion that it is not germane, and the point of order is sustained.

The Clerk read as follows:

GENERAL PROVISIONS.

SEC. 3. That all money appropriated for works and projects relating to flood control hereafter authorized shall be expended, and all examinations, surveys, and improvements of such works and projects shall be made, under the direction of the Secretary of War and the supervision of the Chief of Engineers; and all the provisions of existing law relating to examinations and surveys and to works of improvement of

rivers and harbors shall apply, so far as applicable, to examinations and surveys and to works of improvement relating to flood control. And all expenditures of funds hereafter appropriated for works and projects relating to flood control shall be made in accordance with and subject to the law governing the disbursement and expenditure of funds appropriated for the improvement of rivers and harbors.

Mr. MANN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 6, line 20, after the word "that," strike out all down to and including the word "and" in line 25.

Mr. MANN. Mr. Chairman, I think that is satisfactory to the committee, as it removes an ambiguity.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, there is no objection to that on the part of the committee.

Mr. HILL. Mr. Chairman and gentlemen, a few years ago I sat in the gallery of the Chamber of the House of Commons in England, and I heard a speaker make this remark: "If by walking across that aisle I could save the English Government a million pounds, I would not take one step." As I listened to him I said to myself, "I hope the time will never come when my vote on an appropriation in Congress will be governed by sectional considerations." [Applause.]

In 1865 I came up the Mississippi River. In 1909, I think it was, I went down the Mississippi River, and, with the exception of the magnificent growth in Memphis, I saw little change in the 50 years that had transpired. I saw a section of the country practically without growth and right in the heart of my country with wealth and prosperity on the east and with rapid growth on the west. I said to myself, "I am not an engineer, I am not a person who is capable of deciding how this thing should be done, but I believe that with American spirit and American genius and American enterprise it is possible to remove this great waste space between the prosperity and wealth on each side and make it equal to the others, with a uniform and steady growth for a common country right straight through. [Applause.]

Now, I may be wrong. It may be possible that levees will not do it; it may be possible that it needs impounding of the waters in the Northwest, but I am for trying an experiment which will remove this waste space in the heart of my country, which will improve this great waterway, and give the possibility of prosperity to these people. [Applause.]

I traveled down the Amur River, in Siberia, where the depth of the water varies at different seasons from nothing to 57 feet. I have seen the river for 2,000 miles policed every day, with the water on every bar measured, with signals on the bank always in sight, and when I saw that, gentlemen, and compared it with what I saw on the Mississippi River, I was proud of Russia and less proud of my own country because of the conditions I have seen here.

Now, it may be a mistake; I do not know; but we are a great, rich, wealthy country. My own idea in regard to the matter is, knowing as you do about my views on taxation, that I would not put this project into current expenditures in this country. I would provide an income tax for just this purpose. That is what I think an income tax should be reserved for, a great national enterprise like this, and I stand here to-day to advocate this proposition for the common welfare of the whole country. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MANN].

The question was taken, and the amendment was agreed to.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

On page 7, line 9, after the word "harbors," insert the following:

"*Provided*, That no appropriation authorized by this act or made in pursuance thereof, nor any part of an appropriation so authorized or made, shall be available for any of the purposes provided for in this act, if appropriations for such purpose have been made or shall hereafter be made in any other act."

Mr. MOORE of Pennsylvania. Mr. Chairman, while strong pleas are made for appropriations for people who live in the Mississippi Valley, because their lands are subject to overflow, nothing is said about the nine million and odd acres of vacant land in Virginia, nor is any consideration given to the arable and watered lands along the Atlantic seaboard where hundreds of thousands of people could find homes and raise crops without danger of flood, if they were fortunate enough.

But, Mr. Chairman, to obtain Government assistance it seems to me fair since the present Congress has already appropriated in the river and harbor bill $6,000,000 for the building of levees along the lower Mississippi from the head of the passes to the mouth of the Ohio River, and two million more for various other work on the Mississippi River, we ought not to duplicate appropriations through the Flood Control Committee. For that reason I offer this amendment.

If we pass a river and harbor bill taking care of the Mississippi River in the ordinary way, we ought not to do it again in a flood-control bill. Notwithstanding all the eloquence and pleadings of gentlemen who now talk sectionalism we have appropriated $166,000,000 altogether, $87,000,000 of which was spent for the lower Mississippi for this work through the Rivers and Harbors Committee. In view of this it seems to me there should be a provision in this bill that if the Government in a river and harbor bill for this year or any other year, appropriates $6,000,000, or any other sum, the Mississippi folks ought not to come back with a poor mouth, talking sectionalism, and ask for $45,000,000, or any other sum, through a flood-control bill.

My friend from Connecticut can take the same ground that other gentlemen have taken, that we ought to be liberal, that we ought to scuttle our own homes and give to those who have not, that we ought to depopulate our cities and send the people out from firm land into the flood areas, that we ought to give away all we have and expect nothing in return; but I am not ready to go quite that far. I do not think breadth and patriotism, which are now talked about so lightly and so loudly on this floor, require that we should give up all our appropriations and then do it twice. It seems to me that the amendment is fair. If the Committee on Flood Control proposes to stand on its own bottom, it ought not to rob the Committee on Rivers and Harbors. It ought to leave something for its faithful old friends except the flavor of "pork." The committee ought to accept the new provisions and be satisfied with what it can get with the tremendous influence behind it. It ought to let the Rivers and Harbors Committee alone. If there is no member of the Rivers and Harbors Committee here with fire enough in his breast to stand up for his prerogatives, permit me as a friend of that unfortunate galaxy of hitherto brilliant and successful statesmen to say a word in their behalf. [Applause.] The Flood Control Committee should not permit any project to take money twice for the same purpose. While you take $45,000,000 for the big Father of Waters, which is now in a sanctified class by itself, you should be generous enough to give the little creeks that are left to the Rivers and Harbors Committee a chance to keep clear of the pork barrel.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I want to see if we can not close debate. [Cries of "Vote!"]

Mr. CULLOP. Mr. Chairman——

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I move to close debate on this paragraph and all amendments thereto now.

The CHAIRMAN. The gentleman from Mississippi moves to close debate on this paragraph and all amendments thereto.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

All examinations and surveys of projects relating to flood control shall include a comprehensive study of the watershed or watersheds, and the report thereon in addition to any other matter upon which a report is required shall give such data as it may be practicable to secure in regard to (a) the extent and character of the area to be affected by the proposed improvement; (b) the probable effect upon any navigable water or waterway; (c) the possible economical development and utilization of water power; and (d) such other uses as may be properly related to or coordinated with the project. And the heads of the several departments of the Government may, in their discretion, upon the request of the Secretary of War, detail representatives from their respective departments to assist the engineers of the Army in the study and examination of such watersheds, to the end that duplication of work may be avoided and the various services of the Government economically coordinated therein: *Provided*, That all reports on preliminary examinations hereafter authorized, together with the report of the Board of Engineers for Rivers and Harbors thereon, shall be submitted to the Secretary of War by the Chief of Engineers, with his recommendations, and shall be transmitted by the Secretary of War to the House of Representatives, and are hereby ordered to be printed when so made.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, has the gentleman from Pennsylvania an amendment?

Mr. MOORE of Pennsylvania. I have an amendment.

Mr. MANN. We want 20 minutes on this side.

Mr. HUMPHREYS of Mississippi. I have a request for 15 minutes. I will ask unanimous consent that debate on this paragraph and all amendments thereto close in 40 minutes, 20 minutes to be controlled by the gentleman from Illinois [Mr. MANN] and 20 minutes by myself.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that all debate on this paragraph and all amendments thereto close in 40 minutes—20 minutes to be controlled by himself and 20 minutes by the gentleman from Illinois. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 8, line 8, after the word "made," insert the following new paragraph:

"The Secretary of War is hereby authorized and directed to report to Congress on or before December 1, 1916, a list of all rivers, harbors, and waterways of the United States that are subject to floods, including, but in addition to, the Mississippi River and the Sacramento River, as herein specially provided for, said report to include all available information as to loss of life and damage to property on such rivers, harbors, and waterways, together with such recommendations as the Secretary of War may deem appropriate to enable Congress to take steps to protect life and property endangered by floods whenever and wherever they may occur in the United States."

Mr. MOORE of Pennsylvania. Mr. Chairman, has unanimous consent been granted to extend remarks? If not, I ask unanimous consent that I may extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Chairman, this amendment proposes that the Secretary of War shall be directed to report to Congress every project worthy of improvement for flood control apart from the Mississippi and the Sacramento. There are many other such projects in the United States that have an equal right to consideration with those two rivers—rivers in the West, rivers in the Middle West, and rivers in the East. I have no doubt in the course of time, after they have expended at least a portion of this $45,000,000 on the lower Mississippi, that the Flood Control Committee will take up some of the tributaries of the Mississippi, and they will come in for early consideration in view of their powerful influence in this House. I would not be surprised if the rivers entering into the Mississippi would have first call. But in order that there may be a square deal to all sections of the country and we may eliminate even a suspicion of sectionalism, as suggested by the gentleman from Mississippi [Mr. SISSON] and one or two others, I think we should have the Secretary of War, without regard to section, without regard to preference, prejudice, or influence, report to Congress all the rivers, all the waterways, all the harbors of this country that are subject to overflow on which there may be a loss of life or of property.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MOORE of Pennsylvania. For a question.

Mr. GREEN of Iowa. Is the gentleman's amendment confined to navigable streams?

Mr. MOORE of Pennsylvania. It applies to all waterways and all rivers and harbors.

Of course they should all be in it. If this Flood Committee was not organized for the sole and exclusive purpose at this particular time of taking $45,000,000 exclusively for the lower Mississippi and doubling up with that $5,000,000 for the Sacramento to get the western vote, it would have brought in some other rivers that are subject to overflow. But it has brought in only two rivers, on the assumption and statement of the chairman and others that these are the only two rivers in the United States upon which the engineers have reported, whereas as a matter of fact the chairman of the Committee on Rivers and Harbors, if he were here, would say that there are a number of projects upon which there is an ebb and flow, upon which there are flood waters that have been approved to the tune of three or four hundred millions of dollars. These projects have not yet had a hearing of this House or even in another body, which is accustomed to indulge in a filibuster.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I yield 15 minutes to my colleague from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, when the House decided to appoint the Committee on Flood Control I was very happy, for I believed the House had decided to enter upon one of the most important functions that the Congress has ever undertaken. And when in its wisdom the House selected the gentleman from Mississippi [Mr. HUMPHREYS] as the chairman of this committee I was still more pleased, because I know of no man who has ever served in this House better qualified to undertake this great work than is the gentleman from Mississippi. I think the question of flood control is one in which every American is interested. My hope was that when this committee began the study of this great work it would take a comprehensive view of the question committed to its care, and that instead of beginning to regulate the flow of the waters at the outlet of the Mississippi River and the Sacramento River, that it would begin to regulate the flow of the waters at the heads of the tributaries of these two great rivers. The regulation of the waters at the heads of the rivers would admit the storing of flood waters and controlling their flow, so that a minimum and maximum channel might be fixed in all the tributaries, and in the Mississippi and Sacramento Rivers as well. That is not all.

The conservation of the natural resources of the United States is one of the most important questions before the American people, and there is no natural resource in America as impotant as the water which flows through the rivers of the country. And if we can regulate the floods of the rivers by impounding the waters at the head of the rivers and letting them flow through the rivers by mechanical means as we wanted the water to flow, that would not only stop the floods but we would be able to create water power in sufficient quantity to operate all of the machinery in all of the factories that exist in the United States to-day and in every day that is to come.

Now, a comprehensive survey of the question involved would have dictated a more serious consideration of the problems to be dealt with than this committee has given to the question thus far. It could not have been possible for any committee of this House, no matter how well advised, to reach a conclusion within 60 or 90 days, and that is the life of the committee that has charge of this legislation, and that would take into consideration the importance of this great question. It is national in its scope; it is a thing in which we are all interested; it has been proved beyond any doubt by men of scientific minds and who have made a thorough research, that every horsepower of hydroelectric energy created by water power is equivalent to providing for the opportunity of a living for three people where only one now lives. And it is estimated that the value of every person living in America is about $2,400 to $3,600 per annum, and it has been shown beyond any reasonable doubt that it would be possible——

Mr. BENNET. Will the gentleman yield for a question?

Mr. MADDEN (continuing). By a proper control of the waters at the heads of the various rivers to develop 200,000,000 horsepower by the conservation of the waters of the rivers of America. And it is shown that there are only 18,000,000 potential horsepower in use in America to-day. It is true that all this could not be accomplished in 90 days, but I believe that $45,000,000 expended at the headwaters of the tributaries of the Mississippi and other great rivers of America would do a thousand times more to conserve and regulate the floods of the Mississippi River than the expenditure of $45,000,000 in the construction of levees along the river.

Now, I yield to the gentleman from New York.

Mr. BENNET. Did I understand the gentleman to say that each person in the United States is worth to the country $2,400 a year?

Mr. MADDEN. Twenty-four hundred to thirty-six hundred dollars. That is the value of each person as an intrinsic asset.

Mr. BENNET. I think most of us would be inclined to differ with the gentleman when the earning power of the individual is somewhere around $400.

Mr. MADDEN. It is believed that by the increase of this water power we can increase the potential value of every individual in this country from what it is to-day up to $2,400.

Mr. BENNET. The gentleman's statement is not that it is so now, but that it could be?

Mr. MADDEN. That it could be. I agree it is important that we should reclaim all the lands everywhere it is possible to reclaim them, but I may say that while we are attempting to reclaim these lands we ought to develop the resources so that we may utilize every dollar that we expend in the development of added wealth and give added opportunity to those who live upon the soil.

I contend that this committee overlooked the most important part of its functions by endeavoring to regulate floods at the outlet of the river instead of at the sources. Is it possible to dam up the Mississippi River so as to regulate the floods? You might just as well undertake to say that if you were to take a nozzle and attach it to a hose, and close the nozzle, the hose would stand, no matter what the pressure may be on the hose.

The scientific way to do this thing would be to start at the top, at the inlet, not at the outlet; for the more you attempt to confine the waters of the Mississippi River to a given area the more you are going to increase the speed of the current and the pressure upon the banks of the river. It will not make any difference how high or wide or strong you build the dams if the pressure from the outside forcing the current upon the inside, within a given area, a narrow area, is sufficient to break the work that you construct. Your money is wasted.

How easy it would be, say, to start at the Fox River—a little bit of a river beginning at its source in the State of Wisconsin, where we have many lakes—to make these lakes into a great reservoir, to impound the waters there, and to regulate their outgo, to keep a steady depth of water in the stream, to let the

water flow into the main channel during that part of the season when there is no water coming from other sources, and to create a water power incidental to the regulation of these streams. You can do that with much less money than you are going to spend upon a proposal like this, which I believe will be a failure. And, besides that, you can make this proposal upon which you now spend $45,000,000 a greater success, and in addition to making it a present success, you would create navigation, you would maintain the current between the banks, you would reclaim the land that is now overflowed, and you would regulate floods by regulating the stream at the source, and you would decrease the cost of steam by using water power, which can be operated at a cost of $2.50 a horsepower, and instead of manufacturing steam by means of coal you would conserve the coal supply of America, and in consequence the railroads would be better qualified to move the freight, and you would not have to parallel with new lines the old lines of railroad in order to take care of the freight of the country, and you would have a potential value placed upon the expenditure of this money out of the Federal Treasury which would be beyond estimation.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes; I yield to the gentleman.

Mr. FESS. The development of this conservation of water power is one of the most important things I have heard in this debate. Is it the judgment of the gentleman that the plan proposed is irreconcilable with the conservation plan? Does the gentleman maintain that we are sacrificing that by this plan?

Mr. MADDEN. If we began at the other end of this plan, what they now propose to do would not be irreconcilable; but beginning at the end of the Mississippi River, that is, at the Gulf of Mexico and coming up the stream instead of going down the stream, you can not create any water power because you do not conserve your water. What you are trying to do by this bill is to give a rapidity to the current which will drive it between the walls of the river that you are creating by these levees, and you are thereby endeavoring to do what I believe to be an impossible thing; whereas if you did the other thing and began at the other end, you would have accomplished everything for which this committee was established.

But that would take time. They would not be able to come into the House in 90 days with a bill; perhaps not in six months. But the question before us is more important than the question of getting a bill passed. It is a question well worthy of serious consideration, and a question which is worthy of consideration ought to be given time.

We have surveys made by the Board of Army Engineers of every important tributary of the Mississippi and the Sacramento and the Columbia and the Hudson, and every other great river in the country, and they would soon be able to tell where we could impound the waters in order to get the best results, and how we could let this water loose when the time came to let it loose, and how we could not only regulate commerce and promote conservation, but create water power that would yield revenue beyond the wildest dreams of man. [Applause.]

Mr. RUSSELL of Missouri. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

The CHAIRMAN. The gentleman from Indiana [Mr. WOOD] is recognized for five minutes.

Mr. WOOD of Indiana. Mr. Chairman, I wish to say a word in answer to the argument adduced by the gentleman from Illinois [Mr. MADDEN]. The plan suggested by the gentleman from Illinois, so far as it goes, is well and good, but it will not control the flood waters of the Mississippi.

I hope to see the time when this committee that has been created will have worked out a scheme such as the gentleman contemplates, where at the headwaters of all these great streams reservoirs may be established for conserving the water, so that it may become an asset instead of a liability, in order that it may be used for water power and for irrigation. But that will not control the floods of the lower Mississippi, and I will tell you why.

Take the flood of 1913. The water area that made that flood was nowhere near the headwater of the Mississippi or the headwater of the Ohio or the headwater of the Missouri River, so that the scheme suggested by the gentleman would not have had anything to do with controlling that flood.

It is equally true with reference to the flood of 1912. Perhaps if this scheme were just now being commenced for the first time, when none of the levees already built down in that country had been built, it would be well to commence at the top and work down, and then have a scientific scheme. But when there are millions of dollars already invested that are partially controlling the waters of the lower Mississippi; when it has been demonstrated by the engineers who have been giving this subject study for years and years, and after continuous work and expenditure of money, when the money already expended can be conserved and made of value, it would be a want of economy not to follow out the line suggested by the engineers.

I hope to see this scheme started by the pending measure supplemented with the work that has been suggested by the gentleman from Illinois [Mr. MADDEN], when at the headwaters there will be impounded waters of these streams that may be let into the rivers for the purpose of controlling navigation in time of low water for the purpose of irrigating arid lands, and for various other purposes in producing horsepower for manufacturing purposes, and so forth. But this is a condition that is confronting us now. We have the floods that are coming on the people and will continue to come on them as long as the levees now built and constructed as they are are not completed and not made more efficient. I do not believe there is a Member of Congress, had he gone down over that country and viewed the situation as it presented itself to the committee as the committee saw it during their visit, but what would have been convinced that the problem has been solved by the engineers, men absolutely unselfish in their effort to subserve the people and who are trying to do the best they can for the people of the United States and who have given their lives to the work. If we can not depend upon them, upon whom can we depend?

The scheme suggested by the gentleman from Illinois would materially interfere with that project; if we should stop now it would be a waste of all the money put in. Before a survey could be made, before plans could be adopted, the country—the lower Mississippi—would be ruined and the work that they have already done would be a complete waste. We must continue the thing as we find it and make the best of the situation and improve the work already commenced. Much of it that has been done has been done skillfully and scientifically, while some has perhaps not been so done. The scheme adopted by the Army engineers will be sufficient in extent to give a waterway wide enough and deep enough to control these floods as surely as they are completed. Then the other scheme of impounding waters suggested by gentlemen can be worked out when we can do it intelligently. [Applause.]

Mr. RUSSELL of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. GARD].

Mr. GARD. Mr. Chairman, section 3 of this bill providing for flood control is of the very greatest importance. That which we have heretofore been considering is the authorization for the payment of money. Indeed, so much of the bill might more properly be called "A bill to regulate the flow of Federal money into the Mississippi Valley and the valley of the Sacramento." [Laughter.]

Now, we do come to the point where those in charge of the bill have said the general plan is contained. They say that if there is anything that anybody in Congress knows that would improve the bill let it be offered at this time.

I think every man on the committee and every man in the House wants to vote every dollar necessary for all proper protection of the Mississippi and Sacramento Valleys, but I am sure that the members of this committee and the Members of this House do not desire to abandon the time-honored rule of procedure, and that is what I desire to call the attention of Members to in my discussion of section 3.

Some things have been cured by the amendment offered by the gentleman from Illinois [Mr. MANN] by which a part of this section was stricken out, but a great deal which was in the purpose of his amendment should be added thereto.

Section 3 provides that the entire operation of flood control, if it may be so called—for some call it navigation and some call it reclamation and some call it flood control—is placed in one department.

Now, section 3, which as I say has been cured somewhat by amendment, had for its original purpose the placing of all this work under the engineers of the Army. In other words, its operation was intended to displace the work of the Geological Survey, of the drainage associations, and of the reclamation department, and to put all work under the control of the Chief of Engineers.

It seems to me that there is great merit in the contention of the gentleman from Illinois [Mr. MADDEN], that this matter should be treated scientifically and comprehensively, and that, therefore, do I call attention of members of this committee to the minority report, which some of you may not have read, the report by Mr. CROSSER, from the Committee on Flood Control, which gives, I think, a comprehensive review of what should be necessary in the handling of this great problem. There is no greater problem in all the United States than the protection

of the lands, the property, and the lives of its people from damage and destruction by flood waters.

It is a proposition upon which should be concerted the best thought of our time. It is a proposition to be studied. I read with approval from a letter of Secretary Lane, Secretary Houston, and Secretary Redfield to the President of the United States:

It is now time, we believe, to urge a comprehensive and constructive plan of river development upon Congress, a plan which recognizes the magnitude of the problem, the impossibility of dealing with it by temporary expedients, and that looks definitely to the time when the flood evils of to-day will be remedied and the waters put to their highest use.

There is an expression by three Secretaries, each of whom has to do with this question in some aspect.

The minority report which Mr. CROSSER has written contains a general plan which seeks to embody a comprehensive form of flood protection, adding to it assistance to navigation and possibly reclamation, but presented in a comprehensive form to be used as a base from which proper relief may be applied in any part of the United States. And what I have here said I have said in the hope that the members of this committee may take the time to read this report; to read first the letter of these Cabinet officers, to read then the report of Mr. CROSSER containing a substitute which is to be offered, because it seems to me that the language of this substitute is language which the members of this Committee on Flood Control may very well accept. The chairman of the committee very modestly has said that the bill is not as good as he had wished.

This committee was created on the 3d of February, 1916, and on the 18th of April, 1916, they presented this bill. They presented this bill authorizing appropriations and suggesting in section 3 that everything else be put up to the Secretary of War and the Chief of Engineers. Now, I know this last has been abandoned, that it is no longer the purpose of this committee to adhere to the plan which they brought out of placing everything in the control of the Army engineers, but the balance of it should be cleared up. The other paragraphs in section 3 should be amended to conform to the amendment accepted by the committee, in any event; but I urge the adoption of the substitute which will later be offered by Mr. CROSSER. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has five minutes.

Mr. HUMPHREYS of Mississippi. I yield that to the gentleman from Indiana [Mr. CULLOP].

Mr. CULLOP. Mr. Chairman, a few years ago I had the pleasure of traveling on a steamboat from the city of St. Louis to the city of New Orleans. Passing along that stream I saw as rich, fertile lands as are to be found anywhere in the world, a valley as rich as the famous valley of the Nile and as beautiful as the valley of the Mesopotamia. It was at that season of the year when the crops ought to have been ripening, but they had in many places been washed away by the destructive floods. Now, it is said that it is the purpose of this bill to reclaim 16,000,000 acres of land in the Mississippi Valley. Mr. Chairman, if it is for nothing more than the reclamation of 16,000,000 of acres of that rich, fertile land in that great valley, and it will do that, then it is one of the best measures that has been passed by this House. Upon that 16,000,000 acres we could grow annually enough food products to supply all the people of this great country. If those lands are reclaimed by it, then every dollar appropriated by it will return a thousandfold to the people of this country and our work will redound to the benefit of the whole country. The products which can be grown upon this reclaimed territory at a very early date in this great country of ours will be needed to feed the multiplying population we will have here. Now, if it has no other purpose than the one the gentleman from Pennsylvania has been claiming—that it would be destroying appropriations for the improvement of rivers—it will then prove one of the greatest blessings to the people of this country this House could bestow upon them. I hope it will have that effect. We have been making appropriations out of the Public Treasury for the purpose of improving rivers in this country upon which no commerce will be carried, and it will be far better to devote this money to reclaim the fertile lands, upon which we can grow a great variety and an enormous quantity of the food products in this country. The people of the country protest against the annual waste of money expended on rivers which are not and never will be navigable. Now, as to the ability of this country to pay for this project. We are the richest country in the world. Our national wealth is more than $225,000,000,000, more than the aggregate wealth of England, Germany, and France combined; ten times as rich as Italy, eight times as rich as Austria, and four times as rich as France. We have the resources from which the revenues can be raised to make this improvement and save the people——

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. CULLOP. I have not the time—and save the people who live in this great valley from the destructive floods which annually visit them and destroy their property and make them homeless. A few years ago it was claimed that the proposition of building the Panama Canal was a dream that could never be consummated, but then one George W. Goethals, the greatest civil engineer of all time, built that project and made it a success, accomplishing the greatest engineering feat of all time. [Applause.] If that can be done, we can improve the Mississippi River so as to prevent the floods, the most destructive agency in the world, preserving property, safeguarding lives and homes. By commencing now on the great work we are preparing for the future, which I hope will at an early date witness its successful consummation and assist those who have struggled against what has appeared for ages to be an unconquerable foe.

This is not a political question, because all the great political parties in their national platforms have pledged the people if intrusted with power they would adopt measures to this end. It is not a sectional question, because the matter is of such far-reaching importance that the whole country is interested in its early and successful completion. Then our duty is plain; we should adopt a measure which will insure the institution of the work and its early completion.

This is a most auspicious time to begin this great project and prosecute the work, because the people want it done and, further, because the people now are able to do it. Our country is now enjoying the most marvelous era of prosperity it has ever known, business is good, money is plentiful, industry is taxed to its fullest capacity, and thrift and enterprise are at their best. No other time in all our country's history could be more favorable for its initiation than at this good hour.

The laboring man is receiving the fruits of his toil and has an overflowing "dinner pail," is employed all the time at the best price he has ever known. The farm, factory, and mine have never enjoyed such a prosperous era as the present, with every indication that it is permanent, and all are ready to make preparation for the proper conservation of every resource with which nature has blessed this great country. Our ability to do things was never so good and great as now, and the people stand ready to approve every good progressive move which we may adopt, asking in return that it be feasible and when completed worth its cost. Assure them of this fact and they will place their seal of approval on it.

The American people stand for progress, for improvement, and the betterment of conditions, and they are ready to assist in every movement which will relieve the unfortunate conditions of their fellow man, whether he live in the East, the West, the North, or the South. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

In the consideration of all works and projects relating to flood control which may be submitted to the Board of Engineers for Rivers and Harbors for consideration and recommendation, said board shall, in addition to any other matters upon which it may be required to report, state its opinion as to (*a*) what Federal interest, if any, is involved in the proposed improvement; (*b*) what share of the expense, if any, should be borne by the United States; and (*c*) the advisability of adopting the project.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 8, line 17, after the word "project" insert "nothing in the state of mind of the committee shall prevent it considering rivers or projects east of the Allegheny Mountains."

Mr. FOSTER. Mr. Chairman, I make the point of order against that.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

All examinations and reports which may now be made by the Board of Engineers for Rivers and Harbors upon request of the Commitee on Rivers and Harbors relating to works or projects of navigation shall in like manner be made upon request of the Committee on Flood Control on all works and projects relating to flood control.

Mr. MANN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 8, after line 23, insert:

"SEC. 4. That the salary of the civilian members of the Mississippi River Commission shall hereafter be $5,000 per annum."

Mr. MANN. Mr. Chairman, the amendment I have offered is an amendment which I believe has been in one or two of the river and harbor bills which have not become the law. This commission is one of the most important in the United States. Years ago the salary was fixed at $3,000 for the civilian members. I think it was the opinion generally of Members of both Houses of Congress that the salary ought to be increased.

Mr. HUMPHREYS of Mississippi. I think so.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk proceeded with the reading of the amendment.

During the reading,

Mr. GARRETT. Mr. Chairman, I think the reading of the proposed substitute has progressed far enough to demonstrate that it is not in order; and, unless the gentleman from Ohio is specially anxious that it should be read, I will make a point of order upon it. I will not insist upon it at this time, however.

Mr. CROSSER. I would like to have it read.

Mr. GARRETT. I will not insist, then, upon the point of order at this time.

Mr. HUMPHREY of Washington. Mr. Chairman, I renew the point of order. If you want to vote on it without discussion, all right.

Mr. CROSSER. I insist that this is in order.

The CHAIRMAN. The Chair will hear the gentleman from Ohio.

Mr. CROSSER. It seems to me that we ought to read the amendment, however, before we decide the question as to whether it is in order or not.

Mr. GARRETT. Mr. Chairman——

The CHAIRMAN. The Chair will have to determine that.

Mr. GARRETT. Mr. Chairman, I do not object to having it read. The gentleman from Washington made a point of order.

Mr. STEPHENS of Nebraska. Mr. Chairman, I submit that you can not make a point of order until the amendment is read.

The CHAIRMAN. Does the gentleman from Washington [Mr. HUMPHREY] insist on his point of order?

Mr. HUMPHREY of Washington. Yes; I do.

The CHAIRMAN. Does the gentleman from Ohio [Mr. CROSSER] wish to be heard on the point of order?

Mr. CROSSER. Mr. Chairman, this bill simply proposes to create a council for the purpose of considering the question of flood control in conjunction with the utilization of water in some other ways. The mere fact that we may do more than control the water so as to prevent damage, and go further and at the same time do some good to some one else, and utilize the water, does not in any sense of the word, it seems to me, make the thing not germane. I think that is the whole question.

The CHAIRMAN. The Chair is prepared to rule.

Mr. GARRETT. Does the Chair desire to hear any discussion?

The CHAIRMAN. The Chair thinks the point of order is well taken.

Mr. CROSSER. Mr. Chairman, I wish to make some remarks on this question. Has the Chair ruled?

Mr. MANN. How long a time does the gentleman want?

Mr. CROSSER. I want 20 minutes. I am on this committee, as the gentleman from Illinois says, and I have not taken one minute of the time. I may not use 20 minutes, but I feel, since other members of the committee have taken more than 20 minutes, that I would be entitled to that much if I desire it.

Mr. GARRETT. The gentleman from Ohio is a member of the committee, and I desire to ask unanimous consent that he have 20 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the gentleman from Ohio may be allowed to proceed for 20 minutes. Is there objection?

Mr. FOSTER. And then all debate shall close upon the section and all amendments thereto at that time.

Mr. CAMPBELL. Reserving the right to object, I suggest in connection with that request that a request be made that the substitute, the reading of which was interrupted before it was concluded, be considered as read.

Mr. MANN. Mr. Chairman, I ask unanimous consent, first, that the amendment offered by the gentleman from Ohio be printed in the RECORD in full.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the amendment offered by the gentleman from Ohio be printed in the RECORD in full. Is there objection? [After a pause.] The Chair hears none.

The following is the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. CROSSER]:

Amendment offered by Mr. CROSSER: Strike out all after the enacting clause and substitute the following:

"That the sum of $50,000,000 is authorized to be reserved, set aside, appropriated, and made available until expended, as a special fund in the Treasury, to be known as the 'river-regulation fund,' to be used to promote interstate commerce by the development and improvement of the rivers and waterways of the United States and their connections with the Great Lakes and with each other, and by the coordination of and cooperation between rail and water routes and transportation, and the establishment and maintenance of adequate terminal and transfer facilities and systems, and their maintenance, improvement, and protection, and by the making of examinations and surveys and by the construction of engineering and other works and projects for the regulation and control of the flow of rivers and their tributaries and source streams, and the standardization of such flow, and by the maintenance of navigable stages of water at all seasons of the year in the waterways of the United States, and by preventing silt and sedimentary material from being carried into and deposited in waterways, channels, and harbors, and by the conservation, development, and utilization of the water resources of the United States, and by flood prevention and protection, through the establishment, construction, and maintenance of natural and artificial reservoirs and detention basins for water storage and control, and levees, revetments, and other bank-protective works, spillways, wasteweirs, wasteways, by-passes, controlled outlets, and flood-control works of every nature and kind, and the protection of watersheds from denudation, erosion, and surface wash, and from forest fires, and the maintenance and extension of woodland and other protective cover thereon, and the reclamation of swamp and overflow lands and arid lands, and the building of drainage and irrigation works in order that the flow of rivers shall be regulated and controlled not only through the use of flood waters for irrigation on the upper tributaries but also through controlling them in fixed and established channels in the lower valleys and plains and by doing all things necessary to provide for any and all beneficial uses of water that will contribute to its conservation or storage in the ground or in surface reservoirs as an aid to the regulation or control of the flow of rivers, and by acquiring, by purchase, condemnation, or otherwise, holding, using, leasing, hiring, and transferring by appropriate deed lands and any other property that may be needed for the aforesaid purposes, or which it may be deemed advisable to dispose of, and by doing such other things as may be specified in this act or necessary to the accomplishment of the purposes thereof, and by securing the cooperation therein of States, municipalities, and other local agencies as hereinafter set forth, and for the payment of all expenditures provided for in this act.

"NATIONAL WATERWAYS COUNCIL.

"SEC. 2. That a national waterways council, hereinafter called the council, is hereby created, consisting of the President of the United States as chairman, the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the chairman of the water control board, to be appointed as hereinafter provided.

"The council shall have authority to direct and control all proceedings and operations and all things done or to be done under this act, and to establish all rules and regulations which may, in their judgment, be necessary to carry into effect such direction and control consistent with the provisions of this act and with existing law and with any provisions which Congress may from time to time enact.

"All plans and estimates prepared by the water control board, as hereinafter provided, which contemplate or provide for expenditures from the river-regulation fund shall be submitted to the council for final approval before any of the expenditures therein provided for or contemplated are authorized or made or any construction work undertaken or contracts let under or in pursuance of such plans: *Provided*, That in case of an emergency the chairman of the water control board shall have full power to act, and shall report in detail his action in every case to the council at its next meeting after his action.

"WATER CONTROL BOARD.

"SEC. 3. That to assist in carrying out the purposes aforesaid the council may utilize the various agencies of the Government, and there is hereby created a water control board, hereinafter called the board, which shall consist of a chairman, to be appointed by the council, and four assistant secretaries, to be appointed as hereinafter provided, and such additional members as the council may from time to time appoint. The chairman of the board shall receive a salary of $12,000 per annum, each assistant secretary aforesaid shall receive a salary of $10,000 per annum, and said additional members of the board such salaries as the council may from time to time fix. Subject to the direction and control of the council as to general policy and procedure, it shall be the duty of the board to ascertain in detail the work in progress and obtain plans, recommendations, and estimates of the work contemplated in the general field of water conservation, control, and utilization by the various agencies of the Government, States, counties, municipalities, districts, communities, corporations, associations, and individuals, and on the basis of such information and the results obtained by its own surveys and investigations to prepare for the consideration of the council a general and comprehensive program of water and waterways conservation, regulation, development, and utilization, extending through a number of years, with comprehensive general plans for each watershed, treating the entire watershed of each river as a unit, and with specific projects, plans, estimates, and recommendations, involving independent work by the United States and the combining of resources and energies of the various public and private agencies aforesaid; to coordinate and bring into conference the various agencies of the Government; and to examine, compare, adjust, allot, assign, and supervise their work, to the end that duplication may be avoided and the highest efficiency obtained; by agreement to assign to the various cooperating agencies the work to be done by them within their respective spheres; to accept, on behalf of the United States, from such agencies contributions of money and property of any kind to be used for carrying out the purposes authorized by this act; to make field inspection of all work done or contemplated under this act by the Government and its cooperating agencies; and to employ such engineers, transportation ex-

perts, experts in water development, constructors, and other employees, and to construct such buildings and works as may be necessary for those purposes. The board is hereby authorized to expend from the sum herein provided such amounts as may be necessary for services of employees in the city of Washington, D. C., and elsewhere; to pay therefrom such sums as may be necessary for office accommodations in the city of Washington, D. C., and elsewhere, and to purchase such law books, books of reference, periodicals, engineering, statistical, and professional publications as may be needed. Contributions received under this section shall be used by the board, under the direction of the council, for carrying out the purposes of this act, and money so received shall be paid into the river-regulation fund herein created. Subject to the approval of the council, the board is authorized to enter into such contracts or carry on by hired labor or otherwise such work as may be necessary for carrying out the purposes of this act, within the limits of appropriations made or authorized by this act or appropriations or contributions which shall be hereafter made or authorized from time to time, or as may be necessary for executing projects under this act within the respective limits of cost thereof approved by the Congress, the funds for which shall have been provided by the Secretary of the Treasury in accordance with the authority conferred by this act. Subject to the approval of the council the board may also employ the various agencies of the Government in carrying out such purposes or executing such projects.

"COOPERATION WITH STATES AND OTHER AGENCIES.

"SEC. 4. That the board shall, in all cases where possible and practicable, encourage, promote, and endeavor to secure the cooperation of States, municipalities, public and quasi public corporations, towns, counties, districts, communities, persons, and associations in the carrying out of the purposes and objects of this act, and in making the investigations and doing all coordinative and constructive work provided for herein; and it shall in each case endeavor to secure the financial cooperation of States and of such local authorities, agencies, and organizations to such extent and in such amounts as the council shall determine to be a just and equitable apportionment of work, costs, and benefits under all the circumstances in each case; and it shall negotiate and perfect arrangements and plans for the apportionment of work, cost, and benefits, according to the jurisdiction, powers, rights, and benefits of each, respectively, and with a view to assigning to the United States such portion of such development, promotion, regulation, and control as can be properly undertaken by the United States by virtue of its power to regulate interstate and foreign commerce and promote the general welfare, and by reason of its proprietary interest in the public domain, and to the States, municipalities, communities, corporations, and individuals such portion as properly belongs to their jurisdiction, rights, and interests, and with a view to properly apportioning costs and benefits, and with a view to so uniting the plans and works of the United States within its jurisdiction, and of the States and municipalities, respectively, within their jurisdictions, and of corporations, communities, and individuals within their respective powers and rights, as to secure the highest development and utilization of the waterways and water resources of the United States.

"APPOINTMENT OF WATER-CONTROL BOARD.

"SEC. 5. That each head of a department named in this act is authorized to appoint, with the approval of the council, for service as a member of the board, a highly qualified representative, who shall be an assistant secretary in the department in which he is appointed; shall devote his time primarily to the work authorized by this act; shall have, subject to the direction of the head of the department, such general supervision and control as may be necessary for the purposes of this act of the agencies within the department engaged upon such work; shall serve during good service and behavior; and shall be removable by the head of the department only for good cause.

"RIVER-REGULATION FUND.

"SEC. 6. That no sums shall be paid out of the river-regulation fund except on vouchers signed by the chairman of the board or by an official designated by him in writing, drawn on the Secretary of the Treasury. To provide for carrying out the projects formulated under this act which involve expenditures in excess of the $50,000,000 herein appropriated to the river-regulation fund, the appropriation hereafter to the credit of said fund of such sums as may be necessary is hereby authorized. At any time that the Secretary of the Treasury shall determine it to be necessary or advisable, in order to provide all or any part of the appropriation made or authorized by this act or which may be hereafter made or authorized or to provide revenues to execute a project under this act, which shall have been approved by the Congress, he may issue and sell, or use as a means of borrowing money, bonds in the necessary amount, in accordance with the provisions of the act of August 5, 1909 (36 Stat. L., pp. 11, 117), the act of February 4, 1910 (36 Stat. L., p. 192), and the act of March 2, 1911 (36 Stat. L., p. 1013). The sums appropriated or provided by the Secretary of the Treasury pursuant to this section shall be paid into the river-regulation fund and shall be available until expended and paid out as provided for in this act. All moneys received in connection with any operations under this act as well as from the sales of materials utilized and any condemned property, shall be covered into the 'river-regulation fund' and be available for expenditure therefrom. It is the intent and purpose of this act to authorize and empower the council and the board and their officers, agents, and employees to do all necessary acts and things in addition to those specially authorized in this act to accomplish the purposes and objects hereof."

The CHAIRMAN. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that the gentleman from Ohio [Mr. CROSSER] may be permitted to proceed for 20 minutes. Is there objection?

Mr. HUMPHREYS of Mississippi. And that all remarks on the bill and amendments thereto be closed at that time.

The CHAIRMAN. Is there objection?

Mr. HUMPHREY of Washington. What is the gentleman from Ohio [Mr. CROSSER] going to talk about?

The CHAIRMAN. The Chair does not know. Is there objection?

Mr. HUMPHREY of Washington. I shall object, unless I find out something more about this matter.

Mr. CROSSER. You are too late in objecting.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. HUMPHREY] have five minutes at the conclusion of the remarks of the gentleman from Ohio [Mr. CROSSER].

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I modify my request, then, that all debate on the bill and amendments thereto conclude in 30 minutes, 20 minutes of that time to be occupied by the gentleman from Ohio [Mr. CROSSER], 5 by the gentleman from Washington [Mr. HUMPHREY], and 5 by the gentleman from Wisconsin [Mr. COOPER], and that at the end of that time the committee rise and report the bill to the House.

Mr. MANN. You can not make that motion.

The CHAIRMAN. The gentleman from Mississippi [Mr. HUMPHREYS] asks unanimous consent that all debate on the bill and amendments thereto conclude in 30 minutes, 20 minutes of the time to be occupied by the gentleman from Ohio [Mr. CROSSER], 5 minutes by the gentleman from Wisconsin [Mr. COOPER], and 5 minutes by the gentleman from Washington [Mr. HUMPHREY]. Is there objection?

Mr. HUMPHREY of Washington. Mr. Chairman, I wanted to ask the gentleman from Ohio a question. I did not intend to object, but I want to say if he is going to talk about the substitute——

Mr. CROSSER. I will probably talk about the substitute and the bill and everything else. I want to discuss the question.

Mr. HUMPHREY of Washington. I want to ask the gentleman whether he is going to talk on the substitute to this bill?

Mr. CROSSER. I will assure the gentleman that I am going to talk about the substitute, among other things. I can not say as to that. I have not any speech written out, I can assure the gentleman.

Mr. HUMPHREY of Washington. The gentleman is not going to make a political speech, is he?

Mr. CROSSER. Oh, no. I do not make political speeches here.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Ohio [Mr. CROSSER] is recognized for 20 minutes.

Mr. CROSSER. Mr. Chairman and gentlemen of the House, let me assure you that I am just as much concerned about the control of the floods in this country as any member of the committee. It so happens that I have no flood problem in my own district, nor near my own district, but I have not yet become so narrow visioned as to be unable to consider a question simply because it does not happen to concern directly the people of my own district. The fact, however, that we agree that a certain evil exists does not mean that we must agree as to the remedy.

Gentlemen have been telling us not to be so reluctant about dishing out the public funds in the way they tell us, and they intimate that if we do not do so we are not concerned about the welfare of the people of the Mississippi Valley. Of course, the members of the Flood Committee have not made the blunt statement to that effect, but that is the substance of some of the arguments we have heard in the House to-day.

My contention is that we can not control the flood waters of any of our great streams by starting at the mouth and going upstream with banks or levees. Usually we find that the best way to remedy any evil is to ascertain the cause of the trouble, and then try to remove the cause. Pursuing this method in connection with streams we find that the reason we have great floods, increasing in their destructive power year after year, is because of the fact that on the upper part of the river some lands have been cleared of forests, swamps have been drained, and farm land tilled, so that year after year the water goes into the channel more rapidly than it went theretofore. It is not because more water falls from the sky than fell in the earlier history of the country, but rather because it goes down into the channel of the river much more rapidly. Therefore we must adopt a much more comprehensive plan than we have pursued during the last 50 or 75 years.

Do not forget, gentlemen, that the Mississippi River Commission has been in existence since 1869 or 1870. They have been going through this same process of asking appropriations for levees year after year, and yet have not overcome the difficulty. In fact, the floods are becoming worse rather than better. More than that, the pretext—because it was only a pretext—upon which we undertook to improve the Mississippi River at all was that it was for the purpose of improving the navigability of the stream. If it does not do that, it seems to me we really violate the Constitution when we appropriate money for any other purpose in connection with those rivers.

I am not, however, objecting to the appropriation of money that the Federal Government spends for the improvement of the navigability of the streams, for we should do that by all means; but my opinion, after talking with a great many students of the subject, particularly with Mr. Cooley, one of the greatest hydraulic engineers of the country, is that the building of levees only, instead of improving the navigability of the stream, destroys its navigability.

Why? For the simple reason that if you confine the river within a narrow channel, instead of permitting it to spread over a greater expanse of territory, it increases the damage you are trying to prevent by increasing the dynamic energy of the stream and causing it to destroy the banks.

The Mississippi River Commission years ago claimed that the building of levees would cause the river to scour out the bottom of the stream. It has done no such thing. The fact is that frequently they must continue to dredge the river. The fact is that instead of deepening the channel of the Mississippi River the bed of the river has been raised. The whole bed has not been raised, it is true, because there are deep holes in some places, but the bed has been raised generally and great sand bars have been created by the detritus which has come down the river.

Mr. HUMPHREYS of Mississippi. Mr. Cooley held, however, that if we revetted the banks, as we propose to do in this bill, we would improve the navigation of the river.

Mr. CROSSER. I want to say that I agree with him as to the matter of revetment, and if this bill did no more than to provide for the revetment of the banks of the Mississippi River, that would do much toward improving the navigability of the river. I agree heartily with him as to that.

Mr. HUMPHREYS of Mississippi. We provided for that purpose all that the engineers can spend, did we not?

Mr. CROSSER. I think not.

Mr. HUMPHREYS of Mississippi. That was the testimony.

Mr. CROSSER. That they could not spend more for revetment?

Mr. HUMPHREYS of Mississippi. The statement was that not more than from two to twelve millions could be judiciously expended in a year.

Mr. CROSSER. Why?

Mr. HUMPHREYS of Mississippi. Because it could not all be expended at one time; and another reason is that there is a necessary limitation on the amount of work that can be done.

Mr. CROSSER. Regardless of what the Mississippi River Commission thinks, does the gentleman think that we ought to wait until the banks cave in before we start with the work of revetment?

Mr. HUMPHREYS of Mississippi. No; but you could not undertake the revetment of the entire river. You should confine your attention only to those places where revetments are needed.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. Yes.

Mr. SMITH of Michigan. I understand the gentleman is a member of the committee?

Mr. CROSSER. Yes.

Mr. SMITH of Michigan. And was up and down the river on that trip with the committee?

Mr. CROSSER. No; I was not with that party.

Mr. SMITH of Michigan. I saw a map that was brought in here with a picture on it, showing the volume of water from St. Louis to New Orleans, I think five or six hundred miles in length, as wide in some places as Lake Michigan. I understand that that flood was from 1 foot to 20 feet deep over an area of land 600 miles long and from 1 to 20 miles wide. I would like to know how high a bank would be necessary to contain that body of water.

Mr. CROSSER. I do not think you could build it high enough. The Mississippi River Commission has not been able to tell us how high we should build the levees in order to prevent their overflow.

Mr. SMITH of Michigan. How much of a reservoir would it take to hold that volume of water?

Mr. CROSSER. The gentleman from Michigan, I assume, wants me to say what should be done. I think it is perfectly clear to a man who will think for himself a little and disregard the Army engineer, who is quite as fallible as others, that you can not send all the waters of the United States down through a narrow channel without overflowing that channel. Therefore we must do something else. This great river is formed by the junction of other rivers, of tributaries. We should go to the headwaters of these tributaries and build a sufficient number of reservoirs. One will not do. It will take a great many reservoirs at the headwaters of this great system to store the waters. They have one in the district of the gentleman from Pennsylvania [Mr. BAILEY], which now controls a stream that ran riot and prior to the building of the reservoir did a great amount of damage; it is absolutely controlled by one reservoir. I do not claim that you could do that with any one of the tributaries of the Mississippi or the Ohio River. You must take each one of the rivers at its source and control it there, and if you control the tributaries you control the main river.

Now the only answer I have heard from these gentlemen who do not think as we do is that it would cost a great deal to construct these reservoirs. That is true, but how much better it would be to spend the additional money and accomplish something worth while than it would be to constantly fritter away millions without satisfactory results.

Mr. MEEKER. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. MEEKER. Is there any place in the world where a river of any size has been so controlled?

Mr. CROSSER. If the gentleman will read the report of the minority he will find where rivers in Austria, Russia, Germany, and Spain have been so controlled. They formerly built dykes or walls, but now they have adopted the reservoir plan.

Mr. GREEN of Iowa. Does not the gentleman think there ought to be some use made of the by-path system?

Mr. CROSSER. I think that is essential in some cases.

Mr. GARD. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. GARD. The gentleman is a member of the Flood Control Committee and I would like to have him advise me, since the bill has been mutilated by cutting out a part of section 3, what is left of the comprehensive flood control?

Mr. CROSSER. All that is provided for by the bill is the building of great walls or so-called levees on each side of the river so as to hold waters on top of the banks of the river and thus disintegrate the soil of the banks and cause it to fall into the stream and raise the bed of the river instead of deepening it and improving it. Let us spend the money in revetments, if we insist on confining our efforts to the lower part of the stream.

Mr. EMERSON. Will the gentleman explain his plan of the reservoir system?

Mr. CROSSER. I have only a little time, but will do so, briefly. The reservoir plan provides for impounding the waters in behind dams or diverting it into natural basins and thus holding back the excess waters of floods. The water which is thus stored may be fed out into the stream during the dry season to raise the level of the river, and may also be used for irrigation purposes and to produce water power. We could also do much to prevent floods by reforestation. This would retard the flow of water from the land into the streams.

Now they say that the Mississippi River Commission is unanimously for the levees-only plan. Of course, the Mississippi River Commission was in favor of the levee scheme. Anyone who knows the Army man knows how hard it is for him to change his mind. Army men are not usually men of initiative. That is not due to the fact that they are any less intelligent than others, nor is it because they are less industrious, but rather because the Army man has been in the habit of obeying orders and naturally worships men rather than ideas or things. If he knows what his superior's views may be, then he is not bothered about theories of his own. If his superior directs him to build levees, he does not concern himself as to the wisdom of such a plan for controlling floods. He proceeds to build levees.

But, gentlemen, is it necessary for us to have technical skill to observe the ordinary processes of nature? Do we not know that if all the water of a watershed is sent down into the river channel with ever-increasing velocity the result at some places is going to be disastrous?

If you will look at the minority report you will find that the same volume of water which passed Memphis in 1882 and reached a height of 35 feet, in 1912 made a height of 45.2 feet. Naturally, then, the increase of the water pressure, the tremendously increased dynamic energy of the stream would tend to destroy the banks of the river.

Mr. FESS. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. FESS. The gentleman's fear is that the plan proposed will not be effective but a waste of money?

Mr. CROSSER. That is it; I am not objecting to spending money if we get results.

Mr. FESS. It is the gentleman's judgment that the other plan, the reservoir system, would be effective but would cost more money?

Mr. CROSSER. It would cost a great deal more money.

Mr. FESS. Is there anything to be developed through the reservoir system?

Mr. CROSSER. Yes; we would develop four times the amount of water power that we now have.

Mr. FESS. And that would take care of the extra cost?

Mr. CROSSER. That would more than take care of the extra expense.

Mr. FESS. If you adopt the plan you propose the benefit would be distributed over the entire country?

Mr. CROSSER. That is the idea. If we should adopt the plan I suggest it would enable the people of the whole country to enjoy the benefits of water control. It would not only give relief to the people of the lower Mississippi Valley but would also benefit the people at the headwaters of these great rivers.

Oh, but the gentlemen who are urging the levee plan say that the plan suggested in this amendment will not prevent floods. Mr. Lyman E. Cooley, one of the ablest engineers in the United States, a man who has been connected with almost every important project in the country during the last 40 years, told me that if we could control the Ohio River system in the manner I have proposed, that that alone would prevent the majority of floods on the Mississippi River. If you can do that by controlling the Ohio River system alone, what could you do, gentlemen, if you should control the other tributaries of the Mississippi in like manner? We would then have a real flood control and at the same time provide revenue for the Government.

Mr. RICKETTS. Will the gentleman yield?

Mr. CROSSER. I will.

Mr. RICKETTS. Does the gentleman know the Government has already spent $29,000,000 on controlling the floods of the Mississippi since 1890?

Mr. CROSSER. The Government has spent $29,000,000 and more on the Mississippi River, and we are still very far from successfully controlling floods, and if the gentlemen will read the report of Humphreys-Abbott, of 1860, he will find that they said that about $17,000,000 would complete the project. We have spent twice $17,000,000; we propose here to spend $45,000,000 more, and if you read the minority report you will learn that Capt. West and other engineers of the commission say that it will require about $228,000,000 to complete the work.

Mr. RICKETTS. Will the gentleman yield for another question?

Mr. CROSSER. Yes.

Mr. RICKETTS. Does the gentleman know this Government has spent $190,000,000 in the improvement of that river already for which we have received——

Mr. CROSSER. I did not know that.

Mr. CLARK of Missouri. Mr. Chairman, I would like to ask the gentleman a question.

Mr. CROSSER. I will yield.

Mr. CLARK of Missouri. Has anybody ever figured on the cost of controlling even the waters of the Ohio River; that is, by the reservoir system?

Mr. CROSSER. The Pittsburgh Flood Commission did figure the cost of controlling the two tributaries of the Ohio River, the Allegheny, and the Monongahela.

Mr. CLARK of Missouri. How much did they figure it would cost?

Mr. CROSSER. If the gentleman will give me the time I can ascertain the fact from the report of the Pittsburgh Flood Commission, which I have here. I think it is about $10,000,000.

Mr. HUMPHREYS of Mississippi. Their etimate was $21,000,000.

Mr. CLARK of Missouri. Why not try both of these projects at once?

Mr. CROSSER. This amendment does propose to try both at once.

Mr. CLARK of Missouri. Why did not somebody propose a bill that did propose it?

Mr. CROSSER. This bill I have offered does propose to do that.

Mr. CLARK of Missouri. What became of it?

Mr. CROSSER. It was ruled out of order just a moment ago. I think my amendment in the nature of a substitute is in order. My bill proposed a national waterways council composed of the Secretary of the Interior, the Secretary of Agriculture, the Secretary of War, and the Secretary of Commerce, who should work together, correlate their plans, coordinate their efforts in such a way as not only to prevent damage to the lower Mississippi Valley but also benefit the people at the headwaters. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SABATH. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from Ohio may proceed for five minutes.

Mr. FOSTER. Mr. Chairman, I object.

Mr. SABATH. Mr. Chairman, it seems to me the gentleman ought to have a little more time, he is thoroughly familiar with the subject and he ought to have five minutes more.

Mr. CROSSER. I have yielded up a lot of my time to questions that I did not anticipate.

Mr. HUMPHREYS of Mississippi. The time was fixed at 5.30 by unanimous consent and the other time has been allotted, and I will have to object.

The CHAIRMAN. Objection is heard.

Mr. HUMPHREY of Washington. Mr. Chairman, I ask unanimous consent to yield to a more distinguished member of the family than myself to use my time, the gentleman from Mississippi [Mr. HUMPHREYS], the chairman of the committee.

Mr. HUMPHREYS of Mississippi. I am very much obliged to the gentleman for yielding. In answering the question of the gentleman from Missouri as to why we did not do both things I will answer him by saying that we have done it. The engineers are at work now on the upper Ohio on a plan authorized in the rivers and harbors bill a year ago. The matter is being worked out in a thoroughly comprehensive way on the upper Ohio. Surveys have been ordered and the engineers are going to report—they say they will be ready to report this next summer on the questions of the upper Ohio.

Just after the flood of 1912, or maybe it was 1913, the President appointed a board of engineers known as the Ohio River Flood Board to investigate the flood problems on the Ohio River. Their report is contained in House Document No. 914, Sixty-third Congress, second session, and it treats very fully of the subject of control of the floods on the Ohio River. The following extract from that report will show how inaccurate it is to say that we are doing nothing to control the floods on the upper Ohio. After discussing the question at length the board sets out its conclusions and recommendations, and the following extract will show that they are treating the flood situation on the upper reaches of the Ohio in a thoroughly comprehensive way:

It therefore clearly appears that a great deal of work remains to be done. The work should be done progressively and systematically and a beginning should be made with the tributaries. The problem of the Ohio itself can not be adequately treated until some method of flood control has been adopted for the tributary streams. No further progress can be made without actual prosecution of work in the field, and the board recommends that this be undertaken as soon as possible. The following tentative program of operations is recommended.

The present work of collecting information and coordinating results should be continued in the Pittsburgh office. In addition to this at least one party in each of the districts (Pittsburgh, Wheeling, Cleveland, first Cincinnati, second Cincinnati, and Louisville) should be kept continuously employed in making investigations and drawing up a definite plan for each of the larger streams. For example, in the Pittsburgh district a beginning would be made with the Cheat River, for which almost complete information is believed to be available, and a definite plan worked out for the total prevention of floods, or, if this prove to be too expensive, for their control within reasonable limits. This being finished, the Tygarts Valley River would be taken up, measurements made in the field to supply such information as might be lacking, and a plan for this river also devised. In this way the larger tributaries of the Monongahela would be treated in succession. It would then probably be found that the problem of the Monongahela itself had been largely solved, and a complete system for this stream could be worked out. When work of a similar nature had been done for the Allegheny in turn, the problem of floods on the upper Ohio could be intelligently attacked. From our present knowledge we believe that two or three important streams could be treated in each district, or a total of 15 to 18 in all the districts, in each year, and the expense of procedure recommended would not be great.

Estimate: The preliminary estimate of cost for this work is as follows:

| | |
|---|---|
| Cost of headquarters | $20,000 |
| Cost of one party for each district, $10,000, six districts | 60,000 |
| | 80,000 |

Following this recommendation the river and harbor bill last year carried authorizations for all these surveys and they are now being made.

Mr. GARD. Will the gentleman yield for a question?

Mr. HUMPHREYS of Mississippi. I can not.

Mr. GARD. I would like for the gentleman to enlighten the committee——

Mr. HUMPHREYS of Mississippi. I would like to very much but I have but five minutes.

Mr. GARD. I thank the gentleman very much for his courtesy.

Mr. HUMPHREYS of Mississippi. Well, I yield to the gentleman.

Mr. GARD. With the bill as now changed and twisted about in section 3, can the gentleman point to any single proposition which makes for a comprehensive plan for flood control in this bill?

Mr. HUMPHREYS of Mississippi. I could answer if necessary. It is only necessary for anybody to read section 3——

Mr. GARD. That is very illuminating.

Mr. HUMPHREYS of Mississippi. The report is very illuminating. The report sets it forth in full. Now, as to this reservoir proposition. That theory is one which appeals to a man who first starts out in the kindergarten class on this subject. He first starts out with the reservoir system, but before he reaches the grammar school he abandons it.

Mr. CROSSER. Will the gentleman yield?

Mr. HUMPHREYS of Mississippi. I can not yield. Anybody who studies it reaches the conclusion that there is nothing to it. The reservoirs above Pittsburgh, which are estimated to cost $21,000,000—but the Army engineers say they will cost a good deal more—contain 59,000,000,000 cubic feet of water. That is a good deal of water. Fifty-nine thousand million cubic feet. Now, that is at the headwaters. That will not be accumulated in a minute; that will not be scooped up out of the Ohio River at one fell swoop; it will accumulate during the weeks after the storms. Fifty-nine billion feet of water pass down the Mississippi River in seven hours in time of flood.

In other words, take what would flow down that river in 24 hours, assuming at the same rate, of course, it would cost $73,000,000 to build a reservoir to hold the flood waters that would go down the Mississippi River in 24 hours. A flood would last 48 days. Multiply that $73,000,000 by 48, and you will find how much it would cost to control this flood by reservoirs. The statement of Col. Townsend is that there is but one place to put a reservoir, if you are going to have one, and that is near Cairo, because the rainstorms are sometimes up the Ohio, sometimes up the Mississippi, and sometimes up the Missouri. You would have to excavate a reservoir as big as the State of New Jersey; you would have to excavate out of it enough dirt to build levees 150 feet high and 7,000 miles long. Now, that is the disadvantage of studying this reservoir question. [Laughter.] You find out so many disagreeable facts. Of course, I realize that when the facts do not agree with your theory it is all the worse for the facts. [Laughter.]

Mr. SMITH of Michigan. The banks will have to be that high under your bill.

Mr. HUMPHREYS of Mississippi. The banks are 100 feet above the bottom of the river now. The gentleman talks about the raise of 15 feet. The waters have to rise 40 feet before they get out of the banks. Now, there are but two ways to increase the capacity of the river.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I yield my time to the gentleman from Mississippi. [Applause.]

Mr. HUMPHREYS of Mississippi. I do not like to take the time of the gentleman from Wisconsin.

There are two ways to increase the capacity of the river to carry the water, and one is to dig it out deeper.

Mr. COOPER of Wisconsin. Will the gentleman permit? I would like if the gentleman would leave me a minute and a half.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, will the Chair kindly inform me when I have occupied three minutes and a half?

It is about 1,000 miles long. It cost about $300,000,000 to dig a canal down at Panama which is something like 40 miles long. It is estimated by Army engineers that a side canal, that this same kindergarten class frequently advocate to take the water, would cost two and a half billion dollars.

Now, there is another way to increase the carrying capacity of the river, and that is to set the levees back half a mile on each side from the banks, so that when the water rises the river will be a mile wider than it is and be 15 feet deeper than it is. With a mile wider and 15 feet deeper and 1,000 miles long, you would have the greatest reservoir that could be constructed, on a site that you already own, without any condemnation proceedings.

Gentlemen, we have studied this question from the beginning of the Government. Every time we get a report from the engineers some distinguished gentleman rises and says, "Let us appoint another commission and make another investigation. Do not take your Army engineers." Well, Congress created the Mississippi River Commission and put civilians on it, and then the civilians agreed with the Army engineers after all their years of study.

The proposition now is to turn that commission off and create another commission. There never was a reformer in the world who did not want to start out first by appointing a commission, and he is always followed by another reformer who wants to put that commission in jail. [Laughter.] We have appointed on the Mississippi River Commission engineers from the Army and from civil life and civilians who were not engineers. Benjamin Harrison, one of the former Presidents of the United States, served as a member, and Judge Taylor, of Indiana, than whom there is no greater man in this broad land of ours [applause]—a scholar and a statesman, and one of the ablest men who ever lived in this country—served 32 years on the commission. All of them agreed. No man can point to a single, solitary statement from any of those gentlemen that there is any other practical way to control the floods of the Mississippi River than to build levees on the banks and then revet those banks so that the levees will not cave into it.

This committee was charged with a great responsibility. We went to work. I had been at it for 13 years myself, had thought of nothing else, because I live only four blocks from the levees. When I was at Greenville a few weeks ago, the water stood on the levee outside 15 feet higher than my home. Do you think I would advocate a system that threatened ruin and destruction to my home and my children and my property? Does any man believe that I would get up here and advocate this unless I had what, in my opinion, was confirmation more strong than proofs of Holy Writ that this was the way to do it? [Applause.]

The minority report sets out a letter signed by the Secretaries of Interior, Agriculture, and Commerce, in which they give to the President their views as to the needed legislation for flood control. They conclude that letter as follows:

To summarize, we recommend—

1. That Congress declare its purpose to deal with our river problems in a comprehensive way, involving a large ultimate expenditure of funds and the immediate expenditure of considerable amounts, and the creation of machinery intimately related to the executive branch of the Government.

2. That the boards and the other parts of the machinery provided for shall be directed to continue the work on the lower Mississippi substantially under existing plans, and to proceed with the investigations and the elaboration of plans on other parts of the Mississippi River and other rivers of the Nation.

3. That all the available agencies of the Government shall be coordinated in this endeavor to improve and protect our rivers, to control floods, to utilize waters, and to reclaim valuable lands and make the necessary reports to Congress as bases for additional appropriations.

4. That the expenditures for this work should, in the main, be met by the sale of national bonds, and that the lands benefited should be made to bear a proportion of such expenses, agreements in this regard to be submitted to the Congress as part of the plan for development.

These Secretaries, together with the Secretary of War, had been requested by the President two years ago to consider the question of flood control and river regulation generally, and try to evolve some plan that would take care of the whole subject. Before the letter just referred to was written Secretary Garrison had left the Cabinet and did not join in these recommendations. On April 15, 1914, however, he did set forth his views in a report to this House, printed in Document No. 914, which contains the report of the Board of Engineers on Ohio River floods. The following extract gives his views, and in these views the Committee on Flood Control generally concurred:

The subject of flood protection and flood prevention is one of great national import, and it is imperative that steps be taken to ameliorate conditions in the most afflicted districts in the various parts of the United States without unnecessary delay.

The interests of navigation and of interstate commerce demand that the Federal Government seek a remedy and join with the local interests in applying it. Economical and efficient cooperation on the part of local interests is extremely difficult to attain unless the Federal Government lends its unifying and guiding power. By extension of the authority conveyed by sections 9 and 10, act of 1899, recommended above, the War Department would be empowered to pass upon plans evolved by various of the communities, with a view to insuring that they do not conflict with a general plan of flood protection for the entire district to the detriment of navigation and other interests; but it is my belief that the Federal Government should go further, and that to accomplish the best results it should undertake to prepare general plans of flood prevention and protection, to pass upon and coordinate plans prepared by the various communities, to arrange for a fair and proper distribution of the cost of execution of such plans, and the portion of the work to be accomplished by each of the interested parties. The portion of the expense of the undertaking which should be borne by the Federal Government should be the value of the protection rendered to navigation, to interstate commerce, and other Federal interests.

If this work be placed under the War Department on the same basis as the river and harbor work, with which it is intimately connected, it can be accomplished with no large initial expense. No new and expensive organization need be created. Each case requiring appropriation will be presented in an intelligent, concise, and concrete manner for the consideration by Congress, and with Congress will rest the decision as to which rivers shall be considered and the rate at which they shall be appropriated for.

While section 3 of the bill follows his suggestions very closely, it will be seen upon close examination that it differs very little from the recommendations as summarized in the letter of the three Secretaries.

No. 1 of their recommendations is:

1. That Congress declare its purpose to deal with our river problems in a comprehensive way, involving a large ultimate expenditure of funds and the immediate expenditure of considerable amounts, and

the creation of machinery intimately related to the executive branch of the Government.

In section 3 we create the machinery in the War Department, but we do not ask Congress to declare its purpose, because we are legislating now and not merely resolving.

No. 2 of their recommendations is:

2. That the boards and the other parts of the machinery provided for shall be directed to continue the work on the lower Mississippi substantially under existing plans, and to proceed with the investigations and the elaboration of plans on other parts of the Mississippi River and other rivers of the Nation.

This is complied with literally, except that we do not direct the Mississippi River Commission to investigate the other rivers of the Nation. We prefer that this be done in another way, and the machinery created, as suggested in their recommendation No. 1, will take care of that.

Their recommendation No. 3 is as follows:

3. That all the available agencies of the Government shall be coordinated in this endeavor to improve and protect our rivers, to control floods, to utilize waters, and to reclaim valuable lands, and make the necessary reports to Congress as bases for additional appropriations.

This is complied with literally.

Their recommendtaion No. 4 is as follows:

4. That the expenditures for this work should in the main be met by the sale of national bonds, and that the lands benefited should be made to bear a proportion of such expenses, agreements in this regard to be submitted to the Congress as part of the plan for development.

And, except for the sale of bonds, this recommendation is complied with fully.

For the reasons given by Mr. Garrison, as set forth in his letter, the committee felt that the work should be placed under one executive department, and that department should be the War Department.

In view of these facts, it can not be successfully maintained that the committee has failed to provide a thoroughly workable plan for a comprehensive study of the various watersheds of the country with a view to the proper control of their floods.

Mr. COOPER of Wisconsin. Mr. Chairman, in the brief time remaining I can say little more than that I intend to vote for this bill. In my judgment there is no "pork" whatever about it. On the contrary, I think it a meritorious measure which the facts show ought to be enacted into law. No man should permit mere indiscriminate use of epithets like the word "pork" to frighten him away from voting his honest convictions.

Objection has been urged here because this bill to construct levees and revetments to help control the great Mississippi River floods will also reclaim certain overflowed lands.

But if the appropriation were devoted exclusively in aid of navigation, it would also, at the same time, reclaim certain overflowed lands; and therefore gentlemen who oppose the bill because this appropriation for flood control will reclaim certain lands would be bound for the same reason to oppose the bill even though the appropriation were for purposes of navigation. Levees and revetments can not be constructed on the lower Mississippi River for purposes of flood control or of navigation, or for any other purpose, without also, at the same time, reclaiming certain lands.

A complete answer to an objection against a bill because some particular locality or enterprise or individual might be especially benefited, is found in a speech delivered in the House of Representatives on the 20th of June, 1848, by Abraham Lincoln. Mr. Lincoln criticized President Polk's veto of a river and harbor bill, and discussed at length this very question. I quote from page 17 of the majority report on the pending bill. Mr. Lincoln said:

"Now for the second portion of the message, namely, that the burden of improvements would be general, while their benefits would be local and partial, involving an obnoxious inequality. That there is some degree of truth in this position I shall not deny. No commercial object of Government patronage can be so exclusively general as to not be of some peculiar local advantage. * * * The Navy, then, is the most general in its benefits of all this class of objects; and yet even the Navy is of some peculiar advantage to Charleston, Baltimore, Philadelphia, New York, and Boston beyond what it is to the interior towns of Illinois. The next most general object I can think of would be improvements on the Mississippi River and its tributaries. They touch 13 of our States. * * *."

"Now, I suppose it will not be denied that these 13 States are a little more interested in improvements on that great river than are the remaining 17. These instances of the Navy and the Mississippi River show clearly that there is something of local advantage in the most general objects. But the converse is also true. Nothing is so local as to not be of some general benefit. * * * The just conclusion from all this is that if the Nation refuse to make improvements of the more general kind because their benefits may be somewhat local, a State may for the same reason refuse to make an improvement of a local kind because its benefits may be somewhat general. A State may well say to the Nation, 'If you will do nothing for me, I will do nothing for you.' Thus it is seen that if this argument of inequality is sufficient anywhere, it is sufficient everywhere and puts an end to improvements altogether. I hope and believe that if both the Nation and the States would in good faith, in their respective spheres, do what they could in the way of improvements, what of inequality might be produced in one place might be compensated in another, and the sum of the whole might not be very unequal. But suppose, after all, there should be some degree of inequality. Inequality is certainly never to be embraced for its own sake; but is every good thing to be discarded which may be inseparably connected with some degree of it? If so, we must discard all government."

This is not at all a party question. The Republican Party, the Democratic Party, and the Progressive Party each in its national platform promised in strong, unequivocal language that when there should be opportunity it would extend national aid to control the floods of the Mississippi River. Men of all parties should help to redeem that promise.

I desire to say a word concerning a matter perhaps a bit irrelevant, and yet after all interesting and, I think, germane. Gentlemen will remember that in the debate on the river and harbor bill we heard much about Prof. Moulton and his opinion, in effect that the inland waterways of France were really of no great importance to that country. Now, only a few days ago I read, as doubtless did also many Members, a dispatch from Paris, which appeared in a number of papers, telling of the completion and the opening, on the 8th of the present month, of a new canal in France. The French people, oppressed by an enormous burden of taxation, fighting in the greatest war of all history, have completed during the war a canal 48 miles long, connecting the river Rhone with the sea at the city of Marseille and costing $18,000,000. The canal accommodates 600-ton barges drawing 8 feet, and opens up the connection by way of the Rhone and the Saone, 330 miles inland, with the main-line waterways.

The French people did not think, as was attempted to be pointed out during that debate on the river and harbor bill, that they had made or were making any mistake in the development of their waterways and the canalization of rivers. They had not only expended more than $500,000,000 for such improvements before the war, but only recently, since the war began, as I have said, they have spent millions in completing another canal.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, I move that the committee rise and report the bill favorably to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CARAWAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The SPEAKER. The gentleman from Mississippi moves the previous question.

Mr. CROSSER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CROSSER. Is it the proper time now to offer a motion to recommit?

The SPEAKER. No. The time to do that is after the third reading.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put the amendments in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CROSSER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Ohio [Mr. CROSSER] offers a motion to recommit with instructions, which the Clerk will report.

The Clerk read as follows:

Mr. CROSSER moves to recommit the bill to the Committee on Flood Control with the instruction to amend the same by striking out all after the enacting clause and insert in lieu of the same the following, and the bill as amended be reported back to the House with the recommendation that it do pass: "That the sum of $50,000,000 is authorized to be set aside, appropriated, and made available until expended, out of any moneys not otherwise appropriated, as a special fund in the Treasury, to be known as the 'river-regulation fund,' to be used to promote interstate commerce by the development and improvement of the rivers and waterways of the United States and their connections with the Great Lakes——

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I think it is clear that enough of the substitute has been read to show that it is subject to a point of order. The same substitute was offered in the committee.

The SPEAKER. The Chair is of opinion that sufficient has not yet been read. The Clerk will repeat what has been read.

The Clerk read as follows:

"That the sum of $50,000,000 is authorized to be set aside, appropriated, and made available until expended, out of any moneys not otherwise appropriated, as a special fund in the Treasury, to be known as the 'river-regulation fund,' to be used to promote interstate commerce by the development and improvement of the rivers and waterways of the United States and their connections with the Great Lakes and with each other, and by the coordination of and cooperation between rail and water routes and transportation, and their maintenance, improvement, and protection, and by the making of examinations and surveys and by the construction of engineering and other works and projects for the regulation and control of the flow of rivers and their tributaries and source streams, and the standardization of such flow, and by the maintenance of navigable stages of water at all seasons of the year in the waterways of the United States, and by preventing silt and sedimentary material from being carried into and deposited in waterways, channels, and harbors, and by the conservation, development, and utilization of the water resources of the United States, and by flood prevention and protection, through the establishment, construction, and maintenance of natural and artificial reservoirs and detention basins for water storage and control, and levees, revetments and other bank-protective works, spillways, wasteweirs, wasteways, by-passes, controlled outlets, and flood-control works of every nature and kind, and the protection of watersheds from denudation, erosion, and surface wash, and from forest fires, and the maintenance and extension of woodland and other protective cover thereon, and the reclamation of swamp and overflow lands and arid lands, and the building of drainage and irrigation works in order that the flow of rivers shall be regulated and controlled not only through the use of flood waters for irrigation on the upper tributaries but also through controlling them in fixed and established channels in the lower valleys and plains and by doing all things necessary to provide for any and all beneficial uses of water that will contribute to its conservation or storage in the ground or in surface reservoirs as an aid to the regulation or control of the flow of rivers, and by acquiring, by purchase, condemnation, or otherwise, holding, using, leasing, hiring, and transferring by appropriate deed lands and any other property that may be needed for the aforesaid purposes, or which it may be deemed advisable to dispose of, and by doing such other things as may be specified in this act or necessary to the accomplishment of the purposes thereof, and by securing the cooperation therein of States, municipalities, and other local agencies, as hereinafter set forth, and for the payment of all expenditures provided for in this act"——

Mr. GARRETT. Mr. Speaker, I renew the point of order made by the gentleman from Mississippi [Mr. HUMPHREYS]. I suggest that enough certainly has been read now to show that the matter is not germane. It involves irrigation projects and reclamation projects. It involves protection from forest fires. All of these things certainly are not germane to this bill. I have no objection to the matter being printed. I am making the point of order at this time in order to save time; that is all. I think it is clearly subject to a point of order.

Mr. CROSSER. Mr. Speaker, the mere fact that incidentally, perhaps, the control of water to prevent floods provides for the irrigation of arid lands as well as the reclamation of swamp lands does not, it seems to me, make this amendment subject to a point of order. It might easily be that we could control streams so as to prevent floods in such a way as to make it a blessing, while at the same time preventing floods.

Mr. STAFFORD. Mr. Speaker, just a word. The objection raised by the gentleman from Tennessee [Mr. GARRETT] that the provisions of this substitute refer to reclamation projects and the building of drainage and irrigation work is not well taken, as by the very phraseology of the bill those things are related to the control of flood waters. You can not read this language unless it is taken in connection with the control of flood waters of streams. The Speaker should take notice of the language—"the reclamation of swamps and overflow lands and arid lands, and the building of drainage and irrigation works in order that the flow of the rivers shall be regulated and controlled." So the stated purpose of the various systems in the amendment is that of flood control. The establishment of the different works is incidental to the main purpose of flood control. If the main purpose of the amendment is flood control, the establishment of the other projects are incidental and part of the main feature, and you can not say that it is not germane to the main principle of the bill, which has for its primary purpose flood control. So far as the Clerk has read, I respectfully contend that it gives every indication of a bill for the purpose of flood control by the establishment of incidental systems which have but one purpose, and that is the control of flood waters.

Mr. GARRETT. Mr. Speaker, the gentleman from Illinois [Mr. MANN], in discussing the point of order made against the amendment proposed by the gentleman from New York [Mr. BENNET], very happily pointed out that you might put the words "for the purpose of flood control" in offering an amendment proposing to erect a public building, but you could not thereby make that amendment in order. The Chair would be charged with knowledge of the fact that the erection of a public building would not control floods. The Chair held in accordance with the suggestion made by the gentleman from Illinois. I think that this matter is on all fours with that proposition, and I call the attention of the Chair to the fact that on page 2 of the substitute which is being read, line 22, it says: "and the protection of watersheds and denudation, erosion and surface wash and from forest fires, and the maintenance and extension of woodland and other protective cover thereon, and the reclamation of swamp and overflow land and arid lands and the building of drainage and irrigation works." All of these propositions are in here in an effort to bring them under the expression "flood control." The Chair is not expected to close his eyes to all reason and common sense in this matter. These suggestions contained in the amendment proposed by the gentleman from Ohio involve propositions that are in no way related to the question covered by this bill. This bill containing the substitute offered by the gentleman was referred to the Committee on Rivers and Harbors.

Mr. CROSSER. Mr. Speaker, the fact that these expenditures of money authorized in this amendment will also reclaim land which is now subject to overflow and perhaps provide water for irrigation purposes does not affect the germaneness of the amendment. If we are to store up water, must we either keep it there or let it go downstream again? If so, it might not be possible at all to adopt the reservoir system to control flood waters. If we can distribute it over arid lands we decrease the flow in the stream accordingly.

The illustration of the gentleman from Tennessee is not on all fours in point. The building of a post office out on the plains or in the middle of the Mississippi River would have nothing to do with flood control. But there is not a proposition contained in the amendment which does not pertain to the control of floods. Retarding water to make water power, using it on arid lands which will absorb the excess water, all tend to prevent floods, although at the same time serving a useful purpose. Yet all this is incident to flood control. We can not keep within the narrow lines of the pending bill in offering an amendment, for if we did, all that would be in order would be to move to amend by raising the banks 2 or 3 feet higher or lower. It seems to me the idea of flood control is broader than that, that we may control water by using it on arid lands, providing spillways, making fish ponds and lakes, and adopting other means for using up the waters and tending to prevent floods.

The SPEAKER. The Chair takes notice, judicial or otherwise, of the various theories that have been propounded in this country for flood control. It seems to the Chair that the remark made by the gentleman from Tennessee [Mr. GARRETT], as to the point made by the gentleman from Illinois [Mr. MANN], is not a parallel case at all.

A good many people claim that the whole flood trouble has been caused by cutting off the forests. Some claim that the reservoir system is the remedy. Some claim one thing and some another. The motion to recommit, offered by the gentleman from Ohio [Mr. CROSSER], as a substitute for the bill of the Committee on Flood Control, is devoted entirely, as far as it has been read, to what the author of it seems to think is flood control, and the Chair thinks so, too. The gentleman from Ohio [Mr. CROSSER] cut out of his instructions the portion which the chairman of the Committtee of the Whole [Mr. CARAWAY] held not to be germane, thereby making it germane. Consequently the point of order is overruled and the Clerk will complete the reading of the motion to recommit.

The Clerk completed the reading of the motion to recommit, as follows:

NATIONAL WATERWAYS COUNCIL.

SEC. 2. That a National Waterways Council, hereinafter called the council, is hereby created, consisting of the President of the United States as chairman, the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the chairman of the Water Control Board, to be appointed as hereinafter provided.

The council shall have authority to direct and control all proceedings and operations and all things done or to be done under this act, and to establish all rules and regulations which may, in their judgment, be necessary to carry into effect such direction and control consistent with the provisions of this act and with existing law and with any provisions which Congress may from time to time enact.

All plans and estimates prepared by the Water Control Board, as hereinafter provided, which contemplate or provide for expenditures from the river regulation fund shall be submitted to the council for final approval before any of the expenditures therein provided for or contemplated are authorized or made or any construction work undertaken or contracts let under or in pursuance of such plans: *Provided*, That in case of an emergency the chairman of the Water Control Board shall have full power to act, and shall report in detail his action in every case to the council at its next meeting after his action.

WATER CONTROL BOARD.

SEC. 3. That to assist in carrying out the purposes aforesaid the council may utilize the various agencies of the Government, and there is hereby created a Water Control Board, hereinafter called the board, which shall consist of a chairman, to be appointed by the council, and four assistant secretaries, to be appointed as hereinafter provided, and such additional members as the council may from time to time appoint. The chairman of the board shall receive a salary of $12,000 per annum, each assistant secretary aforesaid shall receive a salary of $10,000 per annum, and said additional members of the board such salaries as the council may from time to time fix. Subject to the direction and control of the council as to general policy and procedure, it shall be the duty of the board to ascertain in detail the work in progress and obtain plans, recommendations, and estimates of the work contemplated in the general field of water conservation, control, and utilization by the various agencies of the Government, States, counties, municipalities, districts, communities, corporations, associations, and individuals, and on the basis of such information and the results obtained by its own surveys and investigations to prepare for the consideration of the council a general and comprehensive program of water and waterways conservation, regulation, development, and utilization, extending through a number of years, with comprehensive general plans for each watershed, treating the entire watershed of each river as a unit, and with specific projects, plans, estimates, and recommendations, involving independent work by the United States and the combining of resources and energies of the various public and private agencies aforesaid; to coordinate and bring into conference the various agencies of the Government; and to examine, compare, adjust, allot, assign, and supervise their work, to the end that duplication may be avoided and the highest efficiency obtained; by agreement to assign to the various cooperating agencies the work to be done by them within their respective spheres; to accept, on behalf of the United States, from such agencies contributions of money and property of any kind to be used for carrying out the purposes authorized by this act; to make field inspection of all work done or contemplated under this act by the Government and its cooperating agencies; and to employ such engineers, transportation experts, experts in water development, constructors, and other employees, and to construct such buildings and works as may be necessary for those purposes. The board is hereby authorized to expend from the sums herein provided such amounts as may be necessary for services of employees in the city of Washington, D. C., and elsewhere; to pay therefrom such sums as may be necessary for office accommodations in the city of Washington, D. C., and elsewhere, and to purchase such law books, books of reference, periodicals, engineering, statistical, and professional publications as may be needed. Contributions received under this section shall be used by the board, under the direction of the council, for carrying out the purposes of this act, and money so received shall be paid into the river-regulation fund herein created. Subject to the approval of the council, the board is authorized to enter into such contracts or carry on by hired labor or otherwise such work as may be necessary for carrying out the purposes of this act, within the limits of appropriations made or authorized by this act or appropriations or contributions which shall be hereafter made or authorized from time to time, or as may be necessary for executing projects under this act within the respective limits of cost thereof approved by the Congress, the funds for which shall have been provided by the Secretary of the Treasury in accordance with the authority conferred by this act. Subject to the approval of the council, the board may also employ the various agencies of the Government in carrying out such purposes or executing such projects.

COOPERATION WITH STATES AND OTHER AGENCIES.

SEC. 4. That the board shall, in all cases where possible and practicable, encourage, promote, and endeavor to secure the cooperation of States, municipalities, public and quasi public corporations, towns, counties, districts, communities, persons, and associations in the carrying out of the purposes and objects of this act, and in making the investigations and doing all coordinative and constructive work provided for herein; and it shall in each case endeavor to secure the financial cooperation of States and of such local authorities, agencies, and organizations to such extent and in such amounts as the council shall determine to be a just and equitable apportionment of work, costs, and benefits under all the circumstances in each case; and it shall negotiate and perfect arrangements and plans for the apportionment of work, cost, and benefits, according to the jurisdiction, powers, rights, and benefits of each, respectively, and with a view to assigning to the United States such portion of such development, promotion, regulation, and control as can be properly undertaken by the United States by virtue of its power to regulate interstate and foreign commerce and promote the general welfare, and by reason of its proprietary interest in the public domain, and to the States, municipalities, communities, corporations, and individuals such portion as properly belongs to their jurisdiction, rights, and interests, and with a view to properly apportioning costs and benefits, and with a view to so uniting the plans and works of the United States within its jurisdiction, and of the States and municipalities, respectively, within their jurisdictions, and of corporations, communities, and individuals within their respective powers and rights, as to secure the highest development and utilization of the waterways and water resources of the United States.

APPOINTMENT OF WATER-CONTROL BOARD.

SEC. 5. That each head of a department named in this act is authorized to appoint, with the approval of the council, for service as a member of the board, a highly qualified representative, who shall be an assistant secretary in the department in which he is appointed; shall devote his time primarily to the work authorized by this act; shall have, subject to the direction of the head of the department, such general supervision and control as may be necessary for the purposes of this act of the agencies within the department engaged upon such work; shall serve during good service and behavior; and shall be removable by the head of the department only for good cause.

RIVER-REGULATION FUND.

SEC. 6. That no sums shall be paid out of the river-regulation fund except on vouchers signed by the chairman of the board or by an official designated by him in writing, drawn on the Secretary of the Treasury. To provide for carrying out the projects formulated under this act, which involve expenditures in excess of the $50,000,000 herein appropriated to the river-regulation fund, the appropriation hereafter to the credit of said fund of such sums as may be necessary is hereby authorized. At any time that the Secretary of the Treasury shall determine it to be necessary or advisable, in order to provide all or any part of the appropriation made or authorized by this act or which may be hereafter made or authorized or to provide revenues to execute a project under this act, which shall have been approved by the Congress, he may issue and sell, or use as a means of borrowing money, bonds in the necessary amount, in accordance with the provisions of the act of August 5, 1909 (36 Stats. L., pp. 11 and 117), the act of February 4, 1910 (36 Stats. L., p. 192), and the act of March 2, 1911 (36 Stats. L., p. 1013). The sums appropriated or provided by the Secretary of the Treasury pursuant to this section shall be paid into the river-regulation fund and shall be available until expended and paid out as provided for in this act. All moneys received in connection with any operation under this act, as well as from the sales of materials utilized and any condemned property, shall be covered into the "river-regulation fund" and be available for expenditure therefrom. It is the intent and purpose of this act to authorize and empower the council and the board and their officers, agents, and employees to do all necessary acts and things in addition to those specially authorized in this act to accomplish the purposes and objects hereof.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question now is on the motion to recommit with instructions.

The question was being taken, when Mr. CROSSER demanded the yeas and nays.

The question of ordering the yeas and nays was taken.

The SPEAKER. Twenty-nine Members have arisen, not a sufficient number, and the yeas and nays are refused. The motion to recommit is lost. The question now is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. MADDEN) there were 180 ayes and 53 noes.

Mr. MADDEN. I demand the yeas and nays, Mr. Speaker.

The question of ordering the yeas and nays was taken.

The SPEAKER. Thirty-two gentlemen have arisen, not a sufficient number.

Mr. MADDEN. I demand the other side.

The SPEAKER. All of those opposed to taking the yeas and nays will rise. [After counting.] Two hundred and thirty-nine gentlemen have arisen, so that 32 is not enough, and the yeas and nays are refused.

So the bill was passed.

On motion of Mr. HUMPHREYS of Mississippi, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent that all gentlemen have leave to print within five legislative days.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that all gentlemen have leave to print within five legislative days. Is there objection? [After a pause.] The Chair hears none.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman already has that permission.

Mr. McCRACKEN. Mr. Speaker, I have a resolution here on woman suffrage which I desire to have read from the Clerk's desk.

The SPEAKER. The gentleman from Idaho asks unanimous consent to have a petition read from the Clerk's desk. Is there objection?

Mr. MANN. I object at this time of night.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I ask leave to extend my remarks in the RECORD on the bill H. R. 8351, being the bill accepting title to the farm on which Abraham Lincoln was born.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the death of a distinguished Hebrew writer of New York City, who died last week.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks on the life and character of an eminent Hebrew citizen of New York, who died last week. Is there objection? [After a pause.] The Chair hears none.

RURAL CREDITS.

Mr. GLASS. Mr. Speaker, I ask unanimous consent that the House agree to the conference asked for by the Senate on the rural credits bill (S. 2986).

The SPEAKER. The gentleman from Virginia asks unanimous consent that the House agree to the conference asked for by the Senate on the rural credits bill. Is there objection? [After a pause.] The Chair hears none. The Clerk will announce the conferees.

The Clerk announced the conferees, as follows:

Mr. GLASS, Mr. PHELAN, Mr. Moss of Indiana, Mr. HAYES, and Mr. PLATT.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to provide for the investment of postal savings deposits, to create Government depositaries and financial agents for the United States, and for other purposes, asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. OWEN, Mr. HOLLIS, and Mr. NELSON as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12766) entitled "An act to increase the efficiency of the Military Establishment of the United States."

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p. m.) the House adjourned to meet to-morrow, Thursday, May 18, 1916, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows.

1. A letter from the Secretary of Labor, transmitting a list of papers in the Department of Labor which have no permanent value or historical interest (H. Doc. No. 1135); to the Committee on the Disposition of Useless Executive Papers and ordered to be printed.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on reexamination of inland waterway from Norfolk, Va., to Beaufort Inlet, N. C. (H. Doc. No. 1136); to the Committee on Rivers and Harbors and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. HUGHES, from the Committee on Education, to which was referred the bill (H. R. 15462) to create a commission to be known as the Federal motion-picture commission, and defining its powers and duties, reported the same without amendment, accompanied by a report (No. 697), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. KEATING, from the Committee on Labor, to which was referred the bill (H. R. 8665) to regulate the method of directing the work of Government employees, reported the same with amendments, accompanied by a report (No. 698), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CULLOP, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 9216) to amend sections 2, 3, 4, and 5 of an act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907, reported the same with amendment, accompanied by a report (No. 699), which said bill and report were referred to the House Calendar.

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (H. R. 15522) to establish a national park service, and for other purposes, reported the same without amendment, accompanied by a report (No. 700), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. CAPSTICK, from the Committee on Claims, to which was referred the bill (S. 4398) for the refund of excess duties on steel blooms, reported the same without amendment, accompanied by a report (No. 701), which said bill and report were referred to the Private Calendar.

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 11749) for the relief of the heirs of John M. Waples, reported the same with amendment, accompanied by a report (No. 702), which said bill and report were referred to the Private Calendar.

Mr. MILLER of Delaware, from the Committee on Claims, to which was referred the bill (H. R. 3294) for the relief of Lena Schmieder, reported the same with amendment, accompanied by a report (No. 703), which said bill and report were referred to the Private Calendar.

Mr. STEPHENS of Texas, from the Committee on Indian Affairs, to which was referred the bill (H. R. 7427) for the relief of Martha Hazelwood, reported the same with amendment, accompanied by a report (No. 704), which said bill and report were referred to the Private Calendar.

Mr. CAPSTICK, from the Committee on Claims, to which was referred the bill (H. R. 4559) for the relief of C. Horatio Scott, reported the same with amendment, accompanied by a report (No. 705), which said bill and report were referred to the Private Calendar.

Mr. POU, from the Committee on Claims, to which was referred the bill (H. R. 14952) for the relief of Mrs. John A. Fox, reported the same with amendment, accompanied by a report (No. 706), which said bill and report were referred to the Private Calendar.

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (S. 3388) for the relief of the estate of John Stewart, deceased, reported the same without amendment, accompanied by a report (No. 707), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 2208) for the relief of James L. Yokum, reported the same without amendment, accompanied by a report (No. 708), which said bill and report were referred to the Private Calendar.

Mr. MILLER of Delaware, from the Committee on Claims, to which was referred the bill (H. R. 13496) for the relief of the Moeur-Pafford Co., reported the same without amendment, accompanied by a report (No. 709), which said bill and report were referred to the Private Calendar.

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (H. R. 14814) for the relief of Edward J. Lynch, collector of internal revenue for the district of Minnesota, reported the same without amendment, accompanied by a report (No. 710), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 3405) for the relief of the Maine Central Railroad, reported the same without amendment, accompanied by a report (No. 711), which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 10857) for the relief of James Folmsbee, and the same was referred to the Committee on Claims.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. NEELY: A bill (H. R. 15730) giving the consent of the United States for the bringing of certain suits in the Supreme Court of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. RIORDAN: A bill (H. R. 15731) to adequately compensate commissioned officers of the United States Navy for length of service, and to grant to warrant officers allowances and privileges allowed other officers of the United States Navy; to the Committee on Naval Affairs.

By Mr. ALLEN: A bill (H. R. 15732) to provide for the exportation of gin in bond in other than original packages; to the Committee on Ways and Means.

By Mr. HAYDEN: A bill (H. R. 15733) to authorize the advancement of funds to survey, construct, and maintain roads, trails, and bridges within Indian reservations; to the Committee on Indian Affairs.

By Mr. GLASS: A bill (H. R. 15734) to authorize national banking associations to establish branches; to the Committee on Banking and Currency.

By Mr. HILL: A bill (H. R. 15735) providing for investment of deposits of savings-bank departments of national banks; to the Committee on Banking and Currency.

By Mr. MONTAGUE: A bill (H. R. 15736) to provide for aviation in the Coast Guard; to the Committee on Interstate and Foreign Commerce.

By Mr. HADLEY: A bill (H. R. 15737) providing for the disposal of certain lands in block 69, in the city of Port Angeles, State of Washington; to the Committee on the Public Lands.

By Mr. RIORDAN: A bill (H. R. 15738) to amend section 1916 of the Compiled Statutes of the United States; to the Committee on Military Affairs.

By Mr. COX: Joint resolution (H. J. Res. 224) authorizing the Postmaster General to prepare and provide for a distinct postage stamp for the one hunderdth anniversary celebration of the State of Indiana; to the Committee on the Post Office and Post Roads.

By Mr. HULBERT: Resolution (H. Res. 238) and rule for the consideration of H. R. 14777; to the Committee on Rules.

By Mr. DYER: Resolution (H. Res. 239) for the consideration of resolutions relative to the treatment of Irish revolutionists by the British Government; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. BARNHART: A bill (H. R. 15739) granting an increase of pension to J. P. Oakes; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 15740) for the relief of Joseph P. Weis; to the Committee on Military Affairs.

By Mr. CHIPERFIELD: A bill (H. R. 15741) to reimburse C. E. Sperry for one-half the loss sustained by the said C. E. Sperry upon stock improperly quarantined by the United States Government and the State of Illinois; to the Committee on Claims.

Also, a bill (H. R. 15742) to reimburse R. M. Logan for one-half the loss sustained by the said R. M. Logan upon stock improperly quarantined by the United States Government and the State of Illinois; to the Committee on Claims.

Also, a bill (H. R. 15743) to reimburse Frank Kirkpaterich for one-half the loss sustained by the said Frank Kirkpaterich upon stock improperly quarantined by the United States Government and the State of Illinois; to the Committee on Claims.

Also, a bill (H. R. 15744) to reimburse H. G. Sperry for one-half the loss sustained by the said H. G. Sperry upon stock improperly quarantined by the United States Government and the State of Illinois; to the Committee on Claims.

By Mr. DIXON: A bill (H. R. 15745) granting an increase of pension to August H. Knippenberg; to the Committee on Pensions.

Also, a bill (H. R. 15746) granting an increase of pension to Alexander Gudgel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15747) granting an increase of pension to Jesse E. Wells; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 15748) granting an increase of pension to Xaver Zachringer, alias John Ruh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15749) granting a pension to Adeline Wagner; to the Committee on Invalid Pensions.

By Mr. FERRIS: A bill (H. R. 15750) for the relief of Ona B. Deaton; to the Committee on the Public Lands.

By Mr. JAMES: A bill (H. R. 15751) granting a pension to Thomas Hosking; to the Committee on Pensions.

By Mr. LAFEAN: A bill (H. R. 15752) granting an increase of pension to David Freed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15753) granting an increase of pension to Sarah Irwin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15754) granting an increase of pension to Margaretta Ream; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15755) granting an increase of pension to Annie Albright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15756) granting an increase of pension to Emma Wilhelm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15757) granting an increase of pension to Edward Warren; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15758) granting an increase of pension to Catharine E. Marquart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15759) granting an increase of pension to Rebecca Odewalt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15760) granting an increase of pension to Eliza Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15761) granting an increase of pension to Mary M. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15762) granting an increase of pension to Annie Albright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15763) granting an increase of pension to Emma J. Poleman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15764) granting an increase of pension to Francis R. Culp; to the Committee on Invalid Pensions.

By Mr. LEE: A bill (H. R. 15765) granting an increase of pension to Narcissus New; to the Committee on Pensions.

By Mr. LOBECK: A bill (H. R. 15766) granting a pension to Alfred G. J. Petersen; to the Committee on Pensions.

By Mr. LONGWORTH: A bill (H. R. 15767) granting an increase of pension to Mary E. Murphy; to the Committee on Invalid Pensions.

By Mr. PARK: A bill (H. R. 15768) granting an increase of pension to Thomas N. Hopkins; to the Committee on Pensions.

By Mr. REILLY: A bill (H. R. 15769) for the relief of Christy Price; to the Committee on Naval Affairs.

By Mr. SLEMP: A bill (H. R. 15770) granting a pension to David Noe, Rural Retreat, Va.; to the Committee on Pensions.

By Mr. SMITH of New York: A bill (H. R. 15771) granting an increase of pension to Charles V. Petteys; to the Committee on Invalid Pensions.

By Mr. WALKER: A bill (H. R. 15772) granting an increase of pension to Horace Carter; to the Committee on Pensions.

Also, a bill (H. R. 15773) granting a pension to William M. Davis; to the Committee on Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of women of Utah and citizens of Wymore, Nebr., relative to suffrage amendment; to the Committee on the Judiciary.

Also (by request), memorial of Anaconda (Mont.) Typographical Union, No. 255, favoring House bill 12287; to the Committee on the Post Office and Post Roads.

Also (by request), memorial of the Daughters of the Utah Indian War Veterans, favoring the passage of the Susan B. Anthony amendment for woman suffrage; to the Committee on the Judiciary.

Also (by request), petition of citizens and voters of the State of California, favoring a report of the Susan B. Anthony amendment by the Committee on the Judiciary; to the Committee on the Judiciary.

Also (by request), petition of women voters of Yuma County, Ariz., favoring national enfranchisement of women; to the Committee on the Judiciary.

Also (by request), memorial of National Automobile Chamber of Commerce, against passage of the Tavenner bill relative to time studies in Government shops; to the Committee on Labor.

By Mr. ASHBROOK: Evidence to accompany House bill 15622, for the relief of Nathan Smith; to the Committee on Invalid Pensions.

By Mr. BAILEY: Memorial of Local Union No. 1468, United Mine Workers of America, favoring resolution for inspection of dairies; to the Committee on Agriculture.

Also, memorial of Automobile Dealers' Association of Pittsburgh, Pa., favoring tax on exportations of gasoline; to the Committee on Ways and Means.

By Mr. BUCHANAN of Texas: Petition of John C. Townes and 62 others, of Austin, Tex., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of H. F. Neumann, Elijah Taylor, and others, of Austin, Tex., against bill to close barber shops in District of Columbia on Sunday; to the Committee on the District of Columbia.

By Mr. CAREW: Petition of New York Academy of Medicine, in re medical service in United States Army; to the Committee on Military Affairs.

By Mr. DALE of New York: Petition of women of Utah, Montana, and Nebraska, relative to suffrage amendment; to the Committee on the Judiciary.

Also, memorial of National Automobile Chamber of Commerce against passage of bill to prevent time studies in Government shops; to the Committee on Labor.

By Mr. DAVIS of Texas: Petition of Cattle Raisers' Association of Texas condemning the growing control of the cattle market by the big packers; to the Committee on Interstate and Foreign Commerce.

By Mr. DOOLING: Petition of Merchants' Association of New York in opposition to a Government hydroelectric plant for the production of nitrates and fertilizers; to the Committee on Military Affairs.

By Mr. ESCH: Papers to accompany House bill 15659, granting an increase of pension to James Livingstone; to the Committee on Invalid Pensions.

By Mr. FULLER: Petition of the National Automobile Chamber of Commerce of New York City, protesting against House bill 8665 relative to the Taylor system of shop management; to the Committee on Labor.

Also, petition of members of Chicago (Ill.) Customs Club, favoring House bill 9054 for extended leave of absence of Government employees; to the Committee on Reform in the Civil Service.

By Mr. GALLIVAN: Memorial of the National Association of Cotton Manufacturers, favoring national defense; to the Committee on Military Affairs.

By Mr. GRAY of Indiana: Petition of Inez Funk and other members of the edelweiss class, Dubin, Ind., favoring the enactment of House bill 456, providing for the censorship of moving-picture films; to the Committee on Interstate and Foreign Commerce.

Also, petition of Della Faust, Noblesville, Ind., and 25 other citizens of said State, protesting against the enactment of Senate bill 645; to the Committee on the District of Columbia.

Also, petition of Mrs. R. P. Lindsay and other members of the Helen Hunt Club, Cambridge City, Ind., favoring the enactment of House bill 456, providing for the censorship of moving-picture films; to the Committee on Interstate and Foreign Commerce.

Also, petition of C. F. Bradburn, Richmond, Ind., and 23 other laboring men of said city, favoring the enactment of House bill 8665 to prohibit the stop-watch system of employment; to the Committee on Labor.

By Mr. KENNEDY of Rhode Island: Petition of Arthur V. Weidelich and others, against exclusion of Red Cross supplies; to the Committee on Foreign Affairs.

By Mr. LAFEAN: Memorial of Merchants' Association of New York, opposing a Government hydroelectric plant for production of nitrates and fertilizers; to the Committee on Military Affairs.

Also, memorial of Second Convention of Mental Hygiene Societies of the United States, favoring bill to establish a division of mental hygiene in the United States Public Health Service; to the Committee on Interstate and Foreign Commerce.

Also, memorial of National Automobile Chamber of Commerce, objecting to the Tavenner bill, against the Taylor system; to the Committee on Labor.

Also, memorial of United Iron Workers of America, favoring House bill 137, relative to inspection of creameries and dairies; to the Committee on Agriculture.

Also, memorial of Southern Hardware Jobbers' Association, favoring bill for prevention of floods of the Mississippi River; to the Committee on Rivers and Harbors.

By Mr. LOUD: Petition of Leon C. Wheeler and Methodist Episcopal Sunday School of Barryton and G. M. Bierly and Union Sunday School of Lake George, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. ROWE: Petition of International Association of Machinists, favoring House bill 8665; to the Committee on Labor.

Also, petition of Board of Aldermen of New York City, favoring national military preparedness; to the Committee on Military Affairs.

Also, petition of Chamber of Commerce of the State of New York, opposing any method of agricultural banking requiring use of Government funds; to the Committee on Banking and Currency.

Also, petition of Brooklyn Quartette Club, favoring peaceful relations with foreign countries; to the Committee on Foreign Affairs.

Also, petition of Local Union No. 498, United Association of Plumbers and Steam Fitters, opposing reduction of wages of employees in Canal Zone; to the Committee on Interstate and Foreign Commerce.

By Mr. SANFORD: Papers to accompany House bill 15377, granting a pension to Christopher Dahlen; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: Papers to accompany House bill 15723, granting a pension to Sarah E. Simonton; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: Petition of Okke Kluins and 130 citizens of Kalamazoo, Mich., protesting against the passage of House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. STINESS: Petition of A. M. L. Herenins, Centerville, R. I., favoring embargo resolution; to the Committee on Foreign Affairs.

By Mr. TILSON: Petition of Elmer E. Okeson and 40 others and Francis T. Bedworth and 28 others, all of New Haven, Conn., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. TOWNER: Petition of Robert Sutton and other citizens of Lucas County, Iowa, protesting against the enactment of House bill 652 or any similar compulsory Sunday-observance measure; to the Committee on the District of Columbia.

Also, petition of Robert Sutton and other citizens of Lucas County, Iowa, protesting against the enactment of House bill 6468 or any similar amendment to the postal laws; to the Committee on the Post Office and Post Roads.

## SENATE.

### THURSDAY, *May 18, 1916.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou hast so impressed Thyself upon all the laws of nature and upon all the processes of human thinking that no government has ever been founded that was not based upon its ultimate relation to Thee. Thou hast not separated Thyself from men. In the onward path of progress we need more and more Thy inspiration and guidance and blessing. We shall never be enabled to govern ourselves unless we are willing freely to submit ourselves to the divine government. We pray that to-day we may look up through the toil and care of the day's work in humble submission to the divine will and realize in personal experience that in the midst of the conflict of interest of this world there is a hand governing all, and that our safety and glory lie in submission to the guidance of the hand of God. For Christ's sake. Amen.

The Journal of the proceedings of the legislative day of Tuesday, May 16, 1916, was read and approved.

Mr. KENYON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Bankhead | Gronna | Martine, N. J. | Smith, Ga. |
| Beckham | Hardwick | Myers | Smith, Mich. |
| Brady | Hitchcock | Newlands | Smith, S. C. |
| Brandegee | Johnson, Me. | Norris | Smoot |
| Catron | Johnson, S. Dak. | O'Gorman | Sterling |
| Chamberlain | Jones | Overman | Stone |
| Chilton | Kenyon | Page | Swanson |
| Clapp | Kern | Pittman | Thomas |
| Clarke, Ark. | Lane | Poindexter | Tillman |
| Culberson | Lea, Tenn. | Ransdell | Vardaman |
| Curtis | Lee, Md. | Reed | Wadsworth |
| Dillingham | Lippitt | Shafroth | Walsh |
| Fletcher | Lodge | Sheppard | Warren |
| Gallinger | McLean | Sherman | Williams |
| Gore | Martin, Va. | Simmons | |

Mr. KERN. I desire to announce the unavoidable absence of my colleague [Mr. TAGGART]. This announcement may stand for the day.

Mr. SMITH of Michigan. I wish to announce the unavoidable absence of my colleague [Mr. TOWNSEND] on account of sickness in his family. I desire this announcement to stand for the day. On all record votes my colleague is paired with the Senator from Florida [Mr. BRYAN].

The VICE PRESIDENT. Fifty-nine Senators have answered to the roll call. There is a quorum present.

#### DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of Labor, transmitting, pursuant to law, a schedule of useless papers and papers without historical value in the Department of Labor and requesting action looking to their disposition. The communication and accompanying paper will be referred to the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments, and the Chair appoints the Senator from New Jersey [Mr. MARTINE] and the Senator from Washington [Mr. JONES] the committee on the part of the Senate. The Secretary will notify the House of Representatives of the appointment thereof.

#### LIST OF CASES (S. DOC. NO. 445).

The VICE PRESIDENT laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting

a list of cases referred to the court by the United States Senate, which cases were dismissed by the court under section 5 of the act of March 4, 1915, commonly known as the Crawford amendment, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House insists upon its amendments to the bill (S. 2986) to provide capital for agricultural development, to create a standard form of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes, disagreed to by the Senate; agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. GLASS, Mr. PHELAN, Mr. Moss of Indiana, Mr. HAYES, and Mr. PLATT managers at the conference on the part of the House.

The message also announced that the House had passed a bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes; in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 5221. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors; and

H. R. 8068. An act for the relief of E. C. Hornor.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a telegram in the nature of a petition from the Order of Railroad Conductors, of St. Louis, Mo., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a telegram, in the nature of a petition, from the National Society of the Sons of the American Revolution of Newark, N. J., praying for an increase in armament, which was ordered to lie on the table.

Mr. SHEPPARD presented a petition of sundry citizens of Thorndale, Tex., praying that Great Britain permit the shipment of condensed milk to Germany, which was referred to the Committee on Foreign Relations.

He also presented a petition of Manila Camp, No. 1, United Spanish War Veterans, National Military Home, Kansas, praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

He also presented a petition of Manila Camp, No. 1, United Spanish War Veterans, National Military Home, Kansas, praying for the enactment of legislation to grant pensions to certain survivors of the Indian wars, which was ordered to lie on the table.

He also presented petitions of the Woman's Missionary Society of Riverdale, Md., praying for national prohibition and also for the prohibition of the exportation of intoxicating liquor to Africa, which were referred to the Committee on the Judiciary.

Mr. MARTINE of New Jersey. I have received a great number of telegrams on the so-called blue-tag system of sending second-class matter by freight. I present four as a sample, which I ask may be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, *May 17, 1916.*

Hon. JAMES E. MARTINE,
*Senate, Washington, D. C.:*

As publishers of automobile dealers and repairers, we wish to protest earnestly against the attempt of the Postmaster General to revive the old blue-tag system of sending second-class matter by freight. When tried some years ago it caused great trouble by delayed mails. We ask that this provision be stricken out of the Post Office appropriation bill.

MOTOR VEHICLE PUB. CO.

—

NEW YORK, *May 17, 1916.*

Hon. JAMES E. MARTINE,
*Senate, Washington, D. C.:*

We desire, as publishers of the Blacksmith and Wheelwright, to protest vigorously against the restoration of the blue-tag system of sending second-class mail by freight, as recommended by the Postmaster General. Previously when this system was tested it resulted in tedious delays and great disappointment to our subscribers.

M. T. RICHARDSON CO.

—

CHICAGO, *May 17, 1916.*

Hon. JAMES E. MARTINE,
*United States Senate, Washington, D. C.:*

We vigorously urge the elimination of the blue-tag amendment to the Post Office appropriation bill, because the blue-tag system is an unjust discrimination against the publications so handled, because it restricts and impairs their influence and their usefulness to their readers, and because in so doing it works to the disadvantage and even to the ubstantial injury of some of our leading industries.

THE OFFICE APPLIANCE CO.

—

GRAND RAPIDS, MICH., *May 16, 1916.*

Hon. JAMES E. MARTINE,
*Senate Post Office Committee:*

When the Post Office Department is so organized that it is possible to determine the cost of handling second-class mail, we, as publishers, are willing to pay whatever may be the proper price for transporting second-class mail. We would much prefer to pay four, six, or even ten times the present pound rate and secure even greater efficiency in distribution rather than to suffer the reinfliction of the blue-tag system. Your efforts toward the elimination of that feature from the Post Office bill now pending will be appreciated.

PERIODICAL PUBLISHING CO.

Mr. GRONNA presented a memorial of sundry citizens of Paradise, N. Dak., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of the Commercial Club of Mott, N. Dak., and a petition of the Commercial Club of Hettinger, N. Dak., praying that the difficulties between railroads and their employees be settled by arbitration, which were referred to the Committee on Interstate Commerce.

He also presented the memorial of Miss N. L. Miller, of Roland Park, Md., remonstrating against the action of Great Britain in prohibiting the Red Cross from sending supplies to Germany, which was referred to the Committee on Foreign Relations.

Mr. SMITH of Michigan presented petitions of sundry citizens of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the Local Union of Christian Endeavor of Grand Rapids, Mich., praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of Orcutt Camp, No. 10, Sons of Veterans, of Kalamazoo, Mich., praying for an increase in armaments, which was ordered to lie on the table.

Mr. SMITH of Michigan (for Mr. TOWNSEND) presented petitions of sundry citizens of Ann Arbor, Mich., praying that the United States remain at peace, which were referred to the Committee on Foreign Relations.

He also (for Mr. TOWNSEND) presented a petition of the Michigan State Christian Endeavor Union, praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also (for Mr. TOWNSEND) presented a petition of the Michigan State Christian Endeavor Union, praying for prohibition in the District of Columbia, which was ordered to lie on the table.

He also (for Mr. TOWNSEND) presented a memorial of sundry citizens of Sebewaing, Mich., remonstrating against the action of Great Britain in prohibiting the sending of Red Cross supplies to Germany, which was referred to the Committee on Foreign Relations.

He also (for Mr. TOWNSEND) presented a petition of the Young People's Society of Christian Endeavor of the Presbyterian Church of Decatur, Mich., praying for prohibition in the island of Porto Rico, which was referred to the Committee on Pacific Islands and Porto Rico.

Mr. WEEKS presented memorials of sundry citizens of Massachusetts, remonstrating against sectarian appropriations, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Massachusetts, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented a petition of sundry citizens of Somerville, Mass., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of the Socialist Party of Deerfield, Mass., praying for an investigation into the Mexican situation, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Bay State Automobile Association, of Massachusetts, praying for an investigation into the price of gasoline, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of South Hadley, Mass., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

He also presented a petition of Nelson A. Miles Camp, No. 36, United Spanish War Veterans, of Holyoke, Mass., praying for the enactment of legislation to grant pensions to widows and orphans of veterans of the Spanish-American War, which was ordered to lie on the table.

Mr. WALSH presented petitions of sundry citizens of Great Falls, Mont., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were ordered to lie on the table.

Mr. BRADY presented a petition of sundry citizens of Newport, Idaho, praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. TILLMAN presented a petition of the members of the missionary societies of the Methodist Episcopal Church of Dillon, S. C., praying for the enactment of legislation to prohibit the exportation of intoxicating liquor to Africa, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Long Beach, Cal., praying for an increase in armaments, which was ordered to lie on the table.

Mr. WARREN presented a petition of the Lincoln County (Wyo.) Branch of the Congressional Union for Woman Suffrage, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

Mr. JONES presented a memorial of sundry citizens of Freeland, Wash., remonstrating against any change being made in the parcel-post law, which was referred to the Committee on Post Offices and Post Roads.

Mr. PHELAN presented the petition of Prof. A. C. Barker, of Oakland, Cal., praying for Federal aid for vocational education, which was ordered to lie on the table.

He also presented a petition of the Chamber of Commerce of Redlands, Cal., praying for the enactment of legislation to prohibit interstate commerce in the products of child labor, which was ordered to lie on the table.

He also presented a petition of Fort Romie Grange, No. 358, Patrons of Husbandry, of Soledad, Cal., praying for prohibition in the District of Columbia, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Oakland, Cal., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was ordered to lie on the table.

Mr. HUGHES presented a petition of sundry citizens of Leonia, N. J., praying for prohibition in the Hawaiian Islands, which was referred to the Committee on Pacific Islands and Porto Rico.

He also presented a petition of sundry citizens of Boonton, N. J., praying for the enactment of legislation to prohibit the exportation of intoxicating liquor to Africa, which was referred to the Committee on the Judiciary.

### FEDERAL TRADE COMMISSIONER W. J. HARRIS.

Mr. NEWLANDS. Mr. President, out of order there is a matter that I should like to call to the attention of the Senators from Georgia. I will ask the Secretary to read from the Washington Post of May 17 the part marked in the last column.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as follows:

W. J. HARRIS A POWER, HE SAYS.

"William J. Harris, of the Federal Trade Commission, is the dominant power now in Georgia politics," said Crawford Wheatley, of Americus, Ga., one of the delegates at large from Georgia to the Democratic national convention, at the New Willard, yesterday.

"At the recent State convention in Macon," continued Mr. Wheatley, "the name of Mr. Harris, who was on the ground to look after the administration's interests, elicited almost as much applause as that of the President. He was the only person asked to address the convention, although both Senator THOMAS W. HARDWICK and Gov. Nat Harris were present. As a further mark of confidence the slate of delegates to the national convention which he approved was elected. Mr. Harris and the President were both indorsed by the convention."

Mr. NEWLANDS. Mr. President, I caused this clipping from the newspaper to be read without consultation with the Senator from Georgia, for the reason that, if true, I wish to call public attention to the impropriety of a member of the Federal Trade Commission attending and attempting to influence a political convention, and also for the reason that if it is untrue I desire as much publicity for the denial as the newspaper article itself received.

Mr. HARDWICK. Mr. President——

Mr. NEWLANDS. I wish to state, if the Senator will hear me through——

Mr. HARDWICK. I should like to have the Senator yield to me as soon as he can.

Mr. NEWLANDS. I will yield in a moment to the Senator.

Mr. President, I will state that for seven or eight years I urged in this body the organization of a trade commission, believing that the Government could through some form of organization be a corrector of bad business practices and a friendly guide to business rather than a relentless prosecutor, believing that in the main the business men of the country wish to work in harmony with its laws, and that a trade commission through its instructive and corrective powers would be beneficial to the business, the well-intentioned and honest business of the country.

That Trade Commission was finally authorized and organized as an nonpartisan commission, and the only way of making a nonpartisan commission under our form of Government is to make a bipartisan commission. So it was provided in the act which finally passed that the Trade Commission should consist of five members, of whom no more than three should belong to one political party.

Mr. President, I regard these great public utility commissions for public regulation as quasi judicial in character. The confidence of the country depends upon the maintenance of that quasi judicial character, and although the members of that commission are not to be denied their political convictions or their expression, manifestly every sense of propriety requires that they should not be active in political organizations and conventions.

Mr. GALLINGER. Will the Senator——

Mr. NEWLANDS. Will the Senator permit me to proceed with my statement before I yield for an interruption?

Mr. KENYON. Mr. President, I should like to inquire under what authority——

Mr. NEWLANDS. Mr. President——

Mr. KENYON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Iowa rises to a parliamentary inquiry which is his privilege. He will state it.

Mr. KENYON. Has there been any unanimous consent given for the Senator from Nevada to proceed? If not, I object, and ask for the regular order.

Mr. SMITH of Michigan. There ought to be unanimous consent given to make such a statement.

Mr. NEWLANDS. I move that I be allowed to proceed.

Mr. KENYON. Mr. President, I ask for the regular order.

Mr. NEWLANDS. I understand that I have practically unanimous consent, because I was given the floor and announced that out of order I proposed——

Mr. WILLIAMS. Unanimous consent was never requested, and the question has not been submitted to the Senate.

Mr. KENYON. If the Senator from Nevada says he asked for unanimous consent and it was granted, I withdraw my demand for the regular order.

Mr. NEWLANDS. I did not ask for unanimous consent; but I stated, my recollection is, that I wished to present this matter out of order.

Mr. TILLMAN. The Senator has a right to do it.

Mr. NEWLANDS. I am not sure about the exact language I used.

Mr. SMITH of Michigan. It is very interesting, and I hope the Senator will proceed.

Mr. NEWLANDS. Mr. President, it is hard for me to believe that Mr. Harris, whom I know and whom I respect, had this participation in the formation and development of a political organization or convention in the State of Georgia such as this newspaper refers to. I hope that the Senators from Georgia——

Mr. HARDWICK. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Georgia?

Mr. NEWLANDS. I will yield in a moment. I hope that the Senators from Georgia will be able to deny this statement, and I would be glad if they do, but I think a great public service will be done even though the incorrectness of this newspaper statement be established by calling public attention and the attention of the members of these various commissions to the fact that their active participation in politics is not expected by the Congress of the United States which created them; that they are the servants of Congress in the regulation of commerce; that they are as much taken out of political activity as are the courts themselves; and that it is an impropriety for them to indulge in political activity. I now yield to the Senator from Georgia.

Mr. HARDWICK. Mr. President, since the Senator from Nevada has had the newspaper article in question read from the desk and therefore brought it to the attention of the Senate, I think, in justice to Mr. Harris, I ought to say that, in my judgment—and I was present at the convention referred to—the statements in this article are in the main inaccurate and incorrect.

It is true that Mr. Harris was in attendance on the State Democratic convention of Georgia. He was there, according to my understanding—I think I am right about that—as a delegate from his own county, under appointment of the chairman of the county executive committee of that county. If Mr. Harris had anything whatever to do with the selection of the

delegation more than a hundred other leading Democrats from almost as many Georgia counties had, I am not advised of that fact. I know that to a large extent the article misstates the facts.

I think I can say for the information of the Senator from Nevada and of the Senate—and it may throw some light on this transaction—that this convention was a very harmonious affair. There was no conflict in it between Mr. Harris and the Senators from Georgia or anybody else. Every one of the delegates selected by the convention was elected unanimously, and the platform which they adopted was satisfactory to everybody and went through without a dissenting vote. I do not believe that Mr. Harris had anything whatever to do with the selection of delegates, except that he may have agreed with many other gentlemen that the gentlemen selected as delegates were satisfactory. He was not invited to address the convention. The chairman of the convention—and I do not think there was any impropriety in it—made some complimentary reference to the appointment of Mr. Harris by the President. It was well received by the delegates, and some man, I think, called on Mr. Harris for a speech. Mr. Harris, with a great deal of propriety, I thought, did not speak.

Nor was it true—and I will say this purely out of justice to the governor of Georgia and myself, for a Georgia Democratic convention is never discourteous to Democratic officials—that we were not invited to address the convention. Both the governor and myself, on account of the lateness of the hour when the work of the convention was done, sent word by a committee that came to see us that we preferred not to address the convention. We were more inclined to attend to business and to let the delegation get home than to deliver speeches. In that respect we may have differed from some other bodies of which I can think.

What I want to say to the Senator—possibly to reassure him to some extent—is that I think the participation of Mr. Harris in this convention or his political activities in it are very much exaggerated by some gentlemen who merely intended to pay him a graceful compliment. The criticism is based more upon that than upon anything, I think, that actually occurred.

Of course the Senator might question—although I do not know that he ought to do so—the propriety of a man holding an office of this character becoming a delegate or going as a delegate to a convention, or attending one. Personally I can not say that I can see any impropriety in it. We do not cease to be Democrats or Republicans because we hold office here. There is no need to have any pretense about that. You are not going to get many nonpartisan officers, either Democrats or Republicans. There was nothing in the conduct of Mr. Harris that was officious or which was offensive to the Senators from Georgia, or, so far as I know, to any Georgia Democrat. The convention was harmonious in every way and there was no fight in it, factional or otherwise, for anybody to participate in.

Mr. REED. Mr. President, I should like to ask the Senator from Georgia if he thinks there is any greater crime against propriety for a member of the Federal Trade Commission to be a delegate to a State convention than it is for a Justice of the Supreme Court to be a candidate for President of the United States?

Mr. HARDWICK. Well, the Senator from Missouri will have to decide that question for himself, and so will everybody else. I do not want to commit myself, however, by my answer to the proposition that any such condition as that exists. I do not know whether or not it does.

Mr. KERN. I call for the regular order, Mr. President.

Mr. NEWLANDS. If the Senator will permit me to say a word——

Mr. HARDWICK. I wish only to say one word more, if the Senator will pardon me, and then I will yield to any other Senator. I think this has gone far enough. I think the whole thing has been exaggerated. I think it is merely an attempt of a friend, who probably lacked exactly good judgment in the matter, to pay a compliment to a friend; and I do not believe, from my personal knowledge of the conduct of Mr. Harris at the time, that Mr. Harris was guilty of any undue political activity or of any undue interference with its proceedings, unless the bare fact that he was a delegate to that convention or attended it may be considered as such. I certainly do not so appraise his conduct.

Mr. NEWLANDS. I will state to the Senator from Georgia that I am very glad to hear that the activities of this member of the Federal Trade Commission were not so great as are indicated by this newspaper item. I quite differ with him, however, as to the propriety of a member of any of these regulating commissions, whose functions are quasi judicial, participating in political conventions and in political management; and so far as I am concerned, whilst I am glad to know that the offense is minimized, I feel that it still exists, and I shall regard it as my duty to bring the matter before the Interstate Commerce Committee, with a view to investigating the extent to which this practice is indulged.

Mr. GALLINGER. Mr. President——

Mr. KERN. I insist on the regular order, Mr. President.

Mr. GALLINGER. Mr. President, I am interested in what the Senator from Nevada [Mr. NEWLANDS] has said about this commissioner. If this member offended, what does the Senator think of a member of that commission coming to the Senate and using his influence to control legislation?

Mr. KENYON. Regular order!

The VICE PRESIDENT. Reports of committees are now in order.

## REPORTS OF COMMITTEES.

Mr. GORE, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 6047) to carry out the purposes mentioned in section 3 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," reported it without amendment.

Mr. BANKHEAD. I am directed by the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 10484) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1917, and for other purposes, to report it with amendments and I submit a report (No. 459) thereon. I desire to give notice that upon the conclusion of the river and harbor bill I shall ask the Senate to take up this bill for consideration.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (H. R. 4866) for the relief of Julia R. Goodloe, reported it without amendment and submitted a report (No. 451) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 782. A bill granting additional rights to settlers on reclamation projects (Rept. No. 456);

S. 5379. A bill validating certain homestead entries (Rept. No. 457); and

S. 5615. A bill granting certain lands to the Board of Park Commissioners of the State of Washington for park purposes (Rept. No. 458).

Mr. MYERS, from the Committee on Public Lands, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 778. A bill to amend an act entitled "An act to establish the Glacier National Park in the Rocky Mountains south of the international boundary line, in the State of Montana, and for other purposes," approved May 11, 1910 (Rept. No. 452);

S. 790. A bill to repeal an act entitled "An act to amend section 3 of the act of Congress of May 1, 1888, and extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes" (Rept. No. 453);

S. 5082. A bill adding certain lands to the Missoula National Forest, Mont. (Rept. No. 454); and

S. 5772. A bill to provide for the sinking of artesian wells, and for other purposes (Rept. No. 455).

## REGULATION OF IMMIGRATION.

Mr. SMITH of South Carolina. From the Committee on Immigration I report back additional committee amendments to the bill (H. R. 10384) to regulate the immigration of aliens to, and the residence of aliens in, the United States, and ask that they be printed.

I also ask unanimous consent that a reprint of the bill be made incorporating these amendments.

The VICE PRESIDENT. Without objection, it is so ordered.

## PERDIDO BAY BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 5841) to authorize the Perdido Bay Bridge & Ferry Co., a corporation existing under the laws of the State of Alabama, to construct a bridge over and across Perdido Bay from Lillian, Baldwin County, Ala., to Cummings Point, Escambia County, Fla., and I submit a report (No. 450) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

STANDARDIZATION OF LIME BARRELS.

Mr. CLAPP. From the Committee on Standards, Weights, and Measures I report back favorably with an amendment the bill (S. 5425) to standardize lime barrels, and I ask unanimous consent for its immediate consideration. I will explain the bill, if any Senator desires that I shall do so.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. GALLINGER. Let the bill be first read, Mr. President.

The VICE PRESIDENT. The bill will be read.

The Secretary read the bill as follows:

*Be it enacted, etc.*, That there is hereby established a large and a small barrel of lime, the large barrel to consist of 280 pounds and the small barrel to consist of 180 pounds, net weight.

SEC. 2. That when lime is sold in barrels the words "large barrel, 280 pounds" or "small barrel, 180 pounds" shall be stenciled or otherwise clearly and permanently marked upon one or both heads, and in addition the name of the manufacturer of the lime and the name of the brand, if any, under which it is sold: *Provided, however*, That when a jobber or local dealer in lime sells lime in quantities of more than one barrel and delivers it in barrels which are not headed and are used merely as containers, then nothing in this act shall be deemed to require that the barrels be marked as provided in this section or that each individual barrel contain either of the standard weights established in section 1, but he shall nevertheless deliver a total weight equivalent to the total weight of the number of large or small barrels represented, sold, or charged for by him or purported to be delivered by him pursuant to an order.

SEC. 3. That rules and regulations for the enforcement of this act not inconsistent with the provisions of the act shall be made by the Director of the Bureau of Standards and approved by the Secretary of Commerce, and that such rules and regulations shall include reasonable variations or tolerances which may be allowed.

SEC. 4. That it shall be unlawful to pack or to sell, offer, or expose for sale any other barrels of lime than those established in section 1; or to pack or to sell, offer, or expose for sale any barrels of lime which are not marked as provided in section 2; or to represent, sell, charge for, or purport to deliver as a large or small barrel of lime any less weight of lime than is established in section 1 for a large or a small barrel, respectively; and any person guilty of a violation of any of the provisions of this act shall be deemed guilty of a misdemeanor and be liable to a fine not to exceed $500, or imprisonment not to exceed six months, in the court of the United States having jurisdiction.

SEC. 5. That prosecutions for offenses under this act may be begun upon complaint of local sealers of weights and measures or other officers of the several States and Territories appointed to enforce the laws of the several States or Territories, respectively, relating to weights and measures.

SEC. 6. That this act shall be in force and effect from and after the 1st day of July, 19—.

Mr. GALLINGER. I should like to ask the Senator from Minnesota if there is a report accompanying the bill?

Mr. CLAPP. Mr. President, I will make a very brief statement concerning it. Within a couple of years, I think, we passed a bill to standardize barrels. That bill was designed primarily for the standardization of barrels used in the fruit trade. A department of the Government—I think, the Treasury Department—has held that it applies to lime. In the lime industry the barrels vary in size from about 150 pounds to 200 pounds and upward, the consumer having no means of knowing what he is getting. Unquestionably lime barrels should be standardized.

The bill to which I have referred, and which has already been passed, goes into effect on the 1st of July, and will penalize the lime people unless they adjust their barrels to the standard fixed, which is not anywhere near the lime standard. So it is desirable, if it can be done, in addition to standardizing the lime barrel, to pass this bill before the 1st of July, that the lime manufacturers and dealers may be relieved of the penal provisions of the other bill, and to give them time to adjust themselves I have added an amendment, which will be read shortly, and which provides that the penal provisions of this bill shall not go into effect until the 1st of next January.

Mr. GALLINGER. Mr. President, if the Senator will permit me, does the other bill, which covers the matter of fruit barrels, cover also barrels for every other product except lime?

Mr. CLAPP. It has been held by the department to cover barrels for all dry products. I have no doubt that experience will show later that there are containers for other commodities which must also be standardized. Of course customs have grown up in connection with different commodities, and in some industries a barrel is used which is not at all in harmony with barrels used in other industries; and yet every lime manufacturer will be penalized on the 1st of July unless he conforms to the standard which has been fixed in the law already passed, which standard, of course, would have to be abandoned immediately upon the passage of legislation similar to that now proposed designed to adjust a standard for the lime business.

Mr. GALLINGER. Mr. President, if the Senator will permit me, it occurs to me that there must be many other commodities which will come under the provisions of the law already passed and which will have to be taken care of in some way; but if the Senator thinks this bill important, I shall not object to its consideration.

Mr. CLAPP. I do think this bill important in view of the position the lime manufacturers and dealers will be placed in under the clause of the other bill, unless this bill is passed before the 1st of July.

Mr. GALLINGER. I shall not object.

Mr. SIMMONS. Mr. President, I should like to inquire of the Senator from Minnesota whether there is any provision in this bill limiting its operation to lime sold in interstate commerce? I do not recall hearing any provision of that kind as the bill was read.

Mr. CLAPP. It is not designed to apply, and it can not apply, to the commodity except when sold in interstate commerce.

Mr. LODGE. Mr. President, of course there is no limitation confining it to interstate commerce, for we have the explicit constitutional power to establish standards of weights and measures.

Mr. CLAPP. The Senator is correct.

Mr. JONES. Mr. President, I should like to state to the Senator that we have some extensive lime manufactures in the State of Washington. I have not heard a single word from those interested in that State urging any legislation of this kind or referring to it in any way, shape, or form. I do not feel like letting this bill pass without an opportunity to inquire of them as to whether they know anything about it.

I find that the methods of doing business in a good many ways are different on the western coast from what they are on the Atlantic coast, and sometimes legislation is passed especially suitable to carrying on business in the East that is quite an injury to the people on the Pacific coast.

Mr. CLAPP. Mr. President, the reason why the Senator has probably not heard from his constituents on this subject is that this legislation has been asked for by the National Association of Lime Dealers and has their approval. It came to me through the Bureau of Standards, Weights, and Measures.

Mr. JONES. I do not believe that a delay of a day or two will affect this matter, and I shall have to ask that the bill go over until I can telegraph to those interested in my State.

Mr. CLAPP. Then, I ask unanimous consent that the bill may be recommitted to the committee.

Mr. JONES. I suggest that the Senator withdraw the report. Then he can resubmit it.

Mr. CLAPP. I will have to ask unanimous consent to withdraw it. I ask unanimous consent that the bill be recommitted to the committee.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 6054) to amend an act entitled "An act relating to the liability of common carriers by railroads to their employees in certain cases," approved April 22, 1908; to the Committee on Interstate Commerce.

By Mr. CURTIS:

A bill (S. 6055) to amend section 2 of the act approved April 19, 1908, being an act entitled "An act to increase the pensions of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War; to the Committee on Pensions.

A bill (S. 6056) providing for a budget; to the Committee on Appropriations.

By Mr. LEA of Tennessee:

A bill (S. 6057) granting a pension to John H. McTeer; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 6058) to reappoint Henry Harrison Hall a second lieutenant in the Army; to the Committee on Military Affairs.

By Mr. WEEKS:

A bill (S. 6059) to further amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies and for other purposes," approved October 15, 1914; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

A bill (S. 6060) granting an increase of pension to Charles Asa Clark (with accompanying papers); to the Committee on Pensions.

By Mr. POMERENE:
A bill (S. 6061) granting an increase of pension to William H. Waitman (with accompanying papers); to the Committee on Pensions.
By Mr. THOMPSON:
A bill (S. 6062) granting a pension to Mary E. Roberts (with accompanying papers); to the Committee on Pensions.
By Mr. SMITH of Michigan:
A bill (S. 6063) authorizing the Secretary of War to prescribe rules and regulations regulating the use of storage reservoirs on navigable waters of the United States to prevent their endangering or impairing navigation; to the Committee on Commerce.
By Mr. SMITH of Michigan (for Mr. TOWNSEND):
A bill (S. 6064) granting an increase of pension to Louis A. Allor (with accompanying papers); to the Committee on Pensions.
By Mr. CLARK of Wyoming:
A bill (S. 6065) granting an increase of pension to Nelson L. Barber; to the Committee on Pensions.
By Mr. JONES:
A bill (S. 6066) granting an increase of pension to James H. Colby; to the Committee on Pensions.
By Mr. OWEN:
A bill (S. 6067) for the erection of a monument to the memory of Maj. Walter Reed, Surgs. James Carroll, Jesse W. Lazear, and Aristides Agramonte; to the Committee on the Library.
By Mr. O'GORMAN:
A bill (S. 6069) granting a pension to John C. Rowland; to the Committee on Pensions.
By Mr. NELSON:
A joint resolution (S. J. Res. 132) to authorize the President to appoint a commission to cooperate with the American-Norwegian Chamber of Commerce in promoting commercial relations of the United States with Norway; to the Committee on Commerce.

INTERNATIONAL PEACE TRIBUNAL.

Mr. SHAFROTH. I desire to introduce a joint resolution and ask that it be referred to the appropriate committee. As it is short, I will ask that it be read.
The joint resolution (S. J. Res. 131) proposing an amendment to the Constitution of the United States, authorizing the creation, with other nations, of an international peace-enforcing tribunal or tribunals for the determination of all international disputes, was read the first time by its title and the second time at length, as follows:

*Resolved, etc.*, That the following amendment to the Constitution of the United States be proposed to the several States of the Union with recommendation that they adopt the same by vote of their respective legislatures:

"PROPOSED AMENDMENT.

"The President is authorized to negotiate, and after ratification by two-thirds of both Houses of Congress, to sign a treaty or treaties with all or a part of the other sovereign nations of the world, engaging the United States to submit for final determination all its international disputes threatening war, to an international tribunal or tribunals, and also engaging the United States to assist in supplying funds for the support of said tribunal or tribunals and of any international civil and military establishment to be controlled by an international authority that may be required by the treaty or treaties as a sanction for the execution of the decrees and the fulfillment of the demands of the said international organisms when such decrees or demands are made in conformity with the agreements instituting said organisms, and engaging the United States to recognize the authority of said international organisms (or one or more of them) to make final interpretation of the powers conferred upon them."

Mr. THOMAS. Mr. President, I venture to suggest that that constitutional amendment has a very good chance for passage, because it seems to carry an appropriation with it.
Mr. SHAFROTH. I will state that it is a fine constitutional amendment, and I hope it will be adopted.
The VICE PRESIDENT. The joint resolution will be referred to the Committee on the Judiciary.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. WADSWORTH submitted an amendment authorizing the Postmaster General to grant to any employee in the Railway Mail Service in first and second class post offices or in the City Free Delivery Service not to exceed two weeks sick leave in any one year with pay, etc., intended to be proposed by him to the Post Office appropriation bill (H. R. 10484), which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.
Mr. BRADY submitted an amendment proposing to increase the appropriation for study of methods of clearing off "logged-off" lands with a view to their utilization for agricultural and dairying purposes from $5,000 to $15,000, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.
Mr. SHERMAN submitted an amendment providing in the eradication of the foot-and-mouth and other contagious diseases of animals for the payment of any losses and expenses sustained or incurred by the owner or owners of any animal or animals destroyed in the arrest or eradication of any of such diseases, intended to be proposed by him to the Agricultural appropriation bill (H. R. 12717), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

STEAMBOAT-INSPECTION SERVICE.

Mr. CHAMBERLAIN submitted an amendment intended to be proposed by him to the bill (H. R. 449) to provide for the appointment of 11 supervising inspectors, Steamboat-Inspection Service, in lieu of 10, which was ordered to lie on the table and be printed.

FLOOD CONTROL.

Mr. NEWLANDS. Mr. President, I should like to inquire whether the so-called Humphreys bill (H. R. 14777), providing for flood control, which passed in the House of Representatives yesterday, has come to the Senate?
The VICE PRESIDENT. The bill has not been received by the Senate.
Mr. NEWLANDS. I wish to make a statement regarding that bill. There will be a motion made, when the bill comes to the Senate, to refer it to the Committee on Interstate Commerce; and the understanding between the chairman of the Committee on Commerce and myself is that the question of reference will not be disposed of before next Monday.
Mr. CLARKE of Arkansas. I would not like to say that, Mr. President. It will not be disposed of until further conference with the Senator from Nevada. If we have an opportunity to consider it at an earlier period, I shall be glad to do so.
Mr. NEWLANDS. That will be satisfactory. I wish to state in that connection, as many Members understood——
Mr. KENYON. I ask for the regular order.
The VICE PRESIDENT. The Senator from Iowa is asking for the regular order. Are there further bills or joint resolutions? If not, concurrent and other resolutions are in order.

CHARLES L. FREER.

Mr. KENYON. Mr. President——
The VICE PRESIDENT. The Senator from Iowa.
Mr. STONE. Mr. President——
Mr. KENYON. I have been recognized.
Mr. STONE. I have a bill I desire to introduce.
The VICE PRESIDENT. We have passed the order of the introduction of bills, but the Chair will recur to that order.
Mr. STONE. The Secretary is standing in such a position with reference to mine and that of the Vice President that I did not hear——
Mr. KENYON. Mr. President, I have been recognized by the Chair.
Mr. STONE. Mr. President, I desire to introduce a bill, and I have been waiting for the Chair to get to a point where I could do so.
Mr. KENYON. I am willing to yield for that purpose, of course.
Mr. STONE. I ask the Chair whether it is necessary for the Senator from Iowa to yield.
The VICE PRESIDENT. The Chair, of course, had passed the order of introduction of bills and joint resolutions and was down to about the close of the morning hour, and recognized the Senator from Iowa; but the Chair can see no reason why the Senator from Iowa will not yield for the purpose of allowing the Senator from Missouri to introduce a bill.
Mr. KENYON. Certainly.
Mr. STONE. I offer the bill which I send to the desk.
The VICE PRESIDENT. The Secretary will state the title of the bill.
The bill (S. 6068) authorizing and directing the Secretary of the Treasury to cancel and remit a certain income tax assessed against Charles L. Freer, of Detroit, Mich., was read twice by its title.
The VICE PRESIDENT. The bill will be referred to the Committee on Finance.
Mr. STONE. Mr. President, in connection with that bill, I desire to have printed in the RECORD, without reading, in order that the matter may be conveniently preserved for use by the Committee on Finance, to which this bill has been referred, and for the information of the Senate, a letter to me from Dr. Charles D. Walcott, Secretary of the Board of Regents of the Smithsonian Institution. I should have liked to have had inserted in the RECORD certain other correspondence sent to me

from Dr. Walcott, which accompanied a note from him to me, which for some reason he has marked "personal," and therefore I do not ask to have it inserted in the RECORD; but I will ask to have these papers referred, with the bill, to the Committee on Finance.

The VICE PRESIDENT. That will be done.

Mr. STONE. The letter I now send to the desk I ask to have printed in the RECORD.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The letter referred to is as follows:

SMITHSONIAN INSTITUTION,
*Washington, May 17, 1916.*

DEAR SENATOR: In response to your verbal request, I have the honor to submit herewith the following information relative to the cancellation of the assessment of the income tax which Mr. Charles L. Freer is called upon to pay on profits derived from the sale of certain capital stock of Parke, Davis & Co., which sale was made solely for the benefit of the Smithsonian Institution and the proceeds immediately appropriated to its interests, in carrying out the provisions of his munificent gift to the Nation, the extent of which has been more than doubled since his original offer.

Of the proceeds of this sale $1,000,000 in cash was delivered to the Institution in December, 1915, to be applied to the erection of the building forming part of the donation; in addition to which, art objects purchased since the sale and already transferred by title to the Institution have cost Mr. Freer more than the balance realized by him in the disposition of the stock in question.

Under date of May 14, 1916, Mr. Freer writes that, besides other purchases made for the Institution, a considerable sum from other sources than the sale of this stock has been set aside by him for further acquisitions and for contingent expenses, and if the Government insists upon his paying the income tax on the sale of the Parke, Davis & Co. stock he will feel constrained to deduct the amount of the tax, $13,252.21, from the fund referred to, which would, of course, be equivalent to taking it from funds available for additions to the collections which he has presented.

The original proposition of Mr. Freer was made to the President of the United States in a communication dated December 15, 1905, in which he offered to bequeath or make present conveyance to the Smithsonian Institution or the United States of his extensive collections of American and oriental art, together with the sum of $500,000 for the construction of a building for their installation. This offer was accepted on behalf of the Nation by the Board of Regents of the Institution at their annual meeting on January 24, 1906, and was carried out in the form of a deed of gift dated May 5, 1906. The accompanying inventory enumerated 2,326 objects.

Since that time, however, Mr. Freer has continued to make additions of equal importance to the collections, which have been conveyed to the Institution in seven supplementary transfers, covering approximately 3,010 objects, and bringing the total to approximately 5,336 examples, of which 1,012 are American and 4,324 are oriental. The collection as a whole is one of the most remarkable in the world, being especially noteworthy in its representation of the work of Whistler and several other celebrated American artists, and of the unstudied art of China, although the arts of Japan, Korea, Persia, Indo-Persia, Egypt, and other oriental countries are widely and richly illustrated, beginning with periods antedating the Christian era.

It is impossible to state the value of these collections. The oriental works were mostly obtained by Mr. Freer in the countries which they represent, and their valuation has greatly increased since his collecting began, which has always been carried on regardless of expense. If placed on sale, they would certainly bring not less than two and a half million dollars, and probably much more.

In view of the increased cost of building operations in recent years and of the increase in the size of the collections, Mr. Freer has augmented the sum provided for the erection of the building from $500,000 to $1,000,000, which entire amount is now in the possession of the Smithsonian Institution, while the plans for the building have been completed and accepted.

I am transmitting with this letter a copy of Bulletin No. 70 of the National Museum, entitled "The National Gallery of Art," in which the Freer gift is described on pages 102–119.

In view of Mr. Freer's generosity in presenting his magnificent collections to the Nation and of the purposes for which the proceeds of the sale of the stock mentioned are to be used, as above explained, I trust that the cancellation of the tax will meet with the approval of Congress.

Very truly, yours, CHARLES D. WALCOTT,
*Secretary.*

The Hon. WILLIAM J. STONE,
*United States Senate, Washington, D. C.*

PROCEEDINGS OF EXECUTIVE SESSIONS.

Mr. STONE. Mr. President, I desire at this point to call up a bill I introduced two or three days ago, at which time I asked that it might lie on the table, with a view to having it referred; and before it is referred I desire to occupy a few minutes of the Senate's time to say something about it.

Mr. KENYON. Mr. President——

The VICE PRESIDENT. The Senator from Iowa.

Mr. KENYON. On yesterday Senate resolution 191 was before the Senate, and, by unanimous consent, it went over until to-day, in order to accommodate the Senator from Missouri, who said he desired to speak upon it. I was on my feet to ask that that resolution be now taken up, as I had the right to do under the rule. Of course, I realize that if it is talked out until 2 o'clock it will go to the calendar, and that is why I am anxious to have it taken up and discussed now. I am always glad——

Mr. STONE. Mr. President, I have no wish at all to be in any way unfair to the Senator. I desire to say something upon that resolution. I do not wish it talked out and then go to the calendar.

Mr. KENYON. Will the Senator——

Mr. STONE. I desire, if the Senator will permit me, to have the resolution reasonably debated, and to have an expression of the Senate as to whether or not executive sessions shall be abolished. If the Senate desires to have that done, I have no objection.

Mr. KENYON. Mr. President, I will say to the Senator from Missouri that unanimous consent was given yesterday that this resolution should go over without prejudice, in order, as I understood, to accommodate the Senator from Missouri, who desired to speak on it. The Senator from Missouri desires to discuss something else at this time. If we can have unanimous consent that this resolution may go over until the next day without prejudice, I shall be perfectly satisfied.

Mr. STONE. So far as I am concerned, Mr. President, I should not like to undertake this morning to discuss the resolution.

Mr. KENYON. Has the Senator any objection, then, to the course I suggest?

Mr. STONE. I have absolutely no objection to its going over until the next morning hour and taking it up then; and I promise the Senator I shall be ready then to say what I desire to say.

Mr. KENYON. That is very agreeable. I ask unanimous consent that Senate resolution 191 may go over without prejudice.

The VICE PRESIDENT. It will go over without prejudice.

MONUMENT TO ALEXANDER W. DONIPHAN.

Mr. STONE. Mr. President, I ask that the bill (S. 6023) I introduced two or three days ago for the erection of a monument to Gen. Alexander W. Doniphan be now laid before the Senate, and I wish to move that the bill be referred to the Committee on the Library.

The VICE PRESIDENT. The motion is that the bill be taken from the table and referred to the Committee on the Library.

Mr. STONE. Upon that motion I desire briefly to be heard. I desire to make a short address—one that I especially want the Senator from Mississippi [Mr. WILLIAMS] to hear.

A short time since I was attracted by a brief—a very brief—descriptive article in the Washington Post, ornamented with a picture of Gen. Doniphan. The picture was the thing which especially called my attention to the printed matter, which was only a brief explanation published under the picture. I will read what the Post said:

Exactly 70 years ago Alexander William Doniphan, an American Army officer, led 1,000 soldiers into Mexico, settled an Indian uprising, crossed two deserts, defeated two armies that outnumbered him 4 to 1, captured the intrenched city of Chihuahua, lost 4 men killed and 14 wounded in a year's campaign that covered almost 6,000 miles, and returned home with 17 of the enemy's cannon and 100 of his battle flags. His name appears in none of the standard histories of the United States. He was a country lawyer, and soldiering was his hobby.

There are two things about this publication I have just read to which I wish to refer—one being what I fear might in a way have an erroneous or misleading effect and the other being an omission. First as to the error: The error, or possible error, is that the Post article states that Gen. Doniphan was an American Army officer. That is not wholly erroneous, of course, but is calculated to convey a wrong impression. It is likely to create the impression that he was an officer of the Regular Army; and that would be a mistake. He was only an officer of the Volunteer Army.

The omission I wish to supply is this, that the Post fails to tell its readers what State Gen. Doniphan was from. He was, during the greater part of his life, a citizen of the State of Missouri; from that State he volunteered for service in the Mexican War; the men he led in that war were Missouri men, whom he induced by his patriotic appeals to enlist; and to-day he lies buried in a beautiful but unostentatious Missouri cemetery. I supply this omission for the reason that I doubt whether one-half or one-third even of the Members of Congress know anything about this man or remember his honored name. It is stated in the Post article that "his name appears in none of the standard histories of the United States."

After reading that Post article I sent over to the Congressional Library a request to have all histories in that great collection of books which might be considered "standard histories of the United States" examined, and to advise me in what historical books his name appears and in what way it appears. All I was able to get in reply to my request was a reference to a chapter of less than 38 pages in a volume entitled "The Road

to Glory," written by E. Alexander Powell—a volume containing numerous sketches of thrilling and important events in American history, concerning which little or nothing has been said in the so-called "standard histories" of our country. I will ask the Secretary to read the first two pages of this remarkable and absolutely true historical reminiscence—I might almost say this historical revelation.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

THE MARCH OF THE ONE THOUSAND.

Twenty-two centuries or thereabouts ago a Greek soldier of fortune named Xenophon found himself in a most trying and perilous situation. Lured by avarice, adventure, and ambition he had accepted a commission in a legion of Hellenic mercenaries, 10,000 strong, who had been engaged by Cyrus to assist him in ousting his brother from the throne of Persia. But at Cunaxa Cyrus had met his death and his forces complete disaster, the Greek legionaries being left to make their way back to Europe as best they might. Under Xenophon's daring and resourceful leadership they set out on that historic retreat across the plains of Asia Minor, which their leader was to make immortal with his pen, eventually reaching Constantinople, after an absence of 15 months and a total journey of about 3,500 miles, with little save their weapons and their lives. Xenophon's story of the March of the Ten Thousand, as told in his "Anabasis," is the most famous military narrative ever written; it is used as a textbook in colleges and schools, and is familiar wherever the history of Greece is read.

Yet how many of those who know the "Anabasis" by heart are aware that Xenophon's exploit has been surpassed on our own continent, in our own times, and by our own countrymen? Where is the textbook which contains so much as a reference to the March of the One Thousand? How many of the students who can glibly rattle off the details of Xenophon's march across the Mesopotamian Plains have ever even heard of Doniphan's march across the plains of Mexico? During that march, which occupied 12 months, a force of American volunteers, barely a thousand strong, traversed upward of 6,000 miles of territory, most of which was unknown and bitterly hostile, and returned to the United States bringing with them 17 pieces of artillery and a hundred battle flags taken on fields whose names their countrymen had never so much as heard before. Because it is the most remarkable campaign in all our history, and because it is too glorious an episode to be lost in the mists of oblivion, I will, with your permission, tell its story.

Mr. STONE. With this introduction Mr. Powell proceeded to give in graphic phrase the wonderful story of "The March of the One Thousand," let by Doniphan.

There is one other book giving an account of this "march," printed under the title of "Doniphan's Expedition." This is a small volume, written soon after the Mexican War by John T. Hughes, A. B., himself intimately and most honorably associated with this heroic expedition. This volume of Mr. Hughes, little more than a pamphlet, long ago went out of print, and copies of it are rare and difficult to obtain. About two years ago the Senator from New Mexico [Mr. CATRON] and I were talking of Gen. Doniphan, and Senator CATRON asked me if I had a copy of Mr. Hughes's account of the Doniphan expedition. I told him I had some years ago seen a copy of it. The Senator from New Mexico, who is a native Missourian, and who had spent his childhood and the years of his younger manhood in the vicinity of Gen. Doniphan's residence, and knew him personally, felt a natural concern about the regrettable fact that the services of this great American had been apparently forgotten. We were in complete sympathy about that. Together we conspired to have the historical booklet, so interestingly written by Mr. Hughes, republished as a Senate document, and that was done. Except for the chapter in Mr. Powell's work and Mr. Hughes's publication, it would be difficult to find any authoritative account of Gen. Doniphan's life and achievements, save, perhaps, a brief mention in biographical encyclopedias.

Mr. President, you could hardly find a more striking illustration of the old adage that "republics are ungrateful." I will not now intrude long enough upon the courtesy and current business of the Senate, at a time when time is so important, as to give an outline of the services rendered his State and country by this great Missourian. In what I have had read from the account given by Mr. Powell of "The March of the One Thousand" you will find a sufficient and very true index to the nature, extent, and value of the services Gen. Doniphan performed in that very important epoch in American history covered by the Mexican War. But that is far from being a complete account of the valuable and distinguished public services he rendered at other times and in other ways. If this man had lived in ancient times and then performed the feats of valor and wrought the achievements he did for his country's glory and good, he would have been one of the classical figures of the world's history. More, if he had lived in the older States of this Union, especially in New England, where, seemingly—and I speak it to their honor—the people have a higher regard for the perpetuation of the names of their great men than have the rest of us—if he had lived in New England, instead of on the border of our civilization, or what was then in fact the American frontier, his name and deeds would have been written about in prose and poetry, perhaps even more than Paul Revere, and his stalwart figure, which was indeed heroic and splendid, would long since have been immortalized in marble and bronze. But as he only rode out of the then far West into the still farther West, and farther still for a thousand miles into what is even yet a foreign, if not hostile, country, bearing his banners always to victory against desperate odds, his name, instead of being immortalized, has been almost left out of history, or referred to only in a most casual way, and it has been permitted by the American people that he should be in substantial effect forgotten by his countrymen.

Gen. John Joseph Pershing is the gallant leader of another daring expedition now in Mexico. The very country covered by the Pershing expedition—an expedition full of thrill and danger—was covered by Doniphan's expedition 70 years ago.

Mr. OVERMAN. Mr. President, there is nothing that I have heard to show by what authority this gallant soldier went down into Mexico. I think the RECORD ought to show whether he went there as a freebooter or filibuster or how he went. I think we ought to know that.

Mr. STONE. He went as a part of the Volunteer Army, in the Mexican War, primarily under the command of Gen. Kearny, who went on through to California. But the Senator's inquiry illustrates what I have been saying about the forgetfulness of our really good, appreciative, and warm-hearted American people.

It is a source of infinite State pride to me that the leaders of both these remarkable expeditions to which I refer belong to Missouri and that they are manhood contributions made by my State to the glory of the Republic.

Mr. President, if it be within my power to rescue from oblivion the memory of Gen. Doniphan, this great old Missourian, than whom no finer specimen of American intellectual, moral, or patriotic manhood ever lived, it shall be done; and I know of no better way to bring that about than to have this Republic—which ought to be grateful to him—erect here at its Capital a suitable monument expressive of the Nation's appreciation of his services and as an inspiring lesson to the youth of the whole land who flock here every year to look—I am rejoiced to say—with admiration and reverence upon the heroic figures of men who have performed heroic services to their country.

I ask that the bill be referred to the Library Committee, and if that committee, of which the scholarly and distinguished senior Senator from Mississippi [Mr. WILLIAMS] is the chairman, will report the bill to the Senate, and if the Senate can be induced to consider it, I will take occasion then to lay before this honorable body a more extended account of the services of Gen. Doniphan, thus showing not only how well he deserves this tribute but how ashamed we should be that he has been so grossly neglected by the Nation and the people he served so faithfully and well.

Mr. CATRON and Mr. LIPPITT addressed the Chair.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. LIPPITT. If the morning business is closed, I was going to ask that the unfinished business be laid before the Senate.

The VICE PRESIDENT. There is a motion pending to refer the bill to the Committee on the Library. It is a debatable question, and the Senator from New Mexico has the recognition of the Chair on that motion.

Mr. LIPPITT. Then I understand the morning business is not closed.

Mr. CATRON. Mr. President, as Col. Doniphan, sometimes called Gen. Doniphan, because he held both ranks, one as a militia general in Missouri, the other as a colonel of Volunteers in the United States, did more than any other man toward the acquisition of New Mexico by the United States and putting it into an organized shape so that it could be recognized and put into action as a community under the laws and Constitution of the United States, and as I am a native of the State from which his expedition started to New Mexico, and one of the companies which belonged to his expedition came from the county where I was born and where I lived, I feel that it is proper for me to say something upon this motion and upon the bill which has been introduced.

Col. Doniphan's memory is not unknown in Missouri nor in New Mexico. It needs no monument to resurrect it in those two States. Every man, woman, and child who is capable of reading and talking knows of Col. Doniphan in those two States. He was a pioneer and came from pioneer ancestry. His father was born in Virginia, went to Kentucky and joined Daniel Boone, where Doniphan was educated and admitted to the bar as a lawyer.

Immediately upon being admitted to the bar he removed from Missouri and took up his residence in the county of my nativity, at Lexington, in the county of Lafayette, where he resided some two or three years. During the time he was there, owing to some

possible difficulties that existed between the Mormon settlements and the other people of northern Missouri, he was appointed a brigadier general in the militia and had control of matters pertaining to those troubles. He was always a man who desired peace, and he so managed the affairs connected with those difficulties that no blood was shed, peace was kept, and harmony prevailed between the Mormons and the other people of Missouri. About three years after he settled in Missouri he moved to Clay County, where he was residing when the Mexican War was commenced.

He was a man exceedingly eloquent and prepossessing in his appearance. He was able to excite and thrill an audience. He possessed an immense amount of magnetism. When that war commenced, volunteers having been called for to the number of 50,000 by the United States, he started out through the different counties adjacent to that in which he lived, made speeches in them, and in eight of those counties raised companies which formed his regiment. They met at Fort Leavenworth in June, 1846, where they were sworn in and he was elected colonel of the regiment. They were placed under the command at that time of Col. Kearny, afterwards made brigadier general. His regiment consisted of eight companies, comprising 856 men. The entire expedition of Gen. Kearny consisted of 1,658 men. In less than 60 days they traversed the plains about 1,000 miles to Santa Fe and entered it, without shedding a drop of blood. Doniphan's command headed the column on entering Santa Fe.

On the 18th day of August, 1846, immediately after they went into camp Gen. Kearny designated Col. Doniphan to prepare a code of laws to prevail in the provisional government of New Mexico, which he at that time established. Col. Doniphan employed as his assistant Private Willard P. Hall, of the company from his county—Clay. Private Willard P. Hall afterwards served three terms—six years—in the House of Representatives of the United States from the State of Missouri. They prepared a code which was given to Gen. Kearny, who was the general at that time, which was declared to be the laws of the Territory, and was forwarded to the Government of the United States at Washington to be approved, most of which is still a part of the statutes of New Mexico. It was approved, and since I have come into the Senate, on my request, that has also been printed as a Senate document.

After remaining at Santa Fe a short time Gen. Kearny was ordered to proceed to California, but not to take his entire command. He designated the portion of the command which afterwards came to him under Gen. Price to remain in New Mexico. He first directed Col. Doniphan to make an expedition into the Navajo country to subdue those Indians who were then at war with the people of New Mexico; then to proceed to the city of Chihuahua and to report to Gen. Wool, who had been directed, under general orders which they had at that time, to proceed into Mexico and to take possession of the State of Chihuahua. Doniphan went into the Navajo country with six of his companies, rounded up that nation, which is the largest and probably the most warlike Indian nation that this country has ever had, compelled them to enter into a treaty of peace, the only peace that the Navajoes ever entered into. They were willing to enter into that peace treaty because they felt that there was some one else coming into the country who was able to protect them and guard them against the depredations of the Mexicans who had gone into that country before. In fact, a warfare of depredation only had been going on for 200 years in New Mexico between the Navajo Indians and the people of Spanish descent residing there.

A treaty of peace was made with those Indian, and they remained at peace until the breaking out of the war between the States, when they thought they might be able to drive all whites out of New Mexico, and they then made a combination with the other Indians and commenced war.

Col. Doniphan, after the making of that peace, immediately proceeded to the State of Chihuahua. In going there he encountered, with his command, which then consisted of about 1,100—there had been added to it a battery of Artillery and another company belonging to the lieutenant colonel who traveled with him, but was not of his regiment, making his command nearly 1,100—about 2,500 or 3,000 Mexicans at a place called Brasitos, 20 or 30 miles north of El Paso, in the present State of New Mexico, and defeated them without the loss of a single man to Doniphan's command and with a loss of a large number of Mexicans. He followed them rapidly into the city of El Paso, or the city of Paso del Norte, for El Paso did not then exist, being the place now called Juarez. There he had another slight engagement with the Mexican forces, won the fight, and took possession of the city of Juarez, or of Paso del Norte, and held it for two or three weeks, when he moved on to the city of Chihuahua. About 15 miles north of the city of Chihuahua, with his eleven hundred men, he encountered about 4,500 of the Mexican Army. He had six pieces of artillery, commanded by Capt. Weightman, who returned to New Mexico after the Mexican War, and on the organization of the State government at that time was elected a United States Senator to this body, but was not allowed to be admitted because the State was not admitted under the constitution which it formed. Capt. Weightman was afterwards a promiment officer in the Confederate Army, and was killed at the Battle of Wilsons Creek, in Missouri. I belonged to his command at the time.

Doniphan met these 4,500 Mexican soldiers at a place called Sacramento. He did not hesitate for one moment when he came in sight of them. He deployed his men, moved around them, attacked them both in front and rear, and, with a loss of but 2 men killed and 9 or 10 wounded, dispersed them, killing something like two or three hundred Mexicans and wounding probably twice as many more. He drove them into the city of Chihuahua, the next day taking possession of it and holding it. It was there that he expected to report to Gen. Wool, but he did not find him. Wool, five days before, had been engaged in the Battle of Buena Vista under Gen. Taylor. Wool had been ordered not to come to Chihuahua, but that order had not reached Doniphan or Gen. Kearny, and therefore Doniphan went on, expecting to report to Wool, but, not finding him there, he proceeded within a week or two afterwards down by way of Buena Vista and Saltilla and by the capital of Coahuila on to the Gulf of Mexico.

By this time the year's service of his men for which they had enlisted had expired and he was ordered to take them home. Before leaving the city of Chihauhua he wrote a communication to Gen. Wool, having learned that Wool had been engaged in the Battle of Buena Vista, at which place they learned of that battle, and, among other things, he said in that letter that Gen. Taylor had been designated as "Old Rough and Ready." He stated that all of his men were entitled to that designation, but could go Gen. Taylor one better—that they were not only "rough and ready," but they were also "ragged."

It is a historical fact no clothing was issued to Doniphan's expedition from the time they left Leavenworth until they reached home, 12 months afterwards. They obtained their provisions en route from the time they left Santa Fe until they reached the Gulf of Mexico, where they took shipping back by way of New Orleans and by the Mississippi and Missouri Rivers to their homes. Their horses and other live stock they fed upon the grasses of the plains.

That expedition, out of 856 that composed the regiment of Col. Doniphan, did not lose exceeding 56 men in the entire expedition, and more than half of those remained in Santa Fe to help start and build up that government.

Doniphan was a man who was entitled to immense credit. Everyone in Missouri loved him. He did not seek office. He served two terms in the Missouri Legislature, being elected both times without having himself requested to be designated as a candidate. He was tendered the office of brigadier general in the Confederate Army and refused it. He was always true to the American flag. He always believed in the permanancy and perpetuity of the Constitution of the United States and the Union of this Government.

It was my pleasure to know him intimately, personally. Several times I heard him address audiences on the stump. I once asked him why he did not accept the tender of the brigadier generalship in the Confederate Army. He replied, "I have lived in a community nearly every member of which sympathized with the southern people"—that is the community where he was living when the war between the States commenced—"but," he said, "my education, that of a lawyer, has been upon the Constitution of the United States, in part, and I have learned to revere it; I have learned to believe that that Constitution was intended to effect a permanent and perpetual union of the States; I did not believe that the Union ought to be severed; I did not believe that it ought to be broken up and weakened. For that reason I was unable to accept a commission in the Confederate States' Army, although I sympathized with those who were in that cause. I believe that my duty to my Government was such that I should, at least, do nothing to tear it down."

This was the character of Doniphan throughout his entire life, so far as I knew him—and I knew him for about 20 or 30 years before his death; in fact, he was one of the board of curators of the University of the State of Missouri at the time I graduated. That was where I first met him and came in contact with him.

I believe that this bill ought to pass; but, as I have thought about it, I have come to the conclusion that the monument ought to be erected to the memory of "Doniphan and his

men," because he had a lot of men—856 of them—the whole of one company of which I knew as well as many members of other companies, who were unsurpassed in character, energy, intelligence, morality, and courage by any men that this country or any other country has ever produced. They were men who believed in the Government of the United States and its institutions; they believed whenever they were called to defend it or act in behalf of it that it was their duty to go and to act, and their conduct throughout that whole campaign showed what they thought and what they were. They are entitled to credit, and if this bill passes, I think eventually that the name of every man who belonged to that regiment and to that command ought to be somewhere engraved upon the monument.

Mr. BRANDEGEE. Mr. President, before the Senator from New Mexico takes his seat, let me ask him in relation to the very interesting remarks which he has made if he has put into the RECORD anywhere the name of the author of the history of Col. Doniphan's expedition?

Mr. CATRON. That has been put in the RECORD by the Senator from Missouri [Mr. STONE].

Mr. BRANDEGEE. I was not on the floor at the time.

Mr. CATRON. John T. Hughes was the author of the history. He was one of the commissioned officers of Doniphan's command.

Mr. BRANDEGEE. I am glad that it will be in the RECORD.

Mr. REED. Mr. President, I only desire to add a word to what has been so well said. The heroic character of Doniphan and the heroic achievements of Doniphan's men ought to be commemorated. As a Missourian, I thank the Senator from New Mexico for his very eloquent and forceful remarks. The State of Missouri is interested deeply in paying proper tribute to the memory of the gallant Doniphan and in commemorating his deeds in a suitable and proper way. My colleague [Mr. STONE] has so well presented this bill that I only desire to say that I am in the most hearty accord with the sentiments of the bill, and with the remarks made by both the distinguished Senators who have preceded me.

Mr. STONE. I withdraw the motion to refer the bill, and ask that the bill be referred under the rule.

The VICE PRESIDENT. The bill will be referred to the Committee on the Library.

### RIVER REGULATION AND FLOOD CONTROL.

Mr. NEWLANDS. Mr. President, on the 11th of April I made some remarks, which appeared in the RECORD, upon the subject of river regulation and flood control, and I then had inserted in the RECORD the telegram from the New Orleans Association of Commerce addressed to Hon. William C. Redfield regarding the flood situation, the necessity for immediate action, the pledges of the Democratic Party, and the assurances given by the President upon this subject. I also had inserted in the RECORD recommendations made to the President by Secretaries Franklin K. Lane, D. F. Houston, and William C. Redfield, of the Interior, Agricultural, and Commerce Departments, respectively, indicating the form of organization that water development, in their judgment, should take. That recommendation was afterwards concurred in by Mr. Baker, the present Secretary of War. I alluded in that statement to the legislative situation, referring to the fact that there had been long pending in this body a bill introduced by myself, generally known as the Newlands-Broussard bill, and another bill fathered by the Senator from Louisiana [Mr. RANSDELL] and by the Representative from Mississippi [Mr. HUMPHREYS]. I referred in that statement to this bill introduced by myself, which is general in character, embracing every watershed in the country, and providing for coordination of bureaus and services now engaged in work regarding the development or use of water, cooperation with the States, and an ample fund for consecutive work; and also referred to the so-called Ransdell-Humphreys bill, which related simply to the lower Mississippi.

I also referred to the organization by the House of a Committee on Flood Control, which took jurisdiction over rivers, theretofore covered by the Committee on Rivers and Harbors, and I referred to the question of jurisdiction, urging that inasmuch as the very basis of all this legislation was the power of the Nation over interstate commerce, and as every scheme of development of these rivers must include the promotion of navigation and of interstate commerce, the jurisdiction of these bills attached to the Senate Interstate Commerce Committee, rather than to the Commerce Committee.

Mr. President, in continuation of the remarks made at that time, and with a view to making a statement now that can be read by those who wish to take part in the consideration of my motion to refer the bill which has just come over from the House, called the bill for flood control, to the Interstate Commerce Committee instead of the Commerce Committee. I wish to ask leave to insert in the RECORD my correspondence with Mr. HUMPHREYS relating to this legislation, as well as the bills themselves.

I wish to state in that connection that it was assumed that the supporters of the Newlands-Broussard bill and of the Ransdell-Humphreys bill would unite in accepting the recommendations made by these departmental chiefs after full consultation with us.

Mr. KENYON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Iowa?

Mr. NEWLANDS. Certainly.

Mr. KENYON. In order that I may follow the Senator's discussion, I should like to inquire whether the bill that passed the House is the one known as the Ransdell-Humphreys bill?

Mr. NEWLANDS. It is known as the Humphreys bill. I believe the same bill was introduced in the Senate by the senior Senator from Louisiana [Mr. RANSDELL].

Mr. KENYON. And the Senator's bill is known as the Newlands-Broussard bill?

Mr. NEWLANDS. Yes.

I say, it was assumed that the supporters of those bills would unite in a bill embodying the recommendations of the departmental chiefs. That was clearly the understanding, so far as the junior Senator from Louisiana [Mr. BROUSSARD] and myself were concerned, with the senior Senator from Louisiana [Mr. RANSDELL]. Mr. HUMPHREYS was detained by illness and was unable to be present at the conference of the departmental chiefs, but it was assumed that the senior Senator from Louisiana [Mr. RANSDELL] spoke for him. Later on it developed that this was a mistake; but, in pursuance of the original understanding, as I supposed, I collaborated with the Secretary of Agriculture and his solicitor—an excellent lawyer, and skilled in bill framing—regarding a bill which would embrace the recommendations made, after consultation with us, by the departmental chiefs; and I sent this bill to Mr. HUMPHREYS, with the suggestion that it would expedite legislation if he would introduce it in the House and I would introduce it in the Senate. I was surprised to receive a reply declining to introduce it in the House, and the result was that I have not introduced it in the Senate but have offered it simply as an amendment to the river and harbor bill.

I immediately took hold of the old Newlands-Broussard river-regulation bill, however, reduced its size and dimensions, withdrew all those portions providing for liberal appropriations, and for an ample fund, and confined the bill mainly to the recommendations of the departmental chiefs, with, however, some variation as to the Mississippi River, substituting for an appropriation of $45,000,000 for work upon the Mississippi River a total appropriation of $60,000,000 divided between all the watersheds of the country, with $25,000,000 of it apportioned to the Mississippi and Illinois Rivers, thus providing for a continuous, highly developed waterway from the Lakes to the Gulf.

Mr. CLARKE of Arkansas. Mr. President, I object to the Senator occupying the time further at this point, even for a motion to refer. It is not debatable until 2 o'clock. There is nothing pending before the Senate.

Mr. NEWLANDS. I will ask, then, the letters to which I have referred be inserted in the RECORD.

Mr. CLARKE of Arkansas. I have not any objection to that.

Mr. NEWLANDS. I will state that another sentence would have finished my remarks, and it was entirely unnecessary for the Senator from Arkansas to intervene.

The VICE PRESIDENT. In the absence of objection, the letters referred to will be published in the RECORD.

The letters referred to are as follows:

APRIL 8, 1916.

Hon. B. G. HUMPHREYS,
*House of Representatives.*

MY DEAR MR. HUMPHREYS: I have been in collaboration with the Secretary of Agriculture and the Solicitor of the Agricultural Department with a view to framing a bill which would put in concrete form the recommendations to the President made by the interdepartmental committee, consisting of Secretaries Lane, Houston, and Redfield, after submission to and approval by Senators RANSDELL, BROUSSARD, and myself, at a meeting at which, unfortunately, you were unable to be present.

These recommendations have been forwarded to you and to myself by the President, and were read by me into the record of my remarks at the recent hearing before the Flood Control Committee.

Secretary Houston was of the opinion that the passage of a comprehensive measure would be simplified and expedited if we could agree upon a tentative bill to be introduced by yourself in the House and by myself in the Senate at the same time, and that the committees of both the Senate and the House could proceed with such a tentative bill as a basis and reach a speedy conclusion.

Would you kindly look over the bill inclosed and make such suggestions and alterations as you think advisable, and let me know whether it would be agreeable to you for us to introduce whatever bill is agreed upon, on the same day?

I can not urge upon you too strongly the importance of uniting with the specific indorsement of the Mississippi and Sacramento River projects, a comprehensive plan of administrative coordination, including all four of the departments, which will facilitate the gradual development of all the watersheds of the country and the conservation of our water resources.

I am sure that any bill which fails to equally recognize all the departments or which confines legislative action entirely to one or two watersheds will arouse so much antagonism that the passage of such a bill at this session would be impossible.

Very truly, yours, FRANCIS G. NEWLANDS.

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COMMITTEE ON FLOOD CONTROL,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., April 10, 1916.*

Hon. F. G. NEWLANDS,
*United States Senate.*

MY DEAR SENATOR NEWLANDS: Your letter of April 8, inclosing draft of bill prepared by you in collaboration with the Secretary of Agriculture and the solicitor for that department is received, and I have read it with much interest.

I am sorry that I can not agree with your view in this matter, but I am quite certain that the Committee on Flood Control would not consent to the creation of such an overhead commission as is suggested. I think it will be entirely possible to frame a bill which will comply with the recommendations of the Cabinet officers in their note to the President, in most of its essential elements, but I can not bring myself to the belief that it would be desirable in any aspect of the case to have the four executive departments mentioned attempt to do the work which ought to be under one executive head.

After a great deal of study of this question and very general conferences with the membership of the House of all political faiths, I have arrived at the conclusion that no bill would have the remotest chance of passage which undertook to deal with the matters provided for in your bill in a manner so thoroughly comprehensive.

Hoping, should the House pass the bill which will be reported by the Committee on Flood Control, that you will find it possible to give it your support in the Senate, and with many thanks for your interest in the matter and your courtesy in forwarding me the copy referred to,

Very truly, etc.,

BEN. G. HUMPHREYS.

—

APRIL 12, 1916.

Hon. B. G. HUMPHREYS,
*House of Representatives.*

MY DEAR MR. HUMPHREYS: I regret exceedingly to learn that you do not feel that you can support the recommendations of the interdepartmental committee, consisting of Secretaries Lane, Houston, and Redfield, regarding the coordination of the Departments of War, Interior, Agriculture, and Commerce, in which are gathered all of the various engineering and scientific services that relate to the control, development, or beneficial use of water.

I regard this as a vital point in the proposed legislation. These various services must be coordinated in some way if we are to enter upon a comprehensive development, and as they can not be gathered together in one department, I can imagine no better way than through the organization of a waterways council or commission, composed of department chiefs, with the President at the head, thus keeping the Chief Executive in practical touch with the work of all of the various coordinated services.

Believe me, very sincerely, yours, FRANCIS G. NEWLANDS.

The bills referred to are as follows:

THE HUMPHREYS BILL AS IT PASSED THE HOUSE MAY 17, 1916.

An act (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes.

*Be it enacted, etc.*, That for controlling the floods of the Mississippi River and continuing its improvement from the Head of the Passes to the mouth of the Ohio River the Secretary of War is hereby empowered, authorized, and directed to carry on continuously, by hired labor or otherwise, the plans of the Mississippi River Commission heretofore or hereafter adopted, to be paid for as appropriations may from time to time be made by law, not to exceed in the aggregate $45,000,000: *Provided*, That not more than $10,000,000 shall be expended therefor during any one fiscal year.

(a) All money appropriated under authority of this section shall be expended under the direction of the Secretary of War in accordance with the plans, specifications, and recommendations of the Mississippi River Commission as approved by the Chief of Engineers, for controlling the floods and for the general improvement of the Mississippi River, and for surveys, including the survey from the Head of the Passes to the headwaters of the river, and a survey of the Atchafalaya Outlet so far as may be necessary to determine the cost of protecting its basin from the flood waters of the Mississippi River either by its divorcement from the Mississippi River or by other means, and for salaries, clerical, office, traveling, and miscellaneous expenses of the Mississippi River Commission.

(b) That no money appropriated under authority of this section shall be expended in the construction or repair of any levee unless and until assurances have been given satisfactory to the commission that local interests protected thereby will contribute for such construction and repair a sum which the commission shall determine to be just and equitable but which shall be not less than one-half of such sum as may have been allotted by the commission for such work: *Provided*, That such contributions shall be expended under the direction of the commission, or in such manner as it may require or approve, but no contribution made by any State or levee district shall be expended in any other State or levee district except with the approval of the authorities of the State or district so contributing.

(c) Any funds which may hereafter be appropriated under authority of this act for improving the Mississippi River between the Head of the Passes and the mouth of the Ohio River, and which may be allotted to levees, may be expended upon any part of said river between the Head of the Passes and Rock Island, Ill.

(d) No money appropriated under authority of this act shall be expended in payment for any right of way for any levee which may be constructed in cooperation with any State or levee district under authority of this act, but all such rights of way shall be provided free of cost to the United States: *Provided*, That no money paid or expense incurred by any State or levee district in securing such rights of way, or in any temporary works of emergency during an impending flood, or for the maintenance of any levee line, shall be computed as a part of the contribution of such State or levee district toward the construction or repair of any levee within the meaning of paragraph (b) of this section.

That the watercourses connected with the Mississippi River to such extent as may be necessary to exclude the flood waters from the upper limits of any delta basin, together with the Ohio River from its mouth to the mouth of the Cache River, may, in the discretion of said commission, receive allotments for improvements now under way or hereafter to be undertaken.

Upon the completion of any levee constructed for flood control under authority of this act, said levee shall be turned over to the levee district protected thereby for maintenance thereafter; but for all other purposes the United States shall retain such control over the same as it may have the right to exercise upon such completion.

SACRAMENTO RIVER, CAL.

SEC. 2. That for controlling the floods, removing the débris, and continuing the improvement of the Sacramento River, Cal., in accordance with the plans of the California Débris Commission, the Secretary of War is hereby authorized and directed to carry on continuously by hired labor or otherwise, the plan of said commission contained in its report submitted August 10, 1910, and printed in House Document No. 81, Sixty-second Congress, first session, as modified by the report of said commission submitted February 8, 1913, approved by the Chief of Engineers of the United States Army and the Board of Engineers for Rivers and Harbors, and printed in Rivers and Harbors Committee Document No. 5, Sixty-third Congress, first session, in so far as said plan provides for the rectification and enlargement of river channels and the construction of weirs, to be paid for as

THE NEWLANDS BILL INTRODUCED IN THE SENATE APRIL 24, 1916.

A bill (S. 5736) to promote interstate commerce, agriculture, and the general welfare by providing for the development and control of waterways and water resources, for water conservation, for flood control, prevention, and protection; for the application of flood waters to beneficial uses; and for cooperation in such work with States and other agencies, and for other purposes.

*Be it enacted, etc.*, That the sum of $60,000,000, to be apportioned as hereinafter provided, is hereby reserved, set aside, appropriated, and made available until expended, out of any moneys not otherwise appropriated, as a special fund in the Treasury, to be known as the "river-regulation fund," to be used to promote interstate commerce by the development and improvement of the rivers and waterways of the United States and their connections with the Great Lakes and with each other, and by the coordination of and cooperation between rail and water routes and transportation, and the establishment and maintenance of adequate terminal and transfer facilities and systems, and their maintenance, improvement, and protection, and by the making of examinations and surveys and by the construction of engineering and other works and projects for the regulation and control of the flow of rivers and their tributaries and source streams, and the standardization of such flow, and by the maintenance of navigable stages of water at all seasons of the year in the waterways of the United States, and by preventing silt and sedimentary material from being carried into and deposited in waterways, channels, and harbors, and by the conservation, development, and utilization of the water resources of the United States, and by flood prevention and protection, through the establishment, construction, and maintenance of natural and artificial reservoirs and detention basins for water storage and control, and levees, revetments and other bank-protective works, spillways, wasteweirs, wasteways, by-passes, controlled outlets, and flood-control works of every nature and kind, and the protection of watersheds from denudation, erosion, and surface wash, and from forest fires, and the maintenance and extension of woodland and other protective cover thereon, and the reclamation of swamp and overflow lands and arid lands, and the building of drainage and irrigation works in order that the flow of rivers shall be regulated and controlled not only through the use of flood waters for irrigation on the upper tributaries, but also through controlling them in fixed and established channels in the lower valleys and plains and by doing all things necessary to provide for any and all beneficial uses of water that will contribute to its conservation or storage in the ground or in surface reservoirs as an aid to the regulation or control of the flow of rivers, and by acquiring, by purchase, condemnation, or otherwise, holding, using, leasing, hiring, and transferring by appropriate deed lands and any other property that may be needed for the aforesaid purposes, or which it may be deemed advisable to dispose of, and by doing such other things as may be specified in this act or necessary to the accomplishment of the purposes thereof, and by securing the cooperation therein of States, municipalities, and other local agencies, as hereinafter set forth, and for the payment of all expenditures provided for in this act.

The aforesaid sum of $60,000,000, appropriated as hereinbefore provided, shall be apportioned for expenditure under this act as follows:

(a) $25,000,000 to the Illinois River and its watershed and to the Mississippi River from the mouth of the Illinois to the Head of the Passes, including the Atchafalaya River as one of the mouths of the Mississippi River, to be expended for the improvement of the Illinois River and for continuing the improvement of the Mississippi River from the Head of the Passes to the mouth of the Illinois River, for the control of floods thereon, and the establishment of a waterway from the Lakes to the Gulf; (b) $5,000,000 to the watersheds of the Ohio River and its tributaries, for the control of floods thereon, and the consequent improvement of navigation; (c) $5,000,000 to the watershed of the Mississipi River above the mouth of the Illinois River; (d) $5,000,000 to the watersheds of the Missouri River and all other tributaries of the Mississippi River, except the Ohio, from the mouth of the Illinois River to the Gulf and all rivers draining into the Gulf of Mexico west of the Mississippi River; (e) $5,000,000 to the watersheds of the rivers draining into Canada, the Great Lakes, and the Atlantic Ocean and rivers draining into the Gulf of Mexico east of the Mississippi River; (f) $5,000,000 to the watersheds of all the rivers draining into the Pacific Ocean in Oregon and Washington, including the Columbia River watershed; (g) $5,000,000 to the watersheds of the rivers draining into the Sacramento and San Joaquin Valleys and into the Pacific Ocean north of Santa Barbara, in California; (h) $5,000,000 to the watersheds of all other riv-

appropriations may from time to time be made by law, not to exceed in the aggregate $5,600,000: *Provided*, That not more than $1,000,000 shall be expended therefor during any one fiscal year.

(a) All money appropriated under authority of this section shall be expended under the direction of the Secretary of War, in accordance with the plans, specifications, and recommendations of the California Débris Commission, as approved by the Chief of Engineers, for the control of floods, removal of débris, and the general improvement of the Sacramento River: *Provided*, That no money shall be expended under authority of this section until assurances have been given satisfactory to the Secretary of War (a) that the State of California will contribute annually for such work a sum equal to such sum as may be expended annually therefor by the United States under authority of this section; (b) that such equal contributions by the State of California will continue annually until the full equal share of the cost of such work shall have been contributed by said State; and (c) that the river levees contemplated in the report of the California Débris Commission, dated August 10, 1910, will be constructed to such grade and section and within such time as may be required by said commission: *Provided further*, That said State shall not be required to expend for such work, for any one year, a sum larger than that expended thereon by the United States during the same year: *And provided further*, That the total contributions so required of the State of California shall not exceed in the aggregate $5,600,000.

(b) All money contributed by the State of California as herein provided, shall be expended under the direction of the California Débris Commission and in such manner as it may require or approve, and no money appropriated under authority of this section shall be expended in the purchase of or payment for any right of way, easement, or land acquired for the purposes of this improvement, but all such rights of way, easements, and lands shall be provided free of cost to the United States: *Provided*, That no money paid or expense incurred therefor shall be computed as a part of the contribution of the State of California toward the work of improvement herein provided for within the meaning of paragraph (a) of this section.

(c) Upon the completion of all works for flood control herein authorized the said works shall be turned over to the State of California for maintenance thereafter; but for all other purposes the United States shall retain such control over the same as it may have the right to exercise upon such completion.

GENERAL PROVISIONS.

SEC. 3. That all the provisions of existing law relating to examinations and surveys and to works of improvement of rivers and harbors shall apply, so far as applicable, to examinations and surveys and to works of improvement relating to flood control. And all expenditures of funds hereafter appropriated for works and projects relating to flood control shall be made in accordance with and subject to the law governing the disbursement and expenditure of funds appropriated for the improvement of rivers and harbors.

All examinations and surveys of projects relating to flood control shall include a comprehensive study of the watershed or watersheds; and the report thereon, in addition to any other matter upon which a report is required, shall give such data as it may be practicable to secure in regard to (a) the extent and character of the area to be affected by the proposed improvement; (b) the probable effect upon any navigable water or waterway; (c) the possible economical development and utilization of ers in California and the Great Inland Basin and the Colorado River.

NATIONAL WATERWAYS COUNCIL.

SEC. 2. That a national waterways council, hereinafter called the council, is hereby created, consisting of the President of the United States as chairman, the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the chairman of the water-control board, to be appointed as hereinafter provided.

The council shall have authority to direct and control all proceedings and operations and all things done or to be done under this act, and to establish all rules and regulations which may, in their judgment, be necessary to carry into effect such direction and control consistent with the provisions of this act and with existing law and with any provisions which Congress may from time to time enact.

All plans and estimates prepared by the water-control board, as hereinafter provided, which contemplate or provide for expenditures from the river regulation fund shall be submitted to the council for final approval before any of the expenditures therein provided for or contemplated are authorized or made or any construction work undertaken or contracts let under or in pursuance of such plans: *Provided*, That in case of an emergency the chairman of the water-control board shall have full power to act, and shall report in detail his action in every case to the council at its next meeting after his action.

WATER-CONTROL BOARD.

SEC. 3. That to assist in carrying out the purposes aforesaid the council may utilize the various agencies of the Government, and there is hereby created a water-control board, hereinafter called the board, which shall consist of a chairman, to be appointed by the council, and four assistant secretaries, to be appointed as hereinafter provided, and such additional members as the council may from time to time appoint. The chairman of the board shall receive a salary of $12,000 per annum, each assistant secretary aforesaid shall receive a salary of $10,000 per annum, and said additional members of the board such salaries as the council may from time to time fix. Subject to the direction and control of the council as to general policy and procedure, it shall be the duty of the board to ascertain in detail the work in progress and obtain plans, recommendations, and estimates of the work contemplated in the general field of water conservation, control, and utilization by the various agencies of the Government, States, counties, municipalities, districts, communities, corporations, associations, and individuals, and on the basis of such information and the results obtained by its own surveys and investigations to prepare for the consideration of the council a general and comprehensive program of water and waterways conservation, regulation, development, and utilization, extending through a number of years, with comprehensive general plans for each watershed, treating the entire watershed of each river as a unit, and with specific projects, plans, estimates, and recommendations, involving independent work by the United States and the combining of resources and energies of the various public and private agencies aforesaid; to coordinate and bring into conference the various agencies of the Government; and to examine, compare, adjust, allot, assign, and supervise their work, to the end that duplication may be avoided and the highest efficiency obtained; by agreement to assign to the various cooperating agencies the work to be done by them within their respective spheres; to accept, on behalf of the United States, from such agencies contributions of money water power; and (d) such other uses as may be properly related to or coordinated with the project. And the heads of the several departments of the Government may, in their discretion, upon the request of the Secretary of War, detail representatives from their respective departments to assist the engineers of the Army in the study and examination of such watersheds, to the end that duplication of work may be avoided and the various services of the Government economically coordinated therein: *Provided*, That all reports on preliminary examinations hereafter authorized, together with the report of the Board of Engineers for Rivers and Harbors thereon, shall be submitted to the Secretary of War by the Chief of Engineers, with his recommendations, and shall be transmitted by the Secretary of War to the House of Representatives, and are hereby ordered to be printed when so made.

In the consideration of all works and projects relating to flood control which may be submitted to the Board of Engineers for Rivers and Harbors for consideration and recommendation, said board shall, in addition to any other matters upon which it may be required to report, state its opinion as to (a) what Federal interest, if any, is involved in the proposed improvement; (b) what share of the expense, if any, should be borne by the United States; and (c) the advisability of adopting the project.

All examinations and reports which may now be made by the Board of Engineers for Rivers and Harbors, upon request of the Committee on Rivers and Harbors, relating to works or projects of navigation, shall in like manner be made, upon request of the Committee on Flood Control, on all works and projects relating to flood control.

SEC. 4. That the salary of the civilian members of the Mississippi River Commission shall hereafter be $5,000 per annum.

and property of any kind to be used for carrying out the purposes authorized by this act; to make field inspection of all work done or contemplated under this act by the Government and its cooperating agencies; and to employ such engineers, transportation experts, experts in water development, constructors, and other employees, and to construct such buildings and works as may be necessary for those purposes. The board is hereby authorized to expend from the sums herein provided such amounts as may be necessary for services of employees in the city of Washington, D. C., and elsewhere; to pay therefrom such sums as may be necessary for office accommodations in the city of Washington, D. C., and elsewhere, and to purchase such law books, books of reference, periodicals, engineering, statistical, and professional publications as may be needed. Contributions received under this section shall be used by the board, under the direction of the council, for carrying out the purposes of this act, and money so received shall be paid into the river regulation fund herein created. Subject to the approval of the council, the board is authorized to enter into such contracts or carry on by hired labor or otherwise such work as may be necessary for carrying out the purposes of this act, within the limits of appropriations made or authorized by this act or appropriations or contributions which shall be hereafter made or authorized from time to time, or as may be necessary for executing projects under this act within the respective limits of cost thereof approved by the Congress, the funds for which shall have been provided by the Secretary of the Treasury in accordance with the authority conferred by this act. Subject to the approval of the council, the board may also employ the various agencies of the Government in carrying out such purposes or executing such projects.

COOPERATION WITH STATES AND OTHER AGENCIES.

SEC. 4. That the board shall, in all cases where possible and practicable, encourage, promote, and endeavor to secure the cooperation of State, municipalities, public and quasi public corporations, towns, counties, districts, communities, persons, and associations in the carrying out of the purposes and objects of this act, and in making the investigations and doing all coordinative and constructive work provided for herein; and it shall in each case endeavor to secure the financial cooperation of States and of such local authorities, agencies, and organizations to such extent and in such amounts as the council shall determine to be a just and equitable apportionment of work, costs, and benefits under all the circumstances in each case; and it shall negotiate and perfect arrangements and plans for the apportionment of work, cost, and benefits, according to the jurisdiction, powers, rights, and benefits of each, respectively, and with a view to assigning to the United States such portion of such development, promotion, regulation, and control as can be properly undertaken by the United States by virtue of its power to regulate interstate and foreign commerce and promote the general welfare, and by reason of its proprietary interest in the public domain, and to the States, municipalities, communities, corporations, and individuals such portion as properly belongs to their jurisdiction, rights, and interests, and with a view to properly apportioning costs and benefits, and with a view to so uniting the plans and works of the United States within its jurisdiction, and of the States and municipalities, respectively, within their jurisdictions, and of corporations, communities, and individuals within their respective powers and rights, as to secure the

highest development and utilization of the waterways and water resources of the United States.

APPOINTMENT OF WATER-CONTROL BOARD.

SEC. 5. That each head of a department named in this act is authorized to appoint, with the approval of the council, for service as a member of the board, a highly qualified representative, who shall be an assistant secretary in the department in which he is appointed; shall devote his time primarily to the work authorized by this act; shall have, subject to the direction of the head of the department, such general supervision and control as may be necessary for the purposes of this act of the agencies within the department engaged upon such work; shall serve during good service and behavior; and shall be removable by the head of the department only for good cause.

RIVER-REGULATION FUND.

SEC. 6. That no sums shall be paid out of the river-regulation fund except on vouchers signed by the chairman of the board or by an official designated by him in writing, drawn on the Secretary of the Treasury. To provide for carrying out the projects formulated under this act, which involve expenditures in excess of the $60,000,000 herein appropriated to the river-regulation fund, the appropriation hereafter to the credit of said fund of such sums as may be necessary is hereby authorized. At any time that the Secretary of the Treasury shall determine it to be necessary or advisable, in order to provide all or any part of the appropriation made or authorized by this act or which may be hereafter made or authorized or to provide revenues to execute a project under this act, which shall have been approved by the Congress, he may issue and sell, or use as a means of borrowing money, bonds in the necessary amount, in accordance with the provisions of the act of August 5, 1909 (36 Stat. L., 11, 117), the act of February 4, 1910 (36 Stat. L., 192), and the act of March 2, 1911 (36 Stat. L., 1013). The sums appropriated or provided by the Secretary of the Treasury pursuant to this section shall be paid into the river-regulation fund and shall be available until expended and paid out as provided for in this act. All moneys received in connection with any operations under this act as well as from the sales of materials utilized and any condemned property, shall be covered into the "river-regulation fund" and be available for expenditure therefrom. It is the intent and purpose of this act to authorize and empower the council and the board and their officers, agents, and employees to do all necessary acts and things in addition to those specially authorized in this act to accomplish the purposes and objects hereof.

The VICE PRESIDENT. The morning business is closed.

RIVER AND HARBOR APPROPRIATIONS.

Mr. CLARKE of Arkansas. I ask that the Senate resume the consideration of the river and harbor bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12193) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. CLARKE of Arkansas. I think the Senator from Colorado [Mr. THOMAS] expects to address the Senate at this time.

Mr. THOMAS. Mr. President, I shall address myself to this bill as a whole rather than to any of its specific items or to any amendment which the Senate Committee on Commerce has reported.

My principal reason for speaking upon the bill at all, if any reason be needed, is due to its general character, to the large aggregate appropriation which it carries, and to the fact that its distribution over so many States through the assembling of so many specific items indicates either a lack of system in the disposal of the public money for the ostensible purpose of improving rivers and harbors, or a deliberate distribution is designed for the benefit of the different localities where rivers and harbors are located, or to both.

I am not vain enough, Mr. President, to imagine that any criticism of mine will seriously affect the ultimate disposition of the bill, either in its present form or as it may be amended. But inasmuch as I took occasion to submit some remarks upon a bill of similar character at the last Congress, carrying, as I recall a much larger aggregate appropriation than this one, I have decided that it might not be amiss to repeat some of the objections which I then thought were pertinent to the bill, in the hope that their reiteration now, and perhaps hereafter, on similar occasions, might, like drops of water upon a stony surface, make some ultimate small impression.

There is no question that the appropriation of money for the improvement of our rivers and harbors in the interest of navigation constitutes one of the recognized powers of Congress, and a perfectly legitimate and highly desirable subject of public expenditure. The use of our streams and harbors for the development of traffic and the promotion of commerce and industry appeals very properly to every citizen who desires the welfare of this country promoted and its general prosperity increased. Indeed, the universal existence of that sentiment has had much to do with the growth of a system of legislation, manifesting itself in this and other appropriation bills, which not only accomplishes the purpose designed, but which goes farther and satisfies what might be called not only a long-felt but an insatiable want, to wit, the appropriation of moneys for local expenditure founded upon the ostensible purpose but foreign to it. This, in turn, has given rise not only to complaints and criticisms which though making little impression upon our course of legislation has crystallized in the coinage of names applicable to such bills, by which they are now generally, if not universally, known outside the Halls of Congress.

Before speaking to the bill itself, it may perhaps be also appropriate that I should say that the expenditures of the Government, and the alarming increase in their aggregate amount, and what seems to me to be the imperious present necessity of economizing wherever possible and limiting these expenditures as much as existing conditions will permit, constitutes an additional reason for taking the time of the Senate and engaging in this discussion.

It has been a constant and, in some respects, a monotonous practice of Senators upon the other side of the Chamber when bills were under consideration carrying appropriations, and especially when these appropriations were considerable, to remind the Democratic majority of the Baltimore platform, and particularly of that plank which commits the party to a course of economy in the administration of public affairs and which at the same time denounces the reckless extravagance of the Republican Party in that regard. Of course I recognize the practice as perfectly legitimate, and I am obliged also to recognize the fact that the occasions for these reminders are constant and of increasing frequency. I am impressed, Mr. President, with these reminders, but I am much more impressed with the fact that up to this time, at least, they seem to have made little, if any, impression elsewhere. I am impressed with them not alone because of the position which the party to which I owe allegiance has taken upon the subject, but because I perceive no disposition on either side of the Chamber to make this assurance an actuality or any great amount of desire outside of the Chamber on the part of the people in general to insist upon it or even to request it. Indeed, if I am any judge at all of the popular wish with regard to public expenditures, it is that they should be increased instead of being diminished, provided only and always that the increases shall be made in certain desired directions beneficial to this or that section of the country; the decreases, if any, to be made in other directions and designed for other ends and purposes.

Public opinion with regard to expenditures, in other words, is very much like public industrial opinion with regard to the tariff, at least among those who profess adhesion and allegiance to the Democratic theory of protection. It is that economies should be everywhere applied, except with regard to those who are asking appropriations for specific purposes of interest to themselves. These are concerned directly with the appropriations which they wish to see exempted from a general rule of economy, because they are assumed to be essential and beneficial to the interests or to the sections thus involved; and, of course, what is true of one is true of every part of the country. Just as in tariff matters the desire of the woolgrower to be exempted from impost reduction, the desire of the sugar producer for a continuation of his protection, and the insistence of the manufacturer that raw material should be admitted free while his manufactured product should enjoy the beneficent paternalism of the Government expressed in the shape of duties.

These clamoring insistencies nearly always result in no reductions at all. So in appropriations these varying views and desires, conflicting at first and then combining, result in increased appropriations and larger and larger supply bills.

And such will it be, Mr. President, I am afraid, until our expenditures reach an aggregate so appalling in its magnitude as to force upon the taxpayers of the country a realizing sense of their supreme interest in the expenditure of the public revenues as they should be in its collection, a situation which will be inevitable if we continue our methods of disbursement. For we must tax if we would spend, and if we shall, as I hope, resort to direct and forego indirect taxation, we may be sure that the people will then inquire what we are doing with their money.

I have noticed, too, Mr. President, that those most clamorous for appropriations from the Public Treasury, who are most eager to receive monetary benefits from the General Government, are the identical ones who first rebel and always protest most vociferously against increases of taxation.

It was said in a jocular way some years ago of a certain Member of Congress that his code of political ethics prompted him to always favor appropriations and oppose tax bills. Unfortunately, however, no country can operate upon such a principle and at the same time avoid the courts of bankruptcy. What we expend we must provide. That fund which we devote ostensibly at least to the public good must be gathered from the people of the country and placed in the Federal Treasury. The day comes in every instance when the Congress which appropriates must pay the piper or pass the problem on, and when the self-created necessity of raising added revenue and thus increasing the public burdens faces an administration, which continues its methods of appropriation, the revulsion is bound to come which for the time being at least will enforce a due regard for frugal expenditure.

It is a good thing for the Nation and for us when such a crisis comes. In this period of unexampled and abundant prosperity, when the tides of business have reached a high-water mark never before known to our commercial history, when money is pouring into the land in such prodigious quantities that its fortunate owners are embarrassed in its investment, when the cry of preparedness is abroad in the land, which is the equivalent of added expenditures of enormous amounts, the day of retrenchment is doubtless more remote than it ought to be, but it is coming just the same, and I want to be in a position, as far as I am personally concerned, where I can recall that I have uttered an occasional word of warning and placed myself squarely on record as an advocate of economy in public administration.

I freely concede, Mr. President, that I have introduced many bills calling for appropriations and have voted for many more. I make claim to no superiority either of capacity or of conviction over my associates upon this floor, or to the possession of any greater virtue or conscience. We are all here charged with a public duty, and I am convinced that every Member of the United States Senate in the discharge of that duty is actuated by motives and convictions as sincere and as pure and doubtless as substantial as any to which I can lay claim.

What I have to say upon this subject is therefore dictated neither by any sense of party advantage nor by any impulse which, in my judgment, is more lofty than those actuating the policy and the record of my associates.

Indeed, Mr. President, this leads me to refer to the fact that so far as economy in public expenditures or public administration is concerned there can be no difference whatever between that side of the Chamber and this. If there be any difference except in detail I have not been able to discover it. I think it is therefore perfectly legitimate for me to indulge the conclusion that much of the warning, much of the reminder of the Baltimore platform from the distinguished Senators upon the Republican side of the Chamber, is due to the fact that this side is responsible for the Government that, being in power, our actions do not square with our assertions, and that we must take the responsibility flowing from a disregard of our own plighted promises, and except here and there not to any desire for economy or frugality or even wish it, much less, except in individual instances, to insist that appropriations should be minimized instead of being increased.

The junior Senator from Iowa [Mr. KENYON] has addressed the Chamber at some length in opposition to this bill. During the first day which he occupied in that discussion he referred to many of the bills which at this session have been enacted into law carrying appropriations, and in that connection to the platform to which I have just adverted. I do not doubt that he approves the sentiment of that plank in the platform just as heartily as I do. I do not doubt that theoretically at least it finds fitting response in the breast of every Senator.

The Senator from Kansas [Mr. CURTIS] last Saturday, speaking upon the same subject, gave some estimates of the amount of money which thus far has been appropriated by the present Congress and of those which probably have to be provided for. I quote an extract from his speech on page 8949 of the RECORD. He says:

> I call your attention to the appropriations of the Sixty-third Congress and the estimates for the first session of the Sixty-fourth Congress. The Sixty-third Congress appropriated in its two sessions, for the two fiscal years 1915 and 1916, a total of $2,231,055,150, which was more than double the appropriations of the Fifty-first Congress; and this vast sum of over $2,000,000,000 does not cover all the money appropriated for the years 1915 and 1916, for it has taken four urgent deficiency bills so far this session, covering $25,731,229, to make up deficiencies for 1916.
>
> More than that, the estimates submitted to this session of the present Congress for the next fiscal year amounted, for one year only, to $1,287,857,808. To that you must add the deficiency appropriations of this session, which will go into the report of the next Congress, which will make $1,311,588,000 appropriated by this session of this Congress for the fiscal year 1917, and that does not include appropriations for several measures which have passed this body and which will no doubt become laws before this session adjourns.
>
> I think—

Says the Senator—

> the time has come when we should call a halt upon the extravagance of this administration.

In that I agree.

> It came into power under a promise of economy, but the records show that it has been the most extravagnt in the history of the country, and the estimates for this year far exceed the estimates that have ever been sent to any Congress in the history of the country.

It is true, Mr. President, that in considering this subject, allowance must be made for the growing demands of an expanding people and an expanding Government. Allowance, too, must be made for the increasing activities of a Government like ours requiring of necessity an expanding growth in appropriations because of them.

So far as that element of increase is concerned no man can find any exception. It is those increases which are not essential or not essential at the present time and those new appropriations which are practically wasted or at least do not bring to the Government the corresponding consideration that should result from their expenditure to which the pruning knife should be applied.

The Senator goes on and declares that—

> We, as representatives of the people, should stand for the reduction of taxation and for the strictest economy in the administration of the affairs of the Nation.

Nobody doubts that for a moment. He also says:

> We on the Republican side advocate this because it is right, and it is our duty in making appropriations to practice the strictest economy and only make such appropriations as are actually necessary and which will result in benefit to the people.

I think I may say that we on this side of the Chamber also advocate it because it is right. In fact, every man must advocate it because it is right and plainly right, and because there can be no dispute about the proposition.

It is also equally clear, self-evident, indeed, that it is our common duty in making appropriations to practice the strictest economy, as the Senator states.

Now, Mr. President, I quote from the Senator from Kansas not because his remarks are unique, but because his is the latest utterance from that side of the Chamber upon the general proposition. We have heard it elsewhere. While I am not attempting to evade the responsibility which necessarily rests upon this side of the Chamber, I think it is perfectly proper for me to remind Senators upon the other side that if their practices square with their assurances, their warnings, and their reproaches, I think there would be sufficient strength upon this side of the Chamber uniting with them to control the expenditures of the Government in the interest of economy.

While listening to the Senator's utterances it occurred to me that perhaps the record of Republican Senators for economy at this session of Congress might or might not support the contention that as Republicans Senators upon the other side of the Chamber not only urged the necessity of frugality in public expenditures, but squared their conduct with their belief.

I therefore caused an investigation to be made of the number of bills calling for appropriations which have been introduced by each Republican Senator in the Chamber from the first day of the present sessions of the Sixty-fourth Congress to about May 10, with a showing of the total of appropriations asked by each Senator and the aggregate of public moneys demanded by them.

This statement, Mr. President, to which I refer includes only bills asking for specific sums. It could not well include those calling for a "sufficient appropriation" to carry into effect the object of the bill. Neither does it include bills referring cases

to the Court of Claims for adjudication. Bills granting pensions I have computed for the year, and bills granting increase of pensions have been computed arbitrarily upon a basis of 50 per cent increase, which I think is conservative.

The result, Mr. President, does not, to my mind at least, convey the assurance that the Republican Members of this Chamber speaking generally—there are exceptions—have exhibited any greater love for economy than have the Senators upon this side of the Chamber.

Of course, the question may be asked why I did not compute the bills of Senators on both sides. I was well aware, Mr. President, that giving the result of my computation to the Senate the capable and industrious Members upon the other side would spare me the necessity of doing that work by doing it themselves.

I give now, Mr. President, the result of my investigation, taking the Senators in alphabetical order:

Senator BORAH has introduced 57 bills calling for an aggregate appropriation of $5,064,014.14.

Senator BRADY, his colleague, has introduced 31 bills calling for an aggregate appropriation of $388,866.15.

Senator BRANDEGEE, 46 bills, with the modest total of $8,306.

Senator BURLEIGH, 100 bills, calling for an aggregate appropriation of $26,970.

Senator CATRON, 69 bills, aggregating $1,053,577.15.

Senator CLAPP, 61 bills, calling for $785,672.11.

My genial friend, the senior Senator from Wyoming [Mr. CLARK], is entitled to the unique credit, including the Senators on both sides, of introducing only 6 bills, calling for $1,363.

Senator COLT, of Rhode Island, has introduced but 3 bills, calling for $2,860.

Senator CUMMINS, 48 bills; total amount asked for, $142,163,237.47. I should say in this connection, however, that two of the Senator's bills, each for $69,000,000, seem to be duplicates, although offered at different times, designed to make appropriations for the same purpose; that is, to increase the efficiency of the National Guard.

Senator CURTIS, 263 bills, calling for $246,642.37.

Senator DILLINGHAM, 25 bills, calling for $5,507,698.

Senator DU PONT, 21 bills; aggregate amount, $54,528.50.

Senator FALL, 10 bills, $1,271,013.

Senator GALLINGER, 47 bills, aggregating $4,799,650.

Senator GOFF, 13 bills, aggregating $6,726.

Senator GRONNA, 13 bills; total, $301,660.

Senator HARDING, 29 bills; total amount asked for, $19,839.69.

My distinguished friend from Washington [Mr. JONES], who has frequently read to us the celebrated economy plank of the Baltimore platform, has introduced 203 bills, calling for $23,573,345.51.

Senator KENYON, 8 bills, aggregating $69,606.20.

Senator LA FOLLETTE, 22 bills; aggregate, $541,256.

Senator LIPPITT, 15 bills; aggregate, $2,796.

Senator LODGE, 27 bills, calling for $2,281,919.12.

Senator MCCUMBER, 88 bills, calling for $11,351,968.54.

Senator MCLEAN, 187 bills, the total amount asked for being $314,130.86.

Senator NELSON, 39 bills; total asked for, $16,046,131.48.

Senator NORRIS, 16 bills, calling for $17,035,220.

Senator OLIVER, 24 bills, calling for $312,327.50.

Senator PAGE, 12 bills, $132,636.

Senator PENROSE, 234 bills, calling for $587,383.16.

Senator POINDEXTER, 34 bills; total, $6,013,266.70.

Senator SHERMAN, 102 bills; amount, $973,900.51.

Senator SMITH of Michigan, 69 bills, calling for $285,918.14.

Senator SMOOT, 50 bills, calling for $479,798.03. To that, Mr. President, should be added the Senator's proposed substitute for the highway bill providing for the issue of bonds in the modest amount of $500,000,000. That added to my distinguished friend's total puts him in the same position with regard to appropriations that he enjoys otherwise as the acknowledged and capable leader of the minority in this body, a position he has fairly earned by his genius for hard, constant, and unremitting industry.

Senator STERLING, 20 bills; total, $380,914.

Senator SUTHERLAND, 13 bills, $256,057.50.

Senator TOWNSEND, 51 bills, $18,622.52.

Senator WADSWORTH, 10 bills; total, $251,366.81.

Senator WARREN, 38 bills; total, $5,702,732.61.

Senator WEEKS, 37 bills; total, $214,271.85.

Senator WORKS, 38 bills; total, $52,934,015.03. To that must be added the Senator's amendments to the good roads bill, one calling for $100,000,000 to be used in the purchase of property between here and the White House and the other calling for $600,000 to be used in the purchase of Snow Court, the demolition of its buildings, and the erection of suitable and desirable structures to be rented to tenants. The total, inclusive of additions proposed to the road bill, is $301,462,207.65. Adding to these the other items I have mentioned, our friends who clamor for Democratic economy on the other side of the Chamber have up to date offered bills which, if allowed, would call for an aggregate appropriation of $902,062,207.65.

But I want to be fair about this matter, and, therefore, one of the bills of Senator CUMMINS duplicating the other, and each calling for $69,000,000, should be deducted from this aggregate, leaving, therefore, the modest sum of $833,062,207.65 for appropriations requested.

Mr. KENYON. I should like to ask the Senator——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Colorado yield to the Senator from Iowa?

Mr. THOMAS. In just a moment. I have a list of the numbers of each of the bills introduced by the Senators, which I think will confirm the estimate made here, and to which Senators are entirely welcome if they care enough about this proposition to see whether the figures and the numbers are correct. I now yield to the Senator from Iowa.

Mr. KENYON. I simply wanted to ask what was the bill of my colleague [Mr. CUMMINS] which the Senator referred to as carrying $69,000,000.

Mr. THOMAS. It was designed to increase the efficiency of the National Guard. It was introduced twice, on each occasion calling for the same amount.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I yield to the Senator.

Mr. SMOOT. I was merely going to say to the Senator that he must know not one-tenth of 1 per cent of those appropriations asked for will be allowed by this Congress. Does he not know that?

Mr. THOMAS. No; I do not, Mr. President. Of course, I know that the great majority will not be allowed, but what were they introduced for? For recreation?

Mr. SMOOT. Mr. President, the Senator knows why many of them were introduced. Among them are bills that have been introduced each Congress, I suppose, for the last 20 years calling for the same appropriations. I myself can not say why they are so introduced. As far as the appropriation of $500,000,000, introduced by myself as a substitute for the good-roads bill, is concerned, I did not introduce it; I offered it as an amendment, and it would not have taken a dollar of appropriation from the Government Treasury. In that particular I think the Senator has overdrawn the condition. For instance, bills which have been introduced asking for appropriations have been duplicated by other Senators asking for exactly the same thing.

I am quite sure, if the Senator will follow out the appropriations proposed to be made from the list he has just read, there will not be at the end of the session one-tenth of 1 per cent of them that will become laws.

Mr. THOMAS. I trust, Mr. President, that my friend will prove to be a prophet.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. THOMAS. I always yield with pleasure to my friend from Idaho.

Mr. BORAH. I wish to ask the Senator if he can account for the fact that the bill for $69,000,000 for the National Guard did not get through.

Mr. THOMAS. I think it was largely due to the argument made on the floor by the Senator from Idaho on the subject of the National Guard. It convinced me, and I am hopeful that it induced the Senator from Iowa to withdraw one of the two duplicate bills from consideration, and the other had its own way.

Mr. NORRIS. Mr. President——

Mr. THOMAS. I yield to the Senator from Nebraska.

Mr. NORRIS. I wish to ask the Senator if he himself believes that what he has just read in regard to Senators is a fair and honest statement to judge the question of economy or extravagance?

Mr. THOMAS. Mr. President, it depends upon the viewpoint from which the question is asked. If the Senator was here when I stated my purpose in offering this memorandum he will recall that I said that in view of the many warnings the Republican side of the Chamber have uttered against the extravagance of this side I thought it were well if it could be shown that they had conformed to their preaching, and that it might, therefore, be illuminating to ascertain how much, not only in the aggregate, but in detail, had been the demands upon the Treasury in the way of bills introduced in this body for

consideration carrying appropriations. I think it is perfectly fair from that standpoint, Mr. President, if indeed it be not in others. If it is not I should like to have the Senator point it out.

Mr. NORRIS. Well, the Senator has included, has he not, authorizations as well as appropriations?

Mr. THOMAS. I have included all bills calling for specific amounts. There are bills which, of course, call for appropriations, though not mentioning specific amounts. Those could not be included. On bills for increase of pensions I have made an arbitrary calculation of 50 per cent.

Mr. NORRIS. There is a difference between authorizations and appropriations. I have now in mind—and I want to ask the Senator about it——

Mr. THOMAS. There is very little difference when it comes to the Treasury of the United States.

Mr. NORRIS. Yes; there is a great deal of difference. I have a particular bill in mind, and I want to ask the Senator whether such a bill would be included. I have introduced a bill for the development of Great Falls out here near Washington——

Mr. THOMAS. That has been included.

Mr. NORRIS. There is not any appropriation in that bill, I will say to the Senator.

Mr. THOMAS. But there is an authorization of an appropriation.

Mr. NORRIS. Yes.

Mr. THOMAS. And the Senator from Nebraska knows—at least, I think he knows—much better than I, if the development of hydraulic power at Great Falls is to be made effective, it will require more than the amount which he in his bill proposes to authorize for that purpose.

Mr. NORRIS. But the Senator from Colorado likewise knows—and I am satisfied he will admit it, for I believe he is just as fair as I am—at least, I think the Senator wants to be fair——

Mr. THOMAS. I am obliged to the Senator from Nebraska for his good opinion.

Mr. NORRIS. There is not any appropriation, for instance, in that bill; and the Senator knows, as I said, as well as I do, that if the work were begun to-day—and if the Senator does not know it he can get that information from the reports of the engineers who made the investigation—that it will take five years to complete it.

Mr. THOMAS. That is true, Mr. President; I admit that.

Mr. NORRIS. And the appropriations, when it comes to making appropriations, will be divided up.

Mr. THOMAS. But at the end of five years the Senator will discover that his authorization is far too small.

Mr. NORRIS. That may be; and the Senator will likewise admit that in a proposition of that kind, assuming it to be successful—and I believe the Senator himself thinks it would be successful—the appropriation, if any were made, would in its very nature be reimbursable, and all of it would be returned to the Treasury; and that, as a matter of fact, it would be an act of economy in behalf of the people of Washington, who have to use electric light and electric power on electric railways.

Mr. THOMAS. Is the Senator from Nebraska through?

Mr. NORRIS. I want to ask the Senator another question about that.

The PRESIDING OFFICER. Does the Senator from Colorado yield further to the Senator from Nebraska?

Mr. THOMAS. Of course, Mr. President.

Mr. NORRIS. I introduced that bill, and I offered it in a modified form as an amendment to a pending bill; and in another modified form I again introduced it. Now, I should like to ask the Senator whether in his calculations he has included that bill in all its different forms?

Mr. THOMAS. If the Senator will tell me what amount is authorized by his bill I will answer the question.

Mr. NORRIS. It is somewhere in the neighborhood of $15,000,000, I think.

Mr. THOMAS. I have here a list of the bills introduced by the Senator, of which Senate bill 711 carries $15,021,600. There is another bill—Senate bill 3202—the amount of which is $2,000,000.

Mr. NORRIS. For what purpose is that bill?

Mr. THOMAS. I should have to refer the Senator to the bill. I have not a copy of the bill here.

Mr. NORRIS. I want to ask the Senator if he will take that bill as an illustration?

Mr. THOMAS. If the Senator does not know, I do not, I am sure.

Mr. NORRIS. We will take that as an illustration. Does the Senator cite that as an instance of extravagance, and does the Senator believe that indicates a tendency toward extravagance?

Mr. THOMAS. I cite anything as extravagance or as a tendency toward extravagance which at the present time is not imperatively demanded in the public interest.

Mr. NORRIS. The Senator, then, if that be his position, is opposed to any improvement, or to any advancement, or to any development of any of the resources of the United States that are under the control of Congress?

Mr. THOMAS. That is the Senator's conclusion, but not mine.

Mr. NORRIS. Yes; I will admit that.

Mr. THOMAS. I do not think so.

Mr. NORRIS. Does the Senator think we ought to appropriate for anything except salaries or for the payment of debts that the Government owes?

Mr. THOMAS. Oh, yes. I have voted for some other things myself. As I said some time ago, I am not setting myself up as at all superior to my associates upon this floor regarding this subject, and I expect to vote for a great many other money bills.

Mr. NORRIS. The Senator thinks, for example, that the particular case I have referred to—the development of Great Falls—is an evidence of extravagance, and he offers that, does he, as a defense of the Democratic Party for its extravagance?

Mr. THOMAS. Mr. President, I am now sure that the Senator from Nebraska was not here and that he did not do me the honor to be present during my introductory remarks; otherwise he would have realized that such was not the case. I have once stated my purpose to the Senator. If he wishes me to do so, however, I shall repeat it.

Mr. NORRIS. I have heard all that the Senator said. I have been here during all the time he has been speaking.

Mr. THOMAS. Then I have been unfortunate in my expressions and have been unable to convey what I had in my mind by the language which I used.

Mr. President, I have stated that the main purpose for which this tabulation was made was to inquire whether, in view of that record, the constant reminders to this side of the Chamber of our extravagance and of the necessity of economizing could not be very well assisted and aided by the example of those who so remind us, and particularly in the demands which they themselves have made upon the Treasury. Now, the Senator certainly comprehends that.

Mr. NORRIS. If the Senator will permit me to answer that, or rather to hold up to view those who are in favor of economy, I will say that the Senator from Colorado cites instances such as I have cited and other instances of bills introduced by other Senators—for example, the one he referred to which was introduced by the senior Senator from Iowa [Mr. CUMMINS], a bill that provided for a reorganization of the Army, that would necessarily require a great deal of money, and the Senator from Colorado, therefore, thinks, as I take it, that the Senators who have introduced such bills are inconsistent, when, on a "pork-barrel" bill like this one, they are trying to cut down the expenditure of the public money for the purpose of putting water into dry creeks and floating boats up harbors that have not water enough in them to water a steer——

Mr. THOMAS. Does the Senator from Nebraska think that I am defending this bill?

Mr. NORRIS. I do not suppose that the Senator is, but he is criticizing the men who are finding fault with its extravagance.

Mr. THOMAS. Oh, no, Mr. President; I am not singling out anybody on that side of the Chamber. Far be it from me to make any invidious comparisons. I have given the totals, and I want to say to the Senator that some of my brethren upon the other side have been so extremely modest in their demands upon the Treasury that I can find no words which are sufficiently superlative to express my admiration of the fact.

Mr. NORRIS. Does the Senator believe because a Senator does not introduce bills asking for large appropriations, though he would perhaps be in favor of voting for every extravagant amendment or every extravagant item in this bill, that therefore he is an economist, and that the man who has introduced a bill for the reorganization of the Army, let us say, or the reorganization of the Navy, which necessarily must cost many millions of dollars, is an extravagant man because he believes that by reorganizing either of those branches of the service he might bring about some adjustments in the way of efficiency and perhaps in economy as well?

Mr. THOMAS. Mr. President, if I have not made my purpose clear to the Senator from Nebraska by this time, I shall despair of doing so at all.

Mr. LODGE and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I am willing to yield to everybody, Mr. President, one at a time. I think, however, the Senator from Massachusetts [Mr. LODGE] has been on his feet for quite a while, and if the Senator from Utah will permit me, I will first yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, that is very kind. I was not present when the Senator from Colorado read those lists to the Senate, and I had the curiosity to go and look at what he accredited to me. I find that the largest item is an amendment which I introduced for the payment of the French spoliation claims. It is not likely to be extravagant, because the point at which the United States Congress always saves is in the payment of just debts.

Mr. THOMAS. Well, Mr. President——

Mr. LODGE. One moment. I introduced the same amendment in an amended form—because there were errors in the first amendment—for the same amount, and the Senator has counted both amendments in his estimate. Now, I venture to think that the total—there is only an error of a million dollars in the Senator's estimate—is not serious.

Mr. THOMAS. That does not amount to anything in the National Congress in these days.

Mr. LODGE. But the whole thing was for only a little over a million dollars; and it appears in the list as $2,000,000, which, perhaps, is not exact.

Mr. THOMAS. My secretary made the computation for me, and he is generally a very accurate man.

Mr. LODGE. He is perfectly accurate, but he has made the estimate on two amendments, when the two amendments are for precisely the same thing.

Mr. THOMAS. In that case, of course, the correction should be made.

Mr. LODGE. I think if the Senator will examine the matter, he will see that both amendments are for the same thing.

Mr. THOMAS. I will take the Senator's word for it. That will reduce the total by a million dollars, upon the Senator's word.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I do so with pleasure.

Mr. SMOOT. Mr. President, I am charged with introducing bills amounting to 60 per cent of the $900,000,000. I want to say to the Senator from Colorado that, if I secure an appropriation of $30,000 during the entire session of Congress, it will be more than I expect.

Mr. THOMAS. Well, the Senator probably goes upon the principle that he will not get any more than he asks for.

Mr. SMOOT. And upon that basis the other 40 per cent introduced on this side of the Chamber would be $20,000, and out of the $900,000,000 of bills stated by the Senator as having been introduced by Senators on this side of the Chamber. If other Senators get the same percentage which I hope to get on what is charged to me, we shall secure about $50,000 this session of Congress. That is the situation as it exists, although I do not believe that $50,000 will cover the amount that will be actually appropriated.

The Senator from Colorado knows that I have studiously avoided asking for any appropriation that I thought was in any way wasteful or extravagant. When I came to the Senate I made up my mind that I should never vote for a claim that I myself would not pay under similar circumstances if the claim was against me. I have taken that position, and I think I have lived up to it carefully. I only mention this to show how unfair, in my opinion, are the figures cited by the Senator, in that they do not show what will be appropriated.

Mr. THOMAS. Well, Mr. President, of course I anticipated that this tabulation would not only provoke interruption but comment; and I am satisfied that it will be followed by explanations which will be satisfactory in general, and certainly to those who make them.

I have no desire to do any injustice to anyone or to make any statement that can be fairly subjected to the charge that it is unjust regarding this all-important subject. I think that those who live in glass houses sometimes indulge in the throwing of stones only to imperil themselves; but, as I have stated, my general purpose was merely to show the trend of bills for appropriations, proceeding as well from those who denounce Democratic extravagance as from those who are responsible for Democratic extravagance.

Of course I know, everyone knows, that the majority of these bills will not be enacted, just as everyone knows that the majority of the bills introduced on this side of the Chamber will not be enacted, not only because many of them can not command a majority upon their merits, but also because the aggregate of appropriations may in any event be so great as to deter even the most reckless legislator from its contemplation.

Mr. President, the Senator from Nebraska [Mr. NORRIS] is a most capable, conscientious, upright, and invaluable public servant. So far as I am able to judge, he has been pretty nearly right on everything he has advocated or stood for in this body, except those matters which relate to party principle and party convictions, and, of course, such a man as he would necessarily sustain them, and he has done so. I am not accusing him of extravagance. The Senator believes—and he is right about it—that the development of the Great Falls project would result in great benefit to this community. There is no question about that. It is also true that his bill does not ask for a direct appropriation, but the fact is that this enterprise, upon which he has set his heart and which is as beneficial and as valuable, in my judgment, as the Senator has so frequenty declared it to be, will call for a great deal more money than the amount mentioned in the bill. I think that, having waited for this improvement for some time, we can afford to wait a little bit longer.

Just now the Senator from Massachusetts [Mr. LODGE] has called my attention to the fact that the bill which swells his aggregate of appropriation into the millions—not many millions, however—has reference to the French spoliation claims. Well, Mr. President, the French spoliation claims have been the subject of renewed consideration for over a century and the money for the payment of them has never been obtained from the Treasury of the United States. Why, I do not know; but certainly those claims are so ancient in character that at this time they can offord to wait a little longer, it seems to me, instead of our making appropriations, or even considering appropriations, for them.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. THOMAS. I do.

Mr. NORRIS. Referring to the particular bill which accounts for most of the extravagance which the Senator has charged against me, I want to ask him if he did not vote for it himself when we had a roll call on it several days ago?

Mr. THOMAS. I should not wonder at all if I did. I vote for pretty nearly everything the Senator sincerely advocates. It seems impossible, however, to get out of the Senator's mind that I am not occupying any "holier-than-thou" attitude with regard to these matters. That is not at all my position.

Mr. NORRIS. I understand the Senator has used——

The PRESIDING OFFICER. Does the Senator from Colorado yield further to the Senator from Nebraska?

Mr. THOMAS. Always.

Mr. NORRIS. The Senator, after describing these extravagant propositions, as he terms them——

Mr. THOMAS. I do not know that I used that expression.

Mr. NORRIS. Embraced in pending bills has said—and I think I can quote his words—that "people who live in glass houses should not throw stones."

Mr. THOMAS. I said that; yes.

Mr. NORRIS. He puts every man who has introduced a bill providing for the expenditure of public money, if he be a Republican, in a glass house; but if he be a Democrat he surrounds him with a guard, I suppose, which will prevent any attack being made on him.

Mr. THOMAS. Not at all, Mr. President. I am here to say—and it is nothing new, because I have said it before—that the Democratic majority of this body and of the other House has not regarded the party pledge with respect to the economic administration of public affairs. I have said, and I say again, that the criticisms made on that subject upon the other side of the Chamber are often legitimate. I want, however, to see some action upon the other side commensurate with these criticisms, to the end that we may, possibly through Republican aid, get somewhere in the matter of a reduction of expenditures.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. THOMAS. Of course, I yield.

Mr. NORRIS. I want to refer the Senator now to another bill which he has cited as an example of my extravagance and to ask him a question about it. If that bill, together with the one for the Great Falls project, be eliminated, there is practically nothing left of his charge, so far as I am concerned. The bill to which I now refer provides for an appropriation of $2,000,000 for carrying out the plan outlined in the bill for Federal assistance in the treatment of tuberculosis, and applies particularly to the States of Colorado, California, New Mexico, and Arizona, which States have been overburdened by a large

immigration coming to them from other parts of the United States under the idea and belief that people afflicted with tuberculosis could be cured there. The result has been that in some localities in the Senator's great State, as well as in the other great States I have mentioned, the afflicted persons become public charges. The hearings before the committee of this body show that thousands and thousands of such persons die because they are unable to get away and are unable to pay the expense of their support and their care in a proper way. Many of them live in very poor boarding houses and other places, where they are herded together in large numbers. The bill proposes that in those States in cases of that kind, where a resident of another State has come in and is unable to get away on account of poverty, the United States shall bear half of the expense of his care, provided the State, under proper rules and regulations, to a certain extent standardizes its sanatoriums and other places where tuberculosis patients may be kept and properly treated. Does the Senator believe that is an evidence of extravagance, and does he think that that is the opinion of the people in his own State, who, I believe wrongfully, are compelled to pay a great many expenses of this kind on account of sick persons who come there from other parts of the United States and spend the last dollar they have, perhaps, to get to Colorado, and are unable to care for themselves or to pay for proper care after they reach the State?

Mr. THOMAS. No, Mr. President, I do not think that is extravagance. I do not think that a single bill which the Senator has introduced is an extravagance. I think every bill which the Senator has introduced calling for an appropriation is, in his judgment, very essential to the public welfare. I am opposed to that particular measure for two reasons, one of which has reference to the power of Congress to pass it, and the other of which has reference to its application. I know that my own people, so far as I am able to judge from information received, are not at all friendly to it, there being here and there an exception; and I must assure the Senator that because it applies to my State in conjunction with some others would be no reason why I should vote for it, although the tendency is that way, and I have frequently voted for measures because of their local benefit.

Now, I want to remind my friend, the Senator from Utah [Mr. SMOOT], with reference to his $500,000,000 substitute for the good-roads bill, that I voted for it and I believe it is a much better measure than the one which finally passed the Senate. I am glad the Senator offered it. That bill was the result of long and painstaking investigation, the product of a man of great ability, who had devoted years and years to working out the scheme, and, in my judgment, it is the road bill which should be adopted, if we are going to adopt a road bill at all. I say that frankly. I think the Senator has been the means of reducing a number of appropriations here, and has also protested, on several occasions to my certain knowledge, against the enactment of some other appropriations which did not commend themselves to his judgment; but I must totally dissent from the proposition that, if his substitute had become a law, it would not have placed a burden upon the Treasury. True, it calls not for money but for credit, but the issuance of $500,000,000 of bonds, albeit they are exchangeable for State bonds carrying a higher rate of interest, nevertheless, Mr. President, is a burden upon the Treasury at present to the extent to which the exchanges may be made.

Nor do I think that because bills are introduced, first at one session and then at another, because they have not been enacted into legislation, is any particular defense for their introduction at the present time, if those who introduce them really believe that we should at the present time exercise as much economy as possible in regard to public expenditures.

I think it was the Senator from Nebraska who referred to the fact a few moments ago that the funds involved in the construction of the Great Falls project would ultimately result in reimbursement to the public of the amount of money required. That is probably true. We have a number of so-called revolving funds in the Treasury, and we make appropriations out of those revolving funds; but, generally speaking, Mr. President, they do not revolve very far. The machinery essential to the perfect work of the revolution does not seem to be properly oiled or lubricated. It may work out in time, but up to date very few of them have proceeded beyond the first revolution, and there they will probably stick for a good while. That is particularly true, I think, of appropriations coming from the various Indian funds, which are subject, of course, to appropriations for Indian purposes.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Colorado yield to the Senator from Wyoming?

Mr. THOMAS. I yield.

Mr. WARREN. Mr. President, I was engaged in committee when the Senator began his remarks.

Mr. THOMAS. I am sorry the Senator was not present, and I regret that I did not postpone reading the amount involved in the bills which the Senator has introduced until his committee work had been concluded.

Mr. WARREN. I freely forgive the Senator. I am sorry I was not present during the whole of the Senator's interesting remarks. I feel greatly obliged to the Senator, however, for taking up so freely and conscientiously this interesting subject. It is one that ought to be taken up oftener and by various and numerous Senators. I think we ought to give the Senator from Colorado a vote of thanks, first, because he has introduced a subject which it is most interesting to hear him discuss—and his remarks are always interesting—and, second, because it will tend to economy. I especially, however, think we ought to thank him for calling the attention of his own party to the fact that they have not fulfilled their many preelection pledges regarding economy.

So far as the reference to bills which I have introduced is concerned, I am not certain that I know just what list the Senator has. A moment ago at his desk I was shown what purported to be a list embracing a total of about $5,700,000, of which $5,000,000 was credited to a bill providing for the erection of an aviation school. I do not at this moment recall introducing a bill of that kind. I only hope I have done so, because, if we are to have military preparation or any improvement in military matters, there is nothing so important as aviation.

Mr. THOMAS. Well, Mr. President, I can not tell the Senator offhand what the bill is. These calculations were made for me——

Mr. WARREN. Yes.

Mr. THOMAS. And not by me; but I think they were made very carefully, I imagine, however, that the Senator has not introduced so many bills appropriating $5,000,000 but that he would have some recollection of this one. It is the only one carrying that amount I find on the list.

Mr. WARREN. I think the record I saw on the Senator's desk shows 38 bills introduced by me.

Mr. THOMAS. Thirty-eight bills, of which that is the only one carrying such a large amount.

Mr. WARREN. If I did not introduce it, I am sorry that I did not.

Mr. THOMAS. I think the Senator will find that he introduced it.

Mr. WARREN. But the total of the Senator's charges as to what the bills introduced by me call for would leave about $700,000 for every purpose and for all purposes. I feel that I ought to apologize to my State and to my constituency for not asking for more. When a great State like the one I have the honor to represent in part asks for less than $700,000, including everything, I feel that I have hardly done my duty.

Mr. THOMAS. I will remind the Senator that the session is young yet; and I am quite sure that his success in securing appropriations for his State in the past, during the long period of his public service, will cause his people to overlook his present relapse from duty, if such relapse has occurred.

Mr. WARREN. That avowal, which becomes a matter of public record, will help me somewhat.

Mr. THOMAS. Yes.

Mr. WARREN. And also the intimation that I may be permitted liberty to involve the Government in some further expense hereafter.

Mr. THOMAS. Oh, there is plenty of time.

Mr. WARREN. There does not seem to be, however, any particular opportunity for me to get in on the measure now before us—the rivers and harbors bill.

Mr. THOMAS. Would the Senator like to "get in"?

Mr. WARREN. I think we ought to connect the city of Denver and the city of Cheyenne, the capitals of our respective States, by water in some way. [Laughter.]

Mr. THOMAS. I am quite sure that a canal between the two cities, our State having gone "dry" and the Senator's State still being "wet," would be patronized by a volume of traffic which would make that now existing on the Mississippi look like 30 cents. [Laughter.]

Mr. WARREN. I have found, in traveling in Japan and China, that in perfectly dry country they build canals for many a mile. To put a canal over that 110 miles and connect those

two capitals would certainly be a more tenable proposition than some of the items that are contained in this river and harbor bill; and I hope the Senator will think about it.

Mr. THOMAS. I quite agree with the Senator, although I am not going to vote for the bill for that or for any other reason, and I suppose the Senator will support it.

Mr. WARREN. No.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Iowa?

Mr. THOMAS. I yield to the Senator.

Mr. KENYON. I am greatly interested in the Senator's statement about bills introduced. I sent and secured the large ones that the Senator charged up against me, though I think my aggregate is quite modest.

Mr. THOMAS. I am sure it is.

Mr. KENYON. One of those bills was for $5,000 to be paid to William T. Roche in compensation for injuries received as a rural carrier. This man, in the performance of his duties as a rural carrier, lost both of his hands.

Mr. THOMAS. I think the Senator is a good deal more modest than I have been.

Mr. KENYON. He is a man with a family, and I think it is an outrage that that bill does not pass.

Mr. THOMAS. I am inclined to agree with the Senator.

Mr. KENYON. Another one was in regard to the destruction of $1,985 in currency where a bank burned up. I introduced that bill to reimburse these people, which would be no loss at all to the Government. The other is a workingmen's compensation act for the District of Columbia, and provides $55,000 for a number of years to carry on that work.

Mr. THOMAS. I think that is necessary.

Mr. KENYON. Those are the large items to which the Senator has called attention. Now, probably that one could wait. I have not urged that large appropriation.

Mr. THOMAS. I am satisfied that the Senator has been modest to a degree in the demands upon the Treasury that he has made in his bills.

Mr. KENYON. I think perhaps I might be criticized in regard to some of the pension bills I have introduced, though I confess that my feelings as to the soldiers of the country are such that I do err there sometimes. I can not scrutinize very carefully bills to care for these men in their old age. That is a constantly diminishing payment. But a few years more can we do anything for them.

Mr. THOMAS. I am not offering criticisms of particular bills, except as I am compelled to do so in this running course of comment. The Senator's explanation of these bills, which is perfectly satisfactory as regards those to which he calls my attention, reminds me, however, of a fact which I think he will concede—that every measure calling for money from the Treasury is defended upon the ground that it is essential for that particular object, and essential now; also, that in itself it amounts to comparatively little, and therefore will not make any material difference in the aggregate of appropriations.

In that way, Mr. President, we are led to make expenditures the aggregate of which is enormous. We forget that the combination of a few sums produces a result which is frequently not only out of all proportion to estimates, but so large as to be positively startling. The accumulation of money is something to which very few pay heed unless their attention is specifically directed to it. Few of us recall, except when reminded, that some of the greatest corporations in the world to-day, and certainly in this country, depend for their expenses and their dividends upon the receipt of small amounts of money from enormous aggregates of population.

For example, the subway in New York, capitalized at hundreds of millions, paying large dividends and employing a great many people, has a revenue prodigious in amount, but made up of 5-cent pieces. The nickels of the millions, accumulated in the coffers of that great corporation, produce at the end of each year an aggregate sum of money which the imagination can not grasp and of which the mind can hardly conceive; and those who were far-sighted enough to realize that fact are those who have benefited by and through the organization and control of the corporations to which I refer. What is true of them is true of the administration of public affairs, and always will be true.

Mr. President, let me say that this tendency to the increase of public expenditures is not peculiar to the present Congress or to the preceding one. It is not peculiar to the Congresses preceding the Sixty-third. It has been a growth in constant, sometimes increasing and sometimes decreasing, progression, but a constant growth from the inception of the Government, and it is one of the things for which Congress is only in part responsible; for I affirm that the people of this country do not in the mass require economy in the administration of their financial affairs. The constituents of the Senator from Wyoming, the constituents of the Senator from Iowa—some of whom doubtless are denouncing him for opposing this identical bill—my own constituents, the constituents of every Senator in this body, the constituents of the Representatives at the other end of the Capitol, are constantly besetting us and them, in season and out of season, demanding appropriations for this, that, and the other object. It has gone to such an extent, Mr. President, that State lines are disappearing, and the States themselves are surrendering their prerogatives and their sovereign power in exchange for appropriations from the National Treasury.

Mr. WARREN. Mr. President——

Mr. THOMAS. I yield to the Senator from Wyoming.

Mr. WARREN. I ask the Senator if the decreases that he mentions have not been infrequent and confined to periods following a war or some emergency of that kind? Has not the rule been an increase every year, with those few exceptions?

Mr. THOMAS. They have generally followed panics. But they have been increasing constantly; and the avidity of the public for Government money grows by what it is fed upon.

Mr. WARREN. That is true, Mr. President; and without wishing to differ with the Senator altogether, it is going to go on continuously in the future. The country is growing. The country is going to exact more and more. It is going to get more and more. There is no use in charging it altogether to any political party.

Mr. THOMAS. I do not.

Mr. WARREN. Although, as a matter of fact, the Senator will admit that since the change in the last two and four years the increase has been greater in percentage; but I presume that is because those who were in the minority were hungry, and, when they became a majority, demanded the loaves and fishes which they had been waiting for. We must recognize that, and they have been more extravagant than those who preceded them, but all have been extravagant.

My own opinion is that we can not protect ourselves altogether, and should not protect ourselves, perhaps, against some growth in expenses. It is simply a matter of judgment as to how much of that increase we are going to say is necessary and how much is not necessary; and the Senator is very properly calling our attention to expenditures in which he thinks we are traveling too fast.

Mr. THOMAS. I think, Mr. President, that the Senator is absolutely correct when he says that neither of the great parties of this country, no party that has ever been in power in this Government, except in the sense that because it is in power it is responsible, is actually responsible for the large increase in public expenditures. Congressmen, like other people, are human, and they yield to pressure; and in these days when the popular conception of our Government is that it is a huge reservoir of money, to be paid out to each and every man who desires it or who needs it, it is perhaps a subject of remark that we have not been more extravagant than has been the case.

I may say in this connection, however, Mr. President, that I think the very large immediate increase was more apparent in the administration of President Roosevelt than at any time before or since. I think during his administration the civil service was increased in number by one or two hundred per cent, and the various activities which the Government entered upon during the administration of that very active President naturally increased the amount of expenditures, and consequently the amount of our appropriations. But there, too, was a yielding to that public pressure which, constantly exerted, necessarily finds ultimate expression in this Chamber and in the House of Representatives.

Mr. KENYON. Mr. President——

Mr. THOMAS. I yield to the Senator from Iowa.

Mr. KENYON. I am deeply interested in the philosophy which the Senator propounds concerning the American people and their desire or want of desire for any economy and their desire to have their money spent. I can agree with the Senator from Colorado, I think more perhaps than with any other Senator in this body, generally, but I can not believe that can be true. If that is true, when we meet in conventions, both parties representing the people and fresh from the people, conversant with their ideas and what they want, why do we say, both parties—your party said in the Baltimore platform, as we will say in the Chicago platform—that we are in favor of economy and a reduction of offices? If that is not what the people want, why do we say that?

If the Senator is correct, why do we not say in our platforms that we will appropriate all the money we can raise by any form of taxation and go to the people on that kind of a

platform? Does the Senator believe that any party could win on that platform?

Mr. THOMAS. Oh, no. Macaulay once said that you could practice wickedness and immorality with impunity, but the moment you began to preach it your doom was sealed.

Mr. KENYON. Does the Senator believe that the American people are not in favor of any economy? Does he believe that the public conscience of our people is such that if a State or a district can get appropriations out of the Public Treasury that is all the people care about?

Mr. THOMAS. Why, Mr. President, I will try to answer that, but I can not answer it categorically. There is an old saying with regard to some men that they are "in favor of the law but against its enforcement." Now, I have not any doubt that the people theoretically are in favor of economy. I have not any doubt that their indignation rises sometimes to an extreme when they are brought face to face with the aggregate of public appropriations. The Senator's people are in favor of economy, and earnestly so, but they want the appropriations which they desire for their own State exempted from the general program. The people of my State are in favor of economy, sincerely and earnestly so; but they naturally desire those appropriations designed for the benefit of their community, upon the assumption that they are necessary, to be exempted from the general program; and that, of course, is the universal condition. In effect it so operates as that nothing is exempted. It is just that condition which confronts the majority in the formation of a tariff bill taking in all the schedules, even a Democratic tariff bill for revenue only. Among the strongest advocates of the reduction of duties are those who want their own business exempted from the operation of the general law, and they are sincerely in favor of tariff reduction. It is the impossibility of economizing by piecemeal, by locality, and the consequent inevitable tendency toward the making of omnibus bills framed to include all these things and all these communities which produces extravagance.

When I say that the people are not in favor of economy, I have reference to the practical operation of their economic ideas upon financial legislation. For example, some time ago I received a letter from a constituent very much interested in a bill pending before the other House, and which he wanted me to introduce here, calling for some $5,000,000 for the construction of a needed piece of railroad. This gentleman called my attention to the fact that the bridging of the gap which this small section of railroad would effectuate would open up the coal deposits—and they are enormous—in the southwestern part of Colorado and the agricultural and mineral possibilities to the southwest and give them direct communication to Los Angeles. He also urged with perfect sincerity that it was an essential element in the scheme of preparedness, since this coal would be needed, in case of a foreign war, for our battleships and battle cruisers and submarines, and so forth, upon the Pacific coast.

I answered, calling attention to the enormous demands now being made upon the Treasury, to the fact that it was proposed to increase our Navy and our Army, and consequently increase taxes, and that our people should not only practice but preach and urge upon their representatives the strictest economy. The correspondent replied that that was true, and that he not only desired it but would hold me responsible, as far as he could, for it; "but here is something that must be exempted from the operation of this principle. We need the railroad. It is essential to our community life. It is essential to the great scheme of preparedness, and therefore it is not extravagant."

Mr. President, that incident is not only duplicated but multiplied infinitely and indefinitely before every Congress that has convened in my lifetime, and it will doubtless be repeated until some method of financial legislation not at present visible even upon the distant horizon shall take the place of the loose and slipshod method which has characterized the American Congress during the life of this Nation.

I wish that both parties could recommend and insist upon the adoption of what is called the budget system. It may not be the best but it seems to me to be the only solution of this problem, since, by adopting it, the estimates made by those who ought to know will constitute the maximum of appropriations for every year. We may reduce them, but we can not exceed them. On the other hand, too, those thus charged with the duty of financial legislation will see to it that their estimates and the purposes of the appropriations are strictly public in their character, and that the money devoted to the purposes mentioned in the budget will be so expended, and for the public benefit.

That plan meets with opposition from a great many people who are economists in theory, but who seem to apprehend that it may interfere with some exigent appropriation in which they may be interested thereafter. I believe it will work out, and I believe it will come when through the increase of taxes—direct taxes, I hope—the additional burden placed upon the backs of the people will cause them to realize that they can not keep their apple and at the same time eat it; and if increases come with a decrease in our present tide of prosperity, then many of the public now clamoring for appropriations will be the loudest in their denunciations of Congress for its extravagance.

I repeat, Mr. President, lest I be misunderstood, that I merely wanted to call the attention, and I think I have called the attention, of the Senate to the fact that in regard to the introduction of bills for appropriations, the sums desired and required and asked for, honors are practically easy on both sides of this Chamber.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Texas?

Mr. THOMAS. I yield.

Mr. SHEPPARD. I wish to call attention to the fact that the total annual expenditures of the United States Government, large as they may seem, are only five or six times larger than the total annual expenditures of the city of New York; and that the expenditures per capita of the city of New York are about $40, while those of the Federal Government are about $10 or $12.

Mr. THOMAS. That is true; and the Senator might add that the interest-bearing bonded debt of the city of New York is several hundred millions larger than the interest-bearing bonded debt of the Government of the United States. That money was and is being expended in a system of public improvements made necessary by the requirements of an enormous and congested population. It is raised by the issuance of bonds. That tremendous burden is thus very largely postponed and placed upon the shoulders of posterity. There is a day of payment coming for that, Mr. President; and if the sums of money being expended, as the Senator has reminded me, were required to be raised by direct taxation upon the principle of "pay as you go" their enormous total would disappear.

It is always easy to spend money at somebody else's expense. The easiest thing in the world is to have a good time on the money of others; and the tendency of the people of this generation and the preceding one, not only in the United States but everywhere, is to spend all the money they think they need at the expense of posterity, and let our children take care of the burden. We will indulge in luxury and in riotous living. These enormous incumbrances will not mature until long after we are dead and gone, and either enjoying ourselves somewhere else, or the contrary. Let posterity struggle with that problem.

It is upon this principle, Mr. President, that many people propose to pay for this system of preparedness—by issuing bonds, taxing the present generation only for the amount of interest, and, to use a common expression, "passing the buck" to posterity. There will be a day of reckoning some time between the public creditor and the tax-paying debtor. I hope it may never come with disaster as its attendant. There are no signs of it at present; but when we reflect that the expenditures and, consequently, the indebtedness of the cities, counties, municipal districts, school districts, and States is increasing by leaps and bounds, and that when a bond issue matures it is generally paid by the substitution for it of another bond issue, carrying, possibly, some different rate of interest and expiring 50 or 60 years hence—a practice which can not go on forever—and that each succeeding issue adds to the sum total of the aggregate indebtedness of the people, and that our total interest-bearing burden for city, county, State, and national indebtedness runs into the billions, and then reflect that there must be a day of payment, and that the source of payment is taxation upon the productive and consuming energies of the people; there are problems gathering for which we are responsible but which other generations must solve. These are dark and sinister in contemplation, and I fear are potent for trouble to those who will succeed us upon this stage of action.

Mr. President, in connection with these expenditures, of which this bill forms a part, I want for a moment to speak upon the coming tax increase. This bill will pass. I do not think there is any question about that. It is not a party measure. It is going to pass by the votes of Republicans and Democrats, most of them from the States receiving these appropriations, some of them from States not receiving the appropriations. I have no doubt that the flood-control bill, carrying $45,000,000 or $50,000,000, which came over yesterday from the House, will also pass; and, of course, when we come to the increase of the Army and the Navy, with the hundreds of millions of additional appropriations that they will carry, not only for this year but

as a continuing expenditure, I want to ask my friends upon the other side if they have considered any of the problems of increasing taxation to meet these enormous sums?

Of course, I am aware that the responsibility for such legislation is here; that it is one of the issues and conditions that power must necessarily assume; and that, whatever the merit or lack of merit in such legislation may be, we will receive treatment accordingly, and particularly from our historic adversaries. Yet it seems to me, Mr. President, that when our friends on the other side participate in the enactment of bills like this they ought to join with us, at least to the extent of considering carefully and giving us the benefit of their wise counsel with regard to methods of securing added revenue.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Colorado yield to the Senator from Illinois?

Mr. THOMAS. I shall be glad to yield to the Senator.

Mr. SHERMAN. I will state, in response to the query of the Senator, that I have been considering very seriously the sources of revenue and the methods of raising sufficient funds to meet these enlarged expenditures, and, if the Senator will permit me to do so, I will state three sources as to which I have arrived at a conclusion.

Mr. THOMAS. I shall be very glad to hear the Senator state them.

Mr. SHERMAN. One is to increase the customs duties until about 40 or 45 per cent of our expenditures shall be raised from that source. Another is to readjust the income tax. A third is to enact a proper inheritance tax, with a division of the inheritance tax between the States, in which probate and laws of descent are provided, and the General Government.

Mr. THOMAS. I am more than obliged to the Senator for his suggestions. With regard to the first suggestion that, of course, is one which the policy and practice of the Republican Party ever since it became a dominant factor in administration has pursued, and one to which he very naturally and from their standpoint very properly turns when matters of revenue are considered. We are opposed to it, and without saying anything controversial upon the subject at this time, I think I owe it to the Senator to say that one reason, if not a principal reason, for my objection is, that it involves a method of indirect taxation which I think is a most pernicious principle. It hypnotizes the energies and the activities of the man who pays it in so far as the expenditure of that money is concerned. If a man pays taxes unconsciously he is not particularly concerned about the manner of its expenditure. Not being conscious of the burden, he takes upon himself no worry as to the manner in which the money may be disposed of.

I think that one reason why our State governments are less extravagant than our National Government is due to the fact that they depend for their revenues upon a system of direct taxation. The citizen must walk up to the captain's office and put his hand in his pocket and take out and pay over his money and he knows the effect of it, it is something real, but if he buys a pound of sugar or a yard of calico, or some other dutiable article the indirect import tax is both small and unnoticed. Hence the tendency to extravagance and liberality in appropriations is inevitable when a system of indirect taxation prevails.

I am in thorough accord with the Senator from Illinois with regard to the other two subjects to which he refers, and without going into them very extensively, I also believe in a good, round tax upon munitions of war, or rather upon those who manufacture them, so that the prodigious profits which are always made in those contracts may contribute, and be made to contribute very liberally, to the objects and purposes for which the added expenditures are incurred, and to meet which these extra taxes are required.

Mr. WARREN. The Senator will, of course, agree that that would be of a temporary nature, because the war we hope will not continue always.

Mr. THOMAS. No, Mr. President; I do not think it will be of a temporary nature unless the Government goes very largely into the manufacture of such munitions as it needs. The furnishing of war supplies is continuous. If we are to-day threatened with war, and I have my own views about that, and because we are threatened with war or because there may be a possible menace from some direction, we must add to our expenditures by way of preparation to the extent of two or three hundred million dollars now, and more next year; the same cause which induces us to take this new step will require us to continue in that direction. Of course, if there were a time when these things would cease to be demanded the tax would very naturally be eliminated; but so long as there be institutions making profit upon our need for preparation, just so long should the Government lay its strong hand upon their resources and require them to contribute, and contribute liberally, to the meeting of the bill.

Mr. President, let me now turn for a few moments to the bill under consideration. I have stated that I had no intention to refer to any specific items in it—that would be invidious—nor, indeed, to any of the States that are interested in the sense that these items to a greater or less degree are to be expended in them. I shall not allude to them nor to the Territory; but, speaking collectively, the bill provides 286 specific appropriations for the improvement of rivers and of harbors in 29 States and 4 Territories of the Union. Its benefits are to be distributed over these various Commonwealths in a greater or less degree of impartiality and reaching from one ocean to the other. It carries a total as amended here of $40,889,935, together with authorizations of continuing contracts amounting to a sum in excess of $2,000,000 more, or a grand total of $42,934,885.

The bill is entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes." To my mind, it is largely for other purposes.

I think, Mr. President, that it is no more than due to those framing this bill to say that it is probably cast as economically as it was possible under the circumstances and at the same time secure the passing of any bill at all. It should also be said that there is nothing new in this method of legislation, the grouping together of items from different parts of the Union into one bill and through that operation bringing to its support as an entirety votes which otherwise could not be obtainable at all.

There is nothing new, Mr. President, in this legislation, even as regards the American people, because I have no doubt that the practice obtained elsewhere before it found lodgment here. But whether that be true or not, it is the natural, inevitable, and unavoidable consequence of our methods of legislation, and particularly our methods of financial legislation. The practice has had various appellations in various parts of the country, logrolling being one of them. The public, for reasons satisfactory to them or for no reason at all perhaps, have fixed upon one designation for bills of this character and then wrongfully confined it to only two or three of the supply bills which pass Congress at every session. They are known as pork-barrel bills or pork bills. This may and doubtless does carry a term of reproach with it. That reproach, however, should be cast on each and every supply bill.

I have said such legislation is unavoidable, and that it always will be unavoidable until our methods of financial legislation are radically changed. Hence nothing should in any sense reflect discredit upon the authors of this measure, either because of the public estimate of its character or because of its inherent structure, since the method did not originate with them; and certainly nothing that I say by way of criticism is designed to carry any sort of personal tone or note with it.

But, of course, Mr. President, unless some effort is made either to circumscribe or to terminate this method of procedure it will naturally and necessarily continue, and continue in aggravated form. Indeed, as I have just stated, it is not peculiar to this bill. I do not know of a single appropriation bill of any consequence to which the reproach does not also apply. Take the Agricultural appropriation bill, the Indian appropriation bill, the Post Office appropriation bill, the legislative, executive, and judicial appropriation bill—any and all of them—they are covered, and the practice is increasing of covering them, with so-called riders carrying appropriations for this, that, and the other object or purpose quite as reprehensible and becoming quite as common as the items in what is generally known as an omnibus bill. If one be "pork," so is the other.

There is another reason for it, which consists in the fact that in national legislation the title of a bill has nothing to do with its subject matter, or at least if there be any relation between the two it is sometimes extremely remote. I think that every State in the Union, or nearly every one, by its constitution requires that all bills except general appropriation bills shall be confined to one subject only, and which subject shall be clearly stated in the title of the bill.

The fathers who framed our Constitution did so at a time when the evils of legislation consequent upon the power to include all subjects or any subjects in bills regardless of the title were not as manifest as they have since become.

Personally I believe that no greater service could be done to the people of the United States than by giving them an opportunity to amend their Constitution by expressly limiting all bills except general appropriation bills to one subject, and requiring that subject to be stated clearly and distinctly in the title. That would make a great many of these evils of Federal

legislation absolutely impossible. Every bill that passes this body and carrying appropriations convinces me more and more of the prime need of resorting to the budget system in one direction and of amending the Constitution with regard to our legislative procedure in the other.

I think it is safe to say, Mr. President, that a very large proportion of the items in this bill would be voted down if they could be submitted to a separate vote. I believe there are many items in this bill carrying appropriations in some of the States of the Union which would not command the support of the Senators from that State if a separate vote upon those items could be secured. But because other appropriations are desired, because still other appropriations are absolutely essential, and because in order to get them we are obliged to attach those which are neither essential, necessary, or just, they find their way into the Treasury in conjunction with the beneficial items.

Now, that is wrong. No man can defend it. No man tries to defend it. Yet we practice it, all of us, the Speaker not excepted, and we practice it because it has crystallized into a custom which claims to be respectable through precedent and the lapse of years. But there is no reason, Mr. President, why, because of that fact, essential changes should not or could not be made.

Now, this bill is somewhat like the situation before the dawn of creation. It is chaotic; there is nothing systematic about it, and it is wasteful, extravagantly so, with regard to many of its items, since their expenditure in no sense improves navigation or even has a tendency to improve it. That is self-evident, it seems to me, when we consider that these appropriations are made with painful and unfailing regularity every time a bill of this kind comes up for consideration, and backed by the same arguments. Indeed, they are strengthened, not only by the same argument but by the fact that each recurring appropriation establishes another precedent for its renewal as the occasion may permit.

If these items were correlated, if they were a part of some intelligent or established system with an ultimate design of general improvement or benefit, it would be extremely questionable, to my mind, if we would then be justified in making the appropriations for them. But they are not. They have no more relation to each other than the Congress of the United States has to the Mexican zodiac. Some are along the Atlantic seaboard, some in the Mississippi Valley, some away out on the Pacific coast, some on the Gulf of Mexico. I am speaking particularly of those appropriations that are made to improve rivers, some actual and others rivers by courtesy, not so much of those to improve harbors, for they need not be and seldom are connected up in any way, although a system of financial legislation regarding them might well be systematized, and thoroughly systematized, so that the expenditures would be beneficial, not in part but as an entirety.

Now, Mr. President, if this bill and the purposes it is to subserve are desirable and the bill were drawn upon intelligent and systematic lines, the fact would be established better by pointing to the benefits resulting from preceding legislation of a similar character than in any other way. In other words, if by this method of legislation we are developing a system of river and harbor improvements to the benefit of our interstate commerce as well as our local traffic the facts would be abundantly shown, irrefragably shown, by the operation of similar expenditures during the 25 or 30 years that have elapsed immediately prior to the commencement of this Congress. Yet what do we find? Improvement, increased expansion of our river traffic? The development of commerce along these watery highways and their adjustment to or their competition with land transportation? Has anyone contended or claimed that for the some eight hundred million and odd dollars expended upon this scheme or system we have either an industrial condition or a traffic system or both commensurate with these enormous expenditures? Not at all.

Mr. President, the only approach to it, if I correctly comprehend the arguments to which I have listened upon the subject for the last two or three years, is that by the improvement of our rivers through national expenditure the railways of the country are unable to fix traffic rates as high as would otherwise be the case, and that the consequent indirect benefit is so great as to justify not only these but larger appropriations.

The distinguished Senator now occupying the chair [Mr. MARTINE of New Jersey in the chair] the other day called attention to the beneficial effects of rivers and harbors improvement in his State upon the rates charged for service upon some of its waters, and I have no doubt that this local benefit in the particular instances exists; nor have I any doubt that in such instances and in others of an isolated character and of a similar character the railway rates have accommodated themselves to this water competition.

But, Mr. President, in every instance whatever loss has been thus inflicted by river and harbor bills upon the railways in your State and in other States similarly situated has found compensation in the increase of rates to a far greater degree in those other sections of the country not similarly blessed with water competition either actual or potential.

In my State, which is the stepdaughter of the Republic in railway estimation, where even potential water competition does not exist, the losses to the railways of New Jersey and of other States where water competition exists are more than made up by the schedules upon traffic in Colorado and the other mountain States, and perhaps some of the other States as well.

We have had many discussions in Colorado at times of depressed financial and industrial conditions regarding their causes and how they could be overcome. We have attributed hard times and lack of prosperity to many things, and doubtless rightfully to some degree. But inevitably, Mr. President, we reach one conclusion, one goal, Democrats, Republicans, Progressives, black, white, Jew, and Gentile, which is the discrimination in rates upon traffic, putting us at a disadvantage with competitors elsewhere.

We have a railroad running from the city of Denver to the harbor of Galveston, downhill all the way. Yet the freight rates upon that road are so cunningly devised that it costs more to send freight from Denver down to the sea than it does to haul it upgrade from Galveston. It costs us 35 cents a hundred more to send Colorado sugar to San Francisco than it does to bring California sugar to Colorado.

So, Mr. President, I might go on enumerating specific rates with regard to many articles. The freight rate upon many articles from the Pacific coast to Denver is neither more nor less than the freight rate upon them from the Pacific coast to New York or Boston. Per contra, the freight rate from New York and Boston to the Pacific coast is much greater than the freight rate, generally speaking, from New York and other Atlantic common points to Denver and to Salt Lake City.

These are instances or illustrations of the manner in which local differences and competition resulting in decreases of rates is compensated for, and if it is true—I hope it is, and I have great respect for the assurances of those who so declare—that the general effect of these huge expenditures in river and harbor improvements is to lower local rates that otherwise would have to be paid for competing land transportation, then I concede some local benefit resulting from these expenditures. But if it be true generally, I ask why should we continue our Interstate Commerce Commission? Why should we continue the expense of local commissions—and nearly every State in the Union has them now—for the regulation of these public utilities and to restrain them from the imposition of extortionate rates, if we can accomplish the desired results so easily by the expenditure every year of only forty or fifty million dollars of public money in the improvement of rivers and harbors?

I do not think we derive any general benefit, Mr. President, from these expenditures. I notice that the authority and jurisdiction of the Federal Interstate Commerce Commission, which in some respects has failed so far to accomplish the purposes for which it was created, and which does not cost more than three or four million dollars a year, speaking very roughly, of course——

Mr. CLARKE of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Colorado yield to the Senator from Arkansas?

Mr. THOMAS. In just a moment. Yet the Interstate Commerce Commission has done more to relieve the people from the evils of discrimination in transportation both as to communities and as to individuals than all the river and harbor bills that have been enacted into law since the beginning of this Republic or that may be enacted in the future. I yield to the Senator from Arkansas.

Mr. CLARKE of Arkansas. Does not the Senator know that the railroads do not make the rates in cases where they charge more for a short haul than for a long haul? Such rates are permissive to them. They must be in each case permitted by the Interstate Commerce Commission. Is the Senator familiar with the process of reasoning by which the Interstate Commerce Commission reaches the conclusion that that is now a just way to fix rates?

Mr. THOMAS. I am familiar with it, Mr. President, as far as a man can be familiar with an intricate process of speculative reasoning. The reasons given have never appealed to me very strongly, but, generally speaking, the basis of the regulation to which the Senator refers is due to competing

railroads of different length between the same points or to transcontinental railroads suffering under the same differences with regard to mileage and supposedly confronted with water competition.

Of course, traffic has something to do with it. I have always believed that the railroad which can haul cheapest should be permitted to do so, notwithstanding the fact that railroads of greater mileage competing with it are obliged to charge considerably more, and for this reason, that the rates on the business which is local to each one of the lines make up the difference in every instance, or at least the effort is made to so fix such rates as to give the compensation in almost every instance where the short and long haul rate was authorized by the Interstate Commerce Commission.

Mr. CLARKE of Arkansas. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. CLARKE of Arkansas. In order that the Senator may understand more distinctly the phase of the question to which I desired to direct his attention, I will call attention to a statement of a case given by the senior Senator from Utah. He says that the freight on the supply of steel out of which a building in Salt Lake City was constructed cost, from Pittsburgh to point of delivery, $100,000 more than the freight on the steel for an identically similar building constructed at Seattle cost.

Mr. THOMAS. That is correct.

Mr. CLARKE of Arkansas. How does the Senator explain that? I should have said that the shipment to Seattle passed through Salt Lake City en route to Seattle.

Mr. THOMAS. I am glad the Senator made the second interruption. That practice is defended or permitted upon the theory that water competition between the Atlantic and Pacific coasts makes it necessary, if I understand correctly; in other words, what might be called potential water competition prevails on the coast, which is therefore favored with the lower rate. In fact, I once listened to an argument before the Interstate Commerce Commission a good many years ago, in which I participated to some degree, where that circumstance was iterated and reiterated by the attorneys for the railway companies. That is the reason also given in a number of the decisions which I can not recall by name, though I remember the Spokane case quite distinctly. In so far as the cities upon the two extremes of the continent are concerned, there is no question about the fact of a possible or potential water competition which, if no other compensating elements entered, might justify that situation; but, Mr. President, until recently, at any rate, this water competition was in fact wholly supposititious. I concede that it was potential, but actually it was imaginary, because the railways owned or controlled the lines of steamships which alone could create the competition.

I recall that a number of years ago the Southern Pacific Railroad Co., which was then practically in control of the Pacific Mail Line of steamships, entered into a contract with it whereby the road agreed to pay, and did pay, the Pacific Mail Steamship Co., in consideration of its refusal to haul any freight, or practically to haul no freight at all, more money than it could possibly earn if its vessels made their voyages with full cargoes each way; in other words, it received more money from the treasury of the Southern Pacific Railroad Co. for doing nothing and allowing its vessels to practically lie idle and rot away in the harbors than it could have made in competition with their vessels loaded to the decks on every voyage; and yet the Southern Pacific Railroad Co., in the face of that condition, successfully contended for its transcontinental rate in conjunction with the other transcontinental railroads, on the ground that the potential competition threatened by the ability of capital to establish new and independent lines of steamships between the two oceans, and which probably would be established if this long haul were not to be made or permitted at prices lower than some of the short hauls. The argument prevailed, and in consequence of it the desired rulings were made.

But, now, Mr. President, how do the railways operate under the ruling? How have they operated until interfered with, not by river and harbor bills—because they were being enacted at that time, just as they were before and have been since—but by the authority of the Interstate Commerce Commission? It was my fortune to represent a number of large interests in Goldfield, Nev.—which, roundly speaking, is about 500 miles from San Francisco—in the early days of the development of that camp, when it needed machinery and building material, in fact, everything that a community needs for existence in these modern days. They got most of it from San Francisco, though a great deal of it was obtained from the East. The rates of the Southern Pacific Railroad upon all traffic from the Pacific coast to Goldfield were virtually the same as the rates upon traffic from the East to Goldfield, which were calculated, first, upon the basis of the through route to the coast plus the local rate back to the city of Goldfield, and the additional freight charge thus imposed upon the consumers in Goldfield, Nev., in those days was equal to the freight rates from New York to South Africa by way of San Francisco. That is but one instance.

I do not know of any exception to the rule, that interior towns, large and small, and away from the coast, were always required, nothwithstanding the rate to the coast, to pay that rate plus the local rate back to the point of delivery, although, of course, the route of the freight terminated at the point of delivery, and did not go to the coast at all.

If this bill could regulate such conditions as that, I would not say a word against it; I think it would be worth to the people of this country, to the consumers and producers, everything that it calls for; but I am not convinced, Mr. President, that it does it or that it even tends to do it.

I might, in further answer to the query of the Senator from Arkansas [Mr. CLARKE], say that the potential water competition producing these reduced rates from coast to coast is ocean competition, which needs no river and harbor improvement. It may need some harbor repairs, of course, at the receiving and delivering points, but it needs none of this internal improvement; and the great bulk of the appropriations of this bill is for improvements or for purposes having no relation whatever to the underlying reasons for the long and the short haul.

Mr. President, if the items of this bill were correlated or could be correlated, it would at least escape the criticism of lack of systematic structure; but that is not the case. The appropriation for Sunflower River in one State is entirely independent of the appropriation for Shallow Bag Creek in another State; the appropriation for a small stream in the State of Washington has nothing whatever to do with a similar appropriation for a small stream in the State of Kentucky. In none of them, Mr. President, is there any correlation between the improvement itself and the other systems of transportation which doubtless exist in that vicinity.

I thoroughly believe—I may be mistaken, but I am convinced—that until the time comes, if it ever does come, when the railway or land transportation of this country is correlated or connected with our proposed water system of transportation there will be no water traffic at all to speak of. It is a remarkable fact that traffic upon our rivers decreases as the appropriation for their improvement increases. They seem to be in inverse proportion to each other. When these bills reach an appropriation of $150,000,000 there will not be a ton of traffic in this country transported by water unless the present relation between traffic and expenditure shall assume a different form and a different proportion.

The Senator from Louisiana [Mr. RANSDELL] the other day called attention to the wonderful system of improvements of water courses and harbors in Germany and declared that we should emulate the example of that most efficient people in the world, be guided by their experience, and therefore reach the same desirable results. To that I cordially subscribe in so far as the material conditions of Germany are concerned and without any reference to its political affairs or its form of government. There is no question, Mr. President, but that that great people are, in the development of their commerce, their industry, their manufactures, their resources, and all that contributes to the material welfare and comfort and civilization of a people, the most wonderful and efficient nation in the world. During the last 40 years, which is almost the life of the German Empire, it has developed a system of industry, of commerce, a system of growth and of development, a system of industry in all its varied branches, including the education of its youth, the development of its cities, the government of its municipalities, that has no equal anywhere in the world, and to which all nations might well aspire; and I venture the prediction that when this war is ended, even should it end with the defeat of the German Empire, that nation will be the first of the great nations involved to recover its poise, to get upon its feet, and to set about in a systematic way the reconstruction of its industries, its trade, its political and commercial status.

That wonderful people, Mr. President, realized by intuition, as it were, that river and harbor improvement was worthless unless it could be coordinated with the system of transportation by land. Not alone for that reason, because this is a military people, and is actuated in the last analysis by military reasons and demands, for practically every step that it has taken in any other direction has had the military purpose in view, but, partly for that reason, one of the first steps taken by the newly created German Empire was the nationalization of its

system of railroads; and with the exception of a few lines in some of the smaller States, it is, and for years has been, the owner of all the railroads in its dominions. A recent work by Frederic C. Howe, entitled "Socialized Germany," one of the most remarkable and, to me, one of the most interesting books I ever read, which was written just before, but published just immediately after, the outbreak of the European war, gives some interesting information upon this subject. I read from page 104 of this work and from chapter 7, which is entitled "The State-owned railways," a short extract, as follows:

"German railroads," says an English observer, "have largely contributed to the prosperity of German industry; the British railways have largely contributed to the decay of British industries. In Germany trade policy is made by trade; in Great Britain it is made by the railroads, which, without consulting the trade, prescribe its course, stimulating it here and stifling it there."

If that were written of this country it could not be a truer statement of our own situation; and I may remark here, by way of digression, that there is no interrelation between the British railroads and the British waterways, either natural or artificial, and consequently no great amount of water traffic, comparatively speaking—and by "comparatively speaking" I mean by way of comparison with Germany; and Britain in this regard is more in our than in Germany's situation.

The next chapter in this work refers to canals, waterways, and free ports, and to my mind is the most interesting chapter in the entire work, except that upon education. I read from page 121, as follows:

Waterway development, as a means of cheapening freights and the development of inland centers, has gone hand in hand with the extension of the railways, and in recent years the waterways have been receiving the greatest attention. This is remarkable, in view of the immense profits which the State receives from the operation of the railways, which profits have undoubtedly been materially reduced by water competition.

The program of waterway development has been thought out for many years to come and on a most elaborate scale. It includes the linking up of all the great ports of ocean entry with the rivers and inland centers by ship canals and river systems, capable of carrying very heavy traffic. In addition, splendid harbors have been built along the Rhine and on the North and Baltic Seas, with free ports at Hamburg, Bremen, and Lübeck. A network of canals is to unite the Rhine, the Danube, the Oder, the Weser, and the Meuse, of sufficient dimensions to carry large craft. Already the register of canal boats has been raised from 150 to 600 tons. Transportation by canals and rivers is closely integrated with the railways through splendidly equipped terminals, which facilitates the easy transshipment of freight from one to the other, while the larger towns on the rivers and ocean harbors have built the most completely equipped docks and warehouses for the development of trade and industry.

Is there any spot in this favored country, Mr. President, where "the railways, through splendidly equipped terminals," facilitate the easy transshipment of freight from themselves to the waterways or to the harbors? If so, it is because the railways own the wharfage facilities in that spot, and thereby control those lines of steamships and sailing vessels with which they interchange traffic.

The Senator from Iowa [Mr. KENYON] called the attention of the Senate the other day to the almost universal railroad ownership everywhere of the river fronts and water and harbor fronts where the great railway systems center to receive and discharge their freight—owned for the purpose of facilitating water navigation and water traffic? No; but for the purpose of stifling it or of controlling it, and never for the purpose of utilizing it, except when it is to the advantage of the railroads.

This author then gives the marvelous growth of the water traffic under the German system, and proceeds, on page 122:

A comprehensive imperial waterway program was authorized in 1905. It includes two great undertakings—one, the Rhine-Weser project, for a canal to connect the former river with the Dortmund-Ems Canal, from the latter to the Weser, the enlargement of other canals, and the canalization of the River Lippe, the estimated cost of which was $62,687,500.

I ask leave, Mr. President, to insert, without reading, page 124 and the first two lines of page 125.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

The most notable features in the act of 1905, authorizing the Rhine-Weser and Oder projects, are the wide powers of expropriation of adjoining land reserved to the Government and the provision for a State monopoly of the towing service on the Rhine-Weser Canal and its branches.

In view of the improvements in transit facilities on the main rivers (Rhine, Oder, Weser) and some of their tributaries, the Agrarian Party, which has opposed waterway development because of fear of agricultural competition, insisted that dues be paid "on rivers regulated in the interest of navigation." Prussia promised this amendment without consulting the other States, although it involved an alteration in the constitution, which expressly prohibits dues on the natural waterways of the country. But the constitution was changed and the other States were induced to acquiesce—Bavaria, for example—by the promised canalization of the Main. The plans include a river board for each river, upon which all the principal interests concerned should be represented, and the dues to be charged were to be uniform on all the rivers. The Government claims the purpose of the dues is not to earn surpluses for the State, but to cover actual costs by an "inconsiderable addition to freightage rates."

In the construction of these great canal projects "rivers are crossed, ascents and descents of hundreds of feet are made with facility, and ships lifted and lowered bodily in troughs instead of by the old and slow method of locks.

Mr. THOMAS. On page 125 the author continues:

So comprehensive is the waterway development that goods can be sent from the mouth of the Rhine direct into Switzerland and the south of France in one direction and to Wurttemberg, Bavaria, and Austria in another. Merchandise bought in Hamburg can be dispatched by river and canal every yard of the way from that port to Berlin, or even to Silesia in the extreme south of Prussia. The canals have made Berlin, 400 miles from the sea, a great port, second only to the North Sea ports, and three cities on the Rhine.

Of course it will be borne in mind, Mr. President, that railway transportation between these points exists as well as the line of canals referred to, and that both are prosperous because of their cooperation and not because of any competition that is between them or that can exist between them.

On page 126 the author says:

The waterways are used for the handling of heavy bulk freight, such as coal, iron ore, lumber, grain, and the heavier articles of commerce, whose immediate delivery is not important. On these commodities very low rates are charged. And this is one reason why the railway freight rates in Germany are higher than in this country. For the waterways carry one-sixth as much freight as do the railways. Were the heavy bulk freight, which goes by water, subtracted from the freight by rail in America and a comparison made of similar commodities, it might be found that freight rates by commodities were as low in Germany as they are in America.

The canals and navigable rivers are operated in connection with the railways, which are further operated in connection with the docks and harbors, in which every provision is made for the cheap and easy transshipment of freight from one to the other. There is no conflict between water and rail transportation; no conflict between the public and private owners over the possession of the water front. All of these agencies are operated together as a unit for the promotion of the domestic and foreign trade of the Empire. They are all part of a coordinated whole.

It is unnecessary, Mr. President, to quote further from this book upon that subject.

Mr. RANSDELL. Mr. President——

Mr. THOMAS. Just a moment. I have read enough to show the identification, complete and absolute, of the land transportation system with the water transporation system of the German Empire, and that this is the absolute and indispensable prerequisite to any development of water traffic in a country that has both classes of transportation. I now yield to the Senator from Louisiana.

Mr. RANSDELL. Mr. President, I am very glad indeed that the Senator has read the illuminating extracts from the work of Mr. Howe, entitled "Socialized Germany." I think they corroborate exactly what I said several days ago to the effect that the Germans, who are as wise a people as exist in the world, have found it proper and beneficial to improve their waterways and use them as very great carriers of commerce——

Mr. THOMAS. They certainly do.

Mr. RANSDELL. And use them as a most important part of their transportation system. That, I believe, is the conclusion at which the Senator from Colorado arrives.

Mr. THOMAS. Yes; unquestionably.

Mr. RANSDELL. I should like to call the Senator's attention to a state of facts on one of our great waterway systems in this country which I think are almost identical with those in Germany. I refer to the Great Lakes. Until within the past year, if I mistake not, the railroads and the boats on the Great Lakes did cooperate just as thoroughly as they cooperate in Germany. The railroads owned the boats and carried decidedly the greater part of the commerce of the Great Lakes in their own boats; and that commerce last year was about 71,000,000 tons, carried at .071 of one mill per ton per mile, while the average charge for rail transportation of the country was 7.3 mills. So, on our Great Lake system, by cooperation between the rail and water carriers, I think there have been as good results accomplished as have been accomplished in Germany.

Now, I want to ask the Senator this question: Would it not be possible for us to devise some system by which we might get the same kind of cooperation between rail and river transportation in this country as the Germans have on all of their waterways and which has heretofore existed in this country between rail and water carriers on the Great Lakes? If the Senator can suggest such a method, I should be delighted to cooperate with him.

Mr. THOMAS. Mr. President, I can suggest one method, and, I think, the only possible one, and that is the German method—ownership by the Government of the system of land transportation and its consequent compulsory cooperation with water traffic on the waterways.

I do not think that the Senator's reference to traffic upon the Great Lakes is an apposite one. The Great Lakes of the country are more analogous to the ocean than they are to river and harbor systems. Long before the railroad companies monopolized the water traffic of the Lakes that traffic

was enormous, and was carried on by competitive lines, nearly all of which, when properly managed, made great profit. The traffic on the Lakes is more like the traffic from New York and other Atlantic ports to Liverpool and other European ports than it is to the subject matter of this bill.

Mr. President, I think in this connection that it is proper to assume—and I think it can be assumed safely—that if the railroads owned the boats that ply upon our rivers and along our coast line where railroad competition is possible, instead of developing our river traffic and our coastwise traffic it would be strangled, to a degree, and the railroads would do all of the business. That is human nature; that is the result of competition where one of the competing parties has such an enormous advantage; in other words, the private ownership of railroads is wholly incompatible with the use of our navigable streams for purposes of commerce. Railroads in private ownership will strangle water-borne commerce; they will throttle it; they will kill it, as they have killed it wherever it has been possible to do so. On the other hand, by placing the railroads where they were at the dawn of the development of the system, and where they always should have remained—in the hands of the people, as public institutions, subserving a great public purpose, operated for the public benefit—I do not believe we would have had such unsystematic and crude and wasteful methods of legislation regarding the rivers that have characterized such legislation for the last 25 or 30 years.

Mr. President, I am unable to perceive that this method of spending money for the improvement of rivers either benefits commerce or creates it, on the one hand, or that, on the other, it protects and preserves the rivers and the people living near them from the results of floods. Of course, there are exceptions to that statement. The vast sums of money spent upon the Mississippi River and some of the other great water arteries of the country are expenditures which have been called for by the necessities of the country, and particularly of those localities. They have been devoted to the laudable purpose of protecting life and property, but even they, Mr. President, have been most unsystematic and therefore most unsatisfactory. Money for the improvement of rivers either for purposes of navigation or for purposes of protection must necessarily be expended properly, systematically, and intelligently or it can not subserve the purposes of the appropriation. It is practically impossible.

My friend the Senator from Nevada [Mr. NEWLANDS] has on several occasions introduced a measure designed to bring about a systematic and unified treatment of this whole problem. Although the amount of money which he wants for that purpose may be necessary, its amount is so startling to an average mind like mine, which has not yet become accustomed to dealing in millions, the system itself is an intelligent and comprehensible one. He would begin at the source of the streams and, by operating, first, upon the tributaries, conserving the waters, and regulating their flow, not only preserve their natural and normal depth for the purposes of navigation but at the same time equalize that depth through the distribution of waters from these reservoirs during the dry seasons of the year; and, in addition, he would utilize these waters for industrial purposes and minimize the dangers and the destructive consequences of the ever-recurring floods that seem to come with greater frequency as the years go by.

Mr. President, that bill has for its recommendation a system, a plan of development, practically universal in its application, and necessarily leading to the solution of this problem, and I believe it is the only way in which it can be solved. If it were left to me, I would never expend a dollar for the improvement of the rivers of this country for purposes of navigation so long as the railways remain wholly in private hands. I would spend every dollar necessary for the protection of life and property along these streams for the regulation, if not for the prevention, of the flood flow and for the general purposes of navigation consequent upon an equalized distribution of water, checking it at the high periods and allowing it to flow liberally at periods of drought and when the streams are otherwise too low for navigation.

I do not know whether the Senator from Nevada will ever get a substantial consideration of his bill or not. He certainly has the merit of persistence, and that is a most excellent one, particularly in the Senate of the United States, if one would accomplish anything. I am satisfied that if he lives as long as I hope he will he will impress his ideas with regard to this method of river control and improvement, not only upon the country but upon a majority of this body, because, among other things, it will do away, in my judgment, with the necessity, real or assumed, of appropriations such as that I am now considering.

Mr. BRANDEGEE. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Connecticut?

Mr. THOMAS. I yield, with pleasure.

Mr. BRANDEGEE. Perhaps the Senator has touched upon this subject and given the answer, but, if he has, I did not hear it.

The Senator says he would not spend another dollar on the rivers of the country as long as the railroads are in private ownership.

Mr. THOMAS. For purposes of trade and water traffic.

Mr. BRANDEGEE. Yes; for deepening their channels, and so forth, and making them navigable.

Mr. THOMAS. Yes; for the purpose of promoting commerce.

Mr. BRANDEGEE. Now, suppose the Government owned the railroads. Would the Senator then spend money on the rivers?

Mr. THOMAS. Unquestionably.

Mr. BRANDEGEE. Why?

Mr. THOMAS. If the Senator had been here when I quoted——

Mr. BRANDEGEE. I will not ask the Senator to repeat it if he has covered that.

Mr. THOMAS. I quoted a number of extracts upon that subject from Mr. Frederick C. Howe's recent work upon "Socialized Germany," the purpose of which was to show that without the cooperation of land and water transportation the latter was impossible in these days; that you could not develop it, no matter what amount of money might be expended for the purpose, except in limited degree, of course.

Germany nationalized her railroad system very shortly after the Empire was consolidated. She has since then carried on a system of river improvement, canal building, and harbor improvement in conjunction with her ownership of the railroads which she has required to build terminal facilities for the interchange of traffic between the rivers and themselves. She has fixed rates for the railways with regard to what might be called bulk freight, the coarser commodities, that are practically prohibitive, thus forcing that class of traffic upon the rivers; and by her interrelated system of water commerce and of railway commerce she has made both very effective, the railroads paying enormous profit to the Government, and the traffic of the rivers increasing constantly, and bringing many inland cities to the coast by water connection.

Mr. VARDAMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Mississippi?

Mr. THOMAS. I yield; yes.

Mr. VARDAMAN. The Senator has evidently given a great deal of very intelligent thought and investigation to this subject; and I wish to ask him, just at this point, if it is not possible to bring about that cooperation of which he speaks by intelligent, comprehensive supervision by the exercise of powers which inherently belong to the National and the State Governments. It strikes me that cooperation and coordination might be effected in that way; that is, I am sure that we could more nearly approximate it.

Mr. THOMAS. Mr. President, so far as cooperation between the State and the Nation upon any given subject or enterprise is concerned, I think the tendency constantly is for the States to shift the financial burden more and more upon the National Treasury.

Mr. VARDAMAN. Is not that largely due to the fact that the question has not received that exhaustive consideration and study which the importance of it demands? Whenever the people of America discover the advantages which the Senator has referred to as being enjoyed by the people of Germany, it seems to me that it is perfectly natural that they should protect their own interests and bring about this very thing, if the waterways are perfected as it is the desire of all Americans to accomplish.

Mr. THOMAS. Mr. President, I do not know whether or not we could take the German industrial system without taking the German political system. That is a ponderous, serious, and far-reaching problem—whether the autocracy of the Empire is not the cause, and the necessary cause, of that other system of commercial government and expansion to which we have just referred I am unable to say. I confess that if we could not get the system and develop it effectually except by taking the autocracy of Germany, I should prefer our present system, loose and uncoordinated and unsystematic as it is.

Mr. VARDAMAN. Certainly that would not be more objectionable to the Senator than Government ownership.

Mr. THOMAS. I was going to say that I believe that the industrial system of Germany, especially in so far as transportation is concerned, is a solvable problem on land or by sea by adopting the most efficient elements of the German system, and

that we can accomplish it without submitting ourselves to its political methods and political forms of government.

Mr. VARDAMAN. I think there is no question about that.

Mr. THOMAS. But I do not believe it can be done by cooperation between the States and the Nation, nor by any system short of Government ownership; and I have not yet committed myself entirely to that idea, although I confess that as regulation seems to be only partially efficient, I frequently think that it will be a dernier resort of this Nation to take over its great lines of transportation. If I were as devoted to the cause of preparedness as some of my distinguished friends are, I would insist upon doing it now, because military preparation in the modern sense is inseparable from military control of all lines of transportation.

Mr. VARDAMAN. If the Senator will pardon me, he will find that the most active and enthusiastic advocates of preparedness will be the first to raise their voices against Government ownership of railroads or extreme Government regulation of railroads.

Mr. THOMAS. Oh, unquestionably, with some few exceptions.

Mr. NEWLANDS. Mr. President——

Mr. THOMAS. I yield to the Senator from Nevada.

Mr. NEWLANDS. I was very glad to hear the commendatory words of the Senator regarding the measure that I have been urging for so long, and I welcome the clear and incisive expression he has made upon this subject. It seems to me most convincing. I wish, however, to call the Senator's attention to the consideration that the case is hardly as hopeless as he imagines.

Mr. THOMAS. Well, I am not so optimistic as my good friend from Nevada.

Mr. NEWLANDS. Of course I understand that, and I want to make the Senator more optimistic. The Senator seems to have the view that whilst the regulation of these rivers and the incurring of a very considerable expense therein can be justified by reason of the great public benefit that will come from the mitigation of floods and from the beneficial uses to which the water can be put other than for purposes of navigation, navigation itself can not be a success unless the entire transportation system, both by water and by rail, is in the hands of the Government.

Mr. THOMAS. Oh, navigation may be a success, if the Senator will permit me, but the development of our traffic by water routes is inconsistent with private control of our lines of land transportation. That was the idea which I sought to convey.

Mr. NEWLANDS. I feel that we have never yet tested our powers regarding coordination between rail and water transportation; that the Nation has never yet exercised its powers in that direction; that the Nation has not as yet perfected a single waterway in the country as an instrumentality of commerce, involving, as that perfection must, not only the maintenance of a good channel and a steady flow but terminal facilities, transfer facilities, and the control of the relations between rail and water carriers in such a way as to prevent the rail carriers from sandbagging the water carriers and driving them out of business. We have never yet sought to exercise those powers. We have hardly attempted it. The attention of the Interstate Commerce Commission has not been directed to it. There is no use in directing the attention of the country to that question until we have made the waterway as nearly perfect as an instrumentality for transportation as the railway itself is.

They are developing to-day carriers taking the place of the old canal boats that will carry from 1,000 to 2,000 tons; and on the Rhine you will see such carriers, 8 or 10 in number, moving along, propelled or directed by a small tugboat. A boat that will carry 1,000 tons will carry as much freight as a train of 20 cars of 50 tons capacity each.

Mr. THOMAS. Mr. President, I thought I was yielding for a question. I do not want to interrupt the Senator, but I am pretty nearly through.

Mr. NEWLANDS. I wanted to add a little to the abundant information which the Senator has given to the Senate. My purpose was not to ask a question, but to add a little, in a supplementary way, to what the Senator was saying.

Mr. NORRIS. Mr. President——

Mr. THOMAS. I yield to the Senator from Nebraska.

Mr. NORRIS. May I ask the Senator from Colorado if he will tell the Senate how large an amount of money is carried in the bill that he has commended so highly to the Senator from Nevada?

Mr. THOMAS. The Senator from Nevada can answer that question better than I. I think it carries about six hundred millions.

Mr. SMITH of Arizona. Is that all? [Laughter.]

Mr. THOMAS. I think that is all.

Mr. NEWLANDS. In 10 years; only $60,000,000 a year.

Mr. THOMAS. Just a trifle.

Mr. NEWLANDS. A trifle compared with the five or six hundred millions—possibly a little less—that you propose to expend in military preparedness in a single year.

Mr. NORRIS. When the Senator says "you propose," does he refer to me?

Mr. NEWLANDS. Well, that Congress proposes to expend.

Mr. NORRIS. The Senator from Nevada is extremely fortunate on this occasion in being a Democrat. Otherwise, instead of being commended for the great plan that this bill outlines, he would have been held up as one who was trying to rob the Treasury.

Mr. THOMAS. If the Senator from Nebraska so feels, and is so sensitive about my inclusion of his name in the list which I disclosed, he can escape all that criticism, if he is correct, by coming over on this side of the Chamber.

Mr. NORRIS. I do feel very deeply the criticism, but God knows the remedy is so much worse that I prefer to stand it.

Mr. THOMAS. Mr. President, I am sorry the Senator feels very deeply the criticism—very sorry, indeed. He has never tried the remedy, however, and he does not know, therefore, whether it is good or bad.

Mr. BRANDEGEE. Mr. President——

Mr. THOMAS. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. The Senator has stated that if the price of having efficiency of coordination and operation of the rail and water systems of the country to the extent which Germany has attained were the adoption of the German autocratic form of government, he would prefer to take his chances with the existing situation, or with such as may be worked out, rather than to accept that.

Mr. THOMAS. Yes; I would rather be free than prosperous.

Mr. BRANDEGEE. In saying that I think the Senator has touched upon one of the principal reasons that differentiates our problem from that in autocratic governments; and I was going to ask, if the Senator wants me to put it in the form of a question——

Mr. THOMAS. Oh, I do not insist upon that.

Mr. BRANDEGEE. I was going to ask the Senator if he did not think the two systems were entirely different in this respect: That in an autocratic government, where the activities of the people are directed by the government to such an extent as they are in Germany, a great problem like rail and water transportation over a country of great size necessitates, to have it successful, a continuous policy, whereas in a free Republic like this, where the parties are changing from year to year, and their policies are changing, it is very questionable if the Government could operate such a system?

Mr. THOMAS. I think I stated that it was a serious problem in my mind whether we could take the beneficial parts of the German system without taking those that were repulsive to the average American.

Mr. BRANDEGEE. And if we do not get the beneficial parts, whatever we did in that line for a year or two might be utterly wasted when the policy of the Government changed.

Mr. THOMAS. Yes; it might be. I think, however, that it is possible—I hope it is—to differentiate between the desirable parts and the undesirable parts of the system, if this question can not be solved in any other way.

Now, a word with regard to the bill of the Senator from Nevada [Mr. NEWLANDS], to which I referred. I stated, or intended to state when I referred to it and commended it, that, to my mind, it was a systematic and intelligent solution of what may be called the water question, and that we would have to resort to that system or to some other system, substituting it for such measures as this bill and the flood-control bill and those other bills which are designed in a haphazard sort of way to improve here, there, and yonder, if we ever got our rivers as a system either navigable or safe; that is to say, safe from floods and from the destructive consequences of these huge masses of water that so frequently devastate these regions. I am not in favor of adopting it now. I would be willing to chance it—and when I say "chance it" I have no reference to the terms of the bill, but to the condition of our Treasury—if we could begin such a system by substiting it for that which I am discussing and for other similar measures.

Mr. President, I have talked upon this subject longer than I intended, and longer than I assured my distinguished and genial friend from Arkansas [Mr. CLARKE] that I would probably occupy. There are one or two other features of the discussion to which I might refer, but I shall content myself by refraining from it. I can not, Mr. President, vote for this bill, notwithstanding its many important and highly essential features.

Mr. NORRIS. Mr. President, may I ask the Senator from Arkansas whether he intends to proceed further with the bill to-night or what his purpose is?

Mr. CLARKE of Arkansas. Some days since I moved an executive session, and provoked some controversy privately. I thought I would not venture on that any more. Unless somebody else intends to move one, I intend to ask the Senate to take a recess until to-morrow at 11 o'clock.

Mr. NORRIS. The Senator wishes to do that now, does he?

Mr. CLARKE of Arkansas. Yes. It is useless to take up any item of the bill at this time.

I desire to say, however, that from this time forward I am going to put the responsibility of delaying this bill upon those who unnecessarily debate it. I am going to test the question as to whether or not the Senate is willing to enforce its existing rules when I shall hereafter object to these so-called interruptions of Senators who are addressing the Senate.

My observation of 10 years convinces me that these interruptions prolong debate and do not elucidate the question to which they are addressed. They are an abuse of the right of debate that I am satisfied Senators themselves would be glad to be rid of if they had the opportunity without appearing to be discourteous to others.

I shall therefore ask that a somewhat more businesslike and systematic method of discussing the bill shall be adhered to from this time forward, not with any view at all of putting limitations upon the right of debate, because that exists under the rules, and as long as it exists it must be recognized and respected; but there are a great many abuses that have imperceptibly ingrafted themselves upon it that I think may be abandoned for the present time.

We are now entering upon the tenth day of the consideration of this bill, and we have considered only two or three of the proposed amendments. I feel satisfied that the Senate does not intend to deliberately sit here and waste its time; but if that is its policy, I, as a Member of it, have no ability, and therefore no desire, to change the current of events.

Mr. KENYON. Mr. President, is it not true that two days have been devoted to other matters?

Mr. CLARKE of Arkansas. I am sure the Senator is correct about that, because I have had the cooperation of the Senator from Iowa. He has not filibustered. He has not improperly obstructed the consideration of this bill. He is opposed to it, and he said so; and everything that he has done has been done in a manly and proper way. I have not the slightest criticism to address to anything he has done.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had approved and signed the following acts and joint resolution:

S. 4603. An act to authorize the Jackson Highway Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tombigbee River at Princes Lower Landing, near Jackson, Ala.;

S. 4726. An act to permit issue by the supply departments of the Army to certain military schools and colleges; and

S. J. Res. 119. Joint resolution to permit the issuance of medical and other supplies to the American National Red Cross for a temporary period.

RECESS.

Mr. CLARKE of Arkansas. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 4 o'clock and 52 minutes p. m.) the Senate took a recess until to-morrow, Friday, May 19, 1916, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

### THURSDAY, *May 18, 1916.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, our Father in heaven, that under the dispensation of Thy providence we are permitted to assemble once more within these historic walls where legislative enactments become a part of the body politic. Inspire these Thy servants with clear perceptions, high resolves, and patriotic endeavors, that good government may more and more obtain, and wherever the Stars and Stripes shall float on land or sea life, liberty, truth, and justice may be upheld and maintained, not only for the good of our Republic but for the good of all mankind. In His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN A MEMBER—GEORGE M. BOWERS.

Mr. MANN. Mr. Speaker, Mr. BOWERS, who has just been elected to fill the vacancy in the second district of West Virginia, is here, though his certificate has not yet been made out. I have consulted with Members on the other side, and I ask unanimous consent that Mr. BOWERS may be sworn in as a Member notwithstanding the fact that his certificate has not yet been received.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that Mr. BOWERS, of the second district of West Virginia, a newly elected Member, shall be sworn in, notwithstanding his credentials have not yet arrived.

Mr. KITCHIN. I understand that we have several precedents for this.

Mr. FITZGERALD. Is there any controversy over the election?

Mr. MANN. There is no contest over the certificate.

Mr. KITCHIN. I understand that we have some precedents to this effect, and I have no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BOWERS appeared at the bar of the House and took the oath of office as Representative.

EXTENSION OF REMARKS—WOMAN SUFFRAGE.

Mr. McCRACKEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution on the subject of woman suffrage.

The SPEAKER. The gentleman from Idaho [Mr. McCRACKEN] asks unanimous consent to extend his remarks in the RECORD by printing a resolution on the question of woman suffrage. Is there objection?

Mr. FITZGERALD. A resolution by whom?

Mr. McCRACKEN. It is from a number of citizens who held a mass meeting in my home city of Boise, Idaho, on May 9.

Mr. FITZGERALD. I do not think we should print all the resolutions in the RECORD on these various questions.

The SPEAKER. Is there objection?

Mr. FITZGERALD. I will object, Mr. Speaker.

Mr. MANN. I hope the gentleman will not object. It is a very short resolution from the gentleman's home city.

Mr. FITZGERALD. From his home town? If it is from the "home folks," I will not object. I hope this will not be a common practice, however.

Mr. McCRACKEN. I thank you. I will ask to put in only one of several similar resolutions which I have received.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

ORDER OF BUSINESS.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that on next Wednesday, immediately after the reading of the Journal, the House take up for consideration the bill known as the California and Oregon land-forfeiture bill (H. R. 14864). I believe every man in the House knows the urgent importance of getting this bill through. Congress must take some action under the Supreme Court decision of June 9, and we can finish it on that day, and I hope there will be no objection.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that on next Wednesday, immediately after the reading of the Journal and the disposition of matters on the Speaker's table, that the Oregon and California railroad forfeiture land bill be taken up.

Mr. CRISP. Mr. Speaker, reserving the right to object, I would like to make this inquiry: The Committee on Flood Control yesterday finished their bill, and they lost the call under Calendar Wednesday. Is it the intention of the gentleman from North Carolina, when this Oregon land bill is disposed of, that the call will go where it now is or with the committee reporting the Oregon land bill?

Mr. KITCHIN. We can take up the regular order on Calendar Wednesday where it left off.

Mr. CRISP. I thought it wise to bring that out.

Mr. KITCHIN. I understand that the Judiciary Committee under the calendar has the first call.

Mr. MANN. The Ways and Means Committee is ahead of that.

Mr. KITCHIN. The Ways and Means Committee has the call, and we will arrange that with the chairman of the Judiciary Committee.

The SPEAKER. Of course if this consent is granted and this bill that the gentleman from North Carolina is referring to does not take up all of Calendar Wednesday, we will start

in on business of Calendar Wednesday. Is there objection? [After a pause.] The Chair hears none.

The Chair wishes to call the attention of Members of the House to one rule of the House that is constantly violated, and that is that when rolls are being called Members crowd up around these clerks and make inquiries and suggestions. It disturbs the clerks and it raises suspicion in the minds of the other Members. It is specifically against the rules and in bad form.

UNITED STATES SHIPPING BOARD.

The SPEAKER. The House will resolve itself automatically into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15455, with the gentleman from Tennessee [Mr. GARRETT] in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15455, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

The CHAIRMAN. The gentleman from Massachusetts [Mr. GREENE] is recognized.

Mr. GREENE of Massachusetts. Mr. Chairman, the gentleman from Michigan [Mr. FORDNEY] commenced his remarks the other day, and had 15 minutes.

The CHAIRMAN. The gentleman from Michigan [Mr. FORDNEY] is recognized for 15 minutes.

Mr. FORDNEY. Mr. Chairman, perhaps nothing I may say here will change the mind of any man within the sound of my voice in reference to his vote on this bill. The President has directed his party to rush this legislation to its final enactment, and I presume this will be done without regard to any argument that might be presented.

First of all, gentlemen, permit me to say there are many reasons, under present conditions, why it is practically impossible to establish a merchant marine under the American flag, notwithstanding the fact that the great majority of the people of this country are strongly in favor of the establishment of a merchant marine under the Stars and Stripes.

Mr. Chairman, in the construction of a ship in the United States nine-tenths of the cost is labor, and when labor in the shipyards of the United States is paid from two to ten times the amount paid to labor in the shipyards in foreign countries it is evident to a business man that it is impossible to build ships in American shipyards to engage in foreign trade.

That alone is sufficient under existing laws to prevent our having a merchant marine to-day under the American flag. It is a well-known fact that in the shipyards of the United States skilled labor receives from $3 to $5 a day. I have here a report issued by the Department of Commerce, dated May 8—Monday of last week—in which it is shown that in the shipyards of Japan to-day 40,000 skilled laborers are employed, and the wages are 70 sen per day, or 34.9 cents in gold.

In the shipyards of Great Britain labor receives higher wages than in any other shipyards in the world outside of the United States, and those laborers receive not to exceed 50 per cent of the wages paid in this country in our shipyards. Therefore, when a ship is built in this country costing $1,000,000, $900,000 of that cost is labor, whereas the labor in England costs not to exceed one-half and the labor in Japan not to exceed one-tenth of that sum.

Now, when it comes to operating the ship, I have some figures here to which I want to call attention. At the present time there are three ships owned by Mr. Robert Dollar, a resident of San Francisco, one of which is operated under the Japanese flag, another under the English flag, and the third under the American flag.

The labor employed on board the Japanese ship, the *Yasama Maru*, of 402 nominal horsepower, 36 men, costs $795 a month, or $9,540 a year. A ship of practically the same size, the *Robert Dollar*, of 433 nominal horsepower, under the English flag, employs 47 men on board, and the labor cost is $1,308 a month, or $15,696 a year. The steamer *Algoa*, an American ship, of 430 nominal horsepower, pays $3,270 per month for labor, or $39,240 per year, or $29,700 per year more than the ship flying the Japanese flag, the *Yasama Maru*.

Mr. LAZARO. How many men are on board?

Mr. FORDNEY. Forty-nine men, as against only 36 men under the Japanese flag and 47 men under the English flag; a difference of $29,700 per year between the Japanese ship and the American ship for labor.

In addition to that, the ship under the American flag must undergo inspection and measurement each year, and the cost of inspection over that of a ship flying the English flag or the Japanese flag is about $3,000 a year and for measurement about $5,500 a year, or a difference in the cost of operating the American ship over and above that of operating the Japanese ship of $38,200 a year.

Those are difficulties, gentlemen, that you must face when you sail a ship under the American flag in competition with foreigners; first, your cost of construction; and, second, the cost of operting the ship; then in addition to all this is the subsidy paid by foreign Governments to their ships.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield for a question?

Mr. FORDNEY. I will.

Mr. LONGWORTH. Has the gentleman any figures there as to the difference in the cost of subsistence of the crews between Japanese sailors, for example, and the American sailors?

Mr. FORDNEY. Under the Japanese flag, I will say from my general knowledge, the cost of subsistence for the crews where oriental labor is employed is far below that under the American flag. It is shown here that able-bodied seamen under the American flag receive from $35 to $40 a month, while under the Japanese flag and under the English flag, with oriental labor in the Pacific Ocean trade the seaman is paid $8 a month. The citizens of nearly every country in this world except the United States are permitted under existing laws to go into any country in the world and purchase ships and bring them under their respective flags, and further to employ laborers wherever they can be found.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield for a question there?

Mr. FORDNEY. For just a question, please.

Mr. ALEXANDER. Is it not true that ships under the American flag in the Pacific trade can employ Chinese or Japanese crews?

Mr. FORDNEY. Yes; that is true. But under our navigation laws a certain percentage of the crew must be American citizens, and they will not work with foreigners unless such foreigners are paid the American scale of wages.

Mr. ALEXANDER. They have Chinese crews on those ships.

Mr. FORDNEY. That is true; but they pay them the American scale of wages.

Mr. ALEXANDER. I know that they do not.

Mr. FORDNEY. I know that they do. I put my word against the gentleman's on that question. I have been on board the ships whose names I have mentioned, and I know they had some Chinamen on board, and I know they received the American scale of wages. The gentleman from Missouri does not know that, because he was not there with me. [Applause on the Republican side.]

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. FESS. What would be the policy under this proposed bill—to build naval reserves and equip them with foreign operators?

Mr. FORDNEY. It would be a ridiculous proposition. To-day we have American colliers, auxiliary to the Navy of the United States, and my colleague from Michigan [Mr. LOUD] is very well informed as to the operation of those ships, and I am going to ask him to give me some figures. He mentioned a ship the other day, a ship operated on the Great Lakes under the American flag, the steamer *W. F. White*, of 10,500 gross tons, that carried more freight during the season operated last year in round trips of 1,050 miles than 18 colliers owned by this Government.

This ship, the *W. F. White*, makes a round trip, in six days, of 1,050 miles. She loads 10,500 tons in four hours and unloads in seven hours. The Government-operated colliers made 3,000 miles to the round trip and four round trips a year, or one trip in 3 months, which would give 10 days for sailing, 40 days for loading, and 40 days for unloading. Yet you propose to establish a merchant marine under the American flag, operated by the Federal Government, knowing full well that the Government can not operate as cheaply as private enterprise.

The railroads of the United States for the year 1913 paid $15.86 a week to their labor and carried freight for seventy-two one-hundredths of a cent per ton per mile, while Government-owned railroads in Germany paid $7.86 a week to their employees and charged 1.42 cents per ton per mile for carrying freight. [Applause on the Republican side.] In other words, gentlemen, under private ownership in the United States labor can receive double the wages paid by the Government of Germany, and carry freight for one-half the price that it is carried for by Government-owned railroads in Germany.

It is true we can establish a merchant marine in this country if Uncle Sam will pay the bills. You propose to establish here a commission to fix rates. You can not control the rates on foreign ships sailing under foreign flags, with which the American ships come in competition. You can only control the rates charged by American citizens on American ships; and in the operation of a ship like the *Robert Dollar*, to which I have called attention—on which the labor, inspection, and measurement costs are $32,000 a year more than on a ship of the same size under the English flag and still greater under the Japanese flag—you can only operate in competition with those ships by going down into Uncle Sam's pocket and digging up the money to pay the difference or loss. You know and I know and every sensible business man knows that there is no business enterprise that can be carried on by the Federal Government as cheaply as by private enterprise. [Applause on the Republican side.] My friends, if you are willing to pay a subsidy sufficient to offset the difference in the cost of operating a ship under the English flag as compared with the cost of operating an American ship on the high seas, then you can maintain a merchant marine. But first, my friends, you must change our navigation laws; for, as I have said, shipowners under practically any flag of any country in the world except the United States are permitted to go into any country in the world and employ their labor at such price as they can find it. That can not be done under the American flag. This bill does not give American shipowners permission to do that. Gentlemen, are you ready to repeal practically all our navigation laws and to permit American capital to go into any country of the world and purchase ships, bring them under the American flag, and employ their labor—in the Orient, if they so choose—at $8 a month, and in addition thereto have our Government pay a subsidy to our ships equal to the subsidy paid by England, Japan, Germany, France, or any other country? One ship of 10,500 tons capacity which I have mentioned carried on the Great Lakes more freight last year than all the 18 colliers of the United States Government, with a total tonnage of 167,000 tons. Eleven fuel ships owned by the Federal Government, of more than 10,500 tons capacity each, carried but about half the freight last year, all combined, that was carried by this one ship on the Great Lakes.

Mr. HARDY. Will the gentleman yield for a question?

Mr. FORDNEY. Yes; if the gentleman will be brief.

Mr. HARDY. Has the gentleman figured out what would be the difference necessary to be paid by subsidy in order to float 6,000,000 tons of American cargo freight?

Mr. FORDNEY. No; but let me say to my friend, with all the advantages to English, German, French, Japanese, and Belgian ships, France paid last year, in round numbers, $13,500,000 subsidy and England paid nearly $10,000,000 subsidy, and Germany and other countries smaller amounts, and yet some of our people wonder why we do not have an American merchant marine.

Mr. HARDY. Will the gentleman give the House even an approximate guess at how much of a subsidy we would have to pay?

Mr. FORDNEY. It does not make any difference how much it is, before you can establish an American merchant marine and run it successfully you will be compelled to permit your ships to compete with foreigners, and you must subsidize them in the same measure that the ships of foreign countries are subsidized or you can never have an American merchant marine.

Mr. HARDY. Will the gentleman yield for one more question?

Mr. FORDNEY. Yes.

Mr. HARDY. Would even $100,000,000 accomplish it?

Mr. FORDNEY. I do not know; but I do know to operate an American merchant marine by Government will cost us more, twice over, than if we were to give proper Government aid to private ownership. No country in the world to-day has a merchant marine operated by Government.

Mr. MADDEN. Will the gentleman yield to me?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GREENE of Massachusetts. I yield to the gentleman 10 minutes more.

Mr. FORDNEY. I thank the gentleman from Massachusetts.

Mr. MADDEN. Suppose the Government of the United States were to invest the amount of money necessary to buy 6,000,000 tons of shipping to be used in the merchant shipping trade and put them into operation under Government management, and to meet the loss which it is presumed they would make under Government management, how much would the subsidy amount to that would have to be paid out of the Treasury to make up the loss?

Mr. FORDNEY. Three to five times what a direct subsidy would amount to paid to private enterprise. There is no question about that. [Applause on the Republican side.]

Now, gentlemen, you propose to go into the markets of the world at this time to purchase ships to establish a merchant marine. My good friend, Mr. LOUD, on Tuesday called your attention briefly, because his time was limited, to the sale of a ship owned by Mr. Dollar, which I have mentioned here. Mr. Dollar is an old-time friend of mine, formerly a Michigan man. He came into my office about six weeks ago and said that only the day before he had sold a ship for thirteen hundred thousand dollars cash, for which ship 10 years before he had paid but $238,000. He sold the ship for five times what she cost 10 years ago, and yet you, my Democratic friends, propose to go out in the open market now and purchase ships to establish a merchant marine under such abnormal conditions. It is an absolute impossibility, without looting the Treasury of the United States. It can not be done; the proposition is absurd.

As an illustration of what the Government is paying her labor on Government-owned railroads and what other countries are paying, I want to say that the wage scale in England (in normal times before the war), railroad labor in 1913 received $5.36 per week, and in France $5 per week, and in Germany $7.87 a week—all other labor in Germany receives no more than is paid for the same employment in England and France—and in the United States, as I have said, $15.86 per week. And yet we carry freight per ton per mile on American railroads by private enterprise cheaper than freight is carried on any railroad under God's sun. And yet, my Democratic friends, you are advocating Government control not only of ships but of our railroads.

Go down to the navy yard, as I did a few days ago, and see them making 3-inch shells. It was but a short time before that I was in an institution in Pittsburgh operated under private enterprise, where they were making 3-inch shells by machinery speeded up, and I found that the man in the institution at Pittsburgh was turning out five shells to one turned out down here in the navy yard. And yet you want to build armor-plate plants and all sorts of Government enterprises to take the money out of the peoples' pockets and pay for it two, three, or five times what it can be done for by private enterprise. Please investigate these matters before moving in the dark.

Mr. MILLER of Pennsylvania. The gentleman from Illinois [Mr. TAVENNER] has got a bill that will remedy all that by shortening the time.

Mr. FORDNEY. Shortening the time of labor; yes. One man said some time ago he was in favor of shorter hours for a day's work, more pay for that day's work, and a lower price for the product of that labor. [Laughter.] Try it; put your money in the merchant marine to-day under the American flag and see how quickly you will become bankrupt working in competition with ships under foreign flags.

Mr. SABATH. Will the gentleman yield?

Mr. FORDNEY. For a question.

Mr. SABATH. Was not the same argument that the gentleman is making made some years ago about the manufacture of powder, that the Government could not compete with the Powder Trust, and did we not demonstrate that we could?

Mr. FORDNEY. I am not familiar with that subject and can not answer the gentleman, because I have not given any study to it. I do know that there is so much red tape and so much politics connected with Government-owned institutions that it is impossible to make a success alongside of private enterprise well conducted. [Applause on the Republican side.]

Mr. MILLER of Pennsylvania. Has Congress attempted during the last 50 years to pass a subsidy bill?

Mr. FORDNEY. Yes; subsidy bills have been before Congress ever since I have been a Member of this House.

Mr. MILLER of Pennsylvania. But they would not pass?

Mr. FORDNEY. No.

Mr. MILLER of Pennsylvania. Never succeeded in passing one?

Mr. FORDNEY. No.

Mr. MILLER of Pennsylvania. What is the remedy?

Mr. FORDNEY. Repeal all your navigation laws and let your shipowner buy his ships where he pleases in the markets of the world and employ labor where he pleases. Do you want to do that?

Mr. MILLER of Pennsylvania. Why did not the Republican Congress pass a subsidy bill?

Mr. FORDNEY. In the first place, nearly all the Democrats and many Republicans always voted no. They evidently did not think it wise to take the money out of the Treasury of the United States to the extent that would be necessary to put American ships in fair competition with foreigners, but this bill

which you are in favor of will take twice that money out of the Treasury to do it.

Mr. MILLER of Pennsylvania. But we will never have a merchant marine if we do not get it this way, according to the gentleman's own argument. [Applause on the Democratic side.]

Mr. FORDNEY. I have conveyed by my remarks no such meaning, but am arguing that we can, by Government aid properly given to private enterprise, accomplish the desired end in a far more satisfactory manner than by Government ownership, and at not to exceed one-half the cost to the Government.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from Kansas [Mr. CAMPBELL] eight minutes.

Mr. CAMPBELL. Mr. Chairman, to justify the enactment of a law of this character, the natural and probable effect of the law should be the creation of a merchant marine in the United States. There is no man here who believes that the natural and probable effect of this law will be the creation of a merchant marine in the United States. All know it will not. The proposed purchase or construction of $50,000,000 worth of tonnage would make less than 10 per cent of the amount necessary for a merchant marine such as would give us control of our commerce on the sea. Now, this 10 per cent of Government owned and operated merchant marine, in competition with our present very small privately owned merchant marine—a little over 14 per cent—and in competition with the merchant marine of the world would simply make the Government of the United States another competitor with this small 14 per cent of privately owned merchant marine under the United States flag. If the Government of the United States carries commerce as cheaply as Japan or as Italy, Austria, or as any ocean-carrying country, we will have to carry it at a loss, and the Government will have to make up the difference out of the Treasury. The effect of the $50,000,000 investment will be to discourage private capital further from investing in merchant marine in the United States. Private capital will not invest in a business in which it has not only to compete with the cheap labor of all the world, but with the Government of the United States in the same business, and the Government of the United States at the same time regulating and controlling that portion of its competitors in the merchant marine of the world that is owned by private capital in the United States and under the American flag. Why, there is every possible deterrent for American capital to engage in ocean transportation under the American flag by the provisions of that portion of this bill that proposes to engage the Government of the United States in carrying the ocean commerce of the country in competition with the privately owned ships in the United States and the ocean carriers of all the world.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield for a short question?

Mr. CAMPBELL. For a very short one.

Mr. COOPER of Ohio. In the countries of Germany, France, and Great Britain, where they have been successful in building up a merchant marine, are those lines Government owned or have they been built up by subsidies?

Mr. CAMPBELL. They have been built up by subsidies and by the encouragement of the Governments, and are owned by private capital. No country in the world has built up a merchant marine by a Government-owned merchant marine such as is here proposed.

Mr. ALEXANDER. Will the gentleman yield?

Mr. CAMPBELL. I will.

Mr. ALEXANDER. Is the gentleman in accord with the gentleman from Michigan [Mr. FORDNEY], in favor of subsidizing an American merchant marine?

Mr. CAMPBELL. No; I am not. I do not believe it is practicable, under the conditions of the commerce of the world to-day, to put a great merchant marine upon the seas by subsidies that can compete with the world. Our labor cost will not permit that now.

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. CAMPBELL. In a moment. We can not compete with the world in ocean transportation, because we can not equalize the conditions. Even if the Treasury of the United States were full of money, it would not be practicable now to try to put a merchant marine on the seas to compete with the world in the carrying of the commerce of the world by subsidies. Now I yield to the gentleman.

Mr. GOODWIN of Arkansas. What is the gentleman's remedy for building up a merchant marine?

Mr. CAMPBELL. I will tell the gentleman what I would do. In the first place I would give every ship under the American flag the right to go through the Panama Canal without paying tolls. [Applause on Republican side.] I would give that encouragement. In the second place I would negotiate with all the countries of the world for the repeal of those treaties of commerce that now prevent us from giving a preferential tariff to commerce carried in American bottoms. [Applause on Republican side.] In that way I would encourage American ocean commerce. And, third, I would, in addition to that, offer premiums from the Treasury of the United States for the most expeditious transportation of the mails of the United States in every direction. [Applause on Republican side.]

We should not pay a dollar out of the United States Treasury to any ship carrying a foreign flag for carrying the mails of the United States if we could get American ships to carry the mails as expeditiously as foreign ships, and they will if we give them all of these encouragements. I believe that in these three ways we could build up a merchant marine.

Now it is not an opportune time to either purchase or build a merchant marine, even by the Government of the United States. No business man would do that. Construction cost is abnormally high. It is not now in order, either, to argue that we are not exporting the products of the farm and factory, because we are to a larger extent than ever before in our history. There is no condition existing to-day that justifies this Congress under any leadership in embarking upon the paternal business of carrying the commerce of the country for the purpose of marketing the products of any industry in the United States, because every industry is to-day marketing its products to a larger extent than ever before in the markets of the world. Why, there has been talk within the 18 months since these bills have been under consideration of an embargo on almost every variety of farm and factory products, and there is now a pressing demand in the country for an embargo on print paper. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I would like to inquire of the chairman of the committee if he is going to conclude in one speech?

Mr. ALEXANDER. I desire to make a few remarks and then expect to conclude in one speech.

Mr. GREENE of Massachusetts. I have 15 minutes remaining.

Mr. ALEXANDER. How much time did the gentleman have to begin with?

Mr. GREENE of Massachusetts. I have one speech to occupy 15 minutes' time.

The CHAIRMAN. The gentleman from Missouri has 20 minutes and the gentleman from Massachusetts has 15 minutes remaining.

Mr. ALEXANDER. I had 25.

The CHAIRMAN. The Chair is a temporary occupant of the chair and is simply stating what the Clerk at the desk says.

Mr. GREENE of Massachusetts. Last night when we adjourned the gentleman from Missouri had 25 minutes and I held 40 minutes, unless something has transpired to the time since.

The CHAIRMAN. The Chair knows the gentleman from Missouri has not used any time to-day.

Mr. GREENE of Massachusetts. He had 25 minutes.

The CHAIRMAN. The gentleman from Missouri, then, has 25 minutes and the gentleman from Massachusetts 15.

Mr. ALEXANDER. Mr. Chairman, it is my purpose, in answer to the gentleman from Michigan [Mr. FORDNEY], to make a few remarks just to clear up a few misunderstandings, although there is no occasion for any such misunderstandings. It has been stated time and time again that one of the handicaps to the rehabilitation of our American merchant marine is that we are compelled to have American officers and seamen on vessels under the American flag. That is accurate. Under the law the watch officers on an American ship must be American citizens. The crew may be citizens of any nation. There is no limitation upon the nationality of the crews aside from the watch officers. Until the Pacific Mail Steamship Co. went out of business, some time during last year, the crews on their vessels running between the Pacific coast and the Orient, except the watch officers, were Chinamen, and, notwithstanding the statement of the gentleman from Michigan [Mr. FORDNEY] to the contrary, they were paid from $7 to $9 a month. They did not receive the American scale of wages. Mr. Schwerin, vice president and general manager of that company, appeared before our committee time and time again in former Congresses and testified when the seamen's bill, the American merchant marine, and other important legislation was under consideration by the committee, and made that statement; and, as I have said, there is no law forbidding vessels under the American flag from employing Chinese crews, except watch officers, if they can qualify under the seamen's law. The steamship *China*, which was bought from the Pacific Mail Steamship Co. by San Francisco parties, and I understand is the only vessel now being operated

from San Francisco to the Orient under the American flag, employs a Chinese crew qualified under the seamen's law.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. ALEXANDER. Yes.

Mr. MADDEN. What about the compensation to be paid to these men? Is that the American standard of wages?

Mr. ALEXANDER. I understand they receive the same standard of wages as the crews on the Japanese ships.

Mr. CANNON. Will the gentleman allow me?

Mr. ALEXANDER. Yes.

Mr. CANNON. From where to where?

Mr. ALEXANDER. From San Francisco to Japan and China and back—across the Pacific.

Mr. CANNON. That is the *China?*

Mr. ALEXANDER. The steamship *China.*

Mr. CANNON. That sails from the United States to the Orient?

Mr. ALEXANDER. Yes.

Mr. COOPER of Ohio. Will the gentleman yield for a question?

Mr. ALEXANDER. Certainly.

Mr. COOPER of Ohio. If this bill passes and this $50,000,000 is appropriated for American Government-owned ships, does the gentleman want to man those ships with coolie labor?

Mr. ALEXANDER. No. I think we can put them under the American flag and employ white men, and I think we can introduce economies in operation that will in large measure tend to equalize the difference in cost of operation.

The gentleman from Michigan [Mr. FORDNEY] could not remember whether any economies had been secured to the Government in the manufacture of powder. When I came here in the Sixtieth Congress we were paying 72 cents a pound for powder for the Navy. We built a powder plant since that time down at Indianhead and are now manufacturing powder at from 45 to 48 cents a pound by the Government.

Mr. FORDNEY. Will the gentleman yield?

Mr. KITCHIN. Thirty-three cents a pound.

Mr. ALEXANDER. The majority leader says 33 cents. I did not think it was so low.

Mr. KITCHIN. Last year it was 36 cents, and this year it will be 33 cents.

Mr. FORDNEY. How can you operate American shipping and pay American wages against $8 paid under the Japanese and Chinese flags?

Mr. ALEXANDER. Let me ask the gentleman a question. Those who want to subsidize ships, at the same time want to use the cheapest labor in the world.

Mr. FORDNEY. Japan paid more than $5,000,000 in subsidies last year in addition to this cheap labor.

Mr. ALEXANDER. Before this debate is through I am going to give you the laws of Japan controlling its subsidized ships, and there is no subsidy advocate in this country has ever expresed a willingness to yield to any such supervision and control. And if this bill becomes a law and provides for the supervision and control of rates on American shipping in the foreign trade, one serious objection may be removed to some reasonable form of subvention to mail lines under the American flag where needed, but to give them subventions now without any manner of control would be absurd. It would be an outrage on the American people.

Mr. LONGWORTH. Will the gentleman yield?

Mr. ALEXANDER. I can not yield; my time is limited.

Mr. LONGWORTH. For my own information.

Mr. ALEXANDER. You will get plenty of it in the course of this debate.

Mr. LONGWORTH. I simply wanted to ask——

Mr. ALEXANDER. I can not yield now.

Now, in reference to the people who favor this bill. The Chamber of Commerce of the United States submitted the provisions of the ship-purchase bill which passed this House in the last Congress to the constituent bodies of which the Chamber of Commerce of the United States is composed in the form of a referendum, and the report on the bill was adverse.

The Chamber of Commerce of the United States does favor the creation of a shipping board. It favors vesting that board with power to supervise carriers by water and reasonable regulation of ocean freight rates. The bill H. R. 450, which I introduced at the beginning of this Congress to carry out the recommendations of the Committee on the Merchant Marine and Fisheries, following the investigation of the Shipping Trust, seems to meet the views of the Chamber of Commerce of the United States. The bill was printed in full in referendum No. 9, submitted by the chamber of commerce to the various commercial bodies of the United States which are members of the chamber of commerce, and was given very careful consideration, and we have incorporated the most important provisions of that bill (H. R. 450) in the bill now under consideration (H. R. 15455).

Now, we must do something. I have no patience with those who are familiar with conditions in our over-seas trade and would say, "Let us do nothing." The policy of laissez faire does not appeal to me. The time for action has come. We have slept too long on our rights. Further delay is little short of a crime. While this measure may not be ideal from everyone's viewpoint, and while it may not in all respects reflect your views or my views, yet as a constructive measure I believe it is the best measure presented to the Congress since the Civil War, and if enacted into law will prove a great piece of constructive legislation.

The special committee on merchant marine of the Chamber of Commerce of the United States, of which Mr. William Harris Douglas, of New York; John A. Penton, who for many years was secretary of the Merchant Marine League; Ludwig Nissen, Bernard J. Rothwell, H. A. Black, and Thomas L. Stitt were members, have given great consideration to the question of our merchant marine. As I have stated, the report of the Chamber of Commerce of the United States was adverse to the ship-purchase bill introduced by me in the last Congress and to certain provisions of the bill (H. R. 10500) for which this bill is reported as a substitute.

The action of the chamber of commerce was largely influenced, if not controlled, by the views of the special committee of which Mr. Douglas was chairman.

Mr. Douglas and Mr. Stitt have followed this legislation at every step with the keenest interest. Mr. Douglas appeared before the committee at the hearings on House bill 10500 and gave the committee the benefit of his views; and Mr. Stitt submitted his views to the committee in writing in a letter addressed to me.

Both have received copies of the bill H. R. 15455, now under consideration.

I have a letter from Mr. Douglas favoring this bill. His letter is as follows:

NEW YORK, *May 12, 1916.*

Hon. J. W. ALEXANDER,
*Chairman Merchant Marine and Fisheries Committee,*
*House of Representatives, Washington, D. C.*

MY DEAR MR. ALEXANDER: I duly received bill now introduced in the House as substitute of H. R. 10500, and for your courtesy accept my thanks. I feel that your willingness to meet the unquestioned sentiment of the country, that permanent Government operation should not be undertaken in shipping matters, is most commendable and does you great credit, and it gives me pleasure to so state. You will probably remember that at the hearing in February I distinctly stated that it was my personal opinion that if you did this it would remove very considerably any objection to the measure. I am glad to note that one or two other suggestions which I made have also been accepted by your committee.

* * * * * * *

The general terms of the bill are fair and honest, and personally I shall state that I strongly favor its passage and sincerely trust that it will become a law. You have been most painstaking and careful in everything you have done and fair; and while many of us will not agree it will accomplish quickly or in the best method the results some of us hope for, you certainly should have the thanks of all, and I am pleased to extend mine.

Yours, very truly, WM. H. DOUGLAS.

Mr. SLAYDEN. Who is that, I will ask the gentleman from Missouri?

Mr. ALEXANDER. That is William H. Douglas, of New York, a member of the firm of Arkell & Douglas (Inc.), capital $1,000,000, shipping and commission merchants, export and import, of New York.

Mr. KITCHIN. He is president of the Chamber of Commerce, is he not?

Mr. ALEXANDER. No; not now; but he is, and has been from its foundation, one of its leading members.

Now, I have another letter from a member of that committee, Mr. Thomas L. Stitt, of Chicago, a member of the Chamber of Commerce of the United States, of which the commercial bodies of Chicago are constituent members. He is a member of the special committee to which I have referred. He says:

CHICAGO, ILL., *May 12, 1916.*

Hon. JOSHUA W. ALEXANDER, M. C.,
*Chairman Committee on Merchant Marine and Fisheries,*
*House of Representatives, Washington, D. C.*

DEAR SIR: I have had before me since yesterday the new shipping bill, being H. R. 15455, which was introduced on May 8. I note with considerable satisfaction that the majority of the suggestions contained in my letter and memorandum of February 21 have been incorporated into the bill, in substance if not in form; and that where they were not incorporated, yet the present form of the bill is such that I can conscientiously say that I consider it a truly constructive measure, which will be beneficial to the shipping interests of the country and to the creation of a naval auxiliary and reserve, and that it will give to the shipping board sufficient power to enable them to eventually demonstrate the importance of a broadening of the scope of the powers of that board after it shall have become a working organization.

I therefore congratulate you and your committee upon the final result of your work, and am glad to be in a position to say that I am now for it and willing to work for its passage. Of course, this is only an expression of my individual opinion, but I am passing it on to you because, as you know, I am a member of the special committee on merchant marine of the Chamber of Commerce of the United States, and propose writing to the chairman and urging upon him that the committee make a formal expression of approval of the bill in its present form, to the end that whatever influence the chamber may have may be cast in favor of the bill this time instead of against it, as was the case a year ago in its then form.

With kind personal regards, I am,

Yours, very truly, THOMAS L. STITT.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. FESS. Those two letters were from Douglas and Stitt, representing individual opinions. Does the gentleman mean to say that the Chamber of Commerce of the United States favors this bill?

Mr. ALEXANDER. If the gentleman had paid any attention to the reading of these letters he would have noticed that they expressed individual opinions of the writers.

Mr. FESS. The letters express their individual opinions, but the gentleman does not mean to quote the chamber of commerce?

Mr. ALEXANDER. No; the chamber of commerce has not had an opportunity to express its opinion as a body on this measure. I can give the gentleman the opinion of another member of the special committee of the chamber of commerce who considered the ship-purchase bill. He is a teacher of economics in one of the leading universities of New York. He says, in substance, regarding a Government owned and operated merchant marine, that theories must sometimes give way to conditions.

Mr. FESS. It would not counteract the opinion of the body they belong to. The chamber of commerce is not in favor of this measure.

Mr. ALEXANDER. I do not know. They have not had any referendum on it. It was not introduced in the House until May 8.

Mr. FESS. Will the gentleman allow me to insert a communication on that subject that I have in my desk?

Mr. ALEXANDER. There will not be any official communication on this bill from the Chamber of Commerce of the United States condemning this bill, I am very sure.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. KITCHIN. As to Mr. Douglas, whose letter the gentleman quoted, is he not chairman of the merchant marine committee of the United States Chamber of Commerce, and was he not last year, when he gave in his testimony?

Mr. ALEXANDER. Certainly; that is correct.

Mr. KITCHIN. And being chairman of the merchant-marine committee of the Chamber of Commerce of the United States, it is presumable that he is speaking with some authority and for the sentiment of the Chamber of Commerce?

Mr. ALEXANDER. Yes. The opinion of the Chamber of Commerce of the United States with respect to the shipping bill in the last Congress was molded by the committee of which he is chairman, and I am now quoting from the chairman of the committee and one of the most prominent members of the committee with reference to this legislation and in approval of it.

In the hope of arousing gentlemen on the other side from their lethargy on this great question which vitally affects our prosperity as a nation, I shall submit for your consideration an editorial in the New York World and a letter from his excellency the minister of finance of Peru, addressed to Hon. William G. McAdoo, Secretary of the Treasury, and an article by Hon. Carl Vrooman, Assistant Secretary of Agriculture, entitled "The farmer and the shipping bill."

They follow in order:

[Editorial from the New York World, May 9, 1916.]

A SHIPPING BILL THAT SHOULD PASS.

The most important change in the new shipping bill introduced yesterday limits the enterprise to a period of five years from the close of the present war. With this restriction upon an undertaking in public ownership which many Democrats have opposed, it is expected that the measure will find increased favor in Congress.

As amended, that bill provides for necessary pioneering in the reestablishment of our merchant marine, especially in the Latin American trade, in which shipping is sorely needed. It also takes into account the matter of preparedness, for the vessels acquired are to be at the service of the Navy in case of emergency. While $50,000,000 is appropriated, there may be no such expenditure if private capital can be enlisted, and there will be no Government operation if individuals and corporations agree to act in that capacity.

By these terms the objection to public trading seems to be fully met. The bill not only meets a vital issue squarely, but, in addition, it creates a shipping board empowered to investigate and report on the navigation laws of all countries, to fix reasonable rates and practices, and to prosecute discriminations and illegal combinations by carriers in our ocean-borne commerce.

Much valuable time was lost when the earlier shipping bill was filibustered to death in the Senate. Almost unlimited commercial opportunities in South America and a desirable strengthening of our political relations in that quarter await the enactment of this measure.

THE SECRETARY OF THE TREASURY,
*Washington, May 18, 1916.*

Hon. J. W. ALEXANDER,
*House of Representatives.*

DEAR MR. ALEXANDER: Herewith I hand you a letter received to-day from his excellency the minister of finance of Peru, dated Lima, April 24, 1916, together with an English translation, from which you will observe that his excellency expresses himself very strongly in favor of the establishment of steamship facilities between the United States and Peru. I had the pleasure of discussing this subject with the minister of finance and other high officials of the Peruvian Government during my visit to Lima on the 23d of April, last, and was strongly impressed by their statements of the imperative need of improved steamship facilities between Peru and the United States if the growing commerce between the two countries is to be protected and encouraged.

Will you kindly return the original letter in Spanish when you have finished with it?

Faithfully, yours, W. G. MCADOO.

(Inclosures.)

[Translation.]

TREASURY DEPARTMENT,
*Lima, April 24, 1916.*

MY DEAR MR. SECRETARY: Among the important resolutions adopted by the Pan American Financial Conference (International High Commission), which met at Buenos Aires early last April, is one referring to the development of rapid means of communication and to the establishment of a steamship line between the United States and South American Republics.

The meeting expressed in this regard the same purposes and aims as have heretofore been manifested by international Pan American gatherings. This was only what was to be expected in view of the great importance of this subject in the economic development of the countries of the American Continent.

The Government and people of Peru are keenly interested in the carrying out of the resolution referred to, and would view with great satisfaction its prompt realization.

Our customs statistics show that the United States ranks as one of our principal markets, so far as our imports are concerned, and that the products of Peru find a ready market in the United States.

A steamship line with more or less definite itineraries which would carry the products of Peru to the United States, and vice versa, in addition to the benefits of an international and political order, would place the products of each in the other countries at excellent prices. Peru would send sugar, minerals, raw cotton, wool, hides, etc., while it would receive from the United States machinery and manufactured goods.

The United States would thereby be in a position to produce in their great factories with raw materials received from Peru merchandise which could compete with that produced in European countries.

It is fitting to recall, in order to dispel any prejudice with regard to the welcome which United States vessels would receive in our ports, that the laws and shipping regulations in Peru are most liberal and the taxes extremely moderate. In support of this statement we beg to refer to the great development of our own coastwise trade. An example of the zeal with which Peru is laboring to develop her maritime traffic is the establishment of the Peruvian Steamship Co., but this line is not in a position, for reasons which will readily be understood, to meet the great demands of traffic between our Republics.

I beg, therefore, to assure your excellency that the Government of Peru, interpreting the sentiment of the people of Peru, is keenly desirous that the Government of the United States should put forth every effort to carry out the resolutions of the financial conference of Buenos Aires (International High Commission) to which I have referred. Permit me to state, furthermore, that the Government of the United States will receive the most cordial cooperation from the Government of Peru in this connection.

Please accept, Mr. Secretary, etc.

A. GARCIA Y LASTRES.

Hon. WILLIAM G. MCADOO,
*Secretary of the Treasury of the United States, Washington.*

THE FARMER AND THE SHIPPING BILL.

[By Carl Vrooman, Assistant Secretary of Agriculture.]

In the past the average farmer has not considered a merchant marine necessary to his happiness or his financial welfare. Our farmers have never been slow to make use of the most up-to-date agricultural implements, of the automobile, or of the tractor. Nor have they been at all backward about fighting for what they considered to be their rights in the matter of railway freight rates. But up to date most of our farmers, particularly in the Middle West, have paid little or no attention to their commercial rights and requirements in the way of ocean transportation. This is not because the question is not to them a vital one, but merely because the facts about it have not been brought to their attention.

If for any unforeseen reason Congress should fail to take steps at this session to provide the country with an independent American merchant marine, it would pay the farmers of America, and "pay them big," to chip in and build a merchant marine for themselves. Our farmers could readily afford to spend, not merely the $50,000,000 called for by the pending shipping bill but $100,000,000, or even $200,000,000, in such an enterprise. If it were necessary, which it would not be, they could run such ships at a yearly loss of from 5 to 10 per cent on the last-named sum and still profit by the undertaking. In other words, it is a fact capable of demonstration that the most crying need of agriculture in this country to-day is for an independent American merchant marine.

EXORBITANT OCEAN RATES.

At the beginning of the war it cost about 5 cents a bushel to ship wheat from New York to Liverpool, but during the past few months it has cost over 40 cents. The rate is now 48 cents. At the beginning of the war it cost about one-fourth cent per pound to ship cotton across the Atlantic. To-day it costs in the neighborhood of 3 cents a pound. Other products of our farms and factories are paying similar extortionate freight rates.

As the world price of wheat is determined by the law of supply and demand and is established at Liverpool rather than at your local market or mine, it is clear that if the cost of ocean transportation were to-day 8 cents instead of 48 cents, the wheat growers of this country would receive a substantial part of this difference in a higher price for their wheat. It is a highly significant fact that on February 15, 1916, the cash price of No. 2 hard winter wheat was 49 cents higher in Liverpool than in New York, while on the same day the ocean freight rate for wheat from New York to Liverpool was 47.9 cents. With facts like this staring us in the face it is not difficult to see the close connection existing between ocean freight rates and the price the American farmer gets for his wheat. It is true that we are getting good prices for wheat now, but as Liverpool is paying enormously higher prices, there seems to be no good reason for allowing the international shipping combine to take advantage of the crop shortage in Europe and the ship shortage on the high seas to boost freight rates 100 to 1,600 per cent.

This year we have the largest wheat crop and one of the largest corn crops in our history. If we had adequate shipping facilities for carrying our goods at reasonable rates to the markets of the world prices of farm products would be so enormously increased as to bring a net gain to our farmers of over $300,000,000 on our wheat alone or our cotton alone. Moreover, even at present exorbitant rates it is impossible to get ships in which to transport to market a large percentage of our products of farm and factory. Not only are all the docks and storehouses of our leading Atlantic ports glutted with goods, but every important railway between the West and our seaboards has its terminals so crowded with loaded cars that a practical railway embargo recently has been declared on further grain shipments from the West.

THE SHIPPING SITUATION.

Every day more of the world's merchant ships are being sunk or interned or diverted from the uses of commerce to the purposes of war. Soon after the declaration of war the merchant marine of the central powers, with a shipping tonnage of 5,890,540 tons, was driven from the seas. The world's output of new merchant ships in 1915 was only 1,671,610 tons, or less than half the 1914 output of 3,484,171 tons. During the past 18 months 1,878,000 tons of merchant shipping have been destroyed by belligerents. Moreover, the allies have recently been diverting from the uses of commerce to the necessities of war a large and ever increasing percentage of the British merchant ships, amounting to millions of tons. The net result is that the commercial world not only in this country but in every country to-day is facing the gravest shipping crisis of which there is any record. This crisis will unquestionably get more and more acute every day until the end of the war.

Moreover, after the war, unless we have an independent merchant marine of our own, our commercial and economic position will continue to become more and more untenable and preposterous. Mr. Runciman, chairman of the British Board of Trade, has announced that the allies have arranged an offensive and defensive trade agreement which will enable them to wage commercial war against the central powers after military operations have ceased. The central powers undoubtedly will retaliate with equal, if not greater, vigor. Thus an era of commercial and industrial warfare unparalleled in history will set in. Nations like our own that have no merchant marine, or are inadequately supplied with merchant vessels, will find themselves at the mercy of these warring commercial world powers whose ships will traverse every sea and take advantage of the industrial and commercial necessities of every country which, like ours, is handicapped and commercially hamstrung for lack of ships.

These powerful maritime nations and groups of nations will be in a position to accept for transportation only such of our products as they want for their own use, and to penalize us by charging ruinously high freight rates to other world markets where we might compete with them. In other words, these international maritime combinations would be in a position to erect freight-rate barriers, as difficult to overcome as tariff walls, between us and the markets of other sovereign nations. The tribute levied by the robber barons of the Rhine was infinitesimal as compared with the loot which, as long as our present condition of shipping dependence continues, will be exacted from us and from all nonmaritime nations by these gigantic transportation tyrants of the high seas.

As a result of the present effort on the part of the Federal Department of Agriculture to popularize and render practical and efficient its scientific teachings, the agricultural output of this country is already appreciably on the increase. This means that if the farmers are to continue to get good prices for their products, they must find foreign markets. It is hard to say what the price of wheat would have been during the past two years had we not been able to dispose of several hundred million bushels each year to foreign countries. The farmers of the Middle West are especially interested in securing foreign markets, since the southern farmers, who in the past have taken millions of dollars' worth of northern crops every year, gradually are learning to raise their own corn, oats, hay, and live stock. Last year the South put in 1,827,000 acres of oats, 3,751,000 acres of corn, and 400,000 acres of hay more than the year before, which resulted in an increase in production of 44,709,000 bushels of oats, 201,132,000 bushels of corn, and 1,696,000 tons of hay over the year before. If this process continues, it will mean that the Middle Western States must find a foreign outlet for a portion of their grain, or pay the penalty in lower prices.

THE SHIPPING BILL.

There are two possible ways of achieving transportation independence for ourselves on the high seas. We may achieve nominal independence by granting huge subsidies of the people's money to shipping corporations, or we may achieve real independence by investing our money in a fleet of merchant vessels to be owned by the Government, and either leased or operated by the Government itself. The ship-subsidy plan has had the energetic support of various Republican administrations and of Republican leaders of both Houses of Congress. But so persistently and bitterly have the masses of the voters opposed this paternalistic plan of pouring the hard-earned shekels of the taxpayer into the coffers of shipping corporations that uniformly these measures have met with shipwreck in the Halls of Congress. If during the long period since the Civil War, when the Republican Party has had almost absolute power in this country, it has been unable to push through a ship-subsidy measure, it is clear to any sane mind that the American people are permanently and unalterably opposed to the subsidy plan of building up a merchant marine. If we are ever to have a merchant marine in this country, it must be obtained by some other method. The administration shipping bill is the only bill yet proposed that is based upon sound economics, common sense, and common justice, and it is the only bill that stands any chance of passage by this Congress. It was introduced at the last session of Congress and defeated by a persistent filibuster. It has since been carefully revised and improved in a number of essential particulars.

This plan not only provides for the building of a small but highly efficient merchant marine to carry American produce to the markets of the world in time of peace, but provides also that in case of war these merchant vessels shall all be turned into naval auxiliaries. Thus these vessels will all have a double mission, a double value, and will supply two fundamental and vital needs of our Nation. These vessels are as essential to our naval efficiency in time of war as they are to our industrial efficiency in time of peace.

NEED OF NAVAL AUXILIARIES.

Strange as it may sound, the United States at the present time does not really possess a navy. It possesses a number of splendid battleships with a hopelessly inadequate contingent of the other necessary naval units. But battleships do not constitute a navy, any more than a collection of bass drums would constitute a band. It takes many different kinds of instruments to make a band. It requires a number of different parts to make an automobile. It takes something more than wheels to make a wagon. It takes something more than sonorous phrases to make a statesman. And it requires a number of other essential units besides battleships to make an efficient fighting navy. A navy without scout ships and aeroplanes would be a navy without eyes. A navy without colliers and other naval auxiliaries of various sorts would be a navy without supplies. A navy without submarines and adequate means of defense against submarines in time of war would be a joke, short and to the point. In other words, if we are to have a real navy to defend our coasts and trade routes, we must have a navy that is complete, that is equipped with every feature that will add to its fighting efficiency. Without auxiliaries, a navy in the presence of an enemy at sea would soon become a hopeless and helpless aggregation of floating batteries.

During the Spanish War we squandered millions of dollars purchasing nondescript bottoms, in a hasty and hysterical effort to supply our deficiency in the way of an auxiliary merchant marine. We paid, as a rule, much more than these vessels were worth, and after the war sold them for whatever we could get. But not only did we thus squander immense sums of the people's money in this foolish and futile operation, but the efficiency of this scratch collection of vessels was so low that had our contest been with a first-class naval power, instead of with a nation even less powerful on the sea than ourselves, the weakness of our auxiliaries might easily have resulted in disaster and defeat for us. It would be not only incredibly costly but criminal and perhaps suicidal for us to attempt to face the future as we have faced the past, without a highly efficient auxiliary merchant marine for our Navy.

AN OBJECT LESSON.

The Federal shipbuilding plan of the shipping bill will be in the nature of a demonstration of the financial feasibility of building and operating American merchant ships at a profit. This plan of making "demonstrations" for the benefit of the business world is not a new one to the Agricultural Department. We are daily demonstrating the principals of the new agriculture in every State of the Union, and in a number of counties in each State. In fact, the Agricultural Department is spending millions of dollars every year carrying on practical demonstrations of scientific methods which the farmers and business men of the country seem unwilling to adopt until they have had ocular demonstrations that the new methods are profitable.

When once the Federal Government had demonstrated to the shipping corporations that ships can be built in American shipyards, operated under American charters and the American flag, by American crews, at a profit, these shipping corporations will not be slow to expand our merchant marine to meet the demands of American industry and commerce. But a demonstration of this nature is absolutely necessary at present, as American shipping corporations have taken the position that such a thing can not be done. Nothing is clearer than that they will not attempt to create an American merchant marine until the Federal Government demonstrates to them that even without subsidies it can be done profitably.

A NEW ERA DAWNING.

The change from sail to steam and from wood to iron construction shifted the supremacy in merchantmen from America to England, because England had facilities for building iron steamships cheaply and fueling them with cheaper coal than ours. We are now on the verge of another change—that from the coal-burning steamer to the oil-burning vessel with the Diesel type of engine. If America seizes her opportunity, the shoe will be shifted to the other foot, for America produces over 60 per cent of the world's crude oil. The Diesel engine makes more effective use of fuel than does the steam engine, occupies much smaller space, and requires a much smaller crew. Furthermore, the fuel is carried in the double bottom of the ship, a space only used for water ballast in coal-burning ships, and does not take up any cargo room.

This engine has not been perfected yet for the largest vessels, but is thoroughly practical for the type of merchantman most needed by us now. It has been estimated that though our crews should be largely composed of American citizens and paid the American scale of wages, enough could be saved on the cost of fuel and the economy of space in this new type of vessel to much more than offset the extra cost of American labor and food up to the American standard.

To sum up the whole question, then, is it not clear that an auxiliary merchant marine would be of inestimable value to the farmers of the country not only because of the wider market it would open to them and the higher prices it would enable them to get for the products, but also because it would help provide them, in common with all other citizens, with protection from possible foreign aggression?

As such a merchant marine can not conceivably be obtained by any ship-subsidy plan unless a complete and wholly undesirable revolution takes place in the sentiment of the people of the United States, if this primary necessity of our national life is to be provided for in the near future, evidently it must be in accordance with the plan worked out in the administration's shipping bill. In a national crisis of this character partisan considerations should and must be laid aside, and the farmers and business men of the country should rise up as one man to give their unequivocal and energetic support to the President in his efforts to secure for the country this incomparable piece of constructive legislation.

Mr. Chairman, I would like to have the gentleman from Massachusetts [Mr. GREENE] occupy the balance of his time.

Mr. GREENE of Massachusetts. I have two speeches instead of one. Do I understand that there is but one speech to be delivered on that side?

Mr. ALEXANDER. I have but one more speech on this side.

Mr. GREENE of Massachusetts. I yield, Mr. Chairman, to the gentleman from Washington [Mr. HUMPHREY] five minutes.

The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] is recognized for five minutes.

Mr. HUMPHREY of Washington. Mr. Chairman, gentlemen on that side of the House have had a great deal to say about subsidies. There has been a subsidy law on our statute books for a great many years, and it is there now, and no man on that side has ever had the courage to offer to repeal it. Every ship flying the American flag to-day in the over-seas trade, engaged as a general carrier, is running under that law.

My distinguished friend from Missouri [Mr. ALEXANDER] made the statement just a little while ago that "we ought to do something." Well, it must be admitted that the Democratic Party has "done something" since it has been in power to American shipping. The first thing the Democratic Party did was to pass a free-ship bill. They said that was the remedy. Yet not a single vessel came under the American flag in consequence of that act.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield for a moment at that point?

Mr. HUMPHREY of Washington. No; I will not yield.

Mr. ALEXANDER. That was passed under a Republican administration.

Mr. HUMPHREY of Washington. No. The gentleman himself said there was not time to discuss this bill. It was a Democratic House, and it was brought in here by a Democratic committee and was urged by Democrats.

Then they said that we must have a discriminating duty downward in the tariff law, and, with all due respect to the gentlemen who advocated that, I must say it was the most absurd and foolish proposition that was ever seriously advocated in this House. [Applause on the Republican side.] We passed that. You got the alleged remedy then that you wanted, and the only result is to entangle the United States Government in a lawsuit involving something like $20,000,000.

Then the next thing you did was to repeal the Panama Canal act, exempting coastwise American shipping from payment of tolls—the only act which was written on our statutes in 50 years that really was in the interest of the American merchant marine.

Then you were not satisfied with that, but you passed the seamen's bill. Now, my good friend from Missouri [Mr. ALEXANDER] says this morning that under that bill you can still use Chinese crews. In Heaven's name, if that is so, what did you accomplish by your seamen's law. You did not even get rid of the Chinese crews, and yet by the seamen's law you drove every ship on the Pacific flying the American flag out of business, every one of them. Yes; the Democratic Party has done something—not for, but to, American shipping.

You refer now to those successive failures and then tell us what you are going to do. You point with pride to these failures to demonstrate the fact that because you have always heretofore been wrong you must now be right. [Laughter on the Republican side.] It is not any wonder that you are now proposing to try Government ownership. It is not any wonder that you have been driven to that socialistic scheme. It is the only thing that you have not heretofore tried. [Laughter on the Republican side.]

Everybody knows that that is the direction you would have to take. You have tried everything else except subsidy and subvention. You have gone on record as being against everything else, and you have been driven to this proposition. It is a peculiar sort of mentality that can see a subsidy in paying American ships to carry the mail and can not see a subsidy in going direct into the Treasury and paying out $50,000,000 to embark on a wild, socialistic, untried scheme. [Applause on the Republican side.]

To-day we are doing a greater foreign trade than ever before in our history. We are sending more of our products across the sea than at any other period in our history. It costs more to-day to build an American ship or any other ship than ever before. It costs more to purchase an American ship or to purchase any other ship than ever before. There is not a man on either side of this aisle who can tell this House where a ship can be bought. There is not a man upon either side of this aisle who can tell you where you can construct a ship.

Mr. MADDEN. They have got some Hamburg-American Line ships tied up in New York.

Mr. HUMPHREY of Washington. There never was a time in the history of this Nation when it was so inopportune as now to pass legislation of this character. During all the years when we could purchase ships at low prices, when our shipyards were idle, we did nothing; but now, when private enterprise has promptly responded, when we are building to-day 386 ships in our yards, at this most inopportune time we propose to embark upon the socialistic scheme of Government ownership. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. I yield the remainder of my time to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, you can not successfully mix Government ownership and private ownership in competition, and you can not successfully mix Government operation and private operation in competition. You may provide that the Government shall do parts of its own work, either in the way of operation or in the way of manufacture, in order to protect itself from exorbitant charges by private parties, but I think there has never been a case where there was a successful effort made to have the Government own or operate any institution in competition with private parties that did not result either in a grave loss to the Government or in putting the resources of the Government on the one side and driving out the private competition.

The two things can not be worked together. You can take your choice. You can have the Government operate all of the railroads, but you could not have the Government operate one of the railroads between New York and Chicago and let the others continue in private ownership and leave the other roads solvent. Either you would operate the Government road at a great loss or else you would drive the other roads into insolvency or Government ownership. You can not mix those two things. Nobody has ever been able to do it. This bill undertakes to mix them. It undertakes to have the Government operate a portion of the shipping in competition with the balance of the shipping in private ownership. Of course, you can make the effort. It will not work. Under this proposition the Government may invest $50,000,000. It is not required to invest that sum. You will not invest $50,000,000 if private parties will put in the money. But in any event the Government is responsible for the operation of any ships which are leased, chartered, owned, or controlled by the corporations in which the Government has the majority of the stock. Are these ships, if we obtain them, to operate on the same scale of charges as the private ships? If they charge the same amount for the carriage of freight, who gets any advantage out of it? If they charge a lower rate for carrying freight, that will drive the private individual out of business. You can not make the two work together.

Now, it seems to me that this bill is not needed, because, in the first place, I can not see where a single ship will be added to commerce. It proposes to authorize the shipping board to buy ships. That will not add any ships to commerce. There are no idle ships that the Government can buy. It proposes to authorize the construction of ships; but the yards are now filled with all the orders that they can comply with during the next few years, and there will be a constant demand on the private parties for shipbuilding, if we do not scare them out by the passage of a bill like this. This bill will not add a single ship by the construction of a new ship, unless we frighten private individuals who are willing to put private capital into shipbuilding. If it does not add any ships to commerce, in what way is it any advantage? If it does not add a single ton to the tonnage capacity on the seas, how does it help? It will not carry any more commerce. You can not carry more commerce unless you have more shipping. You can buy ships, but that does not add a single ton. You can construct ships by preventing the shipyards building for private capital, but that does not add a single ton.

In what is the advantage of the bill? Not a thing. If the shipyards were empty and we had an immense foreign commerce seeking a chance to go across the seas and there was no tonnage with which to carry it, we might be justified in having the Government construct the ships, in order that there should be carrying capacity; but no one has the idle dream that this will add any more tonnage than would be added if the bill did not pass. The danger is that with the threat of Government ownership and Government operation private capital, which knows that it can not compete with public ownership, will cease to order the ships. The Government, with its great wealth, may operate ships at a loss and keep on doing it, but men with private capital can not afford to keep on operating ships at a loss and will hesitate to engage in shipbuilding as against Government ownership and operation, because they know that the Government can not be broken and made insol-

vent, while their corporations may be broken and made insolvent. With a very small amount of shipping, we might put the whole private shipping business to the bad. All of the capital we propose in this bill will not equal the capitalization of one private company in the United States. Yet we propose to say to private capital, "Do not venture here; this is preempted by the Government." The bill will do no good in that direction.

What are the dangers of the bill? Ships are at high value to-day. Freight rates are high. Shipping for the moment has come into its own. Ships which a few years ago could make little or no profit are to-day receiving high profits. To buy them means to pay a high charge for them. Who will buy these ships without scandal and graft? Everybody who has a ship will always be willing to sell to anyone else if he can get a high enough price for it. If we pay ten times or five times the value of ships, as we would have to pay, what a rare chance to put off onto the Government, through private influence, ships of little value and have the Government pay for them. [Applause on the Republican side.] I do not believe it is possible for the Government of the United States to purchase $50,000,000 worth of ships at this time, or perhaps at any other time, without scandal and graft being involved, and I believe if this bill passes more than one public official will pass out of public life heaped with scorn. [Applause on the Republican side.]

Mr. ALEXANDER. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 10 minutes.

Mr. ALEXANDER. I yield the balance of my time to the gentleman from Missouri [Mr. CLARK].

Mr. CLARK of Missouri. Mr. Chairman and gentlemen, crimination and recrimination about what has happened or has not happened in the past are very unprofitable; they do not get us anywhere. I suppose in a certain sense we are all sinners. I wish sometimes I never again could hear the word "Republican" or "Democrat" mentioned on a bill in this House which is purely a business matter. If there ever was any proposition introduced here that was simply and purely business, good, bad or indifferent, whatever it may turn out to be, this is one of them. All patriotic and wise American citizens, without regard to political or religious affiliations, want to see an American merchant marine. [Applause.] That is absolutely certain. A man that is opposed to rehabilitating the American merchant marine ought to be turned over to a board of alienists to see what is the matter with his head. [Laughter.]

We need an American merchant marine in our business. We need it as a matter of national pride and honor, that when we go abroad or sail on the high seas we shall not be compelled to sail under a foreign flag.

Of course you all know as well as I do that the deck of a ship is a part of the territory of the country under whose flag it flies. Upon the high seas the laws of the country which owns the ship apply to whatever crimes may be committed on board, and I will confess that even in time of profound peace I had rather sail the seas under the American flag than under a foreign flag. [Applause.] I would feel more at home. We need American ships not only for passenger and freight purposes, but they would be very handy things to have in case we should ever be involved in a foreign war—which God forbid!

There are only three ways to secure a merchant marine. One is by private enterprise. We have waited on that for 50 years. It has not rehabilitated the merchant marine. We are in a little better fix than we were a few years ago, but not much. We have no assurance under heaven that they ever will do it. Unless we completely revolutionize our shipping laws to suit their taste, they never will do it.

The second way is by means of a ship subsidy. The subsidy question has never been exactly a political question in this House—never entirely, but almost so. There were more Republicans voted for subsidy than there were Democrats, but there was always a certain percentage of Republicans that could not be lined up in favor of it. There was always a certain percentage of Democrats that we could not line up against it. If either party had been solid on this proposition, they would have had a ship subsidy long ago. I am not talking about the little subsidy that the gentleman from Washington [Mr. HUMPHREY] spoke about, for that does not amount to anything.

I am opposed to a subsidy and have always been opposed to one—that is, to hiring men to do that which they should do without being hired. No power on earth would force me to vote for a ship-subsidy bill. [Applause.] It has been up ever since I have been here, and how much longer I do not know. I suppose that a ship-subsidy bill in some shape, form, or fashion has passed one House or the other at least a half a dozen times, but they never could get both Houses to vote for it at once.

Mr. MADDEN. Will the gentleman yield?

Mr. CLARK of Missouri. Yes.

Mr. MADDEN. If the purchase and operation of these ships should create a loss to the Government of the United States and the Treasury had to be called upon to make up the deficit, would the gentleman consider that a subsidy?

Mr. CLARK of Missouri. No; I would not. I would consider it an ordinary transaction of a man paying his honest debts. [Laughter and applause.]

I will give you a little history. Most of the Members here are comparatively new Members, or at any rate you were not here when we had those rip-roaring fights about ship subsidy. In the Sixtieth Congress we beat the subsidy bill in the House one day on roll call by three votes just before Congress was going to die. But we were finally defeated that day under the most aggravating circumstances imaginable. We beat them three votes and several of our Members had bought their tickets and berths in the sleepers to go home, and after we had taken the vote and beaten them three votes there were four of our men who concluded that the whole thing was over and left the House. We telegraphed and telephoned to them and sent runners after them, but never could find them or stop them. One Republican, Mr. Littauer, from New York, changed his vote and voted against the subsidy bill so that he could move to reconsider. He did move to reconsider, and on the motion to reconsider they beat us one vote. When the roll was again called on the passage of the bill another of our men had jumped the bounty and they beat us two votes. [Laughter.]

In the next Congress—the Sixty-first—I fought that bill tooth and nail and helped Judge MOON, who was running it, what I could. Judge MOON was the leader in that fight. I ran two ex-Congressmen off the floor of the House that day. They were in here lobbying, which was against the rules; they would come over there and pick off a Democrat. [Laughter] Somebody would come and tell me, and I would go and get him back, and finally I sent word that if they did not get out of the Hall I would have them thrown out. When the roll was called they had beaten us by three votes. If I could get two Democrats to come over I had them. I want to two who voted for the subsidy and begged them as a political matter—I was willing to play politics then, as well as anybody else—and I induced two to change their votes, and we beat them. Now, when they beat us by one vote, I wrote a letter to Mr. Carmack, of Tennessee, who had been in the Senate six years, and told him that if he would talk that bill to death he would make more reputation in two days than he had in all of the time he had been there—5 years and 63 days. Senator JOHN SHARP WILLIAMS went over to see him. I did not know he was going, and he did not know I wrote a letter, but we wanted the same thing, somebody to talk it to death; and Carmack started in on a discussion of philology, and he took the Unabridged Dictionary as his illustrations and talked the thing to death.

I will tell the reasons which influenced me in being for this bill, and it may do some of you some good. I want to see a merchant marine. So do we all. When this bill was first introduced in the last Congress I was against it. I kept studying about it. There are only three ways to get a merchant marine, as I stated a while ago, and repeat now: Through private enterprise, which has failed; a subsidy, which Congress will not agree to; or this bill, or something like it, and I made up my mind that rather than have no merchant marine at all I would support a bill that I had some doubt about as to the theory on which it was built. Here is the situation in a nutshell: We all know it. There is no use to beat about the bush. We spend $300,000,000 a year for ocean freight, all paid to foreigners nearly—to foreign ship companies. I am in favor of paying that money to American ships under the American flag, giving employment to Americans on the high seas and American shipbuilders on shore. [Applause.] The way we have been proceeding about ocean transportation for half a century is sheer idiocy.

The history of the American marine is a story of mingled glory and shame—glory in the earlier years of the Republic; shame in these latter days. Before the Civil War we had the largest merchant marine in the world and it was gradually increasing. Our merchantmen rode every sea; our flag floated in every harbor in the world. Then came the building of iron and steel ships, and the British got at that before we did, and our merchant marine was slowly declining before the Civil War, and then the war came on and the privateers drove our flag from the seas to a large degree. There is no use telling you other reasons for its disappearance which might stir up

unpleasant political recollections; but anyhow we lost or abdicated our right to the rich domain of the seas—to the "seven seas" that they write about. A few years ago of all the vessels which went through the Suez Canal not one bore the Stars and Stripes at its masthead except men-of-war. Once upon a time there was a great famine in India. Men, women, and children were dying by the tens of thousands. Congress, reflecting and representing the generous hearts who sent us here, voted a million dollars to buy American foodstuffs to send to those starving and dying people, in a distant land and under strange stars. That was a magnificent donation. Having made it, we discovered to our ineffable disgust and shame that we could find no American ship to send our foodstuffs in and were compelled to hire a British ship in which to send our foodstuffs to the suffering subjects of Great Britain—which brought a touch of deep humiliation to every American citizen worth his salt. Query: Do we propose to go on in that foolish way forever? If not, vote for this bill as a dernier ressort—as the only way to change our course in this regard for the better.

There is a great deal of talk in this House and in the newspapers and everywhere else about securing the oriental trade. Of course, I am as much in favor of securing the oriental trade as anybody on the face of the earth, but the oriental trade is not a drop in the bucket and never will be to what the Central and South American trade ought to be, and we ought to have the big end of it instead of having a very small fraction of it. The way to secure that immense trade is to build our own ships and to operate them, thereby cultivating close friendly relations with the countries in this hemisphere. They are our neighbors and we should trade more with them. A merchant marine owned by the Government would be a regulator of ocean-freight rates and prevent extortion. For these reasons and others which I have not time to mention, I am most heartily in favor of building up and resuscitating our merchant marine, and to that end I am for this bill. [Loud applause.]

Mr. ALEXANDER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT, the Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15455 and had come to no resolution thereon.

DISTRICT OF COLUMBIA APPROPRIATION BILL.

Mr. PAGE of North Carolina. Mr. Speaker, by direction of the Committee on Appropriations, I present a bill making appropriation for the expenses of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes (H. Rept. 721.)

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 15774) making appropriation to provide for the expenses of the Government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes.

Mr. DAVIS of Minnesota. Mr. Speaker, I reserve all points of order.

The SPEAKER. The gentleman from Minnesota [Mr. DAVIS] reserves all points of order. The bill is ordered printed and referred to the Committee of the Whole House on the state of the Union.

PENSION APPROPRIATION BILL.

Mr. RAUCH. Mr. Speaker, by direction of the Committee on Appropriations I report the pension appropriation bill, making appropriations for invalid and other pensions for the fiscal year ending June 30, 1917. (H. Rept. 722.)

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 15775) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1917, and for other purposes.

Mr. MANN. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Illinois [Mr. MANN] reserves all points of order. The bill is ordered printed and referred to the Committee of the Whole House on the state of the Union.

INCREASE OF CERTAIN WORK, BUREAU OF ENGRAVING AND PRINTING.

Mr. FITZGERALD. Mr. Speaker, by direction of the Committee on Appropriations I report a joint resolution increasing the limit on certain classes of work in the Bureau of Engraving and Printing. (H. Rept. 723.)

The SPEAKER. The Clerk will report the joint resolution by title.

The Clerk read as follows:

House joint resolution No. 214, increasing the number of sheets of customs stamps and of checks, drafts, and miscellaneous work to be executed in the Bureau of Engraving and Printing during the fiscal year 1916.

Mr. MANN. Mr. Speaker, I shall not make any point of order against it, but that bill ought to be reported through the basket.

Mr. FITZGERALD. I thank the gentleman.

The SPEAKER. Ordered printed and referred to the Committee of the Whole House on the state of the Union.

UNITED STATES SHIPPING BOARD.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House of the state of the Union for the further consideration of the bill H. R. 15455.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15455, with Mr. GARRETT in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15455.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent to extend my remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none.

Mr. BENNET. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BENNET. Is this bill, which is very obviously divided into paragraphs, to be considered by paragraphs or sections?

The CHAIRMAN. By sections.

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none.

The CHAIRMAN. All general debate having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That when used in this act—

The term "common carrier by water in foreign commerce" means a common carrier engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, including the import and export trade.

The term "common carrier by water in interstate commerce" means a common carrier engaged in the transportation by water of passengers or property between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

The term "common carrier by water" means a common carrier by water in foreign commerce or a common carrier by water in interstate commerce.

The term "other person subject to this act" means any person not included in the term "common carrier by water," carrying on the business of forwarding, ferrying, towing, or furnishing transfer, lighterage, wharfage, dock, warehouse, or other terminal facilities in or in connection with a common carrier by water.

The term "person" includes corporations, partnerships, and associations, existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

Mr. BENNET. Mr. Chairman, I offer the following substitute for section 1, with the notice required by the precedents that if substitute for section 1 is adopted I shall move to strike out each successive section as it is read.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report, and gives notice required under the rules.

The Clerk read as follows:

Amendment by Mr. BENNET: Strike out the first section and substitute the following:

"That when used in this act—

"The term 'common carrier by water in foreign commerce' means a common carrier engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, including the import and export trade.

"The term 'common carrier by water in interstate commerce' means a common carrier engaged in the transportation by water of passengers or property between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

"The term 'common carrier by water' means a common carrier by water in foreign commerce or a common carrier by water in interstate commerce.

"The term 'other person subject to this act' means any person not included in the term 'common carrier by water,' carrying on the business of forwarding, ferrying, towing, or furnishing transfer, lighterage, wharfage, dock, warehouse, or other terminal facilities in or in connection with a common carrier by water.

"The term 'person' includes corporations, partnerships, and associations existing under or authorized by the laws of the United States,

or any State, Territory, District, or possession thereof, or of any foreign country.

"SEC. 2. That within the meaning of this act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of a corporation, unless its president and managing directors are citizens of the United States and the corporation itself is organized under the laws of the United States or of a State, Territory, District, or possession thereof.

"The provisions of this act shall apply to receivers and trustees of all persons to whom the act applies.

"SEC. 3. That a board is hereby created, to be known as the United States shipping board, and hereinafter referred to as the board. The board shall be composed of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate, one of such commissioners to be designated by the President as chairman of the board and one as vice chairman.

"The first commissioners appointed shall continue in office for terms of two, three, four, five, and six years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds.

"The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this act and to a fair representation of the geographical divisions of the country. Not more than three of the commissioners shall be appointed from the same political party. No commissioner shall be in the employ of or hold any official relation to any common carrier by water or other person subject to this act, or own any stocks or bonds thereof, or be pecuniarily interested therein. No commissioner shall actively engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the board shall not impair the right of the remaining members of the board to exercise all its powers. The board shall have an official seal, which shall be judicially noticed.

"The board may adopt rules and regulations in regard to its procedure and the conduct of its business.

"SEC. 4 That each member of the board, except the ex officio members, shall receive a salary of $10,000 per annum. The board shall appoint a secretary, at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress. The President, upon the request of the board, may authorize the detail of officers of the military and naval services of the United States for such duties as the board may deem necessary in connection with its business.

"With the exception of the secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ for the conduct of its work, all employees of the board shall be a part of the classified civil service.

"The expenses of the board, including necessary expenses for transportation, incurred by the members of the board or by its employees under its orders, in making any investigation, or upon official business in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the board.

"Until otherwise provided by law, the board may rent suitable offices for its use.

"The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the board.

"SEC. 5. That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards, or to purchase, lease, or charter, vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes.

"SEC. 6. That the President may transfer to the board such vessels belonging to the War or Navy Department as are suitable for commercial uses and not required for military or naval use in time of peace, and cause to be transferred to the board vessels owned by the Panama Railroad Co. and not required in its business.

"SEC. 7. That the board, upon terms and conditions prescribed by it and approved by the President, may charter, lease, or sell to any person a citizen of the United States any vessel so purchased, constructed, or transferred.

"SEC. 8. That when any vessel purchased or constructed by or transferred to the board as herein provided, and owned by the United States, becomes, in the opinion of the board, unfit for the purposes of this act, it shall be appraised and sold at public or private sale free from the conditions and restrictions of this act.

"SEC. 9. That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels heretofore or hereafter admitted to American registry or enrollment and license under the act of August 18, 1914, or under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder (except the Panama Railroad Co.), may not engage in the coastwise trade of the United States, except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels.

"Every vessel purchased, chartered, or leased from the board shall, unless otherwise authorized by the board, be operated only under such registry or enrollment and license. Such vessels while employed solely as merchant vessels shall be subject to all laws, regulations, and liabilities governing merchant vessels, whether the United States be interested therein as owner, in whole or in part, or hold any mortgage, lien, or other interest therein. No such vessel, without the approval of the board, shall be transferred to a foreign registry or flag, or sold; nor, except under regulations prescribed by the board, be chartered or leased.

"When the United States is at war, or during any national emergency the existence of which is declared by proclamation of the President, no vessel registered or enrolled and licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States or transferred to a foreign registry or flag.

"Any vessel sold, chartered, leased, transferred, or operated in violation of this section shall be forfeited to the United States, and whoever violates any provision of this section shall be guilty of a misdemeanor and subject to a fine of not more than $5,000 or to imprisonment of not more than five years, or both such fine and imprisonment.

"SEC. 10. That the President, upon giving to the person interested such reasonable notice in writing as in his judgment the circumstances permit, may take possession, absolutely or temporarily, for any naval or military purpose, of any vessel purchased, leased, or chartered from the board: *Provided*. That if, in the judgment of the President, an emergency exists requiring such action he may take possession of any such vessel without notice.

"Thereafter, upon ascertainment by agreement or otherwise, the United States shall pay the person interested the fair actual value at the time of taking of the interest of such person in every vessel taken absolutely, or if taken for a limited period, the fair charter value for such period. In case of disagreement as to the fair value it shall be determined by appraisers, one to be appointed by the board, one by the person interested, and a third by the two so appointed. The finding of a majority of such appraisers shall be final and binding upon both parties.

"SEC. 12. That any vessel purchased, leased, or chartered from the board may be listed by the Secretary of the Navy as a vessel of the United States Naval Auxiliary Reserve. The officers and members of the crew of any such listed vessel who volunteer for the purpose and are citizens of the United States or its insular possessions may, under regulations prescribed by the Secretary of the Navy, be enrolled in various ranks and ratings corresponding to those of the United States Navy, not above the rank of lieutenant commander, as members of any naval reserve force established by law.

"SEC. 13. That the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry. It shall examine the navigation laws of the United States and the rules and regulations thereunder, and make such recommendations to the Congress as it deems proper for the amendment, improvement, and revision of such laws, and for the development of the American merchant marine. It shall investigate the legal status of mortgage loans on vessel property, with a view to means of improving the security of such loans and of encouraging investment in American shipping.

"It shall on or before the 1st day of December in each year make a report to the Congress, which shall include its recommendations and the results of its investigations, a summary of its transactions, and a statement of all expenditures and receipts under this act, and of the operations of any corporation in which the United States is a stockholder, and the names and compensation of all persons employed by the board.

"SEC. 14. That for the purpose of carrying out the provisions of sections 5 and 11 the Secretary of the Treasury, upon the request of the board, approved by the President, shall from time to time issue and sell or use any of the bonds of the United States now available in the Treasury under the acts of August 5, 1909, February 4, 1910, and March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $50,000,000: *Provided*, That any bonds issued and sold or used under the provisions of this section may be made payable at such time within 50 years after issue as the Secretary of the Treasury may fix, instead of 50 years after the date of issue, as prescribed in the act of August 5, 1909.

"The proceeds of such bonds and the net proceeds of all sales, charters, and leases of vessels and of sales of stock made by the board, and all other moneys received by it from any source, shall be covered into the Treasury to the credit of the board, and are hereby permanently appropriated for the purpose of carrying out the provisions of sections 5 and 11.

"SEC. 15. That no common carrier by water shall directly or indirectly—

"First. Pay, or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow, a deferred rebate to any shipper. The term 'deferred rebate' in this act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the period for which computed and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

"Second. Use a fighting ship either separately or in conjunction with any other carrier, through agreement or otherwise. The term 'fighting ship' in this act means a vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade.

"Third. Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronized any other carrier or has filed a complaint charging unfair treatment, or for any other reason.

"Fourth. Make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered, or unfairly treat or unjustly discriminate against any shipper in the matter of (a) cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage; (b) the loading and landing of freight in proper condition; or (c) the adjustment and settlement of claims.

"Any carrier who violates any provision of this section shall be guilty of a misdemeanor punishable by a fine of not more than $25,000 for each offense.

"SEC. 16. That every common carrier by water, or other persons subject to this act, shall file immediately with the board a true copy, or, if oral, a true and complete memorandum, of every agreement with another such carrier or other person subject to this act, or modification or cancellation thereof, to which it may be a party or conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or cooperative working arrangement. The term 'agreement' in this section includes understandings, conferences, and other arrangements.

"The board may by order disapprove, cancel, or modify any agreement, or any modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be in violation of this act, and shall approve all other agreements, modifications, or cancellations.

"Agreements existing at the time of the organization of the board shall be lawful until disapproved by the board. It shall be unlawful to carry out any agreement or any portion thereof disapproved by the board.

"All agreements, modifications, or cancellations made after the organization of the board shall be lawful only when and as long as approved by the board; and before approval or after disapproval it shall be unlawful to carry out in whole or in part, directly or indirectly, any such agreement, modification, or cancellation.

"Every agreement, modification, or cancellation lawful under this section shall be excepted from the provisions of the act approved July 2, 1890, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' and amendments and acts supplementary thereto, and the provisions of sections 73 to 77, both inclusive, of the act approved August 27, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' and amendments and acts supplementary thereto.

"Whoever violates any provision of this section shall be liable to a penalty of $1,000 for each day such violation continues, to be recovered by the United States in a civil action.

"SEC. 17. That it shall be unlawful for any common carrier by water, or other person subject to this act, either alone or in conjunction with any other person, directly or indirectly—

"First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

"Second. To allow any person to obtain transportation for property at less than the regular rates then established and enforced on the line of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

"Third. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo, having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this act.

"SEC. 18. That no common carried by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States, as compared with their foreign competitors. Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected, it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge.

"Every such carrier and every other person subject to this act shall establish, observe, and enforce just and reasonable regulations and practices relating to or connected with the receiving, handling, storing, or delivering of property. Whenever the board finds that any such regulation or practice is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable regulation or practice.

"SEC. 19. That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto, and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

"Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water.

"No such carrier shall demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with this section, except with the approval of the board and after 10 days' public notice in the form and manner prescribed by the board, stating the increase proposed to be made; but the board, for good cause shown, may waive such notice.

"Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice, demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

"SEC. 20. That whenever a common carrier by water in interstate commerce reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, it shall not increase such rates unless, after hearing, the board finds that such proposed increase rests upon changed conditions other than the elimination of said competition.

"SEC. 21. That it shall be unlawful for any common carrier by water or other person subject to this act, or any officer, receiver, trustee, lessee, agent, or employee of such carrier or person, or for any other person authorized by such carrier or person to receive information, knowingly to disclose to or permit to be acquired by any person other than the shipper or consignee, without the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such common carrier or other person subject to this act for transportation in interstate or foreign commerce, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor, or which may be used to the detriment or prejudice of any carrier; and it shall also be unlawful for any person to solicit or knowingly receive any such information which may be so used.

"Nothing in this act shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court of a State or of the United States, or to any officer or agent of the Government of the United States, or of any State, Territory, District, or possession thereof, in the exercise of his powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crime, or to another carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of business of such carriers.

"SEC. 22. That the board may require any common carrier by water, or other person subject to this act, or any officer, receiver, trustee, lessee, agent, or employee thereof, to file with it any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the business of such carrier or other person subject to this act. Such report, account, record, rate, charge, or memorandum shall be under oath whenever the board so requires, and shall be furnished in the form and within the time prescribed by the board. Whoever fails to file any report, account, record, rate, charge, or memorandum as required by this section shall forfeit to the United States the sum of $100 for each day of such default.

"Whoever willfully falsifies, destroys, mutilates, or alters any such report, account, record, rate, charge, or memorandum, or willfully files a false report, account, record, rate, charge, or memorandum, shall be guilty of a misdemeanor and subject, upon conviction, to a fine of not more than $1,000 or imprisonment for not more than one year, or to both such fine and imprisonment.

"SEC. 23. That any person may file with the board a sworn complaint setting forth any violation of this act by a common carrier by water, or other person subject to this act, and asking reparation for the injury, if any, caused thereby. The board shall furnish a copy of the complaint to such carrier or other person, who shall, within a reasonable time specified by the board, satisfy the complaint or answer it in writing. If the complaint is not satisfied, the board shall, except as otherwise provided in this act, investigate it in such manner and by such means and make such order as it deems proper. The board, if the complaint is filed within two years after the cause of action accrued, may direct the payment, on or before a day named, of full reparation to the complainant for the injury caused by such violation.

"The board, upon its own motion, may in like manner and, except as to orders for the payment of money, with the same powers investigate any violation of this act.

"SEC. 24. Orders of the board relating to any violation of this act shall be made only after full hearing and upon a sworn complaint, or in proceedings instituted of its own motion.

"All orders of the board other than for the payment of money made under this act shall continue in force for such time, not exceeding two years, as shall be prescribed therein by the board, unless suspended, modified, or set aside by the board or any court of competent jurisdiction.

"SEC. 25. That the board shall enter of record a written report of every investigation made under this act in which a hearing has been held, stating its conclusions, decision, and order, and, if reparation is awarded, the findings of fact on which the award is made, and shall furnish a copy of such report to all parties to the investigation.

"The board may publish such reports in the form best adapted for public information and use, and such authorized publications shall, without further proof or authentication, be competent evidence of such reports in all courts of the United States and of the States, Territories, Districts, and possessions thereof.

"SEC. 26. That the board may reverse, suspend, or modify, upon such notice and in such manner as it deems proper, any order made by it. Upon application of any party to a decision or order, it may grant a rehearing of the same or any matter determined therein, but no such application for or allowance of a rehearing shall, except by special order of the board, operate as a stay of such order.

"SEC. 27. That for the purpose of investigating alleged violations of this act, the board may, by subpœna, compel the attendance of witnesses and the production of books, papers, documents, and other evidence from any place in the United States at any designated place of hearing. Subpœnas may be signed by any commissioner, and oaths or affirmations may be administered, witnesses examined, and evidence received by any commissioner or examiner, or, under the direction of the board, by any person authorized under the laws of the United States or of any State, Territory, District, or possession thereof to administer oaths. Persons so acting under the direction of the board and witnesses shall, unless employees of the board, be entitled to the same fees and mileage as in the courts of the United States. Obedience to any such subpœna shall, on application by the board, be enforced as are orders of the board other than for the payment of money.

"SEC. 28. That no person shall be executed, on the ground that it may tend to incriminate him or subject him to a penalty or forfeiture, from attending and testifying, or producing books, papers, documents, and other evidence, in obedience to the subpœna of the board or of any court in any proceeding based upon or growing out of any alleged violation of this act; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpœna and under oath, he may so testify or produce evidence, except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

"SEC. 29. That in case of violation of any order of the board, other than an order for the payment of money, the board, or any party injured by such violation, or the Attorney General, may apply to a district court having jurisdiction of the parties; and if, after hearing, the court determines that the order was regularly made and duly issued, it shall enforce obedience thereto by a writ of injunction or other proper process, mandatory or otherwise.

"SEC. 30. That in case of violation of any order of the board for the payment of money the person to whom such award was made may file in the district court for the district in which such person resides, or in which is located any office of the carrier or other person to whom the order was directed, or in which is located any point of call on a regular route operated by the carrier, or in any court of general jurisdiction of a State, Territory, District, or possession of the United States having jurisdiction of the parties, a petition or suit setting forth briefly the causes for which he claims damages and the order of the board in the premises.

"In the district court the findings and order of the board shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs, nor shall he be liable for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If a peti-

tioner in a district court finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as part of the costs of the suit.

"All parties in whose favor the board has made an award of reparation by a single order may be joined as plaintiffs, and all other parties to such order may be joined as defendants, in a single suit in any district in which any one such plaintiff could maintain a suit against any one such defendant. Service of process against any such defendant not found in that district may be made in any district in which is located any office of, or point of call on a regular route operated by, such defendant. Judgment may be entered in favor of any plaintiff against the defendant liable to that plaintiff.

"No petition or suit for the enforcement of an order for the payment of money shall be maintained in a district or State court unless filed within one year from the date of the order.

"SEC. 31. That the venue and procedure in the courts of the United States in suits brought to enforce, suspend, or set aside, in whole or in part, any order of the board shall, except as herein otherwise provided, be the same as in similar suits in regard to orders of the Interstate Commerce Commission, but such suits may also be maintained in any district court having jurisdiction of the parties.

"SEC. 32. That whoever violates any provision of this act, except where a different penalty is provided, shall be guilty of a misdemeanor, punishable by fine of not to exceed $5,000.

"SEC. 33. That this act shall not be construed to affect the power or jurisdiction of the Interstate Commerce Commission, nor to confer upon the board concurrent power or jurisdiction over any matter within the power or jurisdiction of such commission; nor shall this act be construed to apply to intrastate commerce.

"SEC. 34. That if any provision of this act, or the application of such provision to certain circumstances, is held unconstitutional, the remainder of the act, and the application of such provision to circumstances other than those as to which it is held unconstitutional, shall not be affected thereby.

"SEC. 35. That for the fiscal year ending June 30, 1917, the sum of $100,000 is hereby appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the board, including the payment of salaries herein authorized."

During the reading of the substitute the following occurred:

Mr. GILLETT. Mr. Chairman——

Mr. BENNET. Mr. Chairman, the reading of the amendment is not concluded. The Clerk has not read 27 pages in two minutes.

Mr. ALEXANDER. As I understand, the Clerk so far is reading H. R. 15455, the bill that is under consideration. Is that correct?

Mr. BENNET. The situation is the same.

The CHAIRMAN. The gentleman from New York offered an amendment to strike out the first section of H. R. 15455, and insert in lieu thereof the bill which he sent to the Clerk's desk, and gave notice that if the amendment should be adopted he would then move to strike out each section of H. R. 15455 as it should be reached and read.

Mr. ALEXANDER. Is he offering the first section of that bill?

The CHAIRMAN. The Chair did not follow the reading of the amendment closely enough to know whether it is the first section of H. R. 15455 or not.

Mr. MANN. It would not make any difference.

The CHAIRMAN. Not parliamentarily. The parliamentary situation would not be changed even if it were.

Mr. ALEXANDER. As I caught the reading, it is the exact language of the first section of H. R. 15455.

Mr. MANN. That would not make any difference.

The CHAIRMAN. That would not change the parliamentary situation. The Clerk will read.

The Clerk proceeded with the reading of the substitute.

During the reading,

Mr. OGLESBY. Mr. Chairman, I reserve a point of order that the amendment outside of that already read is not germane to the paragraph to which it is offered as an amendment.

Mr. BENNET. The precedent is from Hinds' Precedents, volume 5, page 5796.

The CHAIRMAN. The Chair overrules the point of order.

The Clerk concluded the reading of the substitute.

Mr. BENNET. Mr. Chairman, this amendment strikes out of the bill those words which add two Members of the Cabinet to the shipping board. It strikes out of the bill section 11—the section which provides for Government operation—and it strikes out of section 5 the words which permit this shipping board to go abroad and either build American ships with American money in foreign shipyards or buy them abroad. Otherwise it is the bill of the committee without change. There are matters remaining in the bill which do not have my personal sympathy, and which I think are even bad; but I wanted to keep Karl Marx and Socialism on the one side and American leadership and Americanism on the other. [Applause on the Republican side.] That is what this amendment does. To vote against my amendment is to vote to support the theories of those gentlemen who have the constitutional right, which they exercised, to send my colleague, Mr. LONDON, to the floor of this House. A vote for this amendment is to vote to support those principles of American government based upon the recognition of the individual that every Democrat and every Republican has professed during his entire political life. We have always been against Government operation. This gives us a chance to say whether our opposition to Government operation was sincere or whether, as the Socialist in every congressional district and every city charges, we are insincere in that, as they charge we are insincere in everything else.

Mr. OGLESBY. Will my colleague yield?

Mr. BENNET. Yes.

Mr. OGLESBY. I want to say to the gentleman that I am opposed to Government operation, and I would like to ask him this question: If you absolutely prohibit the Government from operating these vessels after we build them, are you not placing the shipping board of the Government in the position of possibly acquiring vessels for which they could have no use whatever? Should they not have this avenue of escape from a combination of shipping interests, for instance, who might not be willing to lease those vessels and operate them on fair terms?

Mr. BENNET. Mr. Chairman, if my colleague will read sections 7, 8, 9, 10, and, I think, 12, which have to do with the powers of this shipping board, I do not think that he would seriously press that argument. And if there was anything in his argument, just see where it leads him to—that there is so little demand for ships that we have to have the Government for a customer in order to justify any bill at all. If there is no demand for ships, why, then, there is no use for this bill. But we do want an American merchant marine and we do want it in private hands—at least, I do—and I have no doubt my colleague also. So long as we retain section 11 in the bill we will not have it in private hands, and so far as we retain those two Secretaries on the commission, which we do not do in the Interstate Commerce Commission, which we do not do in any other commission so far as I recall, we have brought the Government right into the business.

Why? Just stop and think. There are only seven men on that commission. The Government starts in with two Cabinet officers. It only has to have four in order to have a majority. The terms of these men expire, one each year, and during each presidential term, therefore, four will expire, and therefore every President has two of his Cabinet officers to start with, and four men who will come up for reappointment; six out of seven, who are more or less under his control the moment he is inaugurated President of the United States.

I am not going to take any great amount of time——

The CHAIRMAN (Mr. PAGE of North Carolina). The time of the gentleman from New York has expired.

Mr. SAUNDERS. Mr. Chairman, a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. SAUNDERS. What is the question now before the House upon which we shall vote?

The CHAIRMAN. The substitute is the amendment offered by the gentleman from New York [Mr. BENNET] for the pending bill.

Mr. SAUNDERS. An entire substitute?

The CHAIRMAN. Yes; an entire substitute.

Mr. SAUNDERS. Suppose that substitute is defeated. Will it be competent for any Member on this floor, when we reach the details in these sections to which that substitute relates, to offer from time to time amendments?

The CHAIRMAN. The Chair understands that this amendment, being offered in the way of a substitute, can be taken up section by section in the committee and read, subject to amendment.

Mr. SAUNDERS. If we vote down the substitute, I ask would it then be in order for gentlemen on the minority side, who want to present their objections to these different sections as we reach them, to offer amendments directed to those particular sections?

The CHAIRMAN. The Chair thinks that would be true. It would not limit their right to offer amendments to particular sections of the bill, provided this substitute is voted down.

Mr. OGLESBY. Mr. Chairman, I would like to ask unanimous consent that the gentleman from New York [Mr. BENNET], who introduced this amendment, may be allowed to state exactly what his amendment provides.

The CHAIRMAN. The gentleman from New York [Mr. OGLESBY] asks unanimous consent that his colleague [Mr. BENNET] may be allowed to state what his amendment provides.

Mr. COX. For how long, Mr. Chairman?

Mr. OGLESBY. Say, five minutes.

The CHAIRMAN. For five minutes. Is there objection?

There was no objection.

Mr. OGLESBY. The gentleman did explain it once.

Mr. BENNET. If the gentleman will take the bill which is before the committee, he will notice that on page 3 the substitute leaves out the following language: "The Secretary of the Navy and the Secretary of Commerce, as members ex officio, and," so that the language will read, "The board shall be composed of five commissioners, to be appointed by the President," and so forth.

Then, in section 5, lines 23 and 24, the substitute leaves out this language, "or elsewhere, giving preference, other things being equal, to domestic yards," so that the section will read:

That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards, or to purchase, lease, or charter, vessels suitable—

And so forth.

Mr. OGLESBY. May I interrupt the gentleman with a question?

Mr. BENNET. Yes.

Mr. OGLESBY. The gentleman's amendment does not, then, omit from section 5 the words "or to purchase, lease, or charter vessels"? The gentleman's amendment will permit the Government to take under lease or charter vessels as well as purchase them?

Mr. BENNET. It permits the shipping board to charter, lease, and so forth, vessels which may have been built abroad, but it prohibits them from building abroad in foreign shipyards or purchasing abroad vessels for use as auxiliaries to the Navy.

Then section 11, the section which permits this shipping board to form under the laws of the District of Columbia one or more corporations, is the strictly governmental operation section, and my amendment strikes that out.

Mr. BYRNES of South Carolina. Mr. Chairman, will the gentleman permit a question?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from South Carolina?

Mr. BENNET. Certainly.

Mr. BYRNES of South Carolina. Do you not leave in the bill a provision appropriating $50,000,000 for the purpose of going into the business of building ships and selling, leasing, and chartering them?

Mr. BENNET. That is section 14. I do not strike it out.

Mr. BYRNES of South Carolina. Do you think you have anything on Mr. LONDON or Carl Marx and his socialism when you propose to put the Government into the business of leasing and chartering vessels to individuals?

Mr. BENNET. I think I am a distinct improvement on those theories, if the gentleman asks me my personal opinion of myself. [Laughter.] I attempt to draw as clearly and cleanly as possible the line between socialism and the old-time traditional views of the Democratic and Republican Parties. If I had my way I would strike out other things in this bill, but I do not see any sign that I will have my way in full, and therefore I want to get my way as far as I can.

Further than that, I am frank to say that I consider this question of socialism versus the old political methods a far graver and more important question even than the passage of this bad bill.

Mr. OGLESBY. The gentleman does not disturb section 9 of the bill.

Mr. BENNET. I have stated everything I do.

Mr. HELM rose.

The CHAIRMAN. The gentleman from Kentucky [Mr. HELM] is recognized.

Mr. ALEXANDER rose.

The CHAIRMAN. Does the gentleman from Missouri desire recognition?

Mr. HELM. If so, I will surrender the floor to the gentleman from Missouri.

Mr. ALEXANDER. No; not at this time.

The CHAIRMAN. The gentleman from Kentucky [Mr. HELM] is recognized for five minutes.

Mr. HELM. Mr. Chairman, there has been criticism of this bill because of an alleged subsidy feature which it contains.

I submit to the membership of this House whether the man who owns his house, his home, as the Government is proposing to own the ships in this bill, subsidizes himself by the ownership of his own home? Do you home owners subsidize yourselves when you buy, own, and operate your own homes? The answer is "No." Is there for like reason any subsidy attached, either directly or indirectly, when the Government owns and operates its own ships?

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. HELM. In just a moment.

The CHAIRMAN. The gentleman declines to yield.

Mr. MADDEN. Just for one question.

Mr. HELM. Very well; I yield.

Mr. MADDEN. The man who owns his own home pays his own taxes. When the Government owns these ships other people will pay the taxes to maintain them, and the Government puts itself in competition with the people who pay the taxes.

Mr. HELM. I do not see the application of the argument of the gentleman from Illinois. The man who owns his own home and saves himself rent occupies a situation not unlike the Government that owns its own ships and operates them, certainly the farmer who owns his own horse and buggy or wagon and team, instead of hiring them, does not subsidize himself by such ownership. Where does the subsidy in Government-owned ships attach?

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield there?

Mr. HELM. No; I can not answer any more questions. I have only five minutes. Otherwise I would be delighted to yield further.

Ocean freight, like freight by rail, always moves over the line charging the lowest rate of transportation. The Government-owned and rate-controlled ship line, with reasonable rates, as contemplated and provided for in this bill, will inevitably reduce the ocean freight rates charged by the present uncontrolled trust-operated ships.

There are those opposing the bill because they do not think the Government should engage in private business, others on constitutional grounds, and so on. As for me, under the stress of the present extreme emergency and world-wide business upheaval, I am not going to stand on niceties and fine-spun distinctions. When the house is on fire, it is immaterial whether it is water from the branch, well, creek, cistern, or slop jar that is available—water is what you need. After the fire is out, then there is ample time to consider the source. Our merchandise is languishing at our ports. This is neither the time nor the occasion for an idle waste of time in the discussion of governmental theories. The merchandise must be moved. Private enterprise having failed to meet the exigencies of the occasion, the United States Government must step in and do what is needful.

Seeing the great possibilities of capturing the immense South American trade, and diverting it from across the oceans to our own doors, I introduced a bill having in view the establishment of a clearing-house, credit-extending, banking institution to be situated on the Canal Zone. Other schemes and plans have been proposed to accomplish the same end by different methods with indifferent success. But behind any and all such movements and enterprises is the question of adequate and sufficient transportation between the United States and Central and South America. It has been aptly stated that "the need of this shipping bill is to be found in the fact that all the export trade of the United States is now pouring through a funnel not near large enough to accommodate it."

The Democratic administration has succeeded in repealing many of our antiquated navigation laws that have been continued at the behest of the Shipping Trust, in force during the long Republican control, and that have hampered, in fact, prevented, the development of an American merchant marine.

Until 1912 only American-built vessels were admitted to American registry. Now registration under the American flag is restricted only to vessels owned wholly by American citizens, and the word "citizens" includes corporations organized or chartered under the laws of the United States or any State thereof.

The ship-registry act of August 18, 1914, passed by a Democratic Congress, repealed the act excluding from American registry foreign-built seagoing vessels to such as had not been constructed for a longer period than five years, and further provided that the President could, whenever in his discretion the needs of foreign commerce might require, "suspend by order, so far and for such length of time as he may deem desirable, the provision of law prescribing that all the watch officers of the vessels of the United States registered for foreign trade shall be citizens of the United States," and that the President could, "under like conditions, in like manner, and to like extent," suspend the provisions of law requiring survey, inspection, and so forth.

By Executive order of President Wilson, made on September 4, 1914, it was provided that requirements as to survey, inspection, and so forth, should be suspended for two years, as well as the provisions relating to watch officers without regard to citizenship for a term of seven years, provided that after two years any vacancy should be filled by a citizen of the United States. The act of March 4, 1915, went a step further and repealed the statute imposing tonnage duties of 50 cents per ton and light money of 50 cents per ton on vessels of the United States, and also repealed that portion of the tariff act imposing

a discriminating duty of 10 per cent ad valorem on goods imported in such vessels. This act was made retroactive and provided for a refund of all tonnage duties, light money, and discriminating duties collected since the passage of the act of August 18, 1914, all of which appears in the special agent series, No. 114, prepared by Mr. Grosvenor M. Jones, commercial agent, Bureau of Foreign and Domestic Commerce.

The acts cited evidence the bona fide efforts put forth by the Democrats to repeal the antiquated navigation laws that the Republicans have for many long years permitted to obstruct and stand in the way of the American merchant marine, and which the passage of the pending bill is designed to foster and promote.

Ocean freight rates have risen to dizzy heights within the last two years. In March, 1914, the rate per bushel on wheat from New York City to Liverpool was 2.5 cents per bushel; in March, 1915, it was 50.7, an increase of over 2,000 per cent. Freight on tobacco in April, 1914, was 31 cents per hundred pounds; in January, 1916, $3 per hundred pounds. The profits of the English shipowners are far in excess of the enormous profits of the munition manufacturers. If the railroads should resort to such practices either in intrastate or interstate commerce, it would start a revolution. The British shipowners are collecting extortionate tolls off the neutral commerce of the world.

Great Britain could destroy commerce between North and South America as completely and as effectively as she has German over-sea commerce simply by diverting her ships to other trade channels, under her right to requisition them for war purposes, and her keen eye for trade will not overlook the opportunity. What trade of the United States she does not capture by diversion or commandeering of her ships she will obtain by alleged blockades, and in this indirect but certain way it results that the United States stands to bear or pay a large portion of Great Britain's war expense.

The Government must match its resources against the "Mistress of the Seas" and come to the aid of our foreign commerce and the over-sea trade of its citizens. Private enterprise, as already said, has been either unwilling or afraid to meet the situation, and inasmuch as it has not and will not, nothing remains except for the Government to step in during the pending emergency. The purposes of the bill now under consideration are threefold: (1) To provide ships available in time of peace for commercial purposes; (2) naval auxiliaries in time of war; and (3) an entering wedge to split up the Shipping Trust. The Government alone is strong enough to cope with the Shipping Trust, that has a strangle hold on our foreign commerce.

It is useless to regulate the transportation of our commerce from inland ports to the seaboard, and then permit the shipowners to rob the shippers by extortionate ocean freight rates.

There is not a farmer in my district who does not know by experience when he offers his wheat crop for sale that the local miller pays him the current price of wheat in Cincinnati, Louisville, or Chicago less the freight from the farmer's shipping point to those centers. By the same token, the producers of grains and tobacco should be receiving the prices of their products in the foreign market less a reasonable—not an extortionate—freight to the foreign ports. But as intolerable as this situation is, and demanding immediate relief, it is just a little better than no ships at all, which is substantially our condition. Imagine the helpless condition of a coal merchant in a city without motor trucks or teams with which to deliver his coal. He may have his yard piled high with abundance of the best coal obtainable, but he is on the sure road to bankruptcy unless he is equipped with adequate facilities for the delivery of it, comparable to that of his competitor. If he is compelled to depend on his business rival to deliver his orders to his own customers, his days in that business are numbered, and they are few.

An editorial in the Washington Post of Wednesday, May 17, 1916, presents the American viewpoint in very vivid and striking form, and under leave I herewith insert it as a part of my remarks:

THE COUNTRY DEMANDS THE AMERICAN MERCHANT MARINE.

The bill for creating an American merchant marine is before the House of Representatives, and the people of the United States expect the Members of the House and of the Senate to do their duty to them and to the Republic by establishing that long-promised marine.

For 32 years of Republican control of Federal power and for 8 quadrennial periods of promises to establish a merchant marine for the Nation those promises were not fulfilled.

For an equally long period of Democratic pledges for a merchant marine and eight years of Democratic control of Federal power all the results the American people had were the unfulfilled promises of the party.

It has been a long period of national subordination upon the high seas, a long period of supremacy in facilities of trade for our commercial rivals, and the Republic of the United States was rendered a debtor nation for half a century largely by this long and grievously felt want of ocean transportation under the Stars and Stripes.

The past two years have so plainly disclosed the absolute necessity of this marine to the great masses of the people of the United States that they are now united as never before, urgent as never before, determined as never before to have that marine established, and they now ask the Congress to provide that marine as a national necessity to the maintenance of the country's prosperity.

They call for it in no partisan spirit, but with a patriotic purpose.

They realize the extent of the losses that agriculturists, miners, manufacturers of the United States have sustained during the past two years would have paid for construction of ten times the vessels that can be provided with the appropriation proposed in the pending measure.

They know, and Members of the House and the Senate know, that the want of a United States merchant marine is costing the people of this country millions of dollars every week at the present time.

The subtle influences which have paralyzed legislation in the past upon this question can not again prevail as against the demands of an aroused public sentiment.

It will not do for Senators and Representatives to face the farmers and the planters this autumn, and while their products are rotting in our ports or congested in the warehouses and railway terminals for lack of vessels to carry them to destined ports abroad it will not do for them to meet these constituents with a record of "no" against the shipping bill.

The miners demand vessels for their outputs, and vessels they can depend upon for steady service at reasonable and fair rates.

The manufacturers and the millions of their operatives will not consent to be thwarted again by open or concealed opposition of vessel owners or financial and shipping agents with foreign connections in their efforts to obtain vessels to carry the outputs of the mills, the shops, the factories of the United States.

There is a wave of Americanism sweeping this country from ocean to ocean that calls for the placing of this country in finance, agriculture, industry, and commerce above and beyond every other nation on the earth, and this can not be accomplished without the creation of an American merchant marine.

For more than 40 years our commercial competitors have had the advantage over this country through their control of ocean transportation.

We impugn the motives of no man in public life; we reflect upon no man who deems it his duty to oppose this measure which we believe so essential to the welfare of the people of the United States; but every vote in opposition to it will receive the hearty approval of the shipping combines of Great Britain, France, and Germany, and of every manufacturer in those countries who will have to compete with our own manufacturers in the markets of the world.

Every vote for the establishment of a merchant marine is a vote for America first.

Every vote for the establishment of a merchant marine is a vote to develop the resources and the commerce of the United States.

Every vote for the establishment of a merchant marine is a vote for making of our ports the centers of a mighty commercial power and influence.

Every vote for the establishment of a merchant marine is a vote for the prosperity of the more than 100,000,000 of people now under the Stars and Stripes.

Every vote for the establishment of the merchant marine, whether that vote is cast by a Republican, a Progressive, or a Democrat, is a vote to redeem party promises made by all parties to the electors of the Union.

Mr. Chairman, I have always considered the London conference a most unfortunate compact from the American point of view. If that compact was correctly construed by Senator Root in his speech in the Senate on January 25, 1915, opposing the passage of a bill similar to this one, in which address, after stating the conspicuous part he had taken as Secretary of State, he said:

The other consideration which makes me feel bound to ask for the attention of the Senate to my own views of what is the true state of the law is the fact that it happened to be my duty to give instructions for the Government of the United States to the delegates to the London conference, and to direct their action during all the earlier part of the existence of that conference by daily cable communication, and afterwards as a member of the Foreign Relations Committee of the Senate to discuss and vote favorably upon the report of the conclusions of that conference, and afterwards, as a Member of the Senate, to vote to advise the President to ratify. So, sir, when I see that under the law which I am advised we are about to pass it is the intention of the agents whom we shall constitute to buy these ships; when I see that purpose has been formed and is liable to be executed under what I believe to be an erroneous opinion as to the state of the law and the international situation which they will meet, I feel bound to give the best I can in the way of expressing and explaining my view of the true condition of the law.

And later advising the Senate that the enactment of that bill would inevitably result not in buying a ship but an international quarrel, and necessarily involve our country in the European wars.

I repeat this was a most unfortunate compact as viewed from the American viewpoint, because if there is one prime essential that this Government is a pauper in it is ships. Not having them, no possible state of case could have arisen whereby we could sell that which we do not have, but a golden opportunity has presented itself whereby we could have purchased at bargain-counter prices all of the German ships now interned in our ports, except for the London conference, championed by the Secretary of State and so ably defended and adhered to by him afterwards as a Member of the United States Senate.

He is now frequently mentioned in the daily press dispatches as a strong possibility for the Republican nomination for President at the coming Republican convention at Chicago. It remains to be seen how much the part he played in effecting the London Conference, in the wake of which followed the unparalleled freight congestion in New York City and other American harbors, and railroad embargoes that have blocked

American commerce, will contribute to his popularity and enhance his chances for that nomination. If the current reports that American business, fearing enormous losses by reason of this congestion which results even in part from effects of the London Conference, the American business man will, at least, know where the blame belongs.

Subsidies thrive and flourish on inefficiency and unbusinesslike methods. The beneficiaries are insatiable; subsidies, like all taxes, tariffs, bounties, and subventions, are ever on the increase. They feed and fatten on themselves.

Mr. SAUNDERS. Mr. Chairman, I ask unanimous consent that the debate on this substitute conclude at the expiration of five minutes.

Mr. MANN. Oh, no.

Mr. SAUNDERS. Well, say 10 minutes. It is a very unsatisfactory method to discuss the bill, in this general fashion, when we can take it up section by section under the five-minute rule, and discuss in detail every feature that is referred to in the substitute of the gentleman from New York. It is not proposed to cut off debate, but to enable the debate to be conducted in more satisfactory fashion.

Mr. SLAYDEN. There will be opportunity for debate, will there?

Mr. SAUNDERS. Ample time.

Mr. BENNET. If we discuss this now, it will obviate the necessity for the same discussion later.

Mr. SAUNDERS. A general discussion of the substitute is not nearly so satisfactory as a concrete discussion of the different features section by section.

Mr. MANN. I think the debate will be concrete enough.

Mr. SAUNDERS. We will have to move to cut off debate unless we can reach an agreement.

Mr. MANN. The gentleman can move that any time he likes. If you want to put the gag on us, put it on.

Mr. SAUNDERS. Certainly, I understand that, but I prefer to reach an amicable agreement.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the debate on this substitute close in five minutes.

Mr. MANN. Make it 25 minutes.

Mr. SAUNDERS. I accept that.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANN. I wanted to get at least 10 or 15 minutes on this, but owing to the illiberality of that side of the House I do not desire to ask it.

Mr. FITZGERALD. The gentleman has just got 25 minutes.

Mr. MANN. Not for myself.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MANN. Mr. Chairman, I have heard various gentlemen on the Democratic side of the House privately refer to the fact that this was an authorization for the expenditure of $50,000,000, and that that authorization would cease at the end of five years after the war. Neither statement was correct, or based on any proposition in the bill at all. This bill authorizes the expenditure of $50,000,000 in the purchase or construction of ships, and the expenditure of another $50,000,000 in the purchase of the stocks of one or more corporations, which corporations shall purchase or construct ships. It provides that the corporation shall go out of business five years after the end of the European war, but it does not provide that the Government shall go out of the business of buying, selling, leasing, or operating ships at any time. Section 11, which is left out of the substitute, provides that at the end of five years after the European war the corporation shall be dissolved, and that the shipping board may sell, lease, or charter the vessel. After it sells the vessels, it turns the proceeds into the Treasury to its own credit, not as a miscellaneous fund, and it can use that money over and over again as it pleases. There is no limitation whatever at the end of five years.

Section 5 authorizes the Government to construct ships to the extent of $50,000,000, in addition to the $50,000,000 contributed to stocks in section 11, and there is no end to either one.

Section 11, which provides for the shipping corporation, provides that the corporation shall be dissolved at the end of five years after the war, and when that time comes, then the Government is either to operate its own vessels or grant private preferential leases or charters to other individuals. So that gentlemen on the other side who have been consoling themselves with the idea that the Government was going out of this business at the end of five years after the war are entirely deceived. You had better have the corporation continue indefinitely than to have the corporation ended at the close of five years and the Government itself either operating the ships or making private leases to private corporations or private individuals, as this bill contemplates.

Under the terms of this bill there is no way for any of the money ever being covered into the general fund of the Treasury. It is permanently appropriated—every dollar of it that the Government advances is permanently appropriated—to be handled by the shipping board after the end of the five-year limitation, for the Government to operate, or for the Government to make personal, private leases, in which it will have no interest as a stockholder.

I heard some gentlemen over on the Democratic side boldly proclaim in the last Congress, and privately in this Congress, that they never would vote for a bill that put the Government permanently into the shipping business. I shall await with pleasure hearing the distinguished leader of the Democratic side explain how he can vote for a bill which permanently puts the Government into the shipping business, when he has frequently declared that he never would. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HARDY. Mr. Chairman, the gentleman from Illinois is usually very particular in his constructions and is generally at least very correct, but he has totally misapprehended this bill. Section 14 is the only part of the bill which provides for any appropriation or the application of any public funds to the purposes of this bill, and section 14 limits the amount of public money to be so applied to $50,000,000.

Mr. MANN. Will the gentleman yield?

Mr. HARDY. Yes.

Mr. MANN. Is not the only limitation in section 14, $50,000,000, of the sale of Panama bonds?

Mr. HARDY. That is the means of acquiring the money, that is all.

Mr. MANN. Oh, no; not at all.

Mr. HARDY. The gentleman is unquestionably mistaken.

Mr. MANN. The gentleman will find that is only a limitation on the amount of bonds sold, but no limitation on the expenditures.

Mr. HARDY. That is the only money appropriated for the purpose of carrying out the purposes of this bill. Section 14 appropriates for the purpose of carrying out the provisions of sections 5 and 11 of this bill $50,000,000, no matter how it is applied. I think I can explain, because the bill was gone over very carefully and the whole of the appropriations were carefully limited to the total amount of $50,000,000.

The amount appropriated may be expended in different ways. Section 5 authorizes the board to buy with any part of the $50,000,000, or have built ships here or elsewhere. Then if the Government sees proper these ships may be leased or sold to a private corporation or private capital. If so sold the money comes back into the hands of the board and may be used over again for buying other ships. It is possible that the Government might purchase $50,000,000 worth of ships and sell them to private parties subject to the regulations of this bill, get $55,000,000 for them and reinvest that money in other ships. That is true, but the Government under no circumstances can appropriate under this bill more than $50,000,000, except as proceeds or profits arising under the operation of this law may be covered into the Treasury and placed to the credit of the shipping board.

Mr. MANN. Will the gentleman yield for a question?

Mr. HARDY. I will; my time is very limited, however.

Mr. MANN. I will wait until I have my own time if I can get it.

Mr. HARDY. There are two ways in which this money can be expended, first, in buying ships and leasing them to private capital or selling them, and, second, if private capital refuses to lease or buy from the board on fair terms and undertakes to hold up the Government and to say to the board you have your ships and you have got to sell them, and we will not treat you fairly or give you a fair price, we have provided the means to prevent that hold-up by authorizing the Government to organize a corporation or corporations, and if the Government authorizes a corporation with $10,000,000 it will turn over to that corporation so many of the ships bought by the Government, charging the corporation up with them, as a part of its stock and paying for the stock which the Government takes with the property—that is, the ships which the Government turns over to the corporation. Then if you can conceive of private enterprise being totally indifferent to this opportunity, or attempting to hold up the Government, then the board might have to organize corporations and operate all the ships bought by the board, which in that case would be sold to the corpora-

tion of its own creation. But under no circumstances is there a greater appropriation than $50,000,000, which may be applied by the Government to the purchase or building of ships or invested in corporations organized under its terms. Now I will yield to the gentleman from Illinois.

Mr. MANN. Section 14 provides that for the purpose of carrying out the provisions of sections 5 and 11 bonds of the Panama Canal may be sold not to exceed $50,000,000, and that entire amount, if appropriated, could be used under section 5 of the bill, could it not?

Mr. HARDY. Absolutely; and then there would be nothing left for section 11.

Mr. MANN. Section 11 contains an authorization for the Government to purchase fifty millions of stock, which would warrant an appropriation. That is so perfectly patent that anyone familiar with appropriation bills would know at once that the entire $50,000,000 of bonds could be used under section 5, and then there would be an authority to make an appropriation of $50,000,000 more under section 11.

Mr. HARDY. Section 11 says that the board, if in its judgment such action is necessary to carry out the purposes of this act, may form under the laws of the District of Columbia one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels, and so forth.

That is the purpose for which corporations are formed, but that contains no authorization for them to use any money not appropriated by law.

Mr. MANN. Section 11 says:

The board may, for and on behalf of the United States, subscribe to, purchase, and vote not less than a majority of the capital stock of any such corporation, and do all other things in regard thereto necessary to protect the interests of the United States and to carry out the purposes of this act.

That is an authorization for the board to subscribe for $50,000,000 of the capital stock, which we would have to appropriate for.

Mr. HARDY. Not at all. Under the provisions of the bill the board may subscribe for the stock and turn over the ships procured under section 5 in payment for that stock.

Mr. MANN. It may, but it is not required to.

Mr. GILLETT. Mr. Chairman, I recognize, as does everyone, the desirability of establishing an American merchant marine in foreign trade. For years a majority of the Republican Party has endeavored to attain that end by the same means which our rival nations have used, and as regularly the Democratic Party has opposed and thwarted us, denouncing all Government aid and subsidies. Now that party brings in this bill, which has every drawback and disadvantage and vice which attaches to a subsidy, and various others besides.

The time is shrewdly chosen. There is a crying need for merchant ships in every sea. Freight rates have soared to an incredible height and every ancient and discarded ship which dares to risk crossing the ocean is earning prodigious dividends. Noah's ark would be a profitable freighter to-day. [Laughter.] Thoughtless men will say there never was such an opportunity for the Government or anyone else to invest in ships. But a little reflection shows how superficial that reasoning is.

The reason for the present conditions is clear and unmistakable. All the ships of one of the great maritime powers are shut up in port. A considerable fraction of the ships of other nations has been sent to the bottom in the past two years. A large proportion of the ships of the other great maritime powers has been diverted to military service. And while the supply of ships available for the world's commerce has thus been so enormously reduced, the supply of cargo and demand for space has enormously increased. The nations of Europe have felt such a stringent need for our munitions and supplies that they are willing to pay any price for them, and abnormal freight rates have no effect in checking their demands. Thus an unprecedented shortage of ships is accompanied by an unprecedented supply of freight and, of course, the inevitable law of supply and demand produces its invariable result.

Such a condition insures a golden harvest for the few lucky enough to be prepared for it. If the United States Government or any other corporation could float $50,000,000 worth of new ships, built at normal prices, in New York Harbor to-morrow, even under the most extravagant management, it could probably earn a large portion of their cost before the war ends. But neither the United States nor anyone else can accomplish that. Every shipyard is working to its full capacity at high prices. The ships provided for in this bill, in all probability, can not be in commission until the war is ended. What the conditions then will be no one can foretell. But one thing is certain, our ships will have to compete for business with all the other ships of the world.

Mr. ALEXANDER. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. ALEXANDER. If the gentleman's argument is sound, why do we undertake to build up the Navy which we can not get until the emergency is over?

Mr. GILLETT. The need for a navy does not depend on the present war. If the only need for a navy was during the existence of the present war, there would be some force in the gentleman's argument, but the need for a navy will be far greater when the war is over than it is to-day. [Applause on the Republican side.]

And that brings us to the heart of this whole question. Why is it that American ships have been driven from the foreign trade by other ships and is there anything in this bill to change that economic law?

We all know the reason—it is that it costs more to operate American ships than any others. The standards of living and of wages in America are higher than anywhere else in the world. Americans will not become sailors if they can do vastly better on shore. Because of our laws and our land competition American sailors have to be paid and fed and housed better than any others. But the work of a sailor is not now such that the efficiency of an American sailor can be relatively as much higher than that of other nationalities as is his cost. And yet his employer has to compete directly with the ships and crews of other nations. He can not maintain the contest. The other ships and crews are so much cheaper that they can carry freight at a profit when it would be to him a constant loss. And so the American ship is driven from the foreign trade. American capital and labor can do better on shore.

American capital, to be sure, has made large investments in ships, but in order to earn dividends it is obliged to sail them under foreign flags. They are directed by American owners and serve American interests, but we do not have the pride and satisfaction of seeing the American flag float over them. That is the price we pay for our high standards of living and wages.

How does this bill undertake to relieve the situation? By investing $50,000,000 in ships to be run by the Government through a shipping board. No one pretends that they can be either bought or run by the Government any cheaper than by any other American. On the contrary, a candid man will admit that it will cost the Government more than a private individual. But these ships on the ocean will meet the free competition of the ships of other nations. That can not be avoided. To get business they must meet their freight charges. And that means that they must be run at a loss. And that loss must be paid from the Treasury, paid by all the people of the United States. And who gets the benefit of it? If there is an increased trade, that would be a national benefit, just as in the case of a subsidy. But the immediate beneficiaries are the shippers, who get cheaper rates than they otherwise would get, and the ports which get lines they otherwise would not have. That is paid for out of the Treasury. That is a subsidy. But it is a subsidy much less effective and remunerative and aboveboard than the ordinary subsidy.

And it has attached to it problems which involve local and political jealousies and logrolling which are certain to produce scandals. These ships will accommodate but a small fraction of our foreign trade. What ports shall they ply from? Where shall they touch? What kind of freight shall they take? Who shall get the preference in the low rates? What special favors shall be conferred? Everyone familiar with official life in Washington, with the constant pressure on executive officials to exercise favoritism, and with the constant yielding to that pressure by the present administration, at least, must be apprehensive over the operation of this shipping board, which would have such constant and lucrative opportunities to dispense personal, local, and political favors.

Government ownership at its best is attended with grave dangers in a republic, but I can think of no field of Government ownership less defensible than this. The argument is feebly advanced that this is only a branch of preparedness. It is sufficient answer to remind you that when this project was first advocated—just as earnestly as it is now—the administration was opposed to preparedness; avowed that the normal rate at which our national defenses were strengthening was quite sufficient. Since then, to be sure, the administration has changed front on that question, as on so many others, but that proves that the military argument is only an afterthought. It is really a project to put in the hands of this administration the spending of a vast sum of money, the dispensation of a large amount of patronage, and the building up of such ports and industries and products as it shall elect. It is based on the same principle as a subsidy, but is open to much greater abuses. It is unwise,

ineffective, extravagant, and we shall be very fortunate if it does not breed scandal and corruption. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GILLETT. Mr. Chairman, I ask permission to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none.

Mr. SAUNDERS. Mr. Chairman, I desire to call the attention of the committee to the exceedingly unsatisfactory way in which the real features in controversy are being debated. How much more satisfactory it will be for the two sides of the Chamber to take up this matter in order, and when a debatable proposition, is reached, consider it in order. In this way the discussion will be directed to the matter in issue, and will be of a deliberative character.

The committee is not seeking to evade or limit discussion. We invite criticism and desire fair discussion of every section of this bill. The gentleman from Illinois made certain suggestions as to the possibilities of this bill. Of course I give merely my own opinion, but I do not think that there is any merit in his suggestion. Let us see if I can support my opinion. The gentleman suggests that under the provisions of this bill the Government might become liable for, or expend a sum in excess of the sum appropriated, and provided for the disposition of the board. If such a thing were possible under the bill, it would be a valid criticism. But it is not possible. The board is authorized to take stock in the corporations that may be organized under the laws of the District of Columbia. That is true. But where does the money come from to meet that subscription? The means required, is provided in section 14. You have the bill before you, look to section 14 in respect to the money provided to pay for stock subscriptions.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. SAUNDERS. Certainly.

Mr. MADDEN. Does the gentleman contend that the Government, under sections 5 and 11 and section 14 of this bill, is to buy $50,000,000 worth of ships and pay for them, and then subscribe $50,000,000 to the capital stock of these corporations, or invest $100,000,000?

Mr. SAUNDERS. That is an impossibility under this bill. That has been suggested in the way of criticism, but there is no foundation in the bill to support the charge. If such a thing was possible under the bill, that fact would furnish the ground of just criticism of the pending measure.

Mr. MADDEN. Will the gentleman yield for one more question?

Mr. SAUNDERS. Yes.

Mr. MADDEN. Is it proposed to buy $50,000,000 worth of ships?

Mr. SAUNDERS. Well, I do not know. That is left to the discretion of this board which, I trust and believe will be constituted of men of such large vision, and patriotic view, and sufficient capacity that they will do what is best in reference to whatever situation may confront them. The board may buy $50,000,000 worth of ships, if they think best to do it, or they may not buy a ship.

Mr. LONGWORTH. Will the gentleman yield?

Mr. SAUNDERS. I will.

Mr. LONGWORTH. Suppose in the event of the passage of the bill it was found impossible to buy any ships, either being made in the shipyards or at present under sail, would the gentleman advocate the buying of the interned ships of belligerents under existing circumstances?

Mr. SAUNDERS. That is a question which the gentleman can answer for himself as well as I can.

Mr. LONGWORTH. But would the gentleman advocate it as a matter of national policy?

Mr. SAUNDERS. Personally, I would not. It is not in the contemplation of this bill to buy belligerent ships.

Mr. LONGWORTH. Would the gentleman object to an amendment which would prevent the possibility of buying them?

Mr. SAUNDERS. So far as I am concerned I have no objection whatever.

Mr. LONGWORTH. I will offer such an amendment.

Mr. SAUNDERS. Now let me answer the inquiry of the gentleman from Illinois——

Mr. ALEXANDER. Will the gentleman yield for a moment?

Mr. SAUNDERS. I will.

Mr. ALEXANDER. I would like to ask the gentleman from Ohio [Mr. LONGWORTH] if he had any objection to buying interned ships if the other belligerent nations should not object?

Mr. LONGWORTH. I did not hear the gentleman.

Mr. ALEXANDER. I would like to ask the gentleman if he has any objection to buying the interned ships if the allies did not object?

Mr. LONGWORTH. If the allies would consent to it? That is not the proposition involved at all. You are giving by this bill, as I gather, authority to this board, not to Congress, but a body of men——

Mr. ALEXANDER. Answer my question. That is what Brazil wanted Germany to do and tried to get the consent of the allies to it. Would the gentleman object to it under those circumstances?

Mr. LONGWORTH. I object to the creation of a board of seven men which will have the authority to do such a thing.

Mr. SAUNDERS. What the gentleman has in mind is to avoid international controversy. I agree with him in that respect.

Mr. LONGWORTH. Quite so.

Mr. SAUNDERS. Now let me answer the question of the gentleman from Illinois. Where is the money to come from, with which to pay for the stock in the companies which may be formed under the laws of the District of Columbia? Why, it is provided for by section 14. What does section 14 say? That for the purpose of carrying out the provisions of sections 5 and 11 the Secretary of the Treasury, may sell the bonds referred to, not to exceed $50,000,000. Section 5 is the ship construction section, and section 11 the one that relates to the formation of the companies in which the United States may be a stockholder. Whether acting under one, or both sections the board can not expend a greater sum than the amount provided, and that amount is $50,000,000.

Mr. LENROOT. I think it must be apparent that this preliminary discussion is exceedingly valuable, so that we may at least have the construction that the committee has placed upon certain important provisions in this bill so as to enable Members to determine whether amendments ought to be offered or not to specific provisions. But with reference to this question of whether here is a limitation of $50,000,000 or not, there is one thing that I am sure the gentleman who has just spoken will not deny, and that is that here is an authorization for unlimited appropriations to be put upon any appropriation bill in excess of the $50,000,000. The gentleman will not deny that, I am sure.

Mr. SAUNDERS. Congress will be perfectly competent to appropriate under this act or any other act——

Mr. LENROOT. And here is an express authority for unlimited expenditure, measured only by such appropriations as Congress may see fit to make in any appropriation bill. But, further than that, let us assume, Mr. Chairman, that $25,000,000 of stock is taken in this corporation.

Mr. SAUNDERS. May I ask the gentleman a question?

Mr. LENROOT. Yes.

Mr. SAUNDERS. Is not the limit upon an appropriation of the Post Office bill such appropriation as may be deemed necessary for the proper development of our Postal System?

Mr. LENROOT. But the gentleman has been arguing that here was a $50,000,000 limitation and the Government could not go beyond that. I am saying there is an authorization that goes to any extent that appropriations may be made to meet without further express provision. That is the only point I am making.

Mr. SAUNDERS. I say they could not go beyond it under the authority of this bill. Can they go beyond it without coming back to Congress and getting additional authority?

Mr. LENROOT. I say they can. If a point of order is made against the appropriation, because it is not expressly authorized by law as the rule provides, the gentleman must admit that that point will be overruled, because this bill does authorize such appropriations as the committee may choose to bring into this House.

Mr. SAUNDERS. I admit that, of course.

Mr. LENROOT. That is the only point I was making upon that phase of it.

Further than that, Mr. Chairman, let us assume that this board subscribes to this corporation proposed in section 11 $25,000,000 of stock and pays for it out of this $50,000,000. Let us assume, further, that they construct or purchase under section 5 ships to the extent of $25,000,000 and pay for them. Then they have exhausted the $50,000,000 appropriated. But will the gentleman say that that board, although the $50,000,000 has been exhausted, can not go on and lease vessels to an unlimited extent and bind this Government to pay $5,000,000 or $10,000,000 and $20,000,000 a year and create liabilities against the Government for which appropriations must be made? I am not saying that ought not to be done.

Mr. SAUNDERS. I deny that anything of that sort is possible under this bill.

Mr. LENROOT. I assert that it is, because there is not one word of limitation anywhere in the bill in that respect. We should treat this upon its merits. I am not necessarily objecting to it, but I think we ought to understand the proper construction of it when we go into it; and I do assert that it does

permit a liability against the Government in excess of the $50,000,000; and we must trust this board not to go beyond the $50,000,000 not because they have not the power to do so, but because presumably they would not do so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

Mr. HUMPHREY of Washington. Mr. Chairman, has the time expired?

The CHAIRMAN. The time has expired. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. BENNET. Division, Mr. Chairman.

The committee divided; and there were—ayes 46, noes 86.

So the amendment was rejected.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer a substitute to the first section of the bill, and give notice that if it is adopted I will move to strike out the rest of it.

The CHAIRMAN. The gentleman from Washington offers an amendment to strike out the first section, and substitute, and gives notice that if the amendment be adopted he will move to strike out the subsequent sections of the bill, giving his notice under the rules. The Clerk will report the amendment.

The Clerk read as follows:

That the Postmaster General is hereby authorized to pay for ocean mail service under the act of March 3, 1891, in vessels of the second class on routes 4,000 miles or more in length, outward voyage, to South America, to the Philippines, to Japan, to China, and to Australasia, at a rate per mile not exceeding the rate applicable to vessels of the first class as provided in said act: *Provided*, That the total expenditure for Foreign Mail Service in any one year shall not exceed the estimated revenue therefrom for that year.

SEC. 2. That a contract pursuant to this act or hereafter pursuant to the act of March 3, 1891, entitled "An act to provide for ocean mail service between the United States and foreign ports and to promote commerce," shall not be made by the Postmaster General for the transporation of the ocean mails by any steamship which shall be owned or controlled by any railroad company or railroad corporation or to which any railroad company or railroad corporation shall extend any favor, privilege, or advantage which is not also extended on the same terms to any other American steamship. The Postmaster General is hereby authorized and directed to cancel any such contract upon evidence satisfactory to him that any provision of this section has been violated.

SEC. 3. That in any contract made pursuant to this act or hereafter made pursuant to the said act of March 3, 1891, the owners shall agree that any steamship under contract shall not be sold without the consent in writing of the Secretary of the Navy.

SEC. 4. That a tonnage duty of 12 cents per ton, not to exceed 60 cents per ton per annum, is hereby imposed at each entry on all vessels which shall be entered in any port of the United States from any foreign port or place not in North America, Central America, the West India Islands, the Bahama Islands, the Bermuda Islands, or the coast of South America bordering on the Caribbean Sea or Newfoundland, not, however, to include vessels in distress or not engaged in trade.

That so much of section 36 of the act approved August 5, 1909, entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," as conflicts with this section is hereby repealed.

SEC. 5. That on proof to the satisfaction of the Commissioner of Navigation that a vessel of the United States has on any foreign voyage carried a boy or boys, a citizen or citizens of the United States, under 21 years of age, suitably trained during that voyage in seamanship or engineering, in the proportion of one for such vessel, and in addition one for each 1,000 tons of her net registered tonnage, there shall be paid to the owner or owners of the vessel, out of any money in the Treasury not otherwise appropriated, an allowance equivalent to 80 per cent of the tonnage duties paid in respect of the entry in the United States of that vessel from that voyage.

SEC. 6. That section 4132 of the Revised Statutes is hereby amended to read as follows:

"SEC. 4132. Vessels built within the United States and belonging wholly to citizens thereof, and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States, and seagoing steel steamers of 2,500 gross tons or over, wherever built, and to engage only in trade with foreign countries or with the Philippines, being wholly owned by citizens of the United States, and no others, may be registered as directed in this title. Foreign-built vessels registered pursuant to this act shall not be entitled to mail compensation under the act of March 3, 1891, entitled 'An act to provide for ocean mail service between the United States and foreign ports and to promote commerce,' or to any compensation under this act, and shall not engage in the coastwise trade or transport from one port of the United States to another port of the United States either directly or via a foreign port or for any part of the voyage passengers or merchandise under penalty of $200 for each passenger so transported, and the forfeiture of the merchandise so carried."

Mr. ALEXANDER. Mr. Chairman, I make the point of order that that amendment is not germane to the first section of the bill.

The CHAIRMAN. The Chair sustains the point of order, and the Clerk will read.

Mr. BENNET. Mr. Chairman, I offer the following amendment to the first section.

The CHAIRMAN. The gentleman from New York offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 2, line 1, after the word "country," strike out the words "including the import and export trade."

Mr. BENNET. Mr. Chairman, under the decision in the case of Gracie against Palmer, the Standard Oil carriers which take oil from Bayonne across the Atlantic Ocean, being owned by one corporation and getting their oil from another, are common carriers. Whenever I find language in a bill that applies to only one corporation or individual I rather assume that it applies to that corporation and individual. So far as I know, there is no other line that sends ships away from this country with a cargo and brings no cargo back, and that therefore is not in both the import and export trade.

I can not escape the conclusion that this language—I do not say it was framed for that purpose—will benefit one corporation, and one corporation only, and that is the Standard Oil Corporation under some one of its aliases or subsidiaries, because there is no use for the word. Here is the section:

The term "common carrier by water in foreign commerce" means a common carrier engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country.

That is a complete definition. Now, if you put in the words "including import and export trade" you let the Standard Oil out, because they are only in the export trade. Why in the world those words are in there except for that purpose I can not understand, but I do say that the ships—and there are many of them that are under the Standard Oil subsidiary that ply between Bayonne and Europe and are engaged in the export trade—would be taken out from under the provisions of this bill if these words are left in.

Mr. ALEXANDER. Mr. Chairman, I understand the gentleman is a lawyer, but I would not suspect it from his argument. [Laughter.]

Now, the provision is——

The CHAIRMAN. Does the gentleman from New York yield further?

Mr. BENNET. I am through.

The CHAIRMAN. Oh; the Chair was not aware of that.

Mr. ALEXANDER. This is a definition of the term "common carrier": The term "common carrier by water in foreign commerce" means a common carrier engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions, and a foreign country, including the import and export trade.

I suppose if it included both it would include either, and that it would include the Standard Oil Co. or any other company if engaged in the export or import trade as a common carrier by water.

Now, I can not understand the argument of the gentleman that if the definition stands as written in the bill it may favor some company. We simply define the term "common carrier" in foreign commerce as applied in this bill, and, of course, as to certain ships it might apply to the export trade, and as to other ships it might apply to the import trade, but it is intended to apply to the trade both ways.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. GREEN of Iowa. Will the gentleman explain, then, under his construction what is the need of having the words there at all?

Mr. ALEXANDER. I will say very frankly that if these words there were omitted, the meaning would be the same.

Mr. BENNET. Certainly. Why put them in?

Mr. ALEXANDER. Well, the gentleman's objection to them does not lie.

Mr. BENNET. My objection lies all right.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. BENNET].

The question was taken, and the amendment was rejected.

Mr. LENROOT. Mr. Chairman, I would like to ask the chairman of the committee a question, if I may have his attention. I move to strike out the last word for the purpose of asking a question.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. LENROOT. With reference to the construction of the term "common carrier," at some point in the hearing I observe the chairman of the committee made the observation that the tramp steamer would not be included in the term "common carrier," and I would like to have the gentleman's view upon that point.

Mr. ALEXANDER. I do not think the chairman of the committee ever made that statement. Mr. Kirlin, of New York, made the statement that about two-thirds of the cargo carrying of the world was done in tramp steamers, and if those steamers were chartered by a private party at a stipulated price they

would be bailees for hire, and would not be common carriers within the provisions of the law.

If the gentleman will look at the hearings in this case, he will see that I included a brief upon that subject from which it may be clearly determined when they may be common carriers and when they may not be common carriers.

Mr. LENROOT. Then it is not the gentleman's view that the tramp steamer is not necessarily a common carrier?

Mr. ALEXANDER. No. It is indicated when they may be and when they may not be.

Mr. TOWNER. Mr. Chairman, I want to oppose the pro forma amendment. I would like to ask the chairman of the committee if it is not practically true that all of the business done by tramp steamers is done under special contracts or charter agreements?

Mr. ALEXANDER. I think not.

Mr. TOWNER. I think the testimony before the committee was to that effect. Several of the witnesses testified unequivocally that that was the case; and, so far as I know, there was no testimony to the contrary.

Mr. ALEXANDER. If I understand the gentleman, his statement is to this effect, that a large part of the cargo-carrying trade is done by the tramp steamers, and they would not come under the provisions of this law. Is that what the gentleman understood the witnesses to testify before the committee?

Mr. TOWNER. I am not sure about that. I am inclined to think so, though. However, I do not think there is any question, if the fact is true, that the tramp-steamer traffic carried under special agreements or charter agreements could not be considered as a common-carrier traffic within the meaning of the law.

Mr. ALEXANDER. They are bailees for hire.

Mr. TOWNER. Certainly. They are engaged, in other words, not in general traffic business; they are engaged in a special contract to carry goods from one port to another; and, as I understand it, that is practically the method in which the tramp-steamer business is carried on.

Mr. ALEXANDER. I will not agree to that statement except in part. There is a large amount of the business done by so-called tramp steamers that makes those steamers come within the definition of common carriers. In other words, they go on berth and take miscellaneous freight just like any other steamship, but when I charter a ship to carry a cargo for me, of wheat or coal or any other commodity, then the carrier is a bailee for hire for me for a stipulated price for that service and for a particular voyage and would not come under the bill.

Mr. TOWNER. That may be true, Mr. Chairman; but as I understand it, this is the condition of the tramp-steamer traffic: They will make a contract to carry a cargo of goods from one port to the other. That is only, however, a part of their agreement, and immediately upon securing a contract of that kind, they have their agents arrange to make another contract agreement to carry a cargo from that port to some other place; not necessarily back to the original port of shipment, but to some other place, and so on from time to time. In other words, advance agreements are always made in the tramp-steamer trade, by which when the vessel goes from one port to another it is under a special contract to transport certain articles from that port to the other.

They do not go from one port to the other on regular schedules. They go all over the world, their only object being that when they take a shipment of goods from one port to another port they shall be able to receive a cargo from that port to some other port. And as long as that character of traffic continues, they are not common carriers, but only bailees for hire, and not within the provisions or terms of this law.

Mr. SAUNDERS. It is not intended that they should be.

Mr. TOWNER. I am not criticizing the proposition. I am only trying to show that the tramp-steamer traffic is not within the provisions of this law, and that tramp steamers are not common carriers within the definition given in this bill.

Mr. SAUNDERS. I agree with the gentleman. We had that in mind and did not intend that they should be.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

Mr. BENNET. Mr. Chairman, I move to amend the bill by striking out the word "and," in line 1, page 2, between the words "import" and "export," and to substitute therefor the word "or."

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 1, strike out the word "and" where it occurs the second time in the line and insert in lieu thereof the word "or."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

Mr. BENNET. Mr. Chairman, the gentleman from Missouri [Mr. ALEXANDER], with rather unaccustomed brusqueness on his part, paid his compliment to my legal ability in words, but almost immediately thereafter paid the highest compliment that one lawyer can pay to another, because he agreed with my contention that, unless there was some reason not apparent upon the surface of the bill, there was no reason at all for the inclusion of the words "including export and import trade" in the paragraph; in other words, that without them, unless my contention was correct, the definition was as complete without the words as with them. Now, I want to test the sincerity of the gentleman from Missouri.

Mr. ALEXANDER. What does the gentleman suggest?

Mr. BENNET. My suggestion is that we strike out the word "and" and insert the word "or," so as clearly to include the tank steamers of the Standard Oil Co., which are engaged only in the export trade. The gentleman says those words are not of any particular benefit one way or the other. So when the statement has been made by a man representing in part the cities from which these ships sail, that this provision does take the Standard Oil tank vessels out of the operation of this bill, why quibble, unless you want——

Mr. ALEXANDER. If the gentleman will yield right there.

Mr. BENNET. Certainly.

Mr. ALEXANDER. If the gentleman can stop his windmill, I will tell him what I will do.

Mr. BENNET. I do not yield for any discourteous suggestion like that.

Mr. ALEXANDER. The remark is intended to be good-natured. I do not think the word "or" ought to be substituted for the word "and" unless we substitute the word "whether" for the word "including."

Mr. BENNET. So that it will read "whether the import or export trade?"

Mr. ALEXANDER. Whether in the import or export trade."

Mr. BENNET. That is entirely satisfactory. Mr. Chairman, I ask unanimous consent to withdraw my amendment and ask that the one just suggested by the chairman of the committee be substituted.

Mr. ALEXANDER. Make it read "whether in the import or export trade," in lieu of the present language.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 1, strike out the word "including" and insert the words "whether in," and strike out the word "and" and insert the word "or," so that the line as amended will read "and a foreign country, whether in the import or export trade."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BENNET: Page 1, line 5, after the word "carrier," insert the words "except ferryboats running on regular routes."

Mr. BENNET. Mr. Chairman, there are 536 ferryboats in the United States, most of them engaged in interstate or intrastate commerce, it is true, but a few engaged in commerce which is defined in this first paragraph.

I have in mind the ferryboats running from Detroit to Windsor, from the United States to Canada. Unless you adopt my amendment you will have this somewhat ridiculous situation, that these ferryboats, which are, I presume, crowded morning and night by people going backward and forward, and all other ferryboats similarly situated, will have to go to all the bother of selling tickets and adopting all the regulations and rules that subsequent provisions provide. A ferryboat is not really a part of commerce. It is an extension of a road. It is the erection of a convenience. This amendment is not of any great importance, except that it does seem to me that a great deal of inconvenience will result.

Mr. SAUNDERS. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. SAUNDERS. The committee will accept that amendment.

Mr. BENNET. I thought they would.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. BENNET].

The amendment was agreed to.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BENNET: Page 2, line 4, after the word "carrier," insert "except ferryboats, tugboats, and vessels of less than 100 tons burthen."

Mr. BENNET. Mr. Chairman, as I said a few moments ago, there are 536 ferryboats in the United States, of which 152 ply in the waters in and about the city of New York. Now, if you leave this bill as it is, so that it applies to every towboat, every ferryboat, and every little bit of a skiff, you just simply make your law ridiculous. New York City is just across the river from New Jersey, and therefore every tug and ferryboat that goes across the Hudson River comes under the definition of "a carrier by water in interstate commerce." That means that every time a steamer comes to the dock and throws a line to one of these little puffing tugs, and the rate is perfectly well known, nevertheless that steamer and that tug have both to report that oral understanding, which is as definite as the price of a shave in a barber shop ordinarily. That report must be made to this shipping board. It means more than that. You take our ferry lines—the Erie, the Lehigh, Delaware & Lackawanna, Pennsylvania, the West Shore, including the New York Central—and they have all to sell tickets. Imagine some Member of Congress running down to the ferry to get a boat and being stopped at the gate until he can buy a ticket and then loses his boat. It will delay patrons of the ferryboats by scores of thousands daily. Why bother all these good people? A good many of them vote the Democratic ticket, but I am not in favor of making them any trouble. Take my friend from New York [Mr. OGLESBY]——

Mr. OGLESBY. Did the gentleman ever cross the ferry that he did not have to buy a ticket? I never was able to. [Laughter.]

Mr. BENNET. I am surprised. I do not know what boat my friend patronizes, but I will tell him that the Pennsylvania and the Baltimore & Ohio, if you have a mileage ticket on the railroad, you do not have to buy any ticket for the boat, and if you come in on either one of those railroads you walk off the train onto the ferryboat. The gentleman must be an object of suspicion. [Laughter.]

Mr. HARDY. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. HARDY. Does the gentleman want these boats to have the privilege of giving free passes to some and not to others?

Mr. BENNET. No; but I do not want the business people, the commuters of New Jersey, to be compelled to do what they do not have to do now.

Mr. HARDY. Does the gentleman find anything that requires a special form of ticket?

Mr. BENNET. Well, they have a good many rules and regulations. I am frank to say that I do not want the ferry service of New York City which is operating to universal satisfaction, especially to the thousands that come over in them every morning—I do not want them bothered.

Mr. HARDY. Is there anything in this law that prevents anything except discrimination?

Mr. BENNET. Of course. In the latter part of the bill and throughout the bill there is power conferred on the shipping board to adopt rules and regulations affecting, as they say in lines 13 to 18, that the term "other persons subject to this act" means any person not included in the term "common carrier by water," carrying on the business of forwarding, ferrying, towing, or furnishing transfer, lighterage, wharfage, dock, warehouse, or other terminal facilities in or in connection with a common carrier by water.

Mr. HARDY. Does not the gentleman think that the proper and necessary rules and regulations ought to be adopted?

Mr. BENNET. I do not think that this project dealing with ships ought to deal with rowboats.

Mr. HARDY. The gentleman recognizes that docking facilities and everything relating to ships must be taken into account in your regulation of shipping, otherwise you would not have any.

Mr. SAUNDERS. Are the rowboats the gentleman speaks of common carriers?

Mr. BENNET. Oh, I used the word "rowboats" in somewhat of a metaphorical sense, but ships under 100 tons burden ought not to be burdened with the regulations of commerce.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. BENNET) there were 46 ayes and 55 noes.

So the amendment was lost.

Mr. BENNET. Mr. Chairman, I move to amend by striking out, in line 15, page 2, the word "forwarding."

Mr. BENNET. Mr. Chairman, the express business is already regulated by the Interstate Commerce Commission. Now it is proposed to put every express company that does business in connection with common carriers by water—that is, steamboats—whether doing business in a foreign country or between States, under the regulations of the shipping board.

Mr. SAUNDERS. The gentleman says that this subject matter is all within the jurisdiction of the Interstate Commerce Commission?

Mr. BENNET. Certainly.

Mr. SAUNDERS. Will the gentleman look at page 26, section 33, and see whether that would make it impossible for the shipping board to get jurisdiction over any subject matter that is within the jurisdiction of the Interstate Commerce Commission?

Mr. BENNET. Without looking at it, I know what the gentleman means. That section attempts to avoid interference between the shipping board and the Interstate Commerce Commission, but that makes confusion worse confounded. In what position does it leave the men in the forwarding, towing, lighterage, and wharfage business? I will tell you. It is an absolute uncertainty; he does not know which board is going to regulate it. The rules will be different; the provisions of the law are different.

Mr. HARDY. Does not the gentleman understand that the provision is absolutely necessary in order to prevent common carriers using auxiliaries for the purpose of effecting discrimination like little terminal charges, which may be remitted in favor of one patron or another?

Mr. BENNET. In my State the defendant is allowed to put in defenses that are inconsistent. The gentleman from Virginia calls attention to section 33, and says therefore the shipping board has no jurisdiction over forwarding, while the gentleman from Texas says that this jurisdiction in the shipping board is absolutely necessary in order to carry out the purposes of the act. That illustrates that the act is not going to work.

The unsound part of it, from my standpoint, I can state in four words. The unfortunate part of it is that the failure of the bill is going to come in the cities, the ports, one of which I partly represent; and these men in the forwarding business, in the towing business, are the men that are going to be under the uncertainty of the law, while the men who drew the bill, good, conscientious men, good Americans, will be safely ensconced in their districts 1,500 miles or 2,000 miles from the sea front away from the trouble. For once I am glad that we have a large Democratic representation from New York City, because I am glad that they are going to get a part of the trouble.

Mr. SAUNDERS. The gentleman from New York [Mr. BENNET] started out by suggesting that the express companies were already under the jurisdiction of the Interstate Commerce Commission, and that we now propose to make trouble for them by putting them under the shipping board. I simply desire to call the attention of the committee to the fact that the bill does not propose to do anything of the sort. We not only did not intend to do such a thing but the language of the bill excludes the possibility of such a result.

With respect to the lighterage concerns and others engaged in the enterprises spoken of, if any of them are at present under the jurisdiction of the Interstate Commerce Commission, that jurisdiction will remain with the commission. If they are not under the jurisdiction of the Interstate Commerce Commission, then jurisdiction will attach to the shipping board, and it ought to attach. There will be no conflict, no confusion and no possibility of doubt in the minds of these concerns as to where they will stand. If they are not already under the jurisdiction of the Interstate Commerce Commission then they will go under the authority of the shipping board where they appropriately belong as agencies connected with transportation by water.

Mr. BENNET. Then does not a man engaged in any one of these businesses—or rather is not a burden put upon him in every instance of determining whether he is under the shipping board or under the Interstate Commerce Commission?

Mr. SAUNDERS. Is not such a man at the present time under the difficulty of determining whether he is under the Interstate Commerce Commission?

Mr. BENNET. But now it is only half the difficulty.

Mr. SAUNDERS. He is certainly under that half.

Mr. BENNET. In part; yes. But now the difficulty is doubled.

Every man in the express business knows he is under the Interstate Commerce Commission by express enactment. Either this bill means something or nothing. If it means something, it means trouble for those people without result. If it means nothing, it is useless.

Mr. ALEXANDER. I just want to say this: I suppose the gentleman is speaking for the steamship lines represented in New York. I am speaking of the importers and exporters of New York who appeared before the committee when we investigated the so-called Shipping Trust, and said that unless we provide against the discrimination by these agencies the law would be ineffective. I am speaking for the great commercial interests of the city of New York and for the whole country.

Mr. BENNET. I stated on the floor the other day very frankly I read that report. I read it, and I was paid for it, and I represented before the committee quite a number of steamship lines. That was in the Sixty-third Congress while I was out of Congress. Now, I want to challenge the gentleman—I have read the testimony, 1,800 pages—to show me the testimony of one single, solitary New Yorker who came before his committee and asked to have ferryboats regulated. The gentleman has made the assertion, and he should prove it.

Mr. ALEXANDER. We are not talking about ferryboats now.

Mr. BENNET. I am.

Mr. ALEXANDER. We are not talking about ferryboats. I do recollect that the gentleman was before my committee at some time during the progress of that investigation, but to what extent he participated I do not recall.

Mr. BENNET. I did not hear that last remark.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from New York.

Mr. BENNET. I ask to have the amendment again reported.

The amendment was again reported.

The question was taken, and the amendment was rejected.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 2, line 15, after the word "forwarding," strike out "ferrying, towing."

Mr. BENNET. Mr. Chairman, I would not discuss this amendment, except I want to say that I have read every line of the testimony taken in the Sixty-third Congress that was adduced before the committee of which the gentleman from Missouri is chairman. I knew most of the witnesses in the exporting and importing business who appeared before that committee, and I want to say frankly, and give him from now until 4 o'clock to-morrow afternoon, which time he has, to produce the evidence of one single man from the city of New York asked to have either express companies or ferryboats put under the operation of this shipping board. The gentleman has made the statement that people from my city made that statement, and I make the statement they did not, and there is no testimony which will show it.

Mr. ALEXANDER. The gentleman can not build up a man of straw and expect me to knock it down. I did not say any such thing.

Mr. BENNET. Why, the gentleman made the statement on this floor, and I am saying there is no such thing in the testimony. I have no desire to discuss the amendment. It is simply another additional annoyance on commerce that the people from my city, who are going to be affected, and from other places, do not want.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. BENNET. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 12, after the word "commerce," insert "vessels engaged in the trade or businesss of carrying passengers to and from fishing banks on the Atlantic coast shall not be deemed to be common carriers by water."

Mr. BENNET. Mr. Chairman——

Mr. GORDON. Will the gentleman yield?

Mr. BENNET. I will.

Mr. GORDON. Is the gentleman still a representative of those steamboat corporations the gentleman was telling about?

Mr. BENNET. If I was not aware of the gentleman's somewhat unusual methods, that would be an insult.

Mr. GORDON. It is a fair question. The gentleman just said the gentleman was representing them in the Sixty-third Congress.

Mr. BENNET. Yes.

Mr. GORDON. Well, that is a proper question, I think.

Mr. MANN. Probably the gentleman from Ohio would think it proper.

Mr. BENNET. Doubtless the gentleman from Ohio thinks it is proper and——

Mr. OGLESBY. I am sure the gentleman does not mean that my colleague is representing them in Congress; he does not mean to intimate that?

Mr. BENNET. I do not know what he means to intimate.

Mr. OGLESBY. I am sure he will absolve my colleague from representing them on the floor of the House.

Mr. BENNET. My colleague would, because he knows me.

Mr. GORDON. The question is whether you are representing them still as attorney. You have not answered that yet.

Mr. BENNET. Back there in New York? Of course not. That would be obviously improper.

Mr. Chairman, before I commence to speak upon this matter, may I have the amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again reported.

Mr. BENNET. Mr. Chairman, I sincerely hope the committee will accept this amendment, and if I can have their attention I think they will. I am not myself a fisherman, but there are thousands of men in the coast cities who are. They go on weekdays, and, I regret to say, to a large extent on Sundays, but that is their right under the Constitution of the United States, out to what are known as the fishing banks on passenger steamers. Now, the provisions of the statutes, possibly intended to be good, have so operated in and about the city of New York that every single one of these fishing boats has had to tie up. I get petitions from my constituents by the hundreds asking for some relief. I am inclined to think that under common acceptation these ships are common carriers under the decision.

Mr. ALEXANDER. What is the complaint under existing law?

Mr. BENNET. The complaint is under existing law as common carriers they have to carry so many sailors. They never go more than 10 miles from shore, and they would have to carry so many life rafts and boats that there would be no room on the boats from which to fish.

Mr. ALEXANDER. They complain of the seamen's law?

Mr. BENNET. Yes; but if they cease to be common carriers, then they do not come under the seamen's law. I am simply attempting to serve——

Mr. ALEXANDER. That would not affect this at all.

Mr. BENNET. I think it would. May I enter into a bargain with the gentleman?

Mr. ALEXANDER. I will say that we have a bill pending in the committee to amend the seamen's law in some of its features, and the situation in New York had been brought to my attention, too.

Mr. SAUNDERS. Where does your amendment propose to come in?

Mr. BENNET. At the end of line 12. The committee, I know, recognize themselves that these people have a just complaint. They are good honest citizens, and they ought not to be interfered with in what many people regard as a very fascinating sport. I am not a fisherman myself, but the people that do fish seem to have the same affection for it that the people who smoke have for smoking. I am glad to hear that there is an effort being made in the Committee on the Merchant Marine and Fisheries to alleviate their distress and to allow these 10 or 12 vessels to continue their operations. If the chairman of the committee said—and I have such confidence when he makes a direct assertion of this sort—that this amendment will not operate to reach the purpose, I have no very great desire to press it.

Mr. TOWNER. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. TOWNER. I am inclined to think that the chairman probably is correct about that, because the gentleman will notice that the definitions included in this act will apply only to this act.

Mr. BENNET. But if the gentleman will listen to my amendment, he will find that I was brutally frank. I rather thought it took them out of consideration as common carriers. It seemed to be the only chance in this bill to do those people any good, but if the gentleman from Iowa [Mr. TOWNER] and the gentleman from Missouri [Mr. ALEXANDER] both are of the opinion that it will not do them any good, I will ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn, and the Clerk will read.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the section, and offer the substitute for the bill which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment to strike out the section and insert as a substitute for the bill the bill which he sends to the Clerk's desk, giv-

ing notice under the rule that if adopted he will move to strike out the sections of the bill as they may be read. The Clerk will report the amendment.

The Clerk read as follows:

Substitute offered by Mr. MOORE of Pennsylvania:

"That the President of the United States is hereby authorized to appoint a shipping board, to be known as the United States shipping board, consisting of nine men, one of whom shall be named by the President as chairman of the board. The board shall be constituted as follows: Three members shall be practical seamen; one member shall be actually identified with the shipping interests of the Great Lakes; one shall be identified with the coastwise shipping interests, and one shall be identified with foreign shipping interests, and the remaining three shall be learned in the law.

"The said board shall be authorized and directed—

"First. To fully investigate and inquire into all matters and subjects connected with or pertaining to, or bearing upon—

"(a) The welfare of seamen and of boatmen who ply their trade upon inland waters;

"(b) The subject of protecting life and property at sea and upon inland waters;

"(c) The subject of officering and manning all vessels;

"(d) The subject of necessary amendments to the laws relating to the merchant marine of the United States and all other laws relating to merchant shipping and navigation in the United States, and generally all laws for the upbuilding of the merchant marine and the promotion and increase of foreign and domestic trade and commerce upon navigable waters.

"Second. To report not later than December 31, 1916, the result of said investigations on the subjects aforesaid, and to propose a plan or plans for the revision of the laws of the United States relating to the said subjects.

"SEC. 2. That the members of said board shall be paid their actual traveling expenses and subsistence while engaged upon the work of said board, and shall each receive as compensation the sum of $5,000.

"SEC. 3. That the said board shall have the authority to employ a secretary, clerical and other assistants, and to make such investigations as to them may seem necessary and proper, the entire expenses of the said board not to exceed the sum of $100,000.

"SEC. 4. That the sum of $100,000, or so much thereof as may be necessary, be, and the same is hereby, appropriated to meet the expenses of said board."

Mr. MOORE of Pennsylvania. Mr. Chairman, I am opposed to the present bill, H. R. 15455, because of its Government-ownership features. My information is that if it passes this bill will do great damage to the shipbuilding interests of the United States and to the labor by them employed; that it would tend to encourage foreign shipbuilding and take away from American labor the employment it has hitherto had in that great industry. The substitute that I have offered to the bill proposes to deal with this question of the upbuilding of the merchant marine in various ways. First, it proposes that a competent commission, made up not of shipbuilders exclusively, nor of seamen exclusively, nor of lawyers exclusively, but of all of them, shall investigate and inquire into matters pertaining to the welfare of seamen and boatmen, both upon the high seas and upon inland waters. I think most everyone familiar with the subject of shipping will agree that there is ample room for an improvement of our laws with respect to seamen on the high seas and with respect to boatmen generally. The substitute provides also for a report from this competent board in the matter of protection of life and property. There is room for improvement in that direction. Then it provides for an inquiry and report as to the officering and manning of vessels. It provides for a thorough inquiry into the matter of the upbuilding of the merchant marine, and particularly for a revision of the navigation laws of the United States.

Now, almost everyone who discusses this general question of the merchant marine refers to the alleged inadequacy or the restrictive tendencies of the navigation laws of the United States. The bill that has been offered by the Committee on the Merchant Marine and Fisheries does not contemplate——

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. HARDY. Does the gentleman recall section 13, which provides for the procurement of information concerning the relative cost of building vessels here and abroad and the cost of operating them under our flag and other flags? In other words, giving this board all the powers that the gentleman contemplates in his substitute?

Mr. MOORE of Pennsylvania. I recall the provision in the bill presented by the committee, but the bill carries with it as its main feature an appropriation of $50,000,000 with which to enter a business to which, as a Government proposition, I am opposed and to which I believe the country is opposed, and it makes that $50,000,000 a condition precedent to any inquiry that the shipping board is to make.

Mr. HARDY. And the gentleman's substitute takes the substance of section 13 and leaves out all the rest of the bill before the House.

Mr. MOORE of Pennsylvania. Yes; but the bill prepared by the committee puts the cart before the horse and first insists upon this scheme involving an appropriation of $50,000,000 before inquiry.

Mr. HARDY. And you do not place any limit as to your inquiry?

Mr. MOORE of Pennsylvania. Yes; the time is fixed at December 31, 1916—ample time if the members of the commission were paid for their services and if they were free, as Members of Congress would not be, to make the inquiries necessary.

Mr. HARDY. The gentlemen thinks such a board could do that in six months, but that the committee that has had this subject under study for years can not make any recommendation or suggest any wise legislation?

Mr. MOORE of Pennsylvania. I think that men acquainted with the shipping industry and lawyers trained in maritime law, if placed upon such a board, would be competent in six months to recommend a revision of the navigation laws of the United States.

Mr. HARDY. The gentleman would have them report to Congress?

Mr. MOORE of Pennsylvania. Yes. I presume they would report to the Committee on the Merchant Marine and Fisheries.

Mr. HARDY. That report would come to our committee. Does the gentleman suppose we have not had experts and men engaged in shipping and in exporting and importing, and the wisest men connected with the trade, before us? Does the gentleman suppose we have not had those men before us?

Mr. MOORE of Pennsylvania. The committee may have had such experts before it, but the committee is made up largely of members of the legal fraternity, and the committee has brought in a bill not having any particular relation to the improvement of the navigation laws but having as its main purpose the building and purchase of ships here or elsewhere at tremendous cost.

Mr. HARDY. But does the gentleman know that the committee has had before it the best experts that this country contains, including the representatives of the American shipping lines and foreign shipping lines, and exporters and importers—and their lawyers, the best that the country contains?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent that I may have two minutes more, in order that I may answer the gentleman from Texas.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOORE of Pennsylvania. And yet the committee of which the gentleman from Texas is a distinguished member, after hearing all these experts, these shipbuilders, these seamen, these exporters and importers, and these men versed in maritime law, has brought in a bill that does not propose to do a single thing by way of revising the maritime laws of the United States, except to provide such an inquiry as I have referred to.

Mr. HARDY. I will say to the gentleman that we have asked men who are versed in maritime law as to what single law they would want to see repealed, until it has become a joke in that committee as to what laws should be repealed, because, while there has been much talk of antiquated navigation laws, the experts fail to point out any objectionable ones.

Mr. MOORE of Pennsylvania. In the time I have at my disposal I will ask the gentleman whether, as a result of answers to his inquiries, he has not brought in here a provision providing that a board shall be created a part of whose duties shall be to report a plan such as I have suggested in my substitute?

Mr. HARDY. Exactly; and to meet the very proposition that the gentleman presents now, I will say there are some things that even our committee has not been able to thoroughly investigate.

Mr. MOORE of Pennsylvania. I concede that.

Mr. HARDY. We do not know what Germany does to forward her merchant marine; what discriminations, if any, she makes favoring her shipping.

Mr. MOORE of Pennsylvania. I concede that; but I submit to the gentleman that the main point of his bill is $50,000,000 and the entering upon the Government-ownership plan, which is debatable here and debatable throughout the country.

Mr. HARDY. Is not the gentleman's main, if not only, purpose to do nothing now?

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. SAUNDERS. Mr. Chairman, I wish to say that the inquiries proposed by the gentleman, are entirely proper, and should be made; but it is not necessary to accept the gentleman's substitute, in order to secure the information contemplated. Our bill provides for the same things as the gentleman's

substitute, as well as for other desirable things in connection with the development of our merchant marine. If you will look at section 13——

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. TOWNER. Really, would not the bill be complete, so far as those matters are concerned, if sections 5 to 12, inclusive, were stricken from the bill?

Mr. SAUNDERS. If we can ever get to section 5, the gentleman can bring that section in issue by an appropriate amendment.

Mr. TOWNER. My question was asked in good faith.

Mr. SAUNDERS. I am answering in good faith. Does the gentleman think that the amendments we have considered so far, are serious, or vital? I will not press for an answer to that, however.

Mr. TOWNER. I will say this to the gentleman: I think a representative of the great city of New York, where 64 per cent of the entire foreign commerce enters and clears, is entitled to have these propositions submitted.

Mr. SAUNDERS. Absolutely; but does the gentleman think the amendments offered so far have been either vital, or meritorious?

Mr. TOWNER. I think some of them would be very beneficial.

Mr. SAUNDERS. I will accept the qualifying statement that some of them would be beneficial.

I call the gentleman's attention to section 13. That section provides that every inquiry contemplated by the substitute of the gentleman from Philadelphia shall be made by the shipping board, and a report made to Congress for action.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. MOORE of Pennsylvania. I stated to the gentleman from Texas [Mr. HARDY] that that section covers an inquiry.

Mr. SAUNDERS. Everything.

Mr. MOORE of Pennsylvania. But I also stated that that is incidental to the main purpose of the bill.

Mr. SAUNDERS. It is a part of our general plan for the development of a merchant marine.

Mr. MOORE of Pennsylvania. If the gentleman will yield further for this statement, I would like to say that section 13 is not operative until the Government of the United States has embarked in an experimental enterprise involving an expenditure of $50,000,000.

Mr. SAUNDERS. Congress possesses sufficient information to-day, as a result of years of inquiry, to justify us in setting the machinery in motion to build up an American merchant marine. In connection with the proper evolution of the plan proposed, the board will collect the necessary statistics and information that will enable it to go forward with the good work with which it will be charged.

Mr. HARDY. Will the gentleman permit an interruption?

Mr. SAUNDERS. Yes.

Mr. HARDY. Speaking of the city of New York, I wish to say that the Representative on our committee from the city of New York [Mr. ROWE] and myself collaborated very earnestly, and I think very effectually, in framing section 13 to make it cover these grounds. Most of it was his work.

Mr. SAUNDERS. That section was drawn by two members of the committee, one of whom was a Republican Member from New York City.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BENNET: Page 2, line 9, after the word "possession," insert the words "but for the purposes of this act the term 'common carrier by water in interstate commerce' shall not include ferryboats running on regular routes."

Mr. BENNET. Mr. Chairman, this amendment is similar to the one that the committee has already accepted in line 5, page 1, applying to common carriers by water in foreign commerce.

Certainly there is no reason why we should not give to our own people traveling between ports of our own country the same measure of consideration that we give to people traveling between our country and a foreign country. I have no pride of opinion as to whether the amendment shall come in where I have suggested, or whether it should come in on line 4, page 2, in the same words that were used in line 5, page 1, which were:

Except ferryboats running on regular routes.

The language in one place would accomplish the result as well as in the other; but I will say to gentlemen who do not live in cities situated like ours, it is absolutely essential that this tremendous traffic, which goes all one way in the morning and all the other way at night, should be left as free and unhindered as possible. There is no difficulty about it. There is no demand for this; there is no request for it. It is simply a nuisance. I appeal to my colleague from the twenty-fourth district [Mr. OGLESBY], who is a New Yorker, although he lives in Yonkers, whether this amendment ought not to be adopted. He is a good Democrat. Perhaps the committee will take his suggestion when they will not take mine. This is in the interest of the people whom he and I in part represent. Let us represent our city for a while, as the cotton people represent their districts, and try to get what we ought to have for our own people. I appeal to my colleague Mr. GRIFFIN to say whether I am not right?

Mr. GRIFFIN. Absolutely.

Mr. OGLESBY. Mr. Chairman, since the gentleman has appealed to me in this matter, I will say to him frankly that I do not know of any provisions in this bill that would necessarily harass the people who travel on those ferryboats. Every person who crosses on these ferries now has to get a ticket. If a person has a commutation ticket, that carries him through to his destination. If he does not have a commutation ticket and does not have a railroad ticket, which also will carry him through to destination, he is compelled at the present time to buy a ticket at the ferry entrance. If it is a question of tickets, I do not see how that makes any great difference. Frankly, though, I do not see why these ferryboats should be placed under the jurisdiction of this board.

Mr. BENNET. I do not, either.

Mr. OGLESBY. But I can not see any great reason why they should be taken out.

Mr. BENNET. I ask any member of the committee to give any reason why these ferryboats should be placed under this shipping board.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BENNET].

The question being taken, on a division (demanded by Mr. BENNET) there were—ayes 36, noes 33.

Mr. ALEXANDER. Tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. BENNET and Mr. ALEXANDER.

The committee again divided; and the tellers reported—ayes 50, noes 61.

Accordingly the amendment was rejected.

Mr. COOPER of Ohio. Mr. Chairman, during the debate on the merchant-marine question on Tuesday, May 16, I asked a question which started a discussion that to me was very interesting. This question and the debate immediately following was as follows:

Mr. COOPER of Ohio. Is it not a fact that in every country where they have been successful in building up a merchant marine it has been done by subsidy?

Mr. BYRNES of South Carolina. No; it is not a fact.

Mr. ALEXANDER. The greatest line in the world—the Hamburg-American Steamship Co.—was built up without subsidy in any form.

Mr. BYRNES of South Carolina. In the Committee on the Merchant Marine and Fisheries, in the consideration of this bill, that question, so far as I am concerned, was settled beyond dispute, and I care not whether the gentleman thinks so, or some of the other gentlemen who remain in their seats and say so, the facts show it is not true, and I defy any man to prove it.

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. I yield.

Mr. KAHN. The gentleman from Missouri [Mr. ALEXANDER] just stated that the Hamburg-American Line was not built up by subsidy.

Mr. ALEXANDER. I did.

Mr. KAHN. Is it not a fact that Germany, owning its State railroads, gives a special rate to the goods manufactured in Germany, so that the steamship lines can get a preference in carrying the goods?

Mr. BYRNES of South Carolina. I will answer the gentleman.

Mr. KAHN. And it is equivalent to an enormous subsidy.

Mr. BYRNES of South Carolina. The gentleman has asked me a question, and I will say that that statement has been made in the committee several times, but never authoritatively, and even if it was, it is not such a subsidy as you gentlemen want, but have not the nerve to ask for now.

Mr. KAHN. It is a subsidy, nevertheless.

Now, Mr. Chairman, my question was not answered. The gentleman from South Carolina said that he would answer it so far as the German system of indirect subsidy or preferential rates given by the State-owned German railroads to German exporters shipping over German steamship lines is concerned. But all he said was that the statement that Germany used this system in helping its merchant marine had never been made authoritatively in committee during the hearings on the shipping bill.

I decided to investigate this question for myself and try to ascertain what authorities declared that Germany followed this

plan. I had no difficulty in finding plenty of authorities with the aid of the Library of Congress.

Among these authorities is the report on foreign bounties and subsidies made by the British foreign office to the House of Commons in June, 1913. This report stated that "preferential railway rates are in force on German State railways for certain raw materials and partly manufactured articles used for the construction of German shipping." It also states that the German East Africa Line and the German Levant Line receive assistance in the form of "largely reduced rates of carriage by all German State railways on goods exported from inland places of Germany on through bills of lading" over these lines. In addition, this report states that Germany grants postal subsidies and allows materials for shipbuilding and repairs to be admitted free of customs duties.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. COOPER of Ohio. Not now. I have only five minutes.

Similar findings to these were made by a special commission of British experts which investigated the question of foreign steamship subsidies in 1901 and 1902. Dr. Royal Meeker, in his History of Shipping Subsidies, published in 1905 by the American Economic Association, is another authority who admits that Germany aided its steamship lines by preferential rates in connection with its State railways. So does Walter T. Dunmore, professor of law at Western Reserve University, Cleveland, in a prize essay on Ship Subsidies, published in 1907. I have not had time to look up further authorities, but I think these should be sufficient to satisfy the gentleman from South Carolina, who said that the statement that Germany gave preferential railway rates to aid its shipping had not been authoritatively stated during the consideration of the shipping bill in committee.

Mr. Chairman, I believe that I have approached the question of building up the American merchant marine with an open mind. I am not committed to subsidy or any other plan, but I would favor any plan that I believe would help give this country sufficient ships to carry its goods to all quarters of the earth. I do not pretend to be an expert on this question.

But I do believe that this Government should help and not hinder the development of an American merchant marine. Whether or not the German merchant marine has been built up because of subsidies, I think we will all admit that the German Government has cooperated in every means in its power to aid its shipping, and I think this Government might learn a lesson from Germany in that respect. I believe that the proposed shipping bill will place the United States Government in competition with private vessel owners and not provide for desired Government cooperation.

I firmly believe that the Government must cooperate with all legitimate industries in order to maintain the national prosperity. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

Mr. BENNET. Mr. Chairman. I move to amend the bill by inserting, after the word "carrier," in line 4, page 2, the words "except ferryboats running on regular routes."

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 4, after the word "carrier," insert the words "except ferryboats running on regular routes."

Mr. SAUNDERS. Mr. Chairman, I make the point of order against that amendment that it presents the same proposition that we have already voted on.

Mr. BENNET. If the Chair will look to the precedents, he will find that it is for the committee and not the Chair to say, even if there is a change of as much as one word.

Mr. SAUNDERS. Oh, no. Of course if it is a different amendment, it will be in order. The Chair, must go into that, and if there is any doubt that the propositions submitted are different, then the proposition last submitted will be in order. But if the two amendments, though differently worded, present the identical proposition, and it is perfectly palpable to the Chair that such is the case, then the second amendment will be out of order. I submit that this is precisely the same amendment, not couched in the same language, but in effect the same proposition. The principle to be relied on for the Chair's decision is the one of finality of action.

Mr. BENNET. Mr. Chairman, this precise point was ruled upon by Speaker James G. Blaine in this House, and if the Chair will look he will find the ruling in the small book. It was made by Speaker Blaine, who was a good parliamentarian. He says that the change of a single word made the new amendment admissible. Non constat, but the change of a single word made the difference being acceptable or rejected.

The CHAIRMAN. The Chair is familiar with that ruling. The Chair thinks the reason Mr. Speaker Blaine ruled that way was that on account of the particular language submitted at that time there was a possibility of there being a different meaning attached to the subsequent amendment from that which was attached to the first amendment. The Chair thinks certainly that was the view of Mr. Speaker Blaine. The Chair thinks it is clear to a man of good ordinary common sense that if the Chair can see that a second amendment is not capable of any other construction than that which would be given to the first amendment that it would be a waste of time to consider it, and for that reason the Chair will sustain the point of order.

Mr. BENNET. Mr. Chairman, rather than have the Chair make that ruling and overturning all other rulings for 100 years, I withdraw the amendment.

Mr. SAUNDERS. The gentleman can not withdraw the amendment. The Chair has ruled on it, and sustained the point of order. I will say however, if the Chair will permit me, that the ruling of the Chair is absolutely correct, otherwise this result would follow. A Member might be defeated on an amendment, and dropping out an immaterial word, offer it again, then if defeated, drop out another immaterial word, offer it once more and in perpetuum. A sentence can be verbally recast so as to leave the meaning precisely the same. Such a verbal change would leave the proposition precisely the same. I do not suppose that the gentleman from New York will contend that there is any difference of meaning between the present amendment, and the one submitted and voted on a few minutes ago.

The CHAIRMAN. There is no doubt that Speaker Blaine was one of the greatest parliamentarians that ever presided over the House. As far as his rulings have been examined by the present occupant of the chair they always seemed to go to the substance, and not to the technical form. The present occupant of the chair is following that principle and wise practice now.

Mr. BENNET. I will point out a distinction between the two amendments right now. In the amendment as to the word "possession," on line 9, there was a provision limiting it specifically in connection with this act. As it is here it excepts ferryboats running on regular routes. I will admit that the same thing is sought to be reached by both amendments. The vote was very close, and I can not say but some one was so moved by the inclusion of the particular words in that amendment that are not in this amendment. Does not the Chair see what danger the Chair is getting in; it puts it in the power of any man who occupies the chair of saying to a member of the Committee of the Whole, if this amendment is the same as another amendment which has been offered, look at the power it puts in his hands.

The CHAIRMAN. Not at all; the power of appeal always lies.

Mr. BENNET. No doubt about that; but that power gentlemen hate to exercise.

The CHAIRMAN. The gentleman need have no delicacy as to the present occupant of the chair.

Mr. BENNET. No; but it is rarely exercised.

Mr. TOWNER. Mr. Chairman, I want to make a remark or two on this proposition. I entirely agree with the gentleman from New York in his position, and I am compelled to disagree with the gentleman from Virginia [Mr. SAUNDERS], whose opinion I value very highly, and with the Chair, because of this fact, which has been adverted to by the gentleman from New York. It is entirely within not only the possibilities but the probabilities that many men would vote against the amendment offered in an inappropriate place that might vote for it if offered in an appropriate place. This question is before the Chair, and it seems to me a very important question. Here is an amendment offered in one place in the paragraph that has been voted down by a very close vote. The same gentleman offers substantially the same amendment at another point in the paragraph, and the Chair rules that it is the same amendment that was offered before. It occurs to me that that is an exceedingly dangerous proposition, as the gentleman from New York says. It is not the same amendment. If that be true, the gentleman could not offer the same amendment in substance to another paragraph in this bill to effect the same purpose.

The CHAIRMAN. Will the gentleman permit an inquiry?

Mr. TOWNER. I should be very glad to.

The CHAIRMAN. On this specific matter would there be the slightest difference in construction if the amendment now proposed be adopted from what would have been if the amendment proposed a few moments ago had been adopted?

Mr. TOWNER. I will say frankly to the Chair, I think not.

The CHAIRMAN. Is not the Chair supposed to, at least, in this matter, use a little of his legal knowledge? Is it not a matter of good plain common sense?

Mr. TOWNER. I will say to the Chair, certainly, but that does not meet the objection. I am inclined to think that the Chair has in mind the fact that this is a dilatory amendment. If that objection had been made, the Chairman might have been justified in his position. But I am urging upon the Chair the consideration of this proposition—that an amendment may be perfectly appropriate in one place in the bill or paragraph and improper in another point. Members might support an amendment if it was in another part of the bill even though they had voted against it in some other part of the bill, deeming it improper. Perhaps it is in the Chair's mind that it might be offered time and time again, and be dilatory. Now, if it is subject to that objection, the Chair should consider it; but that objection is not made, and the Chairman should not decide against a proper consideration of this amendment because it is dilatory when another reason and another objection has been assigned.

The CHAIRMAN. The question of the amendment being dilatory was not in the mind of the Chair the Chair will state. The Chair was simply following the wise rule which provides that an amendment which has once been passed upon shall not be again in order and again be submitted. It is a well-recognized principle of parliamentary law, as the Chair understands it. The Chair may be wrong. Of course the Chair would regret very much to be wrong, but the Chair, relying upon reason and common sense, will take the chances and sustain the point of order.

Mr. BENNET. Mr. Chairman, I respectfully appeal from the decision of the Chair.

Mr. TOWNER. Before that is done I am going to ask unanimous consent to allow the gentleman from New York to withdraw his amendment. He has asked to do it, and it occurs to me that would be better than to have, at least, this questionable precedent established, and it will relieve the House and the Chairman and everybody else from any embarrassment. I ask unanimous consent that the gentleman from New York may have the right to withdraw his amendment.

Mr. COX. Mr. Chairman, I object.

Mr. OGLESBY. Mr. Chairman, before the gentleman objects I wish he would give me an opportunity to make a statement in regard to it. I should like to join with the gentleman in asking unanimous consent. I believe my colleague has endeavored earnestly——

Mr. COX. Mr. Chairman, I object.

Mr. BENNET. May I read to the Chair from page 192 of Jefferson's Manual, section 459:

> It is for the House rather than the Speaker to decide on the legislative effect of a proposition. (Hinds' Precedents, vol. 2, par. 1323–24.) The change of a single word in the text of a proposition is sufficient to prevent the Speaker ruling it out of order as one already disposed of by the House.

Now, if the Chair desires to overrule the holdings which have been unchanged, I have no recourse, as the Chair has reminded me, except to appeal from the decision; but I do not think the Chair would do it if the Chair gave it consideration.

Mr. SAUNDERS. If the Chair would like to hear a precedent which supports his ruling, I will be very glad to submit it.

The CHAIRMAN. Without objection, the gentleman can insert them. The Chair, of course, did not have these decisions within his reach. The Chair has read the decisions to which the gentleman referred—many of them. The Chair has been following the principles which they announce; and gentlemen will give the Chair credit for always trying to be fair about these matters respecting a correct ruling. The Chair has in mind the general principle.

Mr. SAUNDERS. I will submit a precedent sustaining the Chair, if the gentleman from New York has concluded.

Mr. BENNET. Yes.

The CHAIRMAN. The gentleman from New York appeals from the decision of the Chair.

Mr. BENNET. I will ask unanimous consent that the gentleman from Virginia may read the precedents which, he says, sustain his contention.

Mr. SAUNDERS. Mr. Chairman, the Chair correctly interpreted the ruling of the Speaker referred to (Speaker Blaine). The Speaker, in the course of his ruling, did say that the addition of a word would make a difference, but he had in mind a difference in meaning, not a difference in phrasing. The Chairman must interpret this precedent just as a court would interpret a precedent from another court. He must apply the rule of reason. Permit me to read to the Chair from Hinds' Precedents the resolution which was voted on, and then the resolution that was offered and held to be in order by the Speaker. The Chair will note how entirely the proposition of the one amendment differs from the proposition contained in the second amendment. (II Hinds, sec. 1274.)

The CHAIRMAN. The committee will be in order. The committee will be called upon in a few moments to pass upon a question of parliamentary law, which is a question in which there is no partisanship involved, but a question of parliamentary interpretation, and the Chair would be especially pleased if Members would listen to the argument upon this matter in order that they may pass upon the question intelligently.

Mr. SAUNDERS. I would not take up the time of the committee to read this matter, if it was not essential to a proper understanding of the merits of the point of order:

> On March 16, 1870, Mr. William L. Stoughton, of Michigan, as a question of privilege, submitted a report of the Committee on Military Affairs, recommending the adoption of the following resolution:
>
> "*Resolved*, That the House declares its condemnation of the action of Hon. Roderick R. Butler, Representative from the first district of Tennessee, in nominating Augustus C. Tyler, who is not an actual resident of his district, as a cadet at the Military Academy at West Point, and in subsequently receiving money from the father of said cadet for political purposes in Tennessee, as an unauthorized and dangerous practice."
>
> The minority presented its views as follows:
>
> *Resolved*, That Roderick R. Butler, a Representatives in Congress from the first congressional district of Tennessee, be, and he is hereby, expelled from his seat as a Member of this House.
>
> When the resolution recommended by the majority came up for consideration, Mr. John A. Logan, of Illinois, moved to amend by substituting the minority resolution. This amendment was agreed to—yeas 101, nays 68—a majority vote.
>
> The amendment having been agreed to, the question recurred on agreeing to the resolution as amended, which had thereby become a resolution of expulsion.
>
> The Speaker stated that under the Constitution a two-thirds vote would be required.
>
> There were yeas 102, nays 68—not a two-thirds vote—and the resolution was rejected.
>
> Mr. Stoughton then offered a resolution which was the resolution originally reported by the majority of the commitee, with the addition of these words: "and he is hereby censured therefor."
>
> Mr. Thomas W. Ferry, of Michigan, made the point of order that the House, upon the proposition of censuring the Member or expelling him, both ideas being separately before the House, had by a majority vote chosen expulsion and rejected censure, failing to finally carry the former by a two-thirds vote. This resolution was therefore not substantially a different proposition.
>
> The Speaker said:
>
> "The Chair overrules the point of order. The gentleman might not be able to offer the resolution in precisely the same words, but this is a different resolution, differently worded, and it is a question of privilege, and is in order at any time. * * * The difference of a single word would bring it within the rule of the House."

The resolution offered was a different resolution, different in substance, as everyone who reads it will admit. The difference of a single word would bring it within the rules of the House, not necessarily the addition of a single word, but the difference of a single word, that is, the addition of a single word or the excision of a single word thereby making a difference in meaning, and presenting a new proposition. If a resolution is offered, and voted down, and another resolution is offered of a different character, however slight that difference may be, I agree that this will be a new resolution within the meaning of this ruling, and in order. But it makes no difference what the wording may be, if the same thought that was presented in the first amendment and voted down, is plainly, palpably, and manifestly presented in the second amendment, then that latter amendment is not in order. If I should move that a bill should be postponed until day after to-morrow, and the resolution be lost, it would not be in order for me thereupon to move that consideration of the same bill should be postponed to Thursday of the week, when Thursday of the week and the day after to-morrow would be one and the same day. When it is admitted, and it is admitted, that the two amendments of the gentleman from New York present the same proposition, the second amendment falls within the principle of finality of action in a parliamentary body, and the first action taken, stands as the judgment of the House, unless it is reconsidered.

There are two principles that the presiding officer must have in mind in this connection. His ruling on the question presented is in harmony with both principles.

Mr. TOWNER. Will the gentleman yield before he takes his seat?

Mr. SAUNDERS. Yes; certainly.

Mr. TOWNER. The gentleman will concede, will he not, that an amendment offered at one place might be improper at another?

Mr. SAUNDERS. Certainly.

Mr. TOWNER. Is there any precedent that has been reported, of which the gentleman has any knowledge, in which the point has been raised, that an amendment offered at one place, if it had been overruled or if it had been voted down at another, was not in order?

Mr. SAUNDERS. But that suggestion is not pertinent to the present situation. An amendment offered under one set of conditions might fail, while it might succeed if offered under other and different conditions, but this has nothing to do with the question ruled on by the Chair, or the principles and precedents that support that ruling.

Mr. TOWNER. You are giving consideration only to the fact that when there is a difference in the language the same amendment can not be offered in the same place.

Mr. SAUNDERS. I will admit that. An amendment may be in order in one connection, and out of order in another, but the point of order must be made. No point of order was made that the first amendment was out of order when it was offered. Hence it was in order. We are confronted with the substantial proposition that whenever the House, or the committee has taken action on a proposition, the same proposition, whatever the phrasing may be, can not be presented again, if objection is made. Mr. Chairman, I am not presenting this question, merely as the result of cursory or hasty investigation. It is a question that I have heretofore had to examine, and relate to a fundamental principle, with a view to an ultimate ruling.

Mr. BENNET. Will the gentleman yield to a question?

Mr. SAUNDERS. Yes.

Mr. BENNET. Can the gentleman cite the Chair and the committee any precedent sustaining what he said? He cited Mr. Blaine's ruling, which I cited first.

Mr. SAUNDERS. Yes. The ruling just read sustains my attitude. I will say, in addition, that there is plenty of other authority.

Mr. BENNET. I would like to see some of it.

Mr. SAUNDERS. I will produce it, if time is given.

The CHAIRMAN. Let the Chair state this, if he may: If the Chair could have seen that there was a possibility of a construction to be placed upon the last amendment which could not have been placed upon the first amendment, he would not have hesitated to have overruled the point of order; but the Chair could not see that. It is admitted by everybody that there was no difference, and the Chair therefore applied the other principle that there ought to be a finality at some time.

Mr. TOWNER. I admit that the supposition of the Chair is well taken, and I am inclined to think that I would agree with the gentleman from Virginia [Mr. SAUNDERS] about his position. It occurs to me that a mere change of phraseology would not be sufficient if the same amendment was offered to the same language in the same paragraph. I am inclined to think that the Chair would be justified in his ruling under such circumstances. But, Mr. Chairman, I insist that you have before you an entirely different proposition, for which you have no authority whatever, that the committee having once decided against an amendment offered at one point in the bill it has no right to pass upon it at another point.

Mr. OGLESBY. Does the gentleman think there would have been any difference in the effect of the amendment adopted where it was originally offered than if adopted at the point where it is now offered?

Mr. TOWNER. I will confess to the gentleman I do not think so. That is not the point I am making. I will listen to the suggestion of the Chair.

The CHAIRMAN. The gentleman from New York [Mr. OGLESBY] expressed what the Chair had in mind. Why is the question of place important here in the particular facts we have before us? The question of place would be quite within the realm of possibility if an amendment would be offered to a section and held out of order as not being germane to that section, but would be held as being germane to another section. But why is it important under the proposition we have before us?

Mr. TOWNER. Mr. Chairman, we must not lose sight of the real proposition. The question of germaneness does not enter into the consideration of this question.

The CHAIRMAN. It does not. The question of germaneness does not enter into this proposition.

Mr. TOWNER. Certainly not in this case, and therefore I want to urge upon the Chair and upon the House that it ought not to influence the determination of the question now before us.

The CHAIRMAN. The Chair concedes that it ought not.

Mr. TOWNER. I am urging upon the Chair and upon the committee this proposition, and it seems to me it is conclusive: That a vote of the committee against an amendment in one place does not preclude its consideration in another place. I have never read any precedent against it, and I have never heard of any ruling of the Chair against it. It certainly would establish a new and dangerous precedent for the Chair to hold that an amendment once offered and voted down could not be offered at any other point in the bill and could not be placed thus before the committee for consideration.

Mr. SAUNDERS. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. SAUNDERS. I think I catch very fully the point the gentleman is making, but it is all offered to the same section.

Mr. TOWNER. I think the argument applies as well to the same section as to different sections of the bill. Let me urge this thought upon the gentleman, because I value his judgment as highly as I do that of any other Member of this House, because I know of his long experience and of his entire fairness in the consideration of these questions. Let me suggest to the gentleman this proposition: It might be urged by the Member who offered an amendment at one point in the paragraph that it should be taken into consideration because it was properly there, but upon argument before the House the House might take a different opinion and vote it down, not on its merits but because improperly placed. In the consideration of that question it might be developed that it might properly be considered at another point in that same section.

The gentleman from Virginia knows how often that is done, and this would be a precedent to say that because the gentleman had offered it at an improper point he could not offer it at a proper point in the paragraph.

Mr. SAUNDERS. I see the gentleman's point. I do not think that would follow from the ruling. What determines the question of whether it must be in order or not as to an amendment to a section? If anyone fails to raise the question at the proper time, that establishes the order of your amendment, whatever it may be. I do not concede that it is out of order in the other place, but if there is any question about that, and the question was raised, what would be the determining point in the solution of that question?

Mr. TOWNER. The question would not be decided as to whether it would be properly in order at one place or another. That is a question for the committee to determine. But here is a proposition which, in my judgment, is a dangerous precedent for consideration.

Mr. BURNETT. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. BURNETT. Then, according to the argument of the gentleman, the same amendment might be offered a hundred times if it is germane.

Mr. TOWNER. Oh, no. My friend from Alabama loses sight of the fact that the objection that it is dilatory might be made at any time. Of course, amendments so offered would be apparently dilatory.

### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. DUPRÉ having taken the chair as Speaker pro tempore, a message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had approved and signed bills of the following titles:

On May 15, 1916:

H. R. 3575. An act to amend section 5234 of the Revised Statutes of the United States so as to permit the Comptroller of the Currency to deposit upon interest the assets of insolvent national banks in other national banks of the same or of an adjacent city or town.

On May 16, 1916:

H. R. 6099. An act to amend section 72 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

On May 18, 1916:

H. R. 759. An act to provide for the removal of what is now known as the Aqueduct Bridge, across the Potomac River, and for the building of a bridge in place thereof;

H. R. 562. An act to amend the act approved June 25, 1910, authorizing the Postal Savings System, and for other purposes; and

H. R. 10385. An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917.

### UNITED STATES SHIPPING BOARD.

The committee resumed its session.

Mr. SABATH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. What is before the committee now?

The CHAIRMAN. An appeal from the decision of the Chair, as to whether the decision of the Chair shall stand as the judgment of the committee.

Mr. BENNET. Mr. Chairman, I ask unanimous consent that the amendment may be withdrawn.

Mr. ALEXANDER. I hope there will be no objection on this side of the House.

Mr. BENNET. That vacates the ruling, as I understand it?

The CHAIRMAN. Yes. The gentleman from New York [Mr. BENNET] asks unanimous consent that the amendment be withdrawn. Is there objection?

There was no objection.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BENNET: Page 2, line 16, after the word "lighterage," strike out "wharfage, dock, warehouse, or other terminal facilities."

Mr. BENNET. Mr. Chairman, about 10 days ago we passed in the Agricultural appropriation bill a provision placing wharfage, dock, warehouse, and other terminal facilities—that is, those terminal facilities that can contain grain, flax, or tobacco—under the jurisdiction of the Department of Agriculture.

Mr. BLACK. Mr. Chairman, will the gentleman yield right there for just a minute?

Mr. BENNET. Yes.

Mr. BLACK. Is it not true that the warehouse amendment to the Agricultural bill only provided that warehouses could be licensed for this purpose?

Mr. BENNET. If the gentleman will read that bill carefully, he will find that powers are conferred upon the Department of Agriculture to make rules and regulations in connection with licenses. So here is the situation in regard to warehouses: Of course, no one has to go into the Federal warehouse system, if he does not want to. I suppose the idea is that as many will go into that system as possible. Now, the man who goes into the Federal warehouse system has to face this: In the first place, if he has any rail or other connection with a railroad he is under the Interstate Commerce Commission. If he goes into the Federal warehouse system, he is under the Department of Agriculture. If this bill passes, he is under the shipping board. In other words, except for the provision of section 33, on page 36, which introduces an element of doubt, he is under three different systems of Federal inspection, besides the State system.

Mr. BYRNES of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. BENNET. Yes.

Mr. BYRNES of South Carolina. Is it not true that he certainly would not be under the inspection of the warehouse system unless he voluntarily places himself under it?

Mr. BENNET. Yes.

Mr. BYRNES of South Carolina. Then what complaint has the gentleman to make?

Mr. BENNET. My complaint is this: I presume the intention of that bill is to encourage the warehouseman to go into that system. Then inside of two weeks we turn around and discourage him.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield at that point?

Mr. BENNET. Yes.

Mr. ALEXANDER. This bill says:

The term "other person subject to this act" means any person not included in the term "common carrier by water," carrying on the business of forwarding, ferrying, towing, or furnishing transfer, lighterage, wharfage, dock, warehouse, or other terminal facilities in or in connection with a common carried by water.

Now, nearly two years or more ago, in fact since we investigated the steamship combination, I recall this circumstance, that the shippers of naval stores from the South to New York, firms engaged in that business, complained that while they got the same rate on the steamships bringing the naval stores to New York, there was a discrimination in the lighterage charges. They complained of that condition. Hence, if this board effectually regulates water carriers, it must also have supervision of all those incidental facilities connected with the main carriers. And mind you, when you read the provisions of this bill, it only provides that there shall not be unjust discrimination between shippers. And while this provision is very broad in its terms, I am very sure when you come to consider the section of the bill relating to the regulation of water carriers, there is not one of them that would not have applied to these terminal facilities for the reason I state.

Mr. BENNET. I would like to say to the chairman of the committee—to give a specific instance of what can be done under this bill—that the city of New York itself has spent $115,000,000 to construct wharves and warehouses which stretch along its water front for 79 miles. Under a subsequent provision of this bill, if it is not amended, any officer of the Government of the United States can go to the dock commissioner of the city of New York and compel him to make a report, not only in connection with the transportation and shipping business but in connection with anything relating to the business of the dock department of the city of New York, to that Government official.

Mr. COX. In what section will that authority be found?

Mr. BENNET. I can not put my hand on it just for the moment. It is here. I have a memorandum to move to strike it out when we get to it.

Mr. COX. It is one of the sections included in the substitute which the gentleman offered this morning for this entire bill, is it not?

Mr. BENNET. Unquestionably.

Mr. COX. And the gentleman voted for it this morning, did he not?

Mr. BENNET. Unquestionably, and as the gentleman will remember, I said this morning that I thought this question of socialism versus old-time doctrine was so important and grave that we could afford to overlook a good many things that we did not like. I think that is basic, and that is the reason I voted for the substitute containing a good many things that I did not like.

Mr. HUMPHREY of Washington. I would like to ask a question or two in regard to the provision which the gentleman from New York [Mr. BENNET] has just been talking about. Is it the purpose of that provision to place the municipal docks of this country under the control of this board? The gentleman probably knows what I have in mind. At many of the cities upon the Pacific coast we have great municipal docks. We have them at Los Angeles, at San Francisco, and at Seattle, which represent many millions of dollars. I think probably the value of the wharves at Seattle is $8,000,000 or $10,000,000. Now, is it proposed to take the control and regulation of those wharves away from the city authorities and place it under the control of this board?

Mr. ALEXANDER. Just to this extent: It is true they have municipal docks at Seattle which cost many millions of dollars——

Mr. HUMPHREY of Washington. They have them at other cities on the coast, too.

Mr. ALEXANDER. The steamship companies refuse to use those docks and compel shippers to use the docks of private parties, and I have had voluminous correspondence with the commissioner in charge of those docks, complaining of that condition and wanting them brought under governmental control.

Mr. HUMPHREY of Washington. I did not yield for that purpose, but I want to take occasion right here to dispute that statement as not true.

Mr. ALEXANDER. I have the correspondence.

Mr. HUMPHREY of Washington. I know what the gentleman has. I have read the correspondence. I know who sent the correspondence, and I repeat that the statement made by the gentleman who sent you that letter is not true; and when you refer to what occured in my own city, and when I know the men who wrote the letters, I think I am in a position to state that it is not correct.

Mr. ALEXANDER. That correspondence was with the Department of Commerce, and the letters referred to me were from the representatives of the——

Mr. HUMPHREY of Washington. I know who wrote them. It was from Commissioner Bridges.

Mr. ALEXANDER. Yes; it was from Commissioner Bridges.

Mr. HUMPHREY of Washington. A gentleman whom I have known for a great many years. He has been my friend for 25 years, but he never was right upon a public question in his life—never. [Laughter.] He is one of those most excellent men, as I say, my personal friend, but he can see more ghosts and more things where they do not exist than any man with whom I have ever had the pleasure of being acquainted. Now, that does not answer the question that I was asking. What I was asking was whether it was the intention of this provision in the bill to take away the control of these municipal wharves from the cities which constructed them.

Mr. ALEXANDER. Not at all; only to prevent unjust discrimination between shippers. If they do exercise such discrimination, there is no reason why they should not be amenable to the law as well as a private person.

Mr. HUMPHREY of Washington. Not at all. If the gentleman had answered that in the first place, we would have been through long ago. That was the information I sought when I first got up.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment of the gentleman from New York [Mr. BENNET].

The amendment was rejected.

Mr. BENNET. Mr. Chairman, I move to amend the bill by inserting, after the word "carrier," in line 4, page 2, the words "except ferryboats."

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 2, by inserting, after the word "carrier," in line 4, the words "except ferryboats."

Mr. OGLESBY. Will the gentleman yield for a question?

Mr. BENNET. Certainly.

Mr. OGLESBY. As far as the territory which the gentleman and I try to represent in part is concerned——

Mr. BENNET. And as far as the gentleman is concerned, he succeeds in representing it.

Mr. OGLESBY. I understand that all those ferries except the municipal ferry are operated in connection with the railroads, and that they are under the jurisdiction of the Interstate Commerce Commission, and this bill would not put them under the jurisdiction of this board. The municipal ferry is operated between points in the same State.

Mr. BENNET. Is that a question?

Mr. OGLESBY. Now, in view of that situation, I would just like to know what special reason there would be for the gentleman's amendment? Of course, I have no desire to take any action that will not aid in keeping New York City from being unnecessarily embarrassed.

Mr. BENNET. Mr. Chairman, in the gentleman's district up at Clason Point there is a ferry, a little bit south another ferry, at One hundred and thirty-eighth Street another ferry, at Ninety-ninth Street another ferry, at Forty-second Street another ferry, at Twenty-third Street another ferry, at Grand Street another ferry, and the South Ferry, in addition to the municipally operated ferry; there are at least four I can think of. There are seven or eight ferries coming to my mind at once that would not come under the Interstate Commerce Commission, but would come under this law.

Mr. OGLESBY. But they ply between points in the same State.

Mr. BENNET. Yes; that is covered, as the gentleman will find, later in the bill. I would like to ask the gentleman from Missouri, having accepted an amendment which excepts ferryboats running between this country and Canada, why in the world should we impose the burdens, such as they are, of regulations, and so forth, upon the ferries running across the rivers and bays and smaller arms of the sea in our own country? In our city are 25 per cent of all the ferries of the United States.

Mr. SAUNDERS. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. SAUNDERS. Did I understand the gentleman to say in response to his colleague that the ferries run between points in the same State?

Mr. BENNET. Yes.

Mr. SAUNDERS. They are not covered in this bill. We expressly exclude intrastate commerce.

Mr. BENNET. I know that, in relation to the commerce, but as to the ships they are not excepted, and there is a provision in your bill later expressly covering them, which I will call attention to when we reach it. I repeat, What earthly purpose can be served by putting ferryboats in this bill and subjecting the people in the cities which none of you gentlemen represent to this annoyance?

Mr. ALEXANDER. The provisions of the bill do not apply to the boats the gentleman refers to. That is the best answer to his statement.

Mr. BENNET. Now, may I ask the gentleman a question?

Mr. ALEXANDER. Yes.

Mr. BENNET. The gentleman having accepted an amendment which was inserted after the word "carrier," line 5, page 1, running on the regular routes, why is not the amendment I am seeking to get in the same principle in relation to vessels running not between foreign countries?

Mr. ALEXANDER. Because they are all excluded, and when we come to the consideration of the bill, as I hope we may some time, section by section, if the gentleman can find any section where it would apply to the ferryboats he speaks of we will consider it.

Mr. BENNET. Does not it apply to ferryboats on the Hudson River between New York and New Jersey?

Mr. SAUNDERS. We have voted on that once.

Mr. BENNET. The amendment before the House is "except ferryboats," and it is in connection with the definition of common carrier by water, and why you should keep these ferryboats in the bill I can not understand.

Mr. SAUNDERS. I tried to get an understanding of the question by asking if the boats the gentleman referred to plied between the points in his own State, and he said they did. I called attention to the fact that the bill does not apply to such boats. Now, if he is bringing in boats that ply between State and State we have already voted on that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. BENNET) there were 36 ayes and 41 noes.

So the amendment was rejected.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, strike out lines 19 to 22, inclusive.

Mr. BENNET. Mr. Chairman, this, of course, is covered by decisions and statutes; but there is a distinct danger in attempting to put a definition in the bill where it has already been defined by court decision. I undertake to say that the word "person" has been defined by the courts in the United States and several States more than five hundred times. What do you do? If you do not happen to have made as full a definition as some court has, you limit the court. It is useless, simply burdens up the act, and in addition contains a real danger, because, as every lawyer knows, the assertion of one is the exclusion of others; and if, for the purposes of this act when used in this act, you have not made the definition as broad as some court has made it, you will simply limit the court.

Mr. HARDY. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. HARDY. When this question came up it was asked if there was any statute in the United States defining the word "person," and, I believe, it was generally conceded that perhaps there were none; and, to cover the chance that there might not be such a general definition in the Federal statutes, we put it in.

Mr. BENNET. The gentleman does not mean to say that there is no statute definition of the word "person"?

Mr. HARDY. I doubt if there is any, including the definition that we give here.

Mr. BENNET. Corporations and members of partnerships are indicted in every district in the United States on statutory definition.

Mr. SAUNDERS. That may be as to that particular offense. Is this or not a correct definition?

Mr. BENNET. So far as I am concerned I am not as competent to decide that question as the gentleman from Virginia.

Mr. SAUNDERS. Can the gentleman think of anybody who ought to be brought in that this does not bring in? If he does, let him tell us and we will bring him in.

Mr. TOWNER. Mr. Chairman, I think this applies only to persons referred to in this bill. I think it is perfectly proper for it to define the word "person" as used in this bill, because that is for the assistance of the court. Courts very often have difficulty in determining the definition of words. And in doing that we have to ascertain the meaning that was intended by the legislature, so all of these definitions given in this bill are definitions that are intended to be conveyed and those words are used in the bill and it certainly seems to me it is perfectly proper for the committee to have defined them in that way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 2. That within the meaning of this act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of a corporation, unless its president and managing directors are citizens of the United States and the corporation itself is organized under the laws of the United States or of a State, Territory, District, or possession thereof.

The provisions of this act shall apply to receivers and trustees of all persons to whom the act applies.

Mr. GREEN of Iowa. Mr. Chairman, I rise simply for the purpose of asking the chairman of the committee a few questions. I would like to inquire whether in the formation of the bill and considering this general subject of the creation of an American merchant marine the committee considered the question of discriminating duties in that connection?

Mr. ALEXANDER. Whether we studied that question or not?

Mr. GREEN of Iowa. Whether that question was before the committee, whether an American merchant marine could not be built up in that way instead of the one proposed by the bill.

Mr. ALEXANDER. That question has not been considered by the committee in this Congress. Myself and the gentleman from Washington [Mr. HUMPHREY] and other Members have given it very serious consideration in other Congresses.

Mr. GREEN of Iowa. Well, I suppose so. Now, will the gentleman state the objection to it?

Mr. ALEXANDER. The gentleman knows the Republican Party in their national platform of 1896 declared in favor of discriminating duties as a method of building up the American merchant marine.

Mr. GREEN of Iowa. Yes; that is one reason I ask these questions. I want to know why the committee did not give that any consideration and did not take up that method. The gentleman surely has some reason in his mind.

Mr. ALEXANDER. I introduced a bill in the last Congress, which I think was a good bill, providing for discriminating duties, and personally I was disposed to give it a trial. It was a question, however, what other nations might do in the way of retaliation to nullify the effect of a law of that sort, and if the gentleman will come to my office I will show him tables of the imports and exports to and from our own country to Europe and other foreign countries, and we might sit down and figure out whether the benefits would be greater than the disadvantages of invoking such a system. If I thought it would do the work, I would be in favor of it.

Mr. GREEN of Iowa. I was about to discuss this plan not at this particular moment, but I expect to discuss it in connection with the bill, and I desired to get the reasons the gentleman has had in mind; but apparently the committee never considered the question of discriminating duties at all in the formation of the bill.

Mr. ALEXANDER. Not in this Congress; no.

Mr. HARDY. Will the gentleman permit a suggestion?

Mr. GREEN of Iowa. With pleasure.

Mr. HARDY. On the question of discriminating duties, before the gentleman discusses it very far, he ought to read the debates which took place from 1815 to 1828 on the question of discriminating duties in the Congress of the United States. They are extremely illuminating.

Mr. GREEN of Iowa. I have read a great many of them, but I do not know that I have read them all, and I doubt whether the gentleman has.

Mr. HARDY. I will tell the gentleman one thing they did show. All parties from 1815 to 1828 united in an earnest, strenuous effort to secure the repeal of all discriminating duties proposed or provided by other Governments, and——

Mr. GREEN of Iowa. And as the result the American marine disappeared from the ocean.

Mr. HARDY. On the contrary, the result from 1828, when the last discriminatory duty act was repealed, to 1860, our merchant marine was the finest on earth.

Mr. GREEN of Iowa. Oh, no; not at those dates, but later on.

Mr. HARDY. I think if the gentleman will look into the record he will find from 1828 our merchant marine still prospered, and continued to prosper to 1860, when the war broke out.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. I would like to have one minute further.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa? [After a pause.] The Chair hears none.

Mr. GREEN of Iowa. Assuming the gentleman is correct. I expect to show when I take up this subject further that by reason of the passage of this act of 1828 and the effect of the conventions which were subsequently entered into under the act of 1828——

Mr. HARDY. If the gentleman will pardon me, many of those conventions were entered into just after 1815. All the countries of the world had already gone into a friendly agreement with us to abolish these discriminating duties except England, which hung out to the last.

Mr. GREEN of Iowa. I am aware of that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. Mr. Chairman, I move to strike out the last word, and I call the attention of the gentleman from Virginia to this. The gentleman from Virginia asked me if I could suggest any improvement in his definition. I hold in my hand the Revised Statutes, and I desire to say I think I can, because if these framers of the Revised Statutes were right the gentleman could never convict a natural person. When the framers of the Revised Statutes had the question before them they provided as follows:

The word "person" may be extended to or applied to partnerships and corporations.

Of course this is an artificial definition, and in a penal statute a man who is indicted, a natural person, could plead that he was not a person, not being a partnership, corporation, or association. I will ask the gentleman from Virginia [Mr. SAUNDERS], in the interest of certainty, whether he does not think it would be a good idea to adopt the wording of the Revised Statutes, which is "the word person may extend and be applied to"?

Mr. SAUNDERS. I do not think it at all necessary; but I will say, in deference to the gentleman, that I shall not have any objection to accepting it.

Mr. BENNET. Mr. Chairman, I ask unanimous consent——

Mr. SAUNDERS. I would advise that the gentleman address that to the chairman of the committee. There is no difference in the world. It is only the difference between tweedledum and tweedledee.

Mr. BENNET. Mr. Chairman, I ask unanimous consent that on line 19 the language may be changed by striking out the word "includes," on page 2, and inserting in lieu thereof the words "may extend and be applied to."

Mr. HARDY. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from New York [Mr. BENNET] asks unanimous consent to return to the last paragraph of section 1 for the purpose of offering an amendment. Is there objection?

Mr. HARDY. I object.

The CHAIRMAN. The Clerk will read.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 3, line 7, after the word "applies," insert "and to the successors or assignees of such person."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. ALEXANDER. Will the Clerk please read it again?

The CHAIRMAN. The Clerk will read the amendment.

The amendment was again reported.

Mr. ALEXANDER. Mr. Chairman, I accept that amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That a board is hereby created, to be known as the United States shipping board, and hereinafter referred to as the board. The board shall be composed of the Secretary of the Navy and the Secretary of Commerce, as members ex officio, and five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; one of such commissioners to be designated by the President as chairman of the board and one as vice chairman.

The first commissioners appointed shall continue in office for terms of two, three, four, five, and six years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds.

The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this act, and to a fair representation of the geographical divisions of the country. Not more than three of the commissioners shall be appointed from the same political party. No commissioner shall be in the employ of or hold any official relation to any common carrier by water or other person subject to this act, or own any stocks or bonds thereof, or be pecuniarily interested therein. No commissioner shall actively engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the board shall not impair the right of the remaining members of the board to exercise all its powers. The board shall have an official seal, which shall be judicially noticed.

The board may adopt rules and regulations in regard to its procedure and the conduct of its business.

Mr. HADLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 3, line 10, after the word "of," strike out the remainder of line 10 and all of line 11 and the first two words in line 12.

Mr. HADLEY. Mr. Chairman, the effect of the amendment just submitted is to eliminate from the membership of the board the Secretary of the Navy and the Secretary of Commerce. That would make the section read:

The board shall be composed of five commissioners to be appointed by the President, by and with the advice and consent of the Senate.

Now, I submit to the committee that this amendment raises a definite question of policy that is well worthy of serious consideration. I personally do not believe in confounding the func-

tions of the Federal departments, the duties of Cabinet officers with the administrative functions of mere administratve boards. The only argument which I have heard advanced in support of the provision as it stands is to the effect that the subject matter so far as the Navy Department is concerned is related to the duties of the board, and that the same would apply to the Department of Commerce in respect to the Bureau of Navigation and the Bureau of Inspection.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HADLEY. Yes.

Mr. MOORE of Pennsylvania. Was not the Secretary of the Treasury included in the first bill as a member of the board?

Mr. HADLEY. I think not in this bill.

Mr. MOORE of Pennsylvania. In the bill we had before us in the last session.

Mr. HADLEY. I was not a Member last year and I am not advised as to that.

Mr. MOORE of Pennsylvania. I think I can say that the Secretary of the Treasury was included in the board at that time. I want to ask the gentleman why he was cut out of this bill?

Mr. HADLEY. I will refer that question to some gentleman who was a Member of the Sixty-third Congress. At all events, an inspection of this bill, which we have but inadequately had yet, will disclose many functions and duties administrative in their nature, which in the nature of things members of the Cabinet never could participate in. I think it is unwise to confer powers upon a member of a board which it will be impossible for the member to perform. It is manifest that such duties as are conferred here, particularly as to the regulatory powers of the board, and as to the operation of the vessels through a corporation which the board will control and manage, and so far as the stock interest is concerned, could not be discharged by Cabinet officers as they ought to be discharged.

Now, the information and knowledge that is in the possession of the department would always be, I take it, accessible to the membership of the board. I think the strongest argument that can be made against the membership of Cabinet officers on this board is the fact that there are certain functions to be performed which are germane to matters that pertain to the departments, and yet ought to be segregated, because it puts the officer in the position somewhat of a judicial officer sitting upon his own affairs; for instance, the Department of Commerce, through the Bureau of Navigation and Inspection. Its regulation and rules, made and administered there, ought not to be the subject of consideration by the Cabinet officer as a member of the board, but ought to be determined and interpreted by those who are entirely independent of the department. Furthermore, this raises the question of political consideration, and I speak entirely in an impersonal way and without any thought of political consideration. This is to be a continuing board, to run with the years. We ought to have a shipping board, and I am in favor of the creation of a shipping board. We ought to have one that will not be in any way shadowed with the suspicion of political control in the minds of the people of the country. I do not believe you can divorce that thought from the public mind if you constitute the board so that the voting power preponderates politically, as you provide in this case.

Now, there is another provision——

The CHAIRMAN (Mr. DUPRÉ). The time of the gentleman from Washington has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HADLEY. Mr. Chairman, I was about to say there is another provision in this same section to the effect that not more than three of the commissioners shall be appointed from the same political party—a provision in which I heartily concur. But the effect of that provision is largely nullified by the composition of the board as it is proposed. If one party is in power, there are two members manifestly of the same political faith, and if there are three appointed by the President, that will be five to two; or if it happens that the case be opposite to that, it will at least be four to three. The idea of the committee was to make it as nearly nonpolitical as possible, and that, I think, will meet with universal approval. But in order to do that the Cabinet officers ought to be eliminated, and the men appointed to discharge these duties ought to be those who are personally familiar with, and expert in their knowledge of, the subjects involved.

Mr. OGLESBY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from New York?

Mr. HADLEY. I do.

Mr. OGLESBY. I will ask the gentleman whether, as a matter of fact, the provisions for the appointment of three men of one political party is not intended to provide for minority representation, and that where there is minority representation the size of the majority is not particularly important?

Mr. HADLEY. Generally speaking, that may be true. But I will say to the gentleman that I think when you minimize the minority to the extent possible under the provisions of this bill, taking the two provisions together, you might as well in the first instance provide that all the members of the board shall be of the same political party. That would be the effect of the gentleman's position, as I think.

Mr. OGLESBY. Is not the purpose of the minority in a board of that kind rather to insure that everything which comes before the board will meet the light of publicity?

Mr. HADLEY. The nearer the minority and majority can be kept in balance, I submit to the gentleman, the better will be the results.

Mr. Chairman, I submit a statement that was made to the committee by Mr. Fahey, the late president of the Chamber of Commerce of New York. In this connection I would like to read to the Committee of the Whole one short statement that he made, because it may be taken to reflect the idea of the business interests of the country as represented by that body, although it was not on a referendum but was his personal expression. He said:

> There are many who contend that, if the Government goes into this business through the organization of corporations to operate ships, it is going to be almost impossible to prevent pressure on that board from the various ports which have very highly developed local prejudices and jealousies.
>
> Galveston, New Orleans, Jacksonville, Seattle, Norfolk, Newport News, Baltimore, Philadelphia, Providence, and Boston, and most of the rest of them, think they have the finest harbors in the United States and are entitled to all kinds of opportunities which they are not getting to-day. As a matter of fact, under the present conditions in reporting the statistics of these ports the Department of Commerce is in hot water frequently because of port rivalries. There are many who claim that it is likely to be very much more violent when the Government must say from what ports its ships shall sail. In the minds of many the idea of eliminating any possibility of charging political influences in the composition of this board is very important.

I know how hard it is to conceive of a board constituted without political thought or consideration, and yet I can conceive of it. Men who are selected and charged with responsible duties, such as they will be here, may assume that attitude of mind if they be business men, representative men, selected for the discharge of those duties and responsibilities. They may assume and exercise quasi judicial functions to the same effect and to the same extent as a judge on the bench, provided they be not associated with those who are preeminently and admittedly representatives of political thought and political parties. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Washington has again expired. The question is on agreeing to the amendment offered by the gentleman from Washington [Mr. HADLEY].

Mr. ALEXANDER. Mr. Chairman, my colleague on the committee Mr. ROWE, of New York, introduced into the House a bill which was prepared by the representatives of the Chamber of Commerce of New York, in which the board is composed just as it is composed in this bill. The Secretary of the Navy and the Secretary of Commerce are made ex officio members of the board, and five commissioners to be appointed by the President.

Now, there is a good reason for doing this. The vessels to be built under the provisions of the bill are to be naval auxiliaries. They are to be of the merchant type, it is true, but they are to be utilized by the Navy in the event of public emergencies or in war, and hence there is a good reason why the Secretary of the Navy should be a member of this board and should have something to say about the type of vessels to be built or purchased by the board.

Again, the bill provides that the Secretary of the Navy may list the vessels constructed under the provisions of this bill as a part of the naval auxiliary fleet. In addition, the bill provides that the officers and crews of these vessels may volunteer as a part of the naval auxiliary reserve force, and they shall receive additional compensation according to their rank under regulations to be made by the Secretary of the Navy. For these reasons we thought the Secretary of the Navy should be a member of this board.

The Secretary of Commerce should be made a member of this board for the same or better reasons, because the Bureau of Navigation and the Steamboat-Inspection Service are under the jurisdiction of the Department of Commerce. Hence, as he is charged with the administration of the navigation laws, and the duties of this board include the operation of vessels,

in order to prevent conflict and in order to coordinate the work it was though wise to make the Secretary of Commerce a member of this board.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from Connecticut?

Mr. ALEXANDER. Yes.

Mr. TILSON. Will it not have the effect, we will say, of the Secretary of Commerce running with right arm a business—the business of shipping—and with his left arm making the inspections and enforcing the navigation laws? In fact, is he not put into something of a contradictory position?

Mr. ALEXANDER. Not at all. I think there are the best of reasons why he should be a member of the board.

However, there is one objection that has been urged——

Mr. KENT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from California?

Mr. ALEXANDER. Yes.

Mr. KENT. I would like to ask the gentleman if the argument that the Secretary of the Navy and the Secretary of Commerce should be ex officio members of this board would not, by a parity of reasoning, put the mayor of a city on every commission established in a city?

Mr. ALEXANDER. No; I do not think it would. But there has been one objection urged to the membership of the Secretary of the Navy and the Secretary of Commerce on this board, in relation to the regulatory provisions of this bill, for the reason that they hold political offices, and they might for political reasons influence the decisions of the board with reference to rates. Now, there is some force in that objection, and I think it can be obviated by providing in this bill, in appropriate language, an amendment that they shall not participate in those functions which involve the regulation of rates.

Mr. COX. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. ALEXANDER. I ask unanimous consent, Mr. Chairman, to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COX. Is it the purpose of the gentleman, before this bill passes the House, to offer an amendment of that kind?

Mr. ALEXANDER. It is; and I say the suggestion came to my mind in the course of the colloquy between myself and the minority leader [Mr. MANN] day before yesterday, as regards the personnel of the shipping board. I am only reflecting my personal opinion about the propriety of the amendment, but as far as I have canvassed the matter with the membership of the committee, I think they concur in that view, and it is my purpose to work out such an amendment and present it at the proper time, so that the Cabinet members will be eliminated from the exercise of those functions on the board which would relate to the regulation of rates.

Mr. COX. I think that is exceedingly important. I look upon this board as something of great and extreme importance. I think I can see in the not far-distant future a time when this board is going to serve the water shipping and transportation exactly as the Interstate Commerce Commission now serves the railroads, and I do not think that board should be encumbered with any politics whatever. I do not think a member of the Cabinet should have any voice or any vote in the fixing of the freight-rate regulations by water, and I hope before this bill passes the House, the gentleman will present an amendment here which will absolutely eliminate any Cabinet officer from having anything to do with the fixing of these rates or regulations.

Mr. TILSON. There is an amendment to that effect pending now.

Mr. COX. Oh, no; there is a motion to strike out.

Mr. FESS. Will the gentleman yield?

Mr. ALEXANDER. Certainly.

Mr. FESS. Would there not be this other element in it: This commission is to be entirely independent of Congress or of the Executive. If you make a portion of the Cabinet ex-officio members of it, may it not give undue influence to the executive department in exercising authority?

Mr. ALEXANDER. I think not. Of course we are dealing with human nature, and while there is a fear expressed that this board might be influenced by political considerations, the greatest fear with reference to this board should be that they might be influenced by the powerful interests that we are undertaking to control. That would be the danger, rather than politics, in my opinion.

Mr. MOORE of Pennsylvania. Will the gentleman from Missouri yield?

Mr. ALEXANDER. I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. I asked the question of the gentleman from Washington [Mr. HUMPHREY] awhile ago, as to why the Secretary of the Treasury was not included as a member of the board. Is there any reason for that?

Mr. ALEXANDER. Yes; I presume so. Does the gentleman want him included?

Mr. MOORE of Pennsylvania. He is a very important member of the Cabinet, and had a great deal to do in the initiation of this measure.

Mr. ALEXANDER. That is true. He is a man of broad vision and great ability, and is rendering the country a great service in the active part he has taken in helping to frame and in urging the passage of this bill.

Mr. MOORE of Pennsylvania. He was included as a member of the board in the first bill. He is not mentioned as a member of the board in this bill. Is there any reason why the Secretary of the Treasury was eliminated and these other members of the Cabinet included?

Mr. ALEXANDER. I have given the reason why these members have been included. The question of the selection of the Secretary of the Treasury was not discussed; but, as far as he is concerned, I want to say that there is no man more keenly alive to the necessity of rehabilitating our American merchant marine, or whose service would be more valuable on the board; but he has since that time been made a member, and, if my memory serves me accurately, is chairman of that great board, and has enough to do, I would think.

Mr. MOORE of Pennsylvania. I understand that, and it was certainly in mind originally to include him as a member of this board.

Mr. ALEXANDER. He was included in the original ship-purchase bill.

Mr. MOORE of Pennsylvania. If the gentleman's suggested amendment is presented in due course, the two members who are included now will be in the nature of counselors or advisers to the board of five. Surely the Secretary of the Treasury, having posted himself upon this subject, would be as acceptable in giving advice as the other two.

Mr. ALEXANDER. I think I have stated the reasons very clearly why the Secretaries of the Navy and Commerce are made members of the board, that there are certain provisions of the bill which relate to the administration of the Navy and the Commerce Departments, and for that reason those Cabinet members have been made members of the board.

Mr. MOORE of Pennsylvania. I thought possibly because of the absence of the Secretary of the Treasury from the country while this bill was under consideration he was excluded.

Mr. ALEXANDER. Not at all.

Mr. HUMPHREY of Washington. Mr. Chairman, as a general proposition I would be in favor of this amendment that has been offered by my colleague. I think it is perfectly apparent to this House that politics ought not to enter into a proposition of this character, and in view of the amendment which has been suggested by the distinguished gentleman from Missouri [Mr. ALEXANDER] I want to say that it would not be imposing upon credulity to think that a fellow member of the board would have some influence on his colleagues in making these rules and regulations, even if he were not permitted to vote upon them.

Mr. GREENE of Vermont. Is not the proposition to tie the hands of the Cabinet officers on this board tantamount to a confession that they ought not to be there at all?

Mr. HUMPHREY of Washington. The committee want us to have more confidence in them than they themselves apparently have.

Mr. ALEXANDER. Will the gentleman yield for a remark right there?

Mr. HUMPHREY of Washington. Yes.

Mr. ALEXANDER. These Cabinet officers are very busy men, and there is another reason than the one suggested why they should not be members of the board that is to have these regulatory powers. It would be impossible for them to sit on that board from day to day and hear the complaints and the testimony and decide these cases.

Mr. HUMPHREY of Washington. I think that is true, and that is an additional reason why they ought not to be members of the board. But I wanted to say, if you will pardon me, that, in view of the personality now at the head of the Department of Commerce, I should look with a great deal of regret upon any amendment which sought to make it impossible for him to be a member of that board, because there is no man in

the United States who knows as much about shipping, or who knows as much about anything else in relation to business, as the distinguished Secretary of Commerce. Now, there is no question about that, because if any one will read the hearings before this committee he will see in the evidence the Secretary of Commerce himself affirms that is the fact. He states it over and over again. There is nobody in the United States or in Europe or anywhere in the world who knows as much about shipping as he does.

Mr. CANNON. You do not have to prove that.

Mr. HUMPHREY of Washington. Why, no; he has admitted it in the record; says so himself; and he says one of the greatest reasons why this bill ought to be passed is so that he can take this money and demonstrate that anybody else who ever built a ship did not know how to build it, and anybody else who ever ran a ship did not know how to run it, and if they will let him take $50,000,000, he will demonstrate that fact. So I do not want to take him off the board.

Mr. CLARK of Missouri. Will the gentleman yield?

Mr. HUMPHREY of Washington. Certainly.

Mr. CLARK of Missouri. Does not the gentleman suppose that the Secretary of Commerce knows what he does know; and if he knows that, he knows more than anybody else. Is not that correct?

Mr. HUMPHREY of Washington. He admits that and says so. There can not be any question about it. Everybody agrees; we agree; he agrees as to his greatness, and that is the end of it. I hope we will not be deprived of the services of the greatest efficiency expert the world ever saw—according to his own admission.

Mr. ROWE. Mr. Chairman, it is true, as the chairman of the committee has said, that I introduced a bill prepared by the Chamber of Commerce in New York in which this same provision for the board is to be found, that there were to be two members of the Cabinet and five other commissioners. We discussed this matter very extensively in our committee meetings, and I am convinced that the bill that I introduced was wrong. I stand for the amendment just offered by my colleague, that we should not have on this board the Secretary of the Navy or the Secretary of Commerce or any other member of the Cabinet.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. ROWE. Yes.

Mr. HUMPHREY of Washington. I want to call to the gentleman's attention the fact that he has not done anything wrong. There is another distinguished member of the committee who introduced a bill in which he did not include the members of the Cabinet——

Mr. ROWE. I believe, Mr. Chairman, that the expenditure of this vast sum of money provided in this bill should not be left to the Secretary of the Navy or the Secretary of Commerce. A perfectly independent commission who have all the advice and all the help they wish from these two Secretaries are the ones who should have charge of the great work. I agree with the chairman of the committee that these two Secretaries are so busy in their departments that it would be impossible for them to give the necessary time so that they can fully understand the subject.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. ROWE. Yes.

Mr. MOORE of Pennsylvania. May not the fact that these two Secretaries are so busy that they could not attend to the functions of the board account for the absence from the board of the Secretary of the Treasury, who inaugurated the proposition?

Mr. ROWE. It might.

Mr. MOORE of Pennsylvania. The gentleman from Missouri, the chairman of the committee, has not explained why the Secretary of the Treasury is not included, and I understand from the gentleman from New York that he is very busy attending to other matters.

Mr. ROWE. I understand that is so.

Mr. MOORE of Pennsylvania. And that he would not have time to attend to the duties as a member of the shipping board, if appointed.

Mr. ROWE. That is undoubtedly true.

Mr. HARDY. Mr. Chairman, in spite of the would-be humorous suggestions and flings with reference to the Secretary of Commerce I will say that he has given the subject of this bill an intimate and extensive study and that his testimony before the committee shows that he does understand the subject far better than a great many of those who try to be witty at his expense, and when he came before it he gave our committee a great deal of light and valuable information.

I want to say that all this talk about the political complexion of the board to my mind is a matter of minor importance. We have got an Interstate Commerce Commission, and the law required that not more than four of its members, when it was composed of seven, should belong to one party. Now I never have heard the remotest hint that in the operations of the Interstate Commerce Commission politics ever played any part, and politics would not and could not have played any part in its actions if all its members had been of one party.

Mr. BENNET. Will the gentleman yield?

Mr. HARDY. Yes.

Mr. BENNET. Is there any Cabinet officer a member of that commission?

Mr. HARDY. There is not; nor will there probably be after a year's or a few years' operation of this board; that is, if it proves as valuable as we hope and becomes a great industrial regulative body. There never was in the Interstate Commerce Commission any reason for putting a Cabinet officer in as a member, as there is at this time, as explained by the gentleman from Missouri for putting the Secretaries of the Navy and Commerce on this board. The influence on this board which will be complained of, if there ever is any complaint, will not be political; it will be business interests that will attempt to influence its decisions. Your Cabinet members are going to be very busy with the duties of their office. The real administration of this law will be by the five members appointed by the President, by and with the advice of the Senate. At present the whole navigation laws under which and in connection with which this law will operate are in charge of the Secretary of Commerce, and we must let him stay a member of this board unless we take over all the functions of the Bureau of Navigation and give them to this board. That would require a change of the whole system of laws. The Secretary of the Navy has duties intimately connected with the duties of this board, and for that reason he must stay there. I prophesy that when the board is in operation no man in America will ever be heard to complain of it on the ground that it is political.

Mr. FESS. Will the gentleman yield?

Mr. HARDY. Yes.

Mr. FESS. There is no provision that it shall be nonpartisan, is there?

Mr. HARDY. It says that no more than three members shall belong to any one party.

Mr. FESS. Three out of the five?

Mr. HARDY. Three of the five.

Mr. FESS. And the two ex officio will belong to one party.

Mr. HARDY. Yes; but they really will have nothing to do with the active administration of the board—that is, the making and enforcing the rules, orders, and regulations of the board.

Mr. FESS. Will they have a vote?

Mr. HARDY. On some questions; but the chairman of the committee, without any suggestions from me and to which I have no objection, will perhaps prepare an amendment that will leave the fixing of rates and similar functions to the members appointed by the President and confirmed by the Senate.

Mr. FESS. But under the bill there can be three members appointed by the President belonging to one party, and two Cabinet officers make it five members belonging to one party.

Mr. HARDY. The bill was originally drawn for three members to be appointed, but since in our view the appointed members would discharge very nearly the whole duty of the board it was increased to five. I prophesy that no man will ever be able to point out any action of the board and say that it is political.

Mr. FESS. Political stress is sometimes pretty rigid.

Mr. HARDY. How can it be applied to the administration and regulation of rates and the prevention of discrimination? How can the fixing of a rate be affected by politics?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TOWNER. Mr. Chairman, the suggestions that have been made by the chairman of the committee—and I desire to compliment him on his frankness—evidently have been considered by the committee, and why they have not been sufficient to induce it to exclude the members of the Cabinet is incomprehensible to me.

Mr. Chairman, this board is a board that must act in a great many cases as a court. It is manifestly impossible that the members of the Cabinet shall sit and hear the evidence and the arguments in those cases. How, then, can they act in such cases with any degree of correctness of judgment if they do not hear the evidence nor the arguments that are adduced? That is one and a sufficient reason. And further, Mr. Chairman, as the chairman of the committee has well said, there are certain questions that must be considered by this commission

that it would be exceedingly improper for any representative of the administration to pass upon. In fact, Mr. Chairman, it is impossible for members of the Cabinet to sit in any board and not act as political representatives of the administration, and that would not only injure and disparage their decision as part of a court in which these representatives of the administration take part, but subject the entire commission to the criticism of having acted from political and not from perfectly legitimate reasons.

Mr. HARDY. Will the gentleman yield for a question?

Mr. TOWNER. I will.

Mr. HARDY. The gentleman says this board will act largely as a court. Do not the members of the Supreme Court of Iowa belong to one party? Does the gentleman have——

Mr. TOWNER. That has not anything to do with this question.

Mr. HARDY. But they pass on——

Mr. TOWNER. We never put any representatives of a party as a party in our supreme court.

Mr. HARDY. They are all of your party?

Mr. TOWNER. No; they are not.

Mr. HARDY. Has the gentleman's State any law to prevent putting not only a majority but everyone, either Republicans or Democrats, as the administration may be?

Mr. TOWNER. No, sir; that has not anything to do with the consideration of the question and the proposition I am making. I am saying that the very fact these men are members of the administration, if they shall act with the utmost disregard of political reasons, it would nevertheless subject not only their actions but the action of the entire commission to the charge that it was actuated by political and not legitimate reasons.

Mr. HARDY. No political case could come before it.

Mr. LONGWORTH. Is not the point the gentleman makes this: That the more efficient a member of the Cabinet was in his duties as a member of the Cabinet the less efficient he would be as a member of this board, and vice versa?

Mr. TOWNER. That is exactly it; and I am also taking into consideration the fact that it would disparage the very action of this commission as such to have members of an administration represented upon it.

Mr. KENT. Will the gentleman yield?

Mr. TOWNER. I will.

Mr. KENT. Is it not a fact that the Supreme Court of Iowa is in the custom of hearing the evidence——

Mr. TOWNER. Yes; and listening to argument as well.

Mr. FESS. Will the gentleman yield?

Mr. TOWNER. If the gentleman will pardon me, I am afraid my time will expire before I can say one or two things which I am very anxious to say.

The CHAIRMAN. The gentleman declines to yield.

Mr. TOWNER. Mr. Chairman, I want to call the attention of gentlemen on the other side of the Chamber to the fact that if they really desire this commission to be effective, if they desire it to stand as high in the esteem of the people as it should, they should be the first to exclude from it any sort of political taint. They know as well as I do that all over this country, if these men are made members of this commission, it will be stated that it is done for political considerations. I want to call attention to these gentlemen further—is my time about to expire?

The CHAIRMAN. The Chair has allowed the time of the gentleman to run over a quarter of a minute.

Mr. TOWNER. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for two minutes more. Is there objection?

Mr. ALEXANDER. Mr. Chairman, I want to modify that request and ask that all debate on this section and all amendments thereto close in 10 minutes.

Mr. LENROOT. I have an amendment I desire to offer.

Mr. MOORE of Pennsylvania. I should like to offer an amendment to this section.

Mr. ALEXANDER. Mr. Chairman, I will ask that all debate on this particular amendment and all other amendments and on the section shall close in 15 minutes.

Mr. LENROOT. I desire to have five minutes.

Mr. BENNET. I have an amendment to offer.

Mr. MOORE of Pennsylvania. I would like to have five minutes.

Mr. ALEXANDER. I desire to hasten the consideration of this bill along; I will make it 20 minutes.

The CHAIRMAN. How is the time to be controlled?

Mr. ALEXANDER. I will say 25 minutes, and I will control five minutes of that time.

Mr. GREEN of Iowa. How is the time to be divided?

Mr. ALEXANDER. I am going to give you gentlemen all except five minutes of it.

Mr. LENROOT. Mr. Chairman, reserving the right to object——

Mr. ALEXANDER. I want to hasten matters along and give the gentlemen a chance to consider this bill if I can.

Mr. BENNET. Reserving the right to object, will not the gentleman make it 30 minutes? There are six or seven amendments to be offered over here.

Mr. ALEXANDER. Complaint was made when we adopted this rule and I wanted gentlemen to have a chance to consider the various sections of this bill.

Mr. BENNET. We will not.

Mr. ALEXANDER. And the gentleman from New York has consumed most of the afternoon on unimportant amendments.

Mr. BENNET. Oh, they were not unimportant. The gentleman accepted four of my amendments.

Mr. ALEXANDER. I suggest 20 minutes. I would just as soon hear the gentleman talk——

Mr. MOORE of Pennsylvania. Is it not true the gentleman was limited in the time he had to introduce and explain the bill, and is it not true the gentleman from Texas [Mr. HARDY] asked not to be interrupted because of the limited time?

The CHAIRMAN. The Chair will state the request for unanimous consent.

Mr. ALEXANDER. I reserve 10 minutes over here, and 20 minutes can go to the other side.

Mr. LENROOT. Reserving the right to object, how is that to be controlled?

Mr. ALEXANDER. The gentleman from Massachusetts [Mr. GREENE] can control it.

Mr. FOSTER. Reserving the right to object, is this to be made on genuine amendments to be offered, or is it to be just talk?

The CHAIRMAN. The Chair understands that the request is that it is to be on the amendment pending and the amendments to be offered in that time.

Mr. LENROOT. I would like to have it understood that the amendments are to be voted on as offered and not after the debate is closed.

The CHAIRMAN. The gentleman from Missouri [Mr. ALEXANDER] asks unanimous consent that we have 30 minutes' debate on the pending section, and the amendment now before the House and such other amendments that may be offered in that time, and 10 minutes to be controlled by himself and 20 minutes by the gentleman from Massachusetts [Mr. GREENE].

Mr. LENROOT. Reserving the right to object, I do not think that was it exactly. The debate is to be closed in 30 minutes, and the votes are to be taken upon the amendments as offered and debated.

Mr. ALEXANDER. Within the 30 minutes.

The CHAIRMAN. Within the 30 minutes. With the modification of the gentleman from Wisconsin [Mr. LENROOT], the Chair will ask if there is objection to the request?

Mr. GREENE of Massachusetts. With the understanding that there are to be 30 minutes for debate.

Mr. HUMPHREY of Washington. Reserving the right to object, I do not know how this time is to be distributed. I have an amendment to offer, and I want five minutes.

The CHAIRMAN. The gentleman from Massachusetts will control time on that side.

Mr. HUMPHREY of Washington. We will wait and see if he can do it or not.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Iowa [Mr. TOWNER] is recognized for two minutes.

Mr. TOWNER. Mr. Chairman, I want to call attention only to this one fact before I sit down:

It has been said—and that is the only argument adduced by gentlemen who favor the retention of the Cabinet officers—that because of their intimate connection with this line of business they ought to be members of this commission. Why, gentlemen, that certainly is not a reason that ought to appeal to you, for if there is an intimate relation between, for instance, the Secretary of Commerce and this board, there is a much more intimate relation between his duties and the Trade Commission. Why did you not suggest that he should be a member of the Trade Commission or the Interstate Commerce Commission? And, as far as the duties of the Secretary of the Navy are concerned, Mr. Chairman, that should be a reason why he should not be considered as a member of this commission. These gentlemen should act with regard to the interests of the marine commerce of the country.

The Secretary of the Navy should represent only the Navy. The Secretary of the Navy should no more operate with the marine commission than the marine commission should help the Secretary of the Navy perform his duties. They each have separate functions and can act together whenever it is required they both shall do so. It is not necessary that the Secretary be given a place on the marine board, neither is it necessary the marine board should assist the Secretary in the performance of his duties.

Mr. Chairman, there are very many reasons that can not even be suggested here why this is an unwise policy. I think many of our Republican friends are very optimistic, I will say confident, that the administration will change very shortly. That may be merely an optimistic dream in the view of gentlemen on the other side, but it is within the range of possibility, at least. You ought to think of this commission as it may act under a Republican administration as well as under a Democratic administration.

Mr. COX. If the gentleman's party gets in control of this country, it can repeal that.

Mr. TOWNER. I did not yield to the gentleman. You ought to act with regard to this question from motives that are not political in any sense. We are certainly acting from motives that are not political, because, believing as we do that we will soon control, we might have the idea that we obtain some political advantage under such an arrangement. But that would be as unworthy of us as, I trust, you will consider such a reason unworthy of you.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MOORE of Pennsylvania. Division, Mr. Chairman.

The committee divided; and there were—ayes 33, noes 34.

Mr. MOORE of Pennsylvania. Tellers, Mr. Chairman.

Tellers were ordered, and Mr. HADLEY and Mr. ALEXANDER took their places as tellers.

The committee again divided; and the tellers reported—ayes 41, noes 42.

So the amendment was rejected.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 8, strike out lines 14 and 15 and insert:
"Said board shall annually elect one of its members as chairman and one as vice chairman."

Mr. LENROOT. Mr. Chairman, if this amendment I have proposed be adopted, it will strike out the language:

One of such commissioners to be designated by the President as chairman of the board and one as vice chairman.

And insert in lieu of it the following:

Said board shall annually elect one of its members as chairman and one as vice chairman.

In other words, this amendment proposes to leave the election of the chairman of the board to the members of the board instead of his being appointed by the President, as the bill now provides.

Now, Mr. Chairman, a great deal has been said about the nonpolitical character of this board and the desire of the committee that there be no politics in it. I have accepted that in good faith, and if that is true I confidently expect the chairman of the committee will accept this amendment.

Mr. ALEXANDER. Will the gentleman please state what it is?

Mr. LENROOT. The amendment that I have offered proposes that the board shall elect its chairman annually instead of being appointed by the President. That is all.

Mr. ALEXANDER. I agree to that.

Mr. LENROOT. And vice chairman.

Mr. ALEXANDER. So far as I am personally concerned, I am agreeable to that.

Mr. LENROOT. If there is no opposition, I do not care to take the time to debate it further.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was agreed to.

Mr. LENROOT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back three minutes.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from Washington [Mr. HUMPHREY] five minutes.

The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] is recognized for five minutes.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer the following amendment by way of a substitute for the section.

The CHAIRMAN. The gentleman from Washington offers an amendment as a substitute, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HUMPHREY of Washington: Strike out all of section 3 and insert:

"That a commission is hereby created and established, to be known as the United States shipping board, which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate.

"At least one member of the commission shall be appointed from the Atlantic seaboard States; at least one from the Pacific seaboard States; at least one from the States bordering on the Great Lakes; at least one from an inland port; and at least one from the States bordering on the Gulf of Mexico. Not more than three of the commissioners shall be appointed from the same political party.

"Said commissioners shall not be actively engaged in any other business, vocation, or employment during their tenure of office.

"The commissioners first appointed by this act shall continue in office for the terms of three, four, five, six, and seven years, respectively, from the 1st day of June, 1916, the term of each to be designated by the President. Their successors shall be appointed for terms of six years, except that any person to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed.

"The commissioner first appointed for the term of three years, and thereafter his successor, shall have had practical experience at sea, within the last 10 years, for a period of a year or more, as a licensed ship master of an ocean-going steam passenger and freight vessel. The commissioner first appointed for the term of four years, and thereafter his successor, shall have had experience in the practical operation of shipping, and shall have been employed within the last 10 years, for a period of a year or more, in the capacity of superintendent or manager of a firm, or firms, engaged in the ocean carrying trade, with a fleet of more than three ocean vessels. The commissioner first appointed for the term of five years, and thereafter his successor, shall be an experienced marine engineer, and shall have had, within the last 10 years, at least one year's experience as chief engineer of an ocean-going passenger and freight vessel. The commissioner first appointed for the term of six years, and thereafter his successor, shall be a naval architect, who shall also be experienced in marine engineering, and shall have been so employed, within the last 10 years for a period of at least three years, in a recognized shipbuilding plant. The commissioner first appointed for the term of seven years, and thereafter his successor, shall be learned in the maritime law and shall be the chairman of the commission.

"Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"No vacancy in the commission shall impair the right of the remaining commissioners to exercise the right of all of the powers of the commission.

"During a vacancy of chairman the remaining commissioners may select one of their number to act as chairman pro tempore until a new commissioner to act as chairman shall be appointed and qualified. Three members of the commission shall constitute a quorum, and the majority vote of all the commissioners then qualified to act shall control.

"The commission shall have a seal, which shall be judicially noticed.

"Either of the members of the commission may administer oaths and affirmations and sign subpœnas.

"That for the purposes of this act the commission shall have power to require, by subpœna, the attendance and testimony of witnesses, and the production of all books, papers, and documents relating to any matter under investigation, at any designated place of hearing, and may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents, and any failure to obey the order of the court may be punished by such court as contempt thereof.

"That said commission shall formulate and prescribe rules and regulations governing the construction, gross and net tonnage measurement, shipping of crews, equipment, inspection, licensing, enrollment and registry, operation, and navigation of vessels of the United States of whatever class, kind, size, or motive power.

"That the commission shall take over the functions of the Steamboat-Inspection Service and the Bureau of Navigation, fill all vacancies that may occur in said services, and review all questions passed on by the local or supervising inspectors when an appeal is taken to the commission by the parties in interest; the commission shall also formulate rules for fixing the freeboard of all vessels of the United States, under load conditions, for summer and winter service, with modifications to meet the requirements of different trades, and for freight and passenger service, and, in connection with freeboard, the question of adequate transverse and other subdivision; the stability curves of all ships carrying passengers shall also be examined by the commission. Said commission shall administer the laws governing the licensing and the rights and duties of all officers of vessels of the United States, and shall administer the laws governing the rights and duties and qualifications of seamen, and shall formulate and prescribe rules and regulations governing the shipping and water-borne commerce of the United States, which rules and regulations shall become effective whenever promulgated by the President by proclamation thereof; such rules and regulations may be repealed, changed, modified, or amended by the commission or by promulgating act of the President, and all acts of law inconsistent with or incompatible with the authority hereby given said commission are repealed by this act.

"That the commission shall make careful comparison between the navigation laws of the United States and other maritime countries to ascertain if, as regards statutory regulations, American shipping carries any burdens that the shipping of other nations are free from, and also to determine the difference in the cost of construction of vessels in the United States and the cost of construction of vessels in other maritime countries, and if it is found that American shipping does carry burdens that other nations are free from the commission is hereby given the power, and it is the intent of this act that the commission shall take the necessary steps to remove such burdens from American shipping.

"That the salaries of the commissioners shall be $10,000 per annum for each commissioner, payable in the same manner as the judges of the courts of the United States.

"That the commission is authorized and empowered to appoint a secretary, to serve at the pleasure of the commission, at a salary of

$5,000 per annum, and to engage such other employees and assistants as it may deem advisable, whose terms of employment of service shall be at the pleasure of the commission and whose salaries or wages or compensation shall be fixed by the commission, with the approval of the President.

"Until otherwise provided by law the commission may hire suitable offices for its use and shall have authority to procure all necessary office supplies.

"Witnesses summoned before the commission shall be paid the same fee and mileage that are paid witnesses in the courts of the United States.

"All of the expenses of the commission, including all necessary expenses for transportation incurred by the commissioners, or by their employees under their order, in making any investigation or upon official business in any other places than the city of Washington, shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the commission.

"On or before the 1st day of December in each year the commission shall make a report to Congress, which reports shall also contain its findings and recommendations.

"That the commission shall have full power and authority to do all acts and to incur all obligations necessary to the carrying into effect of the letter and spirit of this act, and all laws to the contrary are hereby repealed; and the bureaus now known as the Steamboat-Inspection Service and the Bureau of Navigation are abolished as such with the appointment of the commissioners named, who shall perform the functions of said bureaus and who shall take over all funds appropriated for said bureaus and through consolidation of the functions of those bureaus administer the same."

Mr. HUMPHREY of Washington. Mr. Chairman, this amendment is a bill that was introduced by the distinguished gentleman from Virginia [Mr. SAUNDERS]. I want to say, however, in justice to the gentleman from Virginia, that I do not know that he approves it, and possibly it was introduced merely as an accommodation. I did not introduce it as an amendment here for the purpose of binding or in any way embarrassing the gentleman from Virginia. That was not the object. I simply used that print because it was convenient.

I think the bill in substance was drawn by Capt. John F. Blain, of Seattle, who is trustee of the Merchants' Exchange of the city of Seattle and chairman of their shipping committee. I may say, further, that Capt. Blain has had wide experience in the command of vessels, both sail and steam, and he has also served as inspector of hulls in the Bureau of Steam-Inspection Service. I say that in order to show his competency to draw up a bill of this character. I read it over and I was struck with the wisdom of some of the provisions, and thought it was a better bill than the one that is now pending before the committee .

I do not undertake to explain it, however. The time I have will not permit. But that is no particular reason why it should not be adopted. Nobody there knows anything about this bill except, first, that it appropriates $50,000,000—that is certain—and second, that it provides for members of a shipping board who will draw a big salary. That also is certain. Everything else is left to the imagination. [Applause and laughter on the Republican side.]

As I said this morning, Mr. Chairman, no man can tell where they will get a ship under the terms of this bill. They can not tell where they will build one or where they will buy one or where they will get terminal facilities in case they obtain any ships; nor can they tell what ports they are going to run them from or to or anything about it. The whole thing is a socialistic dream. [Laughter on the Republican side.]

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield for a question right there?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Missouri?

Mr. HUMPHREY of Washington. Yes.

Mr. ALEXANDER. Will you let us use your municipal docks at Seattle if we build or buy these ships?

Mr. HUMPHREY of Washington. Well, will the gentleman promise that one of these lines shall be run from Seattle? Let us have something definite.

Mr. ALEXANDER. Will you let us use your municipal docks?

Mr. HUMPHREY of Washington. You can use the municipal docks if you get the ships and will give us a line from Seattle. But if you give to Seattle one of these lines I do not see how you can square yourself without giving one to San Francisco also; and if you give one of these lines to San Francisco I do not see how you will square yourselves with Los Angeles unless you give one to Los Angeles; and if you give lines to the Pacific coast what will you do about Galveston and Mobile on the Gulf? And if you give one line to any port on the Atlantic coast you will have to square yourselves with other ports on the Atlantic coast.

It just shows, Mr. Chairman, the absurdity of the whole proposition. You have just enough vessels here to discourage private ownership. You will have vessels to carry only such a small part of the commerce as to have no effect upon it whatever, except to discourage private effort. If there ever was an equally absurd proposition, it was the one you introduced in your tariff bill to reduce the tariff duties on foreign goods carried in American ships. That proposition was in a class by itself. [Laughter.] Nobody is in favor of it on that side of the House now that you have tried it, and if this bill is put on the statute books after a while there will not be anyone over there who will be in favor of it. You just have enough Government ownership here to stand as a threat to private enterprise, so that private enterprise will never do anything as long as this threat remains.

Nobody on that side of the aisle knows and nobody can say whether these ships are going to be run at a profit or at a loss. Of course we on this side all know that they will be run at a loss. But if they do ever happen under any circumstances under this bill to make a profit, then if you act in accordance with the message of the President when he came here and told you he wanted this legislation you will immediately put them out of business, so that under no circumstances will the Government get the best of this proposition. According to the statement of the President in his message, if you make a profit the Government will quit. But any way you do it you will put your hand into the Treasury, notwithstanding your platform declaration to the effect that you would not take anything out of the Treasury or place any burdens upon the people in order to develop a merchant marine. I would like to know whether you will take $50,000,000 out of the Treasury if you enact this bill? [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MADDEN. It would take $500,000,000 out of the Treasury.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington [Mr. HUMPHREY].

Mr. SAUNDERS. I simply desire to say with reference to the bill embodied in the substitute offered by the gentleman from Washington [Mr. HUMPHREY] that Capt. Blain testified before our committee, and we found him a very intelligent gentleman who made several suggestions that we regarded as valuable. The bill prepared by him was introduced by me in order that we might have its contents in a convenient form for reference.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. HUMPHREY of Washington. I hope the gentleman will not think that I attempted in any way to embarrass him by embodying his bill in my amendment. I explained the way I used it.

Mr. SAUNDERS. Oh, no; I do not understand it that way at all. I merely wish to point out the fact that Capt. Blain made some suggestions that were taken from his bill, and that I introduced this bill in order that all of its suggestions would be before us. The only difference of real moment between that bill, and the pending bill, is the limitation that the substitute proposes to place on the appointing power with respect to the selection of the members of this board, by the reference to certain geographical divisions of the United States.

I suggest that this limitation is neither wise nor wholesome. If the members of the committee will look to the bottom of page 3, they will find the following language:

> The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this act, and to a fair representation of the geographical divisions of the country.

Under this language the considerations of geographical location, as well as the considerations of the qualifications of the appointees to discharge the important functions to be committed to them, will be entertained by the President in the exercise of his power of appointment. The committee largely followed a provision of the Federal reserve act, going however a little further than that act. This is the provision of the Federal reserve act, with regard to the selection of the five appointive members of the Federal Reserve Board:

> The President shall have a due regard to the fair representation of the different commercial, industrial, and geographical divisions of the country.

The language of the pending bill merely affords the legislative attitude with respect to the determining considerations in the appointment of the commissioners.

The attempt to surround the appointments with too many encumbering restrictions, would, in the result, be futile, since the appointing power, if so disposed, could evade them, and if he is not so disposed, then they will not be needed. The President will have no difficulty in working out the selection of the men who ought to be on this board, by reason of their location, as well as their fitness in all respects to discharge the functions attaching to the appointments. I do not think this substitute

ought to be adopted, for the reason, as I have stated, that the really meritorious portions of it will be found in the bill of the committee, now under consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

Mr. GREENE of Massachusetts. I yield three minutes to the gentleman from New York [Mr. BENNET].

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers the following amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BENNET: Page 3, line 13, after the word "Senate" insert "at all times at least two of such commissioners shall be men who have had not less than 10 years' actual experience in some branch of the shipping business."

Mr. BENNET. Mr. Chairman, I desire to be stopped at the close of one minute.

If this board is to be of any importance at all, it is to be of great importance. Representing as I do in part the greatest shipping port of the hemisphere, I sincerely trust that this Congress will see to it that there are upon that board at least two men who have had experience in the shipping business. If this board related to any other business, there would not be any question for a moment but what it would be provided by statute that some of the commissioners should be men who knew something about the business. Now this bill does not make such provision. I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BENNET].

The amendment was rejected.

Mr. BENNET. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BENNET: Page 3, line 13, after the word "Senate" insert "At least one of such commissioners shall be a seaman as defined by the statutes."

Mr. BENNET. Mr. Chairman, in the public-service commission law of the State of New York there is a provision which I have always thought a good one, that one of the commissioners must be a practical railroad man; and we always have a brakeman, a conductor, or some man like that on the public-service commission up State. It seems to me that on this commission, so vitally affecting seamen, there ought to be at least one seaman, and I give the House the chance to recognize the men that go down to the sea in ships.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BENNET].

The amendment was rejected.

Mr. BENNET. I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BENNET: Page 4, line 12, after the word "seal," strike out "which shall be judicially noticed."

Mr. BENNET. Mr. Chairman, a brief inspection of the Revised Statutes shows that this committee is attempting to give to this seal a privilege which the Great Seal of the United States does not have, nor does the seal of any one of the departments; and in addition, as a mere incident, something which neither the committee nor the House can confer on a seal. You can not make a judge take judicial notice of something he does not know anything about. All of us who are lawyers know that the only thing of which a judge will take judicial notice is something that he knows. Suppose you go into court and say to the judge, "This is the seal of the shipping board. You must take judicial notice of it." The first thing he will say to you is, "Prove that it is the seal of the shipping board." After that is done, of course, it is admissible anyway. This provision is simply foolish, and I hope it will be voted out.

Mr. ALEXANDER. Mr. Chairman, I will say that the interstate-commerce law has such a provision in it, and other laws have similar provisions.

Mr. BENNET. You can not find it in the interstate-commerce law.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. BENNET].

The amendment was rejected.

Mr. GREENE of Massachusetts. I yield three minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, I move to strike out the last word, to make an observation upon this section. As I read it, each President will have the power at certain periods to appoint four of the five commissioners. I notice that there will be one year in every six when there will not be an appointment made, since the term is for six years and there are but five to be appointed. Now, while it is suggested that there will not be any politics in it, we ought to realize that there will be at least four out of the five appointed by a single President within four years, and two in addition are to be Cabinet members, which makes it possible that at all times there will be five of the seven belonging to the same political party and six of the seven appointed by the same man. While I appreciate what the chairman in charge of this bill has said, that politics will not crawl into this thing, I think there is a real danger that politics may become a real factor in appointments, since everybody will recognize the difference between the political complexion of an appointive board or commission such as here proposed and an elective body such as the courts mentioned by members of the committee in answer to Mr. TOWNER of Iowa. As a rule the supreme courts of the States are elective. The supreme court of my State is elective, and the same is true of Western States including Iowa. In the State of Pennsylvania, as I remember, it is appointed, but generally these courts are elective. As such they are not subject to executive control, which is always the danger. Here is an appointive commission, in the power of the President. If you make it possible for him to use five out of seven for political purposes, the pressure at times will be tremendous upon him to use it.

Democrats at least should not forget the powerful inveighing of their former great leader, Andrew Jackson, in his persistent campaign against the old national bank, and his successful prosecution if not persecution of its head, Mr. Biddle, of Pennsylvania.

The lodgement of appointments and a firm grip upon the purse strings of any considerable group in the hands of one man are always to be guarded. If ever any Government agency should be free of politics, those which command the money, the trade, the commerce, domestic and foreign, of the country should be free of that taint. I am aware that you say that the same provision is in the Federal Reserve Board. Some of us attacked that provision when we were ridiculed for the suggestion of a partisan complexion. There is no provision for a nonpartisan complexion, since the Senate struck out that provision which the House regarded as a safeguard. You are aware that in the Federal Reserve Board, as constituted by President Wilson, they were all, with the exception of one doubtful member, of the same political party. Had not the Senate rejected the name of Mr. Jones, that board would have none but Democrats. You notice that a similar partiality is existant in the Interstate Trade Commission. Not only were there no Republicans selected, but a majority were conspicuous as party workers. I think it is not out of place to call attention to what we should expect in this case, in the light of the past. It would be wise to guard this provision so that a quadrennial election might not be an invitation, as well as an occasion, to use such a powerful board for political purposes. It is the one feature I see where there is a possibility that pernicious political activity may be used. For their own protection, as well as the country's welfare, these men ought to be free from suspicion, and it would be an easy matter to cure that danger.

Mr. ALEXANDER. I would like to ask the gentleman how a political influence could affect it?

Mr. FESS. Any commission that has control of $50,000,000 and the regulatory power of the country's water commerce has a powerful leverage in its hands.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, line 15, after the word "chairman," insert the following: "*Provided*, That any person who has served in the Senate or House of Representatives of the United States prior to the Sixty-fourth Congress shall be eligible to appointment as a member of said board."

Mr. GREENE of Massachusetts. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Mr. Chairman, this amendment proposes to admit Members of the House or of the Senate prior to the Sixty-fourth Congress to appointment as members of this United States shipping board, if the President in his judgment shall see fit to appoint one or more of such former Members. I tried to find out a little while ago, when discussion of the two Cabinet officers was under consideration, why the Secretary of the Treasury had been eliminated from the board. I have since learned that the Secretary of the Treasury, having very important duties in the Treasury Department and having just returned from a tour of another country, is unable to give the time and attention to the United States shipping board that it would deserve at his hands. Moreover, being a member

of the Federal Reserve Board, perhaps it would be duplicating the duties imposed on him and make the work more irksome than he could bear. In view of the fact that the committee has voted the Secretary of the Treasury out of the bill, but has kept the Secretary of the Navy and the Secretary of Commerce in, I have offered this amendment suggesting the availability of Members of Congress prior to this Congress. It would be indelicate, of course, for Members of this Congress to seek appointment on this board, but those who have been faithful in the service heretofore ought not to be cut out under any new policy that may be inaugurated by the President of the United States.

Now, I had in mind that there might be some changes in Congress very soon. Only a few days ago my distinguished colleague on the other side, the eloquent and forceful chairman of the Immigration Committee, came back from Alabama, having been renominated, according to the biblical term, by "the skin of his teeth." Had it been otherwise, it is possible, by reason of his long and able service here, the President might have been induced, in view of the withdrawal of the Secretary of the Treasury, to appoint him a member of the United States shipping board. His splendid knowledge of immigration——

Mr. BURNETT. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Certainly.

Mr. BURNETT. I thank the gentleman for his compliment, but I was not renominated by the "skin of my teeth." I beat both of them by a good majority. [Applause.]

Mr. MOORE of Pennsylvania. I congratulate the gentleman. I had no doubt when he left for the Alabama hustings that he would come back and make a good report of himself. Mr. Chairman, I have offered this amendment to protect the rights of Members of Congress. Why they should be eliminated from high places after they have retired from arduous service here I do not understand. We will all agree that this is not a partisan question. Prior administrations have recognized the merits of Members of Congress and under the title of "lame ducks" have provided for them on various boards and commissions, but the present President of the United States, who will have full power and authority in this matter, has been changing conditions a little. While it is true that he does not seek far for many members of the Republican Party to appoint on so-called nonpartisan commissions, he has not, up to this writing, appointed any conspicuous number of former Members of Congress to any of these lucrative positions on the numerous boards and commissions that the Sixty-third and Sixty-fourth Congresses have so generously created.

The danger point, the point that I would obviate to protect former Members of Congress, arises in the bill known as the Rainey tariff commission bill, which is the special measure of the President of the United States, as I understand. Even the leader of the Democratic Party in this House has not seen fit to introduce this bill in his own name. There are certain provisions in the bill which are evidently not acceptable to the gentleman from North Carolina [Mr. KITCHIN], so the gentleman from Illinois [Mr. RAINEY] sponsors the measure as the President's own.

But it presents the danger point. This new nonpartisan tariff commission bill provides that no Member of Congress shall be appointed to the tariff commission. We have a chance to remedy this defect in the present bill before the practice goes too far.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. And I hope the Democrats will do it. [Laughter.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 4. That each member of the board, except the ex officio members, shall receive a salary of $10,000 per annum. The board shall appoint a secretary, at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress. The President, upon the request of the board, may authorize the detail of officers of the military and naval services of the United States for such duties as the board may deem necessary in connection with its business.

With the exception of the secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ for the conduct of its work, all employees of the board shall be a part of the classified civil service.

The expenses of the board, including necessary expenses for transportation, incurred by the members of the board, or by its employees under its orders, in making any investigation, or upon official business in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the board.

Until otherwise provided by law, the board may rent suitable offices for its use.

The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the board.

Mr. ESCH. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, line 25, after the word "military," strike out the word "and" and insert, after the word "naval" in the same line, the words "or other."

Mr. ESCH. Mr. Chairman, this amendment has for its only purpose the enlargement of the field of information which may be made available to this new shipping board. In the Federal Trades Commission bill, which was passed in the last Congress, we made available for that board every bureau or department of the Government in order to give it the fullest possible opportunity to investigate every subject matter within the purview of the act. In the bill we have before us the President, upon the request of the board, may authorize the detail of officers of the military and naval services——

Mr. ALEXANDER. What is the gentleman's amendment?

Mr. ESCH. "And other services," so as to make it as broad as possible. I can conceive of how this shipping board might want to avail itself of information, for instance, in possession of the Interstate Commerce Commission. It will have to deal with very complicated questions and schedules and rates. The commission would have experts, and it might supply very valuable information for this new shipping board.

Mr. ALEXANDER. I think that is all right.

The question was taken, and the amendment was agreed to.

Mr. FESS. Mr. Chairman, I move to amend by striking out the first four words of line 3, page 5, and inserting, in line 7, before "all," the word "and," and after "all" the word "other," so that it would read:

The secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ in the conduct of its work, and all other employees of the board shall be a part of the classified civil service.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 5, line 3, strike out the words "with the exception of," and, in line 7, before the word "all," insert the word "and," and after the word "all" insert the word "other."

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, 5 to be occupied by the gentleman from Ohio and 5 by some one on this side.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that all debate on this amendment shall close in 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FESS. Mr. Chairman, this provision is another assault upon the merit system or the civil service as we understand it to be under the present law, and I want to call attention to what this Congress and the last Congress have done along this line.

I had occasion to make some investigation of the history of Congress since it has been under the control of our Democratic friends in their relation to the merit system. Now, I recognize that the civil service is not favored by some Members of the other side. Many chairmen of committees have frankly and openly assaulted it on the basis that it is a farce, and frequently Members not chairmen of committees have spoken in a similar vein, which leads me to believe that there is some very pronounced and well-defined dominance of opinion, as represented in this Democratic Congress, in opposition to the merit system. I do not believe that the country is ready to go back to the old spoils system of years ago. I think that one of the most pronounced items of progress in efficiency as well as economy of administration has been the operation of the recognized civil service under the merit system, and yet there have been nearly a dozen specific enactments since our Democratic friends have come into control, every one of which is an attack, some of them open and some of them subtle, against the merit system.

The Federal reserve act is one of the big legislative acts, the interstate-trade act is another, and another is the rural-credits act. Now, here comes this shipping bill, that will be in glaring headlines a part of the legislative program of the Sixty-third and Sixty-fourth Congresses, and I want to remind you that in every great act that you determine or denominate as a great act you have had an assault upon the merit system in this legislation; and there are other times where it has been done by riders upon appropriation bills that are not so conspicuous, yet entirely consistent with other attacks.

Mr. SAUNDERS. Will my friend yield in that connection?

Mr. FESS. I will.

Mr. SAUNDERS. The gentleman would not want the Secretary appointed under civil-service regulations, would he, or the clerk to the commission; the gentleman would not want him to be appointed under civil-service regulations. The commission would want its own secretary.

Mr. FESS. I am of opinion, I will say to my friend from Virginia, that there might be exceptions where it is rather a personal matter.

Mr. SAUNDERS. Well, now I was just going to ask where in this sentence the gentleman can find a possibility of people being appointed who are not under civil service who in the judgment of the gentleman ought to be in the civil service? These special experts and examiners?

Mr. FESS. I do not see why these various officers should be exempt from the civil service.

Mr. SAUNDERS. The great bulk of the employees who will be employed under this act, as the gentleman will see, are made from the classified service.

Mr. FESS. I do not see why naval architects, special experts, and examiners; or, in other words, why this provision is here except to avoid the civil-service regulations.

Mr. SAUNDERS. I might agree with the gentleman as to putting architects under the civil service, but as to these special experts, you can not make them subject to the Civil Service Commission.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FESS. I will be frank and fair with my friend. What I am after is not to attack the Civil Service Commission to the point of breaking it down, which I very much fear in the light of the past.

Mr. SAUNDERS. I agree with the gentleman fully, and in that respect I think we do not go very far.

Mr. THOMAS. Mr. Chairman, I ask to say a word or two about the civil service.

The CHAIRMAN. Will the gentleman from Kentucky pardon the Chair for a moment? There were 10 minutes agreed upon in this matter, and the gentleman from Missouri [Mr. ALEXANDER] should be recognized.

Mr. ALEXANDER. I yield to the gentleman for two minutes.

Mr. ADAMSON. Mr. Chairman, I ask unanimous consent that the gentleman from Kentucky may be allowed to proceed for five minutes.

Mr. ALEXANDER. I yield to the gentleman from Kentucky five minutes, then.

Mr. THOMAS. Mr. Chairman, I am utterly opposed to this so-called civil service or merit system, except, perhaps, in the departments in Washington City. I believe that a Congressman knows more about his district than any civil-service commission that ever existed. I believe a Congressman is better qualified to name the postmasters and the rural-route carriers in his district than anybody else.

Now, we have this so-called merit system in regard to rural routes and it has been operating in my district. And right recently four of the gentlemen who stood brilliant examinations and at the head of the class were discharged for incompetency. And only a day or two ago one was discharged for incompetency, for drunkenness, for gambling, and running after women. Outside of those few charges, gentlemen, he was all right. [Laughter.]

Now, that is your system. Why, it is a perfect fake. Generally the fellows that loaf around and do not work and study a little stand these examinations and make the best grade. I heard of one fellow who stood one of these examinations for rural-route carrier a good while ago, and they asked him what was the distance from the earth to the sun. He said he did not know, but he did not believe it was close enough to interfere with his duties. [Laughter.]

So I am against the whole business. If the Republicans get in, I want you to have the offices; and you will get them, or you will try to get them, every single one of you. You will make every effort in the world to turn out every Democrat who is now serving this Government under civil service, and you will trump up some character of charge or other, and do it, too. Oh, yes; you are for civil service now because you are not in power. That is the reason for it. You are not in power and you do not want us to have these offices. I am in favor of repealing the whole thing. Call me a spoilsman if you wish, but I am one of those Democrats who believe that to the "victor belong the spoils," and I believe there is a competent Democrat in this country to fill every office in it. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio [Mr. FESS].

The question was taken, and the Chair announced that the noes appeared to have it.

Mr. FESS. Division, Mr. Chairman.

The committee divided; and there were—ayes 25, noes 55.

So the amendment was rejected.

Mr. BENNET. Mr. Chairman, on page 5, lines 4 and 5, I move to strike out the words "and such special experts and examiners."

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 5, lines 4 and 5, strike out the words "and such special experts and examiners."

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes, and that the gentleman from New York [Mr. BENNET] have the time.

The CHAIRMAN. The gentleman from Missouri [Mr. ALEXANDER] asks unanimous consent that all debate on this amendment close in five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BENNET. Mr. Chairman, I sympathize a good deal with the gentleman from Kentucky [Mr. THOMAS]. There is a good deal of fake about this civil-service proposition, and I would have been satisfied when you Democrats came in three years ago if you had fired every Republican you could have laid your hands on, and I am somewhat ashamed of you because you did not. Some years ago in New York City there were laborers in the park department in The Bronx. The reformers came in, and the reform superintendent established two new classes—lawn trimmers and tree climbers—and it was a curious thing that the men that got on the list were Republicans from his part of The Bronx.

He found out that he did not need any laborers, but what he needed were lawn trimmers and tree climbers, and so he fired all the laborers and appointed lawn trimmers and tree climbers, who, curiously enough, were at once doing the work which the laborers had performed. In due course of time the reform administration went out, as reform administrations are in the habit of doing, and back came Tammany. So the Tammany superintendent raked up a couple of titles and fired the lawn trimmers and tree climbers. What happened to him? The Civil Service Reform Association held up its hands in holy horror, went before the grand jury in the then county of New York, and had him indicted for doing exactly what the reform administration which preceded him had done. There is a good deal of "bunk" about it.

Now, I know what will happen in relation to these "special experts and examiners" if this bill passes. Those are places where they will put a large number of "deserving Democrats." When the Democrats go out on the 4th day of March, 1917, those "deserving Democrats" will go out, and we will put in a few "deserving Republicans" in their places. It is all "bunk." [Laughter.] I ask unanimous consent, Mr. Chairman, to withdraw my amendment.

Mr. SABATH. Mr. Chairman, will the gentleman yield for a minute?

Mr. COOPER of Wisconsin. Mr. Chairman——

The CHAIRMAN. The gentleman from New York asks unanimous consent to withdraw his amendment. Is there objection?

Mr. FESS. I object to the withdrawal of the amendment, Mr. Chairman.

Mr. SABATH. The gentleman is not worrying a great deal, or losing a great deal of time in thinking what particular men he will put in in 1917 to take the places of these men? I assure him he will not have to worry a great deal. [Laughter.]

Mr. BENNET. I do not worry. It is all over. [Laughter.]

Mr. HUMPHREY of Washington. There are none of us worrying about it over here. [Laughter.]

The CHAIRMAN. Without objection, the amendment of the gentleman from New York will be withdrawn.

There was no objection.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. COOPER of Wisconsin. Mr. Chairman, after listening to the gentleman from Kentucky [Mr. THOMAS] speak in favor of the principle of the old spoils system, and, in effect, advocate its restoration in the civil service of the Government, I desire to call his attention, and the attention of other gentlemen in the House who may be similarly minded, to what was said concerning that system by eminent statesmen, Democrats and Republicans, who were familiar with its actual workings. I will read from the CONGRESSIONAL RECORD, Fifty-eighth Congress, second session, volume 38, part 1, pages 724 and 725. A distinguished Democrat, Senator Bayard, of Delaware, is quoted as saying:

No man obtained an office except he was a violent partisan, and the office was given to him as a reward for party services; and so things went on until the offices generally were filled under that system, which

was false and dangerous in the extreme—a system which, as my friend from Ohio said, is absolutely fatal to the integrity of republican institutions, I care not what party or under what name it may be organized and carried on.

Another equally distinguished Democrat, Senator Vest, of Missouri, said on the floor of the Senate:

When I entered the Senate I became chairman of the Committee to Examine the Several Branches of the Civil Service, and for two years I was engaged with the rest of that committee in taking testimony upon the subject of civil-service reform. That very great evils exist there can be no sort of question—evils so monstrous, so deadly in their effects, that men of all political parties have come to the conclusion that some remedy must be applied.

A great Republican, President Grant, speaking of the evils of the spoils system, said in 1870 in a message to Congress:

There is no duty which so much embarrasses the Executive and heads of departments as that of appointment, nor is there any such thankless labor imposed on Senators and Representatives as that of finding places for constituents.

I ask the attention of the gentleman from Kentucky, although he seems to have gone from the House—I hope that he will read this—to what President Grant further said in the same message concerning the system which Senator Vest and Senator Bayard described as corrupt and corrupting:

The present system does not secure the best men, and often not even fit men, for the public places. The elevation and purification of the civil service of the Government will be hailed with approval by the whole people of the United States.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Illinois?

Mr. COOPER of Wisconsin. I can not yield until I have read some more Republican authority. Is the gentleman a champion of that system?

Mr. SABATH. No; I am not.

Mr. COOPER of Wisconsin. Gen. Garfield declared on the floor of the House on the 4th of March, 1870:

We—

That is, Members of the Senate and the House—

We press such appointments upon the departments; we crowd the doors; we fill the corridors; Senators and Representatives throng the offices and bureaus until the public business is obstructed; the patience of officers is worn out, and sometimes, for fear of losing their places by our influence, they at last give way and appoint men, not because they are fit for their positions, but because we ask it.

In an article, published in the Atlantic Monthly Gen. Garfield said:

One-third of the working hours of Senators and Representatives is hardly sufficient to meet the demands made upon them in reference to appointments in office. * * * The present system * * * impairs the efficiency of legislators. * * * It degrades the civil service.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOPER of Wisconsin. I ask for five minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five minutes more. Is there objection?

Mr. SABATH. Reserving the right to object, Mr. Chairman, I would like to know if the gentleman will yield to me for a simple question and a short question?

Mr. COOPER of Wisconsin. Make it as short as possible.

Mr. SABATH. It will be.

Mr. COOPER of Wisconsin. I have no doubt it will be simple. [Laughter.]

Mr. HUMPHREY of Washington. Mr. Chairman, let me suggest to the gentleman from Wisconsin that we are very hungry. Will he not consent to resume to-morrow morning?

Mr. COOPER of Wisconsin. It will only take two minutes to finish.

Mr. BARNHART. I may want to reply to it.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COOPER of Wisconsin. Said Gen. Garfield:

The present system * * * impairs the efficiency of the legislators; * * * it degrades the civil service; * * * it repels from the service those high and manly qualities which are so necessary to a pure and efficient administration; and, finally, it debauches the public mind by holding up public office as the reward of mere party zeal.

To reform this service is one of the highest and most imperative duties of statesmanship.

The author of the original civil-service law was a man conversant with the outrageous practices that obtained under the old spoils system—a Democrat, Senator George H. Pendleton, from the State of Ohio. Dorman B. Eaton, a Connecticut statesman, a Democrat, was also an ardent champion of civil-service reform. The offices in the civil service of the Government belong not to Senators or Representatives in Congress but to all the people of the United States, and they ought to be filled by employees selected because of their fitness to render the people efficient service, and not merely because of their willingness to serve the Senators or Representatives who appoint them.

Mr. SABATH. Will the gentleman yield for a simple question?

Mr. COOPER of Wisconsin. I will.

Mr. SABATH. Is it not a fact that the conditions that the gentleman has quoted to us applied to, and that those horrible conditions existed only, under a Republican administration?

Mr. COOPER of Wisconsin. There is no doubt about that being a simple question, too simple for me to attempt an answer.

Mr. SABATH. If it is so simple, why does not the gentleman answer it, whether those conditions prevailed under a Republican administration or not? The answer is that they did, because the Democratic Party was not then in power, and had been out of power for many years, and therefore those conditions must have applied to the system that prevailed under a Republican administration.

Mr. COOPER of Wisconsin. When Daniel Webster and John C. Calhoun, two of this country's most illustrious statesmen, were in Congress, before the Republican Party was born, they united in a report declaring that the spoils system if allowed to continue, would surely become a source of great danger to the Nation. The originator, the father, of the spoils system in the civil service of the Government was a Democrat, President Andrew Jackson. After him it existed under all administrations until the enactment of the civil-service law.

Mr. ALEXANDER. Will the gentleman yield to me now?

Mr. COOPER of Wisconsin. I yield to the gentleman from Missouri.

Mr. ALEXANDER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes, and had come to no resolution thereon.

### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the reports of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the following titles:

H. R. 12027. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. R. 12843. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

### LEAVE OF ABSENCE.

The SPEAKER. About a week ago the gentleman from Pennsylvania [Mr. CASEY] telegraphed me that he wanted leave of absence on account of a death in his family. I lost the telegram, and I now ask that he have leave of absence to date back one week. That will put him right on the record. If there is no objection it will be so ordered.

There was no objection.

### LEAVE TO EXTEND REMARKS.

Mr. FESS. Mr. Speaker, I ask unanimous consent to print in the RECORD in extension of my remarks a statement of the National Trade Council upon foreign trade.

The SPEAKER. The gentleman from Ohio asks to print in the RECORD as a part of his remarks a report of the National Trade Council. Is there objection?

Mr. BARNHART. Reserving the right to object, I should like to inquire how long it is.

Mr. FESS. Very brief.

Mr. BARNHART. There were 46 pages of the RECORD taken yesterday by one Member of Congress.

Mr. MANN. Yes; putting into the RECORD a report made by another Member, to whom credit was not given.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection?

Mr. JAMES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of pensions.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD on the subject of pensions. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Friday, May 19, 1916, at 11 o'clock a. m.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. TAYLOR of Colorado, from the Committee on the Public Lands, to which was referred the bill (H. R. 217) to authorize the sale of school property in the city of Denver, Colo., and for other purposes, reported the same with amendment, accompanied by a report (No. 713), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. BLACK, from the Committee on the Post Office and Post Roads, to which was referred the joint resolution (H. J. Res. 193) authorizing the Postmaster General to provide the postmaster of Newark, N. J., with a special canceling die for the Newark two hundred and fiftieth anniversary celebration, reported the same without amendment, accompanied by a report (No. 714), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the joint resolution (H. J. Res. 203) authorizing the Postmaster General to provide the postmaster of Southbridge, Mass., with a special canceling die for the Southbridge one hundredth anniversary celebration, reported the same without amendment, accompanied by a report (No. 715), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MORGAN of Oklahoma, from the Committee on the Judiciary, to which was referred the bill (H. R. 14471) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," reported the same without amendment, accompanied by a report (No. 716), which said bill and report were referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. POU, from the Committee on Claims, to which was referred the bill (H. R. 11584) for the relief of D. B. Barbour and A. P. Gladden, copartners doing business under the firm name of Brown, Barbour & Gladden, reported the same with amendment, accompanied by a report (No. 717), which said bill and report were referred to the Private Calendar.

Mr. SWIFT, from the Committee on Claims, to which was referred the bill (H. R. 4537) for the relief of the P. J. Carlin Construction Co., reported the same with amendment, accompanied by a report (No. 718), which said bill and report were referred to the Private Calendar.

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 12463) for the relief of Meredith G. Corlett, a citizen and resident of Williamson County, Tenn., reported the same without amendment, accompanied by a report (No. 728), which said bill and report were referred to the Private Calendar.

Mr. CAPSTICK, from the Committee on Claims, to which was referred the bill (H. R. 10931) for the relief of Blair and Blake, reported the same with amendment, accompanied by a report (No. 729), which said bill and report were referred to the Private Calendar.

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (H. R. 1777) for the relief of Frank J. Deutsch, reported the same with amendment, accompanied by a report (No. 730), which said bill and report were referred to the Private Calendar.

## ADVERSE REPORTS.

Under clause 2 of Rule XIII, adverse reports were delivered to the Clerk and laid on the table, as follows:

Mr. CAPSTICK, from the Committee on Claims, to which was referred the bill (H. R. 12244) for the relief of the D. B. Martin Co., of Philadelphia, Pa., reported the same adversely, accompanied by a report (No. 724), which said bill and report were laid on the table.

Mr. PRICE, from the Committee on Claims, to which was referred the bill (H. R. 9398) to carry out the findings of the Court of Claims in the case of Velma C. Williams, administratrix of the estate of Paul Curtis, reported the same adversely, accompanied by a report (No. 726), which said bill and report were laid on the table.

He also, from the same committee, to which was referred the bill (H. R. 9296) for the relief of Walter W. Parker for overtime work in the Navy Department, reported the same adversely, accompanied by a report (No. 725), which said bill and report were laid on the table.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 15658) granting a pension to Ellen Merritt, and the same was referred to the Committee on Invalid Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. PAGE of North Carolina [from the Committee on Appropriations]: A bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. RAUCH [from the Committee on Appropriations]: A bill (H. R. 15775) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1917, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. RICKETTS: A bill (H. R. 15776) to authorize the acquisition of a site and the erection of a Federal building at Circleville, Pickaway County, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. KALANIANAOLE: A bill (H. R. 15777) to authorize and provide for the manufacture, maintenance, distribution, and supply of gas in the district of South Hilo, county of Hawaii, Territory of Hawaii; to the Committee on the Territories.

By Mr. CARY: A bill (H. R. 15778) to amend the law relating to national homes; to the Committee on Military Affairs.

By Mr. PAGE of North Carolina: Resolution (H. Res. 240) making in order certain provisions carried in the bill (H. R. 15774), making appropriations for the expenses of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes; to the Committee on Rules.

By Mr. O'SHAUNESSY: Joint resolution (H. J. Res. 225) increasing the compensation of the Capitol police; to the Committee on Accounts.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and a resolution were introduced and severally referred as follows:

By Mr. BAILEY: A bill (H. R. 15779) granting an increase of pension to David S. Griffith; to the Committee on Invalid Pensions.

By Mr. BROWNING: A bill (H. R. 15780) granting an increase of pension to Emily E. Smith; to the Committee on Invalid Pensions.

By Mr. COPLEY: A bill (H. R. 15781) granting a pension to Delphene E. Bird; to the Committee on Invalid Pensions.

By Mr. GUERNSEY: A bill (H. R. 15782) granting an increase of pension to Catherine Green; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 15783) granting a pension to William H. Schucraft; to the Committee on Pensions.

Also, a bill (H. R. 15784) granting an increase of pension to Jacob Bruno; to the Committee on Pensions.

By Mr. KELLEY: A bill (H. R. 15785) granting an increase of pension to Emeline E. Himes; to the Committee on Invalid Pensions.

By Mr. LAFEAN: A bill (H. R. 15786) granting an increase of pension to Martin Buehler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15787) granting an increase of pension to G. W. Coble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15788) granting an increase of pension to Mary C. G. Schwartz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15789) granting an increase of pension to Charlotte H. Moore; to the Committee on Invalid Pensions.

By Mr. McKINLEY: A bill (H. R. 15790) granting a pension to Mrs. Adeline L. Black; to the Committee on Invalid Pensions.

By Mr. MATTHEWS: A bill (H. R. 15791) granting a pension to Herman H. Jahn, alias Herman Martin; to the Committee on Pensions.

Also, a bill (H. R. 15792) for the relief of George Andrews; to the Committee on Military Affairs.

By Mr. MORRISON: A bill (H. R. 15793) granting a pension to Mary T. Shepherd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15794) granting an increase of pension to Savannah Ward; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 15795) granting an increase of pension to Alice M. Hays; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 15796) granting an increase of pension to Isaac W. Nutting; to the Committee on Military Affairs.

By Mr. ROWE: A bill (H. R. 15797) for the relief of Charles L. Schroeder; to the Committee on Claims.

By Mr. SMITH of Michigan: A bill (H. R. 15798) granting an increase of pension to Sidney W. Davy; to the Committee on Invalid Pensions.

By Mr. STEELE of Pennsylvania: A bill (H. R. 15799) to reinstate Paul D. Kern as a cadet at United States Military Academy; to the Committee on Military Affairs.

By Mr. SUTHERLAND: A bill (H. R. 15800) granting an increase of pension to Nelson B. Miller; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 15801) granting an increase of pension to David F. Moulder; to the Committee on Pensions.

Also, a bill (H. R. 15802) granting a pension to Barbara Whitney; to the Committee on Invalid Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 15803) granting an increase of pension to Azor M. Nixon; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: Resolution (H. Res. 241) authorizing the payment of $1,200 to William McKinley Cobb for extra and expert services rendered to the Committee on Pensions during the first session of the Sixty-fourth Congress; to the Committee on Accounts.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of sundry citizens of the United States, relative to shipment of Red Cross supplies; to the Committee on Foreign Affairs.

Also (by request), petition of Missouri State Dairy Association, relative to dairy conditions in State of Missouri; to the Committee on Agriculture.

Also (by request), memorial of trustees of Trinity Lutheran Church, of Long Island City, N. Y., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. ASHBROOK: Evidence to accompany House bill 15685, for the relief of Mary A. Nichols; to the Committee on Invalid Pensions.

By Mr. BAILEY: Petition of Local Unions Nos. 1294 and 472, United Mine Workers of America, favoring inspection of dairies, etc.; to the Committee on Agriculture.

By Mr. CAREW: Petition of citizens' peace committee, in re arbitration of international disputes; to the Committee on Foreign Affairs.

By Mr. CHARLES: Petition of various residents of Schenectady, N. Y., against the enactment of legislation excluding certain publications from the mails; to the Committee on the Post Office and Post Roads.

By Mr. COPLEY: Communication from Merchants' Association of New York City, protesting against the passage of House bill 11621 and Senate bill 4897; to the Committee on the Post Office and Post Roads.

Also, memorial of the Lutheran Ministers' Association of Northern Illinois, protesting against the blockade which prevents the shipment to the central powers of recognized noncontraband articles of war; to the Committee on Foreign Affairs.

Also, memorial of Commercial Club of St. Marys, Ohio, protesting against the plan of space payment for mail cars; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Petition of Gadsden (Ala.) Chamber of Commerce, favoring passage of the Shields water-power bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of women voters of Yuma County and Lincoln County Branch of Congressional Union, Arizona, favoring woman-suffrage amendment; to the Committee on the Judiciary.

Also, petition of J. G. White & Co., of New York City, favoring preparedness; to the Committee on Military Affairs.

Also, petition of Kate E. Jacobson, of Hackensack, N. J., relative to House bill 1092, for probation for prisoners; to the Committee on War Claims.

By Mr. DILLON: Petition of Gadsden (Ala.) Chamber of Commerce, favoring Shields water-power bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of second convention of Mental Hygiene Societies of the United States, favoring a bill for division of mental hygiene in United States Public Health Service; to the Committee on Interstate and Foreign Commerce.

By Mr. DOOLING: Petition of automobile manufacturers, protesting against passage of Tavenner bill; to the Committee on Labor.

By Mr. FULLER: Petition of sundry citizens of Earlville, Ill., favoring a tax on mail-order houses; to the Committee on Ways and Means.

Also, petition of Scandinavian Lodge, No. 6, International Order of Good Templars, of Rockford, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GALLIVAN: Memorial of Gadsden Chamber of Commerce, of Gadsden, Ala., in re water-power development; to the Committee on the Public Lands.

Also, petition of National Automobile Chamber of Commerce, against bills to prohibit the Taylor system in Government shops; to the Committee on Labor.

By Mr. KENNEDY of Rhode Island: Petition of E. C. McVickar and others, against House bill 108 and Senate bills 3904 and 4452, relative to advantages of the Indians; to the Committee on Indian Affairs.

By Mr. LINTHICUM: Petition of American Association of Masters, Mates, and Pilots, Rescue Harbor, No. 14, Baltimore, Md., favoring House bill 449, for increasing number of inspectors; to the Committee on the Merchant Marine and Fisheries.

By Mr. LONDON: Petition of 12 citizens of Los Angeles, Cal., favoring the adoption of legislation providing that those who make war shall do all the fighting; to the Committee on Military Affairs.

By Mr. LOUD: Petition of H. A. Brewer and Methodist Episcopal Church, of Prescott, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MATTHEWS: Papers to accompany House bill 15699, to grant a pension to Sarah A. Christy; to the Committee on Invalid Pensions.

By Mr. NOLAN: Memorial of Old Dominion Citizens' Association, favoring the passage of the Nolan minimum-wage bill (H. R. 11876); to the Committee on Labor.

Also, petition of W. R. Bunch, of San Francisco, Cal., showing that the classified laborers in the customs service are required to work overtime at night without compensation; to the Committee on Labor.

Also, memorial of San Francisco Labor Council, favoring the peaceful settlement of all international disputes; to the Committee on Foreign Affairs.

By Mr. ROBERTS of Nevada: Petition of Woman's Christian Temperance Union of Reno, Nev., favoring prohibition in Porto Rico; to the Committee on Insular Affairs.

By Mr. ROWE: Petition of sundry American citizens against war with Germany; to the Committee on Foreign Affairs.

Also, memorial of Chase, Roberts & Co., of Long Island City, N. Y., in re House bill 8665; to the Committee on Labor.

Also, petition of H. S. Brancher, of Richmond Hill, N. Y; to the Committee on the Judiciary.

Also, memorial of New York Academy of Medicine, in re Army bill; to the Committee on Military Affairs.

By Mr. SCULLY: Petition of Southern Hardware Jobbers' Association, favoring legislation for prevention of floods; to the Committee on Rivers and Harbors.

By Mr. SNYDER: Petitions of various religious societies of Clinton, N. Y., against export of liquor to Africa; to the Committee on Alcoholic Liquor Traffic.

By Mr. TEMPLE: Petition of the Woman's Home and Foreign Missionary Society of Mount Prospect Church, presbytery of Washington, Pa., to prohibit the importation, manufacture, and sale of intoxicating liquors in the island of Porto Rico; to the Committee on Insular Affairs.

Also, petition of the Mahoningtown Presbyterian Church, asking for the antipolygamy amendment to the United States Constitution; to the Committee on the Judiciary.